



# **Correctional Managed Health Care**

## **Monthly Report**

**June 2012**

**September 2011 – June 2012**

## **Summary**

Beginning with Fiscal Year 2006, the Correctional Managed Health Care Committee (CMHCC) has initiated the distribution of a monthly financial summary report. The purpose of this report is to provide updated and accurate information on the costs of the correctional health care program. This monthly report summarizes activity for the month of June 2012. Following this narrative are the supporting financial and statistical tables.

## ***Background***

During Fiscal Year 2012, approximately \$429.2 million within the TDCJ appropriation has been allocated for funding correctional health care services. This funding included:

- \$135.3M in general revenue appropriations in strategy C.1.8 (Hospital and Clinic Care)
- \$242.4M in general revenue appropriations in strategy C.1.7 (Unit and Psychiatric Care).
- \$51.5M in general revenue appropriations in strategy C.1.9 (Pharmacy Care).

Of this funding, \$428.5M (99.9%) was allocated for health care services provided by UTMB and TTUHSC. And \$673K (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 June this fiscal year, the correctional health care program has slightly decreased in the overall offender population served. The average daily population served through June of FY 2012 was 152,419. This average was lower than the average through June FY 2011 of 152,754, a decrease of 335 or (0.22%). Even though the overall population has decreased slightly, the number of offenders age 55 and over has continued to steadily increase at a much greater rate.
- 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 June of FY 2012, the average number of older offenders in the service population was 13,643. Through this same month a year ago (FY 2011), the average number of offenders age 55 and over was 12,736. This represents an increase of 907 or about 7.1% more older offenders than a year ago.
- Hospital Inpatient Census is a new statistical indicator established to reflect the health care dollars spent in the C.1.8 Strategy “Hospital and Clinic Costs”. The hospital inpatient average daily census (ADC) served through June of FY 2012 was 206 for both the Texas Tech and UTMB Sectors.
- Outpatient Clinic and ER Visits is another new statistical indicator established to reflect the health care dollars spent in the C.1.8 Strategy “Hospital and Clinic Costs”. The medical outpatient clinic and ER visits served through June of FY 2012 was 3,518 for both the Texas Tech and UTMB Sectors.
- The overall HIV+ population has remained relatively stable throughout the last several years and continued to remain so through this month, averaging 2,297 (or about 1.5% of the population served).
- Two mental health caseload measures have also remained relatively stable:
  - The average number of psychiatric inpatients within the system was 1,801 through June of FY 2012, a 143 population decrease from 1,944 through June of FY 2011.
  - Through the month of June FY 2012, the average number of mental health outpatients was 18,478 representing 12.1% of the service population.

## **Health Care Costs**

- Overall health costs through June of FY 2012 totaled \$409.7M.
  - UTMB's total revenue through the month was \$314.5M. Their expenditures totaled \$328.7M, resulting in a net shortfall of \$14.1M. On a per offender per day basis, UTMB earned \$8.56 in revenue and expended \$8.94 resulting in a loss of \$0.38 per offender per day.
  - TTUHSC's total revenue through the month was \$81.3M. Expenditures totaled \$81.1M, resulting in a net gain of \$266K. On a per offender per day basis, TTUHSC earned \$8.49 in revenue, but expended \$8.46 resulting in a gain of \$0.03 per offender per day.
- Examining the health care costs in further detail indicates that of the \$409.7M in expenses reported through June 2012:
  - Onsite services (those medical services provided at the prison units) comprised \$187.1M representing about 45.7% of the total health care expenses:
  - Pharmacy services totaled \$44.5M representing approximately 10.9% of the total expenses:
  - Offsite services (services including hospitalization and specialty clinic care) accounted for \$132.5M or 32.3% of total expenses:
  - Mental health services totaled \$34.1M or 8.3% of the total costs:
  - Indirect support expenses accounted for \$11.5M and represented 2.8% of the total costs.

The total cost per offender per day for all health care services statewide through June of FY 2012 was \$8.84, a decrease of 10.2% from \$9.84 for June FY 2011. However, when benchmarked against the average cost per offender per day for the prior four fiscal years of \$9.44, the decrease is lower at 6.4%.

- For UTMB, the cost per offender per day was \$8.94, lower than the average cost per day for the last four fiscal years of \$9.50.
- For TTUHSC, the cost per offender per day was \$8.46, lower than the average cost per day for the last four fiscal years of \$9.21.
- Differences in cost between UTMB and TTUHSC relate to the differences in mission, population assigned and the acuity level of the offender patients served.

