

**MINUTES**

**CORRECTIONAL MANAGED HEALTH CARE COMMITTEE  
June 10, 2008**

- Chairperson:** James D. Griffin, M.D.
- CMHCC Members Present:** Elmo Cavin, Bryan Collier, Jeannie Frazier, Cynthia Jumper, M.D., Lannette Linthicum, M.D, Ben G. Raimer, M.D.
- CMHCC Members Absent:** Larry Revill, Desmar Walkes, M.D.
- Partner Agency Staff Present:** Owen Murray, D. O., Karen Sexton, D.O., David Connaughton, Steve Alderman, Lauren Neumann, The University of Texas Medical Branch; Sheri Talley, M.D., Larry Elkins, Timothy Revell, M.D., Texas Tech University Health Sciences Center; Nathaniel Quarterman, Jerry McGinty, Ron Steffa, George Crippen, R.N., Cathy Martinez, Rebecka Berner, Robert Williams, M.D., Texas Department of Criminal Justice; Allen Hightower, David McNutt, Lynn Webb, Tati Buentello, CMHCC Staff.
- Others Present:** Helga Dill, Texas Cure
- Location:** Love Field Main Terminal Conference Multi-Purpose Conference Room, 8008 Cedar Springs Road, Dallas, Texas

<b>Agenda Topic / Presenter</b>	<b>Presentation</b>	<b>Discussion</b>	<b>Action</b>
<b>I. Call to Order</b> <b>- James D. Griffin, M.D.</b>	Dr. Griffin called the CMHCC meeting to order at 9:05 a.m. in accordance with Chapter 551 of the Texas Government Code, the Open Meetings Act. He noted that a quorum was present then thanked everyone for attending.		
<b>II. Recognitions and Introductions</b> <b>- James D. Griffin, M.D.</b>	<p>Dr. Griffin on behalf of the committee introduced and welcomed Dr. Karen Sexton who was appointed as the Interim Executive Vice-President and Chief Executive Officer for UTMB Health System. In this new role, Dr. Sexton will have executive oversight of the hospitals, clinics and correctional managed health care entities. Before joining UTMB as the Chief Operating Officer in January of 2001, Dr. Sexton had over a 25 year career at the University of Kentucky Hospital in Lexington. Dr. Griffin then thanked her for attending the meeting.</p> <p>Dr. Griffin next noted that Dr. Timothy Revell, TTUHSC Northern Regional Director has announced his retirement effective June 2008 and on behalf of the CMHC committee, recognized him for his years of outstanding service.</p>	<p>Dr. Linthicum stated that she would also like to recognize Dr. Timothy Revell on behalf of TDCJ for his years of dedicated service to the State of Texas. She noted that Dr. Revell had been with the TDCJ Health Care Program since 1990 which was prior to the implementation of CMHCC. She then presented him with an award which read, "...to Timothy J. Revell, M.D., Northern Regional</p>	

Agenda Topic / Presenter	Presentation	Discussion	Action
<p><b>Recognitions &amp; Introductions (Cont.)</b></p>	<p>Dr. Griffin next recognized Mr. Jerry McGinty who was selected as the TDCJ Chief Financial Officer replacing Mr. Charles Marsh who recently retired. He further noted that Mr. McGinty formerly held the Deputy CFO and Budget Director position then on behalf of the Committee congratulated him on his promotion.</p>	<p>Medical Director, TTUHSC for his outstanding service and commitment to the offender health care program of the TDCJ, August 15, 1990 – June 20, 2008.</p> <p>Dr. Talley next stated that it was also a pleasure to recognize Dr. Revell on behalf of TTUSHC and Dr. DeShields who was unable to attend the meeting due to scheduling conflict. She noted that Dr. Revell retired after 18 years of service with the TTUHSC Correctional Managed Health Care Program. She further noted that Dr. Revell was recognized and was presented with a “Plaque of Appreciation” (provided at Attachment I) on May 1, 2008 at the CMHC Semi-Annual Update Conference held in Lubbock before his colleagues.</p> <p>Mr. David McNutt then introduced and congratulated Mr. Ron Steffa who was selected as the Deputy CFO replacing Mr. McGinty and was also present at the meeting.</p>	
<p><b>III. Approval of Excused Absence</b></p> <p>- <b>James Griffin, M.D.</b></p>	<p>Dr. Griffin noted that Mr. Larry Revill was absent from the March 25, 2008 CMHCC meeting due to scheduling conflict then stated that he would entertain a motion to excuse his absence.</p>		<p>Dr. Cynthia Jumper moved to approve Mr. Larry Revill’s absence from the March 25, 2008 CMHCC meeting. Ms. Frazier seconded the motion. Motion passed by unanimous vote.</p>
<p><b>IV. Consent Items</b></p> <p>- <b>James Griffin, M.D.</b></p>	<p>Dr. Griffin then stated next on the agenda was the approval of the consent items to include the Minutes from the March 25, 2008 CMHCC meeting; the TDCJ Health Services Monitoring Report; both UTMB and TTUHSC Medical Director’s report and the Summary of Joint Committee Activities. He asked the members if they had any specific</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p data-bbox="92 829 367 889"><b>V. Executive Director's Report</b></p> <p data-bbox="123 922 333 950">- Allen Hightower</p> <p data-bbox="92 1015 352 1042">- SB 909, Sunset Bill</p> <p data-bbox="92 1258 394 1318">- Senate Criminal Justice Hearing</p>	<p data-bbox="464 164 961 191">consent item(s) to pull for separate discussion.</p> <p data-bbox="464 618 1129 711">Hearing no further comments, Dr. Griffin then stated that he would entertain a motion on approving the consent items as presented in the agenda booklet.</p> <p data-bbox="464 829 1129 889">Dr. Griffin next called on Mr. Hightower to provide the Executive Director's Report.</p> <p data-bbox="464 922 1129 982">Mr. Hightower noted that the Executive Director's Report is provided at Tab B of the agenda packet.</p> <p data-bbox="464 1015 1129 1226">Mr. Hightower reported that Senate Bill 909, the Sunset Bill requires the CMHCC staff provide updates to the Texas Board of Criminal Justice on the committee's policy decisions, financial status and corrective actions. He stated that briefings were provided at the March 27 and May 20, 2008 TBCJ meetings and he will next be presenting a report at their August meeting.</p> <p data-bbox="464 1258 1129 1463">He further reported that the committee staff provided testimony at the April 2<sup>nd</sup> Senate Criminal Justice Hearing addressing the implementation of SB 909 which required the CMHCC be more accessible to the public. The committee staff brought this requirement up-to-date and the information is now available on the CMHCC website at <a href="http://www.cmhcc.state.tx.us">http://www.cmhcc.state.tx.us</a>.</p>	<p data-bbox="1157 164 1583 435">Dr. Griffin stated that he had one item and asked for clarification on the January Monthly Activity Report for the Office of Preventive Medicine where it shows a total of zero for the peer education programs and peer education educators but the number of peer education participants is listed as 1,864?</p> <p data-bbox="1157 467 1583 646">Dr. Linthicum responded that the chart being referred to is on page 43 of the agenda booklet. She responded that the zero indicates there were no new peer education programs started for that particular month.</p>	<p data-bbox="1610 618 2003 764">Ms. Jeanie Frazier moved to approve the consent items as presented in the agenda booklet. Dr. Ben Raimer seconded the motion. Motion passed by unanimous vote.</p>

