

# BUDGET NARRATIVE

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## OREGON DEPARTMENT OF CORRECTIONS Health Services Organizational Chart 2013-15 Current Legislatively Approved Budget

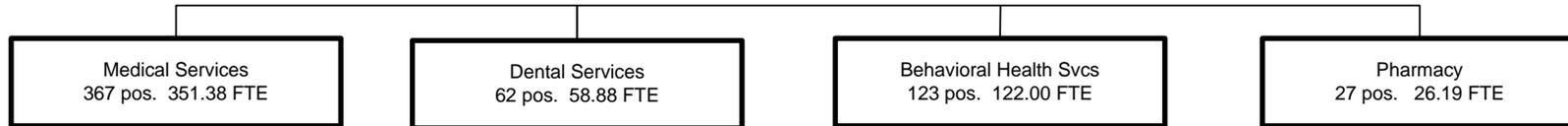


**Total Positions: 559**  
**FTE: 539.63**

# BUDGET NARRATIVE

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## OREGON DEPARTMENT OF CORRECTIONS Health Services Organizational Chart 2015 -17 Agency Request Budget



**Total Positions: 579**  
**FTE: 558.45**

# BUDGET NARRATIVE

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## OREGON DEPARTMENT OF CORRECTIONS Health Services Organizational Chart 2015 -17 Governor's Balanced Budget



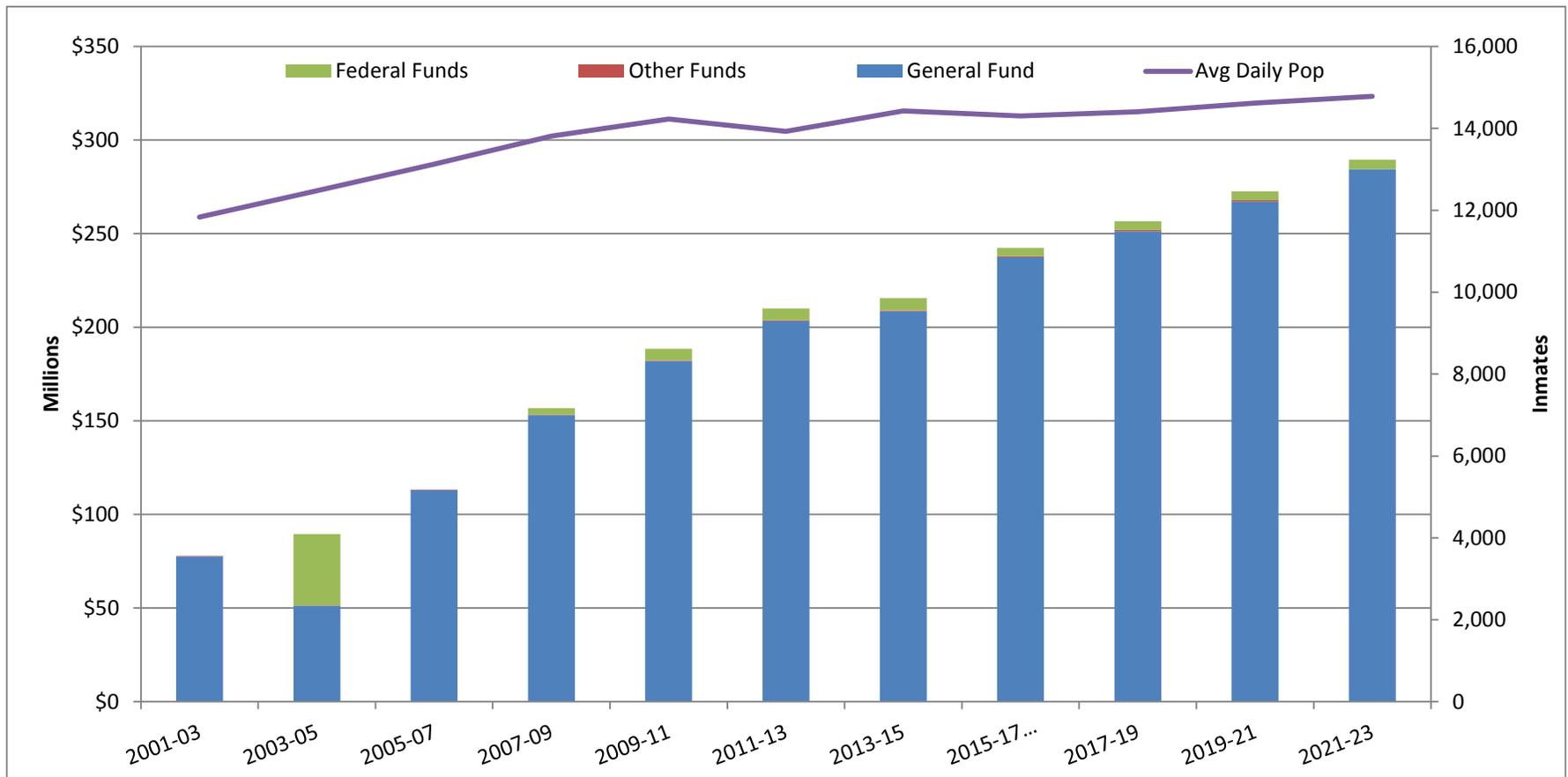
**Total Positions: 563**  
**FTE: 543.99**

# BUDGET NARRATIVE

## Health Services Division

### Program Unit Executive Summary

- a. 10 Year Plan Outcome Areas that are impacted by the program: Safety (primary) and Healthy People (secondary)
- b. Primary Program Contact: Steve Robbins, Health Services Administrator
- c. Total Funds Budget



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## d. Program Overview

The Department of Corrections (DOC) Health Services section provides constitutionally mandated medical, dental, mental health, and pharmacy services to the entire offender population 24-hours per day, 7 days a week. DOC provides a varying range of health care services at each of 14 locations and occasionally patients need to go to the hospital or see specialty providers based on the severity of their conditions.

## e. Program Funding Request

In the Agency Request Budget this program is requesting \$242,461,919 to continue providing constitutionally mandated medical, dental, mental health, and pharmacy services to the 14,600 adults in custody across the state's 14 prisons. This request includes funding for the following Policy Option Packages, which are described in detail later in this document:

- 101 – Electronic Health Records
- 107 – Health Services Operational Enhancements (Eliminated in Governor's Balanced Budget)

## f. Program Description

DOC Health Services section provides medical, dental, mental health, and pharmacy services to the approximately 14,600 adults in custody in Oregon's prisons. To accomplish this task effectively and efficiently, the department uses a managed care model that stresses a limited benefit package, on-site primary care with coordinated care and management of diseases, controlled access to specialists and specialist procedures, restricted pharmacy medication formulary, controlled utilization, utilization review, and claims review.

For the 2013 calendar year, DOC had over one million medical encounters (an average of 88,000 per month). The vast majority, over 99 percent, of these encounters were treated on site. Less than 1 percent required offenders be transported and treated outside the prison.

DOC maintains a team of professionals that includes Physicians, Nurse Practitioners, Physician Assistants, Registered Nurses, Dentists, Psychiatrists, Mental Health Specialists, Pharmacists, as well as other licensed professionals.

The costs of delivering health care in DOC institutions are impacted by the same social and economic forces that have caused rapid increases in health care costs for employers and citizens in Oregon's communities and nationwide, including increasing costs of equipment, supplies and pharmaceuticals; changing medical community standards of care; costs to treat both on-site and inpatient hospital care; and staffing.

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DOC continually reviews services provided within its institutions looking for opportunities to bring more specialists on-site, minimizing the need for off-site transport. When possible, DOC contracts with specialists to provide on-site services in areas such as OB/GYN, cardiology, urology, orthopedics, general surgery, and dialysis.

DOC has also implemented a Chronic Disease Self-Management program. Offenders diagnosed with HIV, hepatitis, diabetes, and those suffering from high blood pressure and high cholesterol are engaged in this program. Educating offenders on how to manage their chronic conditions supports empowerment and enhances the likelihood of medical compliance – both while incarcerated and after release.

Health Services contracts with Correctional Health Partners (CHP) which is a third party administrator. CHP provides DOC with access to a discounted provider network and medical care resources (i.e., hospitals and specialty care). CHP also provides case management, hospital discharge planning, daily patient progress reports, and claims processing.

Effective January 1, 2014, DOC implemented the use of Medicaid for qualified inpatient stays according to the Federal Financial Participation section of the Social Security Act. Medicaid Specialists were hired and trained to identify qualified stays and subsequently prepare and route applications. An efficient claims payment process is still being developed. In cooperation with the Oregon Health Authority and Department of Human Services, the Department of Corrections will continue to develop efficient application, claims and reporting processes. DOC will work with CFO and LFO to restate assumed savings as more data is available.

## g. Program Justification and Link to 10-Year Outcome

The 10-year plan provides for an integrated system in which all professionals involved in providing services share the responsibility of managing the use of correctional medical and mental health resources to maximize public safety while minimizing cost. The DOC medical, dental, mental health and pharmacy professionals share in the responsibility to provide these services to incarcerated individuals.

Upon arrival at DOC's Intake facility, a comprehensive health assessment is completed for every offender. This assessment provides DOC with medical, dental, and mental health needs of each offender. Offenders are provided with education and counseling for general health maintenance and self-care throughout incarceration. Offenders with chronic diseases are provided information that is designed to increase their ability to monitor and manage their health status. As offenders near release they are involved in planning for successful continuity of care as they transition into their particular community setting.

All basic dental care is provided within the institutions by fully licensed dental staff. Occasional referrals to community specialists are required for procedures such as complicated wisdom tooth removal. All specialist referrals require committee review and

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must be deemed medically necessary prior to scheduling. The Dental section functions under the same state and federal court benchmarks of acceptable levels of health care mentioned above.

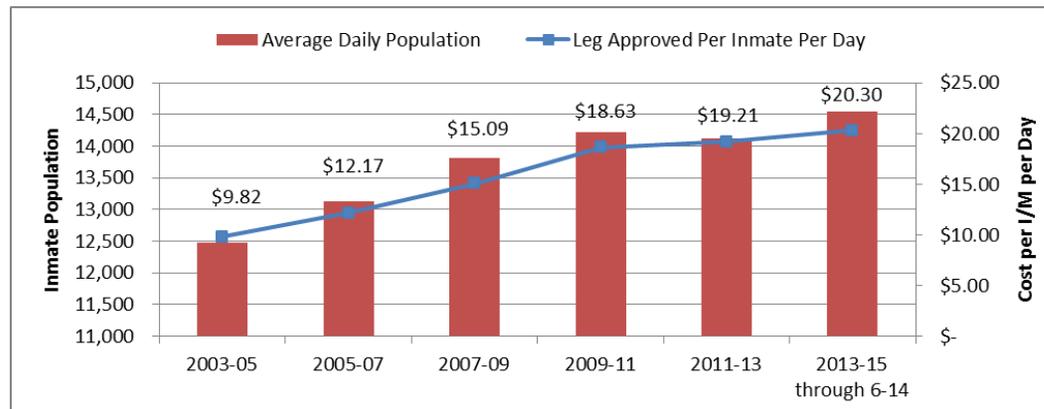
As indicated in the 10-year plan, “Behavior must be managed when a person leaves prison.” This behavior management must begin while the person is incarcerated. The Behavioral Health Services section provides a range of needed assessments and treatment for offenders who are mentally ill and/or developmentally disabled. Transition planning for this population, to assist with continuity of care, is provided prior to release. National and Oregon-based research has shown these services have a major impact on improving offender functioning during incarceration (Managing Mental Illness in Prison, 2004, Brazelon Center for Mental Health Law – Building Bridges).