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

- A review of fund balances for FY 2012 indicates that UTMB reports a total shortfall of \$14,148,961 through the month of June 2012. TTUHSC reports a total gain of \$266,437 through the month of June 2012.
- A summary analysis of the ending balances, revenue and payments through June FY 2012 for all CMHCC accounts is also included in this report. That summary indicates that the net balance on all accounts held by the CMHCC on June 30, 2012 was \$173,309.72. This excess amount is primarily due to the unfilled position of Assistant Executive Director when Mr. David McNutt retired.

### ***Financial Monitoring***

Detailed transaction level data from both providers is being tested on a monthly basis to verify reasonableness, accuracy, and compliance with policies and procedures. Due to a delay in receiving UTMB's and TTUHSC's financial reports, review and testing of the June 2012 financial information is currently in process and final results are not yet available. Upon completion of June's review, the results will be reported in the 4<sup>th</sup> Quarter Financial Report for FY 2012.

## **Concluding Notes**

- The combined *operating shortfall* for the university providers through June of FY 2012 is \$13,882,524. The university providers are continuing to monitor their expenditures closely, while seeking additional opportunities to reduce costs in order to minimize any future operating losses.

## **Listing of Supporting Tables and Charts**

|  |      |
|--|------|
| Table 1: FY 2012 Allocation of Funds .....           | 6    |
| Table 2: Key Population Indicators .....             | 7    |
| Table 3: Summary Financial Report .....              | 8-10 |
| Table 4: Comparison of Total Health Care Costs ..... | 11   |
| Table 5: Ending Balances June FY 2012.....           | 12   |

Table 1  
**Correctional Managed Health Care**  
**FY 2012 Budget Allocations**

| <u>Distribution of Funds</u>                            |                      | <u>Source of Funds</u>                    |                      |
|---|----------------------|---|----------------------|
| <u>Allocated to</u>                                     | <u>FY 2012</u>       | <u>Source</u>                             | <u>FY 2012</u>       |
| <b>University Providers</b>                             |                      | <b>Legislative Appropriations</b>         |                      |
| <b>The University of Texas Medical Branch</b>           |                      | SB 1, Article V, TDCJ Appropriations      |                      |
| Unit and Psychiatric Care                               | \$187,310,012        | Strategy C.1.7. Unit and Psychiatric Care | \$242,353,898        |
| Hospital and Clinic Care                                | \$110,016,885        | Strategy C.1.8. Hospital and Clinic Care  | \$135,308,808        |
| Pharmacy Care   | \$41,018,720         | Strategy C.1.9 Pharmacy Care              | \$51,499,999         |
| Subtotal UTMB   | \$338,345,617        |   |                      |
| <br><b>Texas Tech University Health Sciences Center</b> |                      | <b>TOTAL</b>                              | <b>\$429,162,705</b> |
| Unit and Psychiatric Care                               | \$54,370,961         |   |                      |
| Hospital and Clinic Care                                | \$25,291,923         |   |                      |
| Pharmacy Care   | \$10,481,279         |   |                      |
| Subtotal TTUHSC   | \$90,144,163         |   |                      |
| <br><b>SUBTOTAL UNIVERSITY PROVIDERS</b>                |                      |   |                      |
|   | \$428,489,780        |   |                      |
| <br><b>Correctional Managed Health Care Committee</b>   |                      |   |                      |
|   | \$672,925            |   |                      |
| <br><b>TOTAL DISTRIBUTION</b>                           |                      |   |                      |
|   | <b>\$429,162,705</b> |   |                      |

\*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.

