

Correctional Health Care Self- Operation Project

Presentation of final report to the Milwaukee County Board of Supervisors

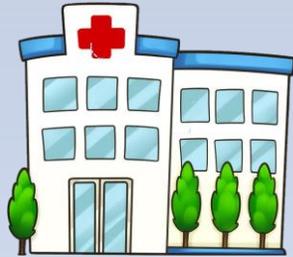
October 24, 2019.



PROJECT GOALS:



CARE MODEL:



- Many types.
- Different strengths, weaknesses, opportunities, and threats.
- Cost varies.
- Any model can be successful with good management.
- This project's model was government-operated, or "self-operated."



OVERVIEW OF COSTS OF SELF-OPERATION:



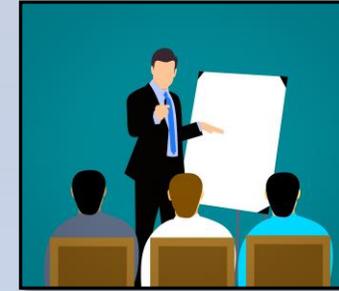
	2020	2021	2022
Current Outsourcing Cost*	\$21,959,207	\$22,527,918	\$23,230,490
Self-Operation Estimated Cost	\$26,632,329 to \$27,142,243	\$28,796,467 to \$30,661,590	\$25,974,587 to \$28,051,592
Self-Operation Cost Differential**	(\$4,598,190) to (\$5,108,104)	(\$6,031,572) to (\$7,896,695)	(\$2,626,232) to (\$4,703,236)

**Current Outsourcing Cost includes the cost of Wellpath's contract, the County's share of pharmaceutical and specialty care costs, and NRI's contract monitoring services.*

***Increase in costs required to self-operate.*

COSTS INCLUDED:

- Labor
- Pharmaceutical
- Specialty Care
- Training
- Risk and Insurance
- Facility and Space Planning
- Other Operational Costs





LABOR COSTS:



- **\$15,944,493** to **\$21,716,161** per year.
- Approximately **77%** of the total annual cost for self-operation (170.29 FTEs).
- **Represents costs for:**
 - 131.2 clinical FTEs
 - 13.09 pool clinical FTEs
 - 26 administrative and support FTEs
 - 9 temporary start-up roles

PHARMACEUTICAL AND SPECIALTY CARE COSTS:

- Pharmacy cost in 2018 was **\$1,242,198.00.**
- Outside care cost in 2018 was **\$1,642,325.84.**
- Care costs increase exponentially each year.
- Cost containment efforts are required.
- Projected costs in 2022 total **\$3,638,006.00.**





TRAINING COSTS:

- **Health industry specific training is needed.**
- **Cornerstone LMS not sufficient.**
 - Does not support healthcare content.
 - New healthcare-focused LMS is required.
- **Proposed LMS is HealthStream.**
 - Anticipated 2021 cost is **\$9,367.00.**
 - Anticipated annual cost is **\$6,617.00.**
- **Additional training will be required.**
 - The costs of additional training are unknown at this time.



RISK AND INSURANCE COSTS:

Coverage Type	Estimated Annual Cost
Medical Malpractice	\$750,000.00 (without tail coverage)
Cyber Liability	≤ \$75,000.00
Workers' Compensation	\$210,000.00
Public Entity Liability	≈ \$1,300,000.00
Total Cost:	≥ \$2,335,000.00



FACILITY AND SPACE PLANNING COSTS:

- Cost of approximately **\$947,050.00**
- **Includes:**
 - New CHCD Director's Office space at Courthouse;
 - New staff space in HR, IMSD, Risk, Procurement, OEM, and Corp Counsel offices;
 - Planning and design; and
 - Contingency.

OTHER OPERATIONAL COSTS:



- **Technology costs:**
 - 2020 cost **\$81,916.00**;
 - 2021 cost **\$564,789.00**;
 - 2022 – beyond cost **\$280,115.00**
- **Medical equipment costs:**
 - Conversion cost of **\$35,000.00**
 - Annualized cost of **\$213,900.00**
- **Biohazardous waste removal**
 - Annual cost of **\$4,080.00**
- **Bilingual Translation services**
 - Unknown; per minute cost of \$.72
- **Other services:**
 - Nutritional services, negative air pressure rooms, laundry, secure transport.
 - Travel and training expenses.
 - General operations costs (office supplies, furniture, etc).