Agenda Topic / Presenter	Presentation	Discussion	Action
<ul style="list-style-type: none"> <li>- House Appropriations Subcommittee on Criminal Justice</li>   <li>- Legislative Appropriations Request</li> </ul>	<p>Mr. Hightower next noted that on April 29<sup>th</sup>, the CMHCC staff also attended the House Appropriations Subcommittee on Criminal Justice Hearing on the oversight of the TDCJ budget which includes the CMHCC and testified on the financial status.</p> <p>As mentioned at the last meeting Mr. Hightower stated that in preparation to meet submission deadlines, the staff continues to work with the university providers as they submit input with supporting data in prioritizing their exception list for the Legislative Appropriations Request.</p> <p>Mr. Hightower then asked that representatives from each partner agencies continue to be present during the legislative hearings and stated that he would keep the committee updated in this effort. He concluded by stating that he would entertain any questions at this time.</p>		
<p><b>VI. Performance and Financial Status Update</b></p> <ul style="list-style-type: none"> <li>- David McNutt</li> </ul>	<p>Hearing no further comments or questions, Dr. Griffin called on Mr. McNutt to provide the performance and financial status update.</p> <p>Mr. McNutt reported that the average service population remained stable for the second quarter of FY 2008 at 151,671 compared to 151,700 for the second quarter average in FY 2007. He noted that this number reflects only the offenders at TDCJ whose health care is provided by the CMHCC.</p> <p>Mr. McNutt then noted that the aging offenders continue to increase for the biennium. There was an increase of about 6.3% of those offenders 55+ when comparing the numbers from the second quarter average for FY 2008 to the second quarter average for FY 2007.</p> <p>The psychiatric inpatient census averaged 1,956 compared to 1,008 a year ago and this again is governed largely to the number of available beds.</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- Performance and Financial Status Update (Cont.)</p>	<p>The psychiatric outpatient census averaged at 20,125 for the second quarter. Mr. McNutt noted that is approximately 13.3% of the population that the CMHCC administers health care for.</p> <p>The medical access to care indicators remained within the 94% to the 98% range. Mr. McNutt noted that even though there looks to be a big variance on the graph provided on page 82 of the agenda booklet, this is only a 6% variance at the most from 94% to 100%. The mental health access to care compliance has consistently been around the 98% range and the three dental access to care remained above the 97% range.</p> <p>Mr. McNutt stated that the access to care indicators measure whether the offenders are accessing care in a timely manner as outlined by policy. He then noted that as mentioned by Dr. Michael Kelley at the last meeting, written responses previously were excluded from access to care audits. But as referenced on page 85 of the agenda booklet, Mr. McNutt stated that beginning with the third quarter of FY 2008, they will be included to verify that written responses are not being used in situations when an offender must be seen for evaluation. This is expected to initially lower access to care scores.</p> <p>Looking at the last six quarters on the vacancy rates for UTMB, Mr. McNutt reported that the average physician vacancy rate was at 13.9%; the PA/NP averaged at 7.73%; the RN's averaged at 11.38%; the LVN's at 11.71%; the dentist at 4.17% and the psychiatrist vacancy rate being the highest at 16.67%.</p> <p>For TTUHSC, the physician vacancy averaged at 0.16%; mid-levels at 9.94%; RN's being higher at 20.88%, LVN's at 16.18%, the dentist at 11.37% and psychiatrists at 20.57% vacancy rate. Mr. McNutt again cautioned that the numbers can look deceptively higher due to the lower number of employee positions at TTUHSC.</p> <p>Mr. McNutt then reported that the timelines of medical summaries for MRIS were above the targeted level of 95% for the months of December and January but dropped to 93% in February which is</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p data-bbox="92 282 430 342">- Performance and Financial Status Update (Cont.)</p> <p data-bbox="92 678 394 738"><b>VII. Summary of Critical Personnel Vacancies</b></p> <p data-bbox="92 862 359 922">- Owen Murray, D.O. (UTMB)</p>	<p data-bbox="487 282 1108 310">an improvement compared to the first quarter of FY 2008.</p> <p data-bbox="487 342 1134 553">In terms of the financial status of the monthly revenue and expenses, Mr. McNutt reported that the revenue in February is smaller as there are less days in February. For the cumulative loss or gains, the overall health costs through the second quarter totaled \$231.9M and this amount exceeded overall revenues earned by the university providers by \$3,378,523 or 1.48%.</p> <p data-bbox="487 586 1134 646">Mr. McNutt stated that this concluded his report and would be happy to entertain any questions.</p> <p data-bbox="487 678 1134 829">Dr. Griffin thanked Mr. McNutt then noted that the next agenda item was the Summary of Critical Correctional Health Care Personnel Vacancies to be provided by each of the partner agencies. He then called first on Dr. Murray to present the UTMB report.</p> <p data-bbox="487 862 1134 1040">Dr. Murray reported that UTMB was doing better with their recruitment efforts but they continue to struggle recruiting and retaining both providers and nursing staff in the Beeville, Palestine and the Gatesville areas. Dr. Murray then noted that the Mental Health Director and the Program Director positions have been filled.</p> <p data-bbox="487 1073 1134 1133">Dr. Griffin thanked Dr. Murray for the report then called on Dr. Talley to provide the TTUHSC report.</p> <p data-bbox="487 1166 1134 1377">Dr. Talley stated that they continue to search to fill the PAMIO Mental Health Director position which has been vacant close to two years and added that they also had two physicians resign in their geographically remote areas. Texas Tech is currently using a more enhanced advertisement and recruitment effort to try and fill these positions.</p> <p data-bbox="487 1409 1134 1469">Dr. Griffin thanked Dr. Talley for the report then called on Dr. Linthicum to provide the TDCJ report.</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- Summary of Critical Personnel Vacancies (TDCJ)</p> <p><b>VIII. Medical Director's Report</b></p> <p>- <b>Lannette Linthicum, M.D. (TDCJ)</b></p> <p>- Office of Professional Standards</p>	<p>Dr. Linthicum reported that most of the Nurse II positions created to accommodate the quality of care monitoring as mandated by the Sunset legislation have been filled. Montford Unit currently has a vacant LVN position due to the person resigning from that position. Dr. Linthicum again expressed concerns about not having an across the board salary in place to prevent competition between the partner agencies in recruiting staff away from one another.</p> <p>Hearing no further discussions, Dr. Griffin then called on Dr. Linthicum to provide the TDCJ Medical Director's Report.</p> <p>Dr. Linthicum noted that the TDCJ Medical Director's Report is provided at Tab E of the agenda packet.</p> <p>During the second quarter of FY 2008, Dr. Linthicum reported that eight operational review audits were conducted. She then highlighted on some of the audits which are listed on pages 98 – 100 of the agenda packet. As requested by Chairman Griffin, the dates of when the corrected action was made are now included in each of the audits conducted.</p> <p>Dr. Linthicum noted that Item 5.09 requires the medical record of each offender receiving a therapeutic diet contain the type and duration but that this order does not exceed 365 days.</p>	<p>Dr. Raimer asked if salary was the key issue relating to recruiting and retaining employees?</p> <p>Dr. Linthicum responded that salary was a key issue and again stated that there is constant competition between the three partner agencies recruiting staff away from one another. She further stated that the only reason she was able to fill the Nurse II positions was that TDCJ did an across the board salary increase to match what UTMB pays their RN II.</p> <p>Dr. Raimer again emphasized the need for the CMHCC staff to be prepared to provide the state leadership on the challenges being faced with not just the overall healthcare provider shortages but the need to adjust salaries in order to recruit and retain staff.</p> <p>Mr. Cavin added that each sector should also keep in mind their own institutional pay scales in comparison to what is being asked.</p> <p>Ms. Frazier asked if the dietician have to provide the diets to the offender?</p> <p>Dr. Linthicum responded that the diet is ordered by the physician for example to those who are diabetic or if the patient is on dialysis. She further noted that they also need to be sure that those appropriate diets are prepared accordingly by the kitchen staff.</p>	