Table 2  
 FY 2012  
 Key Population Indicators  
 Correctional Health Care Program

| Indicator                                    | Sep-11         | Oct-11         | Nov-11         | Dec-11         | Jan-12         | Feb-12         | Mar-12         | Apr-12         | May-12         | Jun-12         | Population<br>Year to Date Avg. |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------------|
| <b>Avg. Population Served by CMHC:</b>       |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB State-Operated Population               | 109,767        | 109,780        | 109,834        | 109,611        | 109,222        | 108,806        | 108,715        | 108,421        | 108,035        | 107,692        | 108,988                         |
| UTMB Private Prison Population*              | 11,919         | 11,912         | 11,907         | 11,912         | 11,899         | 11,903         | 11,908         | 11,912         | 11,908         | 11,905         | 11,908                          |
| UTMB Total Service Population                | 121,686        | 121,692        | 121,740        | 121,523        | 121,121        | 120,709        | 120,623        | 120,334        | 119,943        | 119,597        | 120,897                         |
| TTUHSC Total Service Population              | 31,715         | 31,678         | 31,538         | 31,464         | 31,343         | 31,337         | 31,538         | 31,635         | 31,521         | 31,456         | 31,522                          |
| <b>CMHC Service Population Total</b>         | <b>153,401</b> | <b>153,370</b> | <b>153,278</b> | <b>152,987</b> | <b>152,464</b> | <b>152,046</b> | <b>152,161</b> | <b>151,969</b> | <b>151,464</b> | <b>151,053</b> | <b>152,419</b>                  |
| <b>Population Age 55 and Over</b>            |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB Service Population Average              | 11,158         | 11,215         | 11,256         | 11,289         | 11,368         | 11,411         | 11,508         | 11,488         | 11,502         | 11,478         | 11,367                          |
| TTUHSC Service Population Average            | 2,215          | 2,231          | 2,247          | 2,260          | 2,256          | 2,295          | 2,311          | 2,308          | 2,309          | 2,322          | 2,275                           |
| <b>CMHC Service Population Average</b>       | <b>13,373</b>  | <b>13,446</b>  | <b>13,503</b>  | <b>13,549</b>  | <b>13,624</b>  | <b>13,706</b>  | <b>13,819</b>  | <b>13,796</b>  | <b>13,811</b>  | <b>13,800</b>  | <b>13,643</b>                   |
| <b>Medical Health Inpatient Daily Census</b> |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB Hospital Galveston Inpatient ADC        | 74             | 63             | 62             | 65             | 66             | 68             | 62             | 65             | 66             | 64             | 65                              |
| UTMB FreeWorld Hospital Inpatient ADC        | 17             | 13             | 15             | 20             | 20             | 21             | 23             | 28             | 26             | 23             | 20                              |
| TTUHSC RMF Inpatient ADC                     | 112            | 111            | 111            | 111            | 116            | 114            | 114            | 112            | 109            | 110            | 112                             |
| TTUHSC FreeWorld Hospital Inpatient ADC      | 7              | 11             | 9              | 9              | 8              | 7              | 8              | 11             | 11             | 7              | 9                               |
| <b>CMHC Medical Inpatient Daily Census</b>   | <b>210</b>     | <b>198</b>     | <b>197</b>     | <b>205</b>     | <b>209</b>     | <b>209</b>     | <b>207</b>     | <b>215</b>     | <b>212</b>     | <b>204</b>     | <b>206</b>                      |
| <b>Medical Health Outpatient Visits</b>      |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB Specialty Clinic & ER Visits            | 2,657          | 2,288          | 2,089          | 1,946          | 2,540          | 2,721          | 2,970          | 2,821          | 3,211          | 2,965          | 2,621                           |
| TTUHSC FreeWorld Outpatient & ER Visits      | 876            | 905            | 876            | 886            | 891            | 844            | 1,020          | 643            | 1,105          | 929            | 898                             |
| <b>CMHC Medical Outpatient Visits</b>        | <b>3,533</b>   | <b>3,193</b>   | <b>2,965</b>   | <b>2,832</b>   | <b>3,431</b>   | <b>3,565</b>   | <b>3,990</b>   | <b>3,464</b>   | <b>4,316</b>   | <b>3,894</b>   | <b>3,518</b>                    |
| <b>HIV+ Population</b>                       | <b>2,324</b>   | <b>2,352</b>   | <b>2,318</b>   | <b>2,320</b>   | <b>2,297</b>   | <b>2,302</b>   | <b>2,288</b>   | <b>2,251</b>   | <b>2,245</b>   | <b>2,273</b>   | <b>2,297</b>                    |
| <b>Mental Health Inpatient Census</b>        |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB Psychiatric Inpatient Average           | 1,001          | 999            | 1,009          | 1,009          | 1,017          | 1,012          | 1,020          | 1,021          | 1,023          | 1008           | 1,012                           |
| TTUHSC Psychiatric Inpatient Average         | 914            | 891            | 779            | 764            | 756            | 750            | 749            | 755            | 756            | 772            | 789                             |
| <b>CMHC Psychiatric Inpatient Average</b>    | <b>1,915</b>   | <b>1,890</b>   | <b>1,788</b>   | <b>1,773</b>   | <b>1,773</b>   | <b>1,762</b>   | <b>1,769</b>   | <b>1,776</b>   | <b>1,779</b>   | <b>1,780</b>   | <b>1,801</b>                    |
| <b>Mental Health Outpatient Census</b>       |                |                |                |                |                |                |                |                |                |                |                                 |
| UTMB Psychiatric Outpatient Average          | 14,566         | 14,131         | 13,582         | 13,697         | 14,263         | 14,822         | 15,039         | 14,813         | 15,449         | 14,536         | 14,490                          |
| TTUHSC Psychiatric Outpatient Average        | 4,275          | 3,946          | 4,111          | 3,631          | 3,681          | 4,113          | 4,415          | 3,981          | 3,892          | 3,836          | 3,988                           |
| <b>CMHC Psychiatric Outpatient Average</b>   | <b>18,841</b>  | <b>18,077</b>  | <b>17,693</b>  | <b>17,328</b>  | <b>17,944</b>  | <b>18,935</b>  | <b>19,454</b>  | <b>18,794</b>  | <b>19,341</b>  | <b>18,372</b>  | <b>18,478</b>                   |



