



OFFICE OF INTERNAL AUDIT

REPORT TO THE PINAL COUNTY BOARD OF SUPERVISORS

AUDIT OF CORRECTIONAL HEALTH SERVICES

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Executive Summary

The Pinal County Office of Internal Audit has completed an audit of the Correctional Health Services Department (Correctional Health Services). The audit was included in the FY 2013-2014 Internal Audit Plan approved by the Pinal County Board of Supervisors. We conducted this operational audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The overall objective of this audit was:

To determine if Correctional Health is managing or utilizing its resources; including public funds, personnel, property, equipment, and space in an economical, effective and efficient manner.

Specific audit objectives were to:

1. Analyze current expenses and determine if operations are efficient and effective
2. Analyze current staffing and determine if "...similar to private sector..." as adopted by 2011 budget reduction proposal.
3. Benchmark/compare facility resources with comparable facilities

Overall Conclusion

Our overall conclusion is Correctional Health Services (CHS) has experienced a challenging sequence of operational changes since 2011; including, a major change in management oversight and support services (from the former Health and Human Services department to the County Administrative Services department). There has also been a significant change in internal management; due to budget and staff reductions that included the loss of a Director and 30% of the staff. Despite these changes, we believe CHS staff are managing business operations; however, we identified the following areas for improvement:

- A. The 2011 Budget Reduction Plan for Correctional Health Services did not result in sustained cost savings**
- B. The 2011 Staff Reduction Plan for Correctional Health Services did not include a "right-sizing" staff analysis**
- C. Deficient space allocated for Correctional Health Services operations requires additional Correctional Health and Sheriff Office Detention staff to transfer inmates for services**

Our recommendations include:

1. Internal Audit recommends Correctional Health Services consider additional cost containment initiatives to reduce operational costs.
2. Internal Audit recommends Correctional Health Services conduct a comprehensive staff study to determine if additional restructuring is needed to "right-size" staff and align operations to achieve a "... cost and program level similar to the private sector," as stated by management when the budget reduction plan was adopted by the Board of Supervisors.

3. A. Internal Audit recommends Correctional Health Services and Detention Management study current space allocation and determine if it is possible to reconfigure any areas to provide a more efficient and effective allocation of space; possibly providing two separate exam rooms for IHSC and CHS.
B. Internal Audit recommends Correctional Health Services review staff schedules to provide continuous intake processing whenever possible. This could include alternating breaks or shifts.

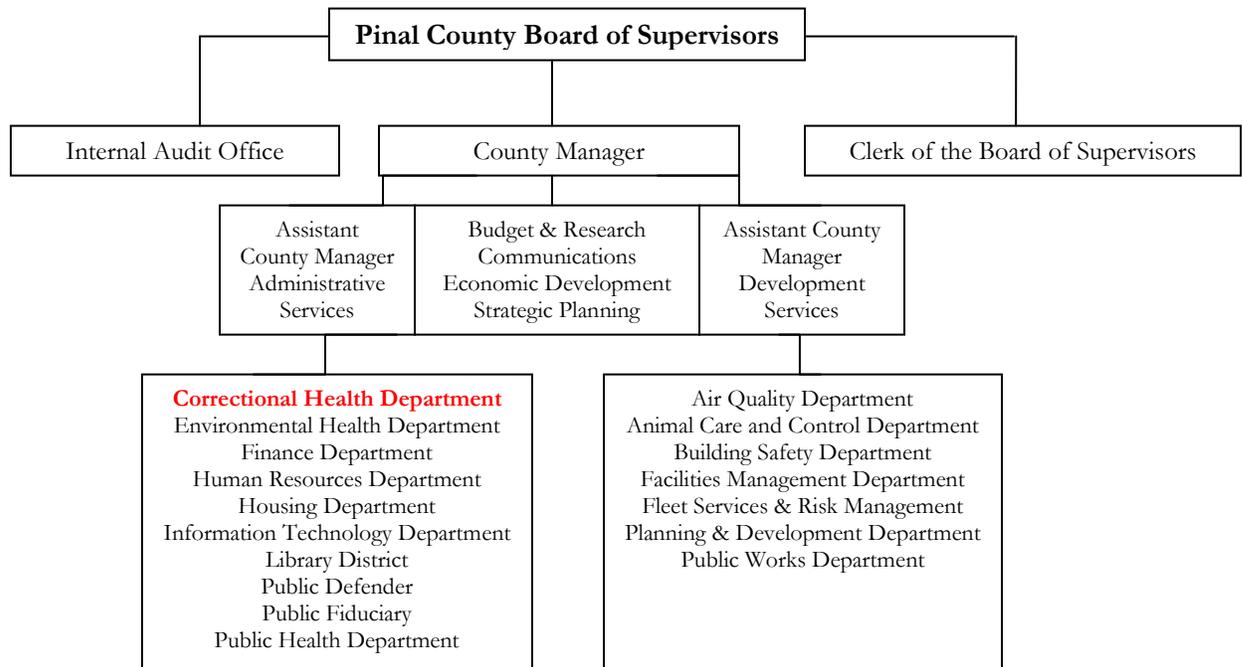
We would like to thank the management and staff of the Pinal County's Correctional Health Services Department, and the management and staff at the Pinal County Sheriff's Office (PCSO), for their assistance and cooperation during the course of this audit. The following report provides additional details of our audit observations and recommendations.

