



# **Correctional Managed Health Care**

## **Quarterly Report FY 2010 Third Quarter**

**September 2009 – May 2010**

## **Summary**

This report is submitted in accordance with Rider 41; page V-21, Senate Bill 1, 81<sup>st</sup> Legislature, and Regular Session 2009. The report summarizes activity through the third quarter of FY 2010. Following this summary are individual data tables and charts supporting this report.

### ***Background***

During Fiscal Year 2010, approximately \$466.4 million within the TDCJ appropriation has been allocated for funding correctional health care services. This funding included:

- \$425.0M in general revenue appropriations in strategy C.1.8 (Managed Health Care, medical services)
- \$41.4M in general revenue appropriations in strategy C.1.7. (Psychiatric Care).

Of this funding, \$465.7M (99.9%) was allocated for health care services provided by UTMB and TTUHSC. The amount \$669K (0.1%) was allocated for funding of the operation of the Correctional Managed Health Care Committee.

These payments are made directly to the university providers according to their contracts. Benefit reimbursement amounts and expenditures are included in the reported totals provided by the universities.

## ***Report Highlights***

### **Population Indicators**

- Through the third quarter of this fiscal year, the correctional health care program has slightly increased in the overall offender population served. The average daily population served through the third quarter of FY 2010 was 151,152. Through this same quarter a year ago (FY 2009), the average daily population was 150,572, an increase of 580 (0.38%). While overall growth was relatively stable, the number of offenders age 55 and over has continued to steadily increase.
- Consistent with the trend for the last several years, the number of offenders in the service population aged 55 or older has continued to rise at a faster rate than the overall population. Through the third quarter of FY 2010, the average number of older offenders in the service population was 11,714. Through this same quarter a year ago (FY 2009), the average number of offenders age 55 and over was 10,929. This represents an increase of 785 or about 7.2% more older offenders than a year ago.
- The overall HIV+ population has remained relatively stable throughout the last two years and continued to remain so through this quarter, averaging 2,400 (or about 1.6% of the population served).
- Two mental health caseload measures have also remained relatively stable:
  - The average number of psychiatric inpatients within the system was 1,928 through the third quarter of FY 2010, as compared to 1,918 through the same quarter a year ago (FY 2009). The inpatient caseload is limited by the number of available inpatient beds in the system.
  - Through the third quarter of FY 2010, the average number of mental health outpatients was 21,056 representing 13.9% of the service population.

### **Health Care Costs**

- Overall health costs through the third quarter of FY 2010 totaled \$411.7M. This amount exceeded overall revenues earned by the university providers by \$19.0M or 4.8%.
- UTMB's total revenue through the quarter was \$312.7M. Their expenditures totaled \$329.4M, resulting in a net loss of \$16.7M. On a per offender per day basis, UTMB earned \$9.53 in revenue and expended \$10.04 resulting in a shortfall of \$0.51 per offender per day.

- TTUHSC's total revenue through the third quarter was \$79.9M. Expenditures totaled \$82.2M, resulting in a net loss of \$2.3M. On a per offender per day basis, TTUHSC earned \$9.45 in revenue, but expended \$9.72 resulting in a shortfall of \$0.27 per offender per day.
- Examining the health care costs in further detail indicates that of the \$411.7M in expenses reported through the third quarter of the year:
  - Onsite services (those medical services provided at the prison units) comprised \$193.7M representing about 47.1% of the total health care expenses:
    - Of this amount, 80.2% was for salaries and benefits and 19.8% for operating costs.
  - Pharmacy services totaled \$39.3M representing approximately 9.6% of the total expenses:
    - Of this amount 18.0% was for related salaries and benefits, 3.2% for operating costs and 78.8% for drug purchases.
  - Offsite services (services including hospitalization and specialty clinic care) accounted for \$132.1M or 32.1% of total expenses:
    - Of this amount 65.5% was for estimated university provider hospital, physician and professional services; and 34.5% for Freeworld (non-university) hospital, specialty and emergency care.
  - Mental health services totaled \$36.3M or 8.8% of the total costs:
    - Of this amount, 96.6% was for mental health staff salaries and benefits, with the remaining 3.4% for operating costs.
  - Indirect support expenses accounted for \$10.3M and represented 2.4% of the total costs.
- The total cost per offender per day for all health care services statewide through the third quarter of FY 2010 was \$9.98. The average cost per offender per day for the prior four fiscal years was \$8.38.
  - For UTMB, the cost per offender per day was \$10.04. This is higher than the average cost per offender per day for the last four fiscal years of \$8.46.
  - For TTUHSC, the cost per offender per day was \$9.72, higher than the average cost per offender per day for the last four fiscal years of \$8.09.
  - Differences in cost between UTMB and TTUHSC relate to the differences in mission, population assigned and the acuity level of the offender patients served.

### **Aging Offenders**

- As consistently noted in prior reports, the aging of the offender population has a demonstrated impact on the resources of the health care system. Offenders age 55 and older access the health care delivery system at a much higher level and frequency than younger offenders:
  - Encounter data through the third quarter of FY 2010 indicates that offenders aged 55 and over had a documented encounter with medical staff almost three times as often as those under age 55.
  - An examination of hospital admissions by age category found that through this quarter of the fiscal year, hospital costs received to date for charges incurred this fiscal year for offenders over age 55 totaled approximately \$3,122 per offender. The same calculation for offenders under age 55 totaled about \$481. In terms of hospitalization, the older offenders were utilizing health care resources at a rate of six and a half times higher than the younger offenders. While comprising about 7.7% of the overall service population, offenders age 55 and over account for more than 35.3% of the hospitalization costs received to date.
  - A third examination of dialysis costs found that, proportionately, older offenders are represented more than five times more often in the dialysis population than younger offenders. Dialysis costs continue to be significant, averaging \$23,603 per patient per year. Providing medically necessary dialysis treatment for an average of 193 patients through the third quarter of FY2010 cost \$3.4M.

### **Drug Costs**

- Total drug costs through the third quarter of FY 2010 totaled \$30.2M.
  - Pharmaceutical costs related to HIV care continue to be the largest single component of pharmacy expenses.
    - Through this quarter, \$14.1M in costs (or over \$1.56M per month) for HIV antiretroviral medication costs were experienced. This represents 46.8% of the total drug cost during this time period.
    - Expenses for psychiatric drugs are also being tracked, with approximately \$1.6M being expended for psychiatric medications through the third quarter, representing 5.1% of the overall drug cost.
    - Another pharmacy indicator being tracked is the cost related to Hepatitis C therapies. These costs were \$2.0M and represented about 6.6% of the total drug cost.

### ***Reporting of Fund Balances***

- In accordance with Rider 41, page V-21, Senate Bill 1, 81st Legislature, Regular Session 2009, both the University of Texas Medical Branch and Texas Tech University Health Sciences Center are required to report if they hold any monies in reserve for correctional managed health care. UTMB reports that they hold no such reserves and report a total shortfall of \$16,721,129 through this quarter. TTUHSC reports that they hold no such reserves and report a total shortfall of \$2,302,630.
- A summary analysis of the ending balances, revenue and payments through the third quarter for all CMHCC accounts is included in this report. That summary indicates that the net unencumbered balance on all CMHCC accounts on May 31, 2010 was \$62,089.85. It should be noted that this balance is projected to decrease over the course of the fiscal year.

