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Cost Effective Medical Management

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The corrections industry is in desperate need of *an alternative* to either Privatization of Medical *or* the more significantly risky self-management models utilized in the majority of jails and prisons in the United States.

Currently, there are approximately 2.4 million inmates housed in correctional facilities all over the United States. That equates to about 1 out of 110 Americans behind bars on any given day. Inmates are the only segment of the U.S. population with a constitutional right to receive adequate physical and mental health care.

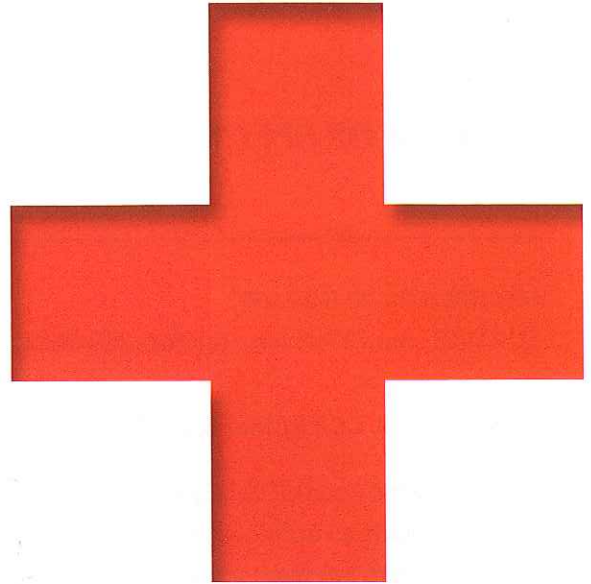
Still, one of the most heavily scrutinized aspects of a correctional facility is the cost of its medical department. How much is this quality medical care costing the taxpayers?

On average, correctional facilities spend 13%-18% of their budget on health care each year. Since correctional facilities must provide adequate and timely care for acute, serious and chronic medical and mental health conditions to meet community standards, a properly designed self-management model helps to manage that cost, and provide a transparent, 'fee for service rendered' product.

Several factors contribute to the increasing medical costs faced by many jail and prison facilities. For example, the inmate population has quadrupled since 1980. The population increase, paired with offsite visits and a national average of 21% inflation over the past 5 years has significantly increased the cost required to run an adequate medical department.

The evolving demographic of the inmates housed in these facilities play a role as well. A higher degree of poverty, lower education, undiagnosed or underdiagnosed medical conditions, higher rates of infections and higher rates of substance abuse all contribute to a sicker inmate population.

Another major challenge for corrections is adequately staffing the medical departments. Since the majority of correctional facilities are located in remote areas, and there is often-times inadequate clinical supervision, many qualified nurses prefer to go to patient care focused centers instead of working in the corrections industry.



The main cost drivers of medical in correctional facilities are broken out as follows:

- Health Care Staff (45%): Pretty Stable
- Pharmaceuticals (23%): Pretty Stable
- Outside Services (18%): Could Vary Significantly
- Other (14%): Not including losing or settlement of lawsuits

While dealing with the challenges mentioned above, correctional facilities must also be proactive, and strive to meet certain goals in order to keep their medical departments running smoothly. For example, adequate medical care is a constitutional right for inmates. A self-management model can provide quality medical and mental health care, while at the same time, being sensitive to the particular intricacies of dealing with a jail population. These intricacies include such things as, higher rates of drug seeking behavior, and higher rates of manipulative behavior. Because of this, lawsuits are a common occurrence in correctional facilities, so the medical departments must be managed in a way that minimizes the frequency of these lawsuits. When a lawsuit does occur, the correctional facility will almost always win, if the medical department and staff are managed properly, and if adequate, timely standards of community care are delivered.

As you read above, the health care staff is almost always the main cost driver in a corrections medical department. With this in mind, it is extremely important to retain a quality nursing staff, versus continually recruiting new staff.