Audit Scope and Methodology

The scope of our audit was to determine if Pinal County’s Correctional Health Services Department (Correctional Health Services) is managing or utilizing its resources in an economical, efficient and efficient manner. The following methodologies were used to complete our examination:

- Review and analyze FY2011/2012 and FY2012/2013 budgets
- Review Correctional Health’s policies and procedures
- Interview Correctional Health managers and staff
- Tour Correctional Health facilities
- Verify medical staff licensure
- Review Correctional Health pharmacy formulary and contract oversight

Organizational Chart



Background

The Pinal County Adult Detention facility; located in Florence, Arizona, is the third largest County jail in the state of Arizona. The facility has a total bed capacity of 1,504. Health care for all local inmates within the facility is required by Arizona State law, the United States Constitution and jail standards.

The Pinal County Department of Correctional Health Services (CHS) provides healthcare to the local adult inmate population and; by contract, to inmates in the Pinal County Youth Justice Center facility.¹ Offices for CHS are located within the Adult Detention facility.

Average daily inmate population counts (ADP), and yearly totals, served by CHS are provided in the following table.² These counts do not include United States office of Immigration and Customs Enforcement (ICE) detainees held at the Pinal County Adult Detention facility. Healthcare for ICE detainees is provided by ICE Health Services Corporation (IHSC).



Fiscal Year	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Yearly Total	8,604	8,985	10,178	9,484	8,185	7,269	6840*
Average Daily Population	717	749	848	790	682	606	570*

*Numbers used for 2013 were average of all months provided by PCSO for 2012/2013

Correctional Health Services provides a level of health care mandated by state law and *Estelle v. Gamble*, a U.S. Supreme Court decision (1976).³ Medical services provided include an initial medical screening by medical staff, 24/7 medical staffing, psychiatric services, offsite emergency and critical care, pharmaceuticals and dental care. Services are provided by licensed staff. An annual evaluation of services is conducted by the Pinal County Sheriff's Office to ensure compliance with A.R.S. 36-401 A (11).

There are currently twenty-seven (27) full-time employees and two (2) vacancies in the office of Correctional Health Services and, according to the Administrative Services website,⁴ "... executive leadership, direction and support..." are provided by Administrative Services departments.

The FY2013/2014 approved budget for Correctional Health is \$3,992,037.