### ***Financial Monitoring***

Detailed transaction level data from both providers is being tested on a monthly basis to verify reasonableness, accuracy, and compliance with policies, procedures, and contractual requirements.

The testing of detail transactions performed on TTUHSC's financial information for May 2010 is completed. The testing of detail transactions performed on TTUHSC's financial information for March through May 2010 resulted in no significant findings which need correction.

The testing of detail transactions performed on UTMB's financial information for May 2010 is completed. The testing of detail transactions performed on UTMB's financial information for March through May 2010 resulted in no significant findings which need correction.

### ***Concluding Notes***

The combined operating loss for the university providers through the third quarter of FY 2010 is \$19.0 M. The university providers are continuing to monitor their expenditures closely, while seeking additional opportunities to reduce costs in order to minimize their operating losses.

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**Table 1  
Correctional Managed Health Care  
FY 2010 Budget Allocations**

**Distribution of Funds**

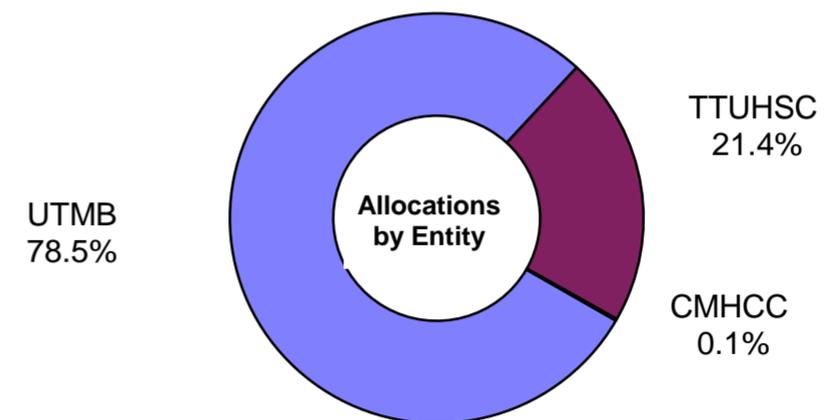
<u>Allocated to</u>	<u>FY 2010</u>
<b>University Providers</b>	
<b>The University of Texas Medical Branch</b>	
Medical Services	\$337,982,054
Mental Health Services	\$28,084,575
Subtotal UTMB	\$366,066,629
<b>Texas Tech University Health Sciences Center</b>	
Medical Services	\$86,347,837
Mental Health Services	\$13,286,944
Subtotal TTUHSC	\$99,634,781
<b>SUBTOTAL UNIVERSITY PROVIDERS</b>	
	\$465,701,410
<b>Correctional Managed Health Care Committee</b>	\$669,053
<b>TOTAL DISTRIBUTION</b>	<b>\$466,370,463</b>

**Source of Funds**

<u>Source</u>	<u>FY 2010</u>
<b>Legislative Appropriations</b>	
SB 1, Article V, TDCJ Appropriations	
Strategy C.1.8. Managed Health Care	\$424,998,944
Strategy C.1.7 Psychiatric Care	\$41,371,519
<b>TOTAL</b>	<b>\$466,370,463</b>

**Note:** In addition to the amounts received and allocated by the CMHCC, the university providers receive partial reimbursement for employee benefit costs directly from other appropriations made for that purpose.

**Chart 1**



**Table 2**  
**FY 2010**  
**Key Population Indicators**  
**Correctional Health Care Program**

Indicator	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Population Year to Date Avg.
<b>Avg. Population Served by CMHC:</b>										
UTMB State-Operated Population	108,963	108,894	108,450	108,413	108,068	108,220	108,316	107,960	107,992	108,364
UTMB Private Prison Population*	11,852	11,811	11,796	11,783	11,731	11,687	11,746	11,809	11,845	11,785
UTMB Total Service Population	120,815	120,705	120,246	120,196	119,799	119,908	120,062	119,770	119,837	120,149
TTUHSC Total Service Population	30,958	30,887	31,042	31,051	30,945	30,972	30,984	31,072	31,123	31,004
<b>CMHC Service Population Total</b>	<b>151,773</b>	<b>151,592</b>	<b>151,287</b>	<b>151,247</b>	<b>150,744</b>	<b>150,879</b>	<b>151,046</b>	<b>150,842</b>	<b>150,959</b>	<b>151,152</b>
<b>Population Age 55 and Over</b>										
UTMB Service Population Average	9,564	9,595	9,608	9,652	9,654	9,733	9,728	9,768	9,812	9,679
TTUHSC Service Population Average	1,978	1,984	1,993	2,007	2,029	2,055	2,076	2,095	2,097	2,035
<b>CMHC Service Population Average</b>	<b>11,542</b>	<b>11,579</b>	<b>11,601</b>	<b>11,659</b>	<b>11,683</b>	<b>11,788</b>	<b>11,804</b>	<b>11,863</b>	<b>11,909</b>	<b>11,714</b>
<b>HIV+ Population</b>	<b>2,445</b>	<b>2,430</b>	<b>2,414</b>	<b>2,414</b>	<b>2,419</b>	<b>2,376</b>	<b>2,365</b>	<b>2,367</b>	<b>2,374</b>	<b>2,400</b>
<b>Mental Health Inpatient Census</b>										
UTMB Psychiatric Inpatient Average	1,028	1,023	1,000	978	987	994	991	1,001	1,030	1,004
TTUHSC Psychiatric Inpatient Average	915	899	915	923	911	929	941	953	931	924
<b>CMHC Psychiatric Inpatient Average</b>	<b>1,943</b>	<b>1,922</b>	<b>1,915</b>	<b>1,901</b>	<b>1,898</b>	<b>1,923</b>	<b>1,932</b>	<b>1,954</b>	<b>1,961</b>	<b>1,928</b>
<b>Mental Health Outpatient Census</b>										
UTMB Psychiatric Outpatient Average	17,715	17,909	16,361	17,484	16,098	15,896	17,501	17,243	16,129	16,926
TTUHSC Psychiatric Outpatient Average	3,981	4,150	3,639	4,372	3,788	4,075	4,532	4,429	4,201	4,130
<b>CMHC Psychiatric Outpatient Average</b>	<b>21,696</b>	<b>22,059</b>	<b>20,000</b>	<b>21,856</b>	<b>19,886</b>	<b>19,971</b>	<b>22,033</b>	<b>21,672</b>	<b>20,330</b>	<b>21,056</b>

