Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☑ Budget Request Amendment FY 08-09 ☑

Request Title: Medical/Pharmacy POPM
Department: Corrections
Priority Number: SBRI #4, BA# 5

Dept. Approval by: Aristedes W. Zavaras **Date:** 1/11/08
OSPB Approval: **Date:** 1/11/08

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	35,382,885	40,533,547	(362,127)	40,171,420	40,533,547	(1,072,918)	39,460,629	710,791	40,171,420	710,791
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	35,382,885	40,533,547	(362,127)	40,171,420	40,533,547	(1,072,918)	39,460,629	710,791	40,171,420	710,791
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Institutions (E) Medical Services Subprogram Purchase of Pharmaceuticals	Total	9,626,416	10,647,119	(647,297)	9,999,822	10,647,119	(480,347)	10,166,772	(166,950)	9,999,822	(166,950)
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	9,626,416	10,647,119	(647,297)	9,999,822	10,647,119	(480,347)	10,166,772	(166,950)	9,999,822	(166,950)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Institutions (E) Medical Services Subprogram Purchase of Medical Services from Other Medical Facilities	Total	18,716,693	22,247,012	(3,104,826)	19,142,186	22,247,012	(2,792,274)	19,454,738	(312,552)	19,142,186	(312,552)
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	18,716,693	22,247,012	(3,104,826)	19,142,186	22,247,012	(2,792,274)	19,454,738	(312,552)	19,142,186	(312,552)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Institutions (E) Medical Services Subprogram Purchase of Medical Services from State Hospital	Total	1,006,681	1,093,116	435,332	1,528,448	1,093,116	161,574	1,254,690	273,758	1,528,448	273,758
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	1,006,681	1,093,116	435,332	1,528,448	1,093,116	161,574	1,254,690	273,758	1,528,448	273,758
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☑ Budget Request Amendment FY 08-09 ☑

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Department: Corrections
Priority Number: SBRI #4, BA# 5

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	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
(2) Institutions											
(E) Medical Services	Total	6,033,095	6,546,300	2,954,664	9,500,964	6,546,300	2,038,129	8,584,429	916,535	9,500,964	916,535
Subprogram	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Catastrophic	GF	6,033,095	6,546,300	2,954,664	9,500,964	6,546,300	2,038,129	8,584,429	916,535	9,500,964	916,535
Medical Expenses	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name:
IT Request: Yes ☐ No ☑
Request Affects Other Departments: Yes ☑ No ☐ If Yes, List Other Departments Here: **Colorado Mental Health Institute of Pueblo** (No impact until February 15, 2008)

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Corrections
Priority Number:	S BRI # 4, BA # 5
Change Request Title:	Medical/Pharmacy POPM

SELECT ONE (click on box):

☐ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☒ Supplemental Request FY 07-08
☒ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

☐ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☒ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department's "Supplemental Request" for FY07-08 is requesting an overall decrease of GF ($362,127) in the Medical Subprogram based on projected caseload changes and a projected decrease in the overall Per Offender Per Month (POPM). The request reflects a decrease in the caseload change of ($1,169,909) and an increase in the POPM change of $807,782. The Department is also submitting a Budget Amendment for FY08-09 and FY09-10 in the amount of GF $710,791.

Background and Appropriation History:

The medical subprogram provides health care services to offenders in one of four ways:

- Certain health care services, normally primary care and convalescent care are provided at the prison facilities by medical professionals (FTE) employed by the State of Colorado.
- Inpatient and outpatient hospital care and specialty services are purchased outside the state system through a contract with Physician Health Partners acting as a third party administrator.
- Prescription drugs are purchased in bulk off a multi-state buying agreement and dispensed as prescribed from the Departments' pharmacy.

- Non-acute inpatient and outpatient hospital care and specialty services are purchased from the State Hospital through a contract with Physician Health Partners acting as the third party administrator.

The Purchase of Medical Services from Other Medical Facilities, the Purchase of Medical Services from State Hospital, the Catastrophic Medical Expenses and the Purchase of Pharmaceuticals appropriations are adjusted during the change request process based on actual case loads on June 30, 2007 and Legislative Counsel Services (LCS) projections as of June 30, 2008. The two caseloads are averaged, the YOS population is added and the Jail Population, SB 03-252 Population, and projected Community Corrections Population are reduced from that number to determine the estimated number of case load for the Medical Services Population.

