Update on Select Public Safety Topics

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Topics Covered in This Presentation

• Adult Correctional Population Forecast
• State Inmate Healthcare Costs
• Update on Jail Mental Health Pilots
• Update on Juvenile Justice Reforms
ADULT CORRECTIONAL POPULATION FORECAST
2017 Adult Correctional Forecast

- Secretary of Public Safety and Homeland Security oversees the annual offender forecasting process
  - The forecast is developed annually using statistical models that incorporate data on several key factors, including arrests, types of offenses, and new court commitments
  - Development of the final population forecast includes input from policy makers, administrators, and experts from the executive, legislative, and judicial branches
- The 2017 forecast expects the total state responsible population will increase from 37,909 in FY 2017 to 39,728 in FY 2023
  - Driven by increases in arrest rates and the number of violent and drug offenders awaiting trial, offset by shorter average length of sentences
- The 2017 forecast estimates the local responsible population will increase from 18,837 in FY 2017 to 20,522 in FY 2023
  - Driven primarily by increase in number of arrests, particularly for violent and drug felonies
  - Anecdotal evidence that some judges are more likely to incarcerate opioid addicts in effort to prevent overdoses
Violent crime includes murder, rape, robbery, and aggravated assault.

According to FBI data, between 1990 and 2015 violent crime rates dropped 44% in Virginia and 49% nationally.

In 2015, Virginia had third-lowest violent crime rate in the country.

Based on State Police data, arrests for violent crime in Virginia increased 7% from 2015 to 2016, but too early to determine whether a single-year bump or the beginning of a trend.
Long-Term Trends in Property Crime

- Property crime includes burglary, larceny, and motor vehicle theft
- According to FBI data, property crime fell 54% in Virginia and 51% nationally between 1990 and 2015
- In 2015, Virginia had 9th lowest property crime rate in the country
- Based upon State Police data, number of arrests for property crime declined 13% from 2015 to 2016
Drug and Other Offense Arrest Trends

• Virginia drug arrest rate increased by 10% between 2015 and 2016, and are higher than a decade ago
  • Increase seen in opioids, cocaine, meth, and marijuana
  • Large increases in Department of Forensic Science testing for heroin, fentanyl, and meth have caused the Department’s testing backlog to grow

• Arrests for simple assault, DUI, and drunkenness have declined substantially over the past decade
  • Typically short-term incarceration, so decline has had the effect of reducing average jail population
State Responsible Inmate Population and Capacity

Forecast number of state-responsible inmates

DOC operational capacity, or the maximum number of inmates that can be housed in state prisons

“Out-of-compliance” population held in jails forecast to rise to 4,000

Jail Population Forecast and Bed Capacity

Number of permanent beds in local and regional jails

Forecast number of inmates housed in jails, including “out-of-compliance” population
Adult Correctional Population and Capacity

• The total number of state-responsible inmates is forecast to increase from 34,153 in 2017 to 35,506 in 2023 (4% increase)
  • State-responsible population will continue to exceed DOC’s operational capacity
  • As a result of shortfall in DOC beds, the “out-of-compliance” population – the state-responsible population still in jails more than 90 days after final sentencing – is forecast to increase from 3,037 in FY 2017 to 4,046 in FY 2023
    • The “out-of-compliance” backlog is lower than its peak of more than 5,000 in 2015 due to a decline in the state responsible population and DOC lowering its operating vacancy rate
• The population housed in jails – including “out-of-compliance” inmates – is forecast to increase by 2,710 inmates between 2017 and 2023
  • Local responsible jail population is forecast to increase by 1,685 over the period, with the balance of increase coming from “out-of-compliance” population
  • Despite increase, the statewide number of permanent jail beds is expected to substantially exceed the number of inmates housed in jails
    • Given excess capacity in jails, ways to better utilize existing capacity should be considered before approving expansions of jail capacity
STATE INMATE HEALTHCARE COSTS
DOC’s budget for inmate healthcare grew from $120.0 million in FY 2007 to $205.1 million in FY 2018
- Now 21.3% of budget to operate DOC correctional facilities
- While inmate health costs have grown substantially, Virginia inmate healthcare spending and rate of growth have been in the middle-of-the-pack nationally
DOC’s Healthcare Delivery Structure

- Healthcare is provided in correctional facilities using a combination of DOC employees and privately contracted services
  - DOC manages health services in 29 facilities, serving more than 14,000 inmates
  - Armor (14 facilities) and Mediko (2 facilities) provide comprehensive services at remaining facilities, serving nearly 16,000 inmates
- Diamond Pharmacy Services provides services to all facilities
  - Separate contracts with DOC, Armor, and Mediko
- Offsite outpatient and inpatient services are provided at non-DOC hospitals, including VCU and UVA
  - More than three-quarters of off-site care delivered at VCU Medical Center, which operates a secure unit for the use of DOC
- Anthem performs several services within system:
  - Administers healthcare claims for all offsite services
  - Provides inpatient utilization review as part of claims verification
  - DOC inmates participate in Anthem Healthkeepers
- Provider-level contracts are used for some specialty services
- DOC responsible for providing all transportation and security
• Spending for Comprehensive Health Services Contracts (Armor and Mediko) totaled $80.2 million in FY 2017
  • Paid using facility-specific per-member, per-month capitated rates
• Anthem processed claims for offsite care totaled $43.3 million, which does not include offsite outpatient care for which Armor and Mediko are responsible
• Spending for DOC managed sites was primarily for personnel ($29.1 million) and medication ($22.9 million)
  • HIV and Hepatitis C medicines cost more than all other medications combined ($12.3 million)
Factors Identified as Increasing DOC Healthcare Costs