DOC utilizes a group purchasing organization (GPO) that includes 46 states and major municipalities to obtain pharmaceuticals at a greatly reduced price for inmates. The department has two pharmacies (Salem and Ontario) and a medical supplies distribution network to service all locations.

Upon release, eligible inmates are pre-enrolled into either Medicaid or Medicare to ensure the continuity of care. DOC also provides inmates that require medications a 30-day supply at the time of their release.

## h. Program Performance

The chart below depicts the average offender daily population compared to the Health Services budgeted cost per offender per day. All offenders have access to services provided by the Health Services section.



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Health Services measures performance as follows.

1. Medical / Dental / Pharmacy – Total offender care encounters that occur off-site:

- Target = 1%, Actual = <1%
- When offenders are cared for on-site, their pharmaceuticals and supplies are provided by Health Services.

2. Behavioral Health – Rate of Class 1 assaults on individual staff per month (rate per 1,000 employees):

- Target = 1.5, Actual = 1.3
- Some of the assaults are committed by seriously mentally ill offenders and the Behavioral Housing Unit was established to provide intensive treatment in an effort to further reduce the rate of assaults.

i. Enabling Legislation/Program Authorization

The U.S. Constitution's 8<sup>th</sup> Amendment provides that, "Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted." [Proposed by Congress in 1789 and ratified by the necessary number of states in 1791.]

ORS 423.020 (1)(d) – "Provide adequate food, clothing, health and medical care, sanitation and security for persons confined."

The legal framework for prison health care was established in the 1976 landmark decision of *Estelle v. Gamble*: "Deliberate indifference to serious medical needs of prisoners constitutes the unnecessary and wanton infliction of pain," *Estelle v. Gamble* (1976).

Additional cases followed:

- "Intentional denial to a prisoner of needed medical treatment is cruel and unusual punishment," *Ramsey v. Ciccone* (1970).
- "Offenders must be able to make problems known. Medical staff must be competent to examine and diagnose. Medical problems must be treated," *Capps v. Atiyeh* (1981).
- "Corrections officials may not lawfully make a blanket decision to deny offender's medical treatments based solely on budgetary reasons," *Delker v. Maass* (1996).

In the many published cases following *Estelle*, three basic rights have emerged: The right to access care, the right to care that is ordered, and the right to a professional medical judgment. The failure of correctional officials to honor these rights has resulted in

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protracted litigation, the award of damages and attorneys' fees, and the issuance of injunctions regarding the delivery of health care services.

j. Describe the various funding streams that support the program

In the 2013-15 biennium, Health Services was primarily funded from the General Fund. Health Services receives Other Funds revenue (with limitation of approximately \$600,000) as inmates reimburse the department for prosthetics and dentures ordered on their behalf.

Beginning in 2009-11, the federal funding the department receives through the State Criminal Alien Assistance Program (SCAAP) was redirected to Health Services. For 2013-15 this was approximately \$6 million (partially as a result of a \$2 million carryover from the prior biennium). DOC anticipates \$2 million annually from SCAAP in 2015-17, for an estimated biennial total of \$4 million.

k. Describe how the 2015-17 funding proposal advanced by the agency compares to the program authorized for the agency in 2013-15

During the 2013-15 biennium, Health Services will continue providing legally mandated medical, dental, mental health, and pharmacy services to the offender population 24-hours per day, 7 days a week. Over the course of the 2015-17 biennium, Health Services will explore the possibilities for implementation of the following innovative ideas:

- Further the use of technology across the system through the use of Electronic Health Records (EHR) and telemedicine with a Policy Option Package requesting EHR funding (POP 101).
- A POP requesting funding to operate the Oregon State Correctional Institution (Salem) with a 24/7 infirmary to relieve the Oregon State Penitentiary (Salem) infirmary as the only infirmary on the west side of the state, as well as Dental Services enhancements for preventative care (POP 107). (This POP was eliminated in Governor's Balanced Budget.)
- A net-zero cost POP that shifts contracted program funding to bolster needed behavioral health positions in key areas around the state (POP 114).

## **Program Unit Narrative**

### ***Medical Services***

The state has a moral and legal obligation to provide health care for those people whom it incarcerates. The Federal courts have mandated that inmates, though incarcerated, remain entitled to basic medical care. These inmates enter the system with a lower than

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average educational level, lower than average income, and a higher than average rate of illness and chronic disease. At least 12 percent have heart disease or respiratory disease; 18 percent have moderate or severe mental health problems; and up to 70 percent report alcohol or drug problems. In addition, they often have had poor prior medical care.

Health Services sees medical problems similar to any that exist in the outside community, ranging from major to minor problems, acute illnesses or injuries, to ongoing care for chronic diseases, preventative health care, and end-of-life care. The nursing staff engages in over 1,000 patient care contacts each day statewide, and the Physician/Family Nurse Practitioner/ Physician's Assistant staff provides more than 250 on-site primary care appointments each day. DOC has five institutions with on-site infirmaries with approximately 76 infirmary beds. DOC Health Services provides extensive primary care on-site and also provides appointments in the community with specialists such as cardiologists, surgeons, and gastroenterologists as needed. DOC Health Services also provides hospitalization in the community hospitals when necessary.

All DOC health care programs have passed accreditation standards set by the National Commission on Correctional Health Care (NCCHC) and are currently accredited. One of our institutions won the national "Facility of the Year" award for health care in 1994; the hospice program won the "National Program of the Year" award in 2000; and DOC maintains the same high standard of professionalism and quality health care throughout all of its institutions.

## ***Behavior Health Services***

Over the past decade, DOC has become the largest mental health care provider in the state. Approximately 50 percent of adults in custody have some level of need for mental health treatment. DOC provides several levels of mental health treatment along with individualized case management. Behavioral Health Services are targeted to inmates with severe or persistent mental illness. Short-term services are available to inmates who are not mentally ill, but who show high suicide potential, or who are experiencing other emotional distress. DOC Behavior Health Services provides intake screening, individualized case management and day treatment for inmates with mental retardation or developmental disabilities.

## ***Dental Services***

DOC has dental facilities in ten institutions. Inmates housed in facilities without dental clinics are transported to the nearest DOC facility for their dental needs. DOC dental clinics are staffed by licensed Dentists and qualified Dental Assistants, who provide approximately 14,000 dental contacts statewide in a calendar year.

Emergency treatment and relief of pain is the first priority, but other medically necessary dental services are available. These include preventative treatments, routine fillings, and construction of dentures. These other medically necessary services are based on the severity of the problem in conjunction with the length of the inmate's sentence. Inmates are also referred to specialists in the community when the services cannot be completed in the DOC dental facility (oral surgery, for instance.)

# BUDGET NARRATIVE

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Inmates must pay for any requested treatment that is deemed to be non-medically necessary. Inmates may, however, also seek optional services through the Purchase of Care Rule, and can go to a dentist in the community. In those cases, the inmate is responsible for all costs of treatment, escorts, and transportation when seeking outside optional services. Also, inmates must pay for dentures, as they become the inmate's property.

## ***Pharmacy & Medical Stores***

The Health Services section operates Pharmacy and Medical Stores Distribution Centers in Salem (serving institutions on the west side of Oregon) and in Ontario, serving institutions on the east side. This geographic separation provides economy in distribution and professional oversight while ensuring emergency backup capabilities.

DOC Pharmacies and institutional Medication Rooms are licensed and regulated by the Oregon Board of Pharmacy and the Federal Drug Enforcement Agency. The formulary is established and regularly reviewed by a multidisciplinary Pharmacy and Therapeutics Committee. Pharmaceuticals are purchased through a 46 state buying consortium under strict state purchasing guidelines. This ensures that medications are purchased under some of the best pricing levels in the nation. Pharmacists regularly inspect institutional medication rooms to ensure compliance with policy and regulation and to provide consultation to site managers. Organized as a modified managed care system, the Pharmacy Unit currently prepares, packages, and distributes over 25,000 prescriptions per month to meet the medication needs of the system's 14,600 inmates.

DOC Medical Stores identifies, purchases, and distributes the specialized medical equipment, instruments, and supplies needed to operate the system's institutional clinical services and coordinates the purchase and repair of costly diagnostic and treatment equipment and durable medical goods. Centralized purchasing and a controlled inventory promote efficiency and help to manage costs.

## ***Other Significant Issues***

**Medicaid:** In January 2014, DOC began using Medicaid (via the Oregon Health Authority) to pay claims for qualified in-patient stays. At the time, the fiscal impact from HB 2087 (2013) assumed savings associated with the use of Medicaid at \$12.7 million for 18 months of implementation. That estimate has already been taken as a reduction in anticipation of the program's effectiveness. As a result, the 2015-17 base budget for the Health Services Section still makes this same assumption. As actual claims data becomes available, DOC may request a modification to this reduction to more accurately reflect the savings being realized.

**Hepatitis C Medication:** The 2015-17 base budget assumes the use of protease inhibitors for the treatment of HEP-C, but it reflects an earlier treatment regimen that was approximately \$50,000 per patient. Since that was incorporated into the 2013-15 budget as exception inflation, two subsequent treatment protocols have been created that put the current cost at \$84,000 and a potential future cost in 2015-17 at \$170,000 per treatment.

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**Aging Population:** Nationwide, prison systems are seeing a growing population of inmates over 55 years of age. As referenced in a recent PEW report (State Prison Health Care Spending, July 2014), Oregon has the highest percentage of “over 55” population in the nation. In addition, prison inmates typically present physically 10 years older than their chronologic age. This aging population requires more medical resources over the term of their incarceration.

**SB 843 Workgroup on Corrections Health Care Costs:** SB 843 (2013) initiated a workgroup to focus on the issues surrounding the costs of correctional health care in Oregon. Recommendations were crafted and are being considered as that task force looks to complete its work in October 2014.

## Proposed New Laws that Apply to the Program Unit

One of the agency’s nine legislative concepts for the 2015 session falls under the leadership of Health Services.

- Legislative Concept 29100/006: HB 2087 (2013) provided DOC the opportunity to begin utilizing Medicaid for inpatient, off-site medical care for stays exceeding 24 hours. Historically, when an inmate began incarceration his/her Medicaid eligibility was terminated. HB 2087 allows for Oregon to suspend eligibility instead of terminating it, making it much easier to simply re-activate eligibility when warranted. As inmates go off-site for a qualifying event, an application is submitted and approved, allowing DOC to ask that the providers in these cases submit the claims to the Oregon Health Plan. When the inmate returns to the prison, their Medicaid eligibility is now suspended. Unfortunately, the wording in HB 2087 only allows that suspension for inmates serving 12 months or less. DOC, in cooperation with the Oregon Health Authority, has drafted a legislative concept (29100/006) to permanently suspend Oregon Health Plan eligibility (rather than terminate) for all inmates, regardless of their incarceration length.

