

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

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**HOUSE BILL 106\***

Short Title: PED/Inmate Health Care Reimbursement. (Public)

Sponsors: Representatives Horn, Farmer-Butterfield, Lucas, and R. Turner (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Health, if favorable, Judiciary, if favorable, Rules, Calendar, and Operations of the House

February 20, 2019

A BILL TO BE ENTITLED

AN ACT TO IMPROVE INMATE HEALTH CARE REIMBURSEMENT AND INTERNAL PROCESSES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** To contain medical costs for inmates as required by G.S. 143B-707.3(b), the Department of Public Safety (hereinafter "DPS") shall develop a plan to increase the use of the Central Prison Healthcare Complex (hereinafter "CPHC") which shall include all of the following:

- (1) Strategies, policies, and oversight mechanisms to ensure that non-life-threatening emergencies for male inmates within a 60-mile radius of Raleigh are treated at the CPHC urgent care facility. As part of this effort, DPS shall consider the use of telemedicine.
- (2) A cost comparison of health care services performed at CPHC and the North Carolina Correctional Institution for Women (hereinafter "NCCIW") and health care services performed by outside contracted providers. The cost comparison shall include the cost of transporting inmates to and from outside contracted providers.
- (3) A comprehensive review of the current usage of health care facilities at CPHC and NCCIW and the potential to maximize usage of those facilities through (i) increasing the usage of CPHC's facilities for general anesthesia procedures and increasing usage of existing on-site equipment, (ii) selling equipment no longer in use or not in use due to staffing changes, (iii) increasing the provision of health care services available at CPHC to female inmates, and (iv) identifying potential CPHC expenditures that would ultimately result in demonstrated cost savings.

**SECTION 1.(b)** By December 1, 2019, DPS shall submit the plan required by subsection (a) of this section to the Joint Legislative Oversight Committee on Justice and Public Safety. DPS shall also submit its progress made in achieving cost savings under the plan, the amount of any actual and estimated cost savings, and any obstacles to increasing the usage of the health services facilities at CPHC and NCCIW.

**SECTION 2.(a)** To ensure that the costs of health care services are properly accounted for, DPS shall do the following:



- 1 (1) Identify all positions with lapsed salaries in fiscal year 2016-2017 that were  
2 used to fund health care services for inmates.
- 3 (2) Eliminate the positions identified in subdivision (1) of this subsection and  
4 transfer the salary funds to one of the four budget codes assigned to the DPS,  
5 Health Services Section.
- 6 (3) Reflect all expenditures for inmate health care services in one of the four  
7 budget codes assigned to the DPS, Health Services Section.
- 8 (4) Develop mechanisms to budget, account for, and monitor inmate health care  
9 expenditures at the prison facility level.

10 **SECTION 2.(b)** DPS shall include the information described in subsection (a) of  
11 this section in the plan required by Section 1(b) of this act.

12 **SECTION 3.** G.S. 143B-707.3 reads as rewritten:

13 **"§ 143B-707.3. Medical costs for inmates and juvenile offenders.**

14 (a) ~~The Beginning July 1, 2019, the Department of Public Safety shall reimburse those~~  
15 ~~providers and facilities providing approved medical services to inmates and juvenile offenders~~  
16 ~~outside the correctional or juvenile facility the lesser amount of either a rate of seventy percent~~  
17 ~~(70%) of the provider's then-current prevailing charge or ~~two times one hundred percent (100%)~~~~  
18 ~~of the then-current Medicaid rate for any given service. The Department shall have the right to~~  
19 ~~audit any given provider to determine the actual prevailing charge to ensure compliance with this~~  
20 ~~provision.~~

21 This section ~~does apply~~ applies to vendors providing services that are not billed on a  
22 fee-for-service basis, such as temporary staffing. Nothing in this section shall preclude the  
23 Department from contracting with a provider for services at rates that provide greater  
24 documentable cost avoidance for the State than do the rates contained in this section or at rates  
25 that are less favorable to the State but that will ensure the continued access to care. The  
26 Department shall reimburse those providers identified by the Department as necessary to ensure  
27 continued access to care the lesser amount of either a rate of seventy percent (70%) of the  
28 provider's then-current prevailing charge or two hundred percent (200%) of the then-current  
29 Medicaid rate for any given service.

30 Any extensions of contracts for medical services provided to inmates by contracted providers  
31 and facilities shall include the reimbursement rates provided in this subsection.

32 ...

33 (b1) The Department of Public Safety, Health Services Section shall develop an electronic  
34 supply inventory management system that, at a minimum, does all of the following:

- 35 (1) Records the arrival and departure of each medical supply in use or for future  
36 use from the point of order, including all methods of requisition and main  
37 storage locations (e.g., warehouse, secondary storage location, prison unit, or  
38 infirmary).
- 39 (2) Records the dates on which a medical supply was physically at each transition  
40 point, including the date of use or disposal.
- 41 (3) Identifies Department employees who have custody of or control over a  
42 medical supply at each transition point, including at the time of use or  
43 disposal.
- 44 (4) Ensures that medical supplies are used prior to their expiration date.
- 45 (5) Ensures an adequate supply of each medical product currently being used or  
46 obtained for future use at each facility. Adequate supply level shall be based  
47 on usage of each medical product by each facility.
- 48 (6) Biannually assesses the need for particular medical supplies and the accuracy  
49 of records through an audit of the system.

50 ...

