COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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July 13, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **SHERIFF'S DEPARTMENT – MEDICAL SERVICES BUREAU REVIEW**

In December 2011, your Board directed the Auditor-Controller (A-C) to review the budget for the Sheriff's Department's (Sheriff's or Department) Medical Services Bureau (MSB), and to determine MSB's staffing and what services are provided.

Background and Scope

MSB medically screens and does tuberculosis screening chest x-rays for all inmates who enter County jails, approximately 144,000 inmates a year. Inmates who need other non-emergency care or medication are treated before they are assigned to housing in the jails. The Sheriff's estimates that approximately 60% of all inmates entering the jails receive some medical services, in addition to the screening provided to all inmates. MSB also provides primary medical care, and the following specialty care to inmates in the County's jails: radiology, neurology, urology, ophthalmology, dentistry, HIV/AIDS, and general obstetrics and gynecology (OB/GYN).

MSB provides medical care at nine locations, including the Men's Central Jail, Pitchess Detention Center, Twin Towers, and Century Regional Detention Center. MSB also operates an urgent care clinic and the Correctional Treatment Center (CTC), a 24-hour inpatient facility which provides non-acute skilled nursing care. MSB also uses video conferencing (telemedicine) to allow clinicians (i.e., physicians, nurse practitioners, etc.) at one site to remotely evaluate inmates at other locations. MSB management indicated

that they conducted approximately 19,000 and 26,000 patient evaluations using telemedicine in calendar years 2010 and 2011, respectively.

In addition to the services provided by the Sheriff's MSB, the Department of Health Services (DHS) provides inpatient care and all other specialty services (e.g., orthopedics, gynecology, etc.), and the Department of Mental Health (DMH) provides mental health services to inmates.

We reviewed the available budget, cost, staffing, and workload information for medical services to County inmates. We also observed MSB's facilities and services at Men's Central Jail, Twin Towers, and the CTC. We also interviewed MSB and DHS management and staff. In addition, we contacted managers from correctional medical units in other jurisdictions, and attempted to compare the County's cost for inmate medical care to those other jurisdictions.

Review Summary

The Sheriff's does not have a separate budget for MSB. MSB is included as part of the much larger Custody Budget Unit, which had a Fiscal Year (FY) 2011-12 budget of $820 million. The Sheriff's does record the actual cost of MSB in the County's eCAPS financial system.

Our review of eCAPS data indicates that MSB's cost is approximately $182 million a year. (Attachment 1 shows MSB's detailed cost for FY 2010-11). As of June 30, 2011, MSB had approximately 1,400 staff, including over 1,200 clinicians (doctors, nurses, dentists, etc.), and approximately 200 management, clerical, and administrative support staff.

In addition to MSB's cost, DHS incurs approximately $35.1 million in cost for services to County inmates, and DMH incurs approximately $24 million. The County total cost for medical care to inmates is approximately $241.1 million a year.

Our review also indicates that MSB does not have detailed workload data (e.g., inpatient days, clinic visits, etc.) similar to those used by other healthcare providers, such as DHS. As a result, we could not compare MSB's cost per unit of service with DHS or other healthcare providers.

Finally, while Sheriff's management indicated that they have been working with DHS to improve the coordination of services, our review indicates that the County may be able to reduce the cost of inmate medical services, and improve the efficiency and effectiveness of care by improving coordination of services, and by developing improved management information, such as detailed workload data.

The following are the detailed results of our review.

