Health Services Cost Containment

2012 Annual Report to the Legislature

As required by Third Engrossed Substitute House Bill 2127

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This report to the Legislature, as directed by the Third Engrossed Substitute House Bill 2127, includes information on health care costs and containment options completed by the Department of Corrections.

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Executive Summary

Washington State Department of Corrections (DOC) was directed by the Legislature to submit a report documenting and evaluating health care costs in the state prison system. The report includes a discussion of cost drivers, trends in costs over time, cost containment activities undertaken by other states and actions that Washington DOC can explore to further contain health care costs in prisons.

DOC data systems are not sophisticated enough to provide all cost information requested, but cost drivers can be identified through a combination of available data and anecdotal information. The cost of health care in prison is caused by two major functions of the system: to provide an infrastructure supporting prison institutions on a 24-hour, 7 days per week basis and to administer a health plan for offenders in the system. The first function drives on-going semi-fixed health care costs that change only with large changes in prison populations. The second function varies with the number of high-cost offenders in prison; the population of aged, infirm and ill offenders is growing.

Cost containment strategies have been put in place by DOC over the last several years including expanding Medicaid eligibility processes for services provided to offenders. Additional measures are being analyzed and may generate savings in the system upon successful implementation.

Legislative Mandate

In the 2012 Legislative session the Biennial Budget (3ESHB 2127) mandated that the DOC submit a report that evaluates the source of health care costs in Washington State Correctional Institutions. The budget bill identified requirements for the study in section 220(2)(h):

> *By December 1, 2012, the department shall provide to the legislative fiscal committees a report that evaluates health care expenditures in Washington state correctional institutions and makes recommendations for controlling health care costs. The report shall evaluate the source of health care costs, including offender health issues, use of pharmaceuticals, offsite and specialist medical care, chronic disease costs, and mental health issues. The department may include information from other states on cost control in offender health care, trends in offender health care that indicate potential cost increases, and management of high-cost diagnoses*.

Health care for offenders in prison is guaranteed under the Eighth Amendment of the United States Constitution. When a felon is admitted to prison they typically have not had access to health care on a regular basis, including dental care, mental health care or prescriptions. An offender admitted to prison is much more likely to have extensive dental decay and hepatitis caused by prolonged drug abuse. Many offenders are diagnosed with serious mental illnesses including depression, schizophrenia or bipolar disorder. Older offenders typically have chronic diseases such as hypertension, diabetes, arthritis,

cancer or chronic pain. Offenders experience mental disorders arising from previous trauma or abuse; females are most likely to suffer from these conditions.

Health care in the prisons system is complex, with characteristics of both an institutional environment and a health plan environment. DOC is required to provide health care infrastructure for offenders on a 24 hour per day, 7 day per week basis. At the same time DOC must create and enforce a health benefit plan that identifies, approves and provides care for specific acute and chronic diseases. The offender population is diverse, consisting of both older and young offenders, males and females, many mentally ill and substance addicted persons as well as a generally less healthy cohort of people. These factors combine to create a system with costs that are not easily modeled and that vary in unusual ways.

The Department of Corrections Health Services has reduced expenditures by $20 Million per year since 2008 while the average daily population has increased by over 650

Overall Cost Summary

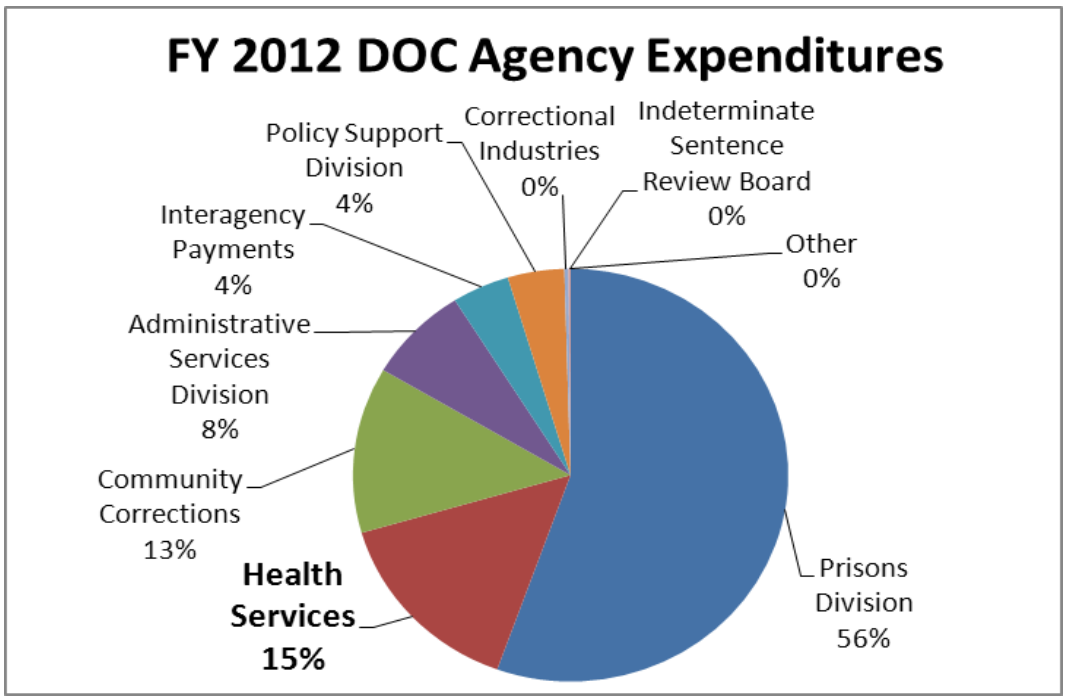
The Department has implemented several cost containment strategies both internally and through legislation to achieve the $20 Million reduction in expenditures. The following outlines the changes:

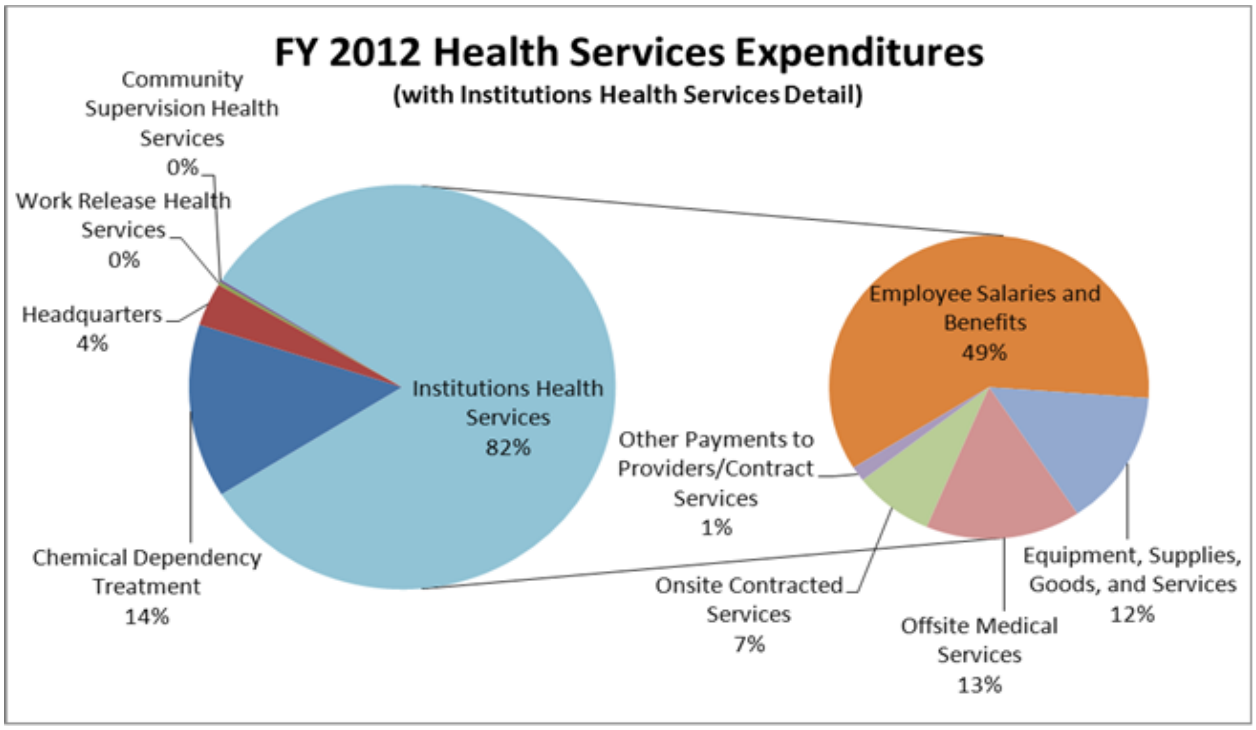
- DOC enrolls qualified offenders into the Medicaid program allowing the State to use federal funding for allowable hospital costs incurred on behalf of offenders.
- DOC is authorized to sign the Medicaid application on behalf of the offender, ensuring that every allowable claim is paid through Medicaid.
- DOC Implemented the Offender Health Plan which defines medical necessity and provides clear policy and procedures for DOC medical professionals to follow.
- Utilization Management and audits of offender health care provided in prison and by offsite vendors have been implemented
- DOC participates in the Health Care Authority (HCA) Pharmacy Consortium to take advantage of pharmaceutical purchasing power and to aggressively pursue generic brand drug pricing.
- A pharmacy formulary allowing DOC to standardize prescriptions and maximize use of low cost generic drugs was implemented.
- Payment of vendor claims through the State's Provider One Medicaid payment system provides detailed claims data for cost control.

