



# **Correctional Managed Health Care**

## **Quarterly Report FY 2011 Third Quarter**

**September 2010 – May 2011**

## **Summary**

This report is submitted in accordance with Rider 41; page V-21, Senate Bill 1, 81<sup>st</sup> Legislature, and Regular Session 2009. The report summarizes activity through the third quarter of FY 2011. Following this summary are individual data tables and charts supporting this report.

### ***Background***

During Fiscal Year 2011, approximately \$463.5 million within the TDCJ appropriation has been allocated for funding correctional health care services. This funding included:

- \$422.1M in general revenue appropriations in strategy C.1.8 (Managed Health Care, medical services)
- \$41.4M in general revenue appropriations in strategy C.1.7. (Psychiatric Care).

Of this funding, \$462.8M (99.9%) was allocated for health care services provided by UTMB and TTUHSC. An amount \$669K (0.1%) was allocated for funding of the operation of the Correctional Managed Health Care Committee.

These payments are made directly to the university providers according to their contracts. Benefit reimbursement amounts and expenditures are included in the reported totals provided by the universities.

## ***Report Highlights***

### **Population Indicators**

- Through the third quarter of this fiscal year, the correctional health care program has slightly increased in the overall offender population served. The average daily population served through the third quarter of FY 2011 was 152,722. Through this same quarter a year ago (FY 2010), the average daily population was 151,152, an increase of 1,570 (1.04%). While overall growth has slightly increased, the number of offenders age 55 and over has continued to steadily increase at a much greater rate.
- Consistent with the trend for the last several years, the number of offenders in the service population aged 55 or older has continued to rise at a faster rate than the overall population. Through the third quarter of FY 2011, the average number of older offenders in the service population was 12,701. Through this same quarter a year ago (FY 2010), the average number of offenders age 55 and over was 11,714. This represents an increase of 987 or about 8.4% more older offenders than a year ago.
- The overall HIV+ population has remained relatively stable throughout the last two years and continued to remain so through this quarter, averaging 2,384 (or about 1.6% of the population served).
- Two mental health caseload measures have also remained relatively stable:
  - The average number of psychiatric inpatients within the system was 1,941 through the third quarter of FY 2011, as compared to 1,928 through the same quarter a year ago (FY 2010). The inpatient caseload is limited by the number of available inpatient beds in the system.
  - Through the third quarter of FY 2011, the average number of mental health outpatients was 20,170 representing 13.2% of the service population.

### **Health Care Costs**

- Overall health costs through the third quarter of FY 2011 totaled \$409.5M. This amount exceeded overall revenues earned by the university providers by \$24.9M or 6.5%.
- UTMB's total revenue through the quarter was \$304.3M. Their expenditures totaled \$327.0M, resulting in a net loss of \$22.7M. On a per offender per day basis, UTMB earned \$9.19 in revenue and expended \$9.87 resulting in a shortfall of \$0.68 per offender per day.

- TTUHSC's total revenue through the third quarter was \$80.3M. Expenditures totaled \$82.6M, resulting in a net loss of \$2.3M. On a per offender per day basis, TTUHSC earned \$9.37 in revenue, but expended \$9.63 resulting in a shortfall of \$0.26 per offender per day.
- Examining the health care costs in further detail indicates that of the \$409.5M in expenses reported through the third quarter of the year:
  - Onsite services (those medical services provided at the prison units) comprised \$174.6M representing about 42.6% of the total health care expenses:
    - Of this amount, 80.3% was for salaries and benefits and 19.7% for operating costs.
  - Pharmacy services totaled \$40.0M representing approximately 9.8% of the total expenses:
    - Of this amount 17.9% was for related salaries and benefits, 3.0% for operating costs and 79.1% for drug purchases.
  - Offsite services (services including hospitalization and specialty clinic care) accounted for \$147.9M or 36.1% of total expenses:
    - Of this amount 68.7% was for estimated university provider hospital, physician and professional services; and 31.3% for Freeworld (non-university) hospital, specialty and emergency care.
  - Mental health services totaled \$35.1M or 8.6% of the total costs:
    - Of this amount, 97.4% was for mental health staff salaries and benefits, with the remaining 2.6% for operating costs.
  - Indirect support expenses accounted for \$11.9M and represented 2.9% of the total costs.
- The total cost per offender per day for all health care services statewide through the third quarter of FY 2011 was \$9.82 as compared to prior year this same quarter was \$9.98. The average cost per offender per day for the prior four fiscal years was \$8.94.
  - For UTMB, the cost per offender per day was \$9.87. This is higher than the average cost per offender per day for the last four fiscal years of \$9.02.
  - For TTUHSC, the cost per offender per day was \$9.63, higher than the average cost per offender per day for the last four fiscal years of \$8.69.
  - Differences in cost between UTMB and TTUHSC relate to the differences in mission, population assigned and the acuity level of the offender patients served.

### **Aging Offenders**

- As consistently noted in prior reports, the aging of the offender population has a demonstrated impact on the resources of the health care system. Offenders age 55 and older access the health care delivery system at a much higher level and frequency than younger offenders:
  - Encounter data through the third quarter of FY 2011 indicates that offenders aged 55 and over had a documented encounter with medical staff almost three times as often as those under age 55.
  - An examination of hospital admissions by age category found that through this quarter of the fiscal year, hospital costs received to date for charges incurred this fiscal year for offenders over age 55 totaled approximately \$3,500 per offender. The same calculation for offenders under age 55 totaled about \$568. In terms of hospitalization, the older offenders were utilizing health care resources at a rate of over six times higher than the younger offenders. While comprising about 8.3% of the overall service population, offenders age 55 and over account for more than 35.8% of the hospitalization costs received to date.
  - A third examination of dialysis costs found that, proportionately, older offenders are represented more than five times more often in the dialysis population than younger offenders. Dialysis costs continue to be significant, averaging \$20,552 per patient per year. Providing medically necessary dialysis treatment for an average of 201 patients through the third quarter of FY2011 cost \$3.1M.

### **Drug Costs**

- Total drug costs through the third quarter of FY 2011 totaled \$30.3M.
  - Pharmaceutical costs related to HIV care continue to be the largest single component of pharmacy expenses.
    - Through this quarter, \$13.7M in costs (or over \$1.52M per month) for HIV antiretroviral medication costs were experienced. This represents 45.1% of the total drug cost during this time period.
    - Expenses for psychiatric drugs are also being tracked, with approximately \$1.3M being expended for psychiatric medications through the third quarter, representing 4.4% of the overall drug cost.
    - Another pharmacy indicator being tracked is the cost related to Hepatitis C therapies. These costs were \$2.1M and represented about 6.9% of the total drug cost.

### ***Reporting of Fund Balances***

- In accordance with Rider 41, page V-21, Senate Bill 1, 81st Legislature, Regular Session 2009, both the University of Texas Medical Branch and Texas Tech University Health Sciences Center are required to report if they hold any monies in reserve for correctional managed health care. UTMB reports that they hold no such reserves and report a total shortfall of \$22,675,127 through this quarter. TTUHSC reports that they hold no such reserves and report a total shortfall of \$2,263,998.
- A summary analysis of the ending balances, revenue and payments through the third quarter for all CMHCC accounts is included in this report. That summary indicates that the net unencumbered balance on all CMHCC accounts on May 31, 2011 was a negative \$5,345.15. It should be noted that this balance is projected to increase over the course of the remainder of the fiscal year.

