



Oregon

Kate Brown, Governor

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Senator Lew Frederick
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Representative Jeff Barker
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Representative Carla Piluso
900 Court St. NE, H-491
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Representative Tawna Sanchez
900 Court St. NE, H-273
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RE: Responses to questions asked during Ways and Means presentation on March 21, 2017

Dear Ways & Means Public Safety Subcommittee Members,

Thank you for the opportunity to provide information related to the Oregon Department of Corrections (DOC). Below are responses to the questions asked during our presentation to the Ways and Means Public Safety Subcommittee on Tuesday, March 21, 2017.

1. Does Deer Ridge Correctional Institution (DRCI) have outside work crews?

DRCI does have outside work crews. As background, in 2011, DOC permanently eliminated General Fund work crew positions (staff) as part of a plan to meet 2009-11 budget reductions. Prior to these reductions, non-profit organizations, local/county/state agencies, and local businesses were afforded DOC supervised inmate work crews at reduced rates based on an entity's ability to pay (and, sometimes DOC provided crews at no cost). Since July 2011, DOC institutions have been required to charge customers to offset crew expenses.

However, there are limited cases where, if we have sufficient staff to supervise and we can meet temporary community needs, institutions can provide low- or no-cost crews to provide service work, such as shoveling snow for the elderly. This happens on a case-by-case basis, depending upon on staff availability, emergency conditions, and safety and training of inmate workers.

Since July 2011, DRCI has continued to provide crews (at a cost) to many partners in and around the Madras area. Crews have performed work for the Jefferson School District, Central Oregon Community College, the U.S. Forest Service, Oregon State Parks, and the Oregon Department of Forestry. DRCI has not supplied any crews, paid or not, to the City of Madras since July 2010. However, prior to July 2010, paid crews were being used by the city.

2. What percent of inmates are not eligible to work (under M17)?

Measure 17 exempts adults in custody from work if participating in work is either a security or a health risk. Approximately 15 percent of adults in custody are not eligible to work. The KPM on M17 compliance (Slide 50) only applies to adults in custody who are eligible to work.

3. What is the economic value of using Inmate Fire Crews?

This year, DOC and the Oregon Department of Forestry continue a successful partnership into their 66th year. Together the two agencies provide training, skills, and mentorship to adults in custody.

Before each fire season, ODF fire personnel join with DOC staff to conduct week-long training courses for inmates selected through a careful screening process. Inmate crews are provided classroom and field exercises to obtain their nationally-recognized Firefighter II certification – a certification identical to that of agency and private firefighters. In addition to those working the fire lines, other inmates are specially trained in food service operations to serve meals to thousands of firefighters stationed at fire camps, and to provide equipment repair.



This partnership results in cost savings to the state:

- 2016 – Approximately \$1.5M saved.
- 2015 – Approximately \$4.7M saved.

Not only does the fire program save the state millions of dollars, it provides DOC's low-risk offenders with the tools they need for future work opportunities, which helps prepare them for re-entry into the community.



SFFC inmates participating in fire school.

4. Medical profile of those 75 or older?

Our Health Services Unit is working to provide more information on those in our custody who are 75 or older. In the meantime, we were able to compile the following data.

- Total adults in custody 75 years of age or older – 114
- Individuals hospitalized in this biennium – 36

- Total hospital days in this biennium (Medicaid dollars) – 95
- Individuals who are utilizing medications – 111
- Active prescriptions – 799
 - 7.2 average scrips per inmate
- Prescription monthly total costs – \$13,383
 - Per inmate per month – \$121
 - Per biennium – \$2,893
- Total prescription cost per biennium – \$321,192

5. Why are the costs of pharmaceuticals going up so much?

Increase in drug cost is not exclusive to DOC; it is universal across the nation. The main reasons for the national increase in generic drug costs are:

- Raw material shortages
- Fewer generic manufacturers (many have been bought out)
- Changing regulations
- Rising production costs

All this causes volatility in the market, and makes a few particular medications susceptible to acquisitions and takeovers. As recently as a few years ago, a few medications have increased in price by more than 1,000 percent because of their fragile supply issue.

There is no denying the impact of Hepatitis C treatment medications. Year-to-date (January 1, 2017 to March 23, 2017), we have already spent \$6.6M statewide on pharmaceuticals from Cardinal Health. This total is not completely inclusive as we also get some medications from specialty pharmacies outside of Cardinal Health, but in comparison they are relatively low (<\$100,000). From the \$6.6 million spent with Cardinal, \$3.6M has been spent on Harvoni and Eplclusa. These two drugs alone represent 54 percent of the total pharmaceutical expenses for the current year.

In comparison to Hepatitis C drugs, everything else is comparatively small, but many costs are increasing. For example, the cost of insulin is skyrocketing, as manufacturers claim that pricing has been well under manufacturing costs for years. We have seen costs increase from approximately \$15 a vial to over \$100 a vial.

Comparative to other states, the DOC formulary is very broad. Many other states have only 1-2 atypical antipsychotics on their formulary, but DOC has many (one of which has amounted to \$88,916 of our year-to-date expenses). HIV medications are expensive as well. One drug (Genvoya) has amounted to \$200,446 of our year-to-date expenses.

6. What is the number of Hepatitis C prescriptions for each of the three medications that are prescribed and what are their associated costs?

Hep C Drug Costs

<u>Biennium</u>	<u>Actuals</u>	<u>Projected</u>	<u>Treatments</u>
2011-2013	\$3.6M		138
2013-2015	\$4.5M		152
2015-2017	\$10.2M	\$14.5M	283 (projected)

<u>Drug</u>	<u>Cost w/o Rebate</u>	<u>Cost w/Rebate</u>
Harvoni (8 wk)	\$63K	\$32K
Harvoni (12 wk)	\$94K	\$48K
Eplusa (12 wk)	\$74K	No Rebate

7. How many women have completed work release programs?

Four women completed the Lane County program in conjunction with Sponsors, Inc. They then released to the community and successfully completed 90-day short-term transitional leave. All four women are now on post-prison supervision.

Four women have completed the Marion County program; three of whom are now on post-prison supervision, and one of whom is living in the community and participating in 90-day short-term transitional leave.

Additional Follow-Up Items

In addition, I would like to clarify some of our mental health housing capacity (Slide 67). We stated that we have 70 Intermediate Care Housing Unit (ICH) beds and 552 Mental Health Unit (MHU) beds. We actually have 40 ICH beds and 544 MHU beds.

Thank you, again, for the opportunity to respond to your questions. I look forward to our continued testimony.

Sincerely,



Colette S. Peters
Director