¹ Contract

² Counts provided by IT / PCSO

³ <http://caselaw.lp.findlaw.com/scripts/getcase.pl?court=us&vol=429&invol=97>

⁴ <http://www.pinalcountyz.gov/Departments/AdministrativeServices/Pages/Home.aspx>

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. The 2011 Budget Reduction Plan for Correctional Health Services did not result in sustained cost savings

On April 20, 2011, the Pinal County Board of Supervisors voted to adopt a proposed budget reduction plan for Correctional Health Services (CHS). The plan required CHS to reduce staff costs by \$617,739 and was proposed to, "...align Pinal County Correction Health Services to a cost and program level similar to the private sector." The plan compared CHS staffing and operations costs to Wexford staffing and operations costs. Wexford is a private sector firm hired to provide Yavapai County correctional health services.⁵ The company recently signed a contract with the Arizona Department of Corrections (ADOC). The following table shows plan comparison information as presented to the Pinal County Board of Supervisors (BOS).

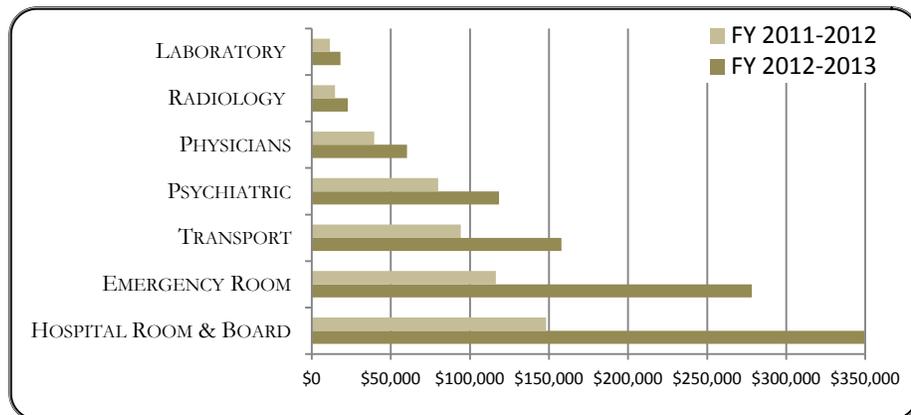
	Pinal Correctional Health Services	Wexford/Yavapai County
Average Daily inmate population	725	550
Full time employees (FTE)	36	17
Staff to inmate ration	1 to 20	1 to 32
Budget FY 2010-2011	\$4,685,972	\$3,084,833
Estimated cost per inmate/per day	\$17.70	\$15.36

Internal Audit analyzed CHS expenditures and found current expenditures increased 21.86% from FY2011/2012 to FY2012/2013, and estimated cost per inmate/per day increased to \$19.66. We also noted staff ratios were lower than comparatives, and cost per inmate per day was higher than the recently negotiated ADOC contract with Wexford. The following table shows our analysis.

	2011/2012 CHS Costs	2012/2013 CHS costs	2012/2013 Contract ⁶ Wexford /ADOC
Average Daily inmate population	606	570	21,036
Full time employees	31	29	
Staff to inmate ratio	1 to 19	1 to 19	
Actual CHS Expenditures⁷	\$3,358,779.95	\$4,093,115.00	\$73,020,874.00 ⁸
Estimated cost per inmate/per day	\$15.18	\$19.66	\$9.51

The chart on the right illustrates fiscal year expenditures in specific areas where costs increased.

At the time the budget reduction plan was adopted, management stated, "There could be more research done to improve efficiencies



⁵ <http://pinalcountyz.gov/Departments/NewsInformation/Lists/News%20and%20Announcements/DispFormA.aspx?ID=1071>

⁶ Arizona Department of Corrections ADOC12-021011

⁷ Amounts provided by Pinal County Budget office (9-9-2013)

⁸ Contracted cost

before making (additional budget) changes.” Internal Audit researched cost containment initiatives used in other correctional healthcare operations, and identified several efficiencies that Correctional Health Services could possibly implement to obtain additional cost-savings:

- Pharmacy over-the-counter available (reduces pharmacy costs and sick calls)
- Annual review of medical services contracts and analysis of pharmacy formulary (to analyze generic use, approve bulk purchases or negotiate centralized procurement)
- Reduce or eliminate 24/7 staff schedules (used community services when necessary)
- Medical staff restructuring (see right-sizing recommendation, page 8)
- Technology for medical records,⁹ medication administration, onsite x-rays
- Inmate co-pays (may reduce use of pharmaceuticals and sick calls)
- Revised Medicaid policy may increase reimbursement for inmates (Patient Protection and Affordable Healthcare Act¹⁰)
- Hospital utilization management system / admission protocols
- Telemedicine (University of Arizona¹¹)/Teleradiology

Note - The Arizona Telemedicine Program is a statewide program intended to increase access to healthcare to all residents in Arizona using telemedicine technologies. The Program’s telecommunications network spans the entire state and is linked to other telecommunications networks in Arizona (See APPENDIX I on page 12).