## Expenditures by Fund Type, Positions and Full-Time Equivalents – Agency Request Budget

| Program Sub-Unit   | Position/FTE | General Fund  | Other Funds | Federal Funds | Total Funds   |
|--------------------|--------------|---------------|-------------|---------------|---------------|
| Medical            | 367 / 351.38 | \$144,956,205 | \$625,144   | \$4,437,428   | \$150,018,777 |
| Dental             | 62 / 58.88   | \$16,704,581  | -           | -             | \$16,704,581  |
| BHS                | 123 / 122.00 | \$36,475,960  | -           | -             | \$36,475,960  |
| Pharmacy           | 27 / 26.19   | \$39,262,601  | -           | -             | \$39,262,601  |
| Program Unit Total | 579 / 558.45 | \$237,399,347 | \$625,144   | \$4,437,428   | \$242,461,919 |

# BUDGET NARRATIVE

## Expenditures by Fund Type, Positions and Full-Time Equivalents – Governor’s Balanced Budget

| Program Sub-Unit   | Position/FTE |  | General Fund  | Other Funds | Federal Funds | Total Funds   |
|--------------------|--------------|--|---------------|-------------|---------------|---------------|
| Medical            | 358 / 343.92 |  | \$143,150,118 | \$625,144   | \$4,437,428   | \$148,212,690 |
| Dental             | 55 / 51.88   |  | \$15,407,327  | -           | -             | \$15,407,327  |
| BHS                | 123 / 122.00 |  | \$36,306,403  | -           | -             | \$36,306,403  |
| Pharmacy           | 27 / 26.19   |  | \$39,726,247  | -           | -             | \$39,726,247  |
| Program Unit Total | 563 / 543.99 |  | \$234,590,095 | \$625,144   | \$4,437,428   | \$239,652,667 |

## Revenue Sources and Proposed Revenue Changes

**Federal Funds:** DOC receives federal State Criminal Alien Assistance Program (SCAAP) funding in the amount of approximately \$2 million per year, or \$4 million per biennium. That funding is assigned to the Health Services Division. As Federal Fund limitation was provided to DOC Health Services, an equal amount of General Fund was removed, for no net gain to the division. As SCAAP funding declines (it has steadily been reduced over the past six years), it will be necessary to backfill the lost revenue by replacing it with General Fund that was originally removed.

**Other Funds:** If they have the means, inmates can participate in elective medical care that they pay for themselves. In addition, if an inmate wants services that are deemed not medically necessary (such as dentures), they have the option to purchase those services with their own money. Because of the contractual nature of DOC’s relationship with vendors, DOC utilizes General Fund for these services and then receives the reimbursement from inmates as Other Funds revenue. GF expenditures are reduced by the OF revenue that has been received.

# BUDGET NARRATIVE

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## Health Services Division

### 010 Non-PICS Psnl Svc / Vacancy Factor

#### Package Description

##### Purpose

This package includes three components: 1) The cost of Personal Services adjustments, such as inflation on non-PICS accounts, i.e., overtime, differentials, unemployment compensation, and mass transit taxes, which are not automatically generated by PICS; 2) An adjustment for the anticipated savings associated with normal employee turnover, commonly referred to as vacancy savings, which is developed using a formula prescribed by the Department of Administrative Services (DAS) Chief Financial Officer (CFO) that considers both the savings and costs associated with normal turnover activity; and 3) An adjustment to the Public Employee Retirement System (PERS) Pension Obligation Bond assessment, which is also developed by DAS CFO.

##### How Achieved

Non-PICS Accounts – With the exception of Mass Transit, adjustment amounts are computed by multiplying the above referenced accounts in the 2015-17 Base Budget by the standard inflation factor of 3.0%. Added to these amounts is the value of the exceptional inflation awarded to agencies that have both mandated caseload and 24/7 facilities. This inflation factor totals 8.5%.

Vacancy Savings – Vacancy savings are computed using the formula and guidelines prescribed in the Budget and Legislative Concept Instructions and approved by the DAS CFO. This formulaic estimate of vacancy savings is then compared against the base budget, resulting in a package 010 adjustments.

PERS Pension Obligation Bonds – The Pension Obligation Bond amount is provided by the DAS CFO. This budgeted amount is distributed by DAS for Debt Service on PERS Pension Obligation Bonds. There is no inflation factor applied to Pension Obligation Bonds.

#### Agency Request Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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## Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$4,506,110 |
| Other Funds   | 0           |
| Federal Funds | 0           |

## Governor's Balanced Budget

### Staffing Impact

None

## Revenue Sources

|                    |                    |
|--------------------|--------------------|
| General Fund       | \$4,506,110        |
| Other Funds        | 0                  |
| Federal Funds      | 0                  |
| <u>Total Funds</u> | <u>\$4,506,110</u> |

## 2017-19 Fiscal Impact

Actions approved in this package will have varying impacts on future periods. Normal inflation will be integrated into and become part of the Base Budget for 2017-19, as will the funding approved in the non-PICS exceptions. Vacancy savings are re-projected each biennium based on agency experience. The Pension Obligation Bond financing will be an ongoing liability for the agency.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |               |                        |                          |                    |
| General Fund Appropriation           | 4,506,110          | -             | -           | -             | -                      | -                        | 4,506,110          |
| <b>Total Revenues</b>                | <b>\$4,506,110</b> | -             | -           | -             | -                      | -                        | <b>\$4,506,110</b> |
| <b>Personal Services</b>             |                    |               |             |               |                        |                          |                    |
| Overtime Payments                    | 80,778             | -             | -           | -             | -                      | -                        | 80,778             |
| Shift Differential                   | 65,868             | -             | -           | -             | -                      | -                        | 65,868             |
| All Other Differential               | 185,066            | -             | -           | -             | -                      | -                        | 185,066            |
| Public Employees' Retire Cont        | 64,784             | -             | -           | -             | -                      | -                        | 64,784             |
| Pension Obligation Bond              | 521,249            | -             | -           | -             | -                      | -                        | 521,249            |
| Social Security Taxes                | 25,375             | -             | -           | -             | -                      | -                        | 25,375             |
| Unemployment Assessments             | 760                | -             | -           | -             | -                      | -                        | 760                |
| Mass Transit Tax                     | 22,478             | -             | -           | -             | -                      | -                        | 22,478             |
| Vacancy Savings                      | 3,539,752          | -             | -           | -             | -                      | -                        | 3,539,752          |
| <b>Total Personal Services</b>       | <b>\$4,506,110</b> | -             | -           | -             | -                      | -                        | <b>\$4,506,110</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |               |                        |                          |                    |
| Instate Travel                       | -                  | -             | -           | -             | -                      | -                        | -                  |
| Employee Training                    | -                  | -             | -           | -             | -                      | -                        | -                  |
| Office Expenses                      | -                  | -             | -           | -             | -                      | -                        | -                  |
| Medical Services and Supplies        | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Services &amp; Supplies</b> | -                  | -             | -           | -             | -                      | -                        | -                  |

# BUDGET NARRATIVE

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## Health Services Division

### 021 Phase-In

#### Package Description

##### Purpose

This package includes the financial impact associated with phasing in a full 24 months of the programs, services, or legislative actions that were begun during the 2013-15 biennium. Package 021 includes the added costs of programs above the 2015-17 Base Budget level, after adjustments are made for start-up costs or other one-time expenditures funded in 2013-15.

In 2013-15, the Legislatively Adopted Budget included 18 months of savings (\$12,571,570) related to newly allowed Medicaid coverage for offsite, inpatient encounters that keep an inmate out of the facility for over 24 hours. This package biennializes the 2013-15 budgeted savings, inflates savings by the standard inflation rate of 3%, and adjusts the estimate to the June 2014 savings rate, which equates to estimated savings of (\$15,789,730) for the 2015-17 biennium.

##### How Achieved

This package includes the financial impact (including inflation) for non-PICS Personal Services, Services & Supplies, Capital Outlay, and Special Payments accounts to provide for 24-month operation of positions and services brought on-line during the 2013-15 biennium. Inflation for these additional costs is also included in this package at the level prescribed by the DAS CFO.

Note: The position/FTE counts and the PICS financial impact of phased-in positions is included in the 2015-17 base budget as part of the automated budget development process. Only the incremental cost for the above mentioned non-PICS accounts is included in this package.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |               |
|---------------|---------------|
| General Fund  | \$(3,218,166) |
| Other Funds   | 0             |
| Federal Funds | 0             |

# BUDGET NARRATIVE

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## Governor's Balanced Budget

### Staffing Impact

None

### Revenue Sources

|                      |               |
|----------------------|---------------|
| General Fund         | \$(3,218,166) |
| Other Funds          | 0             |
| <u>Federal Funds</u> | <u>0</u>      |
| Total Funds          | \$(3,218,166) |

### 2017-19 Fiscal Impact

The actions included in this package will become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 021 - Phase-in

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund         | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds            |
|--------------------------------------|----------------------|---------------|-------------|---------------|------------------------|--------------------------|----------------------|
| <b>Revenues</b>                      |                      |               |             |               |                        |                          |                      |
| General Fund Appropriation           | (3,218,166)          | -             | -           | -             | -                      | -                        | (3,218,166)          |
| <b>Total Revenues</b>                | <b>(\$3,218,166)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$3,218,166)</b> |
| <b>Services &amp; Supplies</b>       |                      |               |             |               |                        |                          |                      |
| Medical Services and Supplies        | (3,218,166)          | -             | -           | -             | -                      | -                        | (3,218,166)          |
| <b>Total Services &amp; Supplies</b> | <b>(\$3,218,166)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$3,218,166)</b> |
| <b>Total Expenditures</b>            |                      |               |             |               |                        |                          |                      |
| Total Expenditures                   | (3,218,166)          | -             | -           | -             | -                      | -                        | (3,218,166)          |
| <b>Total Expenditures</b>            | <b>(\$3,218,166)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$3,218,166)</b> |
| <b>Ending Balance</b>                |                      |               |             |               |                        |                          |                      |
| Ending Balance                       | -                    | -             | -           | -             | -                      | -                        | -                    |
| <b>Total Ending Balance</b>          | <b>-</b>             | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>-</b>             |

# BUDGET NARRATIVE

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## Health Services Division

### 022 Phase-out Pgm & One-time Costs

#### Package Description

##### Purpose

This package includes the financial impact associated with phasing out programs, services, or legislative actions that were terminated during the 2013-15 biennium. This includes the elimination of one-time expenditures and/or reductions that were a part of the 2013-15 budget. The 2013-15 Legislatively Adopted Budget included a one-time reduction in Package 810, which is phased out in 2015-17.

##### How Achieved

This package includes the financial impact associated with phasing out the non-PICS Personal Services, Services and Supplies, Capital Outlay, and Special Payments for programs and services eliminated during the 2013-15 biennium.

Note: The position/FTE counts and the PICS financial impact of phased-out positions is included in the Base Budget as part of the automated budget development process. Only the incremental change for the above mentioned non-PICS accounts is included in this package.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$1,970,782 |
| Other Funds   | 0           |
| Federal Funds | 0           |

#### Governor's Balanced Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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**Revenue Sources**

|               |             |
|---------------|-------------|
| General Fund  | \$1,970,782 |
| Other Funds   | 0           |
| Federal Funds | 0           |
| <hr/>         |             |
| Total Funds   | \$1,970,782 |

**2017-19 Fiscal Impact**

The actions included in this package will become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |               |                        |                          |                    |
| General Fund Appropriation           | 1,970,782          | -             | -           | -             | -                      | -                        | 1,970,782          |
| <b>Total Revenues</b>                | <b>\$1,970,782</b> | -             | -           | -             | -                      | -                        | <b>\$1,970,782</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |               |                        |                          |                    |
| Medical Services and Supplies        | 1,970,782          | -             | -           | -             | -                      | -                        | 1,970,782          |
| <b>Total Services &amp; Supplies</b> | <b>\$1,970,782</b> | -             | -           | -             | -                      | -                        | <b>\$1,970,782</b> |
| <b>Capital Outlay</b>                |                    |               |             |               |                        |                          |                    |
| Office Furniture and Fixtures        | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Capital Outlay</b>          | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Expenditures</b>            |                    |               |             |               |                        |                          |                    |
| Total Expenditures                   | 1,970,782          | -             | -           | -             | -                      | -                        | 1,970,782          |
| <b>Total Expenditures</b>            | <b>\$1,970,782</b> | -             | -           | -             | -                      | -                        | <b>\$1,970,782</b> |
| <b>Ending Balance</b>                |                    |               |             |               |                        |                          |                    |
| Ending Balance                       | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Ending Balance</b>          | -                  | -             | -           | -             | -                      | -                        | -                  |

# BUDGET NARRATIVE

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## Health Services Division

### 031 Standard Inflation

#### Package Description

##### Purpose

This package includes funding for inflation and adjustments to reflect the Price List of Goods and Services issued by DAS. The prescribed standard inflation factors were used for all accounts in this division.