**Table 3**  
**Summary Financial Report: Unit and Mental Health Costs - C.1.7**  
**Fiscal Year 2012 - through June 30, 2012 (Sep 2011- Jun 2012)**

Days in Year: 304

|  | Unit and Mental Health Services Costs |                     |                      | Unit & Mental Cost Per Day Calculations |               |               |
|--|---------------------------------------|---------------------|----------------------|---|---------------|---------------|
|  | UTMB                                  | TTUHSC              | TOTAL                | UTMB                                    | TTUHSC        | TOTAL         |
| <b>Population Served</b>               | <b>120,897</b>                        | <b>31,522</b>       | <b>152,419</b>       |   |               |               |
| <b>Revenue</b>                         |                                       |                     |                      |   |               |               |
| Capitation Payments                    | \$155,579,904                         | \$45,160,579        | \$200,740,483        | \$4.23                                  | \$4.71        | \$4.33        |
| State Reimbursement Benefits           | \$33,334,524                          | \$5,172,231         | \$38,506,755         | \$0.91                                  | \$0.54        | \$0.83        |
| Other Misc Revenue                     | \$42,317                              | \$2,109             | \$44,426             | \$0.00                                  | \$0.00        | \$0.00        |
| <b>Total Revenue</b>                   | <b>\$188,956,745</b>                  | <b>\$50,334,919</b> | <b>\$239,291,664</b> | <b>\$5.14</b>                           | <b>\$5.25</b> | <b>\$5.16</b> |
| <b>Expenses</b>                        |                                       |                     |                      |   |               |               |
| <b>Unit Services</b>                   |                                       |                     |                      |   |               |               |
| Salaries                               | \$104,627,333                         | \$14,639,506        | \$119,266,839        | \$2.85                                  | \$1.53        | \$2.57        |
| Benefits                               | \$31,840,734                          | \$3,566,049         | \$35,406,783         | \$0.87                                  | \$0.37        | \$0.76        |
| Operating (M&O)                        | \$14,264,854                          | \$998,329           | \$15,263,183         | \$0.39                                  | \$0.10        | \$0.33        |
| Professional Services                  | \$0                                   | \$1,932,119         | \$1,932,119          | \$0.00                                  | \$0.20        | \$0.04        |
| Contracted Units/Services              | \$0                                   | \$13,928,099        | \$13,928,099         | \$0.00                                  | \$1.45        | \$0.30        |
| Travel                                 | \$639,135                             | \$31,803            | \$670,938            | \$0.02                                  | \$0.00        | \$0.01        |
| Electronic Medicine                    | \$0                                   | \$326,856           | \$326,856            | \$0.00                                  | \$0.03        | \$0.01        |
| Capitalized Equipment                  | \$322,246                             | \$0                 | \$322,246            | \$0.01                                  | \$0.00        | \$0.01        |
| <b>Subtotal Onsite Expenses</b>        | <b>\$151,694,302</b>                  | <b>\$35,422,761</b> | <b>\$187,117,063</b> | <b>\$4.13</b>                           | <b>\$3.70</b> | <b>\$4.04</b> |
| <b>Mental Health Services</b>          |                                       |                     |                      |   |               |               |
| Salaries                               | \$18,358,329                          | \$8,487,748         | \$26,846,077         | \$0.50                                  | \$0.89        | \$0.58        |
| Benefits                               | \$4,518,376                           | \$2,039,335         | \$6,557,711          | \$0.12                                  | \$0.21        | \$0.14        |
| Operating (M&O)                        | \$334,640                             | \$55,500            | \$390,140            | \$0.01                                  | \$0.01        | \$0.01        |
| Professional Services                  | \$0                                   | \$268,753           | \$268,753            |   |               |               |
| Contracted Units/Services              | \$0                                   | \$0                 | \$0                  |   |               |               |
| Travel                                 | \$34,029                              | \$5,686             | \$39,715             | \$0.00                                  | \$0.00        | \$0.00        |
| Electronic Medicine                    | \$0                                   | \$0                 | \$0                  | \$0.00                                  | \$0.00        | \$0.00        |
| Capital Expenditures                   | \$0                                   | \$0                 | \$0                  | \$0.00                                  | \$0.00        | \$0.00        |
| <b>Subtotal Mental Health Expenses</b> | <b>\$23,245,374</b>                   | <b>\$10,857,022</b> | <b>\$34,102,396</b>  | <b>\$0.63</b>                           | <b>\$1.10</b> | <b>\$0.73</b> |
| <b>Indirect Expenses</b>               | <b>\$8,917,920</b>                    | <b>\$1,507,641</b>  | <b>\$10,425,561</b>  | <b>\$0.24</b>                           | <b>\$0.16</b> | <b>\$0.23</b> |
| <b>Total Expenses</b>                  | <b>\$183,857,596</b>                  | <b>\$47,787,424</b> | <b>\$231,645,020</b> | <b>\$5.00</b>                           | <b>\$4.96</b> | <b>\$4.99</b> |
| <b>Operating Income (Loss)</b>         | <b>\$5,099,149</b>                    | <b>\$2,547,495</b>  | <b>\$7,646,644</b>   | <b>\$0.14</b>                           | <b>\$0.29</b> | <b>\$0.17</b> |