- Passage of a state law mandating that DOC pay Medicaid rates for inpatient and outpatient hospital claims, as well as standardization of other vendor rates.

- Recruitment efforts to hire prison health services employees have drastically reduced contracting for service providers.

In Fiscal Year (FY) 2012, Health Services (including Chemical Dependency services) accounted for 15% of the agency's overall expenditures at $123,306,000. Approximately 82% of the total expenditures were paid to provide health care at institutions. See appendix, Figure A-1 (data sources listed).





Medical Cost per Offender (FY 2008 through FY 2012)

The medical cost per offender is based on the total health care costs at each DOC prison and the Rap Lincoln Work Release divided by the Average Daily Population (ADP) of each location. Even with an increasing population, since 2008 the medical cost per offender has decreased nearly 20 percent, dropping to $6,184 per offender in 2012. See appendix, Figure A-2 (data sources listed).

However, the Department continues to admit an increased number of offenders with serious and chronic medical, mental health, and dental conditions that will begin to offset savings the Department has been able to achieve. While future opportunities for savings in health services are possible, the Department has reached a stabilized level of expenditure in health care and in the future health expenditures are likely to increase concurrent with medical inflation.

Over the past four years the Department has been able to avoid requests for funding to address medical inflation that is inherent in any health care system

Differences by Location

Please see appendix, Figure A-3 for a list of each prison and the medical services provided.

To maximize efficiency DOC attempts to provide specialized, high cost

health services at specific locations. Specialized service delivery has constraints, including differing offender classification, lack of bed availability in a system with few available beds and offender needs such as programming and jobs. The increased efficiency of a center-specialized health care system is worth the difficulty of the constraints, however. Examples of specialized high cost services including kidney dialysis, blood products, and cancer treatment are identified by location below.

- The ability to provide kidney dialysis requires complex medical equipment and a contracted service provider to administer the medical treatment. It would be cost prohibitive to install this equipment at multiple sites across the state. Therefore, DOC locates all of its dialysis patients at Monroe Correctional Complex (MCC). DOC has even treated a female dialysis patient at MCC to take advantage of this efficiency.

- Hemophiliacs that require high cost blood products are also located at MCC. DOC has been able to enter into a special pricing arrangement with Puget Sound Blood Center to ensure that the lowest cost is paid for these products (known as 340b pricing).

- Intensive mental health treatments are provided in Residential Treatment Units at MCC and the Washington State Penitentiary (WSP). Other facilities provide mental health treatment but at a lower level of care.

- Medium custody offenders who require cancer treatment are generally housed at Airway Heights Corrections Center (AHCC) and Monroe Correctional Complex (MCC) to take advantage of oncology support from community providers in Spokane and the Puget Sound area.

Health care in a prison environment serves two purposes:

Provide an infrastructure for health care in an institution and provide appropriate medical care for offenders

What are the Drivers for Health Care Costs?

There are many factors that impact health care costs in a prison. Health care services are provided in an environment that is often aged, physically inefficient, and is managed according to offender movement practices designed to maximize prison security and safety.

The physical infrastructure at the major institutions continues to create challenges for health services. Age and construction materials of some of the facilities hamper space adjustments and upgrades for technologies such as electronic medical records or automated pharmacy dispensing. In most facilities there is limited waiting room, office, and treatment space which creates barriers to sufficient access for offenders.

Controlled movements are a safety and security requirement for prisons; however, limited movement reduces the hours in a day that offenders can access health care. Additionally there are constraints of

keeping certain categories of offenders separate causing access to care constraints. In prisons with multiple classifications of offenders, health care professionals must sometimes go to the residential units to provide services or it may be necessary to temporarily lock down medical units to bring high risk offenders into the medical facilities for service, thereby restricting access to care for other offenders. Physical space and movement limitations can create lack of access to health care and reduce efficiency.

The provision of medications to offenders is a complex, time consuming process in prison. Medications are provided to offenders in two main delivery processes:

- Staff take the medications to each unit and deliver them by going cell to cell. This delivery mechanism is common in the Intensive Management Units (IMUs), segregation cells, locations where offender movement creates security issues, and acute mental health units.

- Medications are administered in pill lines where offenders move to a location and medical staff hand the offender their prescriptions. In major facilities pill lines occur twice a day.

The prison system must satisfy two distinct requirements. First, health care infrastructure is needed at all major facilities at all times. Similar to a hospital or residential health care facility, a prison must be staffed to handle emergencies and routine care whenever it is needed. This requirement is present regardless of the health status of inmates. Second, prisons must be able to provide medically necessary care according to a health care plan for each patient requiring health care. Care may include onsite treatment provided by prison health services staff, offsite care provided by community providers, or hospital care provided in the community. These requirements are higher if patients have greater health care needs.

Offenders who meet the medical necessity definition and who have significant acute or chronic conditions drive the cost of health care up either through offsite care (provided in hospitals or by community providers) or through continuing procedures onsite such as dialysis or medications that may be provided by DOC medical staff. Some of the costs for high level medical care are variable, going up or down as specific offenders come into or leave the prison system. Some costs are more fixed in nature, such as the dialysis clinic which must be set up with a certain number of stations regardless of the exact number of offenders needing dialysis at any given time. As offender populations change the cost to provide medical care will vary but costs are not always attached to specific offenders.

Chronic Disease

Chronic disease is characterized by long duration and slow progression. Chronic diseases include heart disease, stroke, cancer, chronic respiratory disease and diabetes. These diseases generally cannot be cured but last for the lifetime of the patient. Treatment for a chronic disease can last for many years and tends to be a major driver of health care cost. Examples of ongoing cost include kidney dialysis, management of high blood pressure and heart disease, cancer treatments including chemotherapy and radiation, and comprehensive management of diabetes.

To date, there have not been specific protocols for most long term or chronic care. DOC does have a detailed protocol for management of hepatitis C, an important chronic disease in the prison population the treatment of which is very expensive. DOC also has an infectious disease specialist who personally oversees care for all incarcerated offenders with HIV. Through the Coordinated Quality Improvement Program (CQIP) DOC is developing chronic care models for Hypertension, Cancer Screening, and monitoring and management of side effects of Antipsychotic medications. Through these models DOC will be able to monitor the benefits and costs of chronic care management. It is expected that while the cost of care may not decrease the efficiency and effectiveness of care will increase. Once these chronic care models have been implemented, it is anticipated that others, such as for management of diabetes, chronic pain, and depression are likely to be developed and implemented.