##### How Achieved

For 2015-17, inflation factors are 3.0% for standard inflation, 3.3% for Professional Services, 19.2% for Attorney General charges, 3.0% for Facility Rental and Taxes, and 3.0% for Special Payments. Inflation requested in this package is based on the 2015-17 Base Budget. Inflation associated with biennialized phased-in programs, when applicable, is included in package 021. Inflation associated with new institution start-up and operation is included in the essential package for caseload in package 040.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$2,622,718 |
| Other Funds   | 16,850      |
| Federal Funds | 197,081     |

#### Governor's Balanced Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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**Revenue Sources**

|               |             |
|---------------|-------------|
| General Fund  | \$2,622,718 |
| Other Funds   | 16,850      |
| Federal Funds | 197,081     |
| <hr/>         |             |
| Total Funds   | \$2,836,649 |

**2017-19 Fiscal Impact**

The actions included in this package will become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

**Corrections, Dept of**  
**Pkg: 031 - Standard Inflation**

**Cross Reference Name: Health Services**  
**Cross Reference Number: 29100-010-00-00-00000**

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds     | Federal Funds    | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-----------------|------------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |                 |                  |                        |                          |                    |
| General Fund Appropriation           | 2,622,718          | -             | -               | -                | -                      | -                        | 2,622,718          |
| <b>Total Revenues</b>                | <b>\$2,622,718</b> | <b>-</b>      | <b>-</b>        | <b>-</b>         | <b>-</b>               | <b>-</b>                 | <b>\$2,622,718</b> |
| <b>Services &amp; Supplies</b>       |                    |               |                 |                  |                        |                          |                    |
| Instate Travel                       | 10,163             | -             | -               | -                | -                      | -                        | 10,163             |
| Out of State Travel                  | -                  | -             | -               | -                | -                      | -                        | -                  |
| Employee Training                    | 3,128              | -             | -               | -                | -                      | -                        | 3,128              |
| Office Expenses                      | 29,240             | -             | -               | -                | -                      | -                        | 29,240             |
| Telecommunications                   | -                  | -             | -               | 9,470            | -                      | -                        | 9,470              |
| Data Processing                      | 296                | -             | -               | -                | -                      | -                        | 296                |
| Employee Recruitment and Develop     | 115                | -             | -               | -                | -                      | -                        | 115                |
| Facilities Maintenance               | 2,614              | -             | -               | -                | -                      | -                        | 2,614              |
| Medical Services and Supplies        | 2,575,727          | -             | 16,850          | 187,611          | -                      | -                        | 2,780,188          |
| Other Services and Supplies          | 648                | -             | -               | -                | -                      | -                        | 648                |
| Expendable Prop 250 - 5000           | 188                | -             | -               | -                | -                      | -                        | 188                |
| IT Expendable Property               | 599                | -             | -               | -                | -                      | -                        | 599                |
| <b>Total Services &amp; Supplies</b> | <b>\$2,622,718</b> | <b>-</b>      | <b>\$16,850</b> | <b>\$197,081</b> | <b>-</b>               | <b>-</b>                 | <b>\$2,836,649</b> |
| <b>Capital Outlay</b>                |                    |               |                 |                  |                        |                          |                    |
| Office Furniture and Fixtures        | -                  | -             | -               | -                | -                      | -                        | -                  |
| <b>Total Capital Outlay</b>          | <b>-</b>           | <b>-</b>      | <b>-</b>        | <b>-</b>         | <b>-</b>               | <b>-</b>                 | <b>-</b>           |

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 031 - Standard Inflation

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>          | General Fund       | Lottery Funds | Other Funds       | Federal Funds      | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|-----------------------------|--------------------|---------------|-------------------|--------------------|------------------------|--------------------------|--------------------|
| <b>Total Expenditures</b>   |                    |               |                   |                    |                        |                          |                    |
| Total Expenditures          | 2,622,718          | -             | 16,850            | 197,081            | -                      | -                        | 2,836,649          |
| <b>Total Expenditures</b>   | <b>\$2,622,718</b> | <b>-</b>      | <b>\$16,850</b>   | <b>\$197,081</b>   | <b>-</b>               | <b>-</b>                 | <b>\$2,836,649</b> |
| <b>Ending Balance</b>       |                    |               |                   |                    |                        |                          |                    |
| Ending Balance              | -                  | -             | (16,850)          | (197,081)          | -                      | -                        | (213,931)          |
| <b>Total Ending Balance</b> | <b>-</b>           | <b>-</b>      | <b>(\$16,850)</b> | <b>(\$197,081)</b> | <b>-</b>               | <b>-</b>                 | <b>(\$213,931)</b> |

# BUDGET NARRATIVE

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## Health Services Division

### 032 Above Standard Inflation

#### Package Description

##### Purpose

This package includes funding for above standard inflation as prescribed by DAS. Approval by the DAS CFO is required in order to use this package. The Operations and Health Services Divisions are approved to use the additional medical services inflation factor because they rely heavily on skilled medical staff (doctors, dentists, registered nurses), advancements in medical technology, and high-cost prescription drugs to fulfill its mandate.

##### How Achieved

For 2015-17, the above standard inflation factor for Medical Services and Supplies is 1.7%, and non-DAS inflation related to facility rent and taxes is 1.4%. These are in addition to the inflation included in package 031.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$1,459,580 |
| Other Funds   | 9,548       |
| Federal Funds | 106,313     |

#### Governor's Balanced Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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**Revenue Sources**

|               |             |
|---------------|-------------|
| General Fund  | \$1,459,580 |
| Other Funds   | 9,548       |
| Federal Funds | 106,313     |
| <hr/>         |             |
| Total Funds   | \$1,575,441 |

**2017-19 Fiscal Impact**

The actions included in this package will become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds      | Federal Funds      | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|------------------|--------------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |                  |                    |                        |                          |                    |
| General Fund Appropriation           | 1,459,580          | -             | -                | -                  | -                      | -                        | 1,459,580          |
| <b>Total Revenues</b>                | <b>\$1,459,580</b> | -             | -                | -                  | -                      | -                        | <b>\$1,459,580</b> |
| <b>Services &amp; Supplies</b>       |                    |               |                  |                    |                        |                          |                    |
| Medical Services and Supplies        | 1,459,580          | -             | 9,548            | 106,313            | -                      | -                        | 1,575,441          |
| <b>Total Services &amp; Supplies</b> | <b>\$1,459,580</b> | -             | <b>\$9,548</b>   | <b>\$106,313</b>   | -                      | -                        | <b>\$1,575,441</b> |
| <b>Total Expenditures</b>            |                    |               |                  |                    |                        |                          |                    |
| Total Expenditures                   | 1,459,580          | -             | 9,548            | 106,313            | -                      | -                        | 1,575,441          |
| <b>Total Expenditures</b>            | <b>\$1,459,580</b> | -             | <b>\$9,548</b>   | <b>\$106,313</b>   | -                      | -                        | <b>\$1,575,441</b> |
| <b>Ending Balance</b>                |                    |               |                  |                    |                        |                          |                    |
| Ending Balance                       | -                  | -             | (9,548)          | (106,313)          | -                      | -                        | (115,861)          |
| <b>Total Ending Balance</b>          | -                  | -             | <b>(\$9,548)</b> | <b>(\$106,313)</b> | -                      | -                        | <b>(\$115,861)</b> |

# BUDGET NARRATIVE

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## Health Services Division

### 033 Exception Inflation

#### Package Description

##### Purpose

This package includes the amount above the inflation included in packages 031 and 032. Approval of an exception request by the DAS CFO is required in order to use this package.

##### How Achieved

Exception request number 291-01 for extraordinary inflation amounts on Medical Services & Supplies was approved by DAS. The exception rates approved are 6.6% for Medical Services, 7.5% for Behavioral Health, and 23.3% for Pharmacy. These rates are in addition to the 3.0% standard inflation in package 031, and the 1.7% above standard inflation included in package 032.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |              |
|---------------|--------------|
| General Fund  | \$10,012,556 |
| Other Funds   | 37,070       |
| Federal Funds | 0            |

#### Governor's Balanced Budget

##### Staffing Impact

None

##### Revenue Sources

|                    |                     |
|--------------------|---------------------|
| General Fund       | \$10,012,556        |
| Other Funds        | 37,070              |
| Federal Funds      | 0                   |
| <b>Total Funds</b> | <b>\$10,049,626</b> |

# BUDGET NARRATIVE

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## **2017-19 Fiscal Impact**

The actions included in this package will become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund        | Lottery Funds | Other Funds       | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds           |
|--------------------------------------|---------------------|---------------|-------------------|---------------|------------------------|--------------------------|---------------------|
| <b>Revenues</b>                      |                     |               |                   |               |                        |                          |                     |
| General Fund Appropriation           | 10,012,556          | -             | -                 | -             | -                      | -                        | 10,012,556          |
| <b>Total Revenues</b>                | <b>\$10,012,556</b> | -             | -                 | -             | -                      | -                        | <b>\$10,012,556</b> |
| <b>Services &amp; Supplies</b>       |                     |               |                   |               |                        |                          |                     |
| Medical Services and Supplies        | 10,012,556          | -             | 37,070            | -             | -                      | -                        | 10,049,626          |
| <b>Total Services &amp; Supplies</b> | <b>\$10,012,556</b> | -             | <b>\$37,070</b>   | -             | -                      | -                        | <b>\$10,049,626</b> |
| <b>Total Expenditures</b>            |                     |               |                   |               |                        |                          |                     |
| Total Expenditures                   | 10,012,556          | -             | 37,070            | -             | -                      | -                        | 10,049,626          |
| <b>Total Expenditures</b>            | <b>\$10,012,556</b> | -             | <b>\$37,070</b>   | -             | -                      | -                        | <b>\$10,049,626</b> |
| <b>Ending Balance</b>                |                     |               |                   |               |                        |                          |                     |
| Ending Balance                       | -                   | -             | (37,070)          | -             | -                      | -                        | (37,070)            |
| <b>Total Ending Balance</b>          | -                   | -             | <b>(\$37,070)</b> | -             | -                      | -                        | <b>(\$37,070)</b>   |

# BUDGET NARRATIVE

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## Health Services Division

### 040 Mandated Caseload

#### Package Description

##### Purpose

Mandated caseload changes included in this package are based on caseload changes for programs that are required by the federal government, the state constitution, or court actions. Mandated caseload costs include, but are not limited to, the cost of additional staff and operating costs required to operate these programs. The April 2014 Oregon Corrections Population Forecast published by the DAS Office of Economic Analysis is the basis for actions presented in this package in the Agency Request Budget. The Governor's Balanced Budget 040 package is based on the October, 2014 caseload forecast.

##### How Achieved

In response to the caseload projections included in the April 2014 Population Forecast, DOC completes a Population Management Plan that details the location and number of beds to be opened and/or closed in the institutions. This plan reflects the continued use of temporary and emergency beds within the department's facilities as needed to manage the changing prison population. Specifically, the plan includes opening temporary and emergency beds during 2015-17 at Oregon State Correctional Institution, Eastern Oregon Correctional Institution, and Two Rivers Correctional Institution. The plan also includes closing temporary and emergency beds during 2015-17 at Oregon State Correctional Institution, Coffee Creek Correctional Facility, Eastern Oregon Correctional Institution, Santiam Correctional Institution, and Snake River Correctional Institution.