The Pharmaceutical Population is determined by reducing the Medical Services Population by the Private Prison Population, the Out of State Prison Population, and the Pre-Release Parole Revocation Population. Pharmaceutical services are provided by the private facilities and local jails.

The Purchase of Medical Services from Other Medical Facilities, the Purchase of Medical Services from State Hospital, the Catastrophic Medical Expenses and the Purchase of Pharmaceuticals appropriations are adjusted during the change request process based on the actual and projected offender caseload, along with the POPM adjusted numbers based on projections from the managed care provider for the Department as of the November 30th, 2007 Incurred But Not Received (IBNR) report and actual pharmaceutical costs from Colorado Financial Reporting System (COFRS) as of November 30th, 2007.

Outside medical expenses fluctuate between the Purchase of Medical Services from Other Medical Facilities, the Purchase of Medical Services from State Hospital, and the Catastrophic Medical Expenses based on utilization and catastrophic events. Therefore, changes occur between the three afore mentioned lines. There is an overall increase in the POPM appropriated in FY07-08 from $119.16 to the projected POPM of $123.70 as of November, 2007. Utilization at the State Hospital has increased and catastrophic has

increased. The reduction in the Purchase of Medical Services from Other Medical Facilities does not totally offset the increases in the Purchase of Medical Services from State Hospital and the Catastrophic Medical Expenses.

The Purchase of Pharmaceuticals appropriated in FY07-08 was at a POPM rate of $58.12 and the projected POPM as of November, 2007 is $56.50.

General Description of Request:

The Department is requesting funding adjustments to continue to provide adequate inpatient and outpatient medical services to the total number of offenders placed under the jurisdiction of the Department and provide pharmaceuticals to the same population, less Private Prisons (included in the private prison contract) and projected Parole Revocation Population, based on the Department's pharmaceutical formulary and pharmaceuticals prescribed by providers.

Consequences if Not Funded:

If the requested funding changes are not made, the Department would be over funded in some areas and under funded in others.

Calculations for Request:

Summary of Request by Department						
Department of Corrections	**FTE**	**Total Funds**	**General Fund**	**Cash Funds**	**Cash Funds Exempt**	**Federal Funds**
Medical Services Subprogram	0.0	($362,127)	($362,127)	$0	$0	$0
Total	**0.0**	**($362,127)**	**($362,127)**	**$0**	**$0**	**$0**

Summary of Request FY07-08	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	($362,127)	($362,127)	**$0**	**$0**	**$0**	**0**
(2E) Purchase of Pharmaceuticals	($647,297)	($647,297)	$0	$0	$0	0
(2E) Purchase of Medical Services from Other Medical Facilities	($3,104,826)	($3,104,826)	$0	$0	$0	0
(2E) Purchase of Medical Services from State Hospital	$435,332	$435,332	$0	$0	$0	0
(2E) Catastrophic Medical	$2,954,664	$2,954,664	$0	$0	$0	0

Summary of Request FY08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$710,791	$710,791	$0	$0	$0	0
(2E) Purchase of Pharmaceuticals	($166,950)	($166,950)	$0	$0	$0	0
(2E) Purchase of Medical Services from Other Medical Facilities	($312,552)	($312,552)	$0	$0	$0	0
(2E) Purchase of Medical Services from State Hospital	$273,758	$273,758	$0	$0	$0	0
(2E) Catastrophic Medical	$916,535	$916,535	$0	$0	$0	0

Chart 1 Summary of Offender Population Estimates Used for Line Items in the Medical Services Subprogram Based on December 2007 LCS Population Projections	
	Offender Population
LCS June 2007 Actuals	22,519
LCS June 2008 Projections	23,322
Avg. Daily Population (w/o YOS)	**22,921**
Plus YOS Population (June 2007 Actual)	176
DOC Jurisdictional Population	**23,097**
Jail Population	(171)
S.B. 03-252 Population	(257)
Community Corrections Population (11.25%)	(2,579)
Medical Services Population	**20,090**
Private Prison Population	(4,094)
Out of State Private Prison Population	(369)
Pre-release Parole Revocation Population	(878)
Pharmaceutical Population	**14,749**