RECOMMENDATION #1

Internal Audit recommends Correctional Health consider additional cost containment initiatives to reduce operational costs; such as, the initiatives listed above. For some initiatives related costs savings; such as, reduced transportation and guard duty, may also be realized.

B. The 2011 staff/budget reduction plan for Correctional Health Services did not include a “right-sizing” staff analysis

As stated above, the Pinal County Board of Supervisors voted to adopt a proposed budget reduction plan for Correctional Health Services (CHS). The plan compared CHS staffing and operations costs to Wexford staffing and operations costs. Wexford is a private sector firm hired to deliver Yavapai County correctional health services. CHS was directed to eliminate five (5) full-time and ten (10) part-time positions and cut staff costs by \$617,739. The plan did not designate which staff to terminate and did not include a “right-sized” staff analysis. Right-sizing is an effective way to control costs and ensure there are the right numbers of people, in the right place, at the right time, all the time.

After the plan was adopted Administrative Services/Correctional Health laid off the designated number of staff; including, the former Director of Correctional Health, a Records Clerk, five (5)

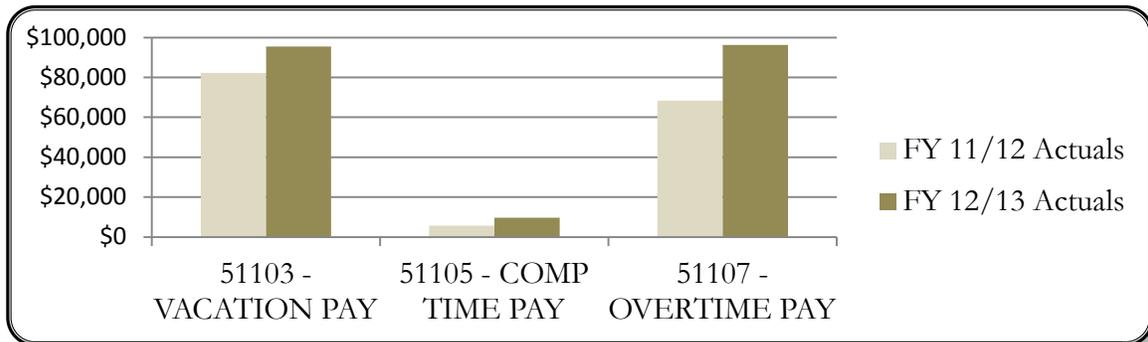
⁹ Pinal County Correctional Health already uses electronic medical records (CorEMR)

¹⁰ <http://www.hhs.gov/healthcare/rights/index.html>

¹¹ <http://www.telemedicine.arizona.edu/app/home>

Registered Nurses (including a Nurse Practitioner) and eight (8) Licensed Practical Nurses (LPNs). There are currently twenty-seven (27) full-time employees and two (2) vacant positions in CHS.

Internal Audit compared staffing before and after the plan was adopted and found; despite terminating designated staff, CHS inmate to staff ratios remained substantially lower (19 to 1) than the private sector ratio cited in the plan proposal (32 to 1). This was partially due to a decrease in inmate daily population. We also observed, during this same time period, compensatory (Comp) time and overtime usage increased; 68.65% and 41.01%, respectively.



RECOMMENDATION # 2

Internal Audit recommends Correctional Health Services conduct a comprehensive staff study to determine if additional restructuring is needed to “right-size” staff and align operations to a “... cost and program level similar to the private sector,” as stated by management when the plan was adopted.