### ***Financial Monitoring***

Detailed transaction level data from both providers is being tested on a monthly basis to verify reasonableness, accuracy, and compliance with policies, procedures, and contractual requirements.

The testing of detail transactions performed on TTUHSC's financial information for May 2011 is completed. The testing of detail transactions performed on TTUHSC's financial information for March through May 2011 resulted in one classification error which needed correction. All backup documentation was verified.

The testing of detail transactions performed on UTMB's financial information for May 2011 is completed. The testing of detail transactions performed on UTMB's financial information for March through May 2011 resulted in two classification errors which needed correction. All backup documentation was verified except for two transactions that did not have adequate documentation.

### ***Concluding Notes***

The combined operating loss for the university providers through the third quarter of FY 2011 is \$24.9 M. The university providers are continuing to monitor their expenditures closely, while seeking additional opportunities to reduce costs in order to minimize their operating losses.

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**Table 1  
Correctional Managed Health Care  
FY 2011 Budget Allocations**

**Distribution of Funds**

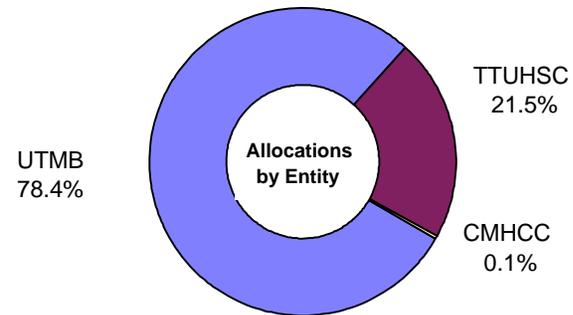
<u>Allocated to</u>	<u>FY 2011</u>
<b>University Providers</b>	
<b>The University of Texas Medical Branch</b>	
Medical Services	\$335,082,478
Mental Health Services	\$28,084,575
Subtotal UTMB	\$363,167,053
<b>Texas Tech University Health Sciences Center</b>	
Medical Services	\$86,336,373
Mental Health Services	\$13,286,944
Subtotal TTUHSC	\$99,623,317
<b>SUBTOTAL UNIVERSITY PROVIDERS</b>	
	\$462,790,370
<b>Correctional Managed Health Care Committee</b>	\$669,128
<b>TOTAL DISTRIBUTION</b>	<b>\$463,459,498</b>

**Source of Funds**

<u>Source</u>	<u>FY 2011</u>
<b>Legislative Appropriations</b>	
SB 1, Article V, TDCJ Appropriations	
Strategy C.1.8. Managed Health Care	\$422,087,979
Strategy C.1.7 Psychiatric Care	\$41,371,519
<b>TOTAL</b>	<b>\$463,459,498</b>

**Note:** In addition to the amounts received and allocated by the CMHCC, the university providers receive partial reimbursement for employee benefit costs directly from other appropriations made for that purpose.

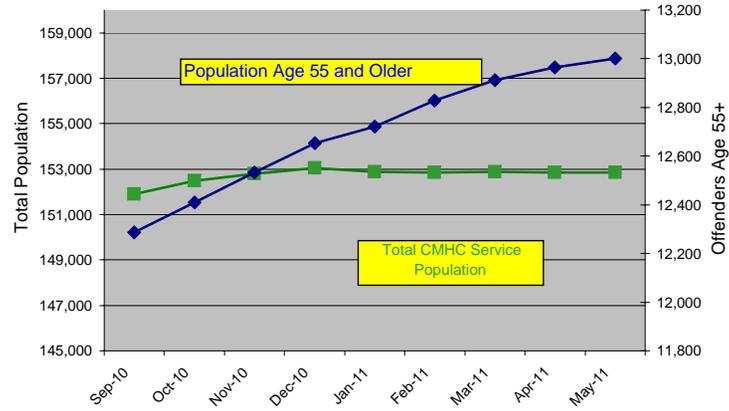
**Chart 1**



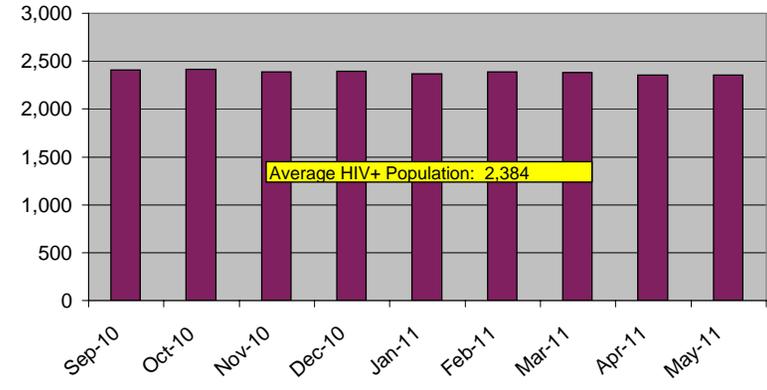
**Table 2**  
**FY 2011**  
**Key Population Indicators**  
**Correctional Health Care Program**

Indicator	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Population Year to Date Avg.
<b>Avg. Population Served by CMHC:</b>										
UTMB State-Operated Population	108,649	109,139	109,350	109,629	109,558	109,649	109,648	109,657	109,642	109,436
UTMB Private Prison Population*	11,910	11,907	11,914	11,866	11,889	11,897	11,910	11,903	11,908	11,900
UTMB Total Service Population	120,559	121,046	121,264	121,495	121,447	121,546	121,557	121,560	121,550	121,336
TTUHSC Total Service Population	31,328	31,438	31,525	31,554	31,420	31,310	31,328	31,278	31,293	31,386
<b>CMHC Service Population Total</b>	<b>151,887</b>	<b>152,483</b>	<b>152,789</b>	<b>153,049</b>	<b>152,867</b>	<b>152,856</b>	<b>152,885</b>	<b>152,839</b>	<b>152,843</b>	<b>152,722</b>
<b>Population Age 55 and Over</b>										
UTMB Service Population Average	10,162	10,255	10,374	10,468	10,532	10,632	10,711	10,771	10,807	10,524
TTUHSC Service Population Average	2,125	2,156	2,159	2,186	2,189	2,197	2,201	2,193	2,193	2,178
<b>CMHC Service Population Average</b>	<b>12,287</b>	<b>12,411</b>	<b>12,533</b>	<b>12,654</b>	<b>12,721</b>	<b>12,829</b>	<b>12,912</b>	<b>12,964</b>	<b>13,000</b>	<b>12,701</b>
<b>HIV+ Population</b>	<b>2,408</b>	<b>2,417</b>	<b>2,385</b>	<b>2,394</b>	<b>2,370</b>	<b>2,386</b>	<b>2,382</b>	<b>2,356</b>	<b>2,358</b>	<b>2,384</b>
<b>Mental Health Inpatient Census</b>										
UTMB Psychiatric Inpatient Average	1,031	1,019	1,022	1,022	1,021	1,024	1,007	997	997	1,016
TTUHSC Psychiatric Inpatient Average	920	894	897	939	942	942	936	924	935	925
<b>CMHC Psychiatric Inpatient Average</b>	<b>1,951</b>	<b>1,913</b>	<b>1,919</b>	<b>1,961</b>	<b>1,963</b>	<b>1,966</b>	<b>1,943</b>	<b>1,921</b>	<b>1,932</b>	<b>1,941</b>
<b>Mental Health Outpatient Census</b>										
UTMB Psychiatric Outpatient Average	16,234	16,306	14,773	16,043	15,399	14,515	16,726	15,526	16,220	15,749
TTUHSC Psychiatric Outpatient Average	4,179	4,377	4,205	4,032	4,563	4,152	5,089	4,684	4,504	4,421
<b>CMHC Psychiatric Outpatient Average</b>	<b>20,413</b>	<b>20,683</b>	<b>18,978</b>	<b>20,075</b>	<b>19,962</b>	<b>18,667</b>	<b>21,815</b>	<b>20,210</b>	<b>20,724</b>	<b>20,170</b>

