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# STATE OF COLORADO

## COLORADO DEPARTMENT OF CORRECTIONS

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Bill Owens  
Governor

Joe Ortiz  
Executive Director

October 1, 2003

The Honorable Dave Owen, Chairman  
Joint Budget Committee  
200 East 14<sup>th</sup> Avenue  
Denver, CO 80203

Dear Chairman Owen:

Enclosed is the Department of Corrections' response to Footnote #7 of SB 03-258. This footnote requested that the Department of Corrections provide a report to the Joint Budget Committee about the effectiveness of this funding structure, and any modifications that may be recommended, by October 1, 2003. Governor Owens instructed the departments to reach agreement on a payment plan.

The attached response provides background, DOC initiatives, data, and a copy of the Memorandum of Understanding that the Department of Corrections and CMHIP have executed.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Ortiz", written over a horizontal line.

Joe Ortiz  
Executive Director

Cc: The Honorable Lola Spradley, Speaker of the House  
The Honorable Keith King, House Majority Leader  
The Honorable Andrew Romanoff, House Minority Leader  
The Honorable John Andrews, President of the Senate  
The Honorable Norma Anderson, Senate Majority Leader  
The Honorable Mark Hillman, Senate Majority Leader  
The Honorable Joan Fitz-Gerald, Senate Minority Leader  
Dr. Nancy McCallin, Director, OSPB  
Luke Huwar, OSPB Analyst  
Karl Speicker, JBC Analyst

**Footnote #7:** Department of Corrections, Institutions, Medical Services Subprogram; and Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes. It is the intent of the General Assembly that fifty percent of beds and services at the General Hospital at CMHI Pueblo be permanently allocated for the use of the Department of Corrections. The Department of Corrections is expected to work with the Department of Human Services to determine the most appropriate use of this resource. It is anticipated that the Department of Corrections will no longer pay the Department of Human Services on a case or service basis for the use of these beds but will instead pay the Department of Human Services in equal monthly increments to cover the Department of Corrections' share of hospital costs. The Departments are requested to report to the Joint Budget Committee about the effectiveness of this funding structure, and any modifications that may be recommended, by October 1, 2003.

The Governor vetoed this footnote, instructing the departments to reach agreement on a payment plan.

**Background:** The General Hospital/Medical Surgical Services Unit (MSS Unit) at CMHIP provides medical and surgical services to DOC inmates in addition to civil/forensics patients and patients from other state agencies. The unit consists of twenty beds in a secured, locked area. The DOC is currently the largest user of the MSS Unit.

DOC primary care physicians, schedulers, and outside specialty providers determine which hospital to use based on a combination of security, transportation, level of services available, and cost concerns.

DOC contracts with Access Correctional Care to establish rates with CMHIP and to provide prior authorizations to use CMHIP medical surgical and outside specialty provider services. These rates have been increased by CMHIP as follows:

	1/1/00	1/1/01	7/1/03
Med/Surg	\$975	\$1,234	\$1,350
Admin Days	\$280	\$306	\$250
Step Down Days	-----	-----	\$700
Clinic	\$25	\$25	80% of billed charges
Physician Charges	\$34.73RBRVS	100% RBRVS	105% RBRVS

**DOC Initiatives:** On December 11, 2002 and July 31, 2003, the Assistant Director of Correctional Services for Clinical Services sent a memorandum to DOC Regional Chiefs, Clinical Team Leaders, Physicians, Mid-Level Providers, and Nurse Managers providing the following cost effective guidelines for hospitalization of offenders in the southern region:

First Choice - CMHIP.

Second and Third Choices - St. Thomas More (Canon City), St. Mary Corwin (Pueblo) members of the Centura network.

#### Fourth Choice - Parkview Hospital (Pueblo)

DOC held a meeting with CMHIP staff on December 18, 2002 to discuss increasing utilization of the MSS Unit. The meeting was attended by DOC's Director of Correctional Services and the Acting Assistant Director of Correctional Services for Clinical Services, among other DOC clinical services staff. The Director emphasized the need for collaboration between DOC and CMHIP and explained that the DOC is committed to increasing its use of CMHIP's services; however, only if the required level of service could be provided in the most cost effective manner. Subsequent to the meeting, a DOC task force was formed to explore the issue further with CMHIP.

The task force met on January 24, 2003; February 7, 2003; February 27, 2003; April 1, 2003; April 15, 2003; and April 24, 2003. The DOC drafted a Memorandum of Understanding (MOU) that was finalized with CMHIP in July, 2003. The MOU operationalized the intent of the 2003 Long Bill footnote that permanently allocated 50% of the Medical/Surgical Unit beds to the DOC. It is the Department's stated intention in the MOU to increase utilization of CMHIP to the extent level of services allows.