IDENTIFIED RISKS

Risks of Using a 3rd Party Vendor

Disinterest

Abandonment

Risks of Self- Operation

Execution

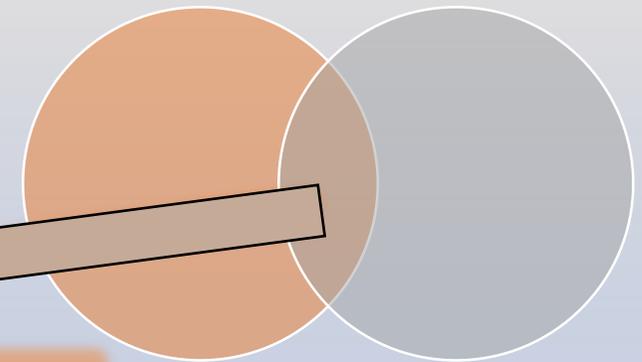
No Economy of Scale

Regulation &
Compliance

Infrastructure

County Labor

SHARED RISKS



- **Labor Market**

- National labor market;
- Premium wages;
- Undesirable working environment;
- Healthcare worker shortages (RNs, ARNPs, LPNs)

- **Insurance and Bad Event**

- Human errors and omissions;
- Accidents and Workers' Compensation;
- Bad actors;
- Other insurance claims.

- **Performance**

- Timely and adequate care;
- NCCHC accreditation requirements;
- Market cost increases in pharmacy and outside care services.



IF WE PLAN TO SELF-OPERATE, WE SHOULD:



- **PROVIDE** additional time to complete the model.
- **CONDUCT** a market study to determine reasonable wage ranges.
- **CREATE** new positions or make HR adjustments to existing positions.
- **ESTABLISH** a method of responding quickly to staff shortages.
- **ALLOCATE** resources needed to fund positions and supplies.

IF WE PLAN TO SELF-OPERATE, NEXT STEPS ARE:



- **Allocating Funds.** Will funds come from operating resources? Additional revenue? Reserves?
- **Creation of Positions.** Once funds are allocated, positions must be created and approved.
- **Hiring of Initial Staff.** Key leadership staff will be hired in 2020 following the model in Exhibit A.
- **Communication with the Court.** The County will need to present the Court with the proposed model, proof of sufficient funding, and proof of successful actions taken to begin implementation. Court will approve or deny the request.



DAILY REPORT SCHEDULE

PATIENT NAME	7AM	11AM	3PM	7PM	7AM	11AM	3PM	7PM	7AM	11AM	3PM	7PM
B/P												
HR												
PR												
O2 SAT												
TEMP												
GLUCOSE	<input type="checkbox"/>											
PAIN												
PAIN IV MEDS	<input type="checkbox"/>											
CHECKS	<input type="checkbox"/>											
MISC CHECKS	<input type="checkbox"/>											

PATIENT MEDICATION SCHEDULE

PATIENT TIME	0700	0800	0900	1000	1200	1300	1400

.....MD

We provide high quality medical services with respect for your privacy and advanced medical equipment. Our team is committed to the patient, delivering a comprehensive range of services ranging from primary care to specialty care. We are committed to providing the highest quality of care and ensuring that our patients receive the best possible medical treatment that will meet your specific needs. We are committed to your safety, privacy, and any underlying diseases. We are committed to your safety, privacy, and any underlying diseases. We are committed to your safety, privacy, and any underlying diseases.

F01-2700-2/10-2/10

RECOMMENDATION:



- **FOCUS** on quality of care provided to our patients as primary policy goal.
- **COLLABORATE** with NRI and Wellpath to measure quality of care and ensure the standards are met.
- **MONITOR** Wellpath's quality through third-party services from NRI.
- **CREATE** a Contract Manager position to continue to work with Wellpath, NRI, and County officials to resolve issues and identify areas for continuous improvement, based on the policy goals as stated.



QUESTIONS