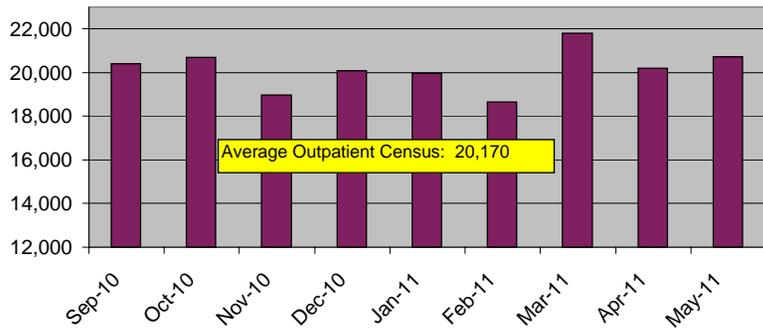
**Chart 2  
CMHC Service Population**



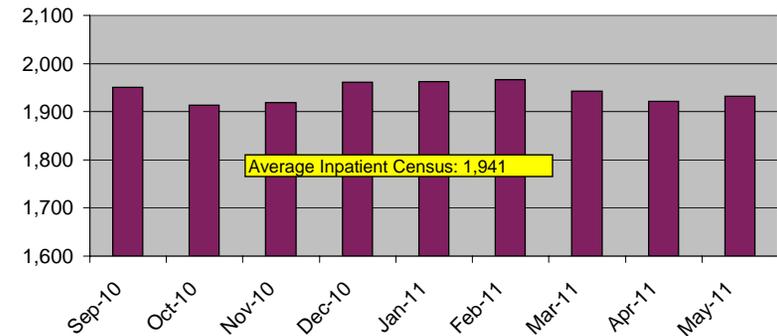
**Chart 3  
HIV+ Population**



**Chart 4  
Mental Health Outpatient Census**



**Chart 5  
Mental Health Inpatient Census**



**Table 3**  
**Summary Financial Report: Medical Costs**  
**Fiscal Year 2011 through Quarter 3 (Sep 2010 - May 2011)**

Days in Year: 273

	Medical Services Costs			Medical Cost Per Day Calculations		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
<b>Population Served</b>	<b>121,336</b>	<b>31,386</b>	<b>152,722</b>			
<b>Revenue</b>						
Capitation Payments	\$250,623,330	\$64,574,878	\$315,198,208	\$7.57	\$7.54	\$7.56
State Reimbursement Benefits	\$28,337,235	\$3,684,400	\$32,021,635	\$0.86	\$0.43	\$0.77
Non-Operating Revenue	\$254,523	\$1,844	\$256,367	\$0.01	\$0.00	\$0.01
<b>Total Revenue</b>	<b>\$279,215,088</b>	<b>\$68,261,122</b>	<b>\$347,476,210</b>	<b>\$8.43</b>	<b>\$7.97</b>	<b>\$8.33</b>
<b>Expenses</b>						
<b>Onsite Services</b>						
Salaries	\$98,677,103	\$10,016,896	\$108,693,999	\$2.98	\$1.17	\$2.61
Benefits	\$28,965,761	\$2,542,284	\$31,508,045	\$0.87	\$0.30	\$0.76
Operating (M&O)	\$12,932,426	\$1,179,658	\$14,112,084	\$0.39	\$0.14	\$0.34
Professional Services	\$0	\$1,691,229	\$1,691,229	\$0.00	\$0.20	\$0.04
Contracted Units/Services	\$0	\$17,216,629	\$17,216,629	\$0.00	\$2.01	\$0.41
Travel	\$578,418	\$60,785	\$639,203	\$0.02	\$0.01	\$0.02
Electronic Medicine	\$0	\$319,742	\$319,742	\$0.00	\$0.04	\$0.01
Capitalized Equipment	\$50,560	\$322,399	\$372,959	\$0.00	\$0.04	\$0.01
<b>Subtotal Onsite Expenses</b>	<b>\$141,204,268</b>	<b>\$33,349,622</b>	<b>\$174,553,890</b>	<b>\$4.26</b>	<b>\$3.89</b>	<b>\$4.19</b>
<b>Pharmacy Services</b>						
Salaries	\$4,233,560	\$1,544,183	\$5,777,743	\$0.13	\$0.18	\$0.14
Benefits	\$1,347,513	\$51,424	\$1,398,937	\$0.04	\$0.01	\$0.03
Operating (M&O)	\$924,572	\$256,967	\$1,181,539	\$0.03	\$0.03	\$0.03
Pharmaceutical Purchases	\$25,254,234	\$6,417,385	\$31,671,619	\$0.76	\$0.75	\$0.76
Professional Services	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Travel	\$11,230	\$11,571	\$22,801	\$0.00	\$0.00	\$0.00
<b>Subtotal Pharmacy Expenses</b>	<b>\$31,771,109</b>	<b>\$8,281,530</b>	<b>\$40,052,639</b>	<b>\$0.96</b>	<b>\$0.97</b>	<b>\$0.96</b>
<b>Offsite Services</b>						
University Professional Services	\$14,710,561	\$712,500	\$15,423,061	\$0.44	\$0.08	\$0.37
Freeworld Provider Services	\$23,950,700	\$13,983,836	\$37,934,536	\$0.72	\$1.63	\$0.91
UTMB or TTUHSC Hospital Cost	\$76,728,280	\$9,421,913	\$86,150,193	\$2.32	\$1.10	\$2.07
Estimated IBNR	\$7,251,300	\$1,125,628	\$8,376,928	\$0.22	\$0.13	\$0.20
<b>Subtotal Offsite Expenses</b>	<b>\$122,640,841</b>	<b>\$25,243,877</b>	<b>\$147,884,718</b>	<b>\$3.70</b>	<b>\$2.95</b>	<b>\$3.55</b>
<b>Indirect Expenses</b>	<b>\$6,706,153</b>	<b>\$3,974,115</b>	<b>\$10,680,268</b>	<b>\$0.20</b>	<b>\$0.46</b>	<b>\$0.26</b>
<b>Total Expenses</b>	<b>\$302,322,371</b>	<b>\$70,849,144</b>	<b>\$373,171,515</b>	<b>\$9.13</b>	<b>\$8.27</b>	<b>\$8.95</b>
<b>Operating Income (Loss)</b>	<b>(\$23,107,283)</b>	<b>(\$2,588,022)</b>	<b>(\$25,695,305)</b>	<b>(\$0.70)</b>	<b>(\$0.30)</b>	<b>(\$0.62)</b>

