

# SUBCOMMITTEE NO. 5

# Agenda

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Senator Nancy Skinner, Chair  
Senator Joel Anderson  
Senator Jim Beall



Thursday, April 27, 2017  
9:30 a.m. or upon adjournment of Session  
State Capitol - Room 113

Consultant: Julie Salley-Gray

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**PROPOSED FOR VOTE ONLY****5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)****1. VARIOUS REAPPROPRIATIONS**

The California Department of Corrections and Rehabilitation requests \$250,000 in order to perform advance planning functions and prepare budget packages for capital outlay projects to enable the department to provide detailed information on scope and costs on requests for planned projects.

**Ironwood: Heating, Ventilation, and Air Conditioning System.** This project will design and construct a new central chiller plant as well as improvements to existing roofs, fire dampers, and smoke evacuation systems to correct damage caused by the existing deteriorated evaporative cooling system at Ironwood State Prison.

Due to a San Diego County Superior Court decision upholding a bid protest by the second lowest bidder and issuing a permanent injunction prohibiting work on the construction contract, it was determined that the best course of action would be to rebid the project and proceed with the completion of work under a new contract. Prior to the rebid, the working drawings need to be updated to reflect site condition changes and incorporate construction bulletins. Because the redesign is anticipated to be completed in late Spring 2017, it is not possible to allocate the construction phase funding prior to June 30, 2017.

Therefore, the department is requesting a reappropriation of \$140,018,000 for the construction phase in the 2017 Budget Act, to ensure that funding remains available for this project.

**San Quentin: New Boiler Facility.** This project will design and construct a new central high-pressure steam boiler facility at San Quentin State Prison. Boiler replacement is required for compliance with Bay Area Air Quality Management District regulations for gas-fired boiler emissions standards. The CDCR has determined that boiler technology has changed and a redesign of the boilers will eliminate the need for an additional control system, which allows for a smaller building and lower maintenance/operating costs. CDCR is currently in the process of redesigning the new boilers. As the redesign will not be completed until June 2017, it is not possible to allocate the construction phase funding prior to June 30, 2017.

Therefore, the department is requesting a reappropriation of \$18,071,000 in the 2017 Budget Act for the preliminary plans, working drawings, and construction phase funding, to ensure that funding remains available for this project.

**Deuel: New Boiler Facility.** This project will design and construct a new central high-pressure steam boiler facility at Deuel Vocational Institution. Boiler replacement is required for compliance with San Joaquin Valley Air Pollution Control District regulations for gas-fired boiler emissions standards. The CDCR has determined boiler technology has changed and a redesign of the boilers will eliminate the need for an additional control system, which allows for a smaller building and lower maintenance/operating costs. CDCR is currently in the process

of redesigning the new boilers. As the redesign will not be completed until June 2017, it is not possible to allocate the construction phase funding prior to June 30, 2017.

Therefore, the department is requesting a reappropriation of \$4,041,000 in the 2017 Budget Act in order to fund the preliminary plans, working drawings, and construction phase funding, to ensure that funding remains available for this project.

**Staff Note.** The proposals included within this item were all previously appropriated funding for these projects, and the proposals simply seek to extend the timing that this funding will be available for utilization. No concerns have been raised related to these reappropriations.

**Staff Recommendation.** Approve as budgeted.

## ITEMS TO BE HEARD

### 5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION

#### Issue 1: Prison Sustainability

##### **Special Presentation by Beth Waitkus, Founding Director of the Insight Garden Program (IGP).**

IGP's mission is to facilitate an innovative curriculum combined with vocational gardening and landscaping training so that people in prison can reconnect to self, community, and the natural world. This "inner" and "outer" gardening approach transforms lives, ends ongoing cycles of incarceration, and creates safer communities. In 2002, Ms. Waitkus founded IGP at San Quentin State Prison and in 2014 the organization received its non-profit status. Over the past several years, as executive director, Ms. Waitkus has overseen program expansion to seven additional California prisons, two prisons in Indiana (including a juvenile facility), and a collaborative reentry program in New York City. Ms. Waitkus has won accolades for her prison work and is featured in the book, *Eco Amazons: 20 Women Who are Transforming the World* by Dorka Keehn as well as *ABC World News with Diane Sawyer*. She is a member of the American Correctional Association's Sustainability-Oriented and Environmentally Responsible Practices Committee, and has been involved with the national "greening prisons" movement.

**Background.** In recent years, correctional systems throughout the country have been evaluating the long-term impact of corrections buildings, operations and programs on the environment, community and economy and are creating sustainability plans and green practices regarding resource consumption: vehicle use; purchase of goods and services; facility construction, operation, and maintenance; and the education and training of prisoners. The benefits of greening correctional facilities are both short term and long term: they will consume fewer resources, create less pollution, and provide healthier environments for inmates, staff, visitors, and neighboring communities. Sustainable models for corrections go beyond facilities and operations by also providing a comprehensive strategy that provides access to viable hands-on training and job opportunities for inmates to reduce recidivism and influence them to become productive citizens in an emerging green economy.<sup>1</sup>

**What Do the Terms Green and Sustainable Mean?** The terms "green" and "sustainable" are often used interchangeable. The World Commission on Environment and Development first defined the phrase "sustainable development" in 1987, "Sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet the needs of future generations." Since that time, the term sustainability has come to refer to all technologies that improve efficiency of natural resource use, reduce negative impacts on natural environments and social systems, mimic natural process and systems, and restore the balance between human systems and natural resources. In addition, the term has been expanded to integrate economic issues, jobs, economics, social equity and ethical considerations.<sup>2</sup>

<sup>1</sup> Feldbaum, Mandy, et al. *The Greening of Corrections: Creating a Sustainable System*. March, 2011. United States Department of Justice, National Institutes of Corrections.

<sup>2</sup> Sheldon, Paul, et al. *Greening Corrections Technology Guidebook*. October, 2011. National Law Enforcement and Corrections Technology Center.

Similarly, “green” also means efficient in terms of efficiently meeting end-use needs in convenient, appropriate, and cost-effective ways to produce service and comfort with as few resources as possible.<sup>3</sup> In terms of the budget, green refers to using the state’s General Fund resources for the state prison system more efficiently.

**States on the Forefront of Prison Sustainability.** States such as Ohio and Washington have been on the forefront of greening their prison system. The Ohio Department of Rehabilitation and Correction (ODRC) worked with the Vera Institute of Justice to develop the Ohio Green Prisons Project. A project designed to combine *Roots of Success*, a work readiness and environmental literacy curriculum, with certifications in green industry careers and connections to community colleges and employment partners after release. The laboratory and classroom for this work is the prison itself where people who are incarcerated learn by bringing green practices (such as, weatherization) and technologies to the facility where they reside thus producing energy-related cost savings, which can then be reinvested to sustain the program.<sup>4</sup> In addition, in June of 2012, ODRC adopted their “Three-Year Strategic Sustainability Plan.” Among the stated goals of the plan are to reduce water usage by 15 percent; reduce electric and natural gas consumption by a combined 15 percent; reduce fuel consumption by 15 percent; and reduce waste sent to landfills by 75 percent.

