

CORRECTIONAL MANAGED HEALTH CARE FOR STATE INCARCERATED ADULT OFFENDERS IN TEXAS

AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

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The Texas Department of Criminal Justice (TDCJ) is responsible for the health care of approximately 152,000 incarcerated adult offenders in Texas.

KEY FACTS

- ◆ The delivery of correctional health care services to offenders incarcerated within TDCJ facilities includes medical, dental, nursing, pharmacy, hospital, and mental health services.
- ◆ The direct delivery of correctional health care primarily involves two state entities: the University of Texas Medical Branch and the Texas Tech University Health Sciences Center. Both entities utilize a combination of university employees and outsourcing to provide the correctional health care services.

BUDGETARY IMPACT

The 2012–13 biennial appropriations to TDCJ for correctional managed health care total \$871.8 million.

STATUTORY REFERENCES

Texas Government Code, Chapter 501, Subchapter E, defines correctional managed health care.

TDCJ Rider 55 in Article V of the 2012–13 General Appropriations Act (page V-23) specifies CMHC spending requirements and limitations.

The Texas Department of Criminal Justice (TDCJ) is responsible for the security and safety of approximately 152,000 adult offenders incarcerated in 111 different correctional facilities statewide. A vital segment of those daily responsibilities includes the provision and management of health care to incarcerated offenders, which is currently at a TDCJ cost of more than \$435.0 million per fiscal year. The agency ensures the delivery of health care services through a model typically referred to as “correctional managed health care (CMHC)”.

CORRECTIONAL MANAGED HEALTH CARE DESCRIPTION

Correctional managed health care (CMHC) was established by the Texas Legislature in 1993. Key provisions of the legislation included statutory requirements as follows:

- establish the Managed Health Care Advisory Committee to TDCJ;
- develop a managed health care plan for TDCJ inmates;
- establish a managed care network of physicians and hospitals to serve TDCJ inmates;
- integrate, to the extent possible, Texas’ public medical schools into the established managed care network;
- initiate a competitive bidding process for contracts with other medical care providers for services the public medical schools cannot provide; and
- develop a managed health care plan that reduced the cost for state inmate medical services.

Since 1993, the initial CMHC model the state enacted has further evolved due to various statutory and policy changes. Currently, the direct delivery of health care services to offenders incarcerated within TDCJ correctional facilities primarily involves two state entities. Those two entities are the University of Texas Medical Branch and the Texas Tech University Health Sciences Center. Administration and oversight of CMHC is mainly the responsibility of two other state entities: the Correctional Managed Health Care Committee and TDCJ’s Health Services Division. Details regarding each of these state entities and their roles and responsibilities are included in a comprehensive CMHC report titled *Correctional Managed Health Care For State Incarcerated Adult Offenders In Texas*. That report, published by the Legislative Budget Board (LBB), may be found on the LBB website at: http://www.lbb.state.tx.us/PubSafety_CrimJustice/Reports/Correctional_Managed_Health_Care_Corner.htm.

CORRECTIONAL MANAGED HEALTH CARE APPROPRIATIONS AND EXPENDITURES

Appropriations to TDCJ specifically for CMHC services are provided through three distinct funding strategies for the 2012–13 biennium. Those three funding strategies are “Unit and Psychiatric Care,” “Hospital and Clinical Care,” and “Pharmacy” and are shown in Fig. 1. The 2012–13 biennial appropriations to TDCJ for CMHC total \$871.8 million. Fig. 1 shows a comparison, by fiscal year and biennium, of expenditures for fiscal years 2004–11 and

appropriations for fiscal years 2012–13. A TDCJ budget structure change was made by the Eighty-second Legislature, 2011, which impacts the presentation of expenditures starting with fiscal year 2009.

FIG. 1
TDCJ'S CORRECTIONAL MANAGED HEALTH CARE
EXPENDITURES HISTORY FOR FISCAL YEARS 2004–2011 AND APPROPRIATIONS FOR FISCAL YEARS 2012–2013
(IN MILLIONS)

FISCAL YEAR	PSYCHIATRIC	UNIT AND PSYCHIATRIC**	HEALTH CARE	HOSPITAL AND CLINICAL CARE **	PHARMACY**	FISCAL YEAR TOTAL	BIENNIAL TOTAL	BIENNIAL PERCENTAGE CHANGE
2004	\$43.1	N/A	\$295.5	N/A	N/A	\$338.6		
2005	\$43.1	N/A	\$331.1	N/A	N/A	\$374.2	\$712.8	N/A
2006	\$43.1	N/A	\$331.3	N/A	N/A	\$374.4		
2007	\$43.1	N/A	\$345.6	N/A	N/A	\$388.7	\$763.1	7.1%
2008	\$43.1	N/A	\$370.3	N/A	N/A	\$413.4		
2009	N/A	\$265.9	N/A	\$159.9	\$51.6	\$477.4	\$890.8	16.7%
2010	N/A	\$247.9	N/A	\$172.3	\$49.9	\$470.1		
2011	N/A	\$276.2	N/A	\$188.6	\$55.7	\$520.5	\$990.6	11.2%
2012*	N/A	\$244.9	N/A	\$137.9	\$54.1	\$436.9		
2013*	N/A	\$244.3	N/A	\$137.2	\$53.4	\$434.9	\$871.8	(12.0%)

* Fiscal years 2012–13 are appropriation amounts for correctional managed health care, not actual expenditures. Also, the amounts exclude appropriations made elsewhere in the General Appropriations Act related to state employee insurance and other benefits costs, and for TDCJ-HSD.

** A TDCJ budget structure change was made by the Eighty-second Legislature, 2011, which impacts the presentation of expenditures starting with fiscal year 2009. Expenditure figures for fiscal years 2004–11 also exclude costs related to state employee insurance and other benefits costs, and for TDCJ-HSD.

SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

RECENT LEGISLATIVE CHANGES

As shown in Fig. 1, compared to 2010–11 biennial expenditures, CMHC appropriations for fiscal years 2012–13 were decreased by 12 percent. This funding reduction was made by the Eighty-second Legislature, Regular Session, 2011. The Legislature also established new CMHC spending requirements and limitations within the General Appropriations Act related to correctional unit staffing models and to inpatient and outpatient reimbursement rates. During the Eighty-second Legislature, First Called Session, 2011, various statutory changes affecting CMHC were enacted. One of those statutory changes was transferring the authority to contract for offender health services from the Correctional Managed Health Care Committee to TDCJ. All of the fiscal and policy changes impacting CMHC for the 2012–13 biennium are detailed in the LBB's *Correctional Managed Health Care For State Incarcerated Adult Offenders In Texas* report.

USEFUL REFERENCES

The LBB's report on *Correctional Managed Health Care For State Incarcerated Adult Offenders In Texas* may be found on the LBB website at: http://www.lbb.state.tx.us/PubSafety_CrimJustice/Reports/Correctional_Managed_Health_Care_Corner.htm. Also, CMHC-related publications by the State Auditor's Office and the Sunset Advisory Commission are posted on the LBB website.

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