Medical Services Budget/Actual Costs

As noted earlier, the Sheriff's does not have a separate budget for MSB. Instead, MSB is part of the Sheriff's Custody Budget Unit. We obtained the actual costs for MSB for FY 2010-11 from the eCAPS financial system, which is summarized below:

Sheriff's MSB Cost	
Salaries and Employee Benefits	$157.3 million
Services and Supplies /1	$ 28.6 million
Revenue – Federal	$ (3.9 million)
Total MSB Costs	**$182.0 million**
Department of Health Services Cost /2	$ 35.1 million
Department of Mental Health Cost /2, 3	$ 24.0 million
TOTAL NET COUNTY COST	**$241.1 million**

/1 Net of $1.1 million transferred from Inmate Welfare Fund.
/2 Not billed to the Sheriff's.
/3 Net of $6.3 million in revenue from Mental Health Services Act and other sources

Because of the specialized nature of MSB services within the Sheriff's Department, and the significant cost of MSB, the Sheriff's should evaluate creating a separate budget unit for MSB. While Sheriff's management indicated that an additional budget unit would increase the workload for the Department, a separate MSB budget would enhance fiscal accountability, improve transparency, strengthen budgetary controls, and could provide a better basis for planning and decision making.

Recommendation

1. **The Sheriff's evaluate creating a separate budget unit for MSB and its expenditures to improve accountability.**

Medical Services Cost Accounting/Workload Data

We noted that the Sheriff's does not track or maintain detailed medical services workload data (e.g., inpatient days, clinic visits, physician contacts, nurse contacts, etc.) similar to those used by other healthcare organizations, such as DHS. As a result, we could not determine the Sheriff's cost per unit of service. While MSB does manually track some workload information (e.g., vitals checks, medication administrations, etc.), the Sheriff's cannot easily aggregate, summarize, or report the information.

Because of the lack of specific workload data, we took an aggregate approach. We calculated the Sheriff's average cost per inmate per year, for medical services in FY 2010-11, and compared it to similar, but unaudited, data from five other jurisdictions; the California Department of Corrections and Rehabilitation (CDCR); Cook County, Illinois

(Chicago); the City of New York; San Diego County; and Ventura County. Our comparison indicates that Los Angeles County's average cost for medical care per inmate per year was approximately $14,638, compared to an overall average of $10,210 for the other five jurisdictions. As noted earlier, the cost information from the other jurisdictions was unaudited, and may not contain costs for all services included in the County's costs.

Sheriff's management indicated their higher costs may be due to factors that are beyond the Sheriff's control, including differences in staff salaries, which may be higher in Los Angeles County than other regions; average length of stay; and relative health of inmates; the number of facilities where services are provided; etc. However, without detailed workload data as mentioned earlier, we could not evaluate the reasons for the apparent higher costs. This further supports the need for the Sheriff's to implement, track, and review detailed medical services workload and cost data similar to the data used by other healthcare organizations.

In 1998, the Sheriff's implemented the Jail Health Information System (JHIS or Cerner) to maintain electronic patient health records. However, the Sheriff's did not purchase the optional "billing" module, which can be used to report more detailed workload data, and monitor the cost of care. The Sheriff's indicated that they plan to request Board approval to purchase the JHIS billing module in FY 2012-13. Sheriff's management estimates that the Patient Accounting module for JHIS, which includes workload data reporting, will cost approximately $1.1 million to purchase, and $124,000 per year to operate.

During our review, we noted that Cook County also uses the JHIS software, and tracks patient workload data/information similar to other healthcare organizations. Cook County indicated that they did not purchase the "billing" module, instead, they sent some of their existing information technology staff to be trained and certified by Cerner. The staff then developed on-demand custom queries/reports. This solution has proved to be successful per Cook County management. It should be noted that, aside from Cook County, the other law enforcement agencies we contacted also do not track workload data, similar to those used by other healthcare providers.

Recommendations

2. **The Sheriff's evaluate alternatives for tracking workload and cost data, in a format similar to those used by with other healthcare providers. Alternatives include working with Cook County or other jurisdictions to utilize and share in the cost of their automated workload reporting processes, or purchasing the JHIS billing module. The Sheriff's should implement a workload reporting solution, and begin tracking this information as soon as possible.**

3. **The Department continually review their cost/workload data, and periodically compare this information with other jurisdictions to improve operational efficiency and effectiveness.**

MSB Administrative Management/Staff Costs

Based on concerns over MSB's administrative costs, we calculated MSB's total annual administrative (non-medical) salaries as a percentage of total MSB salary costs for FY 2010-11. We noted that administrative positions' salary cost accounted for approximately 6.8% of MSB's total salary cost (See Attachment 2). Based on our limited review, MSB's administrative salary cost does not appear excessive compared to MSB's total salary cost.