**Table 3 (Continued)**  
**Summary Financial Report: Hospital and Clinic Costs - C.1.8**  
**Fiscal Year 2012 - through June 30, 2012 (Sep 2011- Jun 2012)**

Days in Year: 304

|                                     | Hospital and Clinic Costs |                      |                       | Hospital & Clinic Cost Per Day Calculations |                 |                 |
|-------------------------------------|---------------------------|----------------------|-----------------------|---|-----------------|-----------------|
|                                     | UTMB                      | TTUHSC               | TOTAL                 | UTMB  | TTUHSC          | TOTAL           |
| <b>Population Served</b>            | <b>120,897</b>            | <b>31,522</b>        | <b>152,419</b>        |   |                 |                 |
| <b>Revenue</b>                      |                           |                      |                       |   |                 |                 |
| Capitation Payments                 | \$91,380,144              | \$21,007,500         | \$112,387,644         | \$2.49                                      | \$2.19          | \$2.43          |
| State Reimbursement Benefits        | \$0                       | \$1,225,608          | \$1,225,608           | \$0.00                                      | \$0.13          | \$0.03          |
| Other Misc Revenue                  | \$0                       | \$0                  | \$0                   | \$0.00                                      | \$0.00          | \$0.00          |
| <b>Total Revenue</b>                | <b>\$91,380,144</b>       | <b>\$22,233,108</b>  | <b>\$113,613,252</b>  | <b>\$2.49</b>                               | <b>\$2.32</b>   | <b>\$2.45</b>   |
| <b>Expenses</b>                     |                           |                      |                       |   |                 |                 |
| <b>Hospital and Clinic Services</b> |                           |                      |                       |   |                 |                 |
| University Professional Services    | \$13,076,223              | \$1,051,027          | \$14,127,250          | \$0.36                                      | \$0.11          | \$0.30          |
| Freeworld Provider Services         | \$19,565,608              | \$12,878,671         | \$32,444,279          | \$0.53                                      | \$1.34          | \$0.70          |
| UTMB or TTUHSC Hospital Cost        | \$70,650,521              | \$8,902,264          | \$79,552,785          | \$1.92                                      | \$0.93          | \$1.72          |
| Estimated IBNR                      | \$6,315,695               | \$42,434             | \$6,358,129           | \$0.17                                      | \$0.00          | \$0.14          |
| <b>Subtotal Offsite Expenses</b>    | <b>\$109,608,047</b>      | <b>\$22,874,396</b>  | <b>\$132,482,443</b>  | <b>\$2.98</b>                               | <b>\$2.39</b>   | <b>\$2.86</b>   |
| <b>Indirect Expenses</b>            | <b>\$0</b>                | <b>\$816,185</b>     | <b>\$816,185</b>      | <b>\$0.00</b>                               | <b>\$0.09</b>   | <b>\$0.02</b>   |
| <b>Total Expenses</b>               | <b>\$109,608,047</b>      | <b>\$23,690,581</b>  | <b>\$133,298,628</b>  | <b>\$2.98</b>                               | <b>\$2.47</b>   | <b>\$2.88</b>   |
| <b>Operating Income (Loss)</b>      | <b>(\$18,227,903)</b>     | <b>(\$1,457,473)</b> | <b>(\$19,685,376)</b> | <b>(\$0.50)</b>                             | <b>(\$0.15)</b> | <b>(\$0.42)</b> |

