

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 106\*  
Committee Substitute Favorable 3/26/19  
Committee Substitute #2 Favorable 4/26/19  
Committee Substitute #3 Favorable 5/6/19

Short Title: Inmate Health Care.

(Public)

Sponsors:

Referred to:

February 20, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO IMPROVE INMATE HEALTH CARE REIMBURSEMENT AND INTERNAL  
3 PROCESSES AND TO ESTABLISH A TELEMEDICINE PILOT PROGRAM.

4 The General Assembly of North Carolina enacts:

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

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

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

33 **SECTION 2.(a)** G.S. 143B-707.3(c) reads as rewritten:



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 Reports submitted on August 1 shall include totals for the previous fiscal year for all the  
9 information requested."

10 **SECTION 2.(b)** By February 1, 2020, the Department of Public Safety, Health  
11 Services Section, shall report to the Joint Legislative Oversight Committee on Justice and Public  
12 Safety and to the chairs of the House of Representatives and Senate Appropriations Committees  
13 on Justice and Public Safety on alternative methods for reimbursing providers and facilities that  
14 provide approved medical services to inmates, including Medicare rates.

15 **SECTION 3.(a)** Subpart A of Part 2 of Article 13 of Chapter 143B of the General  
16 Statutes is amended by adding a new section to read:

17 **"§ 143B-707.5. Medicaid services for inmates.**

18 (a) The Department of Public Safety and the Department of Health and Human Services  
19 shall work together to enable social workers in the Department of Public Safety, Health Services  
20 Section, to qualify for and receive federal reimbursement for performing administrative activities  
21 related to Medicaid eligibility for inmates. The Department of Public Safety, Health Services  
22 Section, shall develop policies and procedures to account for the time social workers in the Health  
23 Services Section spend on administrative activities related to Medicaid eligibility for inmates.  
24 All social workers in the Health Services Section who perform administrative activities related  
25 to Medicaid eligibility shall be required to receive eligibility determination training provided by  
26 the Department of Health and Human Services at least quarterly.

27 (b) Beginning July 1, 2019, the Department of Public Safety, Health Services Section,  
28 shall require each social worker performing administrative activities related to Medicaid  
29 eligibility for inmates to document the following:

30 (1) The criteria used by the social worker when deciding to submit an application  
31 for Medicaid and when deciding not to submit an application for Medicaid,  
32 including any information the social worker believes disqualifies the inmate  
33 for Medicaid benefits.

34 (2) An indication in the social worker's data entry of an inmate's Medicaid  
35 eligibility as determined by the inmate's county department of social services.

36 (3) The number of 24-hour community provider stays prescreened for potential  
37 applications, the number of applications submitted, and the number and  
38 percentage of applications approved, denied, and withdrawn, which shall be  
39 reported to the Health Services Section Director on a monthly basis.

40 (c) Beginning October 1, 2019, in addition to the requirements in subsection (b) of this  
41 section, each Department of Public Safety, Health Services Section, social workers performing  
42 administrative activities related to Medicaid eligibility for inmates shall submit Medicaid  
43 applications and any supporting documents electronically through the ePass portal in the  
44 Department of Health and Human Services or through other electronic means, unless paper  
45 copies are required by federal law or regulation."

46 **SECTION 3.(b)** By October 1, 2019, and quarterly thereafter until full  
47 implementation is achieved, the Department of Public Safety and the Department of Health and  
48 Human Services shall jointly report to the Joint Legislative Oversight Committee on Justice and  
49 Public Safety and the Joint Legislative Oversight Committee on Medicaid and North Carolina  
50 Health Choice on progress in receiving federal reimbursement for performing administrative  
51 activities related to Medicaid eligibility for inmates.

1           **SECTION 3.(c)** By October 1, 2019, the Department of Public Safety shall report to  
2 the Joint Legislative Oversight Committee on Justice and Public Safety on the implementation  
3 of the documentation of criteria for the submission of Medicaid applications and the electronic  
4 submission of Medicaid applications.

5           **SECTION 4.** The Department of Public Safety, Health Services Section, shall issue  
6 two requests for proposals (RFP) to develop an electronic supply inventory management system.  
7 One RFP shall be for a system to be used at all prison facilities and one RFP shall be for a system  
8 to be used exclusively at the Central Prison Healthcare Complex and the North Carolina  
9 Correctional Institution for Women. The RFPs shall be for an electronic supply inventory  
10 management system that is capable of all of the following:

- 11           (1) Recording the arrival and departure of each medical supply in use or for future  
12 use from the point of order, including all methods of requisition and main  
13 storage locations (e.g., warehouse, secondary storage location, prison unit, or  
14 infirmary).
- 15           (2) Recording the dates on which a medical supply was physically at each  
16 transition point, including the date of use or disposal.
- 17           (3) Identifying Department employees who have custody of or control over a  
18 medical supply at each transition point, including at the time of use or  
19 disposal.
- 20           (4) Ensuring that medical supplies are used prior to their expiration date.
- 21           (5) Ensuring an adequate supply of each medical product currently being used or  
22 obtained for future use at each facility. Adequate supply level shall be based  
23 on usage of each medical product by each facility.
- 24           (6) Biannually assessing the need for particular medical supplies and the accuracy  
25 of records through an audit of the system.

26           The Department shall report the results of the RFPs to the Joint Legislative Oversight  
27 Committee on Justice and Public Safety and the chairs of the House of Representatives and  
28 Senate Appropriations Committees on Justice and Public Safety by December 1, 2019.