**Table 3 (Continued)**  
**Summary Financial Report: Mental Health Costs**  
**Fiscal Year 2011 through Quarter 3 (Sep 2010 - May 2011)**

Days in Year: 273

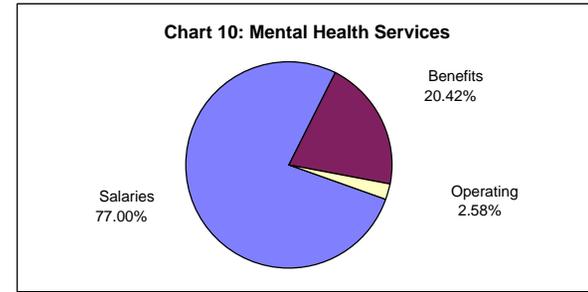
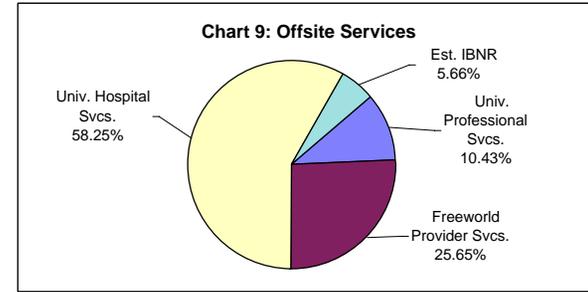
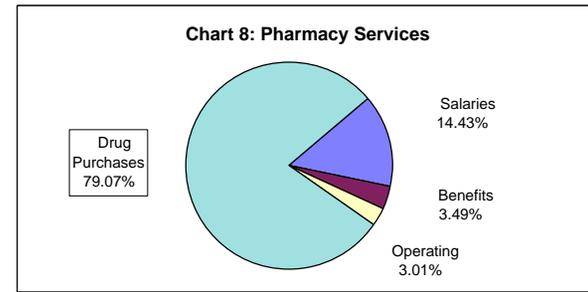
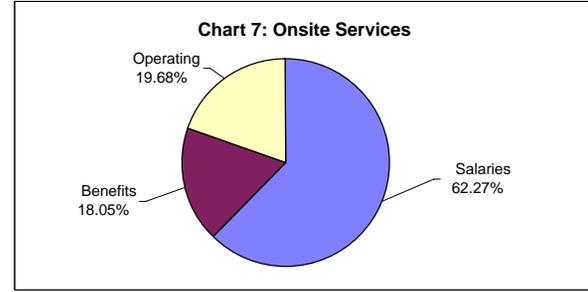
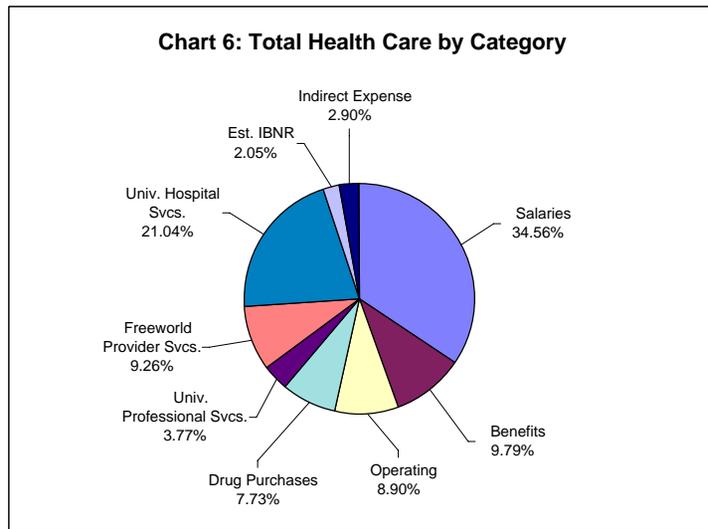
	Mental Health Services Costs			Mental Health Cost Per Day Calculations		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
<b>Population Served</b>	121,336	31,386	152,722			
<b>Revenue</b>						
Capitation Payments	\$21,005,721	\$9,937,906	\$30,943,627	\$0.63	\$1.16	\$0.74
State Reimbursement Benefits	\$4,095,385	\$2,062,261	\$6,157,646	\$0.12	\$0.24	\$0.15
Other Misc Revenue	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Total Revenue</b>	<b>\$25,101,106</b>	<b>\$12,000,167</b>	<b>\$37,101,273</b>	<b>\$0.76</b>	<b>\$1.40</b>	<b>\$0.89</b>
<b>Expenses</b>						
<b>Mental Health Services</b>						
Salaries	\$18,534,041	\$8,520,827	\$27,054,868	\$0.56	\$0.99	\$0.65
Benefits	\$5,012,142	\$2,160,921	\$7,173,063	\$0.15	\$0.25	\$0.17
Operating (M&O)	\$467,879	\$100,304	\$568,183	\$0.01	\$0.01	\$0.01
Professional Services	\$0	\$286,726	\$286,726	\$0.00	\$0.03	\$0.01
Contracted Units/Services	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Travel	\$41,491	\$11,091	\$52,582	\$0.00	\$0.00	\$0.00
Electronic Medicine	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Capitalized Equipment	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Subtotal Mental Health Expenses</b>	<b>\$24,055,553</b>	<b>\$11,079,869</b>	<b>\$35,135,422</b>	<b>\$0.73</b>	<b>\$1.29</b>	<b>\$0.84</b>
<b>Indirect Expenses</b>	<b>\$613,397</b>	<b>\$596,274</b>	<b>\$1,209,671</b>	<b>\$0.02</b>	<b>\$0.07</b>	<b>\$0.03</b>
<b>Total Expenses</b>	<b>\$24,668,950</b>	<b>\$11,676,143</b>	<b>\$36,345,093</b>	<b>\$0.74</b>	<b>\$1.36</b>	<b>\$0.87</b>
<b>Operating Income (Loss)</b>	<b>\$432,156</b>	<b>\$324,024</b>	<b>\$756,180</b>	<b>\$0.01</b>	<b>\$0.04</b>	<b>\$0.02</b>

**All Health Care Summary**

	All Health Care Services			Cost Per Offender Per Day		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
Medical Services	\$279,215,088	\$68,261,122	\$347,476,210	\$8.43	\$7.97	\$8.33
Mental Health Services	\$25,101,106	\$12,000,167	\$37,101,273	\$0.76	\$1.40	\$0.89
<b>Total Revenue</b>	<b>\$304,316,194</b>	<b>\$80,261,289</b>	<b>\$384,577,483</b>	<b>\$9.19</b>	<b>\$9.37</b>	<b>\$9.22</b>
Medical Services	\$302,322,371	\$70,849,144	\$373,171,515	\$9.13	\$8.27	\$8.95
Mental Health Services	\$24,668,950	\$11,676,143	\$36,345,093	\$0.74	\$1.36	\$0.87
<b>Total Expenses</b>	<b>\$326,991,321</b>	<b>\$82,525,287</b>	<b>\$409,516,608</b>	<b>\$9.87</b>	<b>\$9.63</b>	<b>\$9.82</b>
<b>Operating Income (Loss)</b>	<b>(\$22,675,127)</b>	<b>(\$2,263,998)</b>	<b>(\$24,939,125)</b>	<b>(\$0.68)</b>	<b>(\$0.26)</b>	<b>(\$0.60)</b>