**Table 3 (Continued)**  
**Summary Financial Report: Pharmacy Costs - C.1.9**  
**Fiscal Year 2012 through June 30, 2012 (Sep 2011- Jun 2012)**

Days in Year: 304

|  | Pharmacy Health Services Costs |                    |                      | Pharmacy Health Cost Per Day Calculations |                 |                 |
|--|--------------------------------|--------------------|----------------------|---|-----------------|-----------------|
|  | UTMB                           | TTUHSC             | TOTAL                | UTMB                                      | TTUHSC          | TOTAL           |
| <b>Population Served</b>                 | 120,897                        | 31,522             | 152,419              |   |                 |                 |
| <b>Revenue</b>                           |                                |                    |                      |   |                 |                 |
| Capitation Payments                      | \$34,070,194                   | \$8,705,762        | \$42,775,956         | \$0.93                                    | \$0.91          | \$0.92          |
| State Reimbursement Benefits             | \$0                            | \$47,275           | \$47,275             | \$0.00                                    | \$0.00          | \$0.00          |
| Other Misc Revenue                       | \$140,162                      | \$0                | \$140,162            | \$0.00                                    | \$0.00          | \$0.00          |
| <b>Total Revenue</b>                     | <b>\$34,210,356</b>            | <b>\$8,753,037</b> | <b>\$42,963,393</b>  | <b>\$0.93</b>                             | <b>\$0.91</b>   | <b>\$0.93</b>   |
| <b>Expenses</b>                          |                                |                    |                      |   |                 |                 |
| <b>Pharmacy Services</b>                 |                                |                    |                      |   |                 |                 |
| Salaries                                 | \$4,966,158                    | \$1,539,598        | \$6,505,756          | \$0.14                                    | \$0.16          | \$0.14          |
| Benefits                                 | \$1,559,385                    | \$52,772           | \$1,612,157          | \$0.04                                    | \$0.01          | \$0.03          |
| Operating (M&O)                          | \$1,007,889                    | \$250,525          | \$1,258,414          | \$0.03                                    | \$0.03          | \$0.03          |
| Pharmaceutical Purchases                 | \$27,681,286                   | \$7,433,379        | \$35,114,665         | \$0.75                                    | \$0.78          | \$0.76          |
| Professional Services                    | \$0                            | \$0                | \$0                  | \$0.00                                    | \$0.00          | \$0.00          |
| Travel                                   | \$15,845                       | \$5,845            | \$21,690             | \$0.00                                    | \$0.00          | \$0.00          |
| <b>Subtotal Pharmacy Health Expenses</b> | <b>\$35,230,563</b>            | <b>\$9,282,119</b> | <b>\$44,512,682</b>  | <b>\$0.96</b>                             | <b>\$0.97</b>   | <b>\$0.96</b>   |
| <b>Indirect Expenses</b>                 | \$0                            | \$294,503          | \$294,503            | \$0.00                                    | \$0.03          | \$0.01          |
| <b>Total Expenses</b>                    | <b>\$35,230,563</b>            | <b>\$9,576,622</b> | <b>\$44,807,185</b>  | <b>\$0.96</b>                             | <b>\$1.00</b>   | <b>\$0.97</b>   |
| <b>Operating Income (Loss)</b>           | <b>(\$1,020,207)</b>           | <b>(\$823,585)</b> | <b>(\$1,843,792)</b> | <b>(\$0.03)</b>                           | <b>(\$0.09)</b> | <b>(\$0.04)</b> |