1 (c) The Department of Public Safety shall report quarterly to the Joint Legislative  
2 Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives  
3 and Senate Appropriations Committees on Justice and Public Safety on:

4 ...

5 (10) The reimbursement rate for contracted providers. The Department shall  
6 randomly audit high-volume contracted providers to ensure adherence to  
7 billing at the contracted rate.

8 ...."

9 **SECTION 4.** Part 2 of Article 13 of Chapter 143B of the General Statutes is amended  
10 by adding a new section to read:

11 **"§ 143B-707.5. Medicaid services for inmates.**

12 (a) The Department and the Department of Health and Human Services (hereinafter  
13 "DHHS") shall work together to enable social workers in the Department's Health Services  
14 Section to qualify for and receive federal reimbursement for performing Medicaid eligibility  
15 activities for inmates. The Health Services Section shall develop policies and procedures to  
16 account for the time social workers in the Section spend on Medicaid eligibility for inmates. All  
17 social workers in the Section who perform activities related to Medicaid eligibility shall be  
18 required to receive eligibility determination training provided by DHHS at least quarterly.

19 (b) Beginning July 1, 2019, the Health Services Section shall require each social worker  
20 performing Medicaid eligibility activities for inmates to document the criteria used by the social  
21 worker when deciding to submit an application for Medicaid and when deciding not to submit an  
22 application for Medicaid, including anything the social worker believes disqualifies the inmate  
23 for Medicaid benefits. Each social worker shall also indicate in the social worker's data entry an  
24 inmate's Medicaid eligibility as determined by the inmate's county department of social services.  
25 All Section social workers shall report monthly to the Section Director on the number of 24-hour  
26 community provider stays prescreened for potential applications, number of applications  
27 submitted, and number and percentage of applications approved, denied, and withdrawn.  
28 Beginning October 1, 2019, each DPS Health Services Section social worker performing  
29 Medicaid eligibility activities for inmates shall submit Medicaid applications and any supporting  
30 documents electronically through the ePass portal in DHHS or through other electronic means,  
31 unless paper copies are required by federal law or regulation.

32 (c) By October 1, 2019, and quarterly thereafter until full implementation is achieved,  
33 the Department and DHHS shall jointly report to the Joint Legislative Oversight Committee on  
34 Justice and Public Safety on progress in receiving federal reimbursement for performing  
35 Medicaid eligibility activities for inmates. By October 1, 2019, the Department shall report to the  
36 Joint Legislative Oversight Committee on Justice and Public Safety on the implementation of the  
37 documentation of criteria for the submission of Medicaid applications and the electronic  
38 submission of Medicaid applications."

39 **SECTION 5.(a)** The DPS Health Services Section and the Office of State Human  
40 Resources shall jointly study the salaries of all in-prison health services employees to determine  
41 what adjustments are necessary to increase the salaries of new hires and existing employees of  
42 the Health Services Section to market rates.

43 **SECTION 5.(b)** DPS shall establish a vacancy rate benchmark for each correctional  
44 facility and shall create a plan to reduce the vacancy rates. DPS shall consider initiatives to reduce  
45 vacancy rates, including the following:

- 46 (1) Increasing salaries to market rates.
- 47 (2) Creating a student loan forgiveness program for the Health Services Section.
- 48 (3) Offering signing bonuses and annual cash incentives.
- 49 (4) Increasing the use of telemedicine positions.
- 50 (5) Creating dual appointment opportunities for doctors currently employed by
- 51 the State.

1 (6) Offering differential pay for health services workers employed in  
2 difficult-to-staff facilities.

3 (7) Streamlining and potentially eliminating duplicative or unnecessary steps in  
4 the hiring process.

5 **SECTION 5.(c)** DPS shall establish methods to measure the effectiveness of the  
6 initiatives to reduce vacancy rates required in subsection (b) of this section and estimate the  
7 budgetary impact and anticipated savings from DPS's reduced reliance on outside contracted  
8 providers. By February 1, 2020, DPS shall submit its findings on salaries and vacancy rates,  
9 including any proposed legislation and the need for assistance required from the Office of Human  
10 Resources and the Office of Rural Health in the Department of Health and Human Services to  
11 accomplish the objectives outlined in subsections (a) and (b) of this section to the Joint  
12 Legislative Oversight Committee on Justice and Public Safety.

13 **SECTION 6.(a)** The DPS Health Services Section shall establish performance  
14 measures for its current telemedicine pilot program to inform a business case for potential  
15 expansion of the pilot program. As part of the business case, the Health Services Section shall  
16 quantify savings achieved from telemedicine visits compared to in-person visits from medical  
17 staff by collecting information as to which procedures, such as intake screenings, sick calls,  
18 triage, or chronic disease management, are most conducive to being treated through telemedicine.  
19 The Health Services Section shall propose an implementation plan to expand the use of  
20 telemedicine with accompanying estimated cost savings, which at a minimum shall include  
21 prison facilities that rely extensively on community hospital facilities.

22 **SECTION 6.(b)** By April 1, 2020, and annually thereafter, the DPS Health Services  
23 Section shall report on its business case for telemedicine, including expenditures and savings, to  
24 the Joint Legislative Oversight Committee on Justice and Public Safety. DPS Health Services  
25 Section shall not expand the pilot program until the results of the current pilot program can be  
26 demonstrated and reported to the General Assembly.

27 **SECTION 7.** This act becomes effective July 1, 2019.