2017 Session

Budget Bill - HB1500 (Reenrolled)

Department of Corrections

Item 393	First Year - FY2017	Second Year - FY2018
Operation of Secure Correctional Facilities (39800)	~~$954,242,819~~ ***$949,074,960***	~~$976,431,247~~ ***$961,411,288***
Supervision and Management of Inmates (39802)	~~$484,138,726~~ *$468,061,485*	~~$492,283,283~~ *$470,538,521*
Rehabilitation and Treatment Services - Prisons (39803)	$40,675,195	$41,359,252
Prison Management (39805)	$67,684,260	$70,457,754
Food Services - Prisons (39807)	$43,053,274	$43,182,334
Medical and Clinical Services - Prisons (39810)	~~$187,472,385~~ *$198,824,815*	~~$197,929,645~~ *$205,097,496*
Agribusiness (39811)	$10,051,668	$10,051,668
Correctional Enterprises (39812)	$49,680,835	$49,680,835
Physical Plant Services - Prisons (39815)	~~$71,486,476~~ *$71,043,428*	~~$71,486,476~~ *$71,043,428*
Fund Sources:		
General	~~$900,740,944~~ *$895,573,085*	~~$922,929,372~~ *$907,909,413*
Special	$52,580,835	$52,580,835
Federal Trust	$921,040	$921,040

Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.

A. Included in this appropriation is $1,195,000 in the first year and $1,195,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is commissions generated by prison commissary operations:

1. $170,000 the first year and $170,000 the second year for Assisting Families of Inmates, Inc., to provide transportation for family members to visit offenders in prison and other ancillary services to family members;

2. $950,000 the first year and $950,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and

3. $75,000 the first year and $75,000 the second year for the “FETCH" program.

B.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the department.

2. The State Comptroller shall continue to maintain the Contract Prisoners Special Revenue Fund on the books of the Commonwealth to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

3. The Department of Corrections shall determine whether it may be possible to contract to house additional federal inmates or inmates from other states in space available within state correctional facilities. The department may, subject to the approval of the Governor, enter into such contracts, to the extent that sufficient bedspace may become available in state facilities for this purpose.

C. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to effect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 70 of this act.

D. To the extent that the Department of Corrections privatizes food services, the department shall also seek to maximize agribusiness operations.

E. Notwithstanding the provisions of § 53.1-45, Code of Virginia, the Department of Corrections is authorized to sell on the open market and through the Virginia Farmers' Market Network any dairy, animal, or farm products of which the Commonwealth imports more than it exports.

F. It is the intention of the General Assembly that § 53.1-47, the Code of Virginia, concerning articles and services produced or manufactured by persons confined in state correctional facilities, shall be construed such that the term "manufactured" articles shall include "remanufactured" articles.

G. Out of this appropriation, $921,040 the first year and $921,040 the second year from nongeneral funds is included for inmate medical costs. The sources of the nongeneral funds are an award from the State Criminal Alien Assistance Program, administered by the U.S. Department of Justice.

H.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall continue to operate a behavioral correction program. Offenders eligible for such a program shall be those offenders: (i) who have never been convicted of a violent felony as defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines developed by the Virginia Criminal Sentencing Commission would recommend a sentence of four years or more in facilities operated by the Department of Corrections; and (iii) whom the court determines require treatment for drug or alcohol substance abuse. For any such offender, the court may impose the appropriate sentence with the stipulation that the Department of Corrections place the offender in an intensive therapeutic community-style substance abuse treatment program as soon as possible after receiving the offender. Upon certification by the Department of Corrections that the offender has successfully completed such a program of a duration of 24 months or longer, the court may suspend the remainder of the sentence imposed by the court and order the offender released to supervised probation for a period specified by the court.

2. If an offender assigned to the program voluntarily withdraws from the program, is removed from the program by the Department of Corrections for intractable behavior, fails to participate in program activities, or fails to comply with the terms and conditions of the program, the Department of Corrections shall notify the court, outlining specific reasons for the removal and shall reassign the defendant to another incarceration assignment as appropriate. Under such terms, the offender shall serve out the balance of the sentence imposed by the court, as provided by law.