C. Deficient space allocated for Correctional Health Services requires additional Correctional Health and Sheriff’s Office Detention staff to transfer inmates for services

Pinal County provides and maintains two complete and separate healthcare facilities within the Pinal County Adult Detention facility. One facility is operated by Immigration and Customs Enforcement (ICE) Health Service Corporation (IHSC). IHSC staff provide daily healthcare to approximately 550 (daily) ICE detainees. Approximately 2,000 square feet of space is allotted for IHSC healthcare operations. The space utilized is within the ICE detainee housing units and providing medical services onsite does not require any additional staff to escort detainees for medical exams or lab services. The IHSC pharmacy and medical records rooms are also within the units; allowing relatively efficient medication disbursements.

Healthcare for the rest of the population at the Adult Detention facility; approximately 570 adult inmates a day, and contracted care for juvenile’s incarcerated in the Pinal County Juvenile Detention Center, is provided by Pinal County Correctional Health Services (CHS). Approximately 2,100 square feet of space in the Adult Detention facility has been allotted for CHS healthcare operations. The majority of this space is in the main jail corridor and is distant from any housing units. Two rooms, or approximately 240 square feet, has been allocated to CHS nearer housing units on the 2nd and 3rd floor of the facility and CHS staff are able to utilize this space for some onsite services.

All other resources/services; including exam rooms, sick call waiting cells, temporary infirmary beds/cells, the TB isolation room, and a mental health exam room are in the main floor area. When inmates need any of these services, CHS staff must request, and occasionally wait for, detention staff to escort inmates from their housing unit to the main floor area.

Additionally, all medications are prepared at the pharmacy in the main floor CHS office, transported by secure carts into the housing units, and dispensed four times a day to individuals throughout the housing units; requiring detention staff to guard/escort CHS staff during the process.

Also, upon their arrival, all offenders assigned to the Adult Detention facility begin their processing in the intake unit, where every inmate receives a diagnostic health evaluation. This evaluation may include laboratory work, physical and dental exams, a medical history assessment, and a mental health screening. Internal Audit toured the intake area of the facility and observed:

- The intake area for the jail is 640 square feet or approximately 25 X 25 square feet.
- The intake area is also shared by ICE to process detainees into the facility.¹² When ICE detainees arrive, they are given priority. According to Correctional Health management this creates a backlog for inmate medical intake assessments.
- **There is only one medical exam room in the intake area for initial exams** and, according to CHS staff interviewed, there is often a backlog of offenders waiting in this area. Also, there is no running water in this area.
- During our tour there were several offenders in the intake cell; however, no CHS staff were in the area processing inmates.
- There is a larger 1,020 square foot pre-booking area with four holding cells, for inmates and detainees, next to the intake area.

The following table shows the approximate square footage allotted to IHSC and CHS.