MSB Staff Verification

To ensure that staff on MSB's item control were actually working in MSB, we reviewed time records for a sample of 25 MSB employees, and confirmed their assigned work locations. We also visited various MSB work sites, and directly observed and interviewed 23 MSB employees. Our review indicates that all of the employees reviewed were present at their assigned work locations, as scheduled, and that they were performing duties related to inmate healthcare. We noted that, as of April 2012, 22 (1.5%) of MSB employees were on long-term leave. This is consistent with the Sheriff's overall percentage of long-term leave cases.

Assessing Service Delivery Effectiveness and Efficiency

During our review, we met with Sheriff's and DHS medical staff and management to discuss how services are provided/coordinated between the departments. Based on our discussions, both departments indicated that the County may be able to improve the efficiency and effectiveness of care and reduce costs by improving the coordination of services. For example, ensuring the Sheriff's has the staff and equipment needed to minimize the need to transfer/transport inmates from the jails to DHS facilities. In addition, MSB indicated they have difficulty recruiting and retaining physicians, resulting in some doctors working outside of their specialties. These recruiting issues may be due to the jail work environment, Sheriff's physician reporting structure, etc.

Sheriff's management indicated that they have been working with DHS to address some issues related to coordination of services. However, based on the lack of detailed workload data, and the potential to further improve the efficiency and effectiveness of care and reduce cost, we recommend the Sheriff's and Chief Executive Office (CEO) consider hiring a medical services consultant to evaluate MSB's operations, and the Sheriff's and DHS' service delivery coordination.

Recommendation

4. **The Sheriff's and CEO consider hiring a medical services consultant, with expertise in correctional healthcare operations, to evaluate MSB operations, and the Sheriff's and DHS' service delivery coordination.**

Other Review Areas

MSB Accreditation

The National Commission of Correctional Health Care (NCCHC) and the Institute of Medical Quality (IMQ) have voluntary programs to accredit correctional healthcare facilities. The accreditation process requires periodic recertification, creating another layer of outside review, and quality assurance. One of the benefits of obtaining accreditation is having experts review and evaluate the Sheriff's healthcare services, and certify that the system of care meets stringent, uniform standards. We noted that although many large correctional facilities are not accredited, the accreditation process may be a valuable tool to ensure ongoing compliance with a generally accepted level of service quality.

MSB management indicated that they were working on bringing Mira Loma Detention Center into compliance with NCCHC accreditation standards. However, the Department discontinued this effort to focus on changes in State law (Assembly Bill 109) involving the transfer of inmates from State prisons to the County. The Sheriff's indicated that they have also internally discussed obtaining NCCHC accreditation for other facilities in the future. However, the process may result in significant costs/resources to meet NCCHC standards, in addition to the cost of the accreditation review.

Recommendation

5. **Sheriff's management evaluate the cost and benefits of obtaining healthcare accreditation for MSB, and work with the CEO on the funding requirements (as necessary).**

Review of Report

We discussed the results of our review with Sheriff's management. The Department indicated general agreement with our findings and recommendations.