There are several things that the jail itself can do to promote recruitment and retention of nursing staff (where there is a national shortage):

- Offer a competitive salary, plus the usual excellent government benefits which are most likely better than private industry, such as doctor's offices, urgent care centers, and even hospitals.
- Provide comprehensive, user-friendly nursing guidelines that should be written in a way that won't force nurses to perform beyond their state licensure rules and regulations. Also, a physician or mid level health care provider should be available at least by telephone 24/7.
- Train the nursing staff on guidelines on a regular basis to reduce the turnover by improving the confidence and comfort level of nurses. This will translate into less need for agency nurses. This training needs to be done by either the medical director or a senior nursing staff member.
- Redesign the clinical staffing and workflow based on objectives or tasks that will not only improve staff satisfaction and quality of care, but also can keep you within your budget
- Provide a one-time tour of the facility, not just to the applicant, but also to their significant other if needed. This will help them to realize that correctional facilities are a lot different than what they have seen in the movies!! This tour will increase the chance of recruitment where the market is very competitive.
- Conduct a more efficient sick call process by nursing staff. This will reduce the number of hours needed for the physical presence of a physician in a given week.

Medications are another major cost driver within the medical department of correctional facilities. The following steps will help to alleviate this pain:

- Promote competition between different pharmacy vendors and learn the meaning of the common language that vendors will use in their proposals, such as: *Average Wholesale Price (AWP)*, *Wholesale Acquisition Cost (WAC)*. Negotiate your rate upward from WAC, not downward from AWP.
- Adopt a formulary with very limited "designer drugs." The formulary needs to be reviewed yearly by the medical director since some brand name and designer medications will become available in the generic form. The information should be communicated with your pharmacy vendor.
- Monitor the cost and percentage of prescriptions utilizing the formulary and non-formulary medications at least quarterly. This is particularly true for psychotropic drugs. The medical director needs to be aware of the findings, and take a proactive approach before these numbers get out of control.

- Be careful with electronic prescription software marketed as an "added value." There have been indications that this "added value" will shift the labor cost and liability for errors from the vendor pharmacy to your medical staff at the jail who are now functioning as a pharmacy technician.

A reasonable benchmark for the monthly cost of medications is from \$25 to \$35 per inmate (ADP). For example, in a jail that has an ADP of 500, you would expect to spend approximately \$17,500 per month, assuming approximately 35% of inmates have medical indications to be on prescription medications depending on geographic and demographic variances.

The next main cost drivers are offsite visits, either to emergency rooms, or elective consults. The following actions can reduce and control the cost of this category to a great degree:

- Implementation of a comprehensive, practical *initial* screening done by correctional officers at the intake/booking on all arrivals. The *medical* and *mental* health screening ideally needs to be completed within the first 12 to 24 hours by the health care providers on all arrivals. This will ensure early identification and intervention when indicated.
- Early recognition and appropriate action for withdrawal syndromes from alcohol and opiates can tremendously reduce your cost and liabilities.
- Obtaining relevant outside records prior to incarceration can minimize duplicate or unnecessary offsite visits.
- Organizing medical records will enable health care providers to make more timely and appropriate clinical decisions either in house or for outside visits.
- Implementing chronic care clinics for common medical conditions will reduce offsite visits.
- Eliminating the use of paper files and starting electronic medical records (EMR) that are designed to be user friendly for correctional facilities. EMR will not only improve communication between staff but also decreases redundancy of care. EMR can help to gather statistics and chances to lose a lawsuit due to illegible handwriting.
- Consistent training of nursing staff will prepare them to communicate crucial information with the physician or mid level health care providers which in turn allows them to make appropriate clinical decisions regarding transferring inmates to emergency departments.

Mental Health In Jails

There is a specific need to be able to provide quality psychiatric services to the populations in rural, underserved communities at an affordable cost.