<b>Agenda Topic / Presenter</b>	<b>Presentation</b>	<b>Discussion</b>	<b>Action</b>
<p>- Office of Professional Standards (Cont.)</p>		<p>Dr. Raimer then asked if the Medical Director’s could recommend a general diet taking into consideration the Disease Management Guidelines?</p> <p>Dr. Linthicum responded that the diets are adopted from the National Institute of Health and the only separate diet from the Diet for Health is the one for renal disease that requires low sodium and higher protein.</p> <p>Dr. Raimer noted that there are approximately 6,000-8,000 diabetics and 22,000 hypertensive patients. He then asked if there was any way to limit salt intake in their diets and out of the commissary which may have some cost savings in medications derived from this in the long run?</p> <p>Dr. Linthicum responded that for the Diet for Health contains approximately 2 – 4 grams of sodium but then there are the items available in the commissary. She noted that Stephanie Zepeda, Director of Pharmacy meets quarterly with the commissary staff to review the over-the-counter medications and she also meets with the two university Medical Directors and the commissary staff to help make recommendations on cutting back certain food items.</p> <p>Dr. Griffin asked if there was some type of a Peer Education Program that addresses this issue?</p> <p>Dr. Linthicum responded they currently do not have Peer Education Program on diets but will certainly look into this and she will continue to work with the commissary staff .</p>	

