



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Inadequate Data Collection and Cost Recovery Practices Limit Economy of Healthcare for Safekeepers

Summary

The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to examine the efficiency and economy of inmate healthcare. This report is the third in a four-part series and focuses on the provision of healthcare services to Safekeepers, who are county inmates temporarily housed at state prisons.

The Department of Public Safety (DPS) does not systematically collect, analyze, or report data on usage of healthcare services by Safekeepers. Limited data collection prevents DPS Health Services from determining if Safekeepers' medical needs exceed the capabilities of county jail facilities, conducting analysis of the rationales for admissions, and calculating Safekeepers' healthcare costs.

DPS's method of seeking reimbursement from counties for internal medical costs incurred by Safekeepers limits the State's ability to recoup total expenditures for these inmates. In Fiscal Year 2016–17, Safekeepers were housed at five prison facilities, but only two sought reimbursement from county governments for certain internal medical costs as allowed by state law. Further, these two facilities billed counties for services inconsistently. The current rates charged for prison medical services are not sanctioned by administrative rule or departmental policy and have not been updated since 2009. In Fiscal Year 2016–17, DPS invoiced counties \$3.3 million, or \$35 per Safekeeper per day, for Safekeeper health-related expenditures. However, these billing issues limit the State's ability to fully recoup its total expenditures.

State law provides a mechanism to recoup state Safekeeper costs by withholding Statewide Misdemeanant Confinement Program (SMCP) payments for services provided by counties for state inmates; however, the effectiveness of this mechanism is limited because counties are not required to participate in SMCP. In Fiscal Year 2016–17, two counties avoided reimbursing the State more than \$500,000 in Safekeeper charges; further, the State has offered generous settlements to counties that have not reimbursed the State in a timely manner.

Based on these findings, the General Assembly should (1) modify state law to change the per diem rate for counties that fail to reassume custody of their Safekeepers in a timely manner and direct DPS Health Services to collect additional data, update the rates charged for medical services, and require that all facilities bill counties for services for Safekeepers and (2) modify state law to prohibit non-SMCP-participating counties with past-due balances from transferring Safekeepers to prisons for medical purposes and modify the process by which Safekeepers are admitted to prisons for medical purposes.