Offenders who are receiving high levels of care, have chronic diseases, or who have several significant issues can be identified but the actual cost of care

During FY 2012 the top five chronic care areas were:

1. Mental Illness
2. Diabetes
3. Musculoskeletal (Disorders of the bones, joints, muscles, and connective tissues)
4. Hypertension (High Blood Pressure)
5. Hepatitis, Viral

Mental Health Needs

Offenders suffer from serious mental illness (SMI) at a higher rate than the general population. Offenders often lack treatment for their mental health issues prior to incarceration; often an uncontrolled SMI leads to the offender's sentence and prison stay. Mental illness drives ongoing costs in prisons through the need for medications, psychological treatment and psychiatric care. Mental illness is commonly complicated by concomitant substance use disorder and chronic medical illness. The incidence of mental illness is high enough that every major prison facility in the state must maintain a mental health treatment staff. The most seriously mentally ill can be housed at specialized facilities, allowing a portion of mental health staff to be clustered at those prisons. Each SMI offender has unique needs, requiring ongoing care and monitoring by clinicians at a rich level of staffing. Medications to treat mental illness are necessary for the length of the offender's incarceration, generating significant ongoing costs. Transitioning the SMI population out of prison upon release is a necessary cost to give mentally ill offenders the best chance for success in the community. Transition requires clinical support upon release, connection with a community provider and enrollment in a health plan that provides adequate mental health benefits.

Aging, End of life Issues

Elderly and infirm offenders are a challenge for the prison system. Appropriate ongoing care and housing is needed for this population requiring resources above and beyond what is typically available in the prison general population setting. The Department is preparing a report to the Legislature on release options for Aged and Infirmed offenders. This report identifies over 700 offenders (about 4.1% of the prison population) that are over the age of 60 or who have a chronic medical condition requiring assistance. Some of these offenders are extremely vulnerable in general population due to their condition. Specialized housing should ideally be designed to efficiently meet special healthcare needs and also requires sufficient programming resources for older, infirm offenders. Housing must be convenient to hospital resources due to this population's ongoing need for hospital care. Current specialized housing for these offenders is only at a minimum custody unit at Coyote Ridge Corrections Center (CRCC). As this population grows specialized housing (assisted living and nursing care) will increasingly be necessary at medium custody levels.

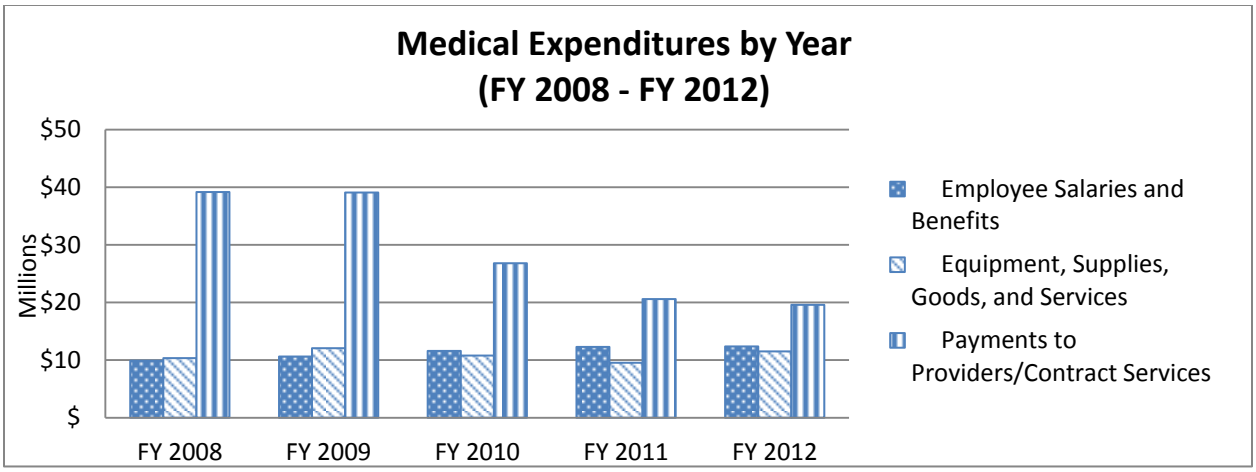
Data Limitations

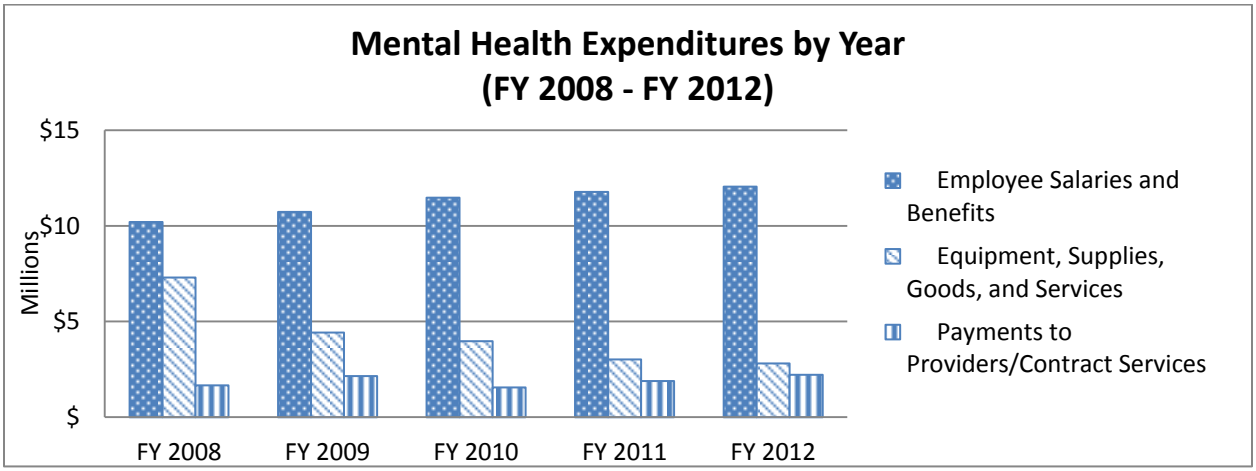
The Department of Corrections (DOC) medical data collection systems do not allow for identification of some items mandated in the Legislative study. Collection of offender specific medical encounter data is not complete at DOC today, although improvements to data collection have been made over the past few years. Medical information systems have been recently implemented including a medical encounter system and electronic adjudication and payment of claims for offsite medical care. DOC does not have Electronic Medical Records (EMR) or pharmaceutical technology to allow identification of medical costs by offender.

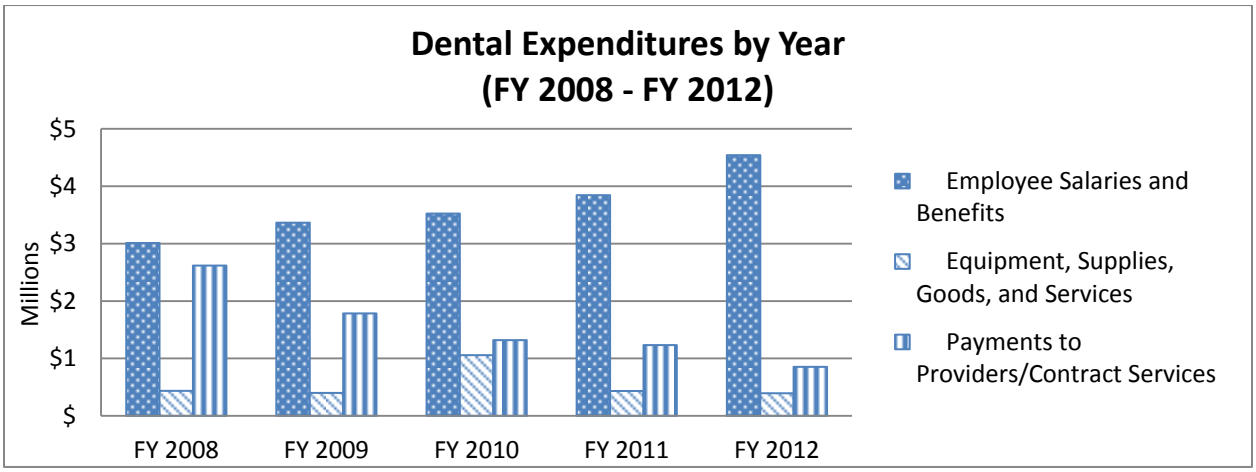
Due to these limitations, DOC cannot identify the specific cost of health care for each offender. Similarly, DOC cannot definitively say which medical conditions are the most expensive to treat. High cost conditions can be anecdotally identified and significant cost drivers discussed but the actual cost of each condition is not identifiable with current data sets. Complete data will only be available with implementation of an EMR. With an EMR more complete data would be available on medical conditions, diagnoses, historical treatment and demographics.