**Table 3**  
**Summary Financial Report: Medical Costs**  
**Fiscal Year 2010 through Quarter 3 (Sep 2009 - May 2010)**

Days in Year: 273

	Medical Services Costs			Medical Cost Per Day Calculations		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
<b>Population Served</b>	<b>120,149</b>	<b>31,004</b>	<b>151,152</b>			
<b>Revenue</b>						
Capitation Payments	\$252,792,057	\$64,583,453	\$317,375,510	\$7.71	\$7.63	\$7.69
State Reimbursement Benefits	\$34,120,545	\$3,357,859	\$37,478,404	\$1.04	\$0.40	\$0.91
Non-Operating Revenue	\$426,710	\$1,489	\$428,199	\$0.01	\$0.00	\$0.01
<b>Total Revenue</b>	<b>\$287,339,312</b>	<b>\$67,942,801</b>	<b>\$355,282,113</b>	<b>\$8.76</b>	<b>\$8.03</b>	<b>\$8.61</b>
<b>Expenses</b>						
<b>Onsite Services</b>						
Salaries	\$113,443,693	\$9,750,022	\$123,193,715	\$3.46	\$1.15	\$2.99
Benefits	\$29,828,798	\$2,396,159	\$32,224,957	\$0.91	\$0.28	\$0.78
Operating (M&O)	\$15,378,958	\$1,110,125	\$16,489,083	\$0.47	\$0.13	\$0.40
Professional Services	\$0	\$2,552,912	\$2,552,912	\$0.00	\$0.30	\$0.06
Contracted Units/Services	\$0	\$17,120,316	\$17,120,316	\$0.00	\$2.02	\$0.41
Travel	\$764,522	\$89,558	\$854,080	\$0.02	\$0.01	\$0.02
Electronic Medicine	\$0	\$302,679	\$302,679	\$0.00	\$0.04	\$0.01
Capitalized Equipment	\$554,534	\$429,159	\$983,693	\$0.02	\$0.05	\$0.02
<b>Subtotal Onsite Expenses</b>	<b>\$159,970,505</b>	<b>\$33,750,930</b>	<b>\$193,721,435</b>	<b>\$4.88</b>	<b>\$3.99</b>	<b>\$4.69</b>
<b>Pharmacy Services</b>						
Salaries	\$4,293,555	\$1,436,512	\$5,730,067	\$0.13	\$0.17	\$0.14
Benefits	\$1,294,421	\$50,306	\$1,344,727	\$0.04	\$0.01	\$0.03
Operating (M&O)	\$907,636	\$300,273	\$1,207,909	\$0.03	\$0.04	\$0.03
Pharmaceutical Purchases	\$25,402,930	\$5,590,130	\$30,993,060	\$0.77	\$0.66	\$0.75
Professional Services	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Travel	\$18,540	\$14,900	\$33,440	\$0.00	\$0.00	\$0.00
<b>Subtotal Pharmacy Expenses</b>	<b>\$31,917,082</b>	<b>\$7,392,121</b>	<b>\$39,309,203</b>	<b>\$0.97</b>	<b>\$0.87</b>	<b>\$0.95</b>
<b>Offsite Services</b>						
University Professional Services	\$12,929,686	\$641,079	\$13,570,765	\$0.39	\$0.08	\$0.33
Freeworld Provider Services	\$24,415,378	\$13,191,220	\$37,606,598	\$0.74	\$1.56	\$0.91
UTMB or TTUHSC Hospital Cost	\$62,912,299	\$9,972,273	\$72,884,572	\$1.92	\$1.18	\$1.77
Estimated IBNR	\$6,934,091	\$1,098,989	\$8,033,080	\$0.21	\$0.13	\$0.19
<b>Subtotal Offsite Expenses</b>	<b>\$107,191,454</b>	<b>\$24,903,561</b>	<b>\$132,095,015</b>	<b>\$3.27</b>	<b>\$2.94</b>	<b>\$3.20</b>
<b>Indirect Expenses</b>	<b>\$5,191,904</b>	<b>\$3,994,385</b>	<b>\$9,186,289</b>	<b>\$0.16</b>	<b>\$0.47</b>	<b>\$0.22</b>
<b>Total Expenses</b>	<b>\$304,270,945</b>	<b>\$70,040,997</b>	<b>\$374,311,942</b>	<b>\$9.28</b>	<b>\$8.28</b>	<b>\$9.07</b>
<b>Operating Income (Loss)</b>	<b>(\$16,931,633)</b>	<b>(\$2,098,196)</b>	<b>(\$19,029,829)</b>	<b>(\$0.52)</b>	<b>(\$0.25)</b>	<b>(\$0.46)</b>

**Table 3 (Continued)**  
**Summary Financial Report: Mental Health Costs**  
**Fiscal Year 2010 through Quarter 3 (Sep 2009 - May 2010)**

Days in Year: 273

	Mental Health Services Costs			Mental Health Cost Per Day Calculations		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
<b>Population Served</b>	<b>120,149</b>	<b>31,004</b>	<b>151,152</b>			
<b>Revenue</b>						
Capitation Payments	\$21,005,724	\$9,937,906	\$30,943,630	\$0.64	\$1.17	\$0.75
State Reimbursement Benefits	\$4,367,393	\$2,070,542	\$6,437,935	\$0.13	\$0.24	\$0.16
Other Misc Revenue	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Total Revenue</b>	<b>\$25,373,117</b>	<b>\$12,008,448</b>	<b>\$37,381,565</b>	<b>\$0.77</b>	<b>\$1.42</b>	<b>\$0.91</b>
<b>Expenses</b>						
<b>Mental Health Services</b>						
Salaries	\$19,376,723	\$8,759,853	\$28,136,576	\$0.59	\$1.03	\$0.68
Benefits	\$4,752,672	\$2,200,229	\$6,952,901	\$0.14	\$0.26	\$0.17
Operating (M&O)	\$454,508	\$141,330	\$595,838	\$0.01	\$0.02	\$0.01
Professional Services	\$0	\$492,710	\$492,710	\$0.00	\$0.06	\$0.01
Contracted Units/Services	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Travel	\$121,167	\$22,486	\$143,653	\$0.00	\$0.00	\$0.00
Electronic Medicine	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Capitalized Equipment	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Subtotal Mental Health Expenses</b>	<b>\$24,705,070</b>	<b>\$11,616,608</b>	<b>\$36,321,678</b>	<b>\$0.75</b>	<b>\$1.37</b>	<b>\$0.88</b>
<b>Indirect Expenses</b>	<b>\$457,543</b>	<b>\$596,274</b>	<b>\$1,053,817</b>	<b>\$0.01</b>	<b>\$0.07</b>	<b>\$0.03</b>
<b>Total Expenses</b>	<b>\$25,162,613</b>	<b>\$12,212,882</b>	<b>\$37,375,495</b>	<b>\$0.77</b>	<b>\$1.44</b>	<b>\$0.91</b>
<b>Operating Income (Loss)</b>	<b>\$210,504</b>	<b>(\$204,434)</b>	<b>\$6,070</b>	<b>\$0.01</b>	<b>(\$0.02)</b>	<b>\$0.00</b>