Chart 2

Changes in Offender Populations Covered by Medical Services and Pharmaceutical

	Appropriated ADP FY2007-08	Projected ADP FY2007-08	Change in ADP	% Change
Pharmaceutical	15,266	14,749	(517)	(3.4%)
Medical Services	20,656	20,090	(566)	(2.7%)

Chart 3

Cost of Caseload Changes

	Appropriated POPM Rates FY2007-08	Projected Change in Caseload	FY2007-08 Cost of Caseload Decrease
Purchase of Pharmaceuticals	**$58.12**	**(517)**	**($360,576)**
Purchase of Medical Services from Other Medical Facilities	$77.84	(566)	($528,689)
Administrative Fees	$7.74	(566)	($52,570)
Security Contract	$2.76	(566)	($18,745)
Total Purchase of Medical Services from Other Medical Facilities	**$88.34**	**(566)**	**($600,005)**
Purchase of Medical Services from State Hospital	**$4.41**	**(566)**	**($29,952)**
Catastrophic Medical Expenses	**$26.41**	**(566)**	**($179,376)**

Chart 4
Appropriated and Projected POPM Rates Comparison

	Appropriated FY07-08 POPM Rates	Projected FY07-08 POPM Rates*	Difference
Purchase of Pharmaceuticals	**$58.12**	**$56.50**	**($1.62)**
Purchase of Medical Services from Other Medical Facilities	$77.84	$67.45	($10.39)
Administrative Fees	$7.74	$7.74	$0.00
Security Contract	$2.76	$2.76	$0.00
Total Purchase of Medical Services from Other Medical Facilities	**$88.34**	**$77.95**	**($10.39)**
Purchase of Medical Services from State Hospital	**$4.41**	**$6.34**	**$1.93**
Catastrophic Medical Expenses	**$26.41**	**$39.41**	**$13.00**

* Purchase of Services POPM rates are based on November 30th, 2007 IBNR from PHP

Pharmaceutical POPM rate is based on COFRS's as of November 30th, 2007

Chart 5
Change in POPM Rate

	Appropriated FY 2007-08 POPM	Projected FY2007-08 POPM	Rate Change POPM	Projected FY2007-08 Caseload	FY2007-08 Cost of POPM Change
Purchase of Pharmaceuticals	**$58.12**	**$56.50**	**($1.62)**	**14,749**	**($286,721)**
Purchase of Medical Services from Other Medical Facilities	$77.84	$67.45	($10.39)	20,090	($2,504,821)
Administrative Fees	$7.74	$7.74	$0.00	20,090	$0
Security Contract	$2.76	$2.76	$0.00	20,090	$0
Total Purchase of Medical Services from Other Medical Facilities	**$88.34**	**$77.95**	**($10.39)**	**20,090**	**($2,504,821)**
Purchase of Medical Services from State Hospital	**$4.41**	**$6.34**	**$1.93**	**20,090**	**$465,284**
Catastrophic Medical Expenses	**$26.41**	**$39.41**	**$13.00**	**20,090**	**$3,134,040**

Chart 6

Requested Cost Increases

Impacts on FY2007-08			
	Caseload Projected Changes	**Projected Changes in POPM Rates**	**Total Projected Change**
Purchase of Pharmaceuticals	**($360,576)**	**($286,721)**	**($647,297)**
Purchase of Medical Services from Other Medical Facilities	($528,689)	($2,504,821)	($3,033,510)
Administrative Fees	($52,570)	$0	($52,570)
Security Contract	($18,745)	$0	($18,745)
Total Purchase of Medical Services from Other Medical Facilities	**($600,005)**	**($2,504,821)**	**($3,104,826)**
Purchase of Medical Services from State Hospital	**($29,952)**	**$465,284**	**$435,332**
Catastrophic Medical Expenses	**($179,376)**	**$3,134,040**	**$2,954,664**
Total	**($1,169,909)**	**$807,782**	**($362,127)**