We thank Sheriff's and DHS management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:MP

Attachments

c: William T Fujioka, Chief Executive Officer
Leroy D. Baca, Sheriff
Mitchell H. Katz, M.D., Director, Department of Health Services
Marvin J. Southard, D.S.W., Director, Department of Mental Health
Public Information Office
Audit Committee

Sheriff's Department
Medical Services Bureau Review

MEDICAL SERVICES COSTS FOR INMATES

EXPENDITURES

	ACTUAL COST SUB-TOTAL	ACTUAL FY 2010-11 COSTS (A)	TOTAL
Salaries and Employee Benefits:			
Permanent Employees Salaries		$ 102,984,801	
Temporary Employees Salaries		$ 212,847	
Shift Differential		$ 2,461,068	
Overtime		$ 1,629,576	
Other Salaries and Wages (i.e., Sick Buy Back, Bonuses, etc.)		$ 2,530,842	
Employee Benefits (Approx. 43% of Salaries)		$ 47,475,078	
Total Salaries and Employee Benefits:			$ 157,294,212
Services and Supplies			
Medication, Dental & Lab Supplies			
Drugs and Medicine	$ 15,786,580		
Hospital and Surgical Accessories and Minor Equipment	$ 449,529		
Laboratory Minor Equipment	$ 302,058		
Clinical Lab Reagents and Tests	$ 263,278		
Dental Supplies	$ 35,524		
Other Medical Supplies and Equipment	$ 53,480		
Total Medication, Dental & Lab Supplies		$ 16,890,450	
Technical Services			
Medical Lab Services (Quest Diagnostics Inc. Accounts for Approx. $4.2 million)	$ 4,367,737		
Ambulance Service	$ 479,144		
Purchasing Services	$ 181,936		
Other Technical Services (e.g., data conversion, moving, etc.)	$ 147,604		
Total Technical Services		$ 5,176,420	
Contracted Program Services (B)		$ 3,034,738	
Inmate Welfare Fund Expenditures (Cerner)		$ 1,178,065 (I)	
Other Services and Supplies		$ 2,699,547	
Intrafund Transfer (C)		$ 225,000	
Total Services and Supplies:			$ 29,204,220
Total Equipment:			$ 583,724
Revenue - Inmate Welfare Fund:			$ (1,178,065)
Revenue - Federal			$ (3,900,000)
Sheriff's Total MSB Costs (S&EB + S&S):			**$ 182,004,090 (H)**
Department of Health Services (DHS) Costs (D):			
Inpatient Services		$ 26,322,945 (E)	
Outpatient Services		$ 8,760,582 (E)	
Total DHS Costs:			**$ 35,083,527 (E)**
Department of Mental Health (DMH) Costs (F):			**$ 24,044,006 (G)**
TOTAL COUNTY COSTS OF PROVIDING MEDICAL CARE TO INMATES:			**$ 241,131,623**

FOOTNOTES

(A) Sheriff's and DMH's costs are based on FY 2010-11 actual expenditure data. DHS' costs were estimated by DHS management. See Footnote (E).

(B) In-Custody Emergency Medical Aid (treatment for inmates with life threatening emergencies) and Medical Services Public Private Partnership (treatment at non-County facilities for inmates requiring non-emergency treatment, such as surgeries, kidney dialysis, etc.) account for $2 million and $1 million respectively.

(C) This cost represents intrafund transfers from the Sheriff's to DMH for mental health services based on a long-standing Memorandum of Understanding.

(D) Cost for DHS to provide specialty care, emergency room care, and inpatient care to County inmates.

(E) DHS estimated their costs for inmate services and workload based on their internal FY 2010-11 Cost Model.

(F) Cost of DMH mental health services to County inmates that includes over 210 DMH management/staff.

(G) This amount reflects DMH's total costs for mental health services provided to Sheriff's inmates, and is net of approximately $6.3 million in revenues/reimbursements ($5.9 million from MHSA).

(H) Does not include the Sheriff's Transportation Bureau costs associated with transporting inmates via buses, radio cars, etc., and personnel costs required to accompany the inmates at all times. The Sheriff's estimates these costs are approximately $300,000 annually.

(I) Sheriff's cost for the Jail Health Hospital Information System, paid from the Inmate Welfare Fund.

