COMMONWEALTH of VIRGINIA

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January 1, 2020

Members, Senate Finance Committee
Virginia General Assembly
Pocahontas Building, Room E603
Richmond, Virginia 23219

Members, House Appropriations Committee
Virginia General Assembly
Pocahontas Building, Room W1312
Richmond, Virginia 23219

Dear Honorable Members of the Senate Finance and House Appropriations Committees,

Chapter 854, Item 390 subsections Q and R of the 2019 Virginia Acts of Assembly directs the Virginia Department of Corrections (VADOC), the Virginia Commonwealth University Health System (VCUHS), and University of Virginia Health (UVAH) to collaborate on two projects. The first project consists of a plan to provide federal 340B covered medications to inmates with long-term or high-cost prescription drug needs, while the second involves a plan to develop a pilot partnership with a university health system to provide comprehensive care to inmates in at least one state correctional facility. The legislation further directs VADOC to submit its plans (including an interim update on the pilot submitted on November 1, 2019) to the House Appropriations and Senate Finance Committees by January 1, 2020.

VADOC convened a workgroup including representation from each of the three project partners to comply with the legislative mandates. Discussions included current practices, access to treatment and pharmaceuticals, and population needs. The workgroup found the mandates intertwined, therefore, best accomplished through a combined effort. Based on this workgroup feedback, VADOC combined the planning requirements of both subsections Q and R of Item 390 into its interim report that was submitted to the Senate Finance and House Appropriations Committees on November 1, 2019. The workgroup also determined that providing comprehensive care to offenders requires extensive planning along with possible legislative changes beyond what could be accomplished within the designated time frame. Due to the project's scope, a detailed blueprint developed under the direction of external consultants is required to ensure that the pilot represents a viable means of providing university-based health care services at correctional facilities.

VADOC, VCUHS, and UVAH are in agreement that there are no additional revisions to the November 1, 2019 interim report. Therefore, we respectfully submit, on behalf of the project partners, this planning document in satisfaction of the requirement from the Appropriations Act, Chapter 854, Item 390 subsections Q and R. This document contains the collaborative plan for providing 340B medications to offenders as well as interim strategies to include (1) the two correctional facilities that were selected for the

pilot project, (2) the staffing resources and funding required to provide start-up care at the facilities, and (3) how the effectiveness of the pilot will be evaluated.

We appreciate the opportunity to collaborate with the staff of VCUHS and UVAH. Please contact me if you have any questions or require additional information.

Sincerely,

Harold W. Clarke
Director

Cc: April Kees, Director, Senate Finance Committee
Robert Vaughn, Director, House Appropriations Committee

# CORRECTIONAL HEALTH CARE PARTNERSHIP

Virginia Department of Corrections
Virginia Commonwealth University Health System
University of Virginia Health

Final Report
January 1, 2020

## MEETING SCHEDULE

| | |
|---|---|
| July 2, 2019 | Workgroup |
| July 24, 2019 | 340B Subgroup |
| July 24, 2019 | Pilot Facility Partnership Subgroup |
| July 25, 2019 | Tour – Fluvanna Correctional Center for Women |
| July 26, 2019 | Tour – State Farm Correctional Complex |
| August 14, 2019 | Workgroup |
| September 16, 2019 | Workgroup |

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## INTRODUCTION

During the 2019 session of the Virginia General Assembly, the Appropriations Act was amended to include language directing the Virginia Department of Corrections (VADOC), the Virginia Commonwealth University Health System (VCUHS) and the University of Virginia Health System (UVAH) to take action related to the provision of health care services for VADOC's incarcerated population. Specifically, the 2019 Virginia Acts of Assembly, Chapter 854, Item 390, subsections Q and R, directed the following:

> Q. The Department of Corrections and the VCU Health System and UVA Health System shall collaborate on a plan to ensure that inmates with long-term or high-cost prescription drug needs receive treatment from a federal 340-B covered entity. The Department shall begin development of the plan as soon as is practicable and report to the House Appropriations and Senate Finance Committees by January 1, 2020.
>
> R. The Department of Corrections shall convene a workgroup to develop a plan for a pilot partnership for a university health system to provide comprehensive health care for the inmates in at least one state correctional facility. The workgroup shall be co-chaired by the director of the Department of Corrections, the chief executive officer of the VCU Health System, and the executive vice president for health affairs at the University of Virginia. The workgroup shall jointly submit an interim update to the House Appropriations and Senate Finance Committees no later than November 1, 2019; and jointly submit a final plan for the pilot partnership no later than January 1, 2020. The plan shall include (i) the facility or facilities included in the pilot, (ii) staffing needs for providing health care services, (iii) the amount and structure of payment to the university, and (iv) how the effectiveness of the pilot project will be evaluated.

Based on this legislative mandate, VADOC convened a workgroup including representation from each of the three project partners. Leadership from the three organizations came together for multiple discussions on how best to meet the legislative mandates. The workgroup discussed current practices, access to treatment and pharmaceuticals, and population needs.

Site selection was easily accomplished following discussions and visits to the prisons considered most viable for the potential pilot. Two VADOC facilities were chosen as pilot sites: Fluvanna Correctional Center for Women to be served by UVAH and the State Farm Correctional Complex in Goochland to be served by VCUHS. Fluvanna was chosen as a pilot site for UVAH because of the high medical acuity and facility location. The State Farm Correctional Complex serves as a hub of VADOC healthcare and proximity of this facility allows VCUHS to mobilize providers and clinics onsite.

As part of the workgroup's efforts, members spoke with physician leads for the Texas Department of Criminal Justice (TDCJ) which collaborates with the Texas Tech University Health Sciences Center (TTUHSC) and the University of Texas Medical Branch (UTMB) for all offender medical care. Dating back to 1993, the Texas legislature directed the establishment of the partnership to address the rising costs and operational challenges involved in providing health care to prisoners confined in TDCJ. Utilizing a "hub and spoke" model, the work in Texas is considered successful and has led to numerous awards by organizations including the National Managed Health Care Congress, the Texas Society of Health-Systems Pharmacists, and the American Correctional Association. Of particular note is how the change in health care provisions impacted the federal court's oversight of Texas prisons. In 1999, the

federal court released medical care issues from federal supervision recognizing that "there can be no doubt that the vast improvements in TDC's provision of medical and psychiatric care to inmates have been made…there are now two of the state's finest medical teaching institutions…giving treatment to inmates." In 2001, the federal court relinquished Texas from all remaining federal oversight, including the provision of mental health care services to offenders in administrative segregation.[1]

Regarding the two legislative initiatives directed by the General Assembly, the workgroup found them intertwined, therefore, best accomplished through a combined effort. After further discussion and research, it became clear the task of providing "comprehensive healthcare," to potentially include behavioral health and dentistry, at the two sites would require extensive planning and possible legislative changes, beyond what can be accomplished within the designated timeframe.[2] Given the nature of prison healthcare, costs, laws and regulations, risk management issues, and the complexity of the services provided, more time to study and plan for a university operated system is required to ensure a seamless transition from current processes, while providing access to quality care meeting community standards.

To plan such an evolution in VADOC's health services at pilot sites, a thorough blueprint needs to be developed under the direction of external consultants who can advise the partners and lead the cultivation of a viable pilot for comprehensive care provided by university health systems. All partners agree that external expertise is needed for this and that existing resources and experience are insufficient. UVAH determined that it currently does not have sufficient expertise in correctional medicine, nor does it possess core competencies necessary to plan for managing the comprehensive health and well-being of VADOC offenders. Despite its current work, VCUHS determined that it needs experience managing patients in the correctional environment, as their current expertise lies in providing care to offenders on the VCU Health System campus, as well as assistance with resource assessment and operationalization. For both universities, the issue of risk management requires additional detailed consideration and possible legislative intervention, as attending physicians are not covered under the state risk management plan.

In the meantime, the partners propose interim demonstration strategies to begin this process, with a full planning period to commence July 1, 2020, depending on funding. Providing interim services at the selected pilot sites serves as an important first step in advancing the implementation of comprehensive university healthcare partnerships with VADOC.

[1] Texas Correctional Managed Health Care Committee; https://www.tdcj.texas.gov/divisions/cmhc/index.html ; downloaded September 5, 2019.

[2] Comprehensive health care services refers to medical services involving the concurrent prevention and management of multiple physical and emotional health problems of patients over a period of time in relationship to their families, life events, and environment.

## BACKGROUND & DISCUSSION

The Virginia Department of Corrections (VADOC) is responsible for providing safe and effective health care services for over 30,000 men and women located in one of VADOC's 44 facilities located throughout the Commonwealth. According to a 1976 U.S. Supreme Court decision, all inmates have a right to a standard of health care available in the community (community standard).[3] This right is constitutionally established under the Eighth Amendment, which guarantees freedom from cruel and unusual punishment. Ensuring sufficient capacity and access to care is a VADOC priority.

VADOC health care consists of onsite care, offsite care, and prescription drugs. Services include medical, behavioral health, and dental care.

| | Medical | Behavioral Health | Dental |
|---|---|---|---|
| Onsite Care | ✓ Primary Care<br>✓ Urgent Care<br>✓ Chronic Care<br>✓ Medication Management | ✓ Crisis Management<br>✓ Individual Counseling<br>✓ Group Counseling<br>✓ Medication Management | ✓ Preventive Care<br>✓ Treatment of low-level conditions (fillings, caps) |
| Offsite Care | ✓ Specialist Visits<br>✓ Emergency Room Visits<br>✓ Outpatient Surgery<br>✓ Inpatient Stays | ✓ Psychiatric Emergencies (cannot be handled onsite or result in injury requiring emergency care) | ✓ Oral Surgery |

VADOC employs medical and other staff to provide onsite care for approximately half of its custodial population, while contracting with comprehensive health service vendors to provide onsite care to the other half. Seven correctional facilities have specialized onsite health care capabilities in addition to the primary care provided in all facilities. Specialized capabilities include: infirmary, dialysis, behavioral health services, and assisted living.

Contracts for comprehensive health service vendors are used at facilities that have been historically hard for VADOC to staff, either because of the facility's location or because the facility provides specialized services requiring a larger number of highly qualified clinicians. Furthermore, as specialized needs increase among the population, so does the need to contract with private providers in order to ensure adequate access to care.