Chart 7
Supplemental and Base Change Differences

	Supplemental Request FY 07-08	Decision/Base Reduction FY 08-09	Budget Amendment FY 08-09
Purchase of Pharmaceuticals	**($647,297)**	**($480,347)**	**($166,950)**
Total Purchase of Medical Services from Other Medical Facilities	**($3,104,826)**	**($2,792,274)**	**($312,552)**
Purchase of Medical Services from State Hospital	**$435,332**	**$161,574**	**$273,758**
Catastrophic Medical Expenses	**$2,954,664**	**$2,038,129**	**$916,535**
Total	**($362,127)**	**($1,072,918)**	**$710,791**

Chart 1
Chart 1 summarizes the offender population projections from Legislative Council Services (LCS) and the Department to determine the Medical Services caseloads and the Pharmaceutical caseload. The chart begins with the adjusted December, 2007, LCS year end actuals for June 2007 and projections for June 2008 to determine an average yearly population which is reduced by Jail, SB 03-252, and Community Corrections Populations to determine the Medical Services caseloads. The Medical Services caseloads are then reduced by the Private Prison Population, the Out of State Private Prison Population, and the Pre-release Parole Revocation Population to determine the Pharmaceutical caseload.

Chart 2
Chart 2 demonstrates the decrease in the Medical Services and Pharmaceutical projected population from FY07-08 figure setting to the FY07-08 projections from Chart 1.

Chart 3
Chart 3 reflects the cost of the caseload decrease in Medical Services and Pharmaceutical at the FY07-08 Figure Setting POPM rates. (Formula: Appropriated POPM Rates * Projected Caseload Change * 12 months)

Chart 4
Chart 4 is the difference in the FY07-08 Figures Setting POPM and the projected FY07-08 POPM as of November, 2007. The Purchase of Services POPM's and the Catastrophic projections are based on the November 30th, 2007 IBNR from PHP. The Purchase of Pharmaceuticals was based on the November 30th, 2007 COFRS POPM.

Chart 5
Chart 5 is the change to each appropriation is based solely on the projected POPM increases or decreases from Chart 4 along with the FY07-08 projected population changes from Chart 1. (Formula: Appropriated POPM less Projected POPM * Projected Caseload * 12 months)

Chart 6
Chart 6 reflects the combination of the caseload changes and the POPM changes in each appropriation and the Total Request.

Chart 7
Chart 7 is the difference between the FY07-08 Projected Supplemental Total Change less the figures submitted on the Schedule 13 Change Request for the FY08-09 Budget Request Cycle for FY08-09 and FY09-10 Change from Base Column 6 and 10. The same figures were used for FY08-09 and FY09-10 as these numbers are adjusted yearly during the Supplemental process.

Impact on Other Government Agencies: This request will impact the Department of Human Services because the increase of $435,332 General Fund will create a corresponding General Fund savings for the Department in the area of the Mental Health Institutes. However, the net savings to the Department will not be known until February 15th, when the Department of Human Services Colorado Mental Health Institute of Pueblo (CMHIP) refinancing request is submitted. Because other factors affecting the CMHIP have not been finalized, it is premature to reduce the General Fund at this time. The General Fund offset from this request will be incorporated into the 02/15/08 request, along with any other finance changes.

Cost Benefit Analysis: The cost benefit analysis is not necessary since this is a caseload based request.

Implementation Schedule: If caseload and the POPM is funded as requested the Department can continue appropriate medical services and pharmaceuticals for FY2007-08.

Statutory and Federal Authority: The statutes for the duties and powers of the Executive Director confer the authority to the Executive Director to manage, supervise, and control the correctional facilities within the State of Colorado and bestows authority to enter into agreements, contracts, and issue administrative warrants.

Article 1 Department of Corrections

Part 1 Corrections Administration

17-1-103 (2007) Duties of the executive director.

1) The duties of the executive director shall be:

(a) To manage, supervise, and control the correctional institutions operated and supported by the state; to monitor and supervise the activities of private contract prisons; to manage and supervise the divisions, agencies, boards, and commissions that are or may be transferred to or established within the department by law or by the executive director pursuant to section 17-1-101 (2); to provide work and self-improvement opportunities; and to establish an environment that promotes habilitation for successful reentry into society;

(a.5) To develop policies and procedures governing the operation of the department;

(b) To supervise the business, fiscal, budget, personnel, and financial operations of the department and the institutions and activities under his or her control;

(c) In consultation with the division directors and the wardens, to develop a systematic building program providing for the projected, long-range needs of the institutions under his or her control;

(d) To efficiently manage the lands associated with or owned by the department;

(e) To the extent practical, to utilize the staff and services of other state agencies and departments, within their respective statutory functions, to carry out the purposes of this title;

(f) To the extent practical, to develop within the correctional institutions industries that develop work skills for inmates and that also will serve the purpose of supplying necessary products for state institutions and other public purposes as provided by law;

(g) Repealed.