Sheriff's Department
Medical Services Bureau Review

Attachment 2

FILLED POSITIONS - AS OF 6/30/11
ESTIMATED SALARIES

MEDICAL POSITIONS

Item	Name	Filled	Estimated Total Annual Salaries	
8042 A	ASST HOSPITAL ADMINISTRATOR III	1	$ 93,262	
4895 A	CLINICAL LABORATORY SCIENTIST I	16	$ 1,118,206	
4896 A	CLINICAL LABORATORY SCIENTIST II	2	$ 147,568	
5299 A	CLINICAL NURSING DIRECTOR II	7	$ 1,102,918	
4745 A	DENTAL ASSISTANT	9	$ 303,071	
4745 N	DENTAL ASSISTANT	1	$ 33,675	
4763 A	DENTIST	9	$ 1,040,092	
4763 N	DENTIST	1	$ 115,566	
8088 A	DIRECTOR, MEDICAL SERVICES,SHERIFF	1	$ 146,566	
1759 A	EPIDEMIOLOGIST	1	$ 80,428	
1410 A	HEALTH INFO MGMT SR SUPERVISOR	1	$ 68,016	
1409 A	HEALTH INFO MGMT SUPERVISOR	3	$ 193,273	
1416 A	HEALTH INFORMATION ASSOCIATE	4	$ 218,991	
1417 A	HEALTH INFORMATION TECHNICIAN	2	$ 115,603	
1389 A	MEDICAL RECORDS SUPERVISOR I	1	$ 45,415	
2209 A	MEDICAL TRANSCRIBER TYPIST	1	$ 42,932	
5286 A	NURSE MANAGER	16	$ 2,321,587	
5121 A	NURSE PRACTITIONER	24	$ 3,003,934	
5121 N	NURSE PRACTITIONER	2	$ 250,328	
5107 A	NURSING ASSISTANT,SHERIFF	205	$ 9,996,104	
5107 N	NURSING ASSISTANT,SHERIFF	3	$ 146,284	
5100 A	NURSING ATTENDANT II	74	$ 2,299,464	
5214 A	NURSING INSTRUCTOR	7	$ 778,445	
5595 A	ORTHOPEDIC TECHNICIAN	1	$ 44,004	
5512 A	PHARMACIST	42	$ 4,496,786	
5501 A	PHARMACY HELPER	1	$ 38,022	
5529 A	PHARMACY SERVICES CHIEF II	1	$ 130,404	
5516 A	PHARMACY SUPERVISOR I	2	$ 251,361	
5504 A	PHARMACY TECHNICIAN	53	$ 2,126,092	
4977 A	PHLEBOTOMY TECHNICIAN I	18	$ 636,238	
5455 A	PHYSICIAN SPECIALIST(MEGAFLEX)	37	$ 6,340,764	(B)
5455 F	PHYSICIAN SPECIALIST(MEGAFLEX)	2	$ 56,129	(A)
5476 A	PHYSICIAN SPECIALIST(NON MEGAFLEX)	6	$ 894,792	(B)
5476 F	PHYSICIAN SPECIALIST(NON MEGAFLEX)	1	$ 93,974	(A)

Item	Name	Filled	Estimated Total Annual Salaries
5475 A	PHYSICIAN,MD	3	$ 503,429
5230 A	PUBLIC HEALTH NURSE	4	$ 407,079
5798 A	RADIOLOGIC TECHNOLOGIST	22	$ 1,319,676
5139 A	REGISTERED NURSE I,SHERIFF	300	$ 27,940,099
5139 N	REGISTERED NURSE I,SHERIFF	6	$ 558,802
5140 A	REGISTERED NURSE II,SHERIFF	208	$ 19,952,957
5141 A	REGISTERED NURSE III,SHERIFF	50	$ 4,940,278
4747 A	SUPERVISING DENTAL ASSISTANT	1	$ 37,651
5340 A	SUPERVISING STAFF NURSE I,SHERIFF	83	$ 8,961,301
5340 N	SUPERVISING STAFF NURSE I,SHERIFF	2	$ 215,935
5804 A	SUPVG RADIOLOGIC TECHNOLOGIST I	2	$ 138,752
5810 A	SUPVG RADIOLOGIC TECHNOLOGIST II	1	$ 77,322
4903 A	SUPVNG CLINICAL LAB SCIENTIST I	1	$ 78,472
4904 A	SUPVNG CLINICAL LAB SCIENTIST II	0	$ -
Total Medical Positions and Salaries		1,238	$ 103,902,049