The Washington State Department of Corrections has teamed with Evergreen State College to create the Sustainability in Prisons Project (SPP). Not only do they work to reduce the environmental, economic, and human costs of prisons by inspiring and informing sustainable practices. But participants in the project also conduct ecological research and conserve biodiversity by forging collaborations with scientists, inmates, prison staff, students, and community partners. For example, the project provides training for inmates and correctional staff through programs designed to improve prison sustainability and connect participants to the larger world of science and conservation. The project’s instructors range from biologists and farmers to business entrepreneurs and green energy experts. In addition, every prison in Washington State has implemented sustainable operations programs in waste sorting, composting, recycling, gardening, water and energy conservation, green purchasing, and more. Sustainable operations in Washington’s prisons range from very small scale, to industrial-size, state-of-the-art operations.

Equally important in the state’s SPP is their restorative nature program and community partnerships. Specifically, each prison has formed partnerships with nearby organizations that allow staff and inmates to directly contribute to communities outside the fence, and express their creativity and generosity. Statewide in 2015, the project grew more than 400,000 pounds of fresh produce for food banks and prison kitchens, and donated more than 30,000 hand-crafted items to non-profits. Finally, through their restorative nature project, SPP brings nature inside prisons with the motivation to relieve stress of prison environments. This program category is for the programs most focused on positive contact with nature, such as flower gardens, nature imagery, and ornamental ponds. The project is currently working to expand programming in this category to include more formal nature therapy.

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<sup>3</sup> Ibid.

<sup>4</sup> Elkin, Evan and Leah Morgan. *Where do innovative program ideas come from? Lessons from Ohio*. October 3, 2012. Vera Institute of Justice.

**Potential General Fund Savings.** A 2011 article in Corrections Today cited studies that have determined that states can save at least \$1,000 per inmate by adopting green practices and reducing their energy costs by as little as five percent, with 120,000 inmates in the state's prison system, \$1,000 per inmate equates to \$120 million in savings. The state spends approximately \$113 million per year in utilities costs for the prison system. A reduction of five percent in utilities would save almost \$6 per year. Achieving a goal similar to Ohio's 15 percent reduction could save the state \$17 million each year. In addition to this savings, the state would also save money through reduced recidivism and could potentially earn revenue through adopting such programs as large scale recycling and composting.

**Staff Comment.** The subcommittee may want to consider requiring CDCR to work with the California Environmental Protection Agency, CalRecycle, the University of California at Davis, the National Institute of Corrections, and other interested stakeholders to develop a sustainability plan for California's prisons that establishes sustainability as a priority of the system by both reducing the environmental impact of the prison system and training inmates in environmental literacy and work readiness that allows them to successfully get living wage jobs and careers in the green economy when they leave prison and reenter society. In addition, any efforts to increase sustainability should apply both to the adult institutions and the juvenile justice facilities.

**Staff Recommendation.** No action is necessary at this time.

**Issue 2: Pelican Bay Segregated Housing Unit Conversion Spring Letter**

**April 1<sup>st</sup> Letter.** The Administration has provided an April 1<sup>st</sup> letter requesting \$539,000 for preliminary plans and working drawings for Pelican Bay State Prison's Facility D Yard renovations. The construction project proposes construction of a recreational yard that would consist of a multipurpose field, basketball half-court, two handball courts, a fitness area, 15 tables, a toilet yard, drinking fountain, storage container and a custody observation post.

This project is part of a larger plan to convert Facility D from a secured housing unit to a general population facility for level II inmates.

**Related Budget Proposal.** As discussed in the March 9<sup>th</sup> subcommittee hearing, the Governor's budget proposes to reduce General Fund support for CDCR by \$42.4 million in 2016-17, and by \$8.3 million in 2017-18, to account for net savings from the conversion of various housing units. According to the Administration, a significant driver of conversions proposed in 2016-17 and 2017-18 is the implementation of the 2016 *Ashker v. Brown* settlement, which made the criteria for housing inmates in security housing units more stringent. For example, at Pelican Bay State Prison in Crescent City, the Administration is proposing to convert 576 deactivated security housing unit beds to 720 level II beds. Because security housing units require more custody staff than most other units, these conversions would result in net savings.

**Background.** CDCR periodically converts housing units to accommodate fluctuations in the security requirements or needs of its inmate population, such as by converting administrative segregation beds (high security) to general population beds (lower security). When the department converts a housing unit, the unit's staffing complement is adjusted to reflect the requirements of the new inmates to be housed there.

**Segregated Housing.** CDCR currently operates different types of celled segregated housing units that are used to hold inmates separate from the general prison population. These segregated housing units include:

***Administrative Segregation Units (ASUs).*** ASUs are intended to be temporary placements for inmates who, for a variety of reasons, constitute a threat to the security of the institution or the safety of staff and inmates. Typically, ASUs house inmates who participate in prison violence or commit other offenses in prison.

***Security Housing Units (SHUs).*** SHUs are used to house for an extended period inmates who CDCR considers to be the greatest threat to the safety and security of the institution. Historically, department regulations have allowed two types of inmates to be housed in SHUs: (1) inmates sentenced to determinate SHU terms for committing serious offenses in prison (such as assault or possession of a weapon) and (2) inmates sentenced to indeterminate SHU terms because they have been identified as prison gang members. (As discussed below, changes were recently made to CDCR's regulations as a result of a legal settlement.)

Segregated housing units are typically more expensive to operate than general population housing units. This is because, unlike the general population, inmates in segregated housing units receive their meals and medication in their cells, which requires additional staff. In

addition, custody staff is required to escort inmates in segregated housing when they are temporarily removed from their cells, such as for a medical appointment.

**Ashker v. Brown.** In 2015, CDCR settled a class action lawsuit, known as Ashker v. Brown, related to the department's use of segregated housing. The terms of the settlement include significant changes to many aspects of CDCR's segregated housing unit policies. For example, inmates can no longer be placed in the SHU simply because they are gang members. Instead, inmates can only be placed in the SHU if they are convicted of one of the specified SHU-eligible offenses following a disciplinary due process hearing. In addition, the department will no longer impose indeterminate SHU sentences. The department has also made changes in its step-down program to allow inmates to transition from segregated housing (including SHUs and ASUs) to the general population more quickly than before. Due to the Ashker settlement, the number of inmate in SHU housing has been reduced from over 3,500 inmates to 460.

**Staff Comment.** As noted above, the Administration proposes converting the deactivated security housing unit at Pelican Bay State Prison into a level II housing unit. CDCR's facilities for men are broken down into four levels of classification and inmates are housed based upon their security risk. Level I constitutes the lowest level, with inmates being housed in fire-camps and other open dormitories with a low level of security. Level II facilities also consist primarily of open dormitories with a secure perimeter, which may include armed coverage. Generally speaking, inmates in level II housing units are the most likely to participate in programs and are often at the end of their prison sentences.