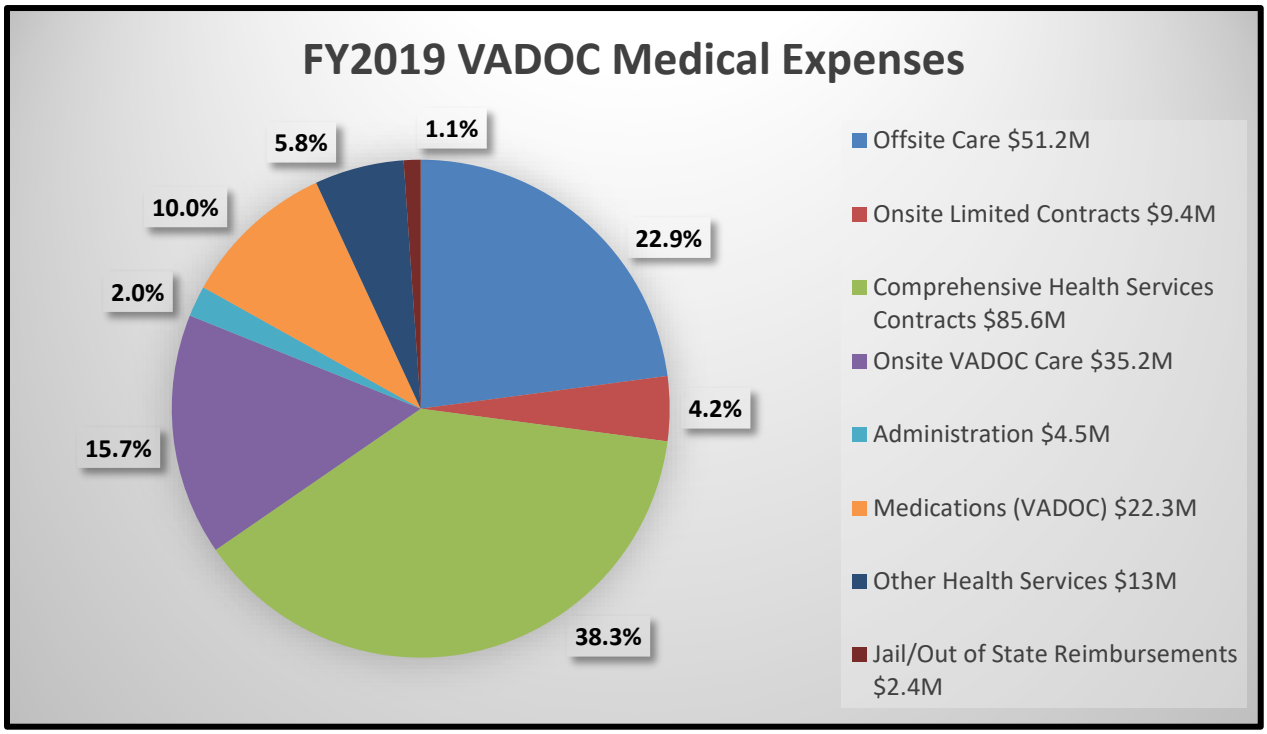
Most VADOC incarcerated offenders requiring offsite care are treated by VCUHS, at either the secure care unit located at its primary hospital, or by its affiliated physicians. Third-party contractors are used by VADOC, as well as the comprehensive health service vendors, to manage offsite care and prescription drug purchases. A claims administrator (Anthem) negotiates rates with offsite providers and bills either VADOC or the comprehensive health service vendor for the services.

VADOC has existing partnerships with both VCUHS and UVAH. In addition to secure hospital care, VCUHS provides access to a number of offsite specialty services, including infusion, orthopedics, oral surgery, and

[3] Estelle v. Gamble, 429 U.S. 97; 97 S.Ct. 285; 50 L.Ed. 2d 251 (1976).

access to 340B medications, among other things.[4] UVAH provides telemedicine options, onsite OB/GYN and breast cancer care, radiology analysis, and onsite psychiatry services, among other services.[5]

Meeting the community standard for health care is one of VADOC's largest annual expenses, exceeding $223 million in FY2019. The spending distribution for this past fiscal year is shown in the following chart.




*Notes: Offsite Care includes inpatient care, outpatient care for non-contract sites, offsite dental, contract outpatient observations, and MCV/VCU labs/clinics; Onsite Limited Contracts includes contracts with providers for limited services onsite; Comprehensive Health Services Contracts are for Armor and Mediko and include onsite care, offsite care, and prescriptions as managed by the contractors; Onsite VADOC Care includes VADOC medical staff onsite and medical supplies/equipment purchased by VADOC; Administration includes VADOC medical management, training, and monitoring staff; Medications (VADOC) include prescriptions and over-the-counter medications purchased by VADOC; Other Health Services include clinical, dental, lap, and x-ray costs not covered by other contracts, as well as a PREA Nurse and Hepatitis C Management; Jail/Out of State Reimbursements include medical care reimbursements paid to jails and out of state systems housing VADOC offenders.*

As with health care costs in general, health care expenses for VADOC have increased considerably over the years. The Peterson-Kaiser Health System Tracker reports that prices have increased for a variety of health services more rapidly than general economic inflation. "Since the end of 2007, healthcare prices

[4] The Federal 340B program requires drug manufacturers to sell drugs as discounted prices to providers that treat a high number of indigent or Medicaid covered patients. Providers that meet the criteria are able to obtain advantageous prices for any patient that they treat in an outpatient setting.

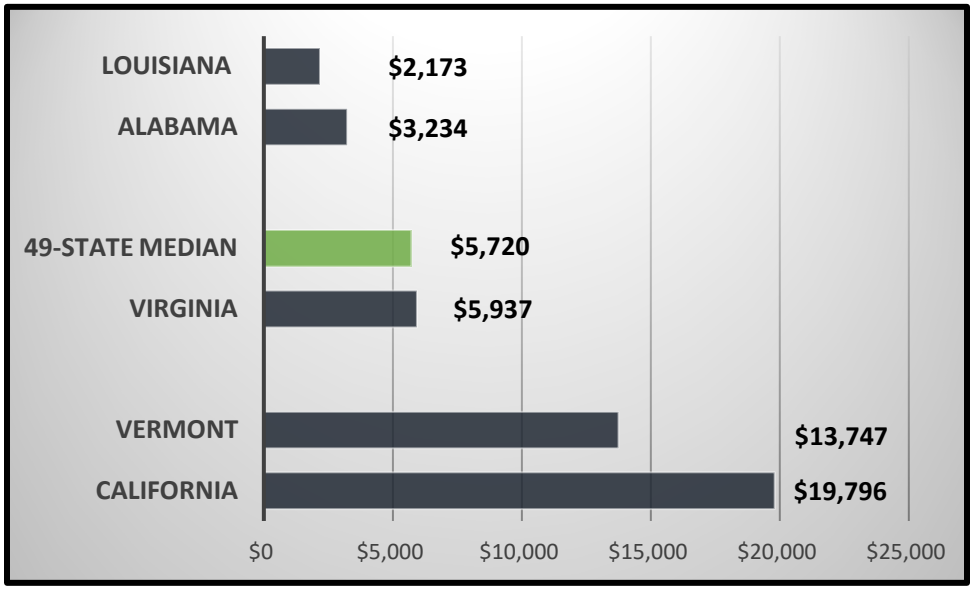
[5] Telemedicine (or telehealth) refers to real time or near real time two-way transfer of data and information using interactive audio/video connections for the purposes of medical diagnosis and treatment.

have grown 21.6%, while prices in the general economy (measured by the GDP deflator) have grown 17.3%."[6] With the understanding that general health care costs are rising faster than non-health related economic inflation, VADOC has worked diligently to keep costs as controlled as possible.

According to a recent report from the Joint Legislative Audit and Review Commission (JLARC),[7] increases in health care spending by VADOC have outpaced the total corrections budget. The JLARC report notes the total VADOC budget increased 6% between FY2007 and FY2017, whereas the medical budget increased by 40% (adjusted for inflation). JLARC found the major drivers of VADOC's spending growth to be higher spending on contract services, prescription drugs, and offsite care services. Recent VADOC data shows, on a per capita basis, medical expenditures increased 10.3% between FY2017 and FY2018, from $6,554 to $7,226. Growth between FY2017 and FY2018 is largely attributed to higher medical costs, greater patient acuity, and creation of additional infirmary beds.

Virginia's spending is not outside of the normal range for correctional health systems. An analysis of per-offender spending on prison health care conducted by The Pew Charitable Trusts in 2017 shows that Virginia's spending is at the median when compared to correctional systems nationwide.[8]

**Summary of Pew Trust 2015 Per Capita Offender Prison Medical Expenses**




[6] https://www.healthsystemtracker.org/chart-collection/how-have-healthcare-prices-grown-in-the-u-s-over-time/
[7] Joint Legislative Audit and Review Commission, *Spending on Inmate Health Care,* 2018.
[8] The Pew Charitable Trusts, *Prison Health Care: Cost and Quality; How and why states strive for high-performing systems,* October 2017. Data analysis conducted of 2015 data submitted by correctional systems. For Virginia, data includes cost for Lawrenceville (which is generally not included in overall medical costs for VADOC) and is based on a partial year average daily population calculation.

## Challenges and Potential Partnership Solutions

Correctional departments face several challenges in providing access to health care services meeting a community standard, while also obtaining such services at a competitive rate. Expanded partnerships with VCUHS and UVAH offer promising solutions to critical challenges VADOC encounters with regard to health care.

### Growing high cost populations

VADOC is seeing growth in its older and female populations. Overall, health care costs for these populations are higher than those of younger and male populations.

The definition of "older" for correctional populations is much younger than that for general populations. The National Institute of Corrections identifies offenders age 50 and older as "elderly" or "aging" due to unhealthy conditions prior to incarceration. In Virginia, the percentage of state responsible confined offenders age 50 or older has more than tripled since FY2000, reaching 22.8% of the total population by the end of FY2019. Two factors contribute to the aging offender population. First, Virginia's 1995 Truth-in-Sentencing Reform has led to offenders serving longer sentences, therefore, they are in the prison system longer. Second, the average age of an offender entering VADOC custody for the first time is increasing.

According to the JLARC report, the annual cost of providing prescription drugs and offsite care to older offenders with chronic health conditions is more than four times that of younger, healthier offenders. In FY2019, individuals 50 and older accounted for 56% of all offsite spending.

Females are considered another high cost population that is increasing within VADOC facilities. The analysis by JLARC concluded, in FY2017, VADOC spending for health care averaged $6,204 per male offender, whereas spending averaged $10,543 per female offender. Care for female offenders is more expensive as VADOC's female offender population has shown to have greater health care needs; they have also shown to more likely request care and are more likely to have a diagnosed mental health disorder.

> *Potential Partnership Solution: Partnerships with UVAH and VCUHS would facilitate onsite access to specialist care for older and female populations. Assuming care for one of VADOC's larger female facilities and increasing onsite specialist care would significantly facilitate access for the female population. Additionally, UVAH and VCUHS could provide VADOC with strategies to respond to the specialized needs of high cost populations.*

### High Cost Conditions

Corrections populations typically have higher health care needs than those of the general population, and offenders with significant health conditions account for a considerable proportion of VADOC's health care expenses. Primary high cost conditions include: cancer, cardiac issues, Hepatitis C[9], and orthopedics. A

[9] Hepatitis C or Hepatitis C Virus (HCV) is a virus that causes hepatitis (inflammation of the liver). It is carried and passed from one person to another through blood and other body fluids. Although patients who are infected with

subset of this group includes "high cost claimants", which are offenders with offsite medical care and prescriptions exceeding $75,000 per a 12-month period. For FY2019, 45.3% of offsite medical expenses ($28.2M) are attributed to 171 offenders.

> *Potential Partnership Solution: Partnerships with UVAH and VCUHS would facilitate access to onsite specialist care for high cost conditions. Related benefits include greater access to 340B medications and the potential reduction of inpatient offsite care by reducing medical complications. Additionally, UVAH and VCUHS could provide VADOC with strategies to respond to the specialized needs of high cost conditions.*

## Prescriptions

In order to qualify for 340B medications, specific patient-health care provider criteria must be met. Criteria involve the physician, facility, pharmacy, and record keeping. VADOC alone does not meet the required criteria. This creates a barrier to expanding eligibility statewide and to all medication needs.

VCUHS and VADOC have a long-standing partnership to provide select offenders with 340B medications. VADOC began obtaining HIV medications from VCUHS over 15 years ago. The existing partnership with VCUHS saves on average 40-50% of the normal wholesale drug price. VCUHS and VADOC expanded their partnership in 2015 to include Hepatitis C medications and more recently has added an array of specialty medications.

As a result of initial workgroup conversations, VADOC and VCUHS added ten new medications to the existing partnership, with a potential cost avoidance of over one-million dollars per year. VCUHS continues to evaluate and collaborate with VADOC to increase the number of medication offerings where possible.

> *Potential Partnership Solution: By expanding clinic and telemedicine collaborations with UVAH and VCUHS, VADOC would gain expanded access to 340B medication pricing with potential cost avoidance.*[10]

## Medicaid Applications and Applicability

Medicaid coverage is limited in scope for incarcerated populations, and it is dependent upon the offender's agreement to apply. Also, it only provides for reimbursement for inpatient services. Outpatient services, including outpatient surgery, is not covered by Medicaid under federal rules.