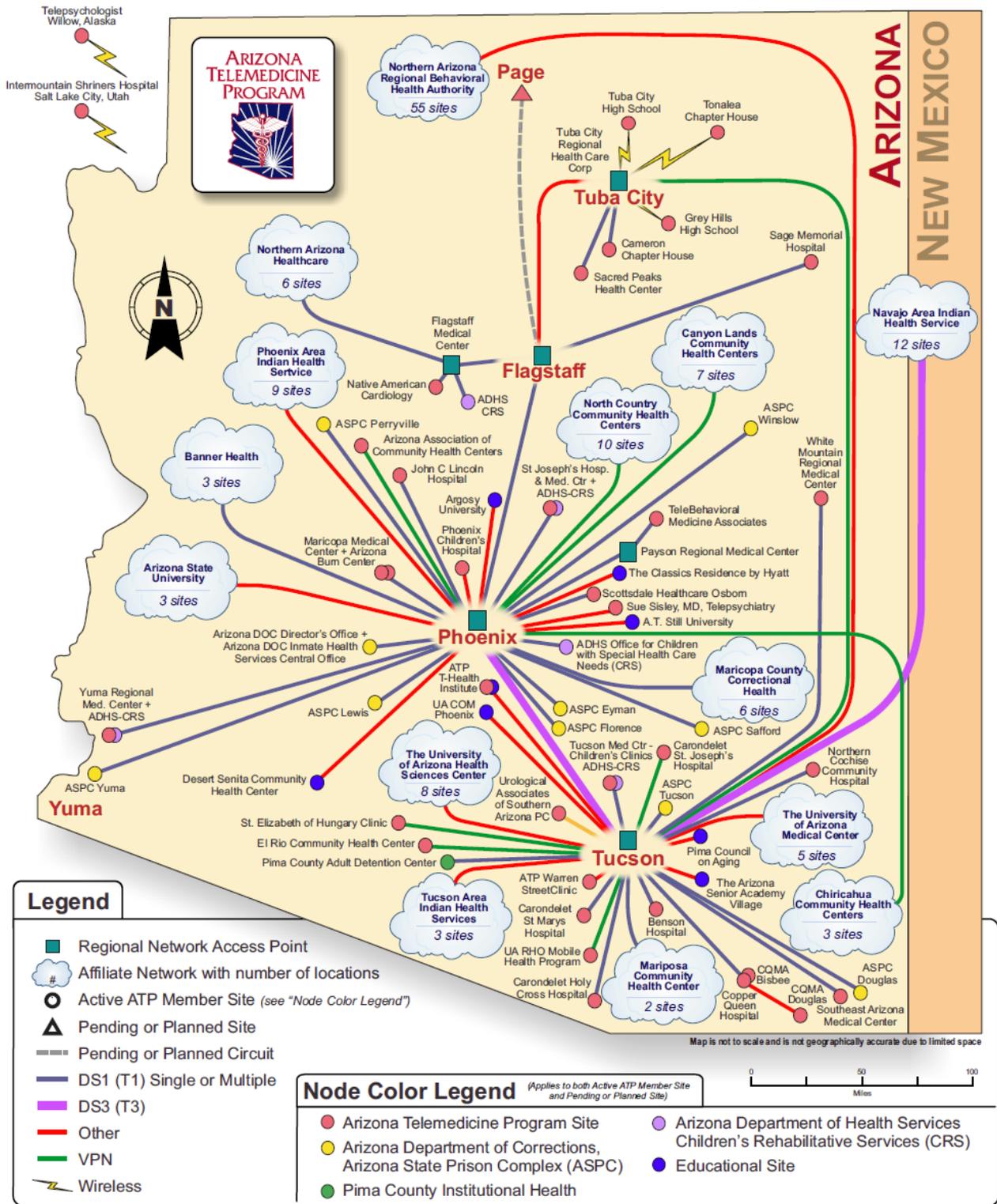
	ICE Health Service Corporation (IHSC)	Correctional Health Services (CHS)
Total Clinic Square footage	1900 sq. ft.	2176 sq. ft.
Square footage of total within Housing Units	1900 sq. ft.	240 sq. ft.
Number of exam rooms /and Mental Health exam rooms	4/1 MH (534 sq.ft./60 sq.ft.)	3/1 MH (294 sq.ft. / 140 sq.ft)
Lab	120 sq. ft.	35 sq. ft.
Pharmacy	140 sq. ft.	182 sq. ft.
Medical Records	360 sq. ft.	182 sq. ft.
Sick call waiting cells	No holding cells needed facility is in close proximity to housing unit	2 (80 sq. ft.)
Intake square footage (Shared)	640 sq. ft.	640 sq. ft.
Pre-booking (shared)	1,020 sq. ft.	1,020 sq. ft.

¹² <http://www.ice.gov/doclib/foia/odo-compliance-inspections/2012pinalcountydetectioncenter-florence-az-mar13-15-2012.pdf>

RECOMMENDATION # 3

- A. Internal Audit recommends Correctional Health and Detention Management study current space allocation and determine if it is possible to reconfigure any areas to provide a more efficient and effective allocation of space; possibly providing two separate exam rooms for IHSC and CHS.**
- B. Internal Audit recommends Correctional Health review staff schedules to provide continuous intake processing whenever possible. This could include alternating breaks or shifts.**

