



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

## Legislative Fiscal Note

**Short Title:** PED/Safekeeper Health Care Cost Recov. Pract.  
**Bill Number:** House Bill 108 (Third Edition)  
**Sponsor(s):** Representatives Horn and Lucas

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 108, V.3 (\$ in millions)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				

<b>NET STATE IMPACT</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				
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<b>Local Impact</b>					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-

<b>NET LOCAL IMPACT</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				
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### FISCAL IMPACT SUMMARY

Safekeepers are county inmates who are ordered by a judge to be housed in State prison because they cannot be housed in a local jail due to security or medical issues. Counties pay \$40 per day plus fixed rates for in-patient medical and mental health services. In FY 2017-18, 1,222 Safekeepers were admitted to State prison, and there is a statutory cap of 200 safekeepers.

HB 108 would have an impact to local governments who will be charged for safekeeper supervision and transportation that they currently do not pay for. In addition, Fiscal Research cannot estimate the impact of changing the medical services charge schedule.

## **FISCAL ANALYSIS**

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HB 108 makes a number of changes regarding the medical portion of the safekeeper program, including:

### **Section 1**

Subsection (b1) requires more robust recordkeeping by the Department of Public Safety (DPS) and subsection (d) modifies the process when sheriffs seek an extension of stay for safekeepers in State prison.

Subsection (c)(4) requires the counties to pay transportation and custody costs associated with prisoners receiving health services outside the prison hospitals. The rate is equivalent to the mileage (\$.58/mile) and hourly custody rates (\$25) paid to the sheriffs participating in the Statewide Misdemeanant Confinement Program.

Subsection (f) requires charging safekeepers for sick calls at the rate charged by the State and also requires the counties to pay an additional \$20 per day if a sheriff fails to assume custody of an inmate within 10 days of notification of their return. There are exceptions to this requirement based upon extenuating circumstances.

### **Section 2**

Subsection (a) requires DPS to notify a county sheriff of a safekeeper's potential Medicaid eligibility regarding outside provider services. It also requires submission of unreimbursed health services to the Inmate Costs Management Plan administered by the NC Sheriffs' Association. In addition, subsection (b) requires DPS to update its medical service schedule of charges assessed to the counties annually.

### **State Impact**

In FY 2017-18, DPS conducted 360 trips to outside medical providers for safekeepers. The Department estimates the number of hours spent transporting and supervising an offender to be six hours per trip.

The bill allows DPS to charge safekeeper inmates at the State rate for sick calls. However, the impact of this provision is unclear because 73% of safekeeper orders are medical or mental health inpatients, and they are not be subject to sick call charges. There is no estimate how many current safekeepers would pay the sick call rate.

Section 2 requires DPS to notify the county sheriff of the potential Medicaid eligibility of safekeepers given the data available to DPS. Since Medicaid eligibility is determined by county social services, DPS has no estimate of how many safekeepers would be affected by this provision.

The bill also requires DPS to update its medical service charge schedule. Currently, DPS charges \$63.50/day for inpatient mental health, \$38.50/day for inpatient hospital care, \$18.50/day physical

therapy, and \$231/day for dialysis treatment. It is unknown how much revenue may be generated from a revised charge schedule.

## **Local Impact**

### **Section 1**

The North Carolina Association of County Commissioners (NCACC) notes that counties currently do not pay for transportation and supervision costs of Safekeepers to and from outside medical facilities. They do not have an estimate of these costs since they currently do not pay for this.

NCACC notes that the language in Subsection 1 (d) requiring DPS to provide detailed invoices may help speed up the time period counties pay their invoices because of improved transparency.

### **Section 2**

NCACC believes the language around the Medicaid-eligibility of some inmates will help contain medical costs but cannot provide a cost estimate.

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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DEPARTMENT OF PUBLIC SAFETY, NC ASSOCIATION OF COUNTY COMMISSIONERS, NC SHERIFFS' ASSOCIATION

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

## **CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

## **ESTIMATE PREPARED BY**

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**ESTIMATE APPROVED BY**

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April 17, 2019



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