Medicaid expansion is expected to offset select VADOC health care expenses. VADOC is implementing procedures and practices to help facilitate Medicaid applications for its incarcerated and reentry populations. Offenders complete applications at intake, after a hospitalization, at reentry, and at the

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the virus may not exhibit symptoms, long-term infection may lead to cirrhosis, or scarring, of the liver and liver cancers. These patients may also have an increased risk for certain types of non-Hodgkin lymphoma.

[10] Clinic refers to a health care facility primarily focused on the care of outpatients, or patients hospitalized for less than 24 hours. Clinics typically cover the primary healthcare needs of local populations, in contrast to larger hospitals that offer specialized treatments and admit inpatients for overnight stays.

request of an offender. As of September 21, 2019, 5,227 incarcerated offenders have active Medicaid and an additional 4,257 have applied and are awaiting decisions.

An automated data exchange partnership, which launched July 2019 with the Department of Medical Assistance Services, provides VADOC with critical information on an individual's Medicaid status. The automated exchange also streamlines the coverage from being limited-in-patient hospitalization while incarcerated, to full community coverage upon release. This ensures continuity of care.

> *Potential Partnership Solution*: *It is unlikely that partnerships with the university health systems will substantially impact VADOC's ability to utilize Medicaid for offender care.*

## Offsite Access

As previously noted, the need for access to specialized care is increasing for the offender population. This access is very limited for citizens in the western part of the state. VADOC currently uses VCUHS as the main provider of specialized health care for offenders. Specialized health care includes inpatient care, access to ongoing clinics and telemedicine follow-up. The availability of certain clinics is often limited and waits can become excessive for citizens in the community as well as offenders.

> *Potential Partnership Solution: Any clinics or care done onsite and/or done by telemedicine would benefit VADOC by reducing transportation. This has an added benefit of reducing the trauma that accompanies offsite transportation for infirmed offenders. Furthermore, additional partnership opportunities with UVAH could provide VADOC with an additional resource for inpatient care.*

## Maintaining a stable heath care workforce

VADOC's vacancy rate for Licensed Practical Nurses (LPNs) and Registered Nurses (RNs) has increased rapidly. From FY2018 to FY2019, the vacancy rate for LPNs increased from 12.6% to 25.9%; the vacancy rate for RNs increased from 20.7% to 26.4%. The most common reasons health services staff leave the correctional setting include: compensation, work hours, staffing shortages, inadequate time with patients, facility management, and lack of resources and ongoing educational opportunities.

In recruiting for health services positions, VADOC has experienced diminished applicant pools and the need to advertise positions repeatedly. Negotiations are hampered by limited resources, and VADOC faces challenges competing against other hiring entities.

Retention issues are not unique to VADOC-hired staff. VADOC's comprehensive health service vendors have also struggled with retention. The JLARC analysis revealed a higher turnover rate for health care staff at facilities operated by a contractor than at non-contract facilities, noting that turnover rates of staff RNs and LPNs at contract facilities were more than double those of non-contract facilities (FY2015-FY2017).

> *Potential Partnership Solution: Partnerships with UVAH and VCUHS will provide for a more stable health care workforce. Maintaining a stable health care workforce is a long term goal. Over time, states with academic medical centers providing onsite care at correctional facilities recognized improved recruitment and retention. In Texas and New*

*Jersey, the partner universities are recruiting and employing the staff, thereby lending the credibility of the university to the employment.*

## Transportation cost and risk

Transportation is an expensive and time-consuming use of VADOC security staff. In FY2019, VADOC logged 29,331 medical transports. This exceeds non-medical transports, which average approximately 17,000 per year.[11]

Examples of medical transportation data for just two facilities during a five-month period (March 7-July 31, 2019) demonstrate the strain medical transportation can have on staffing:

- Fluvanna Correctional Center for Women:
  - 760 offender medical transportation runs
  - Average run lasted 10.9 hours (median=2.9 hours)
    - 18 runs lasted more than 100 hours each
  - Average number of officers per run was 2 (median=2)

- State Farm Correctional Complex:
  - 566 offender medical transportation runs
  - Average run lasted 8.8 hours (median=9 hours)
  - Average number of officers per run was 2.1 (median=2)

When an offender is transported outside a secure area, a minimum of two correctional officers must be present. In addition to time, transporting offenders offsite creates additional security and safety risks for staff, providers, and the public.

*Potential Partnership Solution: As part of the partnership with VCUHS and UVAH, multiple clinics can be conducted onsite or via telemedicine at VADOC facilities. High traffic clinics currently conducted at VCUHS could be run onsite, alleviating the need for daily transports to hospitals. Daily transports of some offenders will still be needed to the onsite VADOC location. In addition, it is safer and more efficient to utilize centralized correctional facilities for clinics. Ability to transport offenders to an onsite VADOC clinic and the increased use of telemedicine will allow better utilization of resources and potential reduction in travel distance. Partnership with UVAH would provide VADOC expanded access to services closer to several facilities, thereby reducing the need to transport all offenders to VCUHS for select services.*

## Litigation

Virginia, like other states, faces increasing litigation regarding the provision of medical care to offenders. In calendar year 2018, 27 medical lawsuits were served on VADOC. Scott v. Clarke is a recent class action

[11] Medical transports are facility-scheduled for emergency and medical appointments in the local area; non-medical transports are scheduled through Central Transportation for permanent facility assignments, temporary non-emergency medical transfers, and court transfers.

case alleging constitutionally-deficient medical care at Fluvanna Correctional Center for Women. In that case, the parties entered into a Settlement Agreement in 2016. As a result of the settlement, the Court ordered the Commonwealth to pay attorney fees in the amount of $1.5 million as the court found the plaintiffs to be the prevailing party in the litigation. Other major cases in Virginia include those involving Hepatitis C and mental health treatment. In FY2018 and FY2019, including continued legal challenges in Scott, the Commonwealth has expended approximately $1.45 million in outside counsel fees.

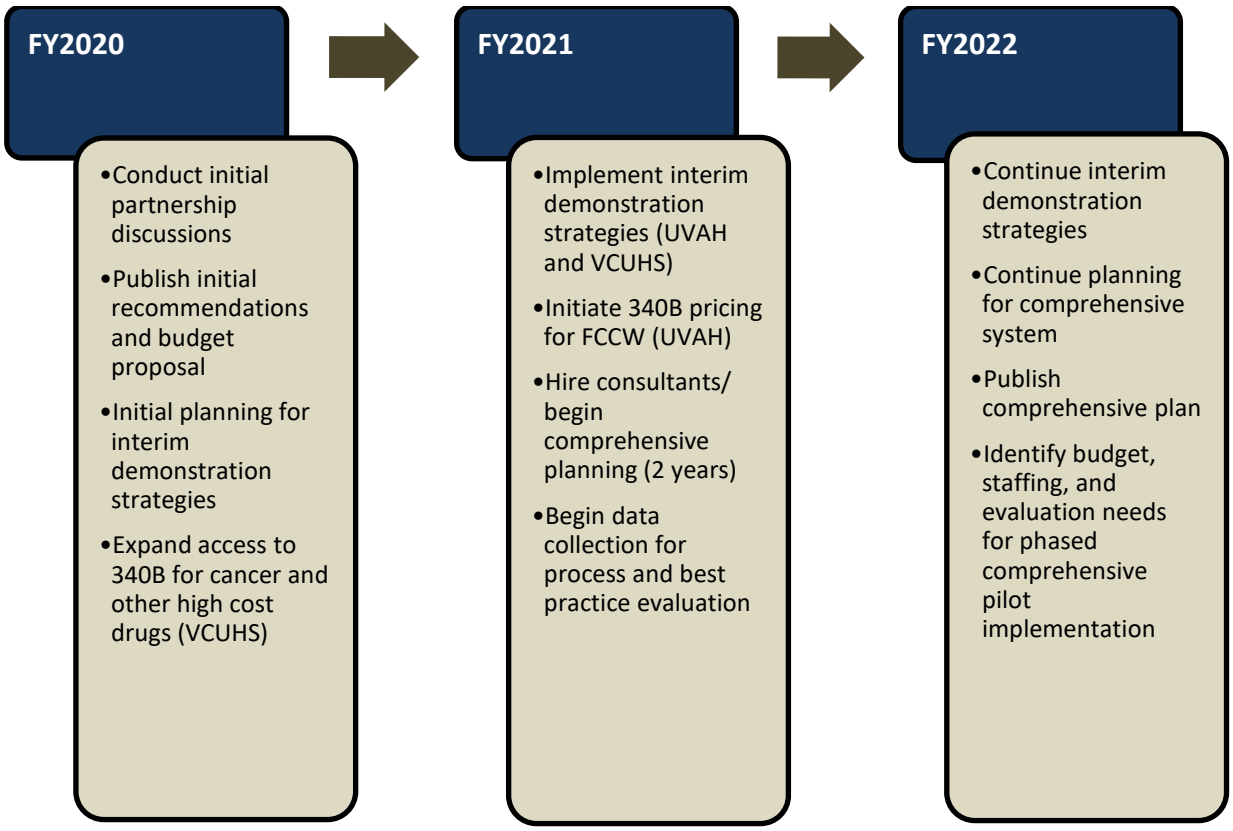
*Potential Partnership Solution: Partnerships with UVAH and VCUHS could improve access to onsite specialist care.*

## RECOMMENDATIONS & TIMELINE

Given the nature of prison healthcare, costs, laws and regulations, risk management issues, and the complexity of the services provided, more time to study and plan for a university operated system is required to ensure a seamless transition from current processes, while providing access to quality care meeting community standards. Interim demonstration strategies are possible as a full pilot is developed. These strategies would enhance access to care and 340B medications, while allowing UVAH and VCUHS time to evaluate the scope of a full partnership.

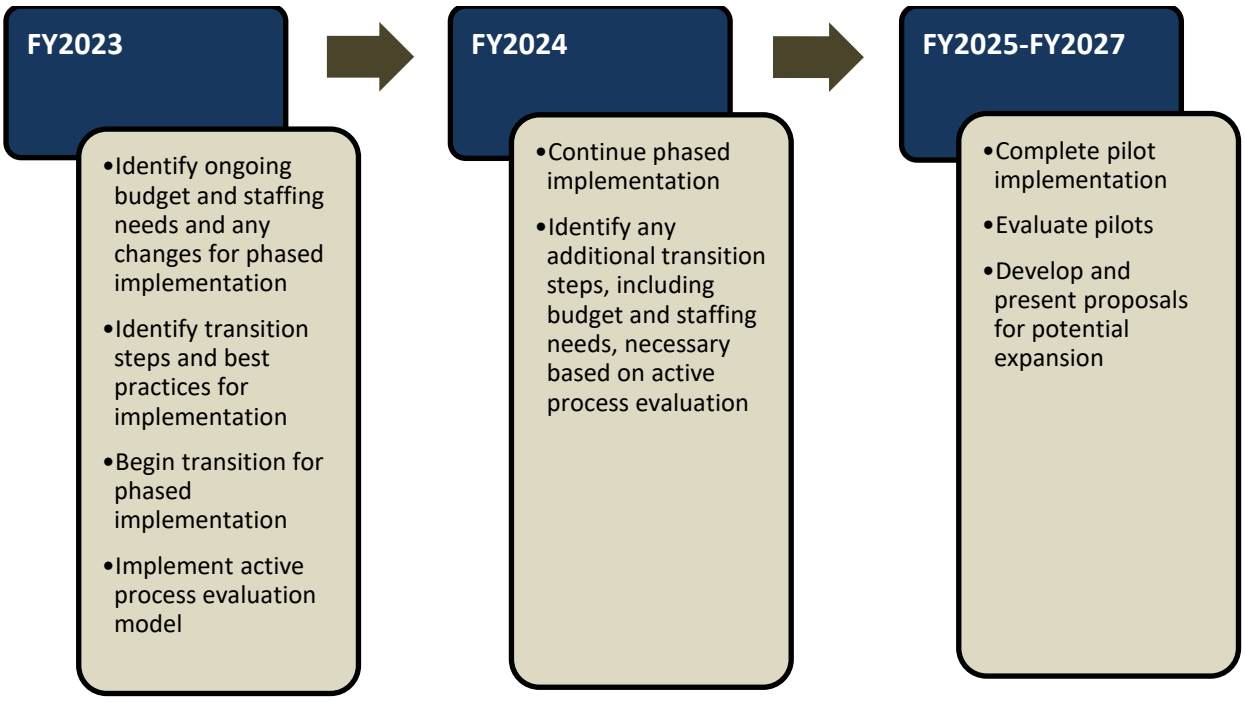
Based on partner conversations, the timeline for initial planning and interim demonstration strategies would continue in FY2020, with initiation in FY2021, depending on funding. Planning for comprehensive health services would necessitate additional resources and occur in FY2021 and FY2022.