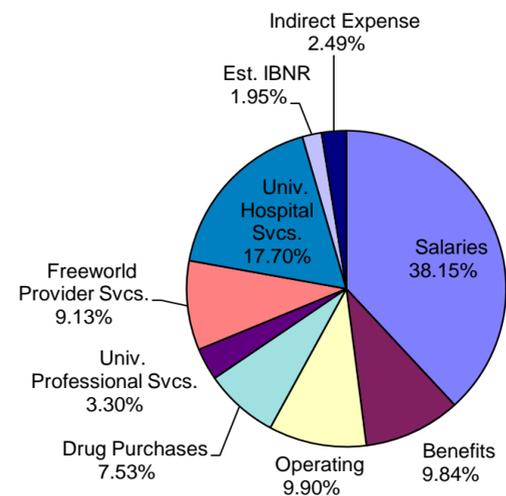
**All Health Care Summary**

	All Health Care Services			Cost Per Offender Per Day		
	UTMB	TTUHSC	TOTAL	UTMB	TTUHSC	TOTAL
Medical Services	\$287,339,312	\$67,942,801	\$355,282,113	\$8.76	\$8.03	\$8.61
Mental Health Services	\$25,373,117	\$12,008,448	\$37,381,565	\$0.77	\$1.42	\$0.91
<b>Total Revenue</b>	<b>\$312,712,429</b>	<b>\$79,951,249</b>	<b>\$392,663,678</b>	<b>\$9.53</b>	<b>\$9.45</b>	<b>\$9.52</b>
Medical Services	\$304,270,945	\$70,040,997	\$374,311,942	\$9.28	\$8.28	\$9.07
Mental Health Services	\$25,162,613	\$12,212,882	\$37,375,495	\$0.77	\$1.44	\$0.91
<b>Total Expenses</b>	<b>\$329,433,558</b>	<b>\$82,253,879</b>	<b>\$411,687,437</b>	<b>\$10.04</b>	<b>\$9.72</b>	<b>\$9.98</b>
<b>Operating Income (Loss)</b>	<b>(\$16,721,129)</b>	<b>(\$2,302,630)</b>	<b>(\$19,023,759)</b>	<b>(\$0.51)</b>	<b>(\$0.27)</b>	<b>(\$0.46)</b>

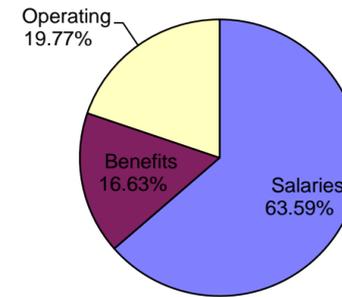
**Table 4**  
**FY 2010 3rd Quarter**  
**UTMB/TTUHSC EXPENSE SUMMARY**

Category	Expense	Percent of Total
<b>Onsite Services</b>	<b>\$193,721,435</b>	<b>47.06%</b>
Salaries	\$123,193,715	
Benefits	\$32,224,957	
Operating	\$38,302,763	
<b>Pharmacy Services</b>	<b>\$39,309,203</b>	<b>9.55%</b>
Salaries	\$5,730,067	
Benefits	\$1,344,727	
Operating	\$1,241,349	
Drug Purchases	\$30,993,060	
<b>Offsite Services *</b>	<b>\$132,095,015</b>	<b>32.09%</b>
Univ. Professional Svcs.	\$13,570,765	
Freeworld Provider Svcs.	\$37,606,598	
Univ. Hospital Svcs.	\$72,884,572	
Est. IBNR	\$8,033,080	
<b>Mental Health Services</b>	<b>\$36,321,678</b>	<b>8.82%</b>
Salaries	\$28,136,576	
Benefits	\$6,952,901	
Operating	\$1,232,201	
<b>Indirect Expense</b>	<b>\$10,240,106</b>	<b>2.49%</b>
*-Breakout of Expense Detail on Table 3		
<b>Total Expenses</b>	<b>\$411,687,437</b>	<b>100.00%</b>

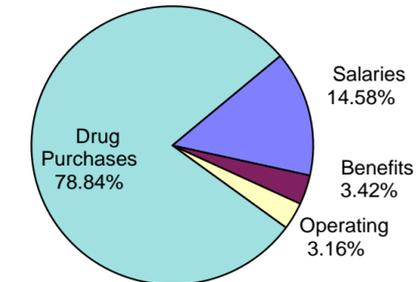
**Chart 6: Total Health Care by Category**