**Table 4**  
**FY 2011 3rd Quarter**  
**UTMB/TTUHSC EXPENSE SUMMARY**

Category	Expense	Percent of Total
<b>Onsite Services</b>	<b>\$174,553,890</b>	<b>42.62%</b>
Salaries	\$108,693,999	
Benefits	\$31,508,045	
Operating	\$34,351,846	
<b>Pharmacy Services</b>	<b>\$40,052,639</b>	<b>9.78%</b>
Salaries	\$5,777,743	
Benefits	\$1,398,937	
Operating	\$1,204,340	
Drug Purchases	\$31,671,619	
<b>Offsite Services *</b>	<b>\$147,884,718</b>	<b>36.11%</b>
Univ. Professional Svcs.	\$15,423,061	
Freeworld Provider Svcs.	\$37,934,536	
Univ. Hospital Svcs.	\$86,150,193	
Est. IBNR	\$8,376,928	
<b>Mental Health Services</b>	<b>\$35,135,422</b>	<b>8.58%</b>
Salaries	\$27,054,868	
Benefits	\$7,173,063	
Operating	\$907,491	
<b>Indirect Expense</b>	<b>\$11,889,939</b>	<b>2.90%</b>
*-Breakout of Expense Detail on Table 3		
<b>Total Expenses</b>	<b>\$409,516,608</b>	<b>100.00%</b>



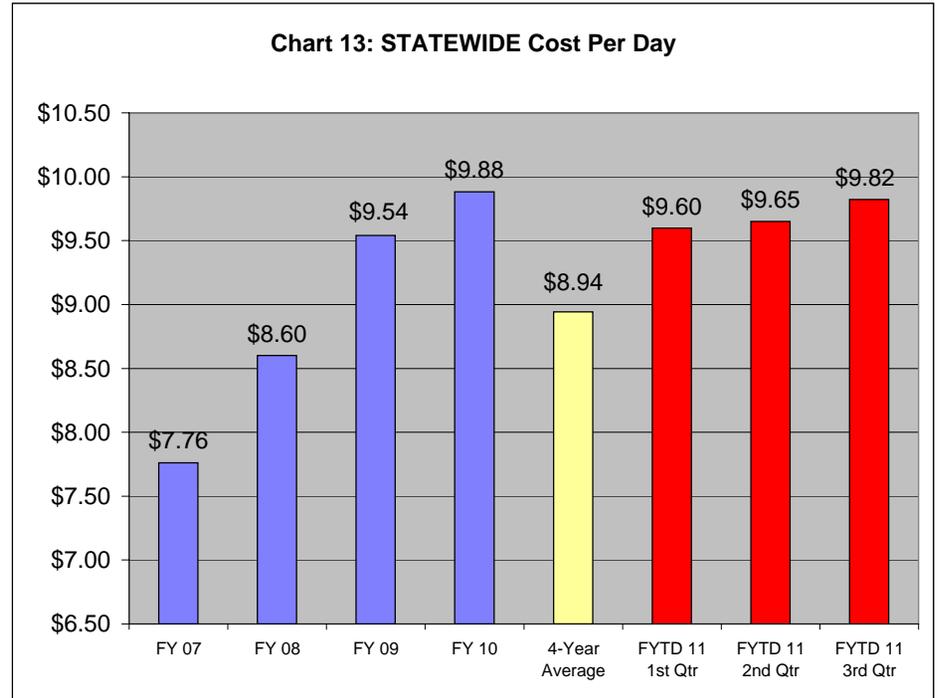
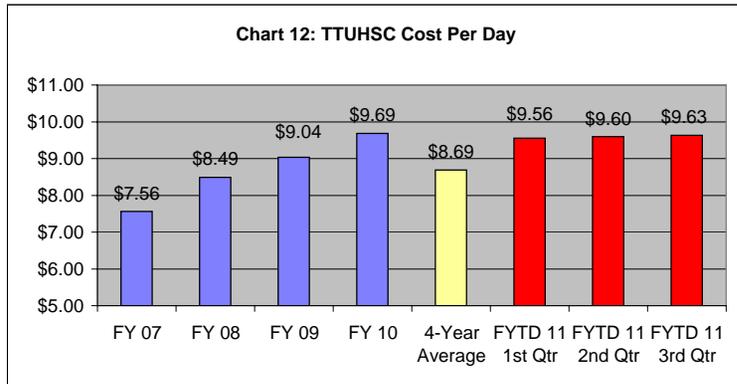
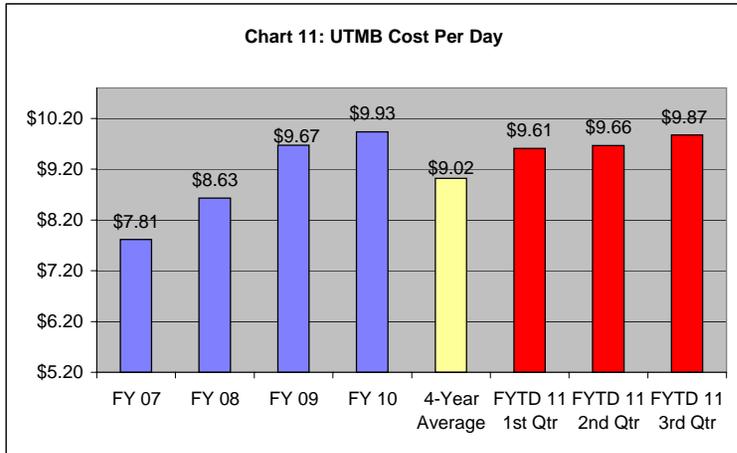
**Table 4a**  
**FY 2011 3rd Quarter**  
**UTMB/TTUHSC EXPENSE SUMMARY**