**All Health Care Summary**

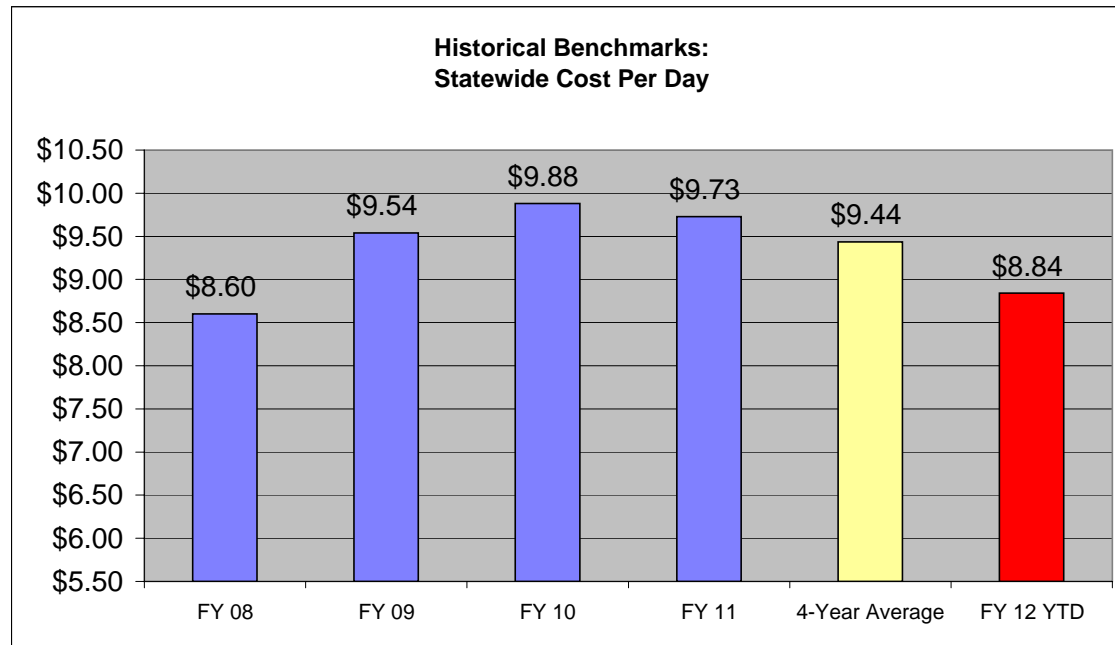
|                                | All Health Care Services |                     |                       | Cost Per Offender Per Day |               |                 |
|--------------------------------|--------------------------|---------------------|-----------------------|---------------------------|---------------|-----------------|
|                                | UTMB                     | TTUHSC              | TOTAL                 | UTMB                      | TTUHSC        | TOTAL           |
| Unit & Mental Health Services  | \$188,956,745            | \$50,334,919        | \$239,291,664         | \$5.14                    | \$5.25        | \$5.16          |
| Hospital & Clinic Services     | \$91,380,144             | \$22,233,108        | \$113,613,252         | \$2.49                    | \$2.32        | \$2.45          |
| Pharmacy Health Services       | \$34,210,356             | \$8,753,037         | \$42,963,393          | \$0.93                    | \$0.91        | \$0.93          |
| <b>Total Revenue</b>           | <b>\$314,547,245</b>     | <b>\$81,321,064</b> | <b>\$395,868,309</b>  | <b>\$8.56</b>             | <b>\$8.49</b> | <b>\$8.54</b>   |
| Unit & Mental Health Services  | \$183,857,596            | \$47,787,424        | \$231,645,020         | \$5.00                    | \$4.99        | \$5.00          |
| Hospital & Clinic Services     | \$109,608,047            | \$23,690,581        | \$133,298,628         | \$2.98                    | \$2.47        | \$2.88          |
| Pharmacy Health Services       | \$35,230,563             | \$9,576,622         | \$44,807,185          | \$0.96                    | \$1.00        | \$0.97          |
| <b>Total Expenses</b>          | <b>\$328,696,206</b>     | <b>\$81,054,627</b> | <b>\$409,750,833</b>  | <b>\$8.94</b>             | <b>\$8.46</b> | <b>\$8.84</b>   |
| <b>Operating Income (Loss)</b> | <b>(\$14,148,961)</b>    | <b>\$266,437</b>    | <b>(\$13,882,524)</b> | <b>(\$0.38)</b>           | <b>\$0.03</b> | <b>(\$0.30)</b> |