3. The Department of Corrections shall collect the data and develop the framework and processes that will enable it to conduct an in-depth evaluation of the program three years after it has been in operation. The department shall submit a report periodically on the program to the Chief Justice as he may require and shall submit a report on the implementation of the program and its usage to the Secretary of Public Safety and Homeland Security and the

Chairmen of the House Appropriations and Senate Finance Committees by June 30 of each year.

I. Included in the appropriation for this Item is $250,000 the first year and $250,000 the second year from nongeneral funds for a culinary arts program in which inmates are trained to operate food service activities serving agency staff and the general public. The source of the funds shall be revenues generated by the program. Any revenues so generated by the program shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of operating the program. The State Comptroller shall continue to maintain the Inmate Culinary Arts Training Program Fund on the books of the Commonwealth to reflect the revenue and expenditures of this program.

J.*1.* The Department of Corrections shall continue to coordinate with the Department of Medical Assistance Services and the Department of Social Services to enroll eligible inmates in Medicaid. To the extent possible, the Department of Corrections shall work to identify potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization occurs. Procedures shall also include provisions for medical providers to bill the Department of Medical Assistance Services, rather than the Department of Corrections, for eligible inmate inpatient medical expenses. Due to the multiple payor sources associated with inpatient and outpatient health care services, the Department of Corrections and the Department of Medical Assistance Services shall consult with the applicable provider community to ensure that administrative burdens are minimized and payment for health care services is rendered in a prompt manner.

2. The Department of Corrections, through its contract with the Virginia Commonwealth University Department of Health Administration, shall review the management of a selected number of inmates who account for the largest share of total inpatient and outpatient medical care costs within the department. The review shall include inmates who have been enrolled in Medicaid for qualifying inpatient hospitalizations; for these individuals, the Department of Medical Assistance shall provide the requisite enrollee data. The review shall address the number and characteristics of these inmates (including demographic background, offense history, and security classification) who account for the highest costs for medical care. The review shall also consider, to the extent available, their medical history and current medical issues and address potential case management strategies and other steps to reduce costs for these inmates in the long term. Copies of the review shall be provided by October 1, 2017, to the Secretary of Public Safety and Homeland Security, the Secretary of Health and Human Resources, the Chairman of the Joint Commission on Health Care, and the Chairmen of the House Appropriations and Senate Finance Committees.

K. Federal funds received by the Department of Corrections from the federal Residential Substance Abuse Treatment Program shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund.

L. Included in the appropriation for this item is funding for the first year and the second year from the general fund for six medical contract monitors. The persons filling these positions shall have the responsibility of closely monitoring the adequacy and quality of inmate medical services in those correctional facilities for which the department has contracted with a private vendor to provide inmate medical services.

M. The Department of Corrections shall continue to operate a separate program for inmates under 18 years old who have been tried and convicted as adults and committed to the Department of Corrections. This separation of these offenders from the general prison population is required by the requirements of the federal Prison Rape Elimination Act.

N. The Department shall provide to the Secretary of Public Safety and Homeland Security, the Directors of the Departments of Planning and Budget and Human Resources Management, and the Chairmen of the House Appropriations and Senate Finance Committees by July 1, 2016, a report assessing:

a. The costs, benefits, and administrative actions required to eliminate the Department's reliance on a private

contractor for the delivery of inmate health care at multiple facilities, and to provide the same services internally using either state employees or individual contract medical personnel.

b. The costs, benefits, and administrative actions required to transition to a statewide health care management model that uses best practices and cost containment methods employed by prison health care management and Medicaid managed care organizations to deliver provider-managed and outcome-based comprehensive health care services through a single statewide contract for all of the Department's adult correctional centers.

c. A review of the Department's actual cost experience comparing the previous arrangement in which the contractor assumed full financial risk for the payment of off-site inpatient and outpatient services, and the current and proposed arrangement in which the Department assumes that risk and also receives any Medicaid reimbursement for such off-site expenses. For purposes of analyzing the first arrangement, it is assumed that the benefit of any Medicaid or other third-party reimbursement for hospital or other services would accrue to the contractor. This review shall also compare cost trends experienced by other states which have adopted these two arrangements.

d. A comparison of the costs and benefits of the Department's current management of inmate health care, including the model envisioned in its August 2014 Request for Proposals, to the alternative models the Department is directed to assess in subsections a, b, and c above.

e. The Department of Human Resources Management, the Department of Planning and Budget and other executive branch agencies shall provide technical assistance to the Department as needed.