(h) (Deleted by amendment, L. 2000, p. 830, § 3, effective May 24, 2000.)

(i) Repealed.

(j) (Deleted by amendment, L. 2000, p. 830, § 3, effective May 24, 2000.)

(k) To carry out the duties prescribed in article 11.5 of title 16, C.R.S.;

(l) To carry out the duties prescribed in article 11.7 of title 16, C.R.S.;

(m) To provide information to the director of research of the legislative council concerning population projections, research data, and the projected long-range needs of the institutions under the control of the executive director and any other related data requested by the director;

(n) To contract with the department of human services to house in a facility operated by the department of human services any juvenile under the age of fourteen years who is sentenced as an adult to the department of corrections and to provide services for the juvenile, as provided in section 19-2-518 (1) (e), C.R.S.;

(o) To appoint an inspector general and investigators as provided in section 17-1-103.8;

(p) Notwithstanding the provisions of parts 2 and 3 of article 72 of title 24, C.R.S., commonly referred to as the "Open Records Act", to adopt such policies and guidelines as may be necessary concerning the release of records to inmates.

(2) The executive director shall have such other duties and functions as are prescribed for heads of principal departments in the "Administrative Organization Act of 1968", article 1 of title 24, C.R.S.

(3) (a) (I) The executive director shall, upon the recommendation of the department's chief medical officer, appoint a panel of medical consultants.

(II) The executive director shall, upon the recommendation of the department's chief medical officer, determine the membership of the panel based on the medical and surgical needs of the department.

(III) The executive director shall determine the qualifications for appointment to the panel of medical consultants; except that all members of the panel shall be licensed by the state board of medical examiners pursuant to the provisions of article 36 of title 12, C.R.S., or the state board of dental examiners pursuant to the provisions of article 35 of title 12, C.R.S.

(b) Members of the panel of medical consultants shall be compensated at a rate which shall be approved by the executive director. Compensation shall be paid from available funds of the department.

(c) The panel members shall act as medical consultants to the department with respect to persons receiving services from any correctional facility as defined in section 17-1-102 (1.7).

(d) A member of the panel of medical consultants, for all activities performed within the course and scope of said member's responsibilities to the department, shall be entitled to all of the protections of the "Colorado Governmental Immunity Act", article 10 of title 24, C.R.S., as if the panel member were a "public employee" as defined in section 24-10-103 (4), C.R.S. This provision shall not be construed to afford independent contractors hired as panel members any of the protections of the state personnel system, article 50 of title 24, C.R.S.

(e) For purposes of this subsection (3), "panel of medical consultants" means a panel of medical physicians, dentists, or oral surgeons whose duty is to deliver medical services or services related to oral surgery.

(4) For an inmate who was convicted as an adult of a class 1 felony following direct filing of an information or indictment in the district court pursuant to section 19-2-517, C.R.S., or transfer of proceedings to the district court pursuant to section 19-2-518, C.R.S., the executive director shall ensure that the inmate has the opportunity to participate in treatment, programs, and services that is equal to the opportunities granted to other inmates who will be eligible for parole or discharge.

The standard level of health care to inmates is established by Constitutional Law, the Bill of Rights, Amendment VIII. – Cruel and Unusual Punishment

Excessive bail shall not be required nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Estelle v Gamble (No. 75-929) the Supreme Court held that prison must not deliberately ignore a prisoner's "serious" ailment, thereby setting a very low 8th Amendment Standard of care toward prisoners.

4th Circuit has said that a "serious" illness entitles a prisoner to medical attention if "a physician or other health care provider concludes with a reasonable certainty that 1.) the prisoner's symptoms show a serious disease or injury; 2.) the disease or injury is curable or may be substantially alleviated; and 3.) the potential for harm by reason of delay would be substantial.

Performance Measures:

Performance will be evaluated by (a) the number of bed days per 1,000 offenders (b) the Pharmaceutical POPM.