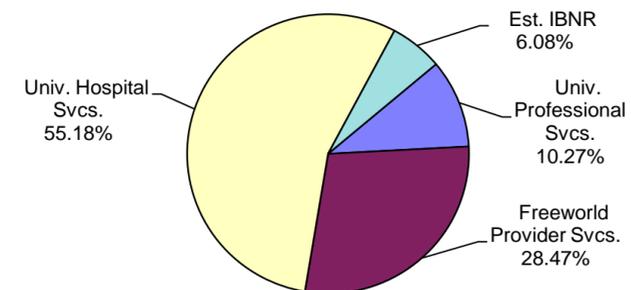
**Chart 7: Onsite Services**



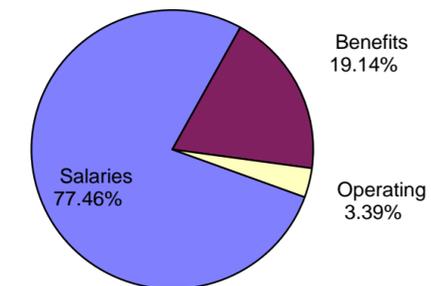
**Chart 8: Pharmacy Services**



**Chart 9: Offsite Services**



**Chart 10: Mental Health Services**



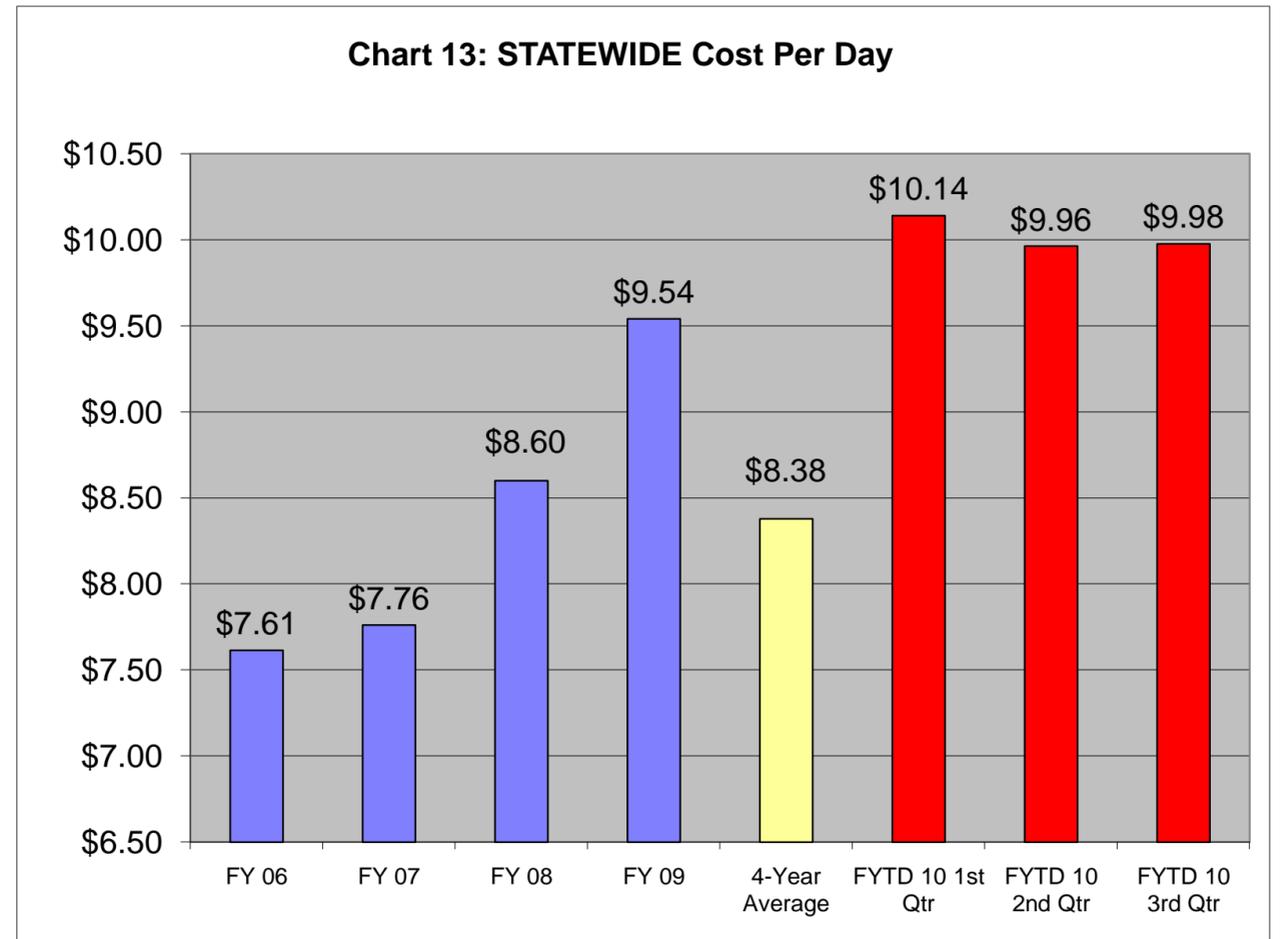
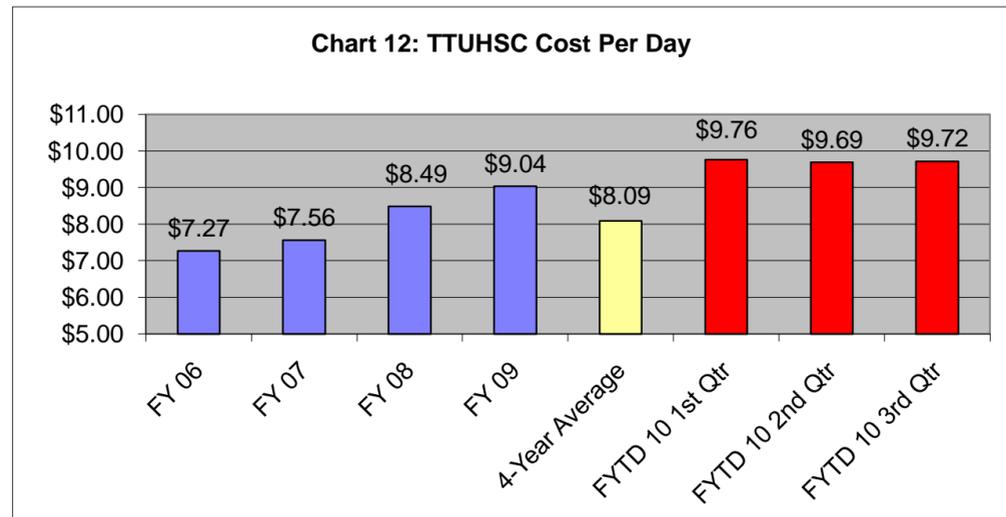
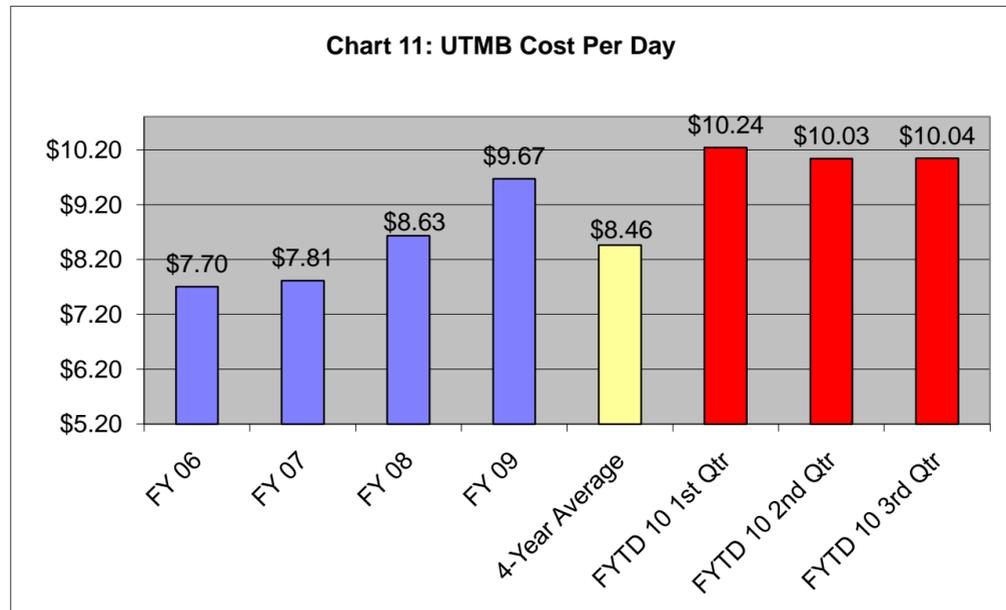
**Table 4a**  
**FY 2010 3rd Quarter**  
**UTMB/TTUHSC EXPENSE SUMMARY**

<b>Category</b>	<b>Total Expense</b>	<b>UTMB</b>	<b>TTUHSC</b>	<b>% UTMB</b>
<b>Onsite Services</b>	<b>\$193,721,435</b>	<b>\$159,970,505</b>	<b>\$33,750,930</b>	<b>82.58%</b>
Salaries	\$123,193,715	\$113,443,693	\$9,750,022	
Benefits	\$32,224,957	\$29,828,798	\$2,396,159	
Operating	\$16,489,083	\$15,378,958	\$1,110,125	
<b>Pharmacy Services</b>	<b>\$39,309,203</b>	<b>\$31,917,082</b>	<b>\$7,392,121</b>	<b>81.19%</b>
Salaries	\$5,730,067	\$4,293,555	\$1,436,512	
Benefits	\$1,344,727	\$1,294,421	\$50,306	
Operating	\$1,241,349	\$926,176	\$315,173	
Drug Purchases	\$30,993,060	\$25,402,930	\$5,590,130	
<b>Offsite Services</b>	<b>\$132,095,015</b>	<b>\$107,191,454</b>	<b>\$24,903,561</b>	<b>81.15%</b>
Univ. Professional Svcs.	\$13,570,765	\$12,929,686	\$641,079	
Freeworld Provider Svcs.	\$37,606,598	\$24,415,378	\$13,191,220	
Univ. Hospital Svcs.	\$72,884,572	\$62,912,299	\$9,972,273	
Est. IBNR	\$8,033,080	\$6,934,091	\$1,098,989	
<b>Mental Health Services</b>	<b>\$36,321,678</b>	<b>\$24,705,070</b>	<b>\$11,616,608</b>	<b>68.02%</b>
Salaries	\$28,136,576	\$19,376,723	\$8,759,853	
Benefits	\$6,952,901	\$4,752,672	\$2,200,229	
Operating	\$595,838	\$454,508	\$141,330	
<b>Indirect Expense</b>	<b>\$10,240,106</b>	<b>\$5,649,447</b>	<b>\$4,590,659</b>	<b>55.17%</b>
<b>Total Expenses</b>	<b>\$411,687,437</b>	<b>\$329,433,558</b>	<b>\$82,253,879</b>	<b>80.02%</b>