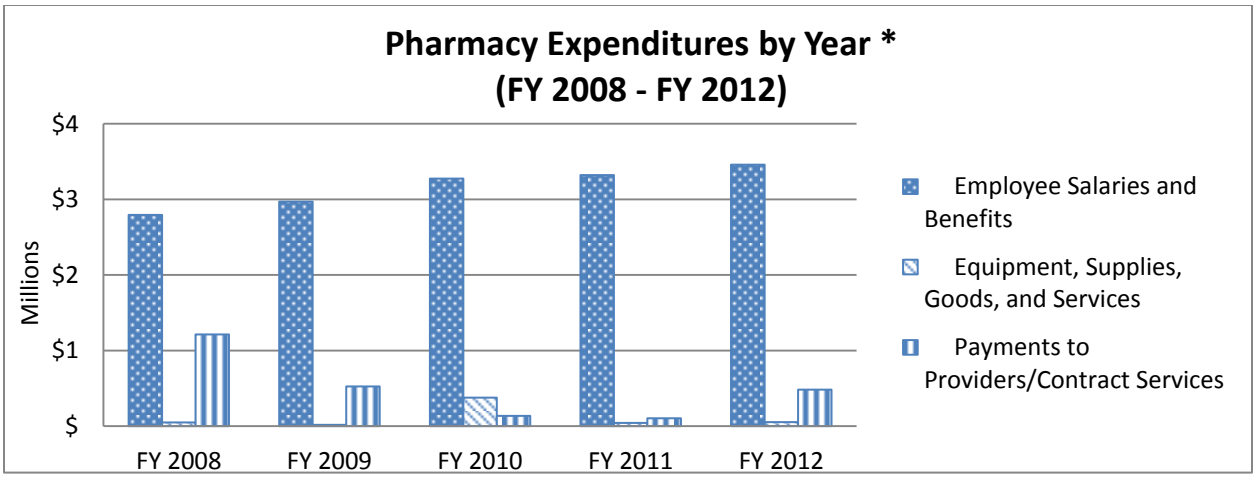
Cost Categories by Type of Care

The Department's health care expenditures are comprised of five major categories: medical, mental health, dental, pharmacy (excluding prescription drugs), and nursing. The top expenditures result from contracted services, employee salaries, and pharmaceuticals. Pharmaceuticals are included in equipment, supplies, goods, and services. Mental health medications are included in Mental Health, all other medications are included in Medical.
See appendix, Figure A-4 (data sources listed).

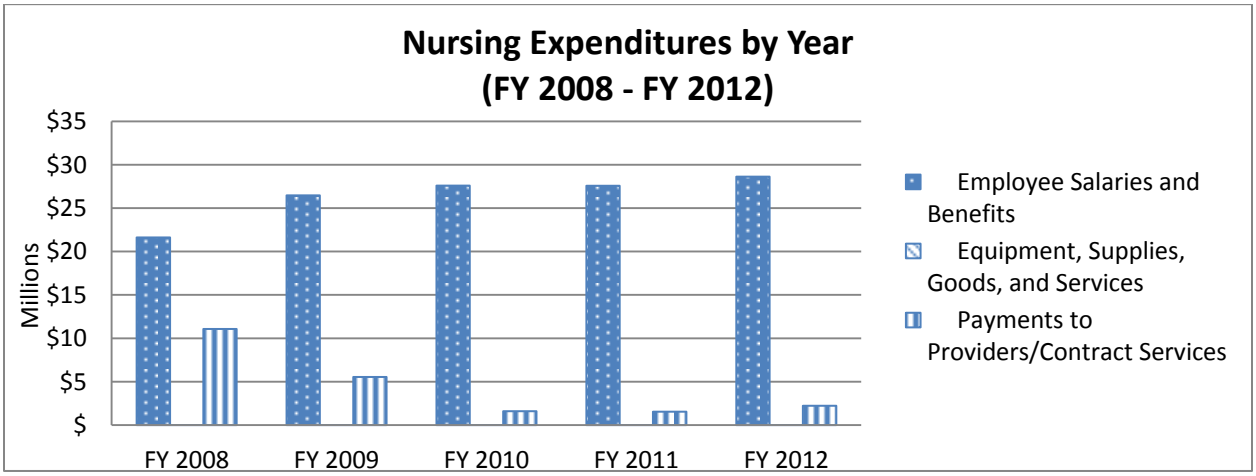

Medical Expenditures by Year
(FY 2008 - FY 2012)
$50
$40
$30
$20
$10
$
Millions
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
Employee Salaries and Benefits
Equipment, Supplies, Goods, and Services
Payments to Providers/Contract Services


Mental Health Expenditures by Year
(FY 2008 - FY 2012)
$15
$10
$5
$
Millions
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
Employee Salaries and Benefits
Equipment, Supplies, Goods, and Services
Payments to Providers/Contract Services


Dental Expenditures by Year
(FY 2008 - FY 2012)
$5
$4
$3
$2
$1
$
Millions
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
Employee Salaries and Benefits
Equipment, Supplies, Goods, and Services
Payments to Providers/Contract Services



- **Note: Pharmacy does not include prescription drug expenditures; those are included in medical and mental health.**



Use of Pharmaceuticals

In FY 2012 the total cost for prescription and non-prescription drugs totaled just over $10 million. The Department has decreased pharmaceutical spending more than $4 million in the past five years in large part due to the use of generic rather than name brand drugs, development of standard drug treatment algorithms for mental illness, and diligent application of the DOC formulary.

The top medical drug by cost to the agency in FY 2012 was Pegasys at $884,000. This drug is an antiviral used for Hepatitis C. The top mental health drug by cost to the agency in FY 2012 was Geodon at $547,500. This is anti-psychotic medication. The top drug based on number of prescription fills in FY 2012 was Advil/Motrin with 21,300 fills. See appendix, Figure A-5 (data sources listed) for a detailed listing of top ten medical and mental health drugs by cost and the top ten drugs by fill frequency.

Medical Care Costs

The Department employs medical providers where possible and contracts for services when unable to hire due to low salaries or geographic limitations or if specialty providers are needed such as cardiologists, surgeons, or oncologists. The Department provides criteria for medically necessary health care in the Offender Health Plan (OHP) that applies to care provided by DOC healthcare providers onsite and specialty providers offsite. The OHP further outlines authorization processes to ensure that all care provided is medically necessary.