The MOU states: "CMHIP, being under contract to Access Correctional Care (the Department's third party administrator for outside specialty care) for inpatient/outpatient specialty health care for offenders in the Department, shall bill the Department through Access Correctional Care for services rendered on the Medical/Surgical Unit. Access Correctional Care will adjudicate the claims submitted by CMHIP for such services." This payment plan has been agreed to by both parties and is consistent with payment plans for all other specialty providers. Access Correctional Care is paid an administrative fee per offender per month for all covered inmates in the system, including those that are provided services at CMHIP.

Please see attached Exhibit A - Interagency Memorandum of Understanding (the MOU has been signed by all parties).

In order to further expand utilization of CMHIP, the Department has explored and developed the following initiatives:

1. The Department has established a transportation hub on the YOS campus in Pueblo. Offenders may be housed in the hub prior and subsequent to specialty care in order to facilitate early and accessible scheduling at CMHIP.
2. The Department has developed a proposal to utilize the CMHIP laboratory for all lab tests (except those of high complexity - viral loads) throughout the state. The project is on hold until CMHIP can install a new server.
3. DOC hired a utilization nurse to assist in effectively managing hospital resources in the southern region. She is responsible for monitoring utilization of the ten Medical/Surgical Unit beds and all other utilization of CMHIP by the DOC.

**Data:** Since the Department's Utilization Nurse started monitoring utilization of CMHIP and collecting data in November 2002, sixty-nine inmates were admitted to CMHIP in FY 02-03, more than Parkview, St. Mary Corwin, St. Thomas More, and Arkansas Valley Regional Medical Center. This represents 35.6% of all southern region admissions. Through August 31, 2003 forty-two inmates had been admitted to CMHIP, 55.3% of southern region admissions. Exhibit B

Data indicate that DOC used CMHIP for the following surgical and inpatient medical procedures:

- 100% of knee arthroscopies
- 100% of shoulder arthroscopies
- 100% of hemorrhoidectomies
- 32.26% of inguinal hernias
- 72.73% of umbilical hernias
- 100% of chronic obstructive pulmonary disease
- 100% of deep vein thrombosis

**INTERAGENCY MEMORANDUM OF UNDERSTANDING  
BETWEEN THE COLORADO DEPARTMENT OF CORRECTIONS  
AND THE COLORADO DEPARTMENT OF HUMAN SERVICES' COLORADO MENTAL HEALTH  
INSTITUTE AT PUEBLO**

**PURPOSE**

The purpose of this Memorandum of Understanding (MOU) is to address processes for utilization of services, communication, security issues, and the practice of providing medical/surgical services to Department of Corrections offenders at the Colorado Department of Human Services' Colorado Mental Health Institute at Pueblo, which services utilize Colorado Access dba Access Correctional Care, a Colorado non-profit corporation as a third party payor.

**IDENTIFICATION OF PARTIES TO THE MEMORANDUM OF UNDERSTANDING**

The State of Colorado - Department of Corrections including security contract agencies: Referred to in this document as "Department".

The Colorado Department of Human Services' Colorado Mental Health Institute at Pueblo - Referred to in this document as "CMHIP".

**RECITALS**

The Department and CMHIP will be required to report to the Joint Budget Committee on the effectiveness of this arrangement by October 1, 2003; and

The Department intends to increase utilization of CMHIP to the extent the level of services allow; and

The Department intends to utilize the Youthful Offender System (YOS) campus for the location of a Pueblo transportation hub in order to more fully utilize CMHIP services; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, promises, and undertakings hereinafter set forth, the parties mutually agree as follows:

**DEFINITIONS**

- |  |   |
|--|---|
| 1. Administrative Head of Jurisdiction | Any Departmental Warden   |
| 2. Department contact person(s)        | Utilization Nurse/Chief of Nurses/Schedulers/Chief Medical Officer  |
| 3. CMHIP contact person(s)             | Chief of Surgery/Chief of Medicine  |
| 4. DOC Infirmary Overflow              | Offenders in need of acute care, which cannot be provided by the DOC due to bed limitations at the DOC infirmaries. |

**CMHIP RESPONSIBILITIES**

1. In order for the Department to more fully utilize CMHIP in a cost effective and efficient manner, it is the Department's expectation that CMHIP will attempt to increase and expand on-site clinics and inpatient services.
2. CMHIP shall provide the Department with access to ten (10) beds on the Medical/Surgical Unit at any time to be used for the provision of acute medical/surgical care and/or other General Hospital inpatient services within

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the scope of available services and as permitted under the regulatory requirements and policies governing CMHIP General Hospital.