During 2013-15, unfunded temporary and emergency beds were brought into production due to discrepancies between the April 2013 Population Forecast and actual prison growth. The funding for those prison beds, had the forecast been correct, would have become part of the 2015-17 base budget. Specifically, unfunded temporary and emergency beds were utilized at Powder River Correctional Facility, Warner Creek Correctional Facility, Deer Ridge Correctional Institution, Eastern Oregon Correctional Institution, and Oregon State Correctional Institution. Unfunded temporary and emergency beds were taken off line at Santiam Correctional Institution, Oregon State Penitentiary, Coffee Creek Correctional Facility, and Snake River Correctional Institution. Actions within this package resolve those issues providing ongoing funding for those beds.

Additional services and supplies funding will be needed in order to meet the needs of this larger population at the various locations indicated. The Governor's Balanced Budget 040 package is based on the October 2014 caseload forecast.

# BUDGET NARRATIVE

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## Agency Request Budget

### Staffing Impact

|           |   |
|-----------|---|
| Positions | 0 |
| FTE       | 0 |

### Revenue Sources

|               |           |
|---------------|-----------|
| General Fund  | \$306,440 |
| Other Funds   | 0         |
| Federal Funds | 0         |

## Governor's Balanced Budget

### Staffing Impact

|           |   |
|-----------|---|
| Positions | 0 |
| FTE       | 0 |

### Revenue Sources

|                    |                    |
|--------------------|--------------------|
| General Fund       | \$1,898,146        |
| Other Funds        | 0                  |
| Federal Funds      | 0                  |
| <u>Total Funds</u> | <u>\$1,898,146</u> |

## 2017-19 Fiscal Impact

This package will have an impact on the 2017-19 budget, with beds phasing-in during 2015-17 needing to be funded for a full 24-month period in 2017-19. Base salary and Other Personnel Expenses for new staff will be automatically adjusted by PICS. Additional Services & Supplies and non-PICS Personal Services accounts will be manually adjusted in package 021. The additional operating costs will be offset partially by the elimination of one-time and startup supplies and equipment in package 022.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 040 - Mandated Caseload

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |               |                        |                          |                    |
| General Fund Appropriation           | 1,898,146          | -             | -           | -             | -                      | -                        | 1,898,146          |
| <b>Total Revenues</b>                | <b>\$1,898,146</b> | -             | -           | -             | -                      | -                        | <b>\$1,898,146</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |               |                        |                          |                    |
| Office Expenses                      | 18,232             | -             | -           | -             | -                      | -                        | 18,232             |
| Facilities Maintenance               | 2,026              | -             | -           | -             | -                      | -                        | 2,026              |
| Medical Services and Supplies        | 1,877,888          | -             | -           | -             | -                      | -                        | 1,877,888          |
| <b>Total Services &amp; Supplies</b> | <b>\$1,898,146</b> | -             | -           | -             | -                      | -                        | <b>\$1,898,146</b> |
| <b>Total Expenditures</b>            |                    |               |             |               |                        |                          |                    |
| Total Expenditures                   | 1,898,146          | -             | -           | -             | -                      | -                        | 1,898,146          |
| <b>Total Expenditures</b>            | <b>\$1,898,146</b> | -             | -           | -             | -                      | -                        | <b>\$1,898,146</b> |
| <b>Ending Balance</b>                |                    |               |             |               |                        |                          |                    |
| Ending Balance                       | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Ending Balance</b>          | -                  | -             | -           | -             | -                      | -                        | -                  |

# BUDGET NARRATIVE

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## Health Services Division

### 050 Fund Shifts

#### Package Description

##### Purpose

This package requests the transfer of revenues and expenditures between fund types. The package results in no net change in total cost.

##### How Achieved

This package reverses the actions taken in the 2013-15 biennium by shifting Federal Funds back to General Fund. Due to the annual carry forward of federal grants received from the State Criminal Alien Assistance Program (SCAAP) during 2013-15, the 2013-15 Legislatively Adopted Budget increased the Health Services Federal Fund limitation and reduced the General Fund limitation by the same amount. This was a one-time action that allowed DOC to fully use the SCAAP grants during 2013-15. This package restores the General Fund limitation to its previous level.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$2,110,201 |
| Other Funds   | 0           |
| Federal Funds | (2,110,201) |

#### Governor's Balanced Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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**Revenue Source**

|               |             |
|---------------|-------------|
| General Fund  | \$2,110,201 |
| Other Funds   | 0           |
| Federal Funds | (2,110,201) |
| Total Funds   | \$0         |

**2017-19 Fiscal Impact**

The one-time actions reflected in this package will become a part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 050 - Fundshifts

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds        | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|----------------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |                      |                        |                          |                    |
| General Fund Appropriation           | 2,110,201          | -             | -           | -                    | -                      | -                        | 2,110,201          |
| <b>Total Revenues</b>                | <b>\$2,110,201</b> | -             | -           | -                    | -                      | -                        | <b>\$2,110,201</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |                      |                        |                          |                    |
| Medical Services and Supplies        | 2,110,201          | -             | -           | (2,110,201)          | -                      | -                        | -                  |
| <b>Total Services &amp; Supplies</b> | <b>\$2,110,201</b> | -             | -           | <b>(\$2,110,201)</b> | -                      | -                        | -                  |
| <b>Total Expenditures</b>            |                    |               |             |                      |                        |                          |                    |
| Total Expenditures                   | 2,110,201          | -             | -           | (2,110,201)          | -                      | -                        | -                  |
| <b>Total Expenditures</b>            | <b>\$2,110,201</b> | -             | -           | <b>(\$2,110,201)</b> | -                      | -                        | -                  |
| <b>Ending Balance</b>                |                    |               |             |                      |                        |                          |                    |
| Ending Balance                       | -                  | -             | -           | 2,110,201            | -                      | -                        | 2,110,201          |
| <b>Total Ending Balance</b>          | -                  | -             | -           | <b>\$2,110,201</b>   | -                      | -                        | <b>\$2,110,201</b> |

# BUDGET NARRATIVE

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## Health Services Division

### 060 Technical Adjustments

#### Package Description

##### Purpose

This package is used for technical budget adjustments such as agency reorganizations and expenditure category budget shifts that do not meet the criteria of the other essential packages.

##### How Achieved

This package shifts Oregon Health Network General and Federal Funds costs from Health Services to Central Administration to align with where costs are accounted for in the 2013-15 biennium and going forward.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|               |             |
|---------------|-------------|
| General Fund  | \$(515,665) |
| Other Funds   | 0           |
| Federal Funds | (325,124)   |

#### Governor's Balanced Budget

##### Staffing Impact

None

# BUDGET NARRATIVE

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**Revenue Sources**

|                   |                   |
|-------------------|-------------------|
| General Fund      | \$(515,665)       |
| Other Funds       | 0                 |
| Federal Funds     | (325,124)         |
| <hr/> Total Funds | <hr/> \$(840,789) |

**2017-19 Fiscal Impact**

The actions included in this package will become a part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 060 - Technical Adjustments

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds      | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|--------------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |                    |                        |                          |                    |
| General Fund Appropriation           | (515,665)          | -             | -           | -                  | -                      | -                        | (515,665)          |
| Federal Funds                        | -                  | -             | -           | (325,124)          | -                      | -                        | (325,124)          |
| <b>Total Revenues</b>                | <b>(\$515,665)</b> | <b>-</b>      | <b>-</b>    | <b>(\$325,124)</b> | <b>-</b>               | <b>-</b>                 | <b>(\$840,789)</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |                    |                        |                          |                    |
| Medical Services and Supplies        | (515,665)          | -             | -           | (325,124)          | -                      | -                        | (840,789)          |
| <b>Total Services &amp; Supplies</b> | <b>(\$515,665)</b> | <b>-</b>      | <b>-</b>    | <b>(\$325,124)</b> | <b>-</b>               | <b>-</b>                 | <b>(\$840,789)</b> |
| <b>Total Expenditures</b>            |                    |               |             |                    |                        |                          |                    |
| Total Expenditures                   | (515,665)          | -             | -           | (325,124)          | -                      | -                        | (840,789)          |
| <b>Total Expenditures</b>            | <b>(\$515,665)</b> | <b>-</b>      | <b>-</b>    | <b>(\$325,124)</b> | <b>-</b>               | <b>-</b>                 | <b>(\$840,789)</b> |
| <b>Ending Balance</b>                |                    |               |             |                    |                        |                          |                    |
| Ending Balance                       | -                  | -             | -           | -                  | -                      | -                        | -                  |
| <b>Total Ending Balance</b>          | <b>-</b>           | <b>-</b>      | <b>-</b>    | <b>-</b>           | <b>-</b>               | <b>-</b>                 | <b>-</b>           |

# BUDGET NARRATIVE

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## Health Services Division

### 090 Analyst Adjustments

#### Package Description

##### Purpose

This package, added by the Governor, reflects additional policy adjustments to the DOC 2015-17 Agency Request Budget.

##### How Achieved

This package includes an increase in the anticipated vacancy savings for the Health Services Division.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Sources

|                    |            |
|--------------------|------------|
| General Fund       | \$0        |
| Other Funds        | 0          |
| Federal Funds      | 0          |
| <u>Total Funds</u> | <u>\$0</u> |

#### Governor's Balanced Budget

##### Staffing Impact

None

##### Revenue Sources

|                    |                      |
|--------------------|----------------------|
| General Fund       | (\$1,700,000)        |
| Other Funds        | 0                    |
| Federal Funds      | 0                    |
| <u>Total Funds</u> | <u>(\$1,700,000)</u> |

# BUDGET NARRATIVE

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## **2017-19 Fiscal Impact**

Vacancy savings are re-projected each biennium based on agency experience, and so this reduction in vacancy savings will not impact the 2017-19 budget.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>             | General Fund         | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds            |
|--------------------------------|----------------------|---------------|-------------|---------------|------------------------|--------------------------|----------------------|
| <b>Revenues</b>                |                      |               |             |               |                        |                          |                      |
| General Fund Appropriation     | (1,700,000)          | -             | -           | -             | -                      | -                        | (1,700,000)          |
| <b>Total Revenues</b>          | <b>(\$1,700,000)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$1,700,000)</b> |
| <b>Personal Services</b>       |                      |               |             |               |                        |                          |                      |
| Vacancy Savings                | (1,700,000)          | -             | -           | -             | -                      | -                        | (1,700,000)          |
| <b>Total Personal Services</b> | <b>(\$1,700,000)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$1,700,000)</b> |
| <b>Total Expenditures</b>      |                      |               |             |               |                        |                          |                      |
| Total Expenditures             | (1,700,000)          | -             | -           | -             | -                      | -                        | (1,700,000)          |
| <b>Total Expenditures</b>      | <b>(\$1,700,000)</b> | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>(\$1,700,000)</b> |
| <b>Ending Balance</b>          |                      |               |             |               |                        |                          |                      |
| Ending Balance                 | -                    | -             | -           | -             | -                      | -                        | -                    |
| <b>Total Ending Balance</b>    | <b>-</b>             | <b>-</b>      | <b>-</b>    | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>-</b>             |

# BUDGET NARRATIVE

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## Health Services Division

### 101 Electronic Health Records System (EHR)

#### Purpose

Policy Package 101 is requesting funding for the estimated costs associated with implementing an Electronic Health Record System (EHR). In today's health care environment, an EHR is critical for increased efficiency, continuity of care along the continuum of public health, data mining for evidence-based resource management, and risk management.