• Correctional systems are experiencing the same medical and drug cost inflation pressures seen by rest of economy
• DOC’s inmate population is aging, which is increasing healthcare costs
  • In FY 2015, 20.2% of inmate population 50 or older, compared to 11.1% in FY 2006
  • While they are 20% of population, inmates 50 or older represent 31% of population receiving offsite care and 53% of offsite medical costs
• Inmates tend to be in worse health for their age relative to the general population
  • Lower lifetime access to healthcare services and higher rate of chronic diseases such as Hepatitis C, heart disease, HIV
• Inmates with serious mental illness are more costly, and grew from 15% of DOC’s population in 2007 to 27% of its population in 2017
  • System-wide annual cost to incarcerate in FY 2016 was $29,416, while cost at Marion Correctional Treatment Center was $64,352 per inmate
• Anecdotal evidence that jails are prioritizing transfer of state-responsible inmates with mental health and medical issues
DOC Health Cost Containment Efforts

• Telemedicine is used in all correctional facilities, and primarily reduces transportation and security costs
• Participation in Anthem Healthkeepers allows DOC to use statewide provider network at steep discounts
• Contracts with Armor and Mediko locked in capitated rates for first three years of the contract (FY 2016 to FY 2018)
  • Rates will be negotiated annually beginning November 2018
• Expanded participation in federal 340b program has resulted in substantial savings each year
  • Eligible classes of drugs: HIV, Hepatitis C, Hemophilia, and Biologics
  • Estimated annual cost avoidance of $7 million
• Medicaid reimbursement for inpatient hospitalization of eligible inmates has saved state nearly $7.0 million since 2015
• Participation in Minnesota Multistate Contracting Alliance for Pharmacy will reduce cost of filling each prescription
Opportunities to Further Contain Costs

- An electronic health record system would allow for effective and efficient management of inmate healthcare
  - Chapter 780 (2016) provided $1.4 million GF and $3.8 million NGF from out-of-state inmate revenues for electronic health records to implement a system in all women’s correctional centers
  - Delays in contract approval have meant system not yet implemented

- DOC could realize efficiencies by adapting disease management best practices for a secure environment
  - Recent VCU study found that for Anthem claims, 523 inmates had more than $25,000 in medical costs in previous 12 months, representing 70% of Anthem claim costs
  - High cost individuals often receiving treatment related to chronic issues like Hepatitis C, diabetes, cardiovascular disease
  - More than 75% of high cost inmates and expenditures were for inmates over 50
Healthcare Risks and Concerns

• Rising health costs will continue to put pressure on DOC budget
  • DOC’s initial request for inmate health costs is an additional $16.8 million in FY 2018 and $45 million in 2018-20 biennium
  • Initial request for next biennium does not include likely rate increases for comprehensive health services contracts in November 2018

• Risk of further legal activity related to inmate healthcare
  • Compliance with consent decree covering Fluvanna Women’s Correctional Center has increased DOC healthcare costs by more than $3 million per year
  • Hepatitis C class action suits create risk of substantial financial exposure for the Commonwealth

• DOC physical plant was not designed for an aging population with increasing medical needs
  • DOC has 204 infirmary beds at 6 institutions, and 74 beds for geriatric and assisted living at one institution
  • As of September 2017, 66 of DOC’s infirmary beds were occupied by offenders who would qualify for geriatric or assisted living beds
  • When DOC has infirmary backlog, offsite hospitals beds may be used at a cost of $1,000 to $1,300 per day for inmates that have been discharged, substantially more than the $330 per day cost of DOC infirmaries
JLARC Study of DOC Medical Costs

• At its September meeting, the Commission directed JLARC staff to study DOC’s inmate healthcare costs

• The study language directs JLARC to:
  • Compare cost of providing healthcare to inmates to cost of providing care to similar populations in Virginia and other states
  • Identify factors contributing to healthcare cost increases at DOC-managed and contractor-run facilities
  • Assess whether DOC provides care in a cost effective manner
  • Assess whether DOC sufficiently maintain and adequately uses inmate medical records to make strategic health care decisions

• JLARC will report its findings and recommendations to the Commission by December 15, 2018
UPDATE ON JAIL MENTAL HEALTH PILOTS
DCJS Mental Health Pilot Grant Program