ARIZONA TELEMEDICINE NETWORK



Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>1. Internal Audit recommends Correctional Health Services consider additional cost containment initiatives to reduce operational costs; such as, the initiatives listed. For some initiatives related costs savings; such as, reduced transportation and guard duty, may also be realized.</p>	<p>Yes</p>	<p>PCCHS concurs more cost containment initiatives to reduce operational costs are always to be supported and looked at for improvement. PCCHS has started a Utilization Management committee that looks at costs, how we spend money and where the bulk of it goes. PCCHS has identified certain areas that need attention. PCCHS is currently working on those areas. One of those is Psych medications. A new process has recently been implemented and it is expected to reduce costs on psych medications. This committee meets 1x per quarter.</p> <p>If PCCHS is granted part time employees (3), this will greatly reduce overtime.</p> <p>These two areas alone will reduce costs a great deal.</p> <p>FY 2014-15 is the target date due to the process of submitting a memo for the part time positions as well as ensuring the Mental Health Director follows the formulary. The new pharmacy contract that starts in November is already on board with the change. Process changes take time. Even though costs will start to go down sooner than the timeframe in the target date, the trend will be most noticeable in 2014-15.</p>	<p>Fiscal year Analysis and Research is June 2014</p> <p>Target date to notice savings 2014-2015</p>	<p>Jennifer Kelly and Management Team</p>
<p>2. Internal Audit recommends Correctional Health Services conduct a comprehensive</p>	<p>Yes</p>	<p>PCCHS was in the process of completing the "right sizing" alignment. Every change was set to start in June of 2013 when an</p>	<p>Target date to complete analysis March 2014</p>	<p>Jennifer Kelly and staff</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>staff study to determine if additional restructuring is needed to “right-size” staff and align operations to a “... cost and program level similar to the private sector,” as state by management when the plan was adopted.</p>		<p>investigation stopped the process. That investigation was completed 10-15-2013. PCCHS will start restructuring to meet clinic needs.</p> <p>These changes will also include the part time employees if granted.</p> <ul style="list-style-type: none"> • 12 hour shifts for intake • Juvenile nurse coverage in adult • Schedule changed to every other weekend off • One nurse will work in each of the medical rooms in the pods to be more efficient • Medical Provider is not at the adult center on Thursdays so that mental Health line can be completed more efficiently • Provider nurse will be rotated to allow more flexibility for clinic needs • Quality Assurance nurse will continue to fill in where needed to meet clinical needs • Medication pass, with the approval of the Medical Director and PCSO will be two times a day instead of four times a day • One shift is from 11:10am to 10:00pm to ensure better coverage in Intake • Two nurses are in intake at night 		

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
		<ul style="list-style-type: none"> Keep On Person, with approval from Medical Director <p>Those are the biggest most recent changes that are in process</p>		
<p>3A. Internal Audit recommends Correctional Health and Detention Management study current space allocation and determine if it is possible to reconfigure any areas to provide a more efficient and effective allocation of space; possibly providing two separate exam rooms for IHSC and CHS.</p>	Yes	<p>I concur to study this and in fact we are. In all, PCCHS does not have much say in where we are stationed. We are working with PCSO. In the 11 page response, it is mentioned a few things that could be done. One of the items was to take over F unit so that it would be more efficient since ICE was only using it for storage. As of 10-22-2013, it was stated to the director of PCCHS that ICE did not approve of this change. PCCHS has a meeting with ICE on 10-23-2013 to discuss the change.</p> <p>This is mentioned only to state that even though a process change may appear easy to accomplish, that is not always the case.</p> <p>PCCHS is always looking at making Patient Care more efficient. We work with what we have.</p>	March 2014	Jennifer Kelly Management and Medical Director
<p>3.B. Internal Audit recommends Correctional Health Services review staff schedules to provide continuous intake processing whenever possible. This could include alternating breaks or shifts</p>	Yes	<ul style="list-style-type: none"> Schedules will be changed to having every other weekend off. This will allow more nurses on each shift to assist in Intake One shift has been changed to an 11:30am to 10:00pm to assist intake Change to a straight shift instead of having a half an hour lunch. All nurses must respond to emergencies 	March 2014	Jennifer Kelly Management and Medical Director