Percent of Total Salaries - Medical Positions		93.2%
Average Annual Salary - Medical Positions	$	83,927

ADMINISTRATIVE POSITIONS

Item	Name	Filled	Estimated Total Annual Salaries
4595 A	ASSIS. STAFF ANALYST,HLTH SERVS	1	$ 78,667
2721 A	CAPTAIN	1	$ 140,761
5082 A	CENTRAL SERVICES TECHNICIAN I	1	$ 33,018
5083 A	CENTRAL SERVICES TECHNICIAN II	1	$ 34,828
6774 A	CUSTODIAN	9	$ 268,322
2708 A	DEPUTY SHERIFF BONUS I	1	$ 76,373
6769 A	FLOOR CARE SPECIALIST	3	$ 99,053
6777 A	INMATE CREW LEADER	19	$ 627,337
6779 A	INMATE CREW SUPERVISOR	2	$ 72,258
6766 A	INSTITUTIONAL LABORER	4	$ 135,355
6796 A	INSTITUTIONAL SERVICES SUPERVISOR	1	$ 40,212
1138 A	INTERMEDIATE CLERK	25	$ 890,141
2214 A	INTERMEDIATE TYPIST-CLERK	47	$ 1,714,508
2214 N	INTERMEDIATE TYPIST-CLERK	1	$ 36,479
2745 A	LAW ENFORCEMENT TECHNICIAN	6	$ 295,435
2719 A	LIEUTENANT	2	$ 228,845
1228 A	OPERATIONS ASSISTANT I,SHERIFF	10	$ 468,795
1228 N	OPERATIONS ASSISTANT I,SHERIFF	1	$ 46,880
1229 A	OPERATIONS ASSISTANT II,SHERIFF	6	$ 349,394
1230 A	OPERATIONS ASSISTANT III,SHERIFF	2	$ 133,370
2346 A	PROCUREMENT ASSISTANT II	1	$ 50,842

Item	Name	Filled	Estimated Total Annual Salaries
2098 A	SECRETARY V	1	$ 51,476
1140 A	SENIOR CLERK	10	$ 401,149
2101 A	SENIOR SECRETARY II	1	$ 53,155
2216 A	SENIOR TYPIST-CLERK	14	$ 575,373
2717 A	SERGEANT	2	$ 192,587
2389 A	SERVICE UNIT MATERIALS MANAGER I	1	$ 68,694
2585 N	SR. INFO TECHNOLOGY AIDE	1	$ 52,634
4593 A	STAFF ANALYST,HEALTH	1	$ 87,683
2329 A	WAREHOUSE WORKER AID	1	$ 38,207
2331 A	WAREHOUSE WORKER I	1	$ 40,309
2332 A	WAREHOUSE WORKER II	2	$ 89,743
2333 A	WAREHOUSE WORKER III	1	$ 47,344
2235 A	WORD PROCESSOR II	1	$ 43,358
Total Administrative Positions and Salaries		181	$ 7,562,587

Percent of Total Salaries - Administrative Positions		6.8%
Average Annual Salary - Administrative Positions	$	41,782

Total Actual Positions and Salaries	**1,419**	**$ 111,464,637**

FOOTNOTES

(A) Since these are part time physicians, the salaries for these positions are based on an average of 20 hours per week.

(B) Salaries for Physician Specialists vary depending on the specialty. Therefore, the salaries for these positions are based on the average salary of ten sampled Physician Specialists.