3. CMHIP has identified the Chief of Surgery and the Chief of Medicine or their designees who will be accessible 24 hours/7 days to provide contact for communications between the Department and the CMHIP regarding health care concerns related to utilization of the ten (10) Medical/Surgical Unit beds, urgent care, and any other specialty care provided by CMHIP. The name of the person(s) in these positions will be communicated to the Department and updated as necessary. The ultimate goal is to facilitate accurate, timely, and appropriate communication between the two agencies.
4. Due to Departmental security and transportation concerns, CMHIP will schedule all inpatient surgery/medical care, outpatient specialty care, including specialty clinics, and urgent care for Department offenders on a first priority basis. Any scheduling contrary to first priority will be communicated to the Department's Utilization Nurse or designee.
5. It is the Department's expectation that CMHIP will make every effort to schedule Department offenders for specialty clinics/consults. If any conflict in providing specialty clinic care arises, this information will be communicated to the DOC Utilization Nurse or designee in a timely manner to ensure corrective action is initiated.
6. Upon receipt of faxed routine consults from the Department, CMHIP will respond via fax within seventy-two (72) hours, excluding week-ends and holidays, indicating "Referral Accepted" or "Referral Declined" on the consult. Claims will be processed for payment by Access Correctional Care.
7. The Chief of Surgery/Chief of Medicine, or their designees, will be available to Departmental providers on a 24/7 basis to determine whether CMHIP can provide urgent care, should provide twenty-four hour observation services for urgent cases, or recommends care be sought at another facility. CMHIP will obtain authorization from Access Correctional Care, following current emergency procedures. Claims will be processed for payment by Access Correctional Care.
8. Timely communication will be provided by the CMHIP contact person(s) to the Department contact person(s) in verbal and written format of any conflict issues/concerns that occur between CMHIP staff and Department staff. Written reports will be provided to the Department contact person(s) within 48 hours of occurrence.
9. Forensic patients may be referred to outpatient clinics under the guidance, direction, and funding of CMHIP.

Any recommended procedures generated from an outpatient clinic visit or appointment must have the approval of Access Correctional Care and the Department's Chief Medical Officer.

Access Correctional Care approval must be obtained for any inpatient admission of a forensic patient. The Department's Utilization Nurse will be notified of any such approval.

10. CMHIP will incorporate the Department's Provider Standards of Care and Formulary into inmate service planning to allow the Department to provide comparable levels of service and medication regimes after the patient is discharged from CMHIP.
11. CMHIP will provide specific discharge instructions and medication regimes to Department personnel. In the event questions and/or orders require clarification, CMHIP personnel will be readily available to serve as a

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resource.

**DEPARTMENT RESPONSIBILITIES**

1. Nothing in this MOU shall be construed as an obligation of any state funds and as such is not governed by the State's Fiscal Rules.
2. The Department will identify the Utilization Nurse or designee who will provide contact for communications between the Department and CMHIP regarding security and/or health care concerns related to offenders located/admitted to CMHIP. These positions or designees will be held by Department employees who have knowledge of the following:
  - A. The medical condition of the offender
  - B. The security rules/regulations of the Department and CMHIP
3. It is the Department's responsibility to make every effort to utilize CMHIP services to the fullest extent possible. This is highly dependent on the offender's medical/mental/physical condition and the level of services available at CMHIP.
4. It is the responsibility of the Department providers, schedulers, and Utilization Nurse to ascertain availability of service from CMHIP before seeking services from any other facility.
5. Departmental schedulers will fax routine consults to CMHIP to ascertain whether the services can be provided by CMHIP. A prior authorization from Access Correctional Care will be obtained by the Department provider before the form is faxed.
6. Departmental providers will contact the Chief of Surgery/Chief of Medicine, or their designees, on a 24/7 basis to determine whether CMHIP can provide urgent care, should provide twenty-four hour observation services for urgent cases, provide extended inpatient care, or recommends care be sought at another facility.
7. Utilization of the ten (10) Medical/Surgical Unit beds will be monitored by the Department's Utilization Nurse. Prior authorization will be obtained from Access Correctional Care by the Department; the Department will schedule the procedure/stay with CMHIP.
8. The Department will establish a transportation hub on the YOS campus on the grounds of CMHIP. Offenders will be housed in the hub prior and subsequent to specialty care in order to facilitate early and accessible scheduling at CMHIP, as well as to secure public safety by alleviating security and transportation concerns. Exceptions to this policy will be cleared in advance of admission with the Chief of Medicine/Chief of Surgery or designee. Night before ambulatory surgery admissions will not incur any expense to DOC.
9. The Utilization Nurse will monitor bed availability in the Department's infirmaries. Patients admitted into the ten (10) Medical/Surgical Unit beds from DOC infirmaries will have a need for acute care. Housing patients will not be placed at CMHIP. As DOC infirmary beds are managed in a cost effective manner by the Department, the ten (10) Medical/Surgical Unit beds at CMHIP will be used as acute care beds.
10. The Department will obtain authorizations for specialty clinic care, outpatient care, and inpatient care from Access Correctional Care prior to ascertaining CMHIP's ability to provide the level of service required. Authorizations for specialty care, inpatient care, and outpatient surgery may be obtained by specialty providers

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and CMHIP as necessary. Authorization for urgent care will follow current Access Correctional Care policies and procedures. The Department will obtain Access Correctional Care approval for admission of infirmary patients to acute care beds at CMHIP.