**Interim Demonstration Strategies and Planning FY2020 – FY2022**




Actual projections for implementing the comprehensive university health system care pilot will be better determined after the comprehensive planning has begun. The projected timeline assumes that the interim demonstration strategies will continue and a phased approach to complete pilot implementation of comprehensive care will be utilized.

**Projected Pilot Implementation FY2023 – FY2027**




## 1. Additional two-year period for planning the comprehensive pilot implementation

VADOC, VCUHS, and UVAH request an additional two-year period for planning the comprehensive pilot implementation.

In order to fully develop a plan to pilot a university health system providing comprehensive health care for incarcerated offenders at selected pilot sites, and a plan to ensure that incarcerated offenders with long-term or high-cost prescription drug needs receive treatment from a federal 340B covered entity, additional research, development, and resources beyond what is currently available is necessary. Given the nature of prison healthcare, costs, laws and regulations, risk management and the complexity of the services provided, more time to study and plan for a university operated system is required to ensure a seamless transition and that the quality and types of care to be provided meet community standards. A complete transition for pilot sites would necessitate a realignment of funding and staffing, including modifying or eliminating existing contracts and transitioning state employees to the appropriate university health system. Legislative intervention may also be required for the universities, as attending physicians are not covered under the state risk management plan.

Plans would include staffing, the amount and structure of payments to the universities, and measures of effectiveness for the pilot project at the two selected sites.

## 2. Hire external consultants to develop the plan and transition

Based on the timeline, the projected cost to VADOC is $455,000 in FY2021 and $455,000 in FY2022 for consultant services and travel for project partners.

VADOC, VCUHS, and UVAH do not possess the internal resources necessary to develop a plan for transitioning VADOC pilot facilities to comprehensive health care provided by the university health systems. To plan such an evolution in VADOC's health services at pilot sites, a thorough blueprint needs to be developed under the direction of external consultants who can advise the partners and lead the cultivation of a viable pilot for comprehensive care provided by university health systems. Cost estimates are based information provided to VCUHS from current consultants.

Additionally, travel to Texas and New Jersey to observe and learn from existing corrections-academic medical center partnerships would be beneficial to the partners as planning for the comprehensive care partnership advances.

## 3. Utilize two sites for VADOC-University Health System partnerships

UVAH and VCUHS have each identified a potential site within close proximity to the partner university for interim demonstration strategies and the comprehensive pilot. Facility proximity to the universities allows for greater access, opportunities for active implementation, ease of modification as may be necessary, and pilot evaluation.

- UVAH has identified Fluvanna Correctional Center for Women (FCCW) as their partnership location.

- VCUHS has identified State Farm Correctional Complex (SFCC) as their partnership location.

## 4. Interim demonstration strategies

Based on the timeline, the projected cost to VADOC is $5,955,090 in FY2021 and $5,935,253 in FY2022 to fund interim demonstration strategies.

UVAH and VCUHS have identified demonstration strategies, including staffing and cost needs, to implement in advance of full planning and partnership for the pilot sites. Each university's detailed proposal is included as an appendix to this document. Summaries of the proposals follow.

| **UVAH Interim Demonstration Strategies** | |
|---|---|
| Interim Focus | Hepatitis C (HCV)-Telemedicine and 340 B Pricing |
| Interim Proposal Summary | • UVAH proposes providing Hepatitis C (HCV) services for offenders at FCCW, expanding capacity for HCV treatment of offenders at the facility to 150 offenders per year. 340B pricing will also be available. |

| | |
|---|---|
| | • HCV services will potentially include all females who are sent to FCCW for treatment by VADOC. The expanded capacity will allow females at other facilities to be transferred to Fluvanna for treatment.<br><br>• UVAH will provide comprehensive HCV medical services to HCV positive offenders for staging at treatment at FCCW. Comprehensive HCV medical services means the initial evaluation and treatment of uncomplicated HCV infection, and does not include treatment for other medical conditions that are discovered in the course of evaluation and treatment of HCV infections. The majority of visits will be conducted via telemedicine by the UVA Hepatitis C Clinic and, only when necessary, on-grounds at a UVA ambulatory clinic. Patients will be registered through UVA telemedicine or other 340B registered clinic. Visits will be conducted by an infectious disease physician or nurse practitioner in order to establish a patient provider relationship. Patient visits and health information will be documented in the UVA electronic medical record. Labs for monitoring will be drawn at FCCW and will be processed through UVA or LabCorp. A nurse coordinator to schedule appropriate follow-up care will be needed during and up to 12 weeks after completion of treatment. Medications will be purchased at 340B pricing. |
| Interim Implementation Plan | If funded, UVAH will implement care for HCV patients during the first quarter of FY2021. UVAH anticipates immediate capacity expansion will be available to those at FCCW. |
| Interim Staffing | UVAH would require 7.7 FTEs for their proposal:<br>- Infectious Disease Physician (0.9 FTE)<br>- Certified Nurse Practitioner (0.9 FTE)<br>- Nurse Coordinator (1 FTE)<br>- Pharmacist (1 FTE)<br>- Pharmacy Technician (1.5 FTE)<br>- Access Associate (0.5 FTE)<br>- Consultant/Planning Analysis (0.5 FTE)<br>- Telemed eConsults Program Coordinator (1 FTE)<br>- PFS Customer Service Resolution Specialist (0.5 FTE) |
| Interim Payment Structure | UVAH and VADOC will enter into a Memorandum of Agreement which will detail responsibilities and a payment schedule; payments will be made directly to UVAH; base expenses for staff and operations will be equally distributed throughout the period, with payment for medications to be based on actuals plus a $40/prescription dispensing fee. |
| Interim Cost | $4,661,330 for FY2021 and $4,616,330 for FY2022 |

| | |
|---|---|
| | Costs include all medical services and medications for up to 150 patients per year. UVAH payment model for this demonstration will be direct bill to VADOC with all costs included in the above calculations. Anthem will not be billed. This payment structure will be evaluated as a potential best practice. |

| **VCUHS Interim Demonstration Strategies** | |
|---|---|
| Interim Focus | Orthopedic Services and 340B Pricing |
| Interim Proposal Summary | • VCUHS proposes establishing an orthopedic clinic on-site at the State Farm Correctional Complex, serving 931 offenders in FY2021 and 960 in FY2022.<br><br>• VCUHS will continue to work with VADOC on 340B pricing, and expand access to 340B medications where possible.<br><br>• VCUHS will establish an orthopedic clinic on-site at the State Farm Correctional Complex. By bringing the provider to the patients, rather than transporting the patients to the provider, VCUHS expects to improve access to care. |
| Interim Implementation Plan | If funded, VCUHS will implement the on-site orthopedic clinic following VADOC's acquisition and placement of a mobile site for care. |
| Interim Staffing | VCUHS would require 3.2 FTEs for their proposal (other medical staff for the proposal would be paid via Anthem billing):<br>- Registered Nurses (1.6 FTE)<br>- Housekeeper (0.4 FTE)<br>- SFCC Manager (0.4 FTE)<br>- Scheduler (0.8 FTE) |
| Interim Payment Structure | VCU Health System medical providers would be reimbursed at a flat fee rate per session. VCU Health will continue to bill outpatient clinic services directly to Anthem and reimbursement will be under the current VCUHS Anthem HMO contracted rates. |
| Interim Cost | $838,760 for FY2021 and $863,923 for FY2022<br><br>*Cost reflects VCUHS estimates to be charged to VADOC for dedicated on-site care and does not include fees to be charged through Anthem. VCUHS is working to determine if additional funding is needed to support the orthopedic clinic.* |

| **Interim Demonstration Strategies Evaluation** |
|---|
| Interim demonstration strategies will be monitored and reviewed throughout FY2021 and FY2022, as will payment structures. Data for key performance measures will be collected on an ongoing basis and used to assess the extent to which the universities are achieving the interim |

demonstration's objectives. Exact performance measures will be developed following the provision of demonstration strategy specifics from UVAH and VCUHS, which will be available following further implementation discussions with VADOC. Initial performance measures include, but are not limited to, the following:

- Total number of offenders receiving orthopedic evaluations or procedures at SFCC
- Total number of new offenders receiving HCV care at FCCW
- Comparison of access and speed of care for on-site vs. off-site for orthopedic care (between SFCC and other facilities)
- Total cost savings with expanded 340B medication pricing
- Increase in telemedicine use and cost savings identification
- Partnership enabled reduction in medical transportation costs

Additionally, the two universities will utilize different payment structures, allowing VADOC the opportunity to compare and determine the best practice for future utilization.

As refinement of the proposed comprehensive pilot continues, attention to developing and finalizing target evaluation and surveillance metrics will focus on results consistent with health care best practices.

## APPENDICES

University of Virginia Health Partnership Proposal

Virginia Commonwealth University Health System Partnership Proposal

# Virginia Department of Corrections and University of Virginia Health

## Fluvanna Correctional Center for Women

## Interim Demonstration Proposal

**September 27, 2019**

## Executive Summary

**Situation/Background**

In response to directives contained in the Virginia budget (2019 Virginia Acts of Assembly, Chapter 854), the Virginia Department of Corrections (VADOC) and University of Virginia Health (UVAH) are collaborating to develop a plan for an interim demonstration program to ensure that offenders in need of treatment for Hepatitis C (HCV) receive comprehensive medical services for HCV from a federal 340B-covered entity. This plan represents an important first step in developing a plan for comprehensive health care in a VADOC facility.

**Goals**

- Provide comprehensive HCV medical services to HCV positive offenders at Fluvanna Correctional Center for Women (FCCW) using UVAH providers and telemedicine infrastructure
- Improve capacity for care and provide cost-effective care to HCV positive offenders at FCCW by utilizing UVAH's eligibility for the 340B Drug Pricing Program

**Assessment**

As of September 2019, there are approximately 126 HCV positive offenders eligible for treatment at FCCW. A telemedicine HCV program provided by UVAH would expand access to care and increase capacity for treatment of HCV positive offenders, which is currently estimated to be about 150 offenders annually. UVAH providing HCV medications at 340B prices would further allow VADOC to increase capacity for HCV treatment. Additionally, delivering services and medication via telemedicine would allow VADOC to reduce the need for transporting HCV positive offenders to a UVAH clinic to receive care, allowing VADOC to reallocate staffing resources to other needed areas. VADOC would substantially increase capacity for HCV treatment while experiencing a total cost avoidance of over $517,000 from a UVAH-run HCV telemedicine program.

**Recommendation**

- UVAH will increase capacity for HCV treatment by providing telemedicine HCV medical services to offenders at FCCW. These offenders will be 340B eligible to receive medications at a reduced cost, which will allow VADOC to experience significant cost avoidance.
- UVAH will provide HCV medications to FCCW utilizing its current specialty pharmacy infrastructure.
- A pro forma budget has been developed to request the resources needed for UVAH to provide medical and pharmacy HCV services (see Appendix A). These resources will be funded by VADOC.