<b>Category</b>	<b>Total Expense</b>	<b>UTMB</b>	<b>TTUHSC</b>	<b>% UTMB</b>
<b>Onsite Services</b>	<b>\$174,553,890</b>	<b>\$141,204,268</b>	<b>\$33,349,622</b>	<b>80.89%</b>
Salaries	\$108,693,999	\$98,677,103	\$10,016,896	
Benefits	\$31,508,045	\$28,965,761	\$2,542,284	
Operating	\$14,112,084	\$12,932,426	\$1,179,658	
<b>Pharmacy Services</b>	<b>\$40,052,639</b>	<b>\$31,771,109</b>	<b>\$8,281,530</b>	<b>79.32%</b>
Salaries	\$5,777,743	\$4,233,560	\$1,544,183	
Benefits	\$1,398,937	\$1,347,513	\$51,424	
Operating	\$1,204,340	\$935,802	\$268,538	
Drug Purchases	\$31,671,619	\$25,254,234	\$6,417,385	
<b>Offsite Services</b>	<b>\$147,884,718</b>	<b>\$122,640,841</b>	<b>\$25,243,877</b>	<b>82.93%</b>
Univ. Professional Svcs.	\$15,423,061	\$14,710,561	\$712,500	
Freeworld Provider Svcs.	\$37,934,536	\$23,950,700	\$13,983,836	
Univ. Hospital Svcs.	\$86,150,193	\$76,728,280	\$9,421,913	
Est. IBNR	\$8,376,928	\$7,251,300	\$1,125,628	
<b>Mental Health Services</b>	<b>\$35,135,422</b>	<b>\$24,055,553</b>	<b>\$11,079,869</b>	<b>68.47%</b>
Salaries	\$27,054,868	\$18,534,041	\$8,520,827	
Benefits	\$7,173,063	\$5,012,142	\$2,160,921	
Operating	\$568,183	\$467,879	\$100,304	
<b>Indirect Expense</b>	<b>\$11,889,939</b>	<b>\$7,319,550</b>	<b>\$4,570,389</b>	<b>61.56%</b>
<b>Total Expenses</b>	<b>\$409,516,608</b>	<b>\$326,991,321</b>	<b>\$82,525,287</b>	<b>79.85%</b>

**Table 5  
Comparison of Total Health Care Costs**

	FY 07	FY 08	FY 09	FY 10	4-Year Average	FYTD 11 1st Qtr	FYTD 11 2nd Qtr	FYTD 11 3rd Qtr
<b>Population</b>								
UTMB	120,235	120,648	119,952	120,177	120,253	120,956	121,226	121,336
TTUHSC	31,578	31,064	30,616	31,048	31,077	31,430	31,429	31,386
Total	151,813	151,712	150,568	151,225	151,329	152,386	152,655	152,722
<b>Expenses</b>								
UTMB	\$342,859,796	\$381,036,398	\$423,338,812	\$435,710,000	\$395,736,252	105,769,928	\$213,204,282	\$326,991,321
TTUHSC	\$87,147,439	\$96,482,145	\$100,980,726	\$109,767,882	\$98,594,548	27,328,850	\$54,903,998	\$82,525,287
Total	\$430,007,235	\$477,518,543	\$524,319,538	\$545,477,882	\$494,330,800	\$133,098,778	\$268,108,280	\$409,516,608
<b>Cost/Day</b>								
UTMB	\$7.81	\$8.63	\$9.67	\$9.93	\$9.02	\$9.61	\$9.66	\$9.87
TTUHSC	\$7.56	\$8.49	\$9.04	\$9.69	\$8.69	\$9.56	\$9.60	\$9.63
<b>Total</b>	<b>\$7.76</b>	<b>\$8.60</b>	<b>\$9.54</b>	<b>\$9.88</b>	<b>\$8.94</b>	<b>\$9.60</b>	<b>\$9.65</b>	<b>\$9.82</b>

\* Expenses include all health care costs, including medical, mental health, and benefit costs.  
NOTE: The FY08 calculation has been adjusted from previous reports to correctly account for leap year



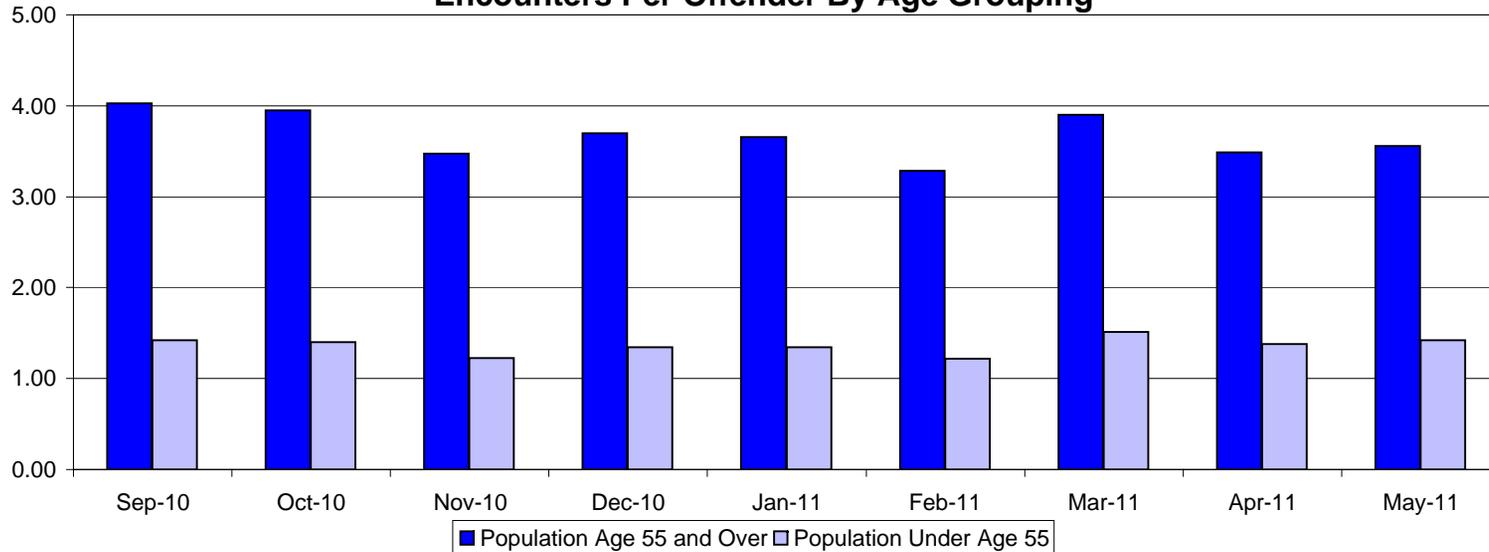
**Table 6**  
**Medical Encounter Statistics\* by Age Grouping**

9

Month	Encounters			Population			Encounters Per Offender		
	Age 55 and Over	Under Age 55	Total	Age 55 and Over	Under Age 55	Total	Age 55 and Over	Under Age 55	Total
Sep-10	40,899	156,936	197,835	10,162	110,397	120,559	4.02	1.42	1.64
Oct-10	40,512	155,028	195,540	10,255	110,791	121,046	3.95	1.40	1.62
Nov-10	36,009	136,128	172,137	10,374	110,890	121,264	3.47	1.23	1.42
Dec-10	38,698	149,300	187,998	10,468	111,027	121,495	3.70	1.34	1.55
Jan-11	38,523	149,354	187,877	10,532	110,915	121,447	3.66	1.35	1.55
Feb-11	34,890	135,426	170,316	10,632	110,914	121,546	3.28	1.22	1.40
Mar-11	41,769	167,680	209,449	10,711	110,846	121,557	3.90	1.51	1.72
Apr-11	37,561	152,530	190,091	10,771	110,789	121,560	3.49	1.38	1.56
May-11	38,475	157,253	195,728	10,807	110,743	121,550	3.56	1.42	1.61
Average	38,593	151,071	189,663	10,524	110,812	121,336	3.67	1.36	1.56

\*Detailed data available for **UTMB** Sector only (representing approx. 79% of total population). Includes all medical and dental onsite visits. Excludes mental health visits.