Costs for Offsite Services

DOC costs for offsite services include acute situations requiring hospital emergency services, admission to hospitals, and outpatient specialty services such as cancer care, cardiology services, and surgical services. The Department due to the limited data is unable to provide all expenditures by category of offsite service. The Department is able to group the expenditures to the following categories over the last five years:

Dollars in Thousands		**Total Offsite Expenditures by Fiscal Year**				
Venue	**Specialty Groupings**	**2008**	**2009**	**2010**	**2011**	**2012**
Offsite	Hospital Facility Fees	$20,258	$22,743	$14,801	$11,139	$10,722
	Specialists	$5,007	$4,127	$2,228	$1,460	$1,272
	Radiology/Imaging	$1,970	$2,014	$1,592	$1,417	$1,171
	Prof Svcs-Hospital	$1,200	$882	$611	$575	$1,005
	Oncology	$1,143	$677	$856	$830	$826
	Medical Transport	$922	$758	$332	$459	$515
	Dental	$1,094	$296	$372	$362	$320
	Medical Equipment	$84	$85	$29	$2	$84
Offsite Total		**$31,678**	**$31,583**	**$20,820**	**$16,243**	**$15,916**

Please see appendix, Figure A-6 (data sources listed) for additional breakouts on specialists.

Costs for Onsite Services

DOC costs for onsite services include optometry, radiology, specialty physicians, and laboratory services. Due to limited data the Department is unable to provide expenditures in every category of onsite service. The Department is able to group the expenditures to the following categories over the last five years:

Dollars in Thousands		Total Onsite Expenditures by Fiscal Year				
Venue	**Specialty Groupings**	**2008**	**2009**	**2010**	**2011**	**2012**
Onsite	Nursing	$10,931	$5,554	$1,618	$1,543	$2,222
	Mental Health	$1,528	$1,789	$1,473	$1,635	$1,795
	Primary Care Physician	$2,705	$2,519	$1,560	$1,122	$1,108
	Physician Extenders	$1,157	$1,970	$1,352	$983	$923
	Specialists	$1,975	$1,738	$1,508	$1,121	$867
	Dental	$1,918	$1,578	$1,008	$922	$574
	Pharmacy	$1,804	$665	$136	$105	$484
	Radiology/Imaging	$361	$158	$376	$304	$255
	Medical Equipment	$136	$45	$42	$1	$4
	Pathology/Laboratory	$2	$1	$	$	$
Onsite Total		**$22,517**	**$16,017**	**$9,073**	**$7,736**	**$8,232**

Please see appendix, Figure A-6 (data sources listed) for additional breakouts on specialists.

What Have Other States Done to Contain Health Care Costs?

The Department of Corrections has reviewed cost savings measures implemented in prison systems in other states. Strategies that states are implementing are listed below along with the status of similar efforts in Washington State.

- Electronic Medical Records (EMR) have been or are being implemented in about half of state prison systems. EMR technology accessible by all facilities within a system assists in continuity of care between facilities and avoids duplication of medical interventions such as x-rays and lab tests that don't get transferred with the offender in a paper medical record. Washington State Department of Corrections is currently assessing the feasibility and implementation requirements of an EMR.

- Medicaid applications for qualified offenders are being submitted by many prison systems. Washington Department of Corrections began applying for Medicaid for qualified offenders in January 2009. The State was one of the first to systematically implement Medicaid enrollment for offenders.

- Implementation of a formulary to control medication costs is common in most states. The Washington State Department of Corrections implemented a formulary for prescription medications in January 2006. In Washington the Department of Corrections formulary has been adopted by many county and city jails.

- Centralization or regionalization of pharmacy services with or without automation has been implemented in many states. Benefits of a centralized pharmacy structure with automation include more efficient pharmacy staffing for the prisons system and a reduction in pharmaceutical waste. The Washington Department of Corrections is assessing the feasibility and implementation requirements of a centralized, automated pharmacy system.

- Centralization or regionalization of medical supply and equipment purchasing has been adopted by some states. Benefits of standardized supplies and equipment purchasing include savings through bulk purchasing and a reduction in waste. The Washington Department of Corrections is currently not centralized or regionalized for this function.

- Hiring/training of lower level clinical staff to assist with medical tasks as delegated by physicians or supervising nursing staff (Medical Assistants or Certified Nurse Aides) is common in many states. The Washington Department of Corrections has utilized Medical Assistants and Nursing Aides where appropriate to provide statutorily required health care without adversely impacting patient care.

- Some states have created centralized or regionalized medical care centers of excellence. Centers of excellence requires categorizing facilities or units as to the level and/or types of care to be provided and placing offenders in these facilities based on medical needs. Washington DOC currently has two men's facilities (MCC and WSP) that provide higher-level mental health care and one facility (MCC) that provides chronic renal dialysis. MCC tends to accumulate complex medical patients that require tertiary-level care through the health care systems in the Seattle area. Otherwise there is limited centralization of specialized care at any one DOC prison facility. Patients may be transferred between Washington DOC facilities for purposes of obtaining healthcare services that are more readily available at some facilities or their surrounding communities than at others. .

- Many states have policies in place for geriatric and/or medical release or parole. The number of offenders released through these programs is low, however, due to public safety concerns. Washington State currently has a narrowly written law allowing release (known as Extraordinary Medical Placement) but few releases are made under the law due to a requirement for "physical incapacitation" before release and because of public safety considerations.

Cost Containment Options

Implement Affordable Care Act (ACA)

Washington State will be able to utilize Medicaid funding under the ACA for almost all inpatient hospital stays incurred by offenders. Current Medicaid rules require that enrollees be low income and eligible under an allowable category (generally aged, blind, disabled, children or families). Offenders often are eligible as aged, blind or disabled persons but a certain percentage do not qualify for Medicaid under current rules. Under the ACA, almost all offenders will be eligible for Medicaid because most offenders have low incomes. Estimates of savings for DOC under the ACA total $436,000 in 2014 and will reach $872,000 per year when fully implemented in 2015.

Further Improve Technology

DOC continues to research cost effective technology to support health services. DOC is currently reviewing the feasibility of an Electronic Medical Records System (EMR). The technology would not only streamline the access to care that offenders receive but would also provide better data for DOC providers to make informed decisions. An EMR system will facilitate continuity of care into the community and possibly with local jails. In order for an EMR system to be implemented, the Department will create a plan for implementation to be submitted to OFM, the OCIO, and the Legislature.

DOC is looking into the feasibility of technology in pharmacies that utilizes machines to count, package, and manage offender prescriptions. The pharmacy technology is being implemented by several states as not only a cost containment strategy but as a way to reduce pharmacy waste and errors in pill dispensing.

Examine Structures that are More Efficient

Health Services continues to pursue efficiencies in its service delivery. Currently DOC is reviewing the option of centralizing pharmacy operations to two locations, on the East and West sides of the state. DOC believes it can reach greater efficiencies by centralizing the operations and creating streamlined processes to deliver offender medications.

The Department continues to see an increase in the severity of dental disease of offenders admitted to prison. These dental issues need to be addressed at reception or at a medium custody facility prior to an offender being placed in a minimum custody setting where there is very limited dental coverage. Therefore, the Department is looking at the feasibility of providing enhanced dental services at either the male reception center or at certain medium facilities. This will allow the system to more quickly and efficiently address these offenders' pressing dental issues thus allowing them to be placed in minimum custody much quicker.

Health Services is looking at how certain frail or elderly offenders can be housed in specialized facilities staffed to care for the elderly and infirm. This continues to be a challenge for our elderly and infirm population as they advance in the final stages of their lives.

DOC has begun to implement prevention-based activities through a chronic care registry and treatment program. Chronic conditions are best managed through regular monitoring, treatment and care protocols. DOC has identified three chronic conditions that will be best managed through an ongoing program; the three conditions are cancer screening, hypertension and mental health medication use. The chronic care program is being implemented within existing resources at a pace that ensures a benefit to the DOC health care system. Pilot projects have been started with expansion across the system scheduled over the next year.

DOC uses LEAN principles to examine and improve health care processes and structures. The agency has learned from the successes experienced at Virginia Mason and at Children's Hospital in Seattle, especially information tracking and reporting and team based approaches to health care improvement. DOC works with other state prison systems to identify cost containment strategies that will work in Washington State.