## Interim Demonstration Proposal

**Situation**

The 2019 General Assembly included the following directives in its approved budget:

2019 Virginia Acts of Assembly, Chapter 854; Item 390

Q. The Department of Corrections and the VCU Health System and UVA Health System shall collaborate on a plan to ensure that inmates with long-term or high-cost prescription drug needs receive treatment from a federal 340B covered entity. The Department shall begin development of the plan as soon as is practicable and report to the House Appropriations and Senate Finance Committees by January 1, 2020.

R. The Department of Corrections shall convene a workgroup to develop a plan for a pilot partnership for a university health system to provide comprehensive health care for the inmates in at least one state correctional facility. The workgroup shall be co-chaired by the Director of the Department of Corrections, the Chief Executive Officer of the VCU Health System, and the Executive Vice President for Health Affairs at the University of Virginia. The workgroup shall jointly submit an interim update to the House Appropriations and Senate Finance Committees no later than November 1, 2019; and jointly submit a final plan for the pilot partnership no later than January 1, 2020. The plan shall include (i) the facility or facilities included in the pilot, (ii) staffing needs for providing health care services, (iii) the amount and structure of payment to the university, and (iv)how the effectiveness of the pilot project will be evaluated.

**Background**

UVAH currently has three agreements with VADOC to provide certain psychiatric, OB/GYN, and teleradiology services to Fluvanna Correctional Center for Women (FCCW); one agreement to provide telemedicine services to all VADOC facilities; and one agreement with Armor Correctional Health Services, Inc. (VADOC's contractor) to provide teleradiology services to certain VADOC facilities where Armor provides health care services. Additionally, UVAH has treated VADOC offenders at UVAH's hospital or clinics over the years. For instance, in calendar year 2018, UVAH had 80 inpatient admissions and 1,354 outpatient visits by VADOC patients. Beyond what is mentioned above, UVAH has had limited experience with providing health care to VADOC offenders.

The General Assembly has directed VADOC, UVAH and Virginia Commonwealth University Health System (VCUHS) to collaborate on a plan to ensure offenders with long-term or high-cost prescription drug needs receive treatment from a federal 340B covered entity; and for VADOC, UVAH and VCUHS to develop a plan for an interim partnership to provide comprehensive health care for inmates in at least one state correctional facility.

UVAH, VCUHS, and VADOC held several meetings from July through September 2019 to discuss how to carry out the directives of the General Assembly. VADOC provided UVAH and VCUHS background information including the November 2018 Joint Legislative Audit and Review Commission study on "Spending on Inmate Health Care",

the July 2018 Pew Charitable Trusts report on "State Prisons and the Delivery of Hospital Care", and detailed information on the partnership between the Texas Department of Criminal Justice (TDCJ) and the University of Texas Medical Branch (UTMB) and Texas Tech University. UVAH, VCU and VADOC considered various facilities for a pilot, and after considering the needs of the VADOC, and the strengths of UVAH and VCUHS, as well as geographic proximity to UVAH and VCUHS, the parties narrowed the choices down to FCCW and State Farm (formerly Powhatan Correctional Center). UVAH and VCUHS representatives toured FCCW and State Farm to get a better idea of the existing resources and capabilities available at the facilities. Additionally, UVAH contacted representatives at UTMB and TDCJ to learn more details of the health care operations within the TDCJ system.

After considering all the information gathered to date, including the review of models of partnerships between academic medical centers and state Corrections departments, UVAH has determined that it currently does not have sufficient expertise in correctional medicine and has not had sufficient time to develop the expertise or the necessary resources needed to fulfill the General Assembly's directive to develop a plan for a comprehensive health care pilot for offenders at a VADOC facility. Correctional medicine is not a core competency of UVAH, nor is planning how to manage the comprehensive health and well-being of VADOC offenders. While UVAH knows how to run a health system, it does not understand the intricacies that a health system involving correctional medicine would require. There are critical questions that need to be answered such as:

- What is the desired model of delivering health care?
    - Should UVAH provide all care, or should it contract out some of the care?
    - Should UVAH engage its community hospital partners?
    - What resources are needed to provide the care?
- What is a payment model that will be beneficial to both UVAH and VADOC?
- What is the true cost of providing care?
- How difficult will it be to recruit physicians, nurses, and other necessary personnel to provide the care?
- How will UVAH manage the quality of care that is provided?
- How will UVAH develop standard operating procedures necessary to deliver high quality care in the correctional setting as safely and efficiently as possible?

Moreover, UVAH recognizes that the offender population tends to be more challenging to treat than the general population. Both nationally and in Virginia, offenders typically have more chronic health conditions than the community population, and they are also more likely to have a history of mental illness or substance use dependency.[1] These conditions may have developed, in part, due to poor economic circumstances or poor life choices prior to entering prison. Treating the offender population also can be more challenging than the community population because offenders tend to be more prone to challenge perceived inequities in health care through litigation. VADOC acknowledges that Virginia, like other states, faces increasing litigation expenses regarding the provision of health care to offenders, and in FY 2018 and FY 2019 VADOC litigation expenses totaled over $1.4 million.

[1] Joint Legislative Audit and Review Commission study on *Spending on Inmate Health Care* (November 2018), page 4.

Malpractice lawsuits, regardless of outcome, result in both a financial cost to defend and productivity cost in lost time. Even non-malpractice lawsuits can result in a loss of productivity, because physicians, other licensed clinicians ("practitioners"), as well as staff (unlicensed individuals who perform routine healthcare tasks) may be subpoenaed for depositions or compelled to testify in court as witnesses. Additionally, sovereign immunity may not be granted to all clinicians or staff involved in the care of a patient. UVAH's physicians do not receive the sovereign immunity protections afforded to the Commonwealth, and they face individual liability exposure up to the limits of the Virginia Medical Malpractice Act (currently $2.4 million per incident). Most indemnity payments on behalf of licensed practitioners must be reported to the National Practitioner Data Bank and the Virginia Department of Health Professions, which can have professional ramifications for licensed practitioners and be a hindrance to professionals who seek new employment. These are risks that UVAH that will need to address in contract negotiations with VADOC should the state desire a more comprehensive pilot.

**To gain sufficient knowledge of how to manage the health of this population with the same quality of care as provided to non-offender patients, UVAH requests that the General Assembly (i) grant VADOC, UVAH, and VCUHS more time to plan, and (ii) appropriate to VADOC sufficient funds to hire a consultant to advise VADOC, UVAH, and VCUHS concerning the development of a plan for comprehensive care for offenders in at least one facility, and if desired for the future, a plan for the entire VADOC system. The parties need "a plan of how to plan" for such a partnership.**

Nevertheless, UVAH agrees that it makes sense to plan an interim demonstration program on a smaller scale to enable UVAH to become more familiar with managing the care of offenders. While this is a small step, it is an important step that will enable UVAH to set itself up for success in this endeavor. UVAH strives to provide the highest quality of care for all of its patients and it desires the same standard of care for VADOC offenders. With this in mind, UVAH believes there are opportunities to improve care and provide cost effective medications at FCCW. Given the interrelatedness of care and medications, UVAH has combined the General Assembly's two directives together for the purposes of planning an interim demonstration.

The mission of UVAH is "to provide excellence, innovation and superlative quality in the care of patients, the training of health professionals, and the creation and sharing of health knowledge within a culture that promotes equity, diversity and inclusiveness," and its goals are to:

- Become the safest place to receive care
- Be the healthiest work environment
- Provide exceptional clinical care
- Generate biomedical discovery that betters the human condition
- Train healthcare providers of the future to work in multi-disciplinary team
- Ensure value-driven and efficient stewardship of resources

No matter who UVAH is treating, it strives to live by the above principles. Thus, in considering this program, UVAH was guided by its mission and goals, and a desire to build on its areas of expertise. UVAH also desired to create a partnership with VADOC that not only would allow UVAH to meet its goals and objectives but also would allow VADOC to meet its goals and objectives and benefit from the services provided by UVAH. Taking into account the various challenges faced by VADOC, including a growth in high cost populations, high cost conditions, and more expensive prescription drugs, and VADOC's desire to tackle these challenges, UVAH is proposing an interim demonstration to provide comprehensive Hepatitis C (HCV) services for offenders at FCCW. HCV presents significant public health issues for incarcerated persons nationally and in the state of Virginia. The population of incarcerated persons in Virginia continues to increase, and the population of female offenders is increasing more so than the male population. There are currently about 188 offenders who are HCV positive at FCCW. Currently, VADOC is not able to treat all of its HCV positive offenders, including those at FCCW, due to insufficient access, but VADOC is screening all offenders at FCCW for HCV and desires to be able to treat all HCV positive offenders at FCCW. Medications used for the treatment of HCV are high cost and require a complex coordination of services. HCV positive patients represent a significant public health burden both in the general public and in correctional facilities. The provision of HCV care to offenders at FCCW by UVAH would increase capacity for disease elimination in a vulnerable population and provide savings for the state of Virginia through the federal 340B Drug Pricing program. Moreover, any gains made toward eliminating HCV at FCCW is likely to help prevent disease complications, disease transmission, and downstream health care costs in this vulnerable population who may end up being covered by Medicaid or indigent care upon release from FCCW.

**Assessment**

Current Patient Population (September 2019)

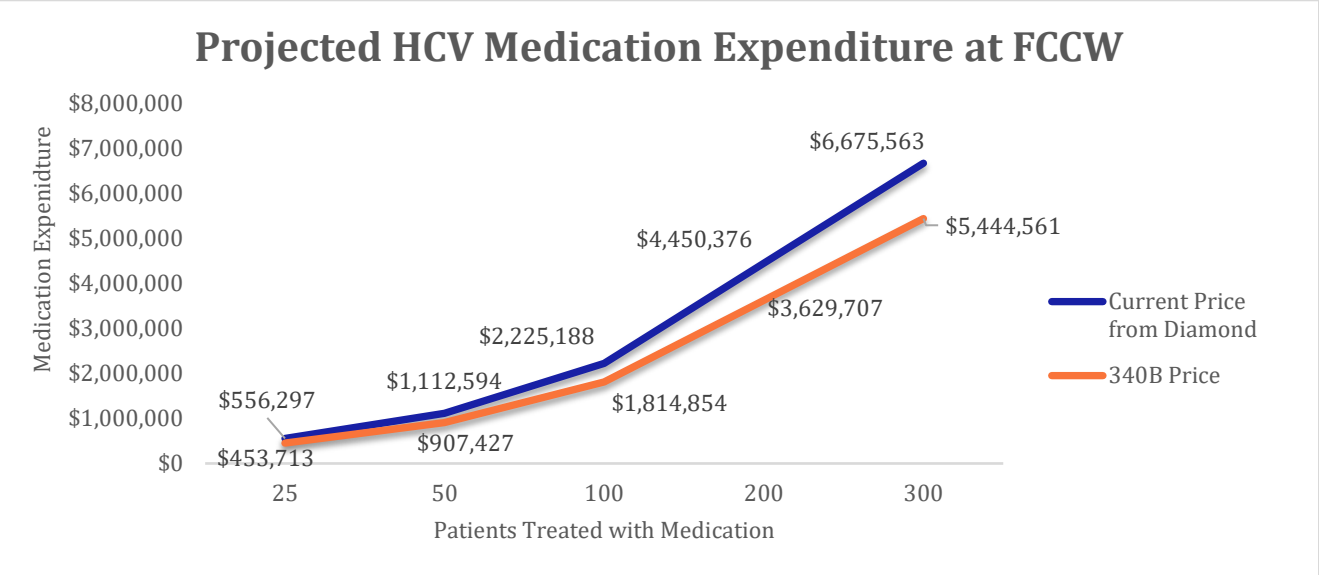
- VADOC FCCW
  - 1200 offenders total
  - ~188 offenders infected with HCV[2]
  - **126 offenders in treatment or currently eligible for HCV treatment at FCCW:**
    - 47 women are in evaluation for staging
    - 61 women are in surveillance
    - 12 patients in treatment at VCUHS from April – June 2019
    - 6 patients are being treated