Agenda Topic / Presenter	Presentation	Discussion	Action
- Grievances and Patient Liaison Correspondences.	Dr. Linthicum next reported that the Patient Liaison Program and the Step II Grievance Program received a total of 2,693 correspondences and of those total number, 113 or 4.2% action requests were generated.		
- Quality Improvement (QI) Access to Care	The Quality Improvement / Quality Monitoring staff performed 84 access to care audits this quarter. Dr. Linthicum further reported that 756 indicators were reviewed and 29 indicators fell below the 80% threshold.		
- Capital Assets Monitoring	The Capital Assets Contract Monitoring Office audited seven units and those audits are conducted to determine compliance with the Health Services Policy and State Property Accounting Inventory procedures.		
- Office of Preventive Medicine	<p>Dr. Linthicum then reported that the Office of Preventive Medicine monitors the incidence of infectious diseases for TDCJ. For this second quarter, there were 157 reports of suspected Syphilis compared with 171 in the previous quarter; 860 Methicillin-Resistant Staphylococcus cases were reported compared to 828 during the same quarter of FY 2007. There was an average of 18 Tuberculosis cases under management per month during this quarter compared to 14 per month during the same quarter of the previous fiscal year.</p> <p>Dr. Linthicum noted again that the Office of Preventive Medicine also began reporting the activities of the Sexual Assault Nurse Examiner Coordinator which is funded through the Safe Prisons Program. She then reported that three training sessions have been held so far this year with 17 medical staff receiving training.</p> <p>Peer education currently has programs on all Institutional Division facilities operated by TDCJ. She stated that TDCJ is initiating Peer Education Programs in the Private Prison facilities at this time and three of the twelve facilities currently have Peer Education Programs.</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
- Mortality and Morbidity	<p>The Mortality and Morbidity Committee reviewed 105 deaths. Of those 105 deaths, ten were referred to peer review committees and those breakdowns are found on page 101 of the agenda packet.</p>		
- Mental Health Services Monitoring	<p>The Mental Health Services Monitoring and Liaison made 142 contacts with County Jails and identified 265 offenders with immediate mental health needs prior to TDCJ intake.</p> <p>The master's level psychiatrist visited 19 Administrative Segregation facilities and observed 5,261 offenders, interviewed 2,389 offenders and referred nine for further evaluations.</p>		
- Health Services Liaison Utilization Review	<p>During the second quarter FY 2008, a total of 94 hospital discharges and 42 infirmary discharge audits were conducted. Dr. Linthicum stated that the summary of the audits are available in the charts provided at page 102 of the agenda packet.</p>		
- Accreditation	<p>A total of six units were presented to the panel of commissioners for initial accreditation. Dr. Linthicum reported that the agency currently has a total of 81 accredited units.</p>		
- Research, Evaluation and Development (RED) Group	<p>Dr. Linthicum concluded her report by stating that the summary of current and pending research projects as reported by the RED Group is provided in the consent items on pages 48 – 53 of the agenda packet.</p> <p>Dr. Griffin thanked Dr. Linthicum for the report and asked if there were any comments or questions.</p>	<p>Dr. Owen Murray again stated that access to care is not going to improve with staffing shortages as noted by Dr. Raimer earlier.</p> <p>Dr. Griffin then asked out of those items Dr. Linthicum listed on the Operational Review Audits, how many are directly attributed to staffing shortages?</p> <p>Dr. Linthicum responded all were in some ways attributed to staffing shortages as in the case of not having the forms filled out properly within the required timeframe.</p>	



Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- Medical Directors Report (UTMB) Cont.</p>	<p>Dr. Murray reported that at the last Legislative Session, TDCJ was tasked with setting up a Mother / Infant Bonding Program. New York has had a similar program in place since the 1900's and newer programs are now in place in Illinois, Indiana and Nebraska. Dr. Murray further reported that the Federal system also have a program in place which the Texas program will be based on.</p> <p>The programs in the other states are mostly in-facility programs which means that the infant goes back with the mother to prison. Dr. Murray then noted that the key issue was trying to figure out what was the appropriate length of time the infant stays with the mother in prison. For instance, in New York, the infant remains with the mother for up to five years; Illinois opted for a two year window. He further stated that they did some initial assessment on the what the average length of sentence are for those incarcerated women who are pregnant and most have less than 12 months.</p> <p>Dr. Murray stated that he has collaborated with Dr. Linthicum, Mr. Nathaniel Quarterman, TDCJ-CID, and Ms. Madeline Ortiz, TDCJ's Director of Rehabilitation and Re-entry Program to look at an out-of-facility program. He further noted that Houston seemed the most reasonable place with it being close to Hospital Galveston and have looked at a facility that resembles an apartment complex with some security options.</p> <p>Dr. Murray then reported that they are still looking into putting in telemedicine to help provide the health care and what the medical criteria of those patients will be.</p> <p>Dr. Murray next stated that some of the statistical data they have collected showed that the recidivism rate on the mothers who participated in the bonding program was reduced by about 50% but do not have any data on the infants. He concluded by stating that the target date for having the first mother in the program is after</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- Medical Directors Report (UTMB) Cont.</p> <p><b>IX. Joint Dental Work Group Committee</b></p> <p>- Sonny Wells, D.D.S.</p>	<p>working out some of the internal contractual language at the start of the calendar year. He then stated that he will keep the committee updated on the progress.</p> <p>Hearing no further comments, Dr. Griffin thanked Dr. Murray for the report.</p> <p>Dr. Griffin next called on Dr. Wells, UTMB Dental Director to provide an overview of the Joint Dental Work Group Committee.</p> <p>Dr. Wells reported that the Joint Dental Work Group Committee consists of the three Dental Directors representing TDCJ, TTUHSC and UTMB; the District Dental Directors, Specialty Coordinators, and the Manager of the Dental Hygiene Program. He further noted that invitations are extended to the Formulary Committee staff or staff representing other disciplines to attend their meetings that are normally scheduled every two months when they are working on a special project.</p> <p>Dr. Wells then stated that he would briefly go over some of the Joint Dental Committee's function. The first is the University Quality Assurance Audits which includes having a treatment plan present for those requesting routine care, oral hygiene and preventive care. Treatment will be provided at the sick call visits for Priority One and Priority Two care needs. Priority One are what is considered as dental emergencies such as infection, bleeding and swelling. Priority Two would be for early intervention or to have established a definitive periodontal type. Periodontal types range from Type 1 to Type 4. Type 1 which is routine and goes to Type 4 which would be periodontal problems.</p> <p>He further noted that they also perform a monthly electronic audits of each of the facilities. The monthly report includes statistical data on productivity, staffing reports, non-compliance reports and access to care reports fall under the Dental Resources Utilization.</p> <p>Dr. Wells next stated that the Dental Services Manual Reviews are for updating dental procedures and fall within the same schedule as the CMC Policy and Procedures Committee. Process improvements include literature review of professional journals,</p>	<p>Dr. Linthicum added that the TDCJ Contract Department is currently reviewing the contractual language.</p>	

Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- Joint Dental Work Group Committee (Cont.)</p>	<p>recommendations and parameters for care developed by such groups as the American Dental Association, American Dental Hygiene Association, and specialty groups like the Disease Management Guidelines for Diabetes, HIV and Cardiac Care.</p> <p>Dr. Wells next stated that the Committee also looks at non-compliance reports. The unit with problems are required to submit an action plan to correct the problems and submit it to the District Dental Director.</p> <p>Dr. Wells concluded by stating that his presentation is provided at Tab F of the agenda packet and that he would be happy to answer any questions.</p> <p>After some further discussions, Dr. Griffin thanked Dr. Wells for the overview.</p>	<p>Dr. Murray asked for the current breakdown of the age of the dental providers.</p> <p>Dr. Wells responded that the average age is 55.</p> <p>Dr. Griffin asked what was the greatest short or long term challenges that is being faced?</p> <p>Dr. Wells responded that there is a shortages of dentists in Texas and they are not able to compete in the market due to salary differentials.</p>	
<p>- Medical Director's Report – UTMB Financial Update</p> <p>- Ben Raimer, M.D.</p>	<p>Dr. Griffin next called on Dr. Raimer to provide the UTMB financial updates.</p> <p>Dr. Raimer began by stating that he would be referring to the handout that was provided titled, "CMHCC Report Correction" (Attachment 2). In previous years, UTMB-CMC reported TDCJ Hospital Galveston (HG) expense using the HG cost including the State Paid Benefits as a revenue resource.</p> <p>He noted that in FY 2008, based on prior State Audit Reviews pertaining to internal payment for services rendered, UTMB-CMC moved to an internal payment based on a fee schedule. Dr. Raimer further noted that this fee schedule was discussed with the CMHCC staff. Basis for the fee schedule calculation was the</p>		

Agenda Topic / Presenter	Presentation	Discussion	Action
<p>- UTMB Financial Update (Cont)</p>	<p>Medicare DRG's for inpatient admissions and percent of charges for outpatient expenses. Dr. Raimer stated that the DRG and percent of billed charges rates were calculated net of the Hospital Galveston's State Paid Benefits.</p> <p>UTMB-CMC continued to report the Hospital Galveston State Paid Benefit revenues on the CMHCC reports for approximately \$550K per month, while reporting the expense at rates already discounted for the State Paid Benefits. This resulted in double counting the State Paid Benefits. Dr. Raimer noted that staff caught this error and made corrections from September 2007 through the February, 2008 report. He further stated that from April year to date, there would be an additional expense of \$606K reflected if they were utilizing cost information. Annualized, this would be \$909K or \$1.818M over the biennium.</p> <p>Dr. Raimer stated that UTMB takes full responsibility of this error. He further noted that he visited with Mr. Hightower and with the state leadership to include the Governor Office, the Lieutenant Governor's Office, the Speaker's Office and the Legislative Budget Board advising them that this error was not made by the CMHCC and apologized for the overstatement due to the double counting which created a deficit situation.</p> <p>Dr. Raimer also noted that Chairman Griffin had requested and he was provided with a detailed description of the new methodology used to calculate the cost of Hospital Galveston. UTMB has two separate systems, the Eclipse system that calculates costs for the hospital and the Medicare DRG rates. A month to month comparison and the projected impact of the differences between the two methodologies was also provided.</p> <p>Dr. Raimer then explained that the FY 2008 salary expenditure for the total year to date to February 2008 was \$76.9M compared to \$67.4M for the total year to date for February 2007 is due to making salary adjustments in order to retain nursing staff and other health care providers. He did note that UTMB informed the Committee about the salary adjustments.</p> <p>Dr. Raimer concluded by stating that this provides the detailed explanation of the reason for the understatement and would entertain any questions at this time.</p>	<p>Dr. Raimer asked Mr. Steve Alderman if he had any comments to add to this.</p> <p>Mr. Alderman stated that when he realized that the variance was the State Paid GR and that UTMB was understating the expenses, he made note of the error and made the corrections.</p> <p>Ms. Frazier asked what GR meant.</p> <p>Mr. Alderman responded that GR stood for General Revenue and explained that the universities are funded mostly by the contract between TDCJ and the CMHCC. In addition to that, UTMB receives about \$33M a year for State Paid Benefits.</p>	