Pay Providers a Wage that will negate any need for Contractors and Stabilize Workforce

DOC has been able to contain costs by eliminating contract staff at institutions and instead hire state staff. The cost of contractor staff is higher than state staff with the difference in cost varying according to the type of position. The cost of a contract psychiatrist can be more than twice the cost of a staff psychiatrist. The cost of a contract nurse may be one-third higher than the cost of a staff nurse.

Hiring certain types of clinicians has been difficult for DOC. In the mental health field psychiatrists and psychologists are in high demand due to the armed forces focus on treatment of battlefield mental illness. Psychiatrists are paid at a low level in state service; this classification is paid less than other physicians even though both professions are trained and practice at the doctorate level. Similarly, physician's assistants and advanced registered nurse practitioners are in high demand in military and private clinics. State employees in these classifications are paid less than their counterparts in other settings and the state cannot offer signing bonuses or other incentives to accept a position. Further, correctional institutions were able to offer loan repayment scholarship assistance through a federal National Health Scholar Corps program prior to 2012 but changes in the rules of the program have essentially eliminated the agency's access to loan repayment and scholarship funds for clinicians on staff.

If clinical positions cannot be filled with state staff, DOC still must provide care to offenders and is forced to contract with agencies or practitioners for the care. DOC continues to creatively recruit for clinicians but without a competitive pay package the agency may be forced to spend more on contractors than a pay increase would cost.

Appendix

DOC Health Care Costs

Figure A-1 FY 2012 Agency and Health Care Expenditures

Dollars in Thousands

Division	FY 2012 DOC Agency Expenditures
Prisons Division	$455,688
Health Services	**$123,306**
Community Corrections	$106,827
Administrative Services Division	$62,309
Interagency Payments	$34,950
Policy Support Division	$34,569
Correctional Industries	$2,494
Indeterminate Sentence Review Board	$1,231
Other	$3
Grand Total	**$821,375**

Health Services Unit	FY 2012 Health Care Expenditures
Institutions Health Services	$101,357
• *Employee Salaries and Benefits*	*$60,854*
• *Equipment, Supplies, Goods, and Services*	*$14,741*
• *Offsite Medical Services*	*$15,916*
• *Onsite Contracted Services*	*$8,232*
• *Other Payments to Providers/Contract Services*	*$1,615*
Chemical Dependency Treatment	$17,150
Headquarters	$4,255
Work Release Health Services	$305
Community Supervision Health Services	$239
Grand Total	**$123,306**

Data Source: Agency Financial Reporting System (AFRS)

Figure A-2 Cost per Offender (FY 2008 through FY 2012)

Dollars in Thousands

	FY08		
Health Care Expenditures	Cost per Offender	Expenditures	ADP
Agency Total	**$ 7,728**	**$ 121,433,386**	**15,714**
Airway Heights Corrections Center	$ 6,609	$ 13,827,645	2,092
Clallam Bay Corrections Center	$ 3,560	$ 3,153,624	886
Cedar Creek Corrections Center	$ 1,234	$ 495,565	401
Coyote Ridge Corrections Center	$ 2,419	$ 1,481,564	612
Larch Corrections Center	$ 1,709	$ 713,128	417
Monroe Correctional Complex	$ 13,067	$ 32,228,735	2,467
Mission Creek Corrections Center for Women	$ 6,341	$ 644,385	102
Olympic Corrections Center	$ 887	$ 324,428	366
Stafford Creek Corrections Center	$ 7,621	$ 14,377,595	1,886
Washington Corrections Center	$ 5,744	$ 10,542,700	1,836
Washington Corrections Center for Women	$ 14,307	$ 12,426,994	869
Washington State Penitentiary	$ 7,506	$ 14,736,270	1,963
Rap Lincoln Work Release	$ 12,804	$ 507,115	40
Ahtanum View Corrections Center (closed)	$ 20,274	$ 2,406,281	119
McNeil Island Corrections Center (closed)	$ 8,012	$ 10,331,033	1,289
Pine Lodge Corrections Center for Women (closed)	$ 8,764	$ 3,236,326	369

Data Source: Agency Financial Reporting System (AFRS)
Offender Based Tracking System (OBTS)
Offender Management Network Information (OMNI)

Health Care Expenditures	FY09 Cost per Offender	FY09 Expenditures	FY09 ADP
Agency Total	**$ 7,516**	**$ 120,204,101**	**15,993**
Airway Heights Corrections Center	$ 6,142	$ 13,190,754	2,147
Clallam Bay Corrections Center	$ 3,697	$ 3,295,350	891
Cedar Creek Corrections Center	$ 1,700	$ 721,222	424
Coyote Ridge Corrections Center	$ 4,343	$ 2,732,498	629
Larch Corrections Center	$ 1,735	$ 664,970	383
Monroe Correctional Complex	$ 11,880	$ 29,756,191	2,505
Mission Creek Corrections Center for Women	$ 6,977	$ 1,177,715	169
Olympic Corrections Center	$ 1,395	$ 499,099	358
Stafford Creek Corrections Center	$ 6,690	$ 13,084,362	1,956
Washington Corrections Center	$ 5,884	$ 10,803,085	1,836
Washington Corrections Center for Women	$ 15,720	$ 12,749,327	811
Washington State Penitentiary	$ 7,290	$ 15,687,999	2,152
Rap Lincoln Work Release	$ 20,268	$ 752,474	37
Ahtanum View Corrections Center (closed)	$ 18,634	$ 2,186,733	117
McNeil Island Corrections Center (closed)	$ 7,892	$ 9,986,830	1,266
Pine Lodge Corrections Center for Women (closed)	$ 9,360	$ 2,915,492	311

Health Care Expenditures	FY10 Cost per Offender	FY10 Expenditures	FY10 ADP
Agency Total	**$ 6,410**	**$ 105,085,387**	**16,393**
Airway Heights Corrections Center	$ 5,561	$ 12,000,334	2,158
Clallam Bay Corrections Center	$ 3,286	$ 2,943,136	896
Cedar Creek Corrections Center	$ 1,470	$ 717,312	488
Coyote Ridge Corrections Center	$ 3,786	$ 4,490,652	1,186
Larch Corrections Center	$ 1,711	$ 632,702	370
Monroe Correctional Complex	$ 10,336	$ 25,930,199	2,509
Mission Creek Corrections Center for Women	$ 4,995	$ 951,080	190
Olympic Corrections Center	$ 1,348	$ 501,824	372
Stafford Creek Corrections Center	$ 5,666	$ 11,109,292	1,961
Washington Corrections Center	$ 5,284	$ 9,039,648	1,711
Washington Corrections Center for Women	$ 12,105	$ 10,385,659	858
Washington State Penitentiary	$ 7,046	$ 15,993,348	2,270
Rap Lincoln Work Release	$ 6,117	$ 260,992	43
Ahtanum View Corrections Center (closed)	$ 13,915	$ 1,054,103	76
McNeil Island Corrections Center (closed)	$ 6,568	$ 7,648,727	1,165
Pine Lodge Corrections Center for Women (closed)	$ 10,071	$ 1,426,379	142

Data Source: Agency Financial Reporting System (AFRS)
Offender Based Tracking System (OBTS)
Offender Management Network Information (OMNI)

Health Care Expenditures	FY11 Cost per Offender	FY11 Expenditures	FY11 ADP
Agency Total	**$ 5,933**	**$ 97,244,806**	**16,391**
Airway Heights Corrections Center	$ 5,071	$ 11,015,984	2,172
Clallam Bay Corrections Center	$ 3,413	$ 3,056,361	895
Cedar Creek Corrections Center	$ 1,720	$ 814,728	474
Coyote Ridge Corrections Center	$ 3,724	$ 8,308,933	2,231
Larch Corrections Center	$ 1,010	$ 321,415	318
Monroe Correctional Complex	$ 9,977	$ 24,769,870	2,483
Mission Creek Corrections Center for Women	$ 3,332	$ 978,207	294
Olympic Corrections Center	$ 1,082	$ 407,309	376
Stafford Creek Corrections Center	$ 5,289	$ 10,352,271	1,957
Washington Corrections Center	$ 5,716	$ 9,621,520	1,683
Washington Corrections Center for Women	$ 11,415	$ 9,934,694	870
Washington State Penitentiary	$ 7,068	$ 16,291,051	2,305
Rap Lincoln Work Release	$ 6,092	$ 253,957	42
Ahtanum View Corrections Center (closed)	$ -	$ -	-
McNeil Island Corrections Center (closed)	$ 3,862	$ 1,118,507	290
Pine Lodge Corrections Center for Women (closed)	$ -	$ -	-