- Health Services Division: 0 Pos., 0 FTE, General Fund: \$3,045,462

In 2014, the Correctional Health Care Costs Task Force (SB843-2013) included the "Use of Electronic Health Records Systems" as one of the primary recommendations in their report to the Ways & Means Subcommittee on Public Safety. This came after the Task Force reviewed nationwide efforts to increase efficiencies and prioritized recommendations based on projected impact.

DOC has contracted with a consulting firm that specializes in EHR systems for correctional environments to assist in creating a detailed plan for the project and writing a statement of work (SOW) for an eventual request for proposal (RFP). Their experience has indicated that short-term implementation related complications and loss of productivity are anticipated, but that DOC and the State of Oregon will reap long-term benefits moving to an EHR.

Benefits include increased quality of care for inmates, increased staff productivity, significant improvements in the delivery of care, electronic information continuity as new inmates enter our system and release to the community, and the utilization of available data that will positively impact both the strategic and operational decision making processes inside and outside DOC.

A project of this size includes two financial components: an on-going subscription cost for software as a service, and the one-time cost related to start-up and implementation. The 2015-17 subscription cost for EHR is estimated at \$2.3M with additional one-time start-up equipment and training needs estimated at \$750,000.

#### How Achieved

An EHR would provide future cost avoidance, slow the rate of growth in staff needed to provide care, and present DOC with efficiencies while improving medical operations in several key areas. An EHR would:

- **Provide access to information via the Health Information Exchange (HIE)**  
HIE is defined as the mobilization of healthcare information electronically across organizations within a region, community, or hospital system. HIE provides the capability to electronically move clinical information among health care information systems while maintaining the meaning of the information being exchanged. HIE systems facilitate the efforts of physicians and clinicians to meet

## BUDGET NARRATIVE

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high standards of care through electronic participation in a patient's continuity of care with multiple providers. Health care provider benefits include reduced expenses associated with the manual printing, scanning, and faxing of documents, as well as the physical mailing of patient charts and records, and phone communication to verify delivery of traditional communications, referrals, and test results. Access to HIE for inmate medical information is critical to the continuity of care as inmates move from the community to intake, during incarceration, and upon release back to the community and public services.

- **Decreased risk exposure due to chart errors, a lack of timely information, and information security**  
DOC's current paper charting system results in huge volumes of medical paper-work, making it difficult to allow providers current information as an inmate moves throughout the system (either between Health Services units inside an institution, or between institutions when an inmate is transferred). The DOC maintains an entire warehouse of files to accommodate operational needs.
- **Improve medication distribution process, saving time and reducing inefficiencies**  
Proper administration of medications to the inmate population is a time-consuming process. An EHR will address this problem by providing an up-to-date and online Medical Administration Record (MAR). Automating the process of medication administration, and all the record keeping that goes along with it, will increase the efficiency of administering the medications and reduce the likelihood of errors within the process.
- **Improve efficiency of pharmacy and provider interactions**  
Inefficiencies surrounding current processes of interacting with pharmacy exist. Because chart notes and physician orders are hand-written, prescription orders can be misread or incomplete. Because faxed orders are often difficult to read, there are inefficiencies in tracking down correct information or addressing the effects of an incorrect assumption. An EHR will address this issue by allowing providers to order medications online and submit them directly to the pharmacy through a process that allows for clear legibility and error checking.
- **Decrease amount of inmate transfers due to medical reasons**  
DOC facilitates inmate transfers from one institution to another in order for the inmate to receive a consult from a particular provider – in part because current information may not be available for a consulting physician to review. Many of these trips could be avoided if the consulting physician had more immediate access to the patient chart. An EHR will address this issue by providing online access that multiple locations can work with simultaneously.
- **Reduce effort required to store and manage paper-based records**  
Physical charts must be stored and managed. This requires purging charts to a manageable size and archiving records. An EHR would address this issue by eliminating the need to purge and archive old records.

# BUDGET NARRATIVE

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- **Improve efficiency of telemedicine efforts**

The current inability for a complete medical record to be in more than one place at one time requires an additional effort to ensure telemedicine providers have accurate and up to date chart information during every telemedicine encounter. An EHR will address this issue by eliminating the need to create and maintain duplicate medical records for telemedicine operations.

- **Increase opportunities for data analysis and outcome measurements**

Data analysis and outcome measurement can be very difficult to attain in the current system of paper-based medical records. With the implementation of an EHR, these types of activities will be accessible for research and analysis, providing the ability to obtain evidence-based answers to operational questions and to better target resources.

## Staffing Impact

|           |      |
|-----------|------|
| Positions | 0    |
| FTE       | 0.00 |

## Quantifying Results

EHR will increase our quality of care, augment staff productivity, and improve efficiency of our pharmacy and provider interactions. EHR will allow DOC staff to have real-time interactions with outside providers and allow emergency room physicians to make accurate decisions for treatment. The implementation of EHR will also provide a smooth transition to Coordinated Care Organizations upon release.

## Agency Request Budget

### Revenue Sources

|                    |                    |
|--------------------|--------------------|
| General Fund       | \$3,045,462        |
| Other Funds        | 0                  |
| Federal Funds      | 0                  |
| <b>Total Funds</b> | <b>\$3,045,462</b> |

## Governor's Balanced Budget

### Revenue Sources

|                    |                    |
|--------------------|--------------------|
| General Fund       | \$3,045,462        |
| Other Funds        | 0                  |
| Federal Funds      | 0                  |
| <b>Total Funds</b> | <b>\$3,045,462</b> |

# BUDGET NARRATIVE

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## **2017-19 Impact**

The \$750,000 start-up funds requested in this package include \$450,000 for one-time equipment. The remaining \$2.6M is a combination of an on-going subscription cost, training, and professional services that will become part of the base budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 101 - Electronic Health Records

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| <b>Revenues</b>                      |                    |               |             |               |                        |                          |                    |
| General Fund Appropriation           | 3,045,462          | -             | -           | -             | -                      | -                        | 3,045,462          |
| <b>Total Revenues</b>                | <b>\$3,045,462</b> | -             | -           | -             | -                      | -                        | <b>\$3,045,462</b> |
| <b>Services &amp; Supplies</b>       |                    |               |             |               |                        |                          |                    |
| Employee Training                    | 100,000            | -             | -           | -             | -                      | -                        | 100,000            |
| Data Processing                      | 2,295,462          | -             | -           | -             | -                      | -                        | 2,295,462          |
| Professional Services                | 200,000            | -             | -           | -             | -                      | -                        | 200,000            |
| Medical Services and Supplies        | -                  | -             | -           | -             | -                      | -                        | -                  |
| IT Expendable Property               | 450,000            | -             | -           | -             | -                      | -                        | 450,000            |
| <b>Total Services &amp; Supplies</b> | <b>\$3,045,462</b> | -             | -           | -             | -                      | -                        | <b>\$3,045,462</b> |
| <b>Total Expenditures</b>            |                    |               |             |               |                        |                          |                    |
| Total Expenditures                   | 3,045,462          | -             | -           | -             | -                      | -                        | 3,045,462          |
| <b>Total Expenditures</b>            | <b>\$3,045,462</b> | -             | -           | -             | -                      | -                        | <b>\$3,045,462</b> |
| <b>Ending Balance</b>                |                    |               |             |               |                        |                          |                    |
| Ending Balance                       | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Ending Balance</b>          | -                  | -             | -           | -             | -                      | -                        | -                  |

# BUDGET NARRATIVE

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## Health Services Division

### 103 Staffing: New Initiatives & Existing Workload

#### Agency Overview

Policy Option package 103 seeks to address issues related to staffing new initiatives and existing workload throughout several divisions within the Department of Corrections. The actions within this package permanently fund 11 positions throughout seven divisions. Below is the Agency Request Budget impact summary. Please see division-specific narrative for more detail.

- Central Administration Division: 3 Pos., 3.00 FTE, General Fund: \$916,814
- Health Services Division: 1 Pos., 1.00 FTE, General Fund: \$301,856
- Operations Division: 1 Pos., 1.00 FTE, General Fund: \$272,314
- Human Resources: 1 Pos., 1.00 FTE, General Fund: \$225,695
- Community Corrections Division: 1 Pos., 1.00 FTE, General Fund: \$289,314
- Offender Management and Rehabilitation Division: 3 Pos., 3.00 FTE, General Fund: \$666,553
- General Services Division: 1 Pos., 1.00 FTE, General Fund: \$364,939
- Total Package: 11 Pos., 11.00 FTE, General Fund: \$3,037,485

#### Purpose

During the last two biennia, the Oregon Department of Corrections (ODOC) has been required to reduce the amount of management service employees and to reduce overall budgets. The addition of these new positions will provide the department the necessary resources to meet the full-time workload that exists and fulfill requirements regarding new initiatives.

#### Health Services Administrator

The Oregon Department of Corrections (ODOC) Health Services Division is comprised of highly skilled medical professionals, specialized equipment, complex IT systems, supply warehouses, multiple pharmacies and distribution networks, and has a biennial General Fund budget exceeding \$200 million. With 559 positions that include medical and mental health providers, pharmacists, registered nurses, management teams, and business support personnel, Health Services has a physical presence in every prison in the state – providing medical, mental health, dental and pharmaceutical care to over 14,500 patients on a daily basis. While providing care to the inmate population results in significant expense, it also presents considerable legal risk to the agency and the State.

# BUDGET NARRATIVE

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Assisting in navigating all of the systems, personnel issues, patient care challenges, accreditation compliance and complex contracting issues are a team of Assistant Administrators and Chief Medical Officers who oversee each of the Medical, Behavioral Health, Dental and Pharmacy units to insure that strategic initiatives are met and tactical implementation is facilitated on a daily basis. In 2007, ODOC felt that a Health Services Administrator role was necessary to oversee all Health Services operations and filled that role in an unbudgeted capacity. Since that time, the Division has grown significantly and the agency feels it is critical to face the issues of cost control, risk management, organizational structure and information technology implementation with a fully funded position of Health Services Administrator in place.

## How Achieved

### Health Services Administrator

ODOC is asking to formally fund a Principal Executive Manager H (Health Services Administrator) position to oversee the Health Services Division.

## Staffing Impact

|           |      |
|-----------|------|
| Positions | 1    |
| FTE       | 1.00 |

## Quantifying Results

### Health Services Administrator

Result will be achieved when funding is received for this position.

## Agency Request Budget

### Revenue Sources

|                      |                  |
|----------------------|------------------|
| General Fund         | \$301,856        |
| Other Funds          | 0                |
| Federal Funds        | 0                |
| <u>Total Revenue</u> | <u>\$301,856</u> |

## Governor's Balanced Budget

### Revenue Sources

|                      |            |
|----------------------|------------|
| General Fund         | \$0        |
| Other Funds          | 0          |
| Federal Funds        | 0          |
| <u>Total Revenue</u> | <u>\$0</u> |

# BUDGET NARRATIVE

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This package was removed in the Governor's Balanced Budget.

## **2017-19 Impact**

This package was removed in the Governor's Balanced Budget and so it will not become part of the Base Budget for 2017-19.

