

The county paid a lot of money to care for its pre-trial detainees, a service it is legally obligated to provide. In 2008, the county paid in excess of \$4.2 million dollars! In the past two budget years, we cut this number to about \$3.4 million – an annual reduction of \$800,000.

In addition to the \$3.4 million, a Jackson medical provider provided medical management services to the county's pre-trial detainees at a rate of \$144,000 per year. This covered the doctors who worked on-site at the detention center and work center in Raymond, and in downtown Jackson. The county paid the salaries and benefits of nurses and medical staff, in addition to paying all other healthcare costs.

In March 2011, the Jackson provider increased cost to \$330,000 per year, representing an increase of \$186,000 per year! In addition, the county still had to pay all other costs, with the exception of doctor services and psychiatric treatment at the jail.

In July 2012, the Jackson provider terminated its contract with Hinds County, giving only thirty days' notice. The county was faced with the almost impossible task of finding another provider in less than one month.

The County immediately sought out other providers, and privatization seemed the best option. In addition, Sheriff Lewis was advocating privatization as the best alternative, and he asked the Board of Supervisors to consider it.

The County talked to four companies willing to make proposals. One company stood out – Quality Choice Correctional Healthcare, located in New Rochelle, NY – and we obtained excellent references for them (including a reference from Oakley Youth Development Center at Learned). Quality Choice is a national company with many years of experience – and they manage prisons all over the country.

It is expected that privatization will represent a savings of at least \$200,000 per year – when comparing the cost of the county running medical to the cost of having a private company run medical. This does not include the expected savings in hospitalization and pharmacy.

Under their proposal, Quality Choice pledged to provide better medical care at a lower cost. Of all the companies we considered, they offered the most comprehensive proposal. Their staff matrix and number of nurses and doctors was superior to all others. Their proposal included on-site physicians, rather than just nurse practitioners, as well as other on-site services, such as dentistry, psychiatric, and OB-GYN. They also included ample positions for RNs and LPNs, social workers, and an additional staff position for medical records management.

Quality Choice was the only company that pledged to cut the county's pharmacy costs and provide the county with a 100% rebate on all savings. In addition, they have set a goal of providing more on-site treatment, thereby cutting the county's hospitalization cost. Over the past two months, the county has seen a significant decline in hospital payments.

Quality Choice now employs and bears the cost for all staff positions, including the doctors, nurses, and other personnel. They also bear the cost of all pharmacy, supplies, and medical equipment needs. They have helped get all equipment back up to par and have taken over all service contracts. Once the county furnishes the dental suite (almost complete) Quality Choice will assume the cost of all dentistry – and it will be done on-site. They have also pledged to manage and maintain the County's national accreditation and bear all medical malpractice liability.

Before contracting with Quality Choice, the Board of Supervisors insisted they keep all existing County staff. They did this as best able – and any person they were not able to keep due to credentialing issues, were absorbed in other areas of County employment, unless the employee's desire was to either retire or do something else.

In addition, Quality Choice gave all employees a 6% raise – nurses actually received an additional \$2000 per year. They also secured health insurance for the employees through United Healthcare, the same carrier that had been providing coverage for the county, at the same level of coverage the employees had been receiving. They also have provided options for dental, optometry, and life insurance coverage.

In addition to Privatization, Hinds County has also implemented the following strategies, resulting in hundreds of thousands in savings:

1. Payment of all hospitalization charges at Medicaid Rates

A new state law passed in 2010, thanks to the help and influence of Hinds County Supervisor Peggy Calhoun, made it possible for all counties to pay Medicaid Rates, just as the MDOC had been doing. To date, this has resulted in a savings of millions of dollars for Hinds County. In FY2012, just ended, the Medicaid discount was \$5,077,897 off billed charges!

2. Pre-certification of all hospital stays

Just as private employers do, Hinds County now uses a private pre-certification company to approve all hospital stays. If inpatient care is not pre-approved, the charge is denied. In FY2012, just ended, this practice resulted in an additional savings of \$289,392!

3. Third Party Administration

Hinds County now uses a private third party administration company to make sure all bills are discounted and paid correctly. This company, Gulf Guaranty, a TPA based in Hinds County, has done an excellent job at a reasonable rate – and providers are now being paid properly and promptly.

4. Working with the courts

Hinds County has been working to help expedite cases whenever possible so that pre-trial detainees move through the system faster and don't linger unnecessarily – especially when their health is an issue.

As a result of these cost-saving measures, Hinds County is now paying less and still delivering proper care to its pre-trial detainees. As stated earlier, we now spend \$3.4 million, as compared to \$4.2 million in 2008 – a reduction of \$800,000 per year. While this is impressive, it is our hope with privatization, we can increase those savings even more. Of course, in the process of doing this, it is our ongoing goal to make sure that pre-trial detainees receive the proper care they are legally entitled to, and that the employees providing this care continue to have meaningful and productive work.

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