REPORT TO THE LEGISLATURE
Pursuant to P.A. 154 of 2005
Section 902(1)
Health Care Services Contract Payments/Status and Prisoner Health Care Quality
Assessment Report

July 1, 2006

Correctional Medical Services, Inc., (CMS) continues to provide medically necessary quality services to prisoners and to pay vendors in a timely manner while providing significant savings through its Managed Care process.

Status of Payments: The Michigan Department of Corrections (MDOC), Bureau of Fiscal Management, annually audits CMS payment timeliness and accuracy of CMS claims payment information. The last audit showed that 99.8% of clean vendor claims (complete and with authorization codes) were paid within 45 days. High dollar amount vendors are pre-paid by CMS with adjustments quarterly. Monthly reports are received by the MDOC detailing the status of all claims. Disputed claims (those with missing information or without authorization codes) continue to be handled expeditiously by CMS. There have been no complaints to the MDOC in the past year about any vendors receiving late payments for their services.

Status of Contract: The CMS contract has been extended until May 1, 2007. The MDOC is still receiving significant cost savings (conservatively estimated at $9.6 million a year) and has improved the fill rate in physician and mid-level providers serving the MDOC from less than 50% in 2000 to above 95% on average. Offsite referrals for medical care have been cut from an average of 2,500 per month prior to this contract to 1,800 per month providing additional spin-off savings due to reduced custody transportation/security costs.

Assessment of Prisoner Health Care Quality: Quality is monitored through several internal mechanisms. The MDOC has an extensive internal Performance Improvement System in place for health professionals employed by the MDOC. Investigation of prisoner grievances, family complaints and issues brought to the MDOC by Legislators have assured that the quality of services provided by CMS meets MDOC expectations.