**Chart 14**  
**Encounters Per Offender By Age Grouping**

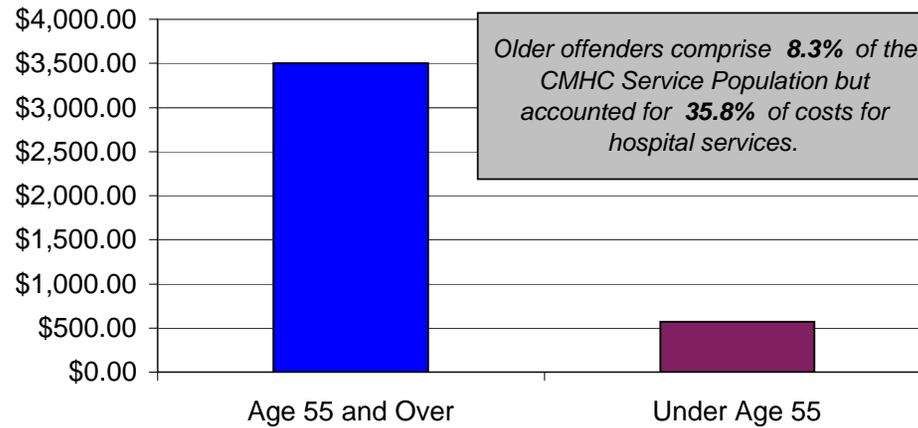


**Table 7**  
**FY 2011 3rd Quarter**  
**Offsite Costs\* To Date by Age Grouping**

Age Grouping	Cost Data	Total Population	Total Cost Per Offender
Age 55 and Over	\$44,457,061	12,701	\$3,500.22
Under Age 55	\$79,561,939	140,021	\$568.22
<b>Total</b>	<b>\$124,019,000</b>	<b>152,722</b>	<b>\$812.06</b>

*\*Figures represent repricing of customary billed charges received to date for services to institution's actual cost, which includes any discounts and/or capitation arrangements. Repriced charges are compared against entire population to illustrate and compare relative difference in utilization of offsite services. Billings have a 60-90 day time lag.*

**Chart 15**  
**Hospital Costs to Date Per Offender**  
**by Age Grouping**

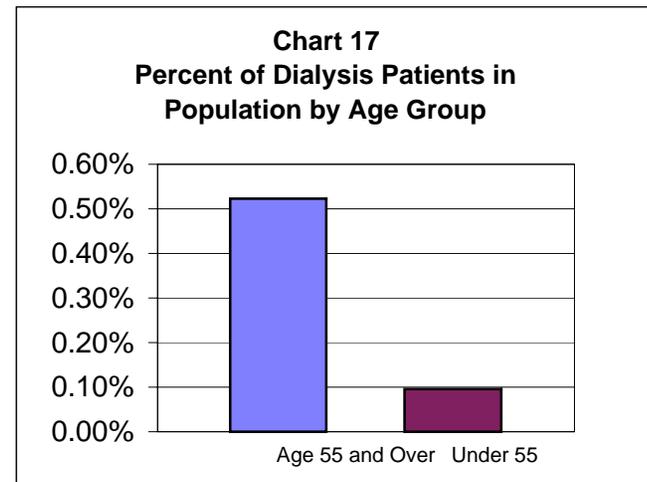
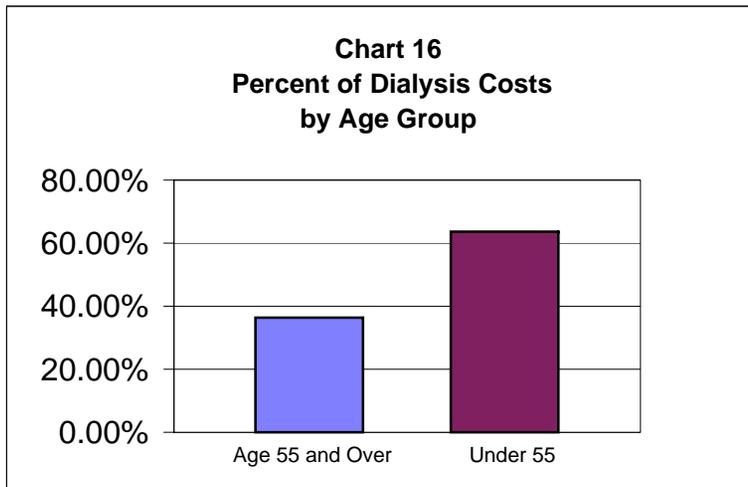


**Table 8  
Through FY 2011 3rd Quarter  
Dialysis Costs by Age Grouping**

<b>Age Group</b>	<b>Dialysis Costs</b>	<b>Percent of Costs</b>	<b>Average Population</b>	<b>Percent of Population</b>	<b>Avg Number of Dialysis Patients</b>	<b>Percent of Dialysis Patients in Population</b>
Age 55 and Over	\$1,125,698	36.36%	12,701	8.32%	66	0.52%
Under Age 55	\$1,970,635	63.64%	140,021	91.68%	134	0.10%
<b>Total</b>	<b>\$3,096,333</b>	<b>100.00%</b>	<b>152,722</b>	<b>100.00%</b>	<b>201</b>	<b>0.13%</b>