Pelican Bay is the state's most remote prison and is located on the border between California and Oregon. Roughly 30 percent of the staff at Pelican Bay lives in Oregon. Pelican Bay is among the state's lowest in terms of programming opportunities for inmates, offering only two career technical education programs (cosmetology and electrical). In addition, given the remote location of the prison, it is also one of the most difficult prisons to find volunteer organizations willing to provide innovative programming, which has become one of the cornerstones of inmate rehabilitation in recent years. Its location, several hundred miles from a major airport, also makes it difficult for families to travel to the prison to visit people who are housed there. Given the remote location of the prison and the difficulty in providing rehabilitative programming, the subcommittee may wish to consider whether it is an appropriate place for level II inmates prior to approving the Spring Finance request.

**Staff Recommendation.** Hold open pending population updates in the May Revision.



**Issue 3: Mental Health Crisis Beds**

**Governor’s budget.** The CDCR requests \$3,661,000 General Fund for California Institution for Men, and \$3,597,000 General Fund for Richard J. Donovan Correctional Facility in order to construct licensed 50-bed mental health crisis facilities at each institution.

***California Institution for Men.*** The Governor’s January proposal requests funding to construct a licensed 50-bed mental health crisis facility at California Institution for Men (CIM), located in Chino. The building will be designed to allow for operation at the intermediate care facility (ICF) level-of-care if treatment acuity needs fluctuate. This proposal requests \$3.7 million in funding for the preliminary plan phase of this project. The total estimated project cost is \$55,308,000.

***Richard J. Donovan Correctional Facility.*** This proposal requests funding to construct a licensed 50-bed mental health crisis facility at Richard J. Donovan Correctional Facility (RJD), located in San Diego. The building will be designed to allow for operation at the ICF level-of-care if treatment acuity needs fluctuate. This proposal requests \$3.7 million in funding for the preliminary plan phase of this project. The total estimated project cost is \$56,508,000.

**Background**

***Inmate Mental Health.*** CDCR’s Mental Health Services Delivery System (MHSDS) provides four levels of care, based on the severity of the mental illness. The first level, the Correctional Clinical Case Management System (CCCMS), provides mental health services to inmates with serious mental illness with “stable functioning in the general population, an administrative segregation unit (ASU) or a security housing unit (SHU)” whose mental health symptoms are under control or in “partial remission as a result of treatment.”

The remaining three levels of mental health care are for inmates who are seriously mentally ill and who, due to their mental illness, are unable to function in the general prison population. The Enhanced Outpatient Program (EOP) is for inmates with “acute onset or significant decompensation of a serious mental disorder.” EOP programs are located in designated living units at “hub institution[s].”

Mental health crisis beds (MHCBs) are for inmates with mental illness in psychiatric crisis or in need of stabilization pending transfer either to an inpatient hospital setting or a lower level-of-care. MHCBs are generally licensed inpatient units in correctional treatment centers or other licensed facilities. Stays in MHCBs are limited to not more than ten days.

Finally, several inpatient hospital programs are available for class members who require longer-term, acute care. These programs are primarily operated by the Department of State Hospitals (DSH), with the exceptions of in-patient care provided to condemned inmates and to female inmates. There are three inpatient psychiatric programs for male inmates run by DSH that are on the grounds of state prisons.

For a detailed discussion related to CDCR inmates in need of mental health treatment, see this subcommittee’s March 16, 2017 agenda.

***Mental Health Crisis Beds.*** Due to their immediate need for treatment, inmates identified as needing MHCBS are supposed to be transferred to these beds within 24 hours. If a bed is not available, alternative accommodations must be found, such as placing the inmate on suicide watch. As of April 17, 2017, there were 28 inmates on the waiting list for an MHCBS, 21 men and seven women. The Administration's proposal adds 100 additional crisis beds for male inmates. CDCR argues that the present waitlist, plus the projected MHCBS inmate-patient population, combined with the need to eventually cease operation of unlicensed beds, indicates an increased need for licensed MHCBS within the Southern California region.

CDCR's statewide MHCBS capacity for males is 373 licensed beds, with an additional 54 unlicensed beds that do not meet the required Correctional Treatment Center (CTC) licensing requirements. MHCBS are required to be licensed as CTCs pursuant to California Code of Regulations, Title 22, Division 5, Chapter 12. These 54 unlicensed beds can only be operated while CDCR is under the Coleman Court's jurisdiction, and thus are not counted as permanent MHCBS. CDCR's Fall 2016 projections indicate that the number of MHCBS needed for CDCR's male population in 2017 will be 495, increasing to approximately 499 by 2018. The fall projection, however, did not take into account the impact of Proposition 57 on this population.

CDCR notes that the deficiency of MHCBS is especially prominent within the Southern California region. Of the 373 licensed MHCBS, 111 are located in the northern region, 236 in the central region, and 26 are in the southern region. In Fiscal Year 2015-16, southern region institutions referred 1,156 inmate-patients to an MHCBS at another institution due to the originating institution either not having a MHCBS facility or no MHCBS being available at the time of the referral. Out of these 1,156 inmate-patient transfers, 798 of these (69 percent) were transferred to an institution outside the southern region. These longer distance transfers may result in inmate-patients in crisis experiencing an unnecessary delay in receiving critical treatment due to lengthy transport to a central or northern region institution.

**Legislative Analyst's Office.** According to the LAO, the Administration estimates that the annual cost to operate each facility will be \$24 million. The LAO notes that the proposed facility at CIM would require the construction and staffing of guard towers because the facility would be built outside the existing electric fence. The department indicates that staffing the guard towers would cost an additional \$3.9 million annually. Both facilities would be completed by the end of 2020-21.

Given the uncertain need for additional MHCBS, the LAO recommends the Legislature reject the Governor's proposal at this time to build two 50-bed MHCBS facilities at RJD and CIM. CDCR should monitor the effects of Proposition 57, the activation of the Intermediate Care Facility unit proposed for CMF, and any shift in mental health program responsibilities on the need for additional MHCBS. If this information shows a continuing need for additional MHCBS, the department can make a new request at that time. To the extent that the department determines there remains a need for the CIM project, it will have time to complete a project cost estimate for the CIM facility using an electric fence as opposed to manned guard towers. If it is more cost-effective to use an electric fence, the department could adjust its request accordingly.

**Staff Comment.** Given the size of the current waiting list for men (21 people), the unknown impact that both Proposition 57, and the transfer of acute care patients back from the Department of State Hospitals to CDCR, it is unclear why CDCR believe it will need 100 additional crisis beds for men in the next five years. In addition, as part of the justification for the expansion, CDCR notes that they currently have 54 unlicensed mental health beds that are only allowed to operate while CDCR is under the federal court's jurisdiction. The federal court special master has been overseeing mental health treatment for the last 20 years and there has been no indication that they will be releasing the state from its oversight over inmate mental health care any time in the near future.

**Staff Recommendation.** Approve funding for the 50 mental health crisis beds at R.J. Donovan prison and reject funding for the 50-bed expansion at the California Institution for Men.

**Issue 4: Capital Outlay Proposals**

**Governor's budget.** The Governor's budget contains the following capital outlay proposals:

**2. HEALTH CARE FACILITY IMPROVEMENT PROGRAM - CALIPATRIA**

The California Department of Corrections and Rehabilitation requests \$16,079,000 General Fund to remedy physical plant deficiencies in the health care facilities at Calipatria State Prison in order to comply with court requirements (Plata, Coleman, and Perez).

