

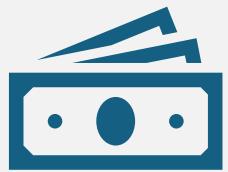
Virginia Department of Corrections

Joseph W. Walters, Director

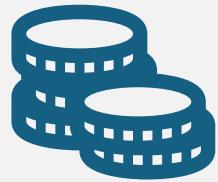


Senate Finance & Appropriations Committee
Public Safety & Claims Subcommittee
January 21, 2026

Medical Budget Discussion



COST COMPARISON:
OTHER POPULATIONS



COST DRIVERS



RESPONSES BY OTHER
STATES

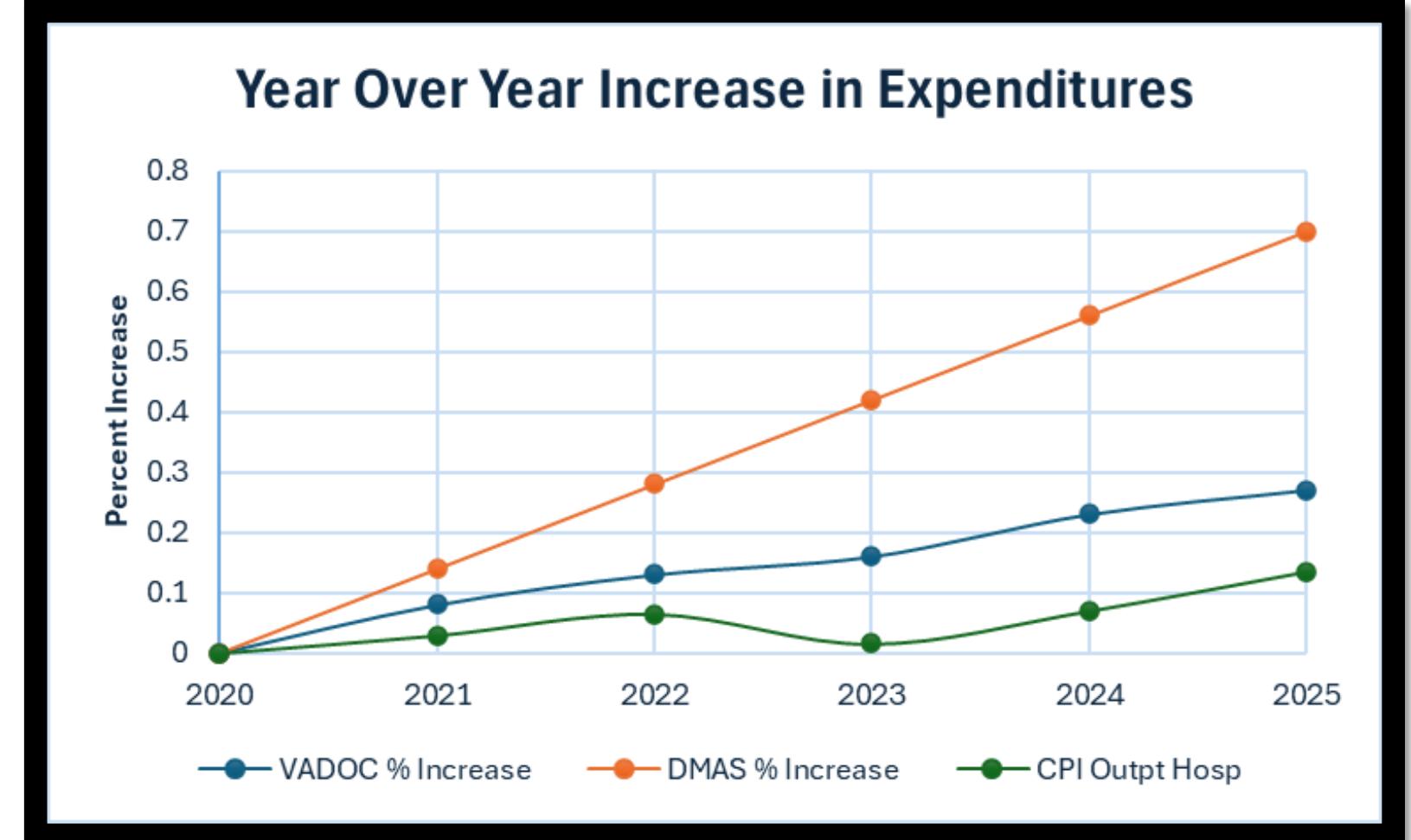
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Cost Comparison: Other Populations

Comparison of Expenditure Increases Year over Year

FY2025, VADOC spent an average of \$12,635 per inmate for medical care.

National average is \$12,530 per year per community individual.