Agenda / Presenter	Presentation	Discussion	Action
<p>- UTMB Financial Update (Cont.)</p>		<p>Dr. Griffin then asked if the Eclipses System was the current methodology being used at this time?</p> <p>Mr. Alderman responded that they were using Eclipses to report the cost for TDCJ hospital until August 2007.</p> <p>Ms. Frazier asked if UTMB was comfortable that a similar error was not made in past years?</p> <p>Dr. Raimer stated that he was and further noted that this was a clerical error that was not discovered for some time.</p> <p>Ms. Frazier then asked if Texas Tech sector estimate costs in a similar fashion as UTMB?</p> <p>Mr. Cavin responded no as UTMB uses the hospital base system and TTUHSC does not have a hospital.</p> <p>Dr. Griffin thanked Dr. Raimer for the professional manner in which this was handled and again emphasized the importance when providing data to the state leadership to show that the Committee is a good steward of the state's money. He then asked if there were any other comments?</p> <p>Dr. Raimer stated that the state leadership also need to be advised on the issue of the challenges faced by the three partners in terms of recruiting and retaining nursing staff and the health provider shortages as the turnover rate in Texas is 15.9% and in the border areas as high as 32.4% according to the statewide Health Coordinating Council website. In addition to that, the State Nursing Board now states that LVN's can not</p>	

Agenda / Presenter	Presentation	Discussion	Action
<p>- UTMB Financial Update (Cont.)</p>		<p>practice within the scope of what they had trained them to do such as clinical assessments. So not only are they facing staffing shortages but are now also facing some scope of practice issues.</p> <p>Ms. Frazier asked of the possibility of getting this policy reversed?</p> <p>Dr. Griffin also asked about getting special exceptions?</p> <p>Dr. Linthicum responded that these are practice issues and that she along with Dr. Murray, Dr. DeShields met with both the State Medical Board and the Nursing Board regarding this. Dr. Linthicum then stated that she did not foresee getting any type of exceptions to this practice act.</p> <p>Mr. Hightower then asked how many of those vacancy positions can be actually filled with all of the health care provider shortages?</p> <p>Dr. Raimer guessed very few with the market being so competitive in hiring those staff. He stated with the help of Dr. Linthicum, they are creating a secondary work force on the unit by training EMT's to do the first line of response but again this may be another scope of practice issue.</p>	
<p>X. Financial Updates - Lynn Webb</p>	<p>Hearing no further comments, Dr. Griffin next called on Mr. Webb to provide the CMHCC Financial Update.</p> <p>Mr. Webb noted that his presentation will cover the data for the 2<sup>nd</sup> Quarter FY 2008 ending February, 2008 and that the summary is provided at Tab G of the agenda packet.</p> <p>The average daily offender population has remained stable at 151,671 through this quarter as noted on Table 2 on page 126 of the agenda packet. The number of offenders in</p>		

Agenda / Presenter	Presentation	Discussion	Action
<p>- Financial Reports (Cont.)</p>	<p>the service population aged 55 or older has continued to rise at a faster rate than the overall population at 10,211. Through this quarter, the average number of offenders increased by 609 or about 6.3%, compared to the same month a year ago.</p> <p>Mr. Webb next reported that the overall HIV+ population has remained relatively stable at 2,477 through February or about 1.6% of the population served.</p> <p>Overall health care costs through this quarter totaled \$231.9M. He further noted that on a combined basis, this amount exceeded overall revenues earned by the university providers by approximately \$3.4M or 1.5%. UTMB's total revenue through February was \$180.6M and their expenditures totaled \$184.1M resulting in a net loss of \$3.5M. TTUHSC's total revenue was \$47.9M through February and the expenditures totaled \$47.8M resulting in a net gain of \$112K.</p> <p>He then noted of the \$231.9M in expenses reported through February, Onsite Services comprised \$111.8M or about 48.2% of the total expenses; Pharmacy Services totaled \$22.1M or about 9.5%; Offsite Services accounted for \$68.3M or 29.5%; Mental Health Services totaled \$21.4M or 9.2% and Indirect Support Expenses accounted for \$83.M or about 3.6% of the total costs.</p> <p>Mr. Webb stated that Table 5 on page 132 of the agenda packet shows the total cost per offender per day for all health care services statewide through February 2008 was \$8.40 compared to \$7.67 through the 2<sup>nd</sup> Quarter of FY 2007. The average cost per offender per day for the last four fiscal years was \$7.56.</p>	<p>Dr. Linthicum noted that under the offsite services listed on page 131, there is a line that reads \$44M+ for University Hospital Services and asked if that was just for Hospital Galveston or if it included Texas Tech?</p> <p>Mr. Webb responded that it accounted for both UTMB and TTUHSC.</p> <p>Ms. Frazier asked how much of that was for TTUHSC?</p> <p>Mr. Alderman clarified that the breakout of the university costs by sector is provided on page 128 which shows the amount for TTUHSC at \$5.3M and UTMB cost at \$39M.</p> <p>Dr. Griffin recommended that the line items be labeled differently for clarity in future reports.</p>	

Agenda / Presenter	Presentation	Discussion	Action
<p>- Financial Reports (Cont.)</p>	<p>Mr. Webb continued by reporting that the older offenders access the health care delivery system at a much higher acuity and frequency than younger offenders as noted in prior reports. Table 6 on page 133 shows that encounter data through the 2<sup>nd</sup> Quarter indicates that older offenders had a documented encounter with medical staff a little over three times as often as younger offenders.</p> <p>Table 7 on page 134 indicates that hospital costs received to date this fiscal year for older offenders averaged approximately \$1,618 per offender vs. \$265 for younger offenders.</p> <p>Regarding hospitalization costs, Mr. Webb stated as shown in Chart 15, the older offenders were utilizing health care resources at a rate more than four times higher than the younger offenders. While comprising only about 6.7% of the overall service population, older offenders accounted for 30.6% of the hospitalization costs.</p> <p>Mr. Webb next noted that older offenders are represented over three times more often in the dialysis population compared to the younger offenders. Dialysis costs continue to be significant, averaging about \$22.3K per patient per year. He further added that providing dialysis treatment for an average of 185 patients through the 2<sup>nd</sup> Quarter of FY 2008 cost \$2.1M.</p> <p>The total drug costs through the 2<sup>nd</sup> Quarter totaled \$18.9M as shown at Table 9 on page 136. Of this, \$9.0M or just under \$1.5M per month was for HIV medication costs which is about 47.4% of the total drug cost. Psychiatric drugs costs were approximately \$1.7M or about 9.1% and the Hepatitis C drug costs were \$838K which represented about 4.4% of the total drug costs.</p> <p>It is a legislative requirement for both UTMB and TTUSHC 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 \$3,429,391 through the end of February. As reported by Dr. Raimer earlier, UTMB had inadvertently understated the hospital services expense by the</p>	<p>Mr. Webb responded that he would make that change.</p>	