HCV Medications Currently Provided to FCCW by VCUHS

| Generic Name | Brand Name | Strength |
|---|---|---|
| sofosbuvir-velpatasvir | Epclusa | 400-100 mg |
| glecaprevir-pibrentasvir | Mavyret | 100-40 mg |
| ribavirin | Ribasphere | 200 mg |
| ledipasvir-sofosbuvir | Harvoni | 90-400 mg |

[2] Of the 188 offenders, 40 women are too close to their release date to receive treatment and 22 women have already completed treatment for HCV

| Current HCV Data for FCCW | |
|---|---|
| HCV patients treated (April – June 2019) | 12 |
| Number of HCV prescription fills (April – June 2019) | 20 |
| Total cost with dispensing fees (April – June 2019) | $131,000 |




- Projection based on current fill ratio of HCV medications and 12-week treatment course for each patient.
- 12 HCV positive patients received treatment in April – June 2019. There are approximately 126 patients eligible as of September 2019 for HCV treatment at FCCW. This number is expected to increase as more patients are screened, access to care is improved, and if offenders from other facilities are transferred to FCCW for care. Due to these reasons, medication costs were projected out to 300 HCV positive patients.
    - Currently, offenders from the other VADOC facilities (Deerfield Women's Work Center, Central Virginia Correctional Unit #13, Virginia Correctional Center for Women, and Brunswick Women's Work Center) are transferred to FCCW for the treatment of HCV.
- UVAH providing prescriptions at 340B cost will allow VADOC to experience 19% in medication cost avoidance, which is equal to $517,000, compared to the cost of medications provided by Diamond Pharmacy Services if the entire HCV positive population of 126 offenders at FCCW were to be treated.

Impact to Transportation

It is anticipated that the provision of telemedicine services to FCCW patients by UVAH will reduce the need for transportation of HCV positive offenders from a VADOC facility to a hospital to receive care. This should be a positive impact for the VADOC and will allow for VADOC staffing resources to be reallocated to other areas where they are needed.

Summary of Assessment

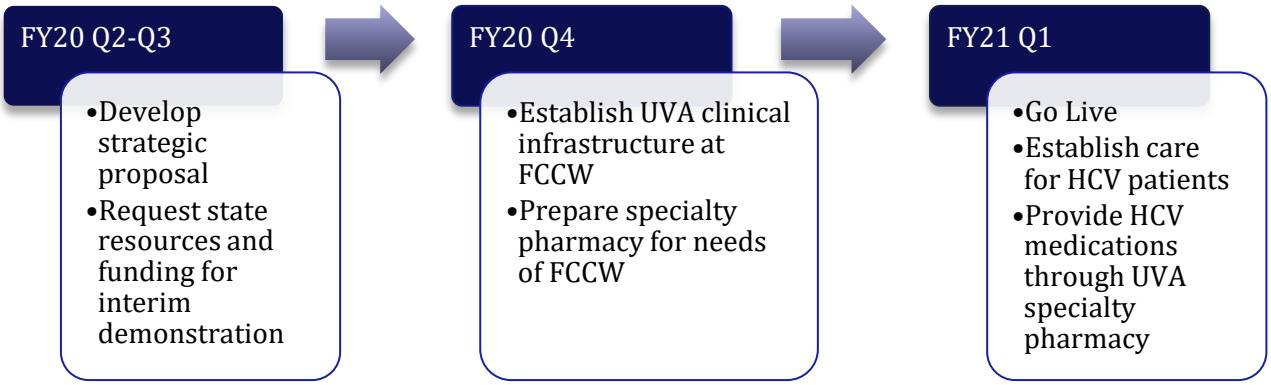
- There were 12 patients treated for HCV in April through June 2019. Access to HCV clinic visits is a limiting factor in initiating treatment. There are 126 HCV positive offenders eligible for treatment.

- Providing telemedicine services to FCCW will provide increased access to care so that more patients can be treated.
- If UVA provides comprehensive HCV services using 340B priced medications to FCCW, VADOC would avoid 19% in medication expenditure compared to Diamond Pharmacy Services pricing
    - The total cost avoidance is up to $517,000 million if all 126 currently eligible patients are treated
- There is also a potential to reduce the need for medical transportation of HCV positive offenders from FCCW to outside hospitals if telemedicine services are utilized to treat HCV, freeing up resources to use for other VADOC priorities

**Recommendation**

The following recommendation describes clinical and pharmacy services that UVAH will provide to HCV patients at FCCW. A pro forma budget and medication payment rate are also included as resources and payment requests needed for UVAH to provide these services. This pro forma only applies to HCV services for FCCW. Any expansion of services to other disease states or other VADOC facilities will require additional resources.

**Action Plan**




Clinical HCV Services

UVAH will provide comprehensive HCV medical services to HCV positive offenders at FCCW. Comprehensive HCV medical services means the initial evaluation and treatment of uncomplicated HCV infection, and does not include treatment for other medical conditions that are discovered in the course of evaluation and treatment of HCV infection. The majority of visits will be conducted via telemedicine by the UVAH Hepatitis C Clinic, and only when necessary, on-grounds at a UVAH ambulatory clinic. Patients will be registered through the UVAH telemedicine clinic or other 340B registered clinic. Visits will be conducted by an infectious disease physician or nurse practitioner in order to establish a patient provider relationship. Patient visits and health information will be documented in the UVAH electronic medical record. Labs for monitoring will be drawn at FCCW and will be processed through UVAH or LabCorp. A nurse coordinator to schedule appropriate follow-up care will be needed during and up to 12 weeks after the completion of treatment.

UVAH has received confirmation from the President of Apexus (the 340B Prime Vendor) that all 340B requirements can be satisfied as long as the clinic is an integral part of the hospital and listed as reimbursable on

the Medicare cost report. The patients must be provided health care services by covered entities that are within their scope. UVAH is responsible for meeting the definition of a patient. The following conditions must be met for each patient for UVAH to be able to provide medications at the 340B price:

- The patient must establish a relationship with the UVAH provider and UVAH must maintain a record of their health care
- The provider must be employed by UVAH or provide care under contractual or other arrangements
- Prescriptions must be sent from a UVAH registered facility or clinic

Pharmacy Services

UVAH will provide HCV medications utilizing its current specialty pharmacy infrastructure. Pharmacist and pharmacy technician staff will be used to dispense HCV medications to FCCW.

Dispensing pharmacy location: UVAH Specialty Pharmacy (1725 Discovery Drive Suite 200)
Hours of Operation: 8:30 AM to 5:00 PM

Prescription Dispensing and Packaging

Prescriptions for patients at FCCW will be treated as outpatient prescriptions. Each prescription will be processed through the Epic ambulatory electronic medical record (UVAH's electronic medical record) and verified by a UVAH pharmacist. Medications will be dispensed in full package sizes and filled as outpatient prescriptions. All labeling will be in accordance with legal requirements of an outpatient prescription. Once dispensed, a courier will deliver prescriptions to FCCW at least weekly with more frequent deliveries as needed. To provide sufficient pharmacy services beyond the scope of this program, such as comprehensive pharmacy services of all disease states at FCCW or other facilities, UVAH would need to invest in a central fill pharmacy. This would allow for appropriate scaling of services and provide the most efficient use of resources.

## Pro Forma Budget for UVAH Resources Necessary for Interim Demonstration

A pro forma budget has been developed to request the resources needed for UVAH to provide medical and pharmacy HCV services (See Appendix A). Should the interim demonstration be approved, these resources will be funded by VADOC.

In order to launch and maintain comprehensive HCV telemedicine services, UVAH will require the following staffing resources:

- An infectious disease physician to establish care for HCV positive patients and conduct all patient visits and necessary monitoring. This patient, provider relationship for the treatment of HCV is necessary for 340B program eligibility

- A licensed nurse practitioner to establish care for HCV positive patients and conduct patient visits and necessary monitoring. This will allow UVAH to expand capacity and treat more patients in the first year beyond what is currently provided by VADOC and VCUHS
- A nurse coordinator to schedule appropriate follow-up care will be needed during and up to 12 weeks after the completion of treatment
- A pharmacist to check and verify dispensing of HCV treatments from the UVAH Specialty Pharmacy. This is necessary based on the increased prescription volume that will be needed to provide comprehensive HCV services to FCCW
- Pharmacy technicians to perform all dispensing and medication preparation tasks for medications to be verified and checked by the pharmacist
- An access associate (scheduler) to manage clinic appointments
- A planning analysis consultant to analyze data from the program to determine what changes might be needed and to help support evidence based best practices
- Telemedicine electronic consults program coordinator to schedule, maintain and ensure compliance of telemedicine visits so that patients receive the necessary care through the UVAH
- A customer service resolution specialist to handle issues between UVAH and VADOC

The cumulative cost of salary and fringe benefits for the above positions are stated in Appendix A.

<u>Reimbursement/Payment Model for Medications</u>

VADOC will reimburse UVAH at 340B cost + $40.00* for each medication dispensed to a VADOC patient (*Pharmaceutical management fee)

- This represents UVAH's attempt to cover its projected costs and to ensure that operational and dispensing costs are covered
- This payment model is only valid for the current interim demonstration. Any alteration or expansion of services provided to VADOC facilities will require a separate analysis and payment model

## Appendix A

| Projected Fixed and Variable Costs of HCV Patients Treated Per Fiscal Year | | |
|---|---|---|
| | **Year 1 FY21** | **Year 2 FY22** |
| Estimated Number of patients receiving treatment | 150 | 150 |
| Estimated Number of Prescription fills | 450 | 450 |
| **Fixed Costs** | | |
| Salary + Fringe | 914,330 | 914,330 |
| Equipment: Telemedicine | 25,000 | 0 |
| Equipment: POCT machines | 20,000 | 0 |
| Courier services | 34,000 | 34,000 |
| **Variable Costs** | | |
| Pharmaceuticals | 3,650,000 | 3,650,000 |
| Pharmaceutical management fee** | 18,000 | 18,000 |
| **Total Expense** | 4,661,330 | 4,616,330 |
| **Cost Per Patient** | 31,075 | 30,775 |
| **Cost Per Prescription Fill** | 10,358 | 10,258 |

*Volume projections are based on current HCV positive offenders at FCCW and four other facilities which will transfer offenders to FCCW for treatment in the future including Deerfield Women's Work Center, Central Virginia Correctional Unit #13, Virginia Correctional Center for Women, and Brunswick Women's Work Center

**Management fee = $40 per prescription filled

# VIRGINIA DEPARTMENT OF CORRECTIONS AND VIRGINIA COMMONWEALTH UNIVERSITY HEALTH SYSTEM

## State Farm Correctional Center Interim Demonstration Proposal

**In fulfillment of 2019 Virginia Acts of Assembly**

**Chapter 854, Item 390**

**October 29, 2019**

## Overview

The 2019 Virginia Acts of Assembly, Chapter 854, Item 390 states:

> *Q. The Department of Corrections and the VCU Health System and UVA Health System shall collaborate on a plan to ensure that inmates with long-term or high-cost prescription drug needs receive treatment from a federal 340-B covered entity. The Department shall begin development of the plan as soon as is practicable and report to the House Appropriations and Senate Finance Committees by January 1, 2020*
>
> *R. The Department of Corrections shall convene a workgroup to develop a plan for a pilot partnership for a university health system to provide comprehensive health care for the inmates in at least one state correctional facility. The workgroup shall be co-chaired by the Director of the Department of Corrections, the Chief Executive Officer of the VCU Health System, and the Executive Vice President for Health Affairs at the University of Virginia.*
>
> *The workgroup shall jointly submit an interim update to the House Appropriations and Senate Finance Committees no later than **November 1, 2019;** and jointly submit a final plan for the pilot partnership no later than **January 1, 2020.** The plan shall include (i) the facility or facilities included in the pilot, (ii) staffing needs for providing health care services, (iii) the amount and structure of payment to the university, and (iv) the effectiveness of the pilot project will be evaluated*

This report is intended to assist the Virginia Department of Corrections (VADOC) in fulfilling its obligations under subsection R of Chapter 854 Item 390 and to address subsection Q of Chapter 854 Item 390. After describing Virginia Commonwealth University Health System's (VCUHS) historical relationship with the VADOC, this report outlines the process of research and due diligence to advance the intent to implement comprehensive university healthcare partnerships with VADOC.