Phase I was funded as part of AB 900 (Solorio), Chapter 7, Statutes of 2007, and included renovations to their central health services and health care administration buildings. Phase II will reconfigure and renovate existing space and construct new Medical Treatment space additions to each of CAL's facilities A, B, C, and D primary care clinics, and construct a new, stand-alone administrative segregation unit (ASU) primary care clinic immediately adjacent to the ASU housing unit. These primary care clinic renovations and additions at facilities A, B, C and D will provide primary health care consultation and treatment consistent with the delivery of a basic level of care.

**Background.** This project is part of CDCR's Health Care Facility Improvement Program (HCFIP) to remedy deficiencies to health care facilities statewide. The purpose of the HCFIP is to provide a facilities infrastructure within CDCR that will support a timely, competent, and effective health care delivery system with appropriate health care diagnostics and treatment, medication distribution, and access to care for individuals incarcerated within CDCR.

**3. POTABLE WATER RESERVOIR - CALIPATRIA**

The California Department of Corrections and Rehabilitation requests \$6,939,000 General Fund to construct one new 1.25 million gallon (MG) potable water reservoir at Calipatria State Prison (CAL) and to repair and upgrade the existing 2.06 MG potable water reservoir. The total cost of the project is estimated to be \$7,672,000.

**Background.** According to CDCR, Calipatria has a need for the construction of a new potable water reservoir and upgrades to the existing potable water reservoir. CAL currently has one 2.06 MG water storage reservoir for the institution's water storage and system operation, which was installed in 1990. The existing reservoir has become corroded internally which poses a potential health risk to staff and inmates, as determined by the RWOCB. The existing reservoir must be emptied in order to make the necessary repairs. Specifically, there is a need for additional potable water storage capacity to supply uninterrupted safe drinking water and sufficient water flows for fire suppression to the institution during required maintenance to the existing potable water storage reservoir.

**4. BRINE CONCENTRATOR SYSTEM REPLACEMENT – DEUEL VOCATIONAL INSTITUTION**

The California Department of Corrections and Rehabilitation requests \$1,879,000 General Fund for the preliminary phase of the design and construction of a new Vibratory Shear Enhanced Process (VSEP) system to replace the existing brine concentrator system for Deuel Vocational Institution's (DVI) Reverse Osmosis Water Treatment Plant (ROWTP). The total estimated project cost is \$28,826,000.

**Background.** DVI's ROWTP began full-time operation in June 2009 and was permitted to operate in February 2010. It has proved to be unreliable due to failures of the brine concentrator system and the lack of redundancy of this system's components. Between February 2010 and March 2015, the ROWTP was out of service approximately 60 percent of the time due to various component failures within the brine concentrator system.

This project is required for compliance with the State Water Resources Control Board (SWRCB) for violations of secondary drinking water standards, and with the CRWOCB and WWTP for the effluent exceeding discharge requirements.

## 5. MEDICATION DISTRIBUTION IMPROVEMENTS

The California Department of Corrections and Rehabilitation requests \$2,569,000 General Fund for design and construction of two medication distribution rooms (MDRs) at California Correctional Institution (CCI) to provide the appropriate space with the proper infrastructure for secure medication distribution, infection control, environmental control and secure medication storage.

**Background.** Currently, the distribution of medication to general population (GP) inmates in facility A and B is being performed on the dayroom floor by nursing staff. This method is inefficient for nursing staff because they must move from housing unit to housing unit, rather than being located in a single MDR. This is unsafe for nursing staff, as inmates are freely moving in the dayroom. There is a possibility that medications can be stolen or vandalized since the medication tote or cart is in the open dayroom rather than in a secured room. Data connectivity is also not available for connections to information management systems for review of inmate-patient medical records.

## 6. ADMINISTRATIVE SEGREGATION CELL DOOR RETROFIT – CORRECTIONAL TRAINING FACILITY

The California Department of Corrections and Rehabilitation requests \$783,000 General Fund to replace the existing 144 barred cell fronts with more secure cell fronts with vision panels in the O-Wing ASU at the Correctional Training Facility in Soledad. The total estimated project cost is \$10.9 million and the working drawings were initially approved in 2008.

**Background.** The existing barred cell fronts provide inmates with the opportunity to physically assault staff or inmates, cause injuries from inmate manufactured weapons (spearing), expose persons to bodily waste thrown between the bars (gassing), and cause harm to staff and inmates from thrown burning objects or compressed canisters (i.e. medical inhalers) that are rigged to explode. In addition, the barred doors represent a potential suicide risk for inmates.

The proposed solid cell front and door system has a sliding food/cuff port cover and a tray delivery system that attaches to the door. The "safety feed" box greatly reduces the opportunity for staff assaults during feeding operations.

## 7. FIRE SUPPRESSION UPGRADE – PELICAN BAY

The California Department of Corrections and Rehabilitation requests \$1,117,000 General Fund in order to begin the preliminary plans phase to correct fire suppression system

deficiencies at Pelican Bay State Prison (PBSP) identified during an inspection by the State Fire Marshal (SFM). The estimated total cost of the project is \$17,793,000.

**Background.** During a recent inspection by the State Fire Marshall, it was identified that the housing units at PBSP were not constructed with an automatic fire suppression system as required by California Building Code (Code) Section 903.2.6.2. The code states, "Every building, or portion thereof, where inmates or persons are in custody or restrained shall be protected by an automatic sprinkler system conforming to National Fire Protection Association 13". Neither CDCR nor the SFM could locate an approved alternate means of protection for these buildings to explain why these housing units were built with no fire sprinklers, but both CDCR and the SFM agree there is a need to install fire suppression system upgrades.

#### 8. STATEWIDE MINOR CAPITAL OUTLAY PROGRAM

The California Department of Corrections and Rehabilitation requests \$2,004,000 General Fund in order to fund four projects for Fiscal Year (FY) 2017-18 for the construction of minor capital outlay improvements at the California Department of Corrections and Rehabilitation's adult and juvenile facilities is included with this submission.

**Calipatria Substance Use Disorder Treatment (SUDT) Program Space.** The existing building used for SUDT programming at Calipatria contains one large area subdivided by a portable divider to conduct community meetings and group therapy sessions. These sessions are held twice a day with 12 inmates in each area, for a total of 48 inmates per day. The program cannot currently accommodate more than this quantity of inmates without further subdividing this space to ensure a safe and secure environment for staff and inmates.

In order to remedy this issue, CDCR requests a total of \$496,000 order to provide the required confidential treatment space and private offices as required by HIPAA. This funding would allow for construction of four treatment classrooms and five private offices.

**Centinela SUDT Program Space.** The existing building used for SUDT programming at Centinela contains two large areas used to conduct community meetings and group therapy sessions. These sessions are held twice a day, with 12 inmates in each area, for a total of 48 inmates per day. These areas cannot currently accommodate more than 12 inmates per side/twice a day without further subdividing this space to ensure a safe and secure environment for staff and inmates.