**Table 5  
Comparison of Total Health Care Costs**

	FY 06	FY 07	FY 08	FY 09	4-Year Average	FYTD 10 1st Qtr	FYTD 10 2nd Qtr	FYTD 10 3rd Qtr
<b>Population</b>								
UTMB	119,835	120,235	120,648	119,952	120,167	120,588	120,278	120,149
TTUHSC	31,448	31,578	31,064	30,616	31,177	30,963	30,976	31,004
Total	151,283	151,813	151,712	150,568	151,344	151,551	151,254	151,152
<b>Expenses</b>								
UTMB	\$336,934,127	\$342,859,796	\$381,036,398	\$423,338,812	\$371,042,283	\$112,356,950	\$219,640,888	\$329,433,558
TTUHSC	\$83,467,550	\$87,147,439	\$96,482,145	\$100,980,726	\$92,019,465	\$27,495,553	\$54,608,451	\$82,253,879
Total	\$420,401,677	\$430,007,235	\$477,518,543	\$524,319,538	\$463,061,748	\$139,852,503	\$274,249,339	\$411,687,437
<b>Cost/Day</b>								
UTMB	\$7.70	\$7.81	\$8.63	\$9.67	\$8.46	\$10.24	\$10.03	\$10.04
TTUHSC	\$7.27	\$7.56	\$8.49	\$9.04	\$8.09	\$9.76	\$9.69	\$9.72
<b>Total</b>	<b>\$7.61</b>	<b>\$7.76</b>	<b>\$8.60</b>	<b>\$9.54</b>	<b>\$8.38</b>	<b>\$10.14</b>	<b>\$9.96</b>	<b>\$9.98</b>

\* Expenses include all health care costs, including medical, mental health, and benefit costs.  
NOTE: The FY08 calculation has been adjusted from previous reports to correctly account for leap year



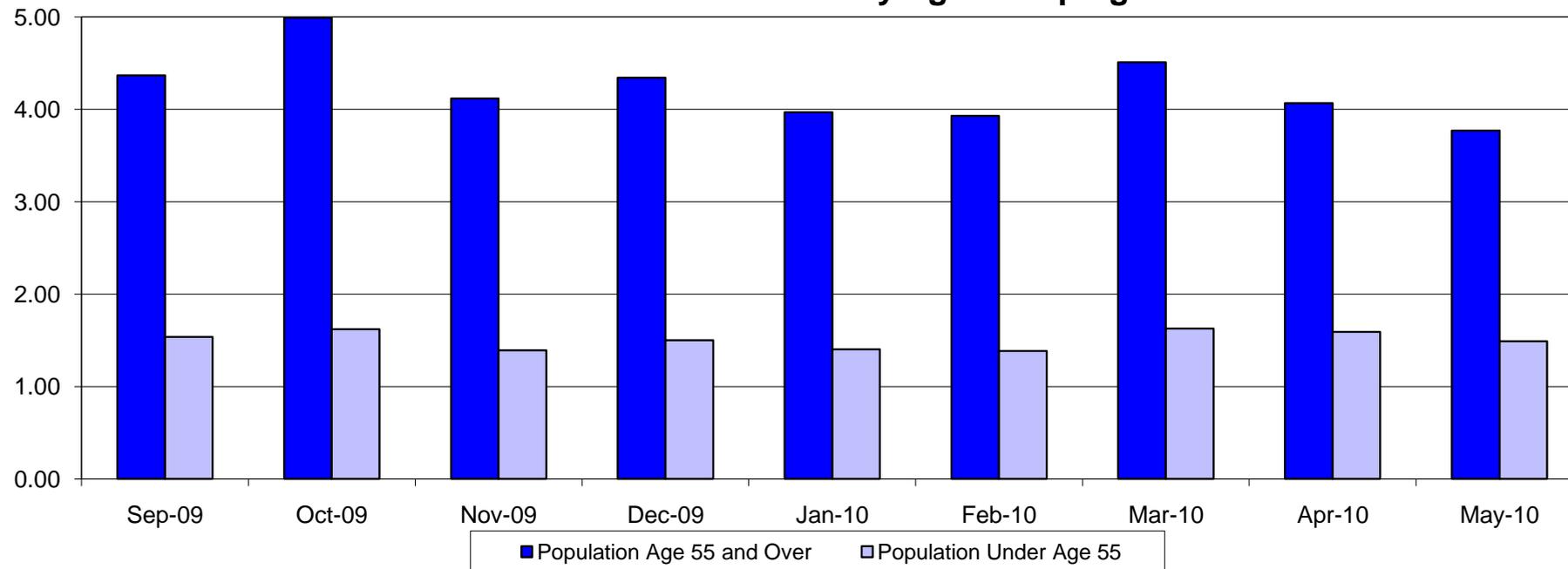
**Table 6**  
**Medical Encounter Statistics\* by Age Grouping**

9

Month	Encounters			Population			Encounters Per Offender		
	Age 55 and Over	Under Age 55	Total	Age 55 and Over	Under Age 55	Total	Age 55 and Over	Under Age 55	Total
Sep-09	41,772	171,033	212,805	9,564	111,251	120,815	4.37	1.54	1.76
Oct-09	47,855	179,767	227,622	9,595	111,110	120,705	4.99	1.62	1.89
Nov-09	39,542	153,958	193,500	9,608	110,638	120,246	4.12	1.39	1.61
Dec-09	41,894	165,825	207,719	9,652	110,544	120,196	4.34	1.50	1.73
Jan-10	38,305	154,500	192,805	9,654	110,145	119,799	3.97	1.40	1.61
Feb-10	38,226	152,356	190,582	9,733	110,175	119,908	3.93	1.38	1.59
Mar-10	43,837	179,451	223,288	9,728	110,334	120,062	4.51	1.63	1.86
Apr-10	39,698	174,890	214,588	9,768	110,002	119,770	4.06	1.59	1.79
May-10	36,968	163,655	200,623	9,812	110,025	119,837	3.77	1.49	1.67
<b>Average</b>	<b>40,900</b>	<b>166,159</b>	<b>207,059</b>	<b>9,679</b>	<b>110,469</b>	<b>120,149</b>	<b>4.23</b>	<b>1.50</b>	<b>1.72</b>

\*Detailed data available for **UTMB** Sector only (representing approx. 79% of total population). Includes all medical and dental onsite visits. Excludes mental health visits.