## Introduction/Background

*A Historical Partnership*

Since 1979, VCUHS has been providing care to the offenders of the VADOC system. As of 2018, VCUHS provides nearly 80% of all off-site care for VADOC offenders. For both inpatient and outpatient services, VCUHS represents 77% of care in Virginia which equates to $16.7 million and $21.9 million respectively. Formerly located in West Hospital with six inpatient general beds, VCUHS opened the new Secure Care Unit in October of 2008. It offers 20 beds providing acute and progressive care for more than 23 medical and surgical services. This unit also includes 4 exam rooms and a procedure room. The facility provides complex care including, but not limited to, chemotherapy, dialysis and invasive procedures which limits the need for offenders to go off-unit. There are also outpatient clinics located adjacent to the inpatient unit for ambulatory services including a secure access through sally port with VADOC officers on duty 24 hours a day, 7 days a week. The cost to VCUHS to build this facility was $8.5 million. This does not include the additional $3 million investment that would allow offenders to occupy other specialized areas of the hospital if they needed a higher level of care. This equates to a total of $11.5 million capital investment to equip VCUHS facilities with an environment and resources that allows the VADOC patient population to receive care.

VADOC inpatient discharge volume from VCU Medical Center has continued to trend upward since 2014 with 43% of discharges reclassified as Medicaid [**Appendix 1.1**]. VADOC Medicaid eligibility, authorization and billing involve complex administrative processes to receive in-network care. The VADOC inpatient volume also shows a significant percentage of unplanned admissions with 62-67% of VADOC admissions coming through the Emergency Department each year since 2014 [**Appendix 1.2**]. This higher acuity necessitates longer lengths of stay (LOS). Significant efforts have been made by VCUHS to ensure patients are receiving the right healthcare services in the right setting, and are being transferred to the most appropriate care setting when appropriate. VCUHS has continuously partnered with VADOC to improve continuum of care models and the quality of care delivered to the offender patient population.

VCUHS has been engaged in work groups with the VADOC for several years to create greater efficiencies in delivering care to this population. In 2005, the Virginia Department of Corrections issued a Request for Proposal inviting interested parties to bid on providing comprehensive health care services at one or many VADOC facilities. Representatives from VCUHS explored opportunities to expand our partnership with the VADOC to assume full risk for managing care of specific populations. VCUHS submitted a proposal to manage all health care costs/services associated with four VADOC facilities: Powhatan, Greensville, Sussex I and Sussex II. VCUHS senior leaders traveled to the University of Texas to evaluate the correctional healthcare model in place and to explore applicability in Richmond. Ultimately, VCUHS was one of two finalists selected, however the contract was awarded to Corizon (based upon cost criteria). Since that time VCUHS has remained actively engaged continually working directly with the VADOC on quality improvement and cost containment initiatives.

Since 1994, VCUHS has provided telemedicine visits to more than 45,000 patients in 30 different VADOC centers. VCUHS recognized the benefits of this methodology of care in this patient population early on as offenders had decreased access to subspecialty care and telemedicine would mitigate security risks and costs associated with transporting these patients to the VCUHS campus. The costs of an on-site medical visit of an offender patient include the administrative time to coordinate, schedule and arrange transport which does not include the additional resources of gas, vehicle and officer escort expenses. The continued partnership between VCUHS Office of Telemedicine and the VADOC has proven to reduce costs and increase access for the offender patient population.

## Objectives

*Workgroup & VCUHS Objectives*

As determined by the workgroup members of the Virginia Department of Corrections, the University of Virginia Health System and VCUHS, the objective of its actions are two-fold. First, the group seeks to improve the quality of care of the VADOC patient population. The focus of this objective will be to deliver access in a timely manner. The second objective is to reduce

costs with a focus on cost containment both within the involved systems of VADOC, UVAH and VCUHS and within the Commonwealth of Virginia.

To achieve these overall workgroup objectives, VCUHS is determined to improve quality outcomes by providing VCUHS services and maximizing access to 340B. VCUHS also seeks to reduce costs by minimizing transport of DOC offenders to the campus of VCUHS to access health care services.

## Guiding Principles

*VCUHS Guiding Principles*

As VCUHS continues to partner with VADOC and UVAH to achieve the objectives set out by the budget language, it aims to adhere in all decisions and actions by the following principles.

1) **VCUHS will align everything with the VCUHS mission**:

   "[VCUHS] preserve[s] and restore[s] health for all people of Virginia and beyond through innovation in service, research, and education."

   VCUHS' efforts to partner with the VADOC advances quality care for all members of the Commonwealth.

2) **VCUHS will build on successful, established programs of expertise.** As VCUHS continues to focus on quality of care, it believes utilizing a maturity model will support positive growth as VCUHS moves through the phases of implementation. In this, it will begin with high impact-low risk opportunities that will set the foundation for future success in improving VADOC patient healthcare.

3) **VCUHS will reduce the total controllable costs to the Virginia Department of Corrections**. This includes, but is not limited to, transportation and drugs. These two

areas have been identified by the VADOC as the highest areas of opportunity and return which would allow us to fulfill the goals of Budget Bill HB1799 and redirect dollars back to the areas of greatest need within the VADOC healthcare department.

4) **VCUHS will streamline the care process.** VCUHS will do so by bringing care directly to the offenders in their environment and by bringing the offenders to VCUHS point of care—when medically appropriate.

5) **VCUHS will maintain a mutually beneficial partnership.** VCUHS seeks to assist VADOC in improving capacity in both inpatient and outpatient care settings. VCUHS seeks to improve safety. VCUHS seeks to improve the environment of care. In VCUHS decisions, these will be priority issues.

## Phased Proposal

*Phase 1 –Initial Review*

The VCUHS goal is to outline options to effectively advance the intent of the budget language and to provide rationale behind its recommendations.

*Workgroup Meetings & Site Visits Timeline*

On July 24, 2019, a workgroup comprised of the members of the VADOC, UVAH and VCUHS met to begin research and planning to advance the intent of the budget language. The workgroup received an overview of the VADOC and its Healthcare Department which included their VADOC Healthcare Department organizational model, structure, budget, contracts, offender population, process mapping, levels of care, clinical options, and telemedicine partnerships. Possible partnerships were discussed and it was determined that Fluvanna Correctional Center for Women (FCCW) and State Farm Correctional Center (SFCC) would be two geographically-appropriate options for UVAH and VCUHS, respectively. It was evident that assistance at State Farm Correctional Center could also allow for larger cost-diversion given the facility is a central

Virginia Corrections hub. The New Jersey and Texas models where academic medical centers run healthcare for their individual Department of Corrections were discussed at length.

On July 25, 2019, representatives from VCUHS, VADOC and UVAH toured FCCW as the proposed interim demonstration facility for UVAH. FCCW had the potential to provide comprehensive care to its exclusively female patient population with clinics, observation units, inpatient units, psychiatric beds and a variety of other healthcare services that allows for care delivery on site and for many medical needs. State Farm Correctional Center proved to be less inclusive as was determined on a July 26, 2019 site visit by the VCUHS internal workgroup, as well as representatives from VADOC and UVAH. While there are healthcare services offered on-site, the services are spread out across the center's campus due to pre-existing facilities. The workgroup viewed the constructs of inpatient units and the psychiatric unit.

Following the initial large workgroup meeting and site visits of the correctional centers, the internal VCUHS workgroup met to review previous work, research and partnerships with the VADOC. The workgroup consulted business analysts from VADOC to review patient demographics and equipment data. As a result of both the qualitative and quantitative information collected, a determination was made to pursue a SFCC on-site interim demonstration clinics for Orthopedics. Financial support would be needed to provide facility/space, equipment, professional services (i.e. lab, radiology), and staffing. In an effort to inform our planning, VCUHS internal workgroup members contacted professional colleagues in Texas and New Jersey where academic medical centers provide comprehensive healthcare to offenders.

Throughout the summer, there were ongoing meetings with workgroup representatives to ensure effective communication and collaborative understanding. Additionally, many internal meetings were held with high levels of involvement from the VCUHS leadership team as well as counsel, telemedicine, finance, and clinical leaders.

On August 14, 2019, VADOC, UVAH and VCUHS workgroup members met to review VCUHS clinical area selection of Orthopedics, UVAH clinical area selection of Hepatitis C, and their

resource categorization with specifics to be determined at a later time. The academic medical centers acknowledged the inherent risks in providing health care to offenders and that additional time and research would be needed to address concerns regarding litigation, medical malpractice, and added risk. Group members spoke with physician leads of the Department of Corrections in Texas who have been providing offender healthcare to 150,000 incarcerated persons for 25 years. Per their feedback, the primary reason academic medical centers were brought in to care for the DOC population was because of access and quality care and, from our perspective, they have seem to have shown success. They have done so not by rationing care, but through a hub and spoke model with Centers of Excellence. It should be noted that only two centers are eligible covered entities under the federal 340B program in the state. These discussions made evident the extensive planning and possible legislative action required to provide "comprehensive care" for inmates. To plan such a transition, a thorough strategy would need to be developed, beyond what could be accomplished within the designated timeframe.

*Phase 2 – Interim Demonstration Proposal*

The goal of this phase is to determine clinic outsourcing and outline onsite cooperation/coordination of sites.

*Facility & Clinic Selection*

Through the endorsement of VCUHS and VADOC partners of geographical proximity and an examination by VCUHS internal workgroup through observation, data analysis, and medical team recommendations, VCUHS proposes a partnership that will enable VCUHS to establish an Orthopedic clinic on-site at SFCC. Clinic operation (frequency of sessions, capacity and structure) will be determined upon closer examination of internal and external information. This includes projected growth, facility need, and center capacity.

*Resources*

| *PRO FORMA - Ortho Clinic Interim Demonstration (Total VADOC Estimated Expenses)* | | | |
|---|---|---|---|
| | *Year 1 FY21* | *Year 2 FY22* | *Year 3 FY23* |
| | | | |
| **VOLUMES** | | | |
| Orthopedic Clinic Patients | *930* | *960* | *985* |
| | | | |
| **EQUIPMENT** | | | |
| Mobile Trailer Leasing | $ 400,000.00 | $ 400,000.00 | $ 400,000.00 |
| Vital Sign Machines | $ 6,000.00 | $ 6,000.00 | $ 6,000.00 |
| Utilities | $ 30,000.00 | $ 30,000.00 | $ 30,000.00 |
| | | | |
| **PERSONNEL** | | | |
| Clinical Staff Salary + Fringe Benefits | $ 277,760.00 | $ 286,092.80 | $ 294,675.58 |
| | | | |
| **OPERATING EXPENSES** | | | |
| Overall Operating Expenses | $ 125,000.00 | $ 128,750.00 | $ 132,612.50 |
| **Total Estimated Expenses** | **$ 838,760.00** | **$ 863,922.80** | **$ 889,840.48** |

***This pro forma is dependent on the current, expected volumes of FY19 VCUHS Orthopedic Clinic VADOC patients to which SFCC assumes similar volumes but may be underestimated depending on the model of aggregation for SFCC under this new clinic offering.*

By bringing the provider to the patients rather than transporting the patients to the provider, VCUHS expects to improve access and quality while reducing costs. To effectively provide services for the Orthopedic Clinic, VCUHS will require a variety of resources. The capital needs will require space and equipment. SFCC leadership recommends providing these services on-site through a new, mobile trailer of clinic space serving orthopedic services within a secure bullpen on the SFCC complex. This care also requires additional personnel in a number of medical disciplines and support staff. Lastly, the interim demonstration clinic site will require supplies and support services that typically come with managing a space of this nature. To determine the projected costs of these items, VCUHS sought the expertise of its internal team members and utilized information from previous financial statements from the VCUHS Secure Care Unit to make estimates. To successfully trial this clinic, it will also require administrative support and organizational expertise to ensure coordinated efforts and adherence to continuum of care.