Health Care Expenditures	FY12 Cost per Offender	FY12 Expenditures	FY12 ADP
Agency Total	**$ 6,184**	**$ 101,255,337**	**16,373**
Airway Heights Corrections Center	$ 5,423	$ 11,792,095	2,174
Clallam Bay Corrections Center	$ 4,250	$ 3,810,325	897
Cedar Creek Corrections Center	$ 1,662	$ 785,985	473
Coyote Ridge Corrections Center	$ 3,895	$ 9,888,553	2,539
Larch Corrections Center	$ 1,050	$ 492,477	469
Monroe Correctional Complex	$ 10,173	$ 24,475,432	2,406
Mission Creek Corrections Center for Women	$ 3,422	$ 1,010,541	295
Olympic Corrections Center	$ 1,751	$ 653,850	373
Stafford Creek Corrections Center	$ 5,496	$ 10,803,326	1,966
Washington Corrections Center	$ 6,076	$ 10,759,062	1,771
Washington Corrections Center for Women	$ 11,219	$ 9,650,141	860
Washington State Penitentiary	$ 7,983	$ 16,830,644	2,108
Rap Lincoln Work Release	$ 7,195	$ 302,905	42
Ahtanum View Corrections Center (closed)	$ -	$ -	-
McNeil Island Corrections Center (closed)	$ -	$ -	-
Pine Lodge Corrections Center for Women (closed)	$ -	$ -	-

Data Source: Agency Financial Reporting System (AFRS)
Offender Based Tracking System (OBTS)
Offender Management Network Information (OMNI)

Figure A-3 Medical Services by Facility

	Male Population				
DOC Institution	**Airway Heights**	**Cedar Creek**	**Clallam Bay**	**Coyote Ridge**	**Larch**
Location-County	Spokane	Thurston	Clallam	Franklin	Clark
Average Daily Population as of 9/2012	2,167	472	898	2,519	464
Custody Level (s)	Medium/Minimum	Minimum Camp	Close/Medium	Medium/Minimum	Minimum Camp
Funded Medical FTE's	69.3	4	29.4	77	3.1
Infirmary Unit (IPU) Bed Count	23 Beds	N	N	4 extended observation beds	N
Dental Services Y/N	Y	N	Y	Y	Y-Temporary
Close Observation Cell	2 Cells; 1 Extra Seg Cell	N	2 Cells	2 Cells	N
Staffing/ Recruitment Challenges	Historically Mid Levels, MDs, and high level Mental Health	N	All Levels of Medical Staffing due to the remote location of the facility; Current recuitment for a MD	All Levels of Medical Staffing due to the remote location of the facility	Mental Health
Contracted Services Due to inabilility to Hire State FTEs	N	N	Psychiatry, Meidcal Mid Levels, Dental	Psychiatry, Dentist, Nursing,	N
Mental Health Services	Psychiatry and Psychology	Psych Associate	Psychology and weekly Telepsychiatry	Psychology and Psychiatry	N
Specialty Services Available?	Physical Therapy, Optometry, Pharmacy, manage high acuity cases due to proximity of Spokane Medical facilities to include cancer and cardiac care	N	N	SAGE which houses our elderly and infirmed population, Physical Therapy	N

	Male Population				
DOC Institution	**Monroe**	**Olympic**	**Stafford Creek**	**Washington Corrections Center**	**Washington State Penitentiary**
Location-County	Snohomish	Jefferson	Grays Harbor	Mason	Walla Walla
Average Daily Population as of 9/2012	2,476	367	1,950	1,652	2,265
Custody Level (s)	Medium/Minimum	Minimum Camp	Medium/Minimum	Close/Medium	Close/Medium/
Funded Medical FTE's	188.4	4	65.3	85.2	140.1
Infirmary Unit (IPU) Bed Count	25 Beds	N	24 Beds	12 Beds	46 Beds
Dental Services Y/N	Y	N	Y	Y	Y
Close Observation Cell	SOU=17, WSR = 4 Cells; TRU=0	N	5 Cells	5 Cells	18
Staffing/ Recruitment Challenges	Nursing, Mental Health, Psychiatry	All Levels of Medical Staffing due to the remote location of the facility	All Levels of Medical Staffing due to the remote location of the facility	Nursing, Mental Health, Medical Providers	Historical Psychiatry, Psychologists, MD's, Mid Levels, Dental
Contracted Services Due to inabilility to Hire State FTEs	Psychiatry, Nursing, Dental, X-ray	N	Psychiatry, Medical MD and Mid-Levels, Dental	Psychiatry, Nursing, Pharmacy	Psychiatry, Psychologists, Medical MD and Mid-Levels, Pharmacy
Mental Health Services	Psychology and Psychiatry plus Psychiatric Social workers	Psych Associate	Psychiatrist, Psychology, Psych Associates	Contract and blue badge Psychiatrist, Psychology, Psych Associates	Psychology and Psychiatry plus Psychiatric Social workers, BAR Units
Specialty Services Available?	Elderly population, pharmacy, mental health inpatient, dialysis, SOU Close Observation Medical Beds	N	Physcial Therapy	Intake/Reception, Medical Hub for the Agency, Regionalized Pharmacy (serves itself plus 5 prisons)	Physical Therapy, Colonoscopy's, Pharmacy that services CRCC, Close Observation Medical Beds

	Female Population	
DOC Institution	**Washington Correction Center for Women**	**Mission Creek Correction Center for Women**
Location-County	Pierce	Mason
Average Daily Population as of 9/2012	876	297
Custody Level (s)	Close/Medium/	Minimum
Funded Medical FTE's	76.1	7
Infirmary Unit (IPU) Bed Count	14 Beds	N
Dental Services Y/N	Y	N
Close Observation Cell	10 Cells	2 Cells
Staffing/ Recruitment Challenges	Mental Health, Psychiatry, Nursing, historically medical providers and mid levels	N
Contracted Services Due to inabilility to Hire State FTEs	Pharmacy, Nursing	Psychiatry
Mental Health Services	Residential Treatment Unit, Outpatient Services, Psychology and Psychiatry	Psychology and Psychiatry
Specialty Services Available?	Close Observation Medical Beds, Pharmacy, Physical Therapy	N

Figure A-4 Cost Categories by Type of Care (FY 2008 through FY 2012)