Agenda / Presenter	Presentation	Discussion	Action
<p>- Financial Report (Cont.)</p>	<p>amount that the hospital receives as a revenue source from state paid benefits for the first two quarters of FY 2008. This caused the cumulative loss for UTMB to change from \$179K to \$3.5M.</p> <p>Texas Tech reports that they hold no such reserves and reported a total operating gain of \$111,620 through February. TTUHSC has indicated that this gain above budgeted amount will decrease when the full impact of the wage adjustments approved by the Legislature are realized.</p> <p>A summary analysis of the ending balances revenue and payments through February are included in this report at Table 10 on page 137. The summary indicates that the net unencumbered balance on all CMHCC accounts on February 2008 was negative \$80,743,328.49 due to the 3rd Quarter Payment FY 2008 to UTMB as applied to the 2<sup>nd</sup> Quarter budgeted allocation. The FY 2007 unencumbered ending fund balance as of August 31, 2007 in the amount of \$35,601.16 was lapsed back to the State General Revenue Fund in November 2007 as required by Rider 69.</p> <p>Mr. Webb again stated that the detailed transaction level data from both providers are being tested on a monthly basis to verify reasonableness, accuracy and compliance with policies and procedures. Testing of detail transactions performed on both UTMB and TTUHSC's financial information for February 2008 found no discrepancies.</p> <p>Mr. Webb concluded his report by stating that the revised financial reports from September 2007 through 2<sup>nd</sup> Quarter FY 2008 with both the original and restated summary was provided to the state leadership and are also available on the CMHCC website for review. He then stated that he would entertain any questions at this time.</p> <p>Dr. Griffin asked if there were any questions or comments and hearing none, thanked Mr. Webb for the update.</p>		



Agenda / Presenter	Presentation	Discussion	Action
<b>XIII. Adjournment</b>  - James Griffin, M.D.	Hearing no further discussion, thanked everyone for attending, then adjourned the meeting.		

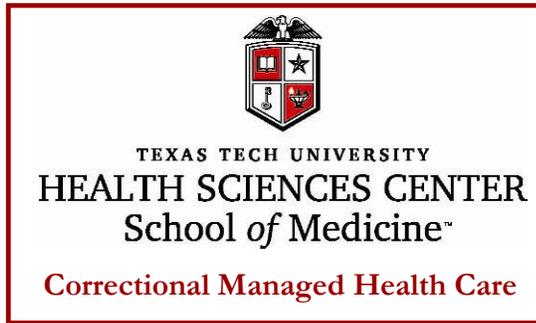
---

James D. Griffin, M.D., Chairman  
Correctional Managed Health Care Committee

---

Date:

# ATTACHMENT 1



# In Grateful Appreciation

*Whereas*, when Tim Revell retires in June as a valued provider with Correctional Managed Health Care, he shall have given eighteen years of service and dedication as a clinician, administrator and teacher to CMHC and to Texas Tech University Health Sciences Center, as Medical Director of the Clements Medical Clinic, and later on, concurrently as CMHC Northern Region Medical Director;

*Whereas*, and because Tim Revell will go on to continue in the practice of medicine even past his tenure at CMHC and TTUHSC, he will have bestowed on others the healing art and the gift of caring for 28 years and counting;

*Whereas*, in a lifetime of providing while in medical school and thence as a practicing physician in British Columbia, Washington state and, since 1982 in Texas, Tim Revell has exemplified the precept of *primum non nocere*, first do no harm, in the practice of his chosen profession;

*And* whereas, remaining true always in the direction “into whatever patient setting I enter, I will go for the benefit of the sick”, Tim Revell lives and models the solemn oath all physicians must always answer to and be judged for all time.

*Now* therefore, on behalf of his peers and colleagues, on this 1st day of May, 2008, in Lubbock, Texas, this Plaque of Appreciation is presented to

## **Timothy John Revell, MD**

Larry Elkins, MS  
*Executive Director*

Denise L. DeShields, MD  
*Executive Medical Director*

# ATTACHMENT 2

### CMHCC Report Correction

- In previous years, UTMB-CMC reported TDCJ Hospital Galveston (HG) expense using HG cost, including HG State paid benefits as a revenue source.
- In FY08, based on prior State Auditor Reviews and questions pertaining to the 'internal' payment for services rendered, UTMB-CMC moved to an internal payment based on a fee schedule, this fee schedule was discussed with CMHCC staff.
- Basis for the fee schedule calculation was the Medicare DRG's for inpatient admissions and percent of charges for outpatient expenses. The DRG and percent of billed charges rates were calculated net of the HG State paid benefits.
- On the CMHCC reports, UTMB-CMC continued to report the HG State paid benefit revenues of approximately \$550k per month, while reporting the expense at rates already discounted for the State paid benefits, resulting in the State paid benefits being double counted.
- The double count of State benefits was discovered and corrected on the February report.
- April year to date, there would be an additional expense of \$606 thousand reflected if were utilizing cost information.
- Annualized this would be \$909 thousand, \$1.818m over the biennium.