29           **SECTION 5.(a)** The Department of Public Safety, Health Services Section, and the  
30 Office of State Human Resources shall jointly study the salaries of all in-prison health services  
31 employees to determine what adjustments are necessary to increase the salaries of new hires and  
32 existing employees of the Health Services Section to market rates.

33           **SECTION 5.(b)** The Department of Public Safety shall establish a vacancy rate  
34 benchmark for each correctional facility and shall create a plan to reduce the vacancy rates. The  
35 Department shall consider initiatives to reduce vacancy rates, including the following:

- 36           (1) Increasing salaries to market rates.
- 37           (2) Creating a student loan forgiveness program for the Health Services Section.
- 38           (3) Offering signing bonuses and annual cash incentives.
- 39           (4) Increasing the use of telemedicine positions.
- 40           (5) Creating dual appointment opportunities for doctors currently employed by  
41 the State.
- 42           (6) Offering differential pay for health services workers employed in  
43 difficult-to-staff facilities.
- 44           (7) Streamlining and potentially eliminating duplicative or unnecessary steps in  
45 the hiring process.

46           **SECTION 5.(c)** The Department of Public Safety shall establish methods to measure  
47 the effectiveness of the initiatives to reduce vacancy rates required in subsection (b) of this  
48 section and estimate the budgetary impact and anticipated savings from the Department's reduced  
49 reliance on outside contracted providers. By February 1, 2020, the Department shall submit its  
50 findings on salaries and vacancy rates, including any proposed legislation and the need for  
51 assistance required from the Office of Human Resources and the Office of Rural Health in the

1 Department of Health and Human Services to accomplish the objectives outlined in subsections  
2 (a) and (b) of this section to the Joint Legislative Oversight Committee on Justice and Public  
3 Safety.

4 **SECTION 6.(a)** By July 1, 2019, the Department of Public Safety, Health Services  
5 Section, shall report to the Joint Legislative Oversight Committee on Justice and Public Safety  
6 and the chairs of the House of Representatives and Senate Appropriations Committees on Justice  
7 and Public Safety on the feasibility study of telehealth services referenced in the February 2019  
8 Memorandum of Agreement between the Department and UNC Health Care.

9 **SECTION 6.(b)** The Department of Public Safety, Health Services Section, shall  
10 establish a telemedicine pilot program to provide physical health services to inmates in remote  
11 correctional facilities. The pilot program shall be established with consideration of the results of  
12 the study referenced in subsection (a) of this section. The goal of the pilot program is to assess  
13 whether the use of telemedicine decreases costs for inmate transportation, custody, and outside  
14 providers while improving access to care. While designing the telemedicine pilot program, the  
15 Department of Public Safety, Health Services Section, shall consult UNC Health Care; the 2012  
16 University of North Carolina, Kenan-Flagler Business School report on telemedicine; and  
17 Finding 6, Report Number 2018-08, from the Joint Legislative Program Evaluation Oversight  
18 Committee. The telemedicine pilot program shall initially be established in two correctional  
19 facilities serving male inmates. One pilot site shall be located in a correctional facility in the  
20 eastern portion of the State and one pilot site shall be located in a correctional facility in the  
21 western portion of the State. The pilot program design must connect the two correctional facility  
22 pilot sites with the Central Prison Healthcare Complex and its contracted providers' facilities and  
23 shall be operational on or before January 1, 2020.

24 **SECTION 6.(c)** The ability to assess, measure, and evaluate the telemedicine pilot  
25 program shall be integral to the pilot program design. Assessment of the pilot program shall  
26 include, but is not limited to, the following measures for each correctional facility pilot site:

- 27 (1) Number and cost of telemedicine encounters by service area.
- 28 (2) Comparison of the number and cost of telemedicine encounters, by service  
29 area, to:
  - 30 a. The number of in-person encounters provided the previous year to  
31 inmates housed at that facility; and
  - 32 b. The number of in-person encounters provided during the pilot period  
33 at similar correctional facilities not participating in the pilot.
- 34 (3) Comparison of the number of days lapsed between referral date and treatment  
35 date, by service area, to:
  - 36 a. The number of days lapsed the previous year in that facility; and
  - 37 b. The number of days lapsed during the pilot period at similar  
38 correctional facilities not participating in the pilot.
- 39 (4) Amount of inmate transportation and custody costs avoided from receiving  
40 telemedicine.
- 41 (5) Amount of provider transportation costs avoided from providing  
42 telemedicine.
- 43 (6) Cost of initial telemedicine equipment and other related costs with  
44 descriptions.
- 45 (7) Obstacles and concerns related to expanding telemedicine to other  
46 correctional facilities.

47 **SECTION 6.(d)** On or before January 1, 2020, the Department of Public Safety,  
48 Health Services Section, shall provide an interim report on the assessment criteria outlined in  
49 subsection (c) of this section, including any additional findings and recommendations, to the  
50 Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative  
51 Oversight Committee on Health and Human Services. On or before January 1, 2021, the

1 Department of Public Safety, Health Services Section, shall report to the Joint Legislative  
2 Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee  
3 on Health and Human Services on the assessment criteria outlined in subsection (c) of this  
4 section, including any additional findings, and shall make recommendations on whether to  
5 expand the telemedicine pilot program to additional sites, including accompanying costs and  
6 anticipated savings, and recommendations on which correctional facilities would be most  
7 advantageous to include in the pilot due to lack of access or costs associated with transportation  
8 and custody.

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