Over the years, jails and prisons have become a dumping ground for the mentally ill in our society. This problem

began in 1955 with the invention of the psychotropic drug, Thorazine. This drug was so effective at treating symptoms of psychosis that thousands of patients were released from mental health hospitals. After patients were released from the hospitals, community mental health clinics filled up so quickly that they could not handle the caseload. Several of the patients then became unstable, came into contact with law enforcement, and ended up behind bars.

In an attempt to deal with this problem, jails have typically used one of the following ineffective strategies:

- The primary care physician diagnoses and prescribes psychotropic medications that he or she may not be comfortable with.
- A psychiatrist from the local mental health clinic must find time to come to the jail, in addition to their normal caseload.
- The jail is forced to transport inmates offsite for mental health needs, causing an increased cost and security risk.

Each of these strategies results in long waiting lists for mentally ill inmates, and opens the jail up to significantly increased liability.

Telepsychiatry utilizes live, videoconferencing to connect inmates with a qualified psychiatrist anywhere in the world, regardless of geographical location. By implementing telepsychiatry, the jail can reduce the labor hours and security staff needed to transport inmates offsite. The timely access to mental health care also reduces grievances filed by inmates and their families, reduces dangerous or aggressive behavior, and the abuse of psychotropic medications.

Psychiatrists participating in a telemedicine program need to be sensitive to the special needs of the correctional population, and comfortable with prescribing generic, time proven psychotropic medications, thereby further managing pharmaceutical cost.

Conclusion

There is a great need to control costs and to provide standard community care in correctional medical departments. There is an alternative to privatization of medical departments that can be effective for both quality of care, and cost savings in jails and prisons. ★

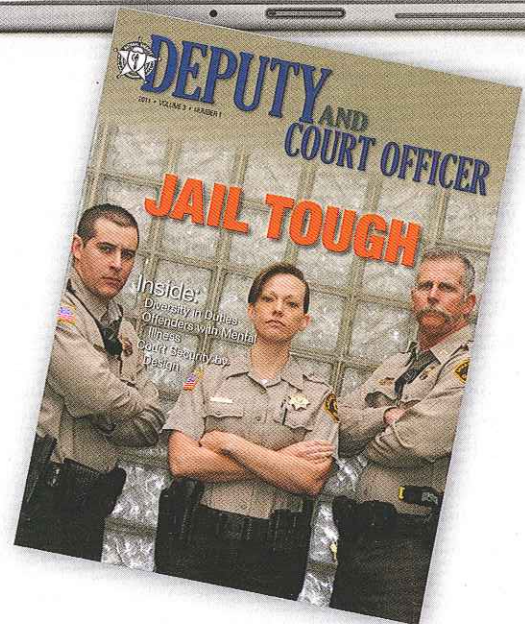
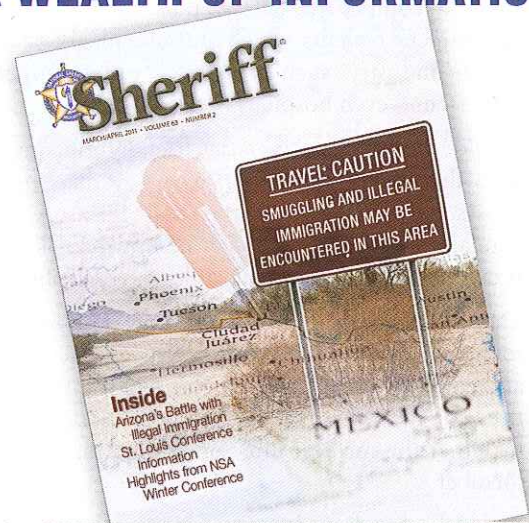
Kaveh Ofogh, M.D. is the founder and President of MEDIKO PC, which he started in 1996 in response to the challenges of providing cost effective medical services in correctional facilities and developed a self-management model without privatization.

All of the correctional facilities that have been under his clinical management have experienced lower than state average medical cost in the past twelve years in a row without a single successful lawsuit or settlement related to the medical department.

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