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Senate Bill 477 (as introduced 4-28-09)

Sponsor: Senator Tom George

Committee: Judiciary

Date Completed: 4-28-09

CONTENT

The bill would amend the Corrections Code to require the Department of Corrections (DOC) to enter into agreements with one or more medical schools in Michigan under which those schools would provide health care services to prisoners.

The DOC would have to report to the Legislature within 180 days after the bill's effective date, and then annually, on the status of any agreements entered into under the bill. The report would have to include an evaluation of the cost and efficiency of health care services delivered under the agreements. Copies of the report would have to be delivered to the Secretary of the Senate and the Clerk of the House of Representatives as well as to the chairpersons of the Senate and House standing committees responsible for legislation pertaining to corrections issues.

Proposed MCL 791.267c Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Entering into an agreement with one or more medical schools would have an indeterminate fiscal impact on prisoner health care costs. The Michigan Department of Corrections has a contract with Prison Health Services (PHS), which will expire on March 31, 2012, for hospital and specialty care as well as physicians, nurse practitioners, and physician assistants in the prison clinics. The terms of the PHS contract require the DOC and PHS to share any savings from the negotiated per-prisoner rate. The DOC realizes 85% of savings under this risk-share agreement. For fiscal year (FY) 2008-09, prisoner health care, including both contractual services through PHS and prison clinics, is appropriated at \$261.5 million. The cost of any potential agreements with medical schools is unknown. If agreements with medical schools cost less than services under the current system and provided the same level of medical care, the DOC would experience savings. All medical schools in Michigan are part of public universities. Under the State Constitution, Michigan's public universities have autonomy over their expenditures.

The DOC would incur administrative costs associated with reporting annually to the Legislature.

Fiscal Analyst: Lindsay Hollander

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