**Table 4  
Comparison of Total Health Care Costs**

|                   | FY 08         | FY 09         | FY 10         | FY 11         | 4-Year Average | FY 12 YTD     |
|-------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>Population</b> |               |               |               |               |                |               |
| UTMB              | 120,648       | 119,952       | 120,177       | 121,417       | 120,548        | 120,897       |
| TTUHSC            | 31,064        | 30,616        | 31,048        | 31,419        | 31,037         | 31,522        |
| Total             | 151,712       | 150,568       | 151,225       | 152,836       | 151,585        | 152,419       |
| <b>Expenses</b>   |               |               |               |               |                |               |
| UTMB              | \$381,036,398 | \$423,338,812 | \$435,710,000 | \$432,371,801 | \$418,114,253  | \$328,696,206 |
| TTUHSC            | \$96,482,145  | \$100,980,726 | \$109,767,882 | \$110,272,668 | \$104,375,855  | \$81,054,627  |
| Total             | \$477,518,543 | \$524,319,538 | \$545,477,882 | \$542,644,469 | \$522,490,108  | \$409,750,833 |
| <b>Cost/Day</b>   |               |               |               |               |                |               |
| UTMB              | \$8.63        | \$9.67        | \$9.93        | \$9.76        | \$9.50         | \$8.94        |
| TTUHSC            | \$8.49        | \$9.04        | \$9.69        | \$9.62        | \$9.21         | \$8.46        |
| <b>Total</b>      | <b>\$8.60</b> | <b>\$9.54</b> | <b>\$9.88</b> | <b>\$9.73</b> | <b>\$9.44</b>  | <b>\$8.84</b> |

\* Expenses include all health care costs, including medical, mental health, and benefit costs.

NOTE: The calculation for FY 08 has been adjusted from some previous reports to correctly account for leap year



**Table 5**  
**Ending Balances June 30, 2012**

|                                     | Beginning Balance<br>September 1, 2011 | Net Activity<br>FY 2012 | Ending Balance<br>June 30, 2012 |
|-------------------------------------|--|-------------------------|---------------------------------|
| CMHCC Operating Funds               | \$30,582.32                            | \$142,727.40            | \$173,309.72                    |
| CMHCC Unit & Mental Health Services | \$3,505.81                             |                         | Balances Maintained by TDCJ     |
| CMHCC Hospital & Clinic Services    | \$447.88                               |                         | Balances Maintained by TDCJ     |
| CMHCC Pharmacy Health               | \$0.00                                 |                         | Balances Maintained by TDCJ     |
| <b>Ending Balance All Funds</b>     | <b>\$34,536.01</b>                     | <b>\$142,727.40</b>     | <b>\$173,309.72</b>             |

**SUPPORTING DETAIL**

| <b>CMHCC Operating Account</b>    |                       |
|-----------------------------------|-----------------------|
| Beginning Balance                 | \$30,582.32           |
| <b>Revenue Received</b>           |                       |
| 1st Qtr 2012 Payment              | \$167,312.00          |
| 2nd Qtr 2012 Payment              | \$169,150.00          |
| 3rd Qtr 2012 Payment              | \$167,312.00          |
| Interest Earned                   | \$39.97               |
| <b>Subtotal Revenue</b>           | <b>\$503,813.97</b>   |
| <b>Expenses</b>                   |                       |
| Salary & Benefits                 | (\$297,607.68)        |
| Operating Expenses                | (\$63,478.89)         |
| <b>Subtotal Expenses</b>          | <b>(\$361,086.57)</b> |
| <b>Net Activity thru this Qtr</b> | <b>\$142,727.40</b>   |
| <b>Balance CMHCC Operating</b>    | <b>\$173,309.72</b>   |