

# Prison health care spending on the rise: State options for reining in cost of care for inmates

One driver of state corrections spending is the cost of providing medical care to inmates.

In a recent study of 44 U.S. states, The Pew Charitable Trusts found that health care spending totaled \$6.5 billion in 2008 — about 18 percent of total corrections budgets. Over the seven years studied (2001 through 2008), health care spending increased in 42 of the 44 states, with an average growth of 49 percent.

Tougher sentencing laws in the past few decades have caused inmates to be in prison longer; these prisoners, in turn, require more health care as they age. In 2012, one in nine prisoners was serving a life sentence, and 122,000 prisoners were age 55 or older. A report by the Michigan Senate Fiscal Agency found that the annual cost of medical care for an inmate age 55 to 59 was \$11,000 — four times that of an offender between the ages of 20 and 24.

Many prisoners enter prison with existing chronic conditions, substance-abuse issues and mental illnesses. And delivering health care in prisons can often present logistical challenges, such as transportation to and from hospitals, which are often far away.

States have options for reining in health care costs in their prison systems, and some of these approaches were highlighted by Pew in its 2013 report “Managing Prison Health Care Spending.”

## Telehealth

States can use electronic communications to avoid the cost of transferring inmates to outside medical facilities. The use of telehealth services allows inmates to consult with outside physicians and specialists via video conferencing. And on-site equipment that monitors vital signs remotely can help physicians determine

State correctional health care expenditures, 2008			
State	Per inmate	Share of total correctional spending	Change in spending since 2001
Illinois	\$2,181	9%	-1%
Indiana	\$3,135	12%	+45%
Iowa	\$3,973	13%	+52%
Kansas	No data available*		
Michigan	\$6,242	19%	+63%
Minnesota	\$6,252	18%	+52%
Nebraska	\$6,155	30%	+63%
North Dakota	\$3,672	8%	+29%
Ohio	\$4,034	17%	+29%
South Dakota	\$4,307	15%	+93%
Wisconsin	\$4,846	14%	+68%
*The Bureau of Justice Statistics did not report data for Kansas.			
Source: The Pew Charitable Trusts' State Health Care Spending Project			

whether a trip to the hospital is necessary.

In 2010, 26 of 44 states surveyed by the American Correctional Association were using telehealth to deliver medical services to inmates. In 2012, Pew says, the state of Georgia saved a total of \$9 million, or about \$500 per “telehealth encounter.”

## Outsourcing care

Some states have partnered with state university medical centers to provide care outside of prisons when inmates need it.

Other states have hired private companies to provide correctional health care at a fixed rate — providing predictability in spending. In Kansas, for example, some inmate health care is provided by an outside contractor. The state has

quality standards and monitors care to ensure prisoners receive adequate treatment.

## Federal matching funds

Prisoners who meet certain eligibility requirements can receive health insurance through Medicaid. If inmates are enrolled in this state-federal program, states can seek federal matching funds for health services provided outside prison (such as when a prisoner is hospitalized).

In states that expand Medicaid under the Affordable Care Act, low-income childless adults will be newly eligible for the program, allowing states to receive enhanced matching funds for their outside care.

Only a handful of states have used Medicaid financing for inmate medical care. A 2013 study by The Ohio State University estimated that the state correctional system could save \$273 million between fiscal years 2014 and 2022 by adopting this strategy.

## Medical parole

Some states are adopting measures to release certain offenders who are terminally ill or severely disabled. State laws typically exempt certain kinds of offenders (such as sex offenders) and require that inmates pose little or no threat to public safety.

Geriatric parole was included in Ohio's 2011 criminal justice reforms, which required the state Department of Corrections to review the cases of all parole-eligible inmates 65 and older; however, none of the 347 cases was recommended for an early-release hearing. Last year, the federal government announced that it will expand the use of “compassionate release” for people who committed nonviolent crimes and have served a significant portion of their sentences.