Dollars in Thousands

Health Care Expenditures by Program	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Medical	**$59,420**	**$61,787**	**$49,176**	**$42,436**	**$43,502**
Employee Salaries and Benefits	$9,906	$10,631	$11,592	$12,286	$12,378
Equipment, Supplies, Goods, and Services	$10,356	$12,075	$10,785	$9,552	$11,524
Payments to Providers/Contract Services	$39,157	$39,081	$26,799	$20,598	$19,601
On-Site Services	*$6,874*	*$6,342*	*$4,801*	*$3,278*	*$2,763*
Off-Site Services	*$30,829*	*$31,357*	*$20,493*	*$15,922*	*$15,595*
Mental Health	**$19,168**	**$17,316**	**$17,013**	**$16,681**	**$17,084**
Employee Salaries and Benefits	$10,203	$10,732	$11,478	$11,773	$12,053
Equipment, Supplies, Goods, and Services	$7,301	$4,428	$3,973	$3,018	$2,814
Payments to Providers/Contract Services	$1,664	$2,156	$1,561	$1,890	$2,217
On-Site Services	*$1,558*	*$2,048*	*$1,543*	*$1,893*	*$2,188*
Off-Site Services	*$21*	*$8*	*$9*	*-$4*	*$28*
Dental	**$6,067**	**$5,547**	**$5,898**	**$5,511**	**$5,785**
Employee Salaries and Benefits	$3,012	$3,365	$3,523	$3,844	$4,540
Equipment, Supplies, Goods, and Services	$435	$398	$1,057	$433	$393
Payments to Providers/Contract Services	$2,619	$1,784	$1,319	$1,233	$852
On-Site Services	*$1,789*	*$1,565*	*$1,000*	*$917*	*$575*
Off-Site Services	*$828*	*$218*	*$318*	*$325*	*$293*
Pharmacy	**$4,055**	**$3,512**	**$3,789**	**$3,470**	**$3,996**
Employee Salaries and Benefits	$2,794	$2,969	$3,275	$3,322	$3,458
Equipment, Supplies, Goods, and Services	$48	$18	$378	$43	$54
Payments to Providers/Contract Services	$1,213	$525	$136	$105	$484
On-Site Services	*$1,213*	*$515*	*$136*	*$105*	*$484*
Nursing	**$32,725**	**$32,042**	**$29,210**	**$29,148**	**$30,889**
Employee Salaries and Benefits	$21,628	$26,485	$27,597	$27,578	$28,635
Equipment, Supplies, Goods, and Services	$14	$10	$20	$27	$31
Payments to Providers/Contract Services	$11,083	$5,547	$1,593	$1,543	$2,222
On-Site Services	*$11,083*	*$5,547*	*$1,593*	*$1,543*	*$2,222*

Data Source: Agency Financial Reporting System (AFRS)
Offender Based Tracking System (OBTS)
Offender Management Network Information (OMNI)

Figure A-5 Use of Pharmaceuticals

Dollars in Thousands

Drug Costs	FY08	FY09	FY10	FY11	FY12
Prescription/Non-Prescription	$14,749	$12,796	$9,607	$10,017	$10,228

Top 10 Medical Drug Spend (FY 2012)

Generic Name	Trade Name	Therapeutic Class	Use	# of Unique Offenders	FY12
Peginterferon Alfa 2A	Pegasys	Antiviral	Hepatitis C	68	$884
Emtricitabine&Tenofovir	Truvada	Antiviral	HIV	62	$527
Emtricitabine&Tenoforvir&Efavir	Atripla	Antiviral	HIV	36	$524
Adalimumab	Humira	Antirheumatic	Rheumatology	20	$342
Fluticasone&Salmeterol	Advair	Antiasthmatic	Asthma	277	$338
Atazanavir	Reyataz	Antiviral	HIV	40	$266
Interferon BETA 1A	Intron A	Antineoplastic	Hepatitis C	7	$233
Antihemophilic Factor Human	Hemofil/Koate	Hematopoietic Agent	Hemophilia	4	$222
Albuterol	Ventolin	Antiasthmatic	Asthma	1,767	$208
Insulin Glargine	Lantus	Diabetic Agent	Diabetes	200	$201

Top 10 Mental Health Drug Spend (FY 2012)

Generic Name	Trade Name	Therapeutic Class	Use	# of Unique Offenders	FY12
Ziprasidone HCL	Geodon	Antipsychotic	Anti-Psychotic	247	$547
Olanzapine	Zyprexa	Antipsychotic	Anti-Psychotic	281	$388
Aripiprazole	Abilify	Antipsychotic	Anti-Psychotic	120	$286
Venlafaxine	Effexor	Antidepressant	Depression	834	$87
Risperidone	Risperdal	Antipsychotic	Anti-Psychotic	1,207	$68
Perphenazine	Trilifon	Antipsychotic	Anti-Psychotic	312	$68
Gabapentin	Neurontin	Anticonvulsants	Pain	471	$52
Chlorpromazine HCL	Chlorpromazine	Antipsychotic	Anti-Psychotic	257	$50
Mirtazapine	Remeron	Antidepressant	Depression	1,479	$29
Divalproex Sodium	Depakote	Anticonvulsants	Bipolar	573	$21

Data Source: Correctional Institution Pharmacy Software (CIPS) and Premier

Top 10 Fill Frequency (FY 2012)					
Generic Name	Trade Name	Therapeutic Class	Use	# of Fills	FY12
Ibuprofen	Advil/Motrin	Analgesics - Anti-Inflammatory	Pain, Inflammation	21,312	$14
Lisinopril	Zestril/Prinivil	Antihypertensives	High Blood Pressure	19,035	$17
Aspirin EC	Aspirin	Analgesics - NonNarcotic	Pain, Inflammation	16,857	$3
Omeprazole	Prilosec	Ulcer Drugs	Esophageal Reflux	16,392	$58
Acetaminophen	Tylenol/Mapap	Analgesics - NonNarcotic	Pain	15,048	$6
Ranitidine	Zantac	Ulcer Drugs	Esophageal Reflux	14,812	$15
Simvastatin	Zocor	Antihyperlipidemics	High Cholesterol	13,186	$13
Hydrochlorothiazide	Hydrochlorothiazide	Diuretics	High Blood Pressure	13,155	$5
Amitriptyline	Amitriptyline	Antidepressant	Depression/Chronic Pain	12,529	$7
Mirtazapine	Remeron	Antidepressant	Depression	11,241	$29

Data Source: Correctional Institution Pharmacy Software (CIPS) and Premier

Figure A-6 Offsite and Onsite Specialist Expenditure Detail (FY 2008 through FY 2012)

Dollars in Thousands

	Total Offsite Specialist Expenditures by Fiscal Year				
Specialty Type	**2008**	**2009**	**2010**	**2011**	**2012**
Eye And Vision	$329	$310	$153	$195	$264
Anesthesia	$746	$558	$357	$216	$161
Gastrointestinal	$457	$337	$250	$153	$153
Multi-Specialty Clinic	$451	$457	$80	$96	$129
Surgeons	$646	$427	$217	$150	$120
Otolaryngology	$118	$126	$82	$45	$97
Orthopaedic	$528	$574	$200	$137	$69
Obstetrics & Gynecology	$110	$124	$46	$68	$61
Cardiology	$624	$421	$237	$226	$56
Urology	$148	$104	$81	$53	$32
Internal Medicine	$239	$125	$60	$31	$31
Neurology	$275	$283	$167	$53	$30
Chemical Dependancy	$22	$7	$9	$14	$28
Specialist-Other	$137	$125	$271	$19	$25
Physician Extenders	$88	$83	$4	$2	$8
Pathology/Laboratory	$8	$4	$2	$	$8
Physical Therapy	$24	$10	$4	$	$
General Practice	$57	$56	$6	$	$
Grand Total	**$5,007**	**$4,127**	**$2,228**	**$1,460**	**$1,272**

	Total Onsite Specialist Expenditures by Fiscal Year				
Specialty Type	**2008**	**2009**	**2010**	**2011**	**2012**
Eye And Vision	$446	$408	$382	$319	$292
Physical Therapy	$393	$319	$359	$283	$227
Internal Medicine	$658	$594	$521	$323	$217
Obstetrics & Gynecology	$88	$100	$85	$85	$85
Orthopaedic	$154	$164	$73	$42	$23
Specialist-Other	$135	$80	$35	$12	$18
Hospice	$2	$2	$1	$1	$4
Audiology	$27	$8	$8	$4	$1
Cardiology	$11	$	$	$1	$1
Gastrointestinal	$11	$4	$4	$	$
Anesthesia	$2	$	$	$	$
General Surgery	$43	$55	$39	$51	$
Neurology	$3	$4	$	$	$
Grand Total	**$1,975**	**$1,738**	**$1,508**	**$1,121**	**$867**

Data Source: Agency Financial Reporting System (AFRS)