- 2016 General Assembly provided $3.5 million in 2016-18 Biennium for jail mental health pilot grants
- Grantees required to increase level of service to inmates, or provide pre-incarceration in order to ultimately reduce the number of individuals with mental illness in jails
- Programs selected by DCJS in consultation with DBHDS and the Compensation Board
  - Six pilot sites selected (3 local jails and 3 regional jails)
  - 18-month pilot programs began January 1, 2017
Pilot Sites Selected by DCJS

- **Common pilot program features:**
  - Additional jail-based clinicians, case managers, and psychiatrists
  - More timely evaluations and assessments
  - Improved coordination with other stakeholders (courts, commonwealth’s attorneys, community corrections, CSBs)
  - Increase in post-release services (emergency housing, medications, GAP enrollment)
Next Steps

• Performance of grantees will be monitored over 18 months in four categories:
  • **Jail safety** – Number of incidents due to mental health crises, and number of injuries to staff and inmates due to mental health crises
  • **Mental health screening and assessment** – Timely screenings and assessments completed in line with best practices
  • **Treatment provided to inmates** – Development of treatment plans, and compliance with treatment plans
  • **Post-release services** – Follow-up care with clinician upon release, availability of medication at time of release, GAP enrollment

• Grantees are required to submit quarterly program and financial reports

• Final report assessing results of pilots is due to the General Assembly in October 2018
UPDATE ON JUVENILE JUSTICE REFORMS
2016 General Assembly Authorized Reform of Juvenile Justice System

- Appropriations Act language authorizes the Department of Juvenile Justice to:
  - Reinvest savings from facility closures and population reductions to build out its treatment, education, and alternative placement options
  - Plan two new juvenile correctional centers: one in Chesapeake to be co-located with local juvenile detention center, and a second at an undetermined location
- Appropriation Act also established task force to study options and make recommendations for DJJ services and juvenile correctional centers
Context for Juvenile Justice Reform

- Substantial decline in justice-involved juvenile population
  - Number of juvenile intake cases declined from 64,417 in FY 2008 to 39,164 in FY 2017 (39%)
  - Local detention center population down from 1,010 in FY 2008 to 644 in FY 2017 (36%), leaving many vacant beds in local detention centers
  - DJJ direct care admissions declined from 766 in FY 2008 to 332 in FY 2017 (57%)
- Juvenile justice outcomes were poor. Three years after release, juveniles had re-arrest rates of 79%, reconviction rates of 70%, and re-incarceration rates of 47%
- Decreased population and budget pressures led to reduction or elimination of treatment and alternative placement options
  - These reductions proved problematic given the high rates of special education and mental health needs among juvenile corrections population
- Planned closure of all state juvenile facilities but Bon Air limited geographic options for placement, and reduced DJJ capacity from 1,258 beds to 279 beds
  - Beaumont JCC closed June 1, 2017, leaving only 279 beds at Bon Air JCC
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<th>Location</th>
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| Bon Air Juvenile Correctional Center          | 221    | $248,000 ($679/day)       | • Houses highest risk or need juveniles  
• Annual cost was $149,000 in FY 2014  
• DJJ has increased average spending for education ($33,000), medical ($20,000), and treatment ($14,000)  
• Cost per juvenile escalated as security, operating, and maintenance costs spread over smaller population ($31,000) |
| Community Placement Program (CPP)            | 77     | $97,000 ($266/day)        | • Houses lower risk or need juveniles  
• DJJ has contracts for 87 CPP beds at 9 local juvenile detention centers  
• Lower average spending for education, medical, treatment, and operating |
| Intake and Classification                     | 27     | $56,575 ($155/day)        | • Since closure of reception and diagnostic center, most intake and classification occurring at local juvenile detention centers |
| Other                                         | 8      | Varies                   | • Includes those held in detention re-entry and “continuum” placements                                                             |
| **Total**                                     | 333    |                           |                                                                                                                                     |
Proposed New Juvenile Correctional Centers

• A new facility in Chesapeake was approved in the 2016 capital bill
  • The project was approved as co-located state (64 beds) and local (48 beds) facilities with shared infrastructure
  • As approved, project was to include some level cost sharing, with the state paying for its portion of facility and the city providing land, site preparation, and some funding
  • Local opposition arose to original and alternative sites, and city council has delayed vote until its November 21st meeting
• Due to delays, DJJ has engaged in preliminary discussions to build a state-only juvenile correctional center on state-owned land instead of a shared facility
  • Losing the city as a partner in the new facility would result in increased costs to the state, as the value of local contribution toward the project was estimated to be $9 million
  • An alternative approach will result in a change in project scope that requires approval by the General Assembly
  • Operating a state-only instead of a shared facility may increase state operating costs, as efficiencies of sharing some operating and maintenance costs with locality would be lost
• Task force recommended construction of second new juvenile correctional center on current Bon Air property
  • Recommended other DJJ land be declared surplus and sold
  • The 2016 capital bill approved the second DJJ facility for planning only
• Given increased average operating costs of a smaller juvenile correctional center population and issues with Chesapeake facility, further discussion about the necessity of two new facilities is warranted