11. Department schedulers will ensure that authorization numbers are current prior to calling CMHIP to schedule an appointment. All authorization numbers for follow-up visits will be current prior to scheduling the follow-up appointment.
12. Timely communication will be provided by the Department contact person(s) to the CMHIP contact person(s) in verbal or written format of any conflict issues/concerns that occur between the Department and CMHIP staff.
13. Updates to the Department's Provider Standards of Care and Formulary will be provided to CMHIP.

**COMPENSATION**

CMHIP, being under contract to Access Correctional Care (the Department's third party administrator for outside specialty care) for inpatient/outpatient specialty health care for offenders in the Department, shall bill the Department through Access Correctional Care for services rendered on the Medical/Surgical Unit. Access Correctional Care will adjudicate the claims submitted by CMHIP for such services.

**PERIOD OF PERFORMANCE**

The term of this MOU shall be twelve (12) months commencing on July 1, 2003 and ending June 30, 2004 unless earlier terminated or extended. This agreement may be extended by mutual agreement of the parties with sixty (60) days notice. The maximum term date is July 1, 2008.

**GOVERNMENTAL IMMUNITY**

It is understood that the Colorado Governmental Immunity Act, CRS 24-10-101, *et. seq.*, applies to the parties. None of the provisions of this MOU shall be construed as a waiver to the provisions of the Colorado Governmental Immunity Act.

**AMENDMENTS/MODIFICATIONS**

This MOU may be amended or modified at any time by the mutual written consent of the parties hereto and such amendments or modifications shall be attached hereto and become a part of this MOU.

**TERMINATION**

Any of the parties shall have the right to terminate this agreement by giving the other party sixty (60) days notice. If notice is given, the agreement will terminate at the end of sixty (60) days, and the liabilities of the parties hereunder for further performance of the terms of the agreement shall thereupon cease, but the parties shall not be released from duty to perform up-to-the-date of termination.

**SEVERABILITY**

In the event any provision of this MOU is rendered invalid or unenforceable by law, or declared void by any court of any



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competent jurisdiction, the remainder of the provisions of this MOU shall remain in full force and effect.

**NOTICE**

Any notice provided pursuant to these terms and provisions shall be deemed to be delivered when sent via e-mail or fax and received by the addressee. Notices will be sent to:

FOR THE DEPARTMENT

Lou Archuleta  
Acting Assistant Director for Clinical Services  
Colorado Department of Corrections  
Fax: (719) 226-4515  
E-Mail: [lou.archuleta@doc.state.co.us](mailto:lou.archuleta@doc.state.co.us)

FOR CMHIP

Steve Schoenmakers  
Office of the Superintendent  
Colorado Mental Health Institute at Pueblo  
Fax: (719) 546-4484  
E-Mail: [Steve.Schoenmakers@state.co.us](mailto:Steve.Schoenmakers@state.co.us)

**ENTIRE MOU**

This written MOU contains the whole understanding of the parties and supercedes all prior oral or written representations and statements by the parties, except with regard to compensation, which shall be provided in accordance with each respective party's agreement with Access Correctional Care.

**LEGAL AUTHORITY**

The person(s) signing and executing this MOU on behalf of each party hereby warrants and guarantees that he/she has been fully authorized by such party to execute this MOU on behalf of the party and to validly and legally bind the party to all terms, performances, and provisions set forth herein.

**NO THIRD PARTY BENEFIT**

Except as otherwise stated this agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. No third party beneficiary rights or benefits of any kind are expressly or impliedly provided herein.

**DISPUTE RESOLUTION**

Any failure of either party to perform in accordance with the terms of this agreement shall constitute a breach of this agreement. Any dispute concerning the performance of this agreement which cannot be resolved at the divisional level shall be referred to superior departmental management staff designated by each department. Failing resolution at that level, disputes shall be presented to the executive directors of each department for resolution. Failing resolution by the executive directors, the dispute shall be submitted in writing by both parties to the State Controller, whose decision on the dispute shall be final.

**COLORADO DEPARTMENT OF CORRECTIONS**

**Memorandum of Understanding  
Colorado Department of Corrections  
and Colorado Mental Health Institute at Pueblo**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COLORADO MENTAL HEALTH INSTITUTE AT PUEBLO**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COLORADO DEPARTMENT OF HUMAN SERVICES**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

**COLORADO ACCESS**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