In order to provide adequate space for SUDT programming, a total of \$617,000 is requested in order to construct four treatment classrooms, four private offices, and eight cubicles.

**Los Angeles Minimum Support Facility Perimeter Fence.** This proposal requests funding to extend the height of the level I minimum support facility (MSF) perimeter fence at the California State Prison, Los Angeles County (LAC). This project will raise the height of the looped razor wire topping the fence an additional two feet, mitigating the existing safety and security concerns associated with the current fence design. Currently, the fence is eight feet tall, and the existing 30-inch braided razor ribbon loops within approximately six feet of the ground. According to the department, this is a safety hazard because the perimeter is unpaved with no "Out of Bounds" markings or signs to warn inmates and staff of the hazard.

The total estimated cost of this project is \$299,000 and would allow for the fence to be extended an additional two feet, and would ensure that the razor wire does not dip below eight feet off the ground.

**Pelican Bay Central Kitchen Walk-in Freezer Addition.** The available freezer space in the main warehouse and central kitchen at PBSP is inadequate, leading to the inability to take advantage of bulk purchases at a lower cost per item, and ultimately resulting in higher daily food costs per inmate. PBSP has a total of 6,100 sf of freezer space to store all frozen food items. Purchasing in larger quantities would result in a cost savings on each item purchased. At least partially because of the smaller quantity purchases, PBSP has the highest food cost per inmate (\$3.94/day) of all California prisons. The average food cost per inmate at other facilities is \$3.39/day. PBSP estimates an annual cost savings of approximately \$88,000 as a result of being able to take advantage of larger bulk ordering of numerous products. At an estimated savings of \$88,000/year, PBSP anticipates a project return on investment within six years.

This proposal requests \$592,000 to construct a new walk-in freezer, measuring approximately 1,300 square feet (sf), adjacent to the central kitchen at Pelican Bay State Prison.

## 9. BUDGET PACKAGES AND ADVANCE PLANNING – STATEWIDE

The budget includes \$250,000 for CDCR to perform advance planning functions and prepare budget packages for capital outlay projects to enable CDCR to provide detailed information on scope and costs on requests for planned projects.

**Background.** CDCR currently operates 34 adult prisons and three juvenile facilities, along with 44 adult and juvenile conservation camps. The range of capital outlay needs across the facilities is broad and varied. The development of budget packages enables CDCR to develop well-documented and justified capital outlay requests for funding consideration in the annual budget act. Additionally, the need arises during the fiscal year to perform advance planning functions such as environmental reviews and site assessments to determine the feasibility of future capital outlay requests. To perform these functions, CDCR has often been provided with advanced planning funding through the annual budget act.

Provisional language is included with this appropriation limiting it to projects that meet both of the following two criteria:

- The project being studied has not previously received funding from the Legislature.
- The project is being prepared for funding consideration in future Governor's budgets or five-year infrastructure plans.

**Legislative Analyst's Office (LAO)**

**Los Angeles Minimum Support Facility Perimeter Fence:** The LAO sites CDCR's reports that no person has been injured by the razor wire and only one inmate has scaled the fence to successfully escape since the razor wire was installed in the mid-1990s. With no historical examples of injuries caused by the razor wire and a very low rate of escape, the LAO believes there is no reason to believe that injuries and escape are likely to occur in the future. Thus, the LAO finds that the current fence is adequate and recommends that the Legislature reject the Governor's proposal to provide General Fund support to raise the height of the fence at LAC because the need for a higher fence has not been justified.

**Staff Recommendation.** Reject the proposal for the Los Angeles perimeter fence and approve the remaining capital outlay budget proposals.



**Issue 5: Healthcare Access Officers**

**Governor's budget.** As part of the segregated housing unit conversion proposal, CDCR anticipates a reduced need for health care access staff by 48.2 positions and \$6 million in 2017-18. However, the budget requests the reallocation of the 48.2 positions and \$6 million made available by the housing unit conversions to units with the highest need for health care access staff in 2017-18 as identified by the Program Support Unit's analysis. CDCR reports that other housing units (that are not affected by the conversions) have an unmet need for health care access staff that is currently being met with overtime. Furthermore, the department reports that system wide workload for health care access staff is increasing.

While the larger housing unit conversion proposal was discussed by this subcommittee on March 9<sup>th</sup>, the health care access component was shifted to this hearing in order to include the federal receiver's office in the discussion of the need for additional health care access staff.

**2016 Budget Act.** The 2016 budget provided \$8.9 million General Fund and 73.4 positions in 2016-17, \$11.3 million General Fund and 88.7 positions in 2017-18, and \$11.7 million General Fund and 93.7 positions in 2018-19 and ongoing, for increased staffing needs related to the Health Care Facility Improvement Program (HCFIP), and triage and treatment areas/correctional treatment centers. This augmentation brought the total 2016-17 funding for healthcare access to \$465 million, which equates to 3,395.4 positions.

**Background.** Health care access units (HCAU) are dedicated, institution-based units, comprised of correctional officers, which have responsibility for insuring that inmates are transported to medical appointments and treatment, both on prison grounds and off prison grounds. Each institution's success at insuring that inmates are transported to their medical appointments/treatment is tracked and published in monthly reports.

On October 26, 2012, delegation of the HCAUs was turned over to the secretary of CDCR. Upon the effective date of the delegation, the secretary assumed control of the HCAU. Because standardized staffing was implemented prior to the delegation of HCAU positions being turned over to the CDCR's direct control, the CDCR did not include HCAU posts in the reviews and standardization of custody health care positions. The Division of Adult Institutions, working collaboratively with the California Correctional Health Care Services, has identified 18 institutions with custody staffing deficiencies within the triage and treatment areas and correctional treatment centers.

**Legislative Analyst's Office**

***Lack of Justification Showing Need for Reallocation.*** CDCR has provided two justifications for its proposed reallocation of the 48.2 health care access staff and about \$6 million in associated funding: (1) the currently high rates of overtime worked by other health care access staff and (2) the anticipated increase in the systemwide health care access workload. The LAO finds that the Administration has been unable to provide sufficient data on current and projected overtime worked by health care access staff at the institutions that would receive reallocated staff or the analysis done by CDCR's Program Support Unit to assess the current and projected need for health care access staff at these institutions.

As such, it is difficult for the Legislature to determine whether the proposed reallocation of health care access staff is justified.

***Savings From Reduced Overtime Not Accounted for.*** To the extent that the positions do need to be reallocated to reduce overtime, The LAO estimates that the 48.2 health care access staff could reduce overtime costs by as much as \$4 million. Despite this, the Administration has not proposed any reduction in the health care access overtime budget.

***Require Additional Information Before Taking Action.*** To assist the Legislature in its review of the proposed reallocation of health care access staff, the LAO recommends that it direct CDCR to provide the following information: (1) the Program Support Unit's data and analysis of current and projected need for health care access staff at institutions that would receive the reallocated staff and (2) current and projected health care access staff overtime rates at these institutions. With this information, the Legislature would be in a better position to determine whether the proposed reallocation of health care access staff is warranted or whether it needs to be modified. If the department is unable to provide the above information, the LAO recommends that the Legislature reject the proposed reallocation and reduce CDCR's budget by 48.2 health care access staff and \$6 million in General Fund support.