	Total TDCJ Feb 2008 (reported)	Total TDCJ Feb 2008 (corrected)	variance
<b>Average Population</b>	120,451	120,451	-
<b>Revenue:</b>			
Capitation Earned	\$ 158,630,335	\$ 158,630,335	-
State Paid Staff Benefits - CMC	16,507,089	16,507,089	-
State Paid Staff Benefits - TDCJ Hospital	3,311,308	3,311,308	-
Current Fiscal Year Partial Loss Reimbursement	-	-	-
Other Miscellaneous Revenue	180,077	180,077	-
<b>Total Revenue</b>	<b>\$ 180,628,809</b>	<b>\$ 180,628,809</b>	<b>\$ -</b>
<b>Expenses:</b>			
<b>Subtotal Onsite Expenses</b>	106,619,443	106,619,443	-
<b>Subtotal Pharmacy Expenses</b>	17,491,343	17,491,343	-
<b>Offsite Expenses:</b>			
UTMB Physician Services	6,380,634	6,380,634	-
UTMB Hospital Services	35,813,024	39,124,332	3,311,308
Freeworld Provider Services:			
Current Fiscal Year Date of Service	7,060,934	7,060,934	-
Prior Fiscal Year Date of Service	(262,489)	(262,489)	-
Estimated IBNR - Freeworld Provider Services	2,881,461	2,881,461	-
<b>Subtotal Offsite Expenses</b>	51,873,564	55,184,872	3,311,308
<b>Shared Services Expense</b>	5,572,330	5,572,330	-
<b>Total Operating Expenses</b>	<b>\$ 181,556,680</b>	<b>\$ 184,967,988</b>	<b>\$ 3,311,308</b>
<b>Operating Income (Loss)</b>	<b>\$ (927,871)</b>	<b>\$ (4,239,179)</b>	<b>\$ (3,311,308)</b>
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(304)</b>	<b>(304)</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets Before Prior Year Adjustments</b>	<b>\$ (928,174)</b>	<b>\$ (4,239,482)</b>	<b>\$ (3,311,308)</b>
<b>Prior Year Loss Reimbursement</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Add Depreciation Expense	836,779	836,779	-
Less Capital Expenditures	(67,140)	(67,140)	-
<b>Total Revenue Less Expenses Excluding Depreciation Including Capital Expenditures</b>	<b>\$ (179,140)</b>	<b>\$ (3,490,448)</b>	<b>\$ (3,311,308)</b>

TDCJ Patient Cost - FY2008 thru April

	September	October	November	December	January	February	March	April
Total Cost - Year to Date (1)	\$ 6,034,231	\$12,586,144	\$18,942,552	\$25,757,080	\$32,990,648	\$39,340,506	\$46,235,090	\$53,294,160
Corrected CMHCC Reports - Year to Date	\$ 6,242,563	\$13,046,389	\$19,569,583	\$25,798,579	\$32,339,705	\$39,124,332	\$45,784,436	\$52,688,058
Variance Cost vs Payment	\$ 208,332	\$ 460,245	\$ 627,031	\$ 41,499	\$ (650,943)	\$ (216,174)	\$ (450,653)	\$ (606,102)

(1) Case costs reflected by month of discharge

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
CORRECTIONAL MANAGED CARE - TDCJ CONTRACT

	Total YTD Feb 2008	Total YTD Feb 2007	Variance
<b>On Site Services:</b>			
Salaries	\$ 76,892,583	\$ 67,444,632	\$ 9,447,950
Benefits	19,734,025	17,047,661	2,686,364
<b>Pharmacy Services:</b>			
Salaries	2,085,550	1,914,230	171,320
Benefits	635,105	585,966	49,139
<b>TOTALS</b>			
Salaries	78,978,132	69,358,862	9,619,270
Benefits	20,369,130	17,633,648	2,735,482
	<u>\$ 99,347,262</u>	<u>\$ 86,992,510</u>	<u>\$ 12,354,752 14.2%</u>

**Breakdown by expense category:**

Salary Exp Tsf - Rx Operations Allocation to Other Contracts	(639,516)	(579,599)	(59,916)	10.3%
Administrative & Professional Positions	1,820,872	1,710,058	110,814	6.5%
Non Teaching Positions	9,234,645	8,873,483	361,163	4.1%
Classified Positions	58,470,552	51,465,381	7,005,171	13.6%
Hourly Overtime	3,023,343	2,430,494	592,849	24.4%
Hazardous Duty / Longevity Pay	1,283,951	1,282,845	21,106	1.7%
Other (shift/on-call/default suspense)	1,364,025	1,984,308	(620,283)	-31.3%
Temporary Employment Agencies	2,208,238	558,105	1,650,133	295.7%
Vacation Lump Sum Payments & Liability Accruals	2,212,021	1,653,787	558,234	33.8%
Fringe Benefits	20,369,130	17,633,647	2,735,482	15.5%
	<u>\$ 99,347,262</u>	<u>\$ 86,992,510</u>	<u>\$ 12,354,752</u>	<u>14.2%</u>

**Factors affecting variances:**

September 2007 - Feb 2008 projected impact from FY07 merit & market adjustments (wages & benefits) based on letters sent to CMHCC Oct 6, 2006 & Jan 22, 2007	5,770,000
January 2008 - February 2008 projected impact from FY08 merit & market adjustments (wages & benefits) based on letter sent to CMHCC Nov 15, 2007	1,080,000
Increase in agency staffing cost	1,650,000
Increase in OT cost	800,000
Increase in longevity cost	21,000
TX City / HG Hospitalist Program	1,325,404
CMC Human Development	183,171
Growth in leave liability	438,000
Increase in Premium Sharing (retiree & employee)	1,488,000
	<u>\$ 12,535,575</u>
	(180,822)
	-1.46%