VADOC's Population is Aging, Sicker

- Anthem bill for offsite care is \$1.3 million a WEEK.
- Anthem risk score is calculated each year by claim analysis; used by Anthem to set insurance rates for commercial products.
- Risk Score reflects predicted level of health care cost per member for populations they cover.

VADOC Population Risk Score	CY2024	CY2023	CY2022	CY2021
	0.66	0.63	0.54	0.53

Note Highest Risk Score Possible = 1.0



Medical Cost Drivers

Drivers of Increased Medical Expenditures

Outpatient Community Care

High Cost Claimants

Inpatient Medical Care

Medications to Treat Opioid Use Disorder

Temporary Medical Staff

State Medical Personnel

Analysis of CY2024 Claims for Community Provider Expenditures

57% of inmates never utilized
community providers

9% of inmates accounted for 86%
of spend

**0.3% of inmates that use a
community provider account for
28% of offsite spend
(\$17M out of \$60M)**

CY2024 Claims Analysis

Top 5 Health Conditions for High-Cost Claimants > \$75,000

Primary Health Condition Category	High Cost Claimants	% of Total Claimants	Total Paid
Neoplasms	50	0.48%	\$7,827,343
Circulatory System	14	0.13%	\$1,956,716
Blood Diseases	2	0.02%	\$1,441,270
Injury & Poisoning	10	0.10%	\$1,291,175
Nervous System	3	0.03%	\$1,248,688
Subtotal of These 5 Health Condition Categories	79	0.75%	\$13,765,192
All Other HCC	25	0.24%	\$3,432,602
Total of All HCC	104	0.99%	\$17,197,794
All Other Claimants	10,409	99.01%	\$39,844,849
Grand Total	10,513	100.0%	\$56,193,717

Top Conditions for High-Cost Claimants

Top Diagnoses of Condition Categories

Neoplasms include:
chemotherapy, prostate cancer, leukemia

Circulatory includes: irregular heartbeat, heart attack

Blood Diseases include:
hemophilia

Injury & Poisoning includes:
foreign body, knee dislocations

Nervous System includes:
dementia, multiple sclerosis

Inpatient Medical Care Costs

- Inpatient Claims should be covered by Medicaid
- Requires inmate to voluntarily sign up
- Inmates still must meet all resource and income eligibility rules, including the Age, Blind, Disabled Medicaid Population
- Currently, 86% have active Medicaid; 3% have refused enrollment; up to 11% are ineligible

FY2025 DOC Expenditures = \$8.8M

FY2024 DOC Expenditures = \$4.6M

FY2023 DOC Expenditures = \$5.3M

FY2022 DOC Expenditures = \$8.8M

FY2021 DOC Expenditures = \$6.4M

Medication Costs

5% of inmates spent 60% of Rx costs (\$25M out of \$42M)

2 patients expending over \$1M each in medication costs

New "block buster" medication GLP-1 for weight loss; Hemophilia medications. Unknown future medications.

Medications for Opioid Use Disorder

- Department of Justice Considers Patients with Opioid Use Disorder (OUD) to be an ADA Protected Class
- Requires correctional centers to continue treatment at intake and treat as any other chronic condition
- A large potential cost driver for future out-years

Currently, over 1,000
VADOC inmates treated
for OUD

Personnel Expenditures

Total APL = 982 positions

319 Licensed Practical Nurses*
303 Registered Nurses*
145 Medical Support Staff
59 Medical Providers
55 Dental Hygienists and Assistants
25 Dental Providers
16 Psychiatric Providers

***Primary cost drivers due to
market conditions.**

Current Personnel Initiatives

More Efficient Use of Staff

- **Temporary Contract RN**
 - Pay to Individual \$97,760
 - Markup to company \$58,656
 - Travel if needed \$35,776
 - **TOTAL for Contract Temp RN: \$192,192**
- **State RN**
 - Pay to Individual \$91,065
 - Fringe \$38,773
 - **TOTAL for State RN: \$129,838**
- **Wage RN**
 - **Pay to Individual (TOTAL) \$70,500**

Use of wage or state employees are much more resource efficient than use of temporary contract medical staff.

Focusing maximized use of state and wage before bringing on contract medical staff.



Responses by Other States

Other States' Initiatives



States have partnered with Academic Medical Centers, using Students and Residents, to provide onsite care with goal to reduce further expensive care.



States have created joint committees with Academic Medical Centers to perform Utilization Management Review for evaluation of whether patients need specialty care. This integrates specific consideration of the unique correctional population factors and buffers litigation.



Legislate Medicaid/Medicare anchored rates for off-site reimbursement for community medical care. (Risk: may reduce access to care)



Using medical release or external nursing home option for elderly or high-cost claimants.