**Staff Recommendation.** Approve as budgeted.

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| <b>Issue 6: Prison Health Care Update</b> |
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**Governor's Budget.** The budget includes \$2 billion General Fund for prison medical care provided by the federal receiver. At the request of the receiver, this amount includes \$2.1 million for property controller positions to oversee all healthcare assets, \$5.4 million for registered nurses to triage and remedy medical appeals, \$8.9 million for licensed vocational nurses to distribute medication to inmates, \$13.8 million to expand the California Prison Industry Authority janitorial services, and \$3.1 million for certified nursing assistants to provide one-on-one surveillance of inmates on suicide watch. The Administration notes that these augmentations support the transition of medical care back to the state.

**Background.** On June 30, 2005, the United States District Court ruled in the case of *Marciano Plata, et al v. Arnold Schwarzenegger* that it would establish a receivership and take control of the delivery of medical services to all California prisoners confined by CDCR. In a follow-up written ruling dated October 30, 2005, the court noted:

*By all accounts, the California prison medical care system is broken beyond repair. The harm already done in this case to California's prison inmate population could not be more grave, and the threat of future injury and death is virtually guaranteed in the absence of drastic action. The Court has given defendants every reasonable opportunity to bring its prison medical system up to constitutional standards, and it is beyond reasonable dispute that the State has failed. Indeed, it is an uncontested fact that, on average, an inmate in one of California's prisons needlessly dies every six to seven days due to constitutional deficiencies in the CDCR's medical delivery system. This statistic, awful as it is, barely provides a window into the waste of human life occurring behind California's prison walls due to the gross failures of the medical delivery system.*

On February 14, 2006, the federal court appointed a receiver to manage medical care operations in the prison system. The current receiver was appointed in January of 2008. The receivership continues to be unprecedented in size and scope nationwide.

**CDCR Historical Health Care Costs Per Inmate<sup>5</sup>**

| Program                  | 2010-11         | 2011-12         | 2012-13         | 2013-14         | 2014-15         | 2015-16         | 2016-17 <sup>6</sup> |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| Medical                  | \$10,840        | \$12,917        | \$12,591        | \$13,661        | \$15,496        | \$16,745        | \$17,334             |
| Dental                   | \$1,000         | \$1,057         | \$1,095         | \$1,167         | \$1,222         | \$1,321         | \$1,265              |
| Mental Health            | \$2,587         | \$2,069         | \$2,118         | \$2,399         | \$2,783         | \$3,057         | \$3,362              |
| Dental and MH Admin      | \$313           | \$238           | \$231           | \$269           | \$295           | \$322           | \$462                |
| <b>Total Health Care</b> | <b>\$14,740</b> | <b>\$16,281</b> | <b>\$16,035</b> | <b>\$17,496</b> | <b>\$19,796</b> | <b>\$21,445</b> | <b>\$22,423</b>      |

<sup>5</sup> Beginning 2011-12, Mental Health Nursing was transferred to the Medical Program.

<sup>6</sup> 2016-17 is based on the budget authority as of the 2017-18 Governor's Budget.

The receiver is tasked with the responsibility of bringing the level of medical care in California's prisons to a standard which no longer violates the U.S. Constitution. The receiver oversees over 11,000 prison health care employees, including doctors, nurses, pharmacists, psychiatric technicians and administrative staff. Over the last ten years, healthcare costs have risen significantly. The estimated per inmate health care cost for 2016-17 (\$22,423) is three times the cost for 2005-06 (\$7,668). The state spent \$1.2 billion in 2005-06 to provide health care to 162,408 inmates. The state estimates that it will be spending approximately \$2.9 billion in 2017-18 for 128,159 inmates. Of that amount, \$2 billion is dedicated to prison medical care under the oversight of the receivership.

Since the appointment of the receivership, spending on inmate health care has almost tripled. A new prison hospital has been built, new systems are being created for maintaining medical records and scheduling appointments, and new procedures are being created that are intended to improve health outcomes for inmates. According to the CCHCS, in the month of December 2016 over 527,000 health care appointments were requested for inmates. The rate of preventable deaths has dropped significantly since 2006 (from 38.5 per 100,000 inmates in 2006 to 9.3 per 100,000 inmates in 2015). The rate of preventable deaths in 2015 is the lowest since the beginning of the receivership.

**Chief Executive Officers for Health Care.** Each of California's 34 prisons has a chief executive officer (CEO) for health care who reports to the receiver. The CEO is the highest-ranking health care authority within a CDCR adult institution. A CEO is responsible for all aspects of delivering health care at their respective institution(s) and reports directly to the receiver's office.

The CEO is also responsible for planning, organizing, and coordinating health care programs at one or two institutions and delivering a health care system that features a range of medical, dental, mental health, specialized care, pharmacy and medication management, and clinic services.

Serving as the receiver's advisor for institution-specific health care policies and procedures, the CEO manages the institution's health care needs by ensuring that appropriate resources are requested to support health care functions, including adequate clinical staff, administrative support, procurement, staffing, and information systems support.

**Process for Delegating Responsibility to State.** In March 2015, the Plata court issued an order outlining the process for transitioning responsibility for inmate medical care back to the state. Under the order, responsibility for each institution, as well as overall statewide management of inmate medical care, must be delegated back to the state. The court indicates that, once these separate delegations have occurred and CDCR has been able to maintain the quality of care for one year, the receivership would end.

The federal court order outlines a specific process for delegating care at each institution back to the state. Specifically, each institution must first be inspected by the Office of the Inspector General (OIG) to determine whether the institution is delivering an adequate level of care. The receiver then uses the results of the OIG inspection—regardless of whether the OIG declared the institution adequate or inadequate—along with other health care indicators, including those published on each institution's Health Care Services Dashboard, to determine whether the level of care is sufficient to be delegated

back to CDCR. To date, the OIG has completed inspections for 13 institutions and has found nine to be adequate and four to be inadequate.

As of April 2016, the receiver has delegated care for the following prisons back to CDCR:

- Folsom State Prison
- The Correctional Training Facility at Soledad
- Chuckawalla Valley State Prison
- California Correctional Institution at Tehachapi
- Pelican Bay State Prison
- Centinela State Prison
- Sierra Conservation Center at Jamestown
- California Institution for Men at Chino
- Avenal State Prison
- San Quentin
- California Institution for Women at Corona

The receiver continues to determine whether to delegate care at other 11 institutions that have been found adequate by the OIG, and can also delegate care at prisons deemed inadequate by the OIG based on various other performance measures available for his use. Recently, the OIG finished its round of medical inspections (round four) with the release of its report this month on the California Health Care Facility in Stockton and is currently in the process of beginning its round five of medical inspections. The process for delegating the responsibility for headquarters functions related to medical care does not require an OIG inspection. Under the court order, the receiver only has to determine that CDCR can adequately carry out these functions.