**Projected Avg Cost Per Dialysis Patient Per Year:**

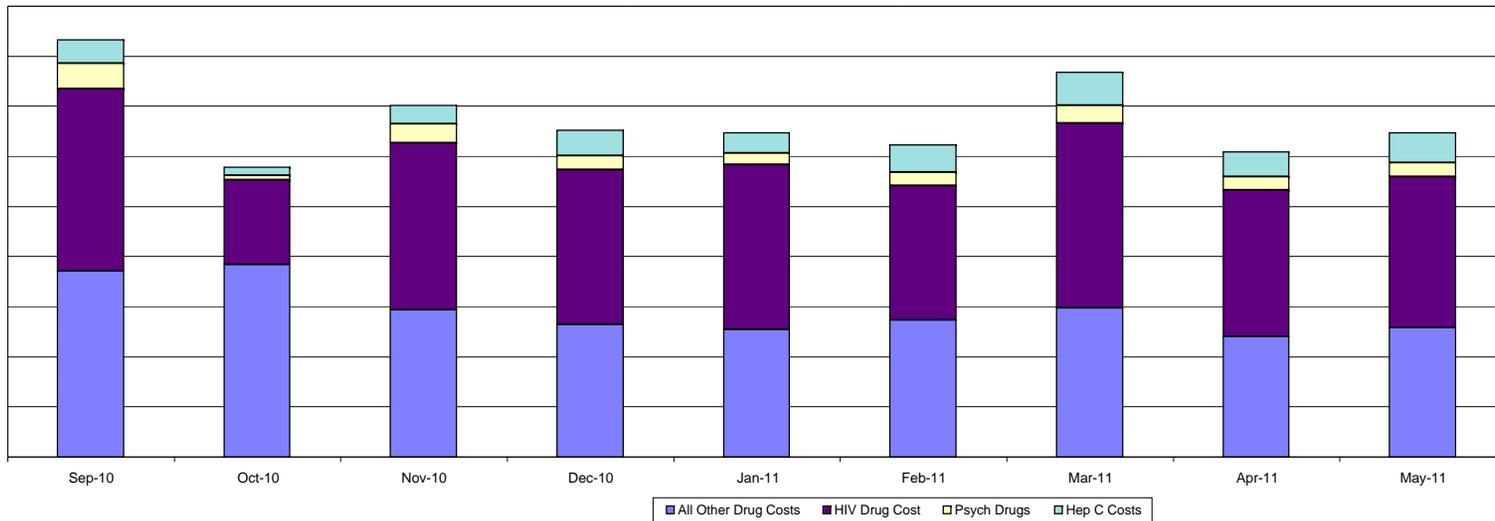
\$20,552



**Table 9  
Selected Drug Costs FY 2011**

Category	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Total Year-to-Date
<b>Total Drug Costs</b>	\$4,165,682	\$2,888,852	\$3,507,800	\$3,257,628	\$3,233,074	\$3,112,128	\$3,838,143	\$3,042,293	\$3,233,187	\$30,278,787
<b><u>HIV Medications</u></b>										
HIV Drug Cost	\$1,817,559	\$846,407	\$1,666,960	\$1,544,738	\$1,643,841	\$1,339,523	\$1,844,860	\$1,460,133	\$1,500,532	\$13,664,554
HIV Percent of Cost	43.63%	29.30%	47.52%	47.42%	50.84%	43.04%	48.07%	47.99%	46.41%	45.13%
<b><u>Psychiatric Medications</u></b>										
Psych Drug Cost	\$253,600	\$40,725	\$192,832	\$141,357	\$115,496	\$131,973	\$176,497	\$134,119	\$140,485	\$1,327,084
Psych Percent of Cost	6.09%	1.41%	5.50%	4.34%	3.57%	4.24%	4.60%	4.41%	4.35%	4.38%
<b><u>Hepatitis C Medications</u></b>										
Hep C Drug Cost	\$236,702	\$81,764	\$181,523	\$251,498	\$199,406	\$273,614	\$329,274	\$246,283	\$298,766	\$2,098,832
Hep C Percent of Cost	5.68%	2.83%	5.17%	7.72%	6.17%	8.79%	8.58%	8.10%	9.24%	6.93%
<b>All Other Drug Costs</b>	\$1,857,821	\$1,919,955	\$1,466,485	\$1,320,035	\$1,274,331	\$1,367,018	\$1,487,511	\$1,201,757	\$1,293,404	\$13,188,318

**Chart 18  
Drug Costs by Selected Categories**



**Table 10  
Ending Balances 3rd Qtr FY 2011**

	<u>Beginning Balance September 1, 2010</u>	<u>Net Activity FY 2011</u>	<u>Ending Balance May 31, 2011</u>
CMHCC Operating Funds	\$89,264.62	\$70,790.37	\$160,054.99
CMHCC Medical Services	\$9,855.40	\$21,754,457.64	\$21,764,313.04
CMHCC Mental Health	\$1,541.12	\$3,347,937.70	\$3,349,478.82
<b>Ending Balance All Funds</b>	<b>\$100,661.14</b>	<b>\$25,173,185.71</b>	<b>\$25,273,846.85</b>

**4th QTR Advance Payments**

From TDCJ - Medical			(\$106,220,641.90)
From TDCJ - Mental Health			(\$10,427,890.23)
From TDCJ - CMHCC			(\$168,656.87)
To UTMB - Medical			\$84,459,145.00
To UTMB - Mental Health			\$7,078,852.00
<b>Total Unencumbered Fund Balance</b>			<b>(\$5,345.15)</b>

**SUPPORTING DETAIL**

<u>CMHCC Operating Account</u>	
Beginning Balance	\$89,264.62
<b>FY 2010 Funds Lapsed to State Treasury</b>	<b>(\$89,264.62)</b>
<b>Revenue Received</b>	
1st Qtr Payment	\$166,823.71
2nd Qtr Payment	\$164,990.53
3rd Qtr Payment	\$168,656.87
4th Qtr Advance Payment	\$168,656.87
Interest Earned	\$39.41
<b>Subtotal Revenue</b>	<b>\$669,167.39</b>
<b>Expenses</b>	
Salary & Benefits	(\$375,846.10)
Operating Expenses	(\$133,266.30)
<b>Subtotal Expenses</b>	<b>(\$509,112.40)</b>
<b>Net Activity thru this Qtr</b>	<b>\$70,790.37</b>
<b>Total Fund Balance CMHCC Operating</b>	<b>\$160,054.99</b>
<b>RECONCILIATION:</b>	
Less: 4th Qtr Advance Payment from TDCJ	(\$168,656.87)
<b>Total Unencumbered Fund Balance</b>	<b>(\$8,601.88)</b>

**SUPPORTING DETAIL**

<u>CMHCC Capitation Accounts</u>	<u>Medical Services</u>	<u>Mental Health</u>
Beginning Balance	\$9,855.40	\$1,541.12
<b>FY 2010 Funds Lapsed to State Treasury</b>	<b>(\$9,855.40)</b>	<b>(\$1,541.12)</b>
<b>Revenue Detail</b>		
1st Qtr Payment from TDCJ	\$105,066,069.70	\$10,314,542.59
2nd Qtr Payment from TDCJ	\$103,911,497.51	\$10,201,195.96
3rd Qtr Payment from TDCJ	\$106,220,641.90	\$10,427,890.23
4th Qtr Advance Payment from TDCJ	\$106,220,641.90	\$10,427,890.23
Interest Earned	\$2,816.03	\$440.81
<b>Revenue Received</b>	<b>\$421,421,667.04</b>	<b>\$41,371,959.82</b>

**Payments to UTMB**

1st Qtr Payment to UTMB	(\$83,541,111.00)	(\$7,001,907.00)
2nd Qtr Payment to UTMB	(\$82,623,077.00)	(\$6,924,963.00)
3rd Qtr Payment to UTMB	(\$84,459,145.00)	(\$7,078,853.00)
4th Qtr Advance Payment to UTMB	(\$84,459,145.00)	(\$7,078,852.00)
<b>Subtotal UTMB Payments</b>	<b>(\$335,082,478.00)</b>	<b>(\$28,084,575.00)</b>

**Payments to TTUHSC**

1st Qtr Payment to TTUHSC	(\$21,524,959.00)	(\$3,312,635.00)
2nd Qtr Payment to TTUHSC	(\$21,288,421.00)	(\$3,276,233.00)
3rd Qtr Payment to TTUHSC	(\$21,761,496.00)	(\$3,349,038.00)
<b>Subtotal TTUHSC Payments</b>	<b>(\$64,574,876.00)</b>	<b>(\$9,937,906.00)</b>

**Total Payments Made thru this Qtr** **(\$399,657,354.00)** **(\$38,022,481.00)**

**Net Activity Through This Qtr** **\$21,754,457.64** **\$3,347,937.70**

**Total Fund Balance** **\$21,764,313.04** **\$3,349,478.82**

**RECONCILIATION:**

Less: 4th Qtr Advance Payment from TDCJ (\$106,220,641.90) (\$10,427,890.23)

Add: 4th Qtr Advance Payment to UTMB \$84,459,145.00 \$7,078,852.00

**Total Unencumbered Fund Balance** **\$2,816.14** **\$440.59**