

REPORT TO THE LEGISLATURE
Pursuant to P.A. 331 of 2006
Section 902(1)
Health Care Services Contract Payments/Status and Prisoner Health Care Quality
Assessment Report

January 1, 2007

Correctional Medical Services, Inc., (CMS) serves as the MDOC's Health Care Specialty Services contractor and its Medical Services Provider (MSP) contractor and continues to provide medically necessary service to prisoners and pay vendors in a timely manner.

Status of Payments from Contractors to Vendors: The Michigan Department of Corrections (MDOC), Bureau of Fiscal Management, annually audits CMS payments for timeliness and accuracy of CMS claims payment information. The last audit for payment status of claims for the period of April 1, 2006 thru November 30, 2006 showed that 98.3% of all claims were paid within 45 days. Of the 50,052 total claims, there were 105 clean vendor claims (complete and with authorization codes) were paid late. Disputed claims, of which there were 767, (those with missing information or without authorization codes) continue to be handled expeditiously by CMS. 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. There have been no complaints to the MDOC in the past year about any vendors receiving late payments for their services.

Status of Contracts: The CMS contract expires May 1, 2007, but negotiations are currently underway to extend until April 1, 2008. The MDOC, through CMS and their independently sub-contracted Medical Services Providers (MSPs) 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 for the last two years. CMS also has a network of sub-contracts with approximately 120 Specialty Care Service providers throughout the state to provide these necessary services at the local level. CMS also provides over 70 Specialty clinics per month within the confines of the DLW Medical Center or through a Telemedicine Unit available at most of the facilities, thus further reducing overall costs.

Assessment of Prisoner Health Care Quality: Health Care Service Delivery Quality is monitored through several internal mechanisms. The MDOC has an internal Performance Improvement System in place for all health professionals employed or contracted by the MDOC. Investigation of prisoner grievances, family complaints and issues brought to the MDOC by Legislators have generally found that the quality of services provided by CMS meets MDOC expectations. A Medical Services Advisory Committee comprised of MDOC and CMS Supervisory Medical Officers meets monthly to review specialty care request appeals, medical service delivery policies and procedures, drug formulary issues, various special cases and medical oversight of all Health Care Services Delivery, except Mental Health Services. Weekly meetings between CMS and the Contract Manager and other MDOC personnel take place to

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review the many health care issues arising in the daily delivery of health care services. Periodic meetings are held between all CMS Service providers, MDOC Supervisory staff and CMS supervisory staff to review policies and related issues that have arisen. Monthly Reports from CMS to MDOC Administrators relate data on the delivery of all their services. Many of these reports are shared with field staff to ensure their up-to-date knowledge of the status of patients under their care.

The overall assessment of Prisoner Health Care Quality is that services provided by CMS have generally met MDOC expectations. However the demand for these services has been steadily increasing in the past year as the population served has grown and aged. Overall referrals for Specialty Care Services have increased by 22% for the first 11 months of this year as compared to the same time period in 2005 (11 months). Services are meeting the community standard.