**Staff Recommendation.** This is an item intended to provide the subcommittee with an update on the state of inmate healthcare and to serve as an introduction to the budget requests that follow. As such, no action is required at this time.

**Issue 7: CalPIA Janitorial Contract**

**Governor's budget.** California Correctional Health Care Services (CCHCS) requests \$5,976 million General Fund (GF) in fiscal year 2016-17, \$13.8 million GF in 2017-18, \$22 million GF in 2018-19, and \$22 million GF in 2019-20 for California Prison Industries Authority (CalPIA) janitorial services for increased space driven by the Health Care Facility Improvement Project (HCFIP) and statewide medication distribution (SWMD) improvements.

**Background.** CalPIA's Healthcare Facilities Maintenance (HFM) Program supports CDCR's HCFIP and SWMD improvements. The HFM program trains and employs 450 offenders. The establishment of the HFM program is the result of a partnership between CalPIA and CCHCS. Offenders learn current effective janitorial methods and practices for various medical settings and have the opportunity to attain accredited, certified training in a custodial maintenance course. Offenders also receive training in important standards, including Occupational Safety and Health Administration (OSHA) requirements.

In 2013-14 CCHCS entered into contract with CalPIA Healthcare Facilities Maintenance (HFM) program as a solution to an outstanding stipulation from the Plata class action lawsuit. The stipulation required California Department of Corrections and Rehabilitation (CDCR) to develop policies and procedures to ensure every patient receives adequate health care services in a clean and sanitary environment. The HFM program provides custodial services to maintain a clinical health care level of cleaning in medical areas, mirroring health care standards and meeting licensing requirements for the existing 1.8 million square feet of health care space within the institutions currently being cleaned by HFM.

As HCFIP and SWMD improvements are completed, there is a need to expand the existing HFM program to include the cleaning and sanitizing of the newly constructed medical space. The funding increase is based upon the estimated completions dates of those improvements.

**Legislative Analyst's Office.** The LAO did not raise any concerns with this proposal.

**Staff Recommendation.** Approve as budgeted.

**Issue 8: Suicide Watch**

**Governor's budget.** The Governor's budget requests \$3.06 million General Fund and 184.5 positions in fiscal year 2017-18, and \$3.02 million General Fund and 184.5 positions beginning in 2018-19, to address the increased suicide watch workload. In outgoing years, this will be included in the annual population adjustment to reflect changes in usage.

**Background.** Increased suicide watch utilization creates a resource issue for CCHCS. According to CCHCS, redirecting staff (especially high cost classifications) to cover the suicide watch workload has caused staffing deficiencies in other areas. This has begun to impact inmate programming. For example, the receiver's office notes if custody staff are redirected to suicide watch, then programming (education, vocation, etc.) can be altered or cancelled. In addition, if health care staff are redirected to suicide watch, then clinic lines may be cancelled and other non-critical patient care impacted. Annual expenditures for suicide watch had traditionally been around \$9 million, but expenditures have risen with the increased utilization of suicide watch. According to CCHCS, during the last four months of 2015-16, the number of suicide watches increased dramatically. This rapid increase has continued into 2016-17.

**Coleman v. Brown Special Master Suicide Prevention Report.** In January of 2015 the *Coleman* Special Master submitted his audit of suicide prevention practices to the federal court. In the summary of findings, the Special Master notes:

*It is the opinion and conclusion of this reviewer that the applicable provisions of the Coleman Program Guide on suicide prevention and response provide reasonable and comprehensive guidelines for the identification and management of suicidal inmates. However, the most significant finding from this audit was that suicide prevention practices in the prisons often did not mirror program guide requirements. While CDCR has made important advances with its suicide prevention practices, it has not yet fully implemented a thorough, standardized program for the identification, treatment, and supervision of inmates at risk for suicide. From 2010 through 2013, the number of inmate suicides in CDCR prisons annually has remained nearly unchanged. Across the same period the rate of inmate suicides per 100,000 in CDCR prisons has remained substantially higher than the inmate suicide rate of 16 suicide deaths per 100,000 inmates in other correctional systems throughout the United States.*

This audit was the continuation of an on-going concern of the Coleman court that CDCR is not doing enough to identify and help inmates with suicidal tendencies. This court noted the need for a program to identify, treat, and supervise inmates at risk for suicide from as far back as its remedial order in this case in 1995 and has entered several orders on suicide prevention practices over the ensuing years. Among other issues raised in this most recent report is the special master's concern that the perception that all inmates who threaten suicide are manipulative persists among the treatment teams as a misguided mindset that needs to be repeatedly addressed by CDCR.<sup>7</sup>

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<sup>7</sup> *Coleman v. Brown. Special Master's Report on His Expert's Audit of Suicide Prevention Practices in the Prisons of the California Department of Corrections and Rehabilitation.* Case 2:90-cv-00520-KJM-DAD, Document 5258, Filed 01/14/15.

**Legislative Analyst's Office.** The Governor's budget proposes \$3.1 million from the General Fund for 184.5 additional CNA positions, as well as temporary help to conduct suicide watch for patients awaiting transfer to MHCBS. The LAO notes that the total cost of the Governor's proposal is \$12.1 million. However, \$9 million of the total cost would be offset by funding that is currently used for overtime and registry staff costs associated with suicide watch.

It appears that this adjustment does not account for the full reduction in overtime and registry costs. The LAO estimates that the 184.5 new CNA positions would work 316,000 hours at a total cost of \$10.5 million. However, based on information provided by the receiver, the LAO estimates that this could avoid the need for \$13.3 million in overtime and registry costs—about \$4.3 million more than assumed in the Governor's budget. It is possible that some of the suicide watch workload is currently being covered by individuals who are being redirected from other duties, such as guarding rehabilitation programs or providing medical treatment to inmates. This could reduce the additional \$4.3 million in savings identified above as these redirected positions would return to their original duties rather than be eliminated. At the time of the LAO's analysis, the receiver had not provided sufficient information to assess the extent to which this is the case.

**Staff Recommendation.** Approve as budgeted.



**Issue 9: Healthcare Appeals Pilot**

**Governor's budget.** The California Correctional Health Care Services (CCHCS) requests \$5.4 million General Fund and 36 positions beginning in fiscal year 2017-18. This request will provide registered nurses to work as health care appeals coordinators to ensure clinical review of all health care appeals is available at each adult institution within the CDCR.

**Background.** Concerns about the overly bureaucratic nature of the health care appeals process, excessive screen outs, and lack of clinical triage/intervention were raised by federal Judge Thelton Henderson, the Plata Court, the receiver, and CCHCS legal counsel in late 2014. Responding to these concerns, on September 1, 2015, CCHCS launched a Health Care Appeal Pilot at three institutions: Central California Women's Facility, California Substance Abuse Treatment Facility (SATF), and California State Prison, Solano.

The pilot focused on two main changes:

1. The establishment of health care appeals coordinators to conduct clinical triage, conduct a clinical review when appropriate, and facilitate early face-to-face clinical intervention when appropriate.
2. The simplification of the health care appeals process by eliminating one institutional level of review.