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Corrections, Dept of**  
**Pkg: 103 - Staffing: New Initiatives & Existing Workload**

**Cross Reference Name: Health Services**  
**Cross Reference Number: 29100-010-00-00-00000**

| <i>Description</i>                   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| <b>Revenues</b>                      |              |               |             |               |                        |                          |           |
| General Fund Appropriation           | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Revenues</b>                | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Personal Services</b>             |              |               |             |               |                        |                          |           |
| Class/Unclass Sal. and Per Diem      | -            | -             | -           | -             | -                      | -                        | -         |
| Empl. Rel. Bd. Assessments           | -            | -             | -           | -             | -                      | -                        | -         |
| Public Employees' Retire Cont        | -            | -             | -           | -             | -                      | -                        | -         |
| Social Security Taxes                | -            | -             | -           | -             | -                      | -                        | -         |
| Worker's Comp. Assess. (WCD)         | -            | -             | -           | -             | -                      | -                        | -         |
| Mass Transit Tax                     | -            | -             | -           | -             | -                      | -                        | -         |
| Flexible Benefits                    | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Personal Services</b>       | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Services &amp; Supplies</b>       |              |               |             |               |                        |                          |           |
| Instate Travel                       | -            | -             | -           | -             | -                      | -                        | -         |
| Office Expenses                      | -            | -             | -           | -             | -                      | -                        | -         |
| Data Processing                      | -            | -             | -           | -             | -                      | -                        | -         |
| Other Services and Supplies          | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Services &amp; Supplies</b> | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Expenditures</b>            |              |               |             |               |                        |                          |           |
| Total Expenditures                   | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Expenditures</b>            | -            | -             | -           | -             | -                      | -                        | -         |

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
 Pkg: 103 - Staffing: New Initiatives & Existing Workload

Cross Reference Name: Health Services  
 Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>          | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| <b>Ending Balance</b>       |              |               |             |               |                        |                          |           |
| Ending Balance              | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Ending Balance</b> | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Positions</b>      |              |               |             |               |                        |                          |           |
| Total Positions             |              |               |             |               |                        |                          | -         |
| <b>Total Positions</b>      | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total FTE</b>            |              |               |             |               |                        |                          |           |
| Total FTE                   |              |               |             |               |                        |                          | -         |
| <b>Total FTE</b>            | -            | -             | -           | -             | -                      | -                        | -         |

# BUDGET NARRATIVE

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## Health Services Division

### 107 Health Services - Operational Enhancements

#### Purpose

There are two components to this policy package: 1) Twenty four hour medical coverage at OSCI and 2) Dental Service Improvements.

1. Currently, the only male infirmary beds available on the west side of the state are located at the Oregon State Penitentiary (OSP) in Salem. Infirmary beds require 24/7 staffing, something that only OSP provides for the male population in the Willamette Valley. This causes a severe strain on the Department of Corrections' (DOC) health care system, because patient acuity continues to increase across the state and services are both more readily available and less expensive in the Valley. As a result, OSP has reached capacity in their infirmary.

Expanding medical staffing to 24-hour coverage at the Oregon State Correctional Institution (OSCI), also in Salem, will maximize access to services, assist with cost containment, and would be critical to the success of realigning beds based on the needs of the inmate population. The Portland/Salem metropolitan areas are prime drivers for this realignment, as they provide better access to psychiatric services and medical specialty care, more significantly discounted hospital rates, and require less transporting of inmates (particularly out of state).

2. The Department of Corrections (DOC) currently provides limited preventative dental services, which is inconsistent with the community standard of care. DOC advocates reorganization of the dental section and added staffing strategically placed in two pilot locations in order to move the department closer to the community standard. By managing these clinics differently and adding staff strategically, the department will be able to improve the scope of care.

There is a collective shortage of clinic space and dental auxiliary staff within the DOC institutions, resulting in unconventional use of dentist work time. Within the DOC, dentists generally perform duties more effectively performed by auxiliary staff such as dental assistants, dental hygienists, and dental office managers. This results in a significantly reduced amount of time for direct chair side procedures that may only be performed by the dentist. This package reorganizes Dental Services to be more efficient within the allocated space by adding a limited number of new auxiliary staff. The additional staff will facilitate an improved level of preventative services that will bring DOC closer to the community standard of care, which will reduce exposure due to gaps in service. The addition of staff, coupled with space limitations, will likely cause DOC to revise clinic schedules and utilize extended hours of service.

# BUDGET NARRATIVE

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## How Achieved

1. DOC proposes expanding medical staffing coverage to 24 hours, 7 days per week at OSCI. DOC requests 8 additional staff (6.46 FTE) as follows: one Nurse Manager (1.0 FTE), five Registered Nurses (4.1 FTE) (one 24/7 post), one Office Specialist 2, and one partial-FTE (.36 FTE) Medical Records Specialist (both support positions to help with the increased complexity of patient medical records as acuity increases). By adding this staffing and becoming a 24/7 medical operation, it allows OSCI to accommodate higher acuity patients (higher than they currently can handle) and convert existing beds (possibly OSCI Unit 13) to convalescence/step-down beds. The OSP Infirmary would then be utilized for only the highest acuity patients and OSCI would provide a slightly lower level of infirmary level acute care that still requires uninterrupted coverage while allowing the patients to remain in the Willamette Valley.
2. With additional staff, Dental Services will be able to restructure the flow of the dental clinics and more effectively allocate the use of staff resources in any given location. Dental Services intends to pilot this community model at Two Rivers Correctional Institution (TRCI) in Umatilla and the Oregon State Penitentiary (OSP). Dental Services needs to: 1) hire three additional Dental Assistants which will improve the efficiency of the Dentists; 2) hire two Support Services Supervisor 3 positions to work as Dental Office Managers who will orchestrate patient flow and supervise the dental assistants, and 3) hire two Dental Hygienists (the DOC Dental Program does not have position authority to hire Dental Hygienists in the current staffing pattern; however, the preventative services they will provide are crucial).

By hiring these additional auxiliary staff, DOC will enhance dental care and be in a much better position to adequately provide the required services at these locations. We expect to gain efficiency and will provide a level of care more closely aligned with the mandated community standard.

## Staffing Impact

|           |       |
|-----------|-------|
| Positions | 15    |
| FTE       | 13.46 |

## Quantifying Results

1. This proposal would allow DOC to control some higher costs created by inmate patients who are currently required to stay hospitalized longer than necessary due to a limited number of west side infirmary beds.
2. DOC will provide the full range of services prescribed by the community standard, and will provide preventative care to a greater number of patients in these pilot locations that will become a model for future clinic design and operation.

# BUDGET NARRATIVE

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## Agency Request Budget

### Revenue Sources

#### OSCI 24-hour medical coverage

|               |             |
|---------------|-------------|
| General Fund  | \$1,281,358 |
| Other Funds   | 0           |
| Federal Funds | 0           |

#### Dental Improvements

|               |             |
|---------------|-------------|
| General Fund  | \$1,117,744 |
| Other Funds   | 0           |
| Federal Funds | 0           |

#### Total Package 107

|               |             |
|---------------|-------------|
| General Fund  | \$2,399,102 |
| Other Funds   | 0           |
| Federal Funds | 0           |

## Governor's Balanced Budget

### Revenue Sources

#### OSCI 24-hour medical coverage

|               |     |
|---------------|-----|
| General Fund  | \$0 |
| Other Funds   | 0   |
| Federal Funds | 0   |

#### Dental Improvements

|               |     |
|---------------|-----|
| General Fund  | \$0 |
| Other Funds   | 0   |
| Federal Funds | 0   |

#### Total Package 107

|              |     |
|--------------|-----|
| General Fund | \$0 |
| Other Funds  | 0   |

# BUDGET NARRATIVE

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|               |     |
|---------------|-----|
| Federal Funds | 0   |
| Total Funds   | \$0 |

This package was removed in the Governor's Balanced Budget.

**2017-19 Impact**

This package was removed in the Governor's Balanced Budget, and so it will not become part of the Base Budget for 2017-19.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

**Corrections, Dept of**  
**Pkg: 107 - Health Services - Operational Enhancements**

**Cross Reference Name: Health Services**  
**Cross Reference Number: 29100-010-00-00-00000**

| <i>Description</i>                      | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| <b>Revenues</b>                         |              |               |             |               |                        |                          |           |
| General Fund Appropriation              | -            | -             | -           | -             | -                      | -                        | -         |
| Tsfr From Dept Post-Secondary Education | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Revenues</b>                   | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Personal Services</b>                |              |               |             |               |                        |                          |           |
| Class/Unclass Sal. and Per Diem         | -            | -             | -           | -             | -                      | -                        | -         |
| Empl. Rel. Bd. Assessments              | -            | -             | -           | -             | -                      | -                        | -         |
| Public Employees' Retire Cont           | -            | -             | -           | -             | -                      | -                        | -         |
| Social Security Taxes                   | -            | -             | -           | -             | -                      | -                        | -         |
| Worker's Comp. Assess. (WCD)            | -            | -             | -           | -             | -                      | -                        | -         |
| Mass Transit Tax                        | -            | -             | -           | -             | -                      | -                        | -         |
| Flexible Benefits                       | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Personal Services</b>          | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Services &amp; Supplies</b>          |              |               |             |               |                        |                          |           |
| Instate Travel                          | -            | -             | -           | -             | -                      | -                        | -         |
| Office Expenses                         | -            | -             | -           | -             | -                      | -                        | -         |
| Data Processing                         | -            | -             | -           | -             | -                      | -                        | -         |
| Other Services and Supplies             | -            | -             | -           | -             | -                      | -                        | -         |
| Expendable Prop 250 - 5000              | -            | -             | -           | -             | -                      | -                        | -         |
| IT Expendable Property                  | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Services &amp; Supplies</b>    | -            | -             | -           | -             | -                      | -                        | -         |

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 107 - Health Services - Operational Enhancements

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>          | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| <b>Total Expenditures</b>   |              |               |             |               |                        |                          |           |
| Total Expenditures          | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Expenditures</b>   | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Ending Balance</b>       |              |               |             |               |                        |                          |           |
| Ending Balance              | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Ending Balance</b> | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total Positions</b>      |              |               |             |               |                        |                          |           |
| Total Positions             |              |               |             |               |                        |                          | -         |
| <b>Total Positions</b>      | -            | -             | -           | -             | -                      | -                        | -         |
| <b>Total FTE</b>            |              |               |             |               |                        |                          |           |
| Total FTE                   |              |               |             |               |                        |                          | -         |
| <b>Total FTE</b>            | -            | -             | -           | -             | -                      | -                        | -         |

# BUDGET NARRATIVE

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## Health Services

### 114 Health Services BHS Service Change

#### Purpose

The DOC Behavioral Health Services (BHS) unit of the Health Services Division has identified opportunities to realign resources within the existing budget that will improve inmate mental health care and maintain important programs as the department ends its long-standing relationship with a vendor.

#### How Achieved

The following needs have been identified that will allow DOC to meet the needs of increasing mental health acuity throughout the prison population across the state:

- **Intake:** The initial assessment of inmates as they enter the state prison system is a critical component in determining treatment plans, inmate placement, and case management targeted at reducing recidivism. Not only is the Intake Center at Coffee Creek Correctional Facility physically removed from other BHS units, it also experiences its own set of unique challenges that require critical oversight. DOC BHS is proposing the creation of a new PEMD BHS Intake Manager position that can accomplish this oversight and eliminate the need for existing BHS managers located in other buildings (and managing other caseloads) to split their duties to include Intake. This will be done at no cost by realigning existing contract dollars to this purpose.
- **Special Population Management:** With the creation of the special mental health housing unit (SMH) at the Oregon State Penitentiary (OSP), DOC now has three distinct mental health units that manage complex challenges for a unique population of inmates. Comprised of the Behavioral Health Unit (BHU), Mental Health Infirmiry (MHI) and Intensive Care Housing (ICH), a range of treatment teams and security arrangements exist that cover the spectrum of severely mentally ill (SMI) inmates from those that will hurt others, themselves, or who are in the process of trying to reintegrate back into General Population. Having operated this configuration for the past several years, DOC has determined that each unit has unique enough challenges that warrant managers to oversee the Qualified Mental Health Professionals (QMHP) assigned to each specific unit. Existing staffing includes a manager for MHI, but the BHU and ICH units are operating while trying to share a manager. DOC proposes the creation of a PEMC position specifically to manage the ICH unit, so that BHU can also have its own manager. This will be done at no cost by realigning existing contract dollars to this purpose.
- **Clinical Training:** The advent of the new (July 2013) Diagnostic and Statistical Manual for Mental Disorders #5 (DSM-5) requires agency providers to learn a new system of assessment and classification. The American Psychiatric Association made dramatic and controversial changes to the system of diagnostic classification, criteria for mental disorders. This changes the

# BUDGET NARRATIVE

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application and diagnostic process for all providers and the case management services for inmates with developmental disabilities will be assumed by the agency's current system of providers.