VCUHS will require assurance of cost coverage and associated administration costs as part of the operating model. Additionally, the VADOC will be responsible for all overhead costs associated

with acquisition/leasing of the mobile clinic, supplies, etc., which must meet VCUHS' minimum specifications. VCU Health System medical providers would be reimbursed at a flat fee rate per session for inclusive of costs such as time spent in clinic.

*Phase 3 – Expansion of Services/Integration*

VCUHS goal in this phase would be to allow for review of interim demonstration program progress and create the potential to transition to a robust VCU partnership with VADOC.

*Evaluation Plan*

VCUHS would recommend testing the Orthopedic Clinic on-site at SFCC for a full calendar year. This would allow for an opportunity to work through the initial obstacles of building a new program from the ground-up and hone in on key areas that would create a sustainable model of care. To determine the success of this interim demonstration program VCUHS would require an evaluation plan. This would include VADOC feedback on the progress and an internal review by both VADOC and VCUHS on the operations and outcomes of the clinics. This would also entail an option of course correction and quality assurance prior to moving to the next progression.

Assuming the success of the on-site orthopedic demonstration, the parties will evaluate the effectiveness of the program, lessons learned and next steps in the progression toward a comprehensive care model. This would require an external consulting firm to develop a roadmap. The consulting firm would work with VADOC and VCUHS members to determine the other opportunities in the spaces of clinical, pharmaceutical and payment models. Clinical opportunities would review further minimization of transportation, additional services including an analysis of primary care versus a specialty care model. A potential clinical, specialty opportunity could lie in Infusion Services treatments as it would meet the foundational objectives of minimizing costs and improving quality for this highly-utilized service. For Pharmacy, it would explore the potential for VCU contract expansion, on-site pharmacy model, and/or expansion to state-wide partnership. Payment models, potential risk arrangements and review of

contracts could offer the potential to restructure the agreements with Anthem, Armor, Medico and Diamond. In all these inquires, it would require external and internal staffing resources to effectively create a model for continued success in improving quality of care and minimizing costs.

*Phase 4 – Comprehensive Care*

In this final phase, the VADOC's ultimate goal would be comprehensive healthcare management of SFCC by VCUHS. Any assumption of risk by VCUHS in caring for this complex patient population must be approached cautiously and would require thoughtful planning and extensive resources to build a successful foundation and model of care.

This would involve a similar assessment process by external consultants and internal team members on the readiness of the facility. Depending on the additional actions taken in Phase 3, a transition to a comprehensive care model may require a spectrum of effort, time and resources. The specifics of this analysis would hinge on stabilization of the target population, the success of the earlier interim demonstration, risk mitigation strategies, and the current state of the SFCC and VCUHS partnership at the time that the parties determine it is appropriate to pursue Phase 4.

An extensive level of collaboration, coordination and cooperation will be necessary for VADOC and VCUHS to pursue comprehensive health care for offenders. For example, VCUHS needs experience managing patients within the correctional facility as VCUHS' current expertise lies in providing care to offenders on the VCU Health System campus. Such additional experience is a necessary requirement for VCUHS to scale up current services for successful Phase 4 implementation.

**340B**

*Current Scope of Services:*

The long-standing collaboration between Virginia Commonwealth University Health System (VCUHS) and the Virginia Department of Corrections (VADOC) has allowed mail order pharmacy services to be provided to referred offenders. More specifically, the memorandum of agreement (MOA) renewed yearly between these two entities allows the provision of medications purchased under the Federal Public Health Service 340B Drug Program. Savings on average are 35% of the normal wholesale drug price and may translate to a potential reallocation of over one-million dollars per year for VADOC. Dispensing and clinical pharmacy services cover a wide range of medications which include those related to human immunodeficiency virus (HIV), hepatitis C, and biologics / specialties.

Between July 2017 and June 2019, VCUHS has averaged 1484 filled prescriptions and 397 patients for VADOC every two months. Looking specifically at the past year, growth of the collaboration has been apparent. From April 2018 to June 2018, VCUHS filled 1490 prescriptions for 377 VADOC patients; from April 2019 to June 2019, VCUHS filled 1528 prescriptions for 482 VADOC patients [**Table 1**]. Thirteen medications have also been added to the VCUHS Department of Corrections Pharmacy within the last six months [**Table 2**]. Of these medications, one prescription of Remicade, three prescriptions of Ztandi, and four prescriptions of Forteo have been filled at the DOC Pharmacy.

**Table 1.**

| | **Number of Prescriptions Filled** | **Number of VADOC Patients** |
|---|---|---|
| **July 2017 – September 2017** | 1580 | 376 |
| **October 2017 – December 2017** | 1563 | 379 |
| **January 2018 – March 2018** | 1449 | 340 |
| **April 2018 – June 2018** | 1490 | 377 |
| **July 2018 – September 2018** | 1408 | 391 |
| **October 2018 – December 2018** | 1391 | 383 |

| | | |
|---|---|---|
| **January 2019 – March 2019** | 1459 | 446 |
| **April 2019 – June 2019** | 1528 | 482 |
| **Average** | 1484 | 397 |

**Table 2.**

| **Medications Added to VCUHS Department of Corrections Pharmacy within Past Six Months** |
|---|
| Orencia (abatacept) |
| Zytiga (abiraterone) |
| Otezla (apremilast) |
| Tracleer (bosentan) |
| Xtandi (enzalutamide) |
| Remicade (infliximab) |
| Avonex (interferon B-1a) |
| Rebif (interferon B-1a) |
| Betaseron (interferon B-1b) |
| Glatopa (glatiramer acetate) |
| Cosentyx (secukinumab) |
| Forteo (teriparatide) |
| Remodulin (treprostinil) |

Beyond 340B drug purchasing, VCUHS provides the following services to VADOC:

- A dedicated pharmacist to respond to pharmacy-related needs on weekdays from 8:00 AM – 4:30 PM
- Funds are allocated for pharmacy technicians to assist with calls from DOC facilities, help troubleshoot any issues, fill prescriptions, and help with shipping on weekdays from 8:00 AM – 4:30 PM on an as-needed basis
- Allergy, dosage checks, and other professional services associated with medication dispensing are also provided for all prescriptions filled at a VCUHS outpatient pharmacy.

- Drug information to support the appropriate use of medications dispensed at VCUHS outpatient pharmacies is also available
- 2nd Day Air mail order service which allows delivery of medications to a VADOC facility within two business days of VCUHS Pharmacy receiving a prescription
- Upon discharge, referred offenders are provided with a 7- to 30-day supply of medications depending on the drug. Currently, over-the-counter products and controlled medications are not provided upon discharge.

*Future State:*

Given the complexity of healthcare, opportunities exist in the expansion of 340B medication options provided to VADOC from VCUHS. For the past year, VCUHS has reviewed medications, especially those considered high-dollar, to determine which can be provided to VADOC. Additionally, VCUHS has identified State Farm Correctional Center as a trial site for a VADOC-University Health System partnership. This would ensure that inmates with long-term or high-cost prescription needs are able to receive medications under 340B pricing. In advance of full planning and partnership, interim strategies include the expansion of clinics at State Farm Correctional Center and continued transition of high cost medications as capacity allows.

## Conclusion

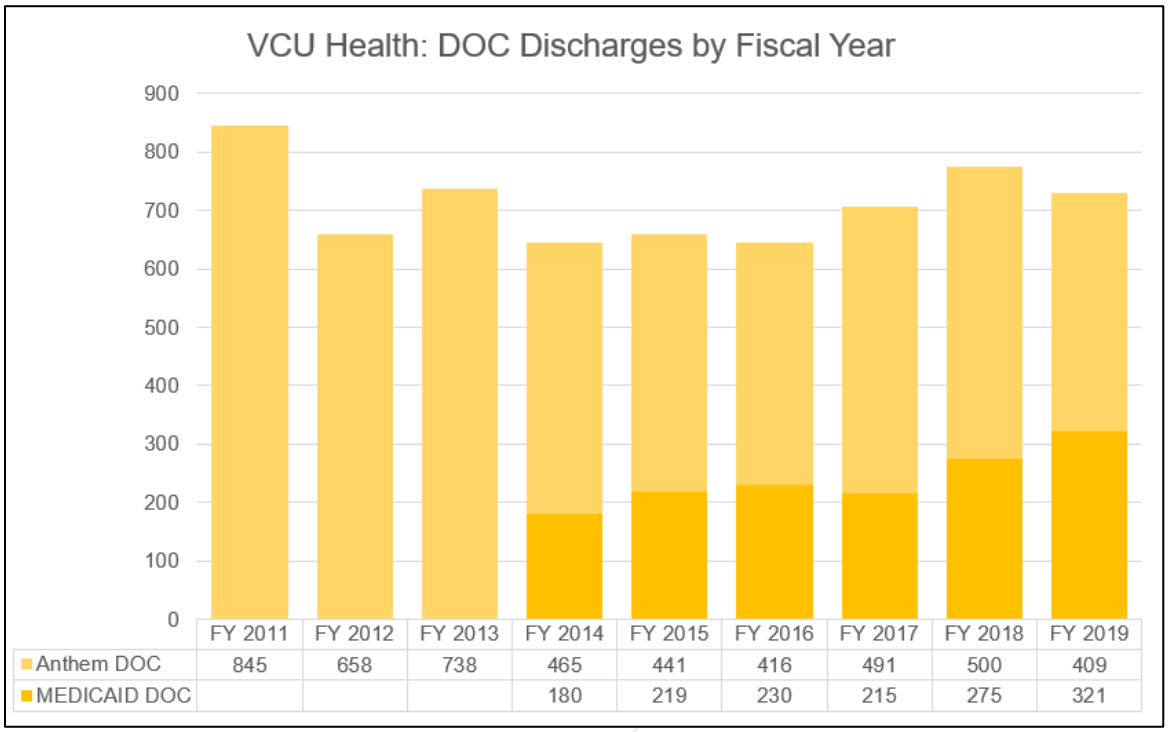
VCUHS has identified the VADOC patient population as generally being higher risk and requiring more clinical and administrative resources due to greater percentage of comorbidities, higher noncompliance with treatment plans, and generally being more litigious. These are risks that VCUHS assumes for the current VADOC population, but a significant increase in VADOC patients may require additional resources and/or legal protections to make this a sustainable model.

VCUHS has approached this proposal for a strategic and tactical lens and believe it is providing the roadmap for successful outcomes. The partnership with UVAH and the VADOC has also

provided a unique learning opportunity for the organizations to grow together and understand the multiple angles at which to approach this implementation plan. Given the nature of VADOC healthcare, costs, laws and regulations, and the complexity of services provided, additional time to study and plan for a university-operated system is requested to ensure quality care and a seamless transition to meet the needs of our offender patient population.

# APPENDIX

Appendix 1.1




Appendix 1.2