**Chart 14**  
**Encounters Per Offender By Age Grouping**

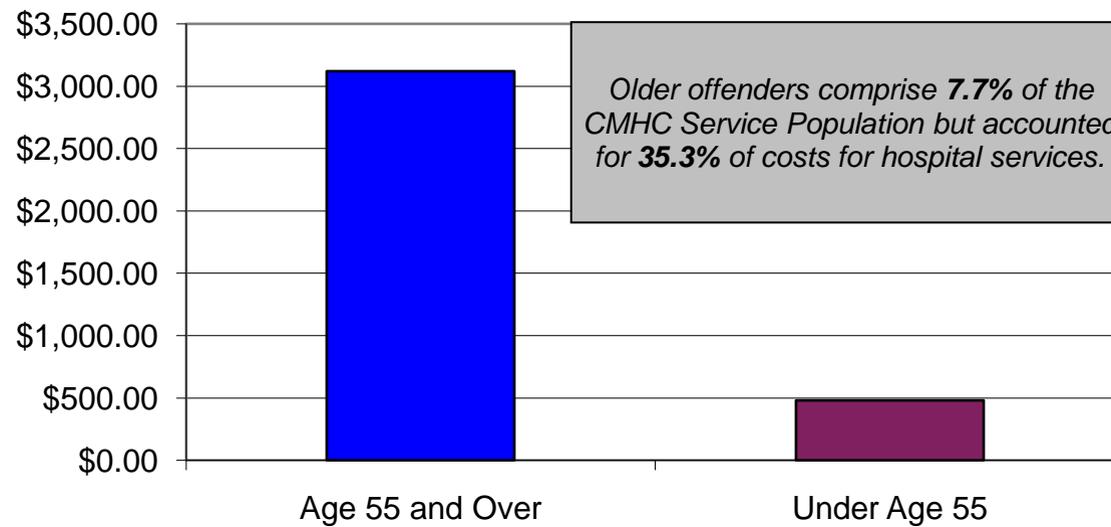


**Table 7**  
**FY 2010 3rd Quarter**  
**Offsite Costs\* To Date by Age Grouping**

Age Grouping	Cost Data	Total Population	Total Cost Per Offender
Age 55 and Over	\$36,577,332	11,714	\$3,122.47
Under Age 55	\$67,072,115	139,438	\$481.02
<b>Total</b>	<b>\$103,649,447</b>	<b>151,152</b>	<b>\$685.73</b>

*\*Figures represent repricing of customary billed charges received to date for services to institution's actual cost, which includes any discounts and/or capitation arrangements. Repriced charges are compared against entire population to illustrate and compare relative difference in utilization of offsite services. Billings have a 60-90 day time lag.*

**Chart 15**  
**Hospital Costs to Date Per Offender**  
**by Age Grouping**

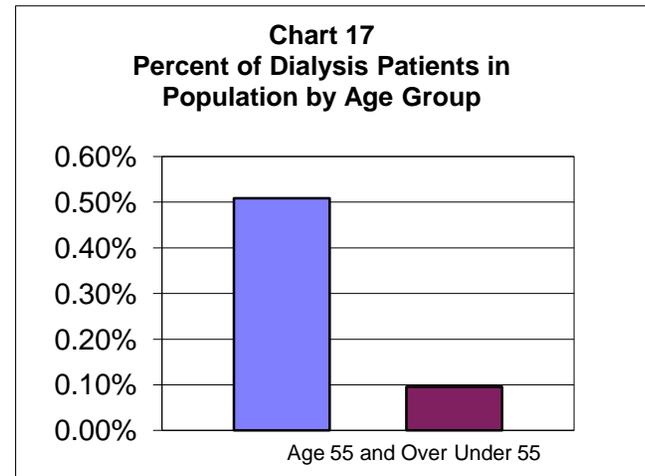
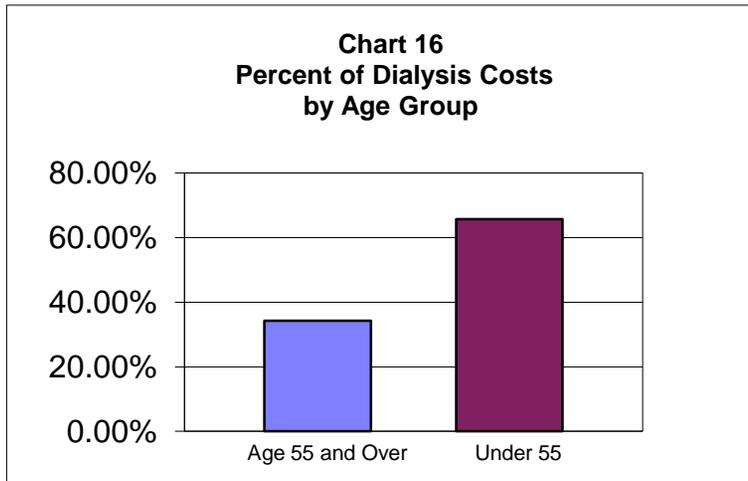


**Table 8**  
**Through FY 2010 3rd Quarter**  
**Dialysis Costs by Age Grouping**

Age Group	Dialysis Costs	Percent of Costs	Average Population	Percent of Population	Avg Number of Dialysis Patients	Percent of Dialysis Patients in Population
Age 55 and Over	\$1,173,265	34.28%	11,714	7.75%	60	0.51%
Under Age 55	\$2,249,079	65.72%	139,438	92.25%	134	0.10%
<b>Total</b>	<b>\$3,422,344</b>	<b>100.00%</b>	<b>151,152</b>	<b>100.00%</b>	<b>193</b>	<b>0.13%</b>