- Developmental Disability (DD) is a neurocognitive disorder and agency providers will require specialized training to effectively work with this population. In addition, external stakeholders (Governor's work group) have engaged DOC in conversations about the identification and treatment of inmates with Traumatic Brain Injury. This would also require specialized training for all providers. An increase in identification of people worldwide with autism spectrum disorder (Asperger's, pervasive developmental delay) has created requests (from security) for training within DOC for working successfully with this population.
- For the past several biennia, DOC has contracted for program services to serve the DD population, but that agreement is terminating as of June 30, 2014. It is critical that DOC continue this important program by some other means.
- DOC proposes the addition of a Qualified Mental Health Professional position to take on the work previously provided by contract. In addition, DOC proposes the creation of a PEMD Training Manager to oversee the substantive increase in training volume and complexity resulting from DSM-5 implementation. This can be accomplished at no cost by realigning existing contract dollars to this purpose.

## How Achieved

Through both the termination of the existing DD contract and redirecting funding for three other smaller contracts, the important positions listed above can be funded at no cost by shifting \$823,945 from Services and Supplies to four positions, 4.00 FTE, in Personal Services.

## Staffing Impact

|           |      |
|-----------|------|
| Positions | 4    |
| FTE       | 4.00 |

## Quantifying Results

Results will be achieved through the establishment and corresponding funding of the requested positions.

## Agency Request Budget

### Revenue Sources

|                      |          |
|----------------------|----------|
| General Fund         | \$0      |
| Other Funds          | 0        |
| <u>Federal Funds</u> | <u>0</u> |

## BUDGET NARRATIVE

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Total Revenue \$0

### Governor's Balanced Budget

#### Revenue Source

|                     |           |
|---------------------|-----------|
| General Fund        | \$0       |
| Other Funds         | 0         |
| Federal Funds       | 0         |
| <hr/> Total Revenue | <hr/> \$0 |

This package was removed in the Governor's Balanced Budget.

#### 2017-19 Impact

This package was removed in the Governor's Balanced Budget and so it will not become part of the 2017-19 Base Budget.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

**Corrections, Dept of**  
**Pkg: 114 - Health Services - BHS Service Change**

**Cross Reference Name: Health Services**  
**Cross Reference Number: 29100-010-00-00-00000**

| <i>Description</i>                   | General Fund       | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds          |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| <b>Personal Services</b>             |                    |               |             |               |                        |                          |                    |
| Class/Unclass Sal. and Per Diem      | 474,792            | -             | -           | -             | -                      | -                        | 474,792            |
| Empl. Rel. Bd. Assessments           | 176                | -             | -           | -             | -                      | -                        | 176                |
| Public Employees' Retire Cont        | 92,728             | -             | -           | -             | -                      | -                        | 92,728             |
| Social Security Taxes                | 36,321             | -             | -           | -             | -                      | -                        | 36,321             |
| Worker's Comp. Assess. (WCD)         | 276                | -             | -           | -             | -                      | -                        | 276                |
| Mass Transit Tax                     | 2,849              | -             | -           | -             | -                      | -                        | 2,849              |
| Flexible Benefits                    | 122,112            | -             | -           | -             | -                      | -                        | 122,112            |
| <b>Total Personal Services</b>       | <b>\$729,254</b>   | -             | -           | -             | -                      | -                        | <b>\$729,254</b>   |
| <b>Services &amp; Supplies</b>       |                    |               |             |               |                        |                          |                    |
| Instate Travel                       | 6,292              | -             | -           | -             | -                      | -                        | 6,292              |
| Employee Training                    | -                  | -             | -           | -             | -                      | -                        | -                  |
| Office Expenses                      | 29,068             | -             | -           | -             | -                      | -                        | 29,068             |
| Data Processing                      | 2,452              | -             | -           | -             | -                      | -                        | 2,452              |
| Medical Services and Supplies        | (794,414)          | -             | -           | -             | -                      | -                        | (794,414)          |
| Other Services and Supplies          | 4,856              | -             | -           | -             | -                      | -                        | 4,856              |
| Expendable Prop 250 - 5000           | 12,196             | -             | -           | -             | -                      | -                        | 12,196             |
| IT Expendable Property               | 10,296             | -             | -           | -             | -                      | -                        | 10,296             |
| <b>Total Services &amp; Supplies</b> | <b>(\$729,254)</b> | -             | -           | -             | -                      | -                        | <b>(\$729,254)</b> |
| <b>Total Expenditures</b>            |                    |               |             |               |                        |                          |                    |
| Total Expenditures                   | -                  | -             | -           | -             | -                      | -                        | -                  |
| <b>Total Expenditures</b>            | -                  | -             | -           | -             | -                      | -                        | -                  |

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 114 - Health Services - BHS Service Change

Cross Reference Name: Health Services  
Cross Reference Number: 29100-010-00-00-00000

| <i>Description</i>          | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds   |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|
| <b>Ending Balance</b>       |              |               |             |               |                        |                          |             |
| Ending Balance              | -            | -             | -           | -             | -                      | -                        | -           |
| <b>Total Ending Balance</b> | -            | -             | -           | -             | -                      | -                        | -           |
| <b>Total Positions</b>      |              |               |             |               |                        |                          |             |
| Total Positions             |              |               |             |               |                        |                          | 4           |
| <b>Total Positions</b>      | -            | -             | -           | -             | -                      | -                        | <b>4</b>    |
| <b>Total FTE</b>            |              |               |             |               |                        |                          |             |
| Total FTE                   |              |               |             |               |                        |                          | 4.00        |
| <b>Total FTE</b>            | -            | -             | -           | -             | -                      | -                        | <b>4.00</b> |

| POSITION NUMBER                | CLASS     | COMP  | CLASS NAME                       | POS CNT | FTE  | MOS   | STEP | RATE     | GF SAL/OPE        | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE        |
|--------------------------------|-----------|-------|----------------------------------|---------|------|-------|------|----------|-------------------|------------|------------|------------|-------------------|
| 1500121                        | MMS       | X7006 | AA PRINCIPAL EXECUTIVE/MANAGER D | 1       | 1.00 | 24.00 | 02   | 5,231.00 | 125,544<br>64,764 |            |            |            | 125,544<br>64,764 |
| 1500122                        | MMS       | X7006 | AA PRINCIPAL EXECUTIVE/MANAGER D | 1       | 1.00 | 24.00 | 02   | 5,231.00 | 125,544<br>64,764 |            |            |            | 125,544<br>64,764 |
| 1500123                        | MMS       | X7004 | AA PRINCIPAL EXECUTIVE/MANAGER C | 1       | 1.00 | 24.00 | 02   | 4,518.00 | 108,432<br>60,113 |            |            |            | 108,432<br>60,113 |
| 1500124                        | AAONC6720 | WA    | PSYCHIATRIC SOCIAL WORKER        | 1       | 1.00 | 24.00 | 02   | 4,803.00 | 115,272<br>61,972 |            |            |            | 115,272<br>61,972 |
| TOTAL PICS SALARY              |           |       |                                  |         |      |       |      |          | 474,792           |            |            |            | 474,792           |
| TOTAL PICS OPE                 |           |       |                                  |         |      |       |      |          | 251,613           |            |            |            | 251,613           |
| TOTAL PICS PERSONAL SERVICES = |           |       |                                  | 4       | 4.00 | 96.00 |      |          | 726,405           |            |            |            | 726,405           |

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Corrections, Dept of  
2015-17 Biennium

Agency Number: 29100  
Cross Reference Number: 29100-010-00-00-00000

| <i>Source</i>              | 2011-13 Actuals    | 2013-15 Leg<br>Adopted Budget | 2013-15 Leg<br>Approved Budget | 2015-17 Agency<br>Request Budget | 2015-17 Governor's<br>Budget | 2015-17 Leg<br>Adopted Budget |
|----------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| <b>Other Funds</b>         |                    |                               |                                |                                  |                              |                               |
| Federal Revenues           | -                  | 252,657                       | 252,657                        | 91,109                           | 91,109                       | -                             |
| Charges for Services       | 224,499            | 19,000                        | 19,000                         | 11,989                           | 11,989                       | -                             |
| Fines and Forfeitures      | 91,609             | 85,000                        | 85,000                         | 43,916                           | 43,916                       | -                             |
| Sales Income               | 34,929             | 30,000                        | 30,000                         | 26,436                           | 26,436                       | -                             |
| Other Revenues             | 579,446            | 450,000                       | 450,000                        | 395,000                          | 395,000                      | -                             |
| <b>Total Other Funds</b>   | <b>\$930,483</b>   | <b>\$836,657</b>              | <b>\$836,657</b>               | <b>\$568,450</b>                 | <b>\$568,450</b>             | <b>-</b>                      |
| <b>Federal Funds</b>       |                    |                               |                                |                                  |                              |                               |
| Federal Funds              | 5,352,117          | 6,632,064                     | 6,632,064                      | 6,505,902                        | 6,505,902                    | -                             |
| <b>Total Federal Funds</b> | <b>\$5,352,117</b> | <b>\$6,632,064</b>            | <b>\$6,632,064</b>             | <b>\$6,505,902</b>               | <b>\$6,505,902</b>           | <b>-</b>                      |

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

| Source   | Fund    | ORBITS<br>Revenue<br>Acct | 2011-2013<br>Actual | 2013-15<br>Legislatively<br>Adopted | 2013-15<br>Estimated | 2015-17           |                        |                          |
|--|---------|---------------------------|---------------------|-------------------------------------|----------------------|-------------------|------------------------|--------------------------|
|  |         |                           |                     |                                     |                      | Agency<br>Request | Governor's<br>Balanced | Legislatively<br>Adopted |
| Social Security reporting<br>incentive   | Other   | 0355                      | \$0                 | \$252,657                           | \$0                  | \$91,109          | \$91,109               | \$0                      |
| Charges for Services   | Other   | 0410                      | 224,499             | 19,000                              | 13,922               | 11,989            | 11,989                 | 0                        |
| Restitution for medical<br>services  | Other   | 0505                      | 91,609              | 85,000                              | 90,884               | 43,916            | 43,916                 | 0                        |
| Sale of photocopies  | Other   | 0705                      | 34,929              | 30,000                              | 37,798               | 26,436            | 26,436                 | 0                        |
| Personal medical<br>equipment<br>reimbursement   | Other   | 0975                      | 579,446             | 450,000                             | 783,587              | 395,000           | 395,000                | 0                        |
| State Criminal Alien<br>Assistance Program<br>(SCAAP) grant and<br>Oregon Health Network | Federal | 0995                      | 5,352,117           | 6,632,064                           | 5,125,497            | 6,505,902         | 6,505,902              | 0                        |