This approach ensures the reduction of redundancy in the health care appeals process. The pilot institutions have reported positive results related to the upfront clinical triage and ability to address urgent/emergent issues immediately. According to the receiver's office, the coordinators have successfully integrated their advocacy and proactive handling of the health care appeals primarily due to being available to address questions and the provision of patient education. Overall, the pilot institutions have seen the following positive results: 1) there has been a reduction in the number of health care appeals rejected or cancelled due to "non-urgent" clerical reasons (such as, but not limited to: missing documents, threats or abusive language within appeal, no adverse effect on welfare, etc.); 2) an increase in patient access to care due to coordinator intervention; 3) and an increase in the number of health care appeals resolved at the institutional level.

**Legislative Analyst's Office.** The LAO recommends that the Legislature direct the receiver to implement this new process without additional funding. Given that the new process would likely reduce costs, the LAO recommends that the Legislature direct the receiver to implement it at all institutions. However, because it could be managed within existing resources and would likely reduce costs, the LAO finds no reason to provide the receiver with additional funding to implement it. Accordingly, the LAO recommends that the Legislature reject the proposed funding.

It is worth noting that the receiver has sent the LAO additional information on the appeals process, which the LAO is still reviewing to determine if it changes the recommendation above.

**Staff Comment.** The committee has expressed concerns in recent years with CDCR's appeals process, both in terms of inmates' complaints about healthcare and general complaints about treatment within the institutions. As noted in the agenda for this subcommittee's March 9<sup>th</sup> hearing:

*One of the findings in the OIG review of High Desert was that the inmate appeals process was not operating adequately and that the staff complaint process was broken. The review notes, "Very few staff complaints were referred for investigation and those that were referred have not been adequately monitored and traced for response. Also, [High Desert] does not have a process for addressing officers who are repeatedly accused of misconduct by different inmates." CDCR has since noted that they are looking at changes to their policies surrounding inmate appeals and staff complaints.*

The subcommittee may wish to ask the department to provide an updated on reforms to the inmate appeals and complaints process during either its open issues hearing on May 11<sup>th</sup> or during the May Revision hearings.

**Staff Recommendation.** Approve as budgeted.

**Issue 10: Licensed Vocational Nurse – Medication Management**

**Governor’s budget.** The proposed budget requests \$8.9 million from the General Fund and 105.2 additional positions for medication management based on a new staffing model developed by the receiver that includes licensed vocational nurse (LVN) positions to staff each pill window throughout the day and distribute medication inmates are allowed to keep their own medications to use as needed.

**Background.** Most medications are distributed to inmates from pill windows at various locations throughout each prison. Inmates typically line-up at these windows to receive their medication four times a day --morning, noon, later afternoon, and before they go to sleep. In addition, some medication is distributed to inmates to keep and use as needed, such as an asthma inhaler. Typically, licensed LVNs distribute medication to inmates. The 2016-17 budget included at total of \$80 million for LVNs engaged in medication management.

According to the receiver, budgeted staffing levels have not been adequate to complete daily medication distribution. This is because the current staffing model used to determine level of LVNs and associated funding needed each year for medication management does not account for certain factors that have increased workload in recent years. Such factors include additional pill windows that have since been added to facilities and the need to distribute medication that inmates keep and use as needed. As a result, institutions have relied on overtime and registry staff to complete this increased workload not accounted for under the current staffing model (registry staff are contractors that provide services on an hourly basis when civil servants are unavailable).

**Legislative Analyst’s Office.** Additional medication management workload not captured by the receiver’s current staffing model was generally completed with overtime and registry staff. Because the new staffing model should account for all medication management workload, costs associated with the use of overtime and registry staff for medication management should be largely eliminated. The LAO notes, however, that the proposal does not reflect a reduction in overtime or registry related to medication management. At the time of this analysis, the receiver was not able to provide a sufficient amount of information to estimate the level of savings possible.

**Staff Recommendation.** Approve as budgeted.

**Issue 11: Health Care Property Controllers**

**Governor's budget.** The budget requests \$2.14 million General Fund and 25.3 positions fiscal year 2017-18, and \$2.97 million General Fund and 37 positions beginning in 2018-19, to support development, implementation, and maintenance of the Enterprise Asset Management (EAM) program and to ensure that health care (including medical, mental health, and dental programs) assets are properly tracked and serviced throughout their lifecycles.

**Background.** Equipment management involves systematically tracking equipment throughout its lifecycle to ensure that it is properly maintained and available for use when needed. CDCR's Division of Adult Institutions (DAI) is currently responsible for managing all of the department's equipment - such as computers, e-readers, and exam tables - including those used by health care programs. DAI equipment management staff use several separate electronic systems to track the CDCR's equipment. According to the CDCR, the increasing volume and complexity of health care-related equipment, along with growth in equipment used by CDCR's educational and vocational programs, have resulted in an unmanageable workload for DAI staff. Furthermore, the receiver reports that inspectors have observed at several institutions that medical equipment is often improperly stored, damaged, or unaccounted for.

The receiver indicates that if CDCR cannot sufficiently track and maintain its medical, mental health, and dental equipment, it risks spending unnecessarily to replace missing equipment, and the quality of health care could be compromised. As a result, in 2014 the receiver hired two staff with existing resources to establish an equipment management unit within CCHCS. The receiver reports that this initial effort highlighted the magnitude of the deficiencies in the equipment management process for inmate health care and concluded that existing DAI staffing levels were insufficient to provide the needed support.

The receiver argues that in addition to the requirement for CDCR to become accountable for its overall assets, it is critical that the asset management system be particularly robust as it relates to the institutional health care system. Health care assets must be available and in serviceable condition when needed, otherwise patient access to care will be compromised. The manner in which these assets are used requires a very well-functioning, standardized system, enterprise-wide.

**Legislative Analyst's Office.** Both the receiver and DAI report that the current staffing level and systems for managing all of the department's equipment (including those related to health care) are inadequate. The Governor's proposal attempts to address the existing challenge related to health care equipment in isolation from the larger problem that has been identified. Specifically, the proposal would establish a separate system and process for tracking health care equipment by creating a new unit at headquarters, developing new policies and procedures, using an electronic system that the department has not previously used for equipment management, and hiring new staff at each institution. We find that this bifurcated approach is problematic for three reasons:

- First, the proposal does not address DAI's existing challenge in managing non-health care equipment.
- Second, creating a separate system for health care equipment would be inefficient. For example, under the proposal, each prison would have one position specifically dedicated to the

management of health care equipment and one position specifically dedicated to management of all other equipment, with each position reporting to a different office within CDCR headquarters. Such an approach does not take into account the different needs across institutions and how those needs could change over time. This is because it is possible that some institutions may have a greater need for the management of non-health care equipment compared to the management of health care equipment.

- Finally, such a bifurcated approach would likely not make sense as various aspects of inmate medical care continue to be delegated back to CDCR. For example, the Receiver has delegated responsibility for inmate medical care at ten institutions back to CDCR to date. Given that CDCR will eventually be responsible for integrating all aspects of inmate medical care into its operations, it is problematic that the receiver would initiate a bifurcated approach to asset management in the midst of this transition.

**Staff Recommendation.** Approve as budgeted.