**Projected Avg Cost Per Dialysis Patient Per Year:**

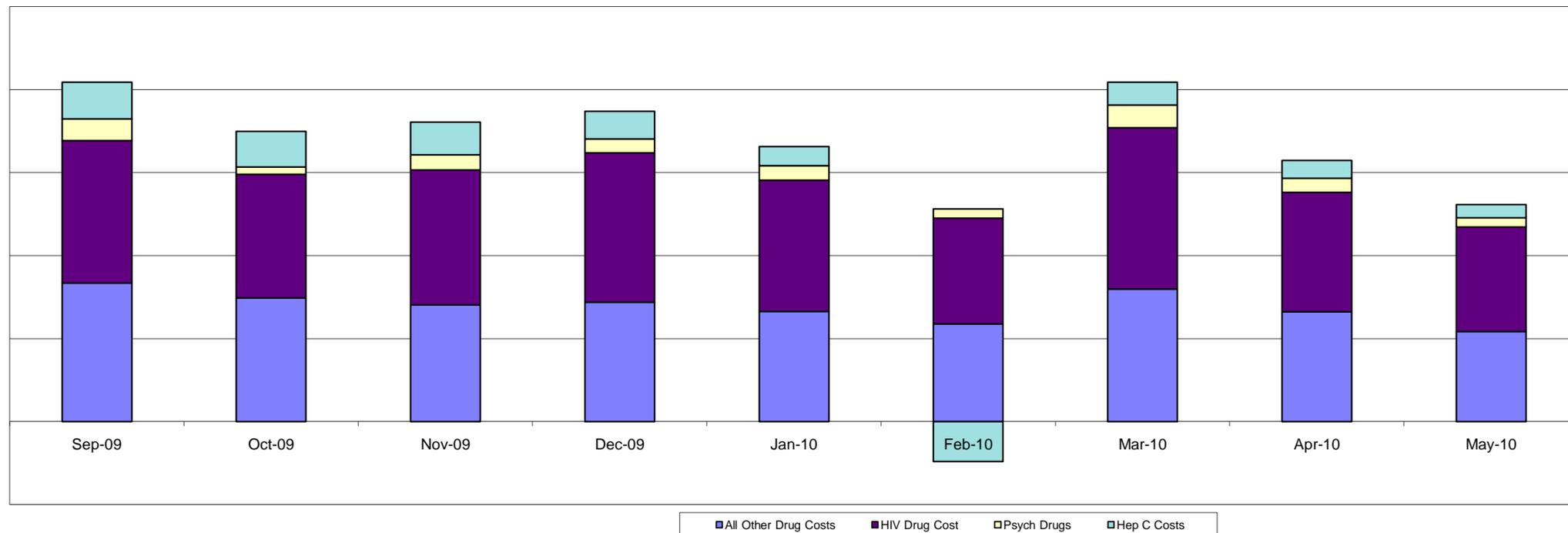
\$23,603



**Table 9  
Selected Drug Costs FY 2010**

<b>Category</b>	<b>Sep-09</b>	<b>Oct-09</b>	<b>Nov-09</b>	<b>Dec-09</b>	<b>Jan-10</b>	<b>Feb-10</b>	<b>Mar-10</b>	<b>Apr-10</b>	<b>May-10</b>	<b>Total Year-to-Date</b>
<b><i>Total Drug Costs</i></b>	\$4,090,594	\$3,497,612	\$3,608,385	\$3,740,760	\$3,312,646	\$2,081,172	\$4,087,014	\$3,145,983	\$2,612,968	\$30,177,133
<b><i>HIV Medications</i></b>										
HIV Drug Cost	\$1,714,275	\$1,488,935	\$1,622,836	\$1,801,578	\$1,582,347	\$1,279,081	\$1,944,359	\$1,439,386	\$1,258,336	\$14,131,132
HIV Percent of Cost	41.91%	42.57%	44.97%	48.16%	47.77%	61.46%	47.57%	45.75%	48.16%	46.83%
<b><i>Psychiatric Medications</i></b>										
Psych Drug Cost	\$264,579	\$87,514	\$183,690	\$166,303	\$176,539	\$111,582	\$276,675	\$170,687	\$112,648	\$1,550,215
Psych Percent of Cost	6.47%	2.50%	5.09%	4.45%	5.33%	5.36%	6.77%	5.43%	4.31%	5.14%
<b><i>Hepatitis C Medications</i></b>										
Hep C Drug Cost	\$442,260	\$431,934	\$395,049	\$334,527	\$228,631	-\$482,830	\$270,479	\$215,271	\$157,481	\$1,992,802
Hep C Percent of Cost	10.81%	12.35%	10.95%	8.94%	6.90%	-23.20%	6.62%	6.84%	6.03%	6.60%
<b><i>All Other Drug Costs</i></b>	\$1,669,480	\$1,489,230	\$1,406,811	\$1,438,353	\$1,325,128	\$1,173,339	\$1,595,502	\$1,320,640	\$1,084,503	\$12,502,985

**Chart 18  
Drug Costs by Selected Categories**



**Table 10  
Ending Balances 3rd Qtr FY 2010**

	Beginning Balance September 1, 2009	Net Activity FY 2010	Ending Balance May 31, 2010
CMHCC Operating Funds	\$27,819.97	\$191,511.44	\$219,331.41
CMHCC Medical Services	\$1,909.59	\$21,772,332.81	\$21,774,242.40
CMHCC Mental Health	\$343.06	\$3,350,233.99	\$3,350,577.05
<b>Ending Balance All Funds</b>	<b>\$30,072.62</b>	<b>\$25,314,078.24</b>	<b>\$25,344,150.86</b>

**4th QTR Advance Payments**

From TDCJ - Medical	(\$106,954,383.49)
From TDCJ - Mental Health	(\$10,427,890.23)
From TDCJ - CMHCC	(\$168,637.29)
To UTMB - Medical	\$85,189,997.00
To UTMB - Mental Health	\$7,078,853.00

<b>Total Unencumbered Fund Balance</b>	<b>\$62,089.85</b>
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**SUPPORTING DETAIL**

**CMHCC Operating Account**

Beginning Balance	\$27,819.97
<b>FY 2009 Funds Lapsed to State Treasury</b>	<b>(\$27,819.97)</b>
<b>Revenue Received</b>	
1st Qtr Payment	\$166,805.57
2nd Qtr Payment	\$164,972.85
3rd Qtr Payment	\$168,637.29
4th Qtr Advance Payment	\$168,637.29
Interest Earned	\$34.77
Subtotal Revenue	\$669,087.77
<b>Expenses</b>	
Salary & Benefits	(\$386,738.70)
Operating Expenses	(\$63,017.66)
<b>Subtotal Expenses</b>	<b>(\$449,756.36)</b>
<b>Net Activity thru this Qtr</b>	<b>\$191,511.44</b>
<b>Total Fund Balance CMHCC Operating</b>	<b>\$219,331.41</b>

**RECONCILIATION:**

Less: 4th Qtr Advance Payment from TDCJ	(\$168,637.29)
<b>Total Unencumbered Fund Balance</b>	<b>\$50,694.12</b>

**SUPPORTING DETAIL**

**CMHCC Capitation Accounts**

	Medical Services	Mental Health
Beginning Balance	\$1,909.59	\$343.06
<b>FY 2009 Funds Lapsed to State Treasury</b>	<b>(\$1,909.59)</b>	<b>(\$343.06)</b>

**Revenue Detail**

<b>1st Qtr Payment from TDCJ</b>	\$105,791,835.84	\$10,314,542.59
<b>2nd Qtr Payment from TDCJ</b>	\$104,629,288.19	\$10,201,195.96
<b>3rd Qtr Payment from TDCJ</b>	\$106,954,383.48	\$10,427,890.23
<b>4th Qtr Advance Payment from TDCJ</b>	\$106,954,383.48	\$10,427,890.23
<b>Interest Earned</b>	\$9,855.41	\$1,542.04
<b>Revenue Received</b>	<b>\$424,339,746.40</b>	<b>\$41,373,061.05</b>

**Payments to UTMB**

1st Qtr Payment to UTMB	(\$84,264,018.94)	(\$7,001,906.99)
2nd Qtr Payment to UTMB	(\$83,338,040.71)	(\$6,924,962.96)
3rd Qtr Payment to UTMB	(\$85,189,997.17)	(\$7,078,852.53)
4th Qtr Advance Payment to UTMB	(\$85,189,997.00)	(\$7,078,853.00)
<b>Subtotal UTMB Payments</b>	<b>(\$337,982,053.82)</b>	<b>(\$28,084,575.48)</b>

**Payments to TTUHSC**

1st Qtr Payment to TTUHSC	(\$21,527,816.90)	(\$3,312,636.00)
2nd Qtr Payment to TTUHSC	(\$21,291,247.28)	(\$3,276,234.05)
3rd Qtr Payment to TTUHSC	(\$21,764,387.00)	(\$3,349,038.47)
<b>Subtotal TTUHSC Payments</b>	<b>(\$64,583,451.18)</b>	<b>(\$9,937,908.52)</b>

<b>Total Payments Made thru this Qtr</b>	<b>(\$402,565,505.00)</b>	<b>(\$38,022,484.00)</b>
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<b>Net Activity Through This Qtr</b>	<b>\$21,772,332.81</b>	<b>\$3,350,233.99</b>
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<b>Total Fund Balance</b>	<b>\$21,774,242.40</b>	<b>\$3,350,577.05</b>
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**RECONCILIATION:**

Less: 4th Qtr Advance Payment from TDCJ	(\$106,954,383.48)	(\$10,427,890.23)
Add: 4th Qtr Advance Payment to UTMB	\$85,189,997.00	\$7,078,853.00
<b>Total Unencumbered Fund Balance</b>	<b>\$9,855.92</b>	<b>\$1,539.82</b>