

HICKMAN COUNTY SIGNS AGREEMENT WITH CORRECTIONAL RISK SERVICES INC.

After approval by the Hickman County Commission, Hickman County Mayor Steve Gregory has signed a two-year agreement with Correctional Risk Services Inc. (CRS) for its Inmate Medical Claims Management and Inmate Excess Medical Insurance program to be effective July 1, 2005, according to Steve Kreal, president of CRS, headquartered in Brentwood.

Mayor Gregory says, "We felt that we had everything to gain, and nothing to lose. Our inmate medical bills were going through the roof. Bills were running in excess of 200% over budget. In addition, the possibility of saving money through already negotiated plan discounts with hospitals and other providers was attractive."

"We desperately needed some kind of expertise in evaluating billing.

Mayor Gregory continues, "We desperately needed some kind of expertise in evaluating billing. The best we could do in many instances was to just make sure that we did not have double billing. We will look forward to this claims management to take care of billing errors. Inmate medical insurance is something that we had talked about for several years, and we were glad that a company such as Correctional Risk Services has stepped forward to tackle this challenge."

Hickman County Sheriff Randall Ward emphasizes the need, "Our cost of inmate medical care is skyrocketing. We need some help on controlling medical costs on these inmates. And my staff and I don't have the time or expertise to look at these medical bills and break them down into what is being billed for each inmate. We need some kind of safeguard on excessive medical charges."

Sheriff Ward comments, "I've been in law enforcement for 27 years, and I've seen a lot of changes. One of the greatest is that we are now liable for the inmates care. We are coming into an era when we are going to have to have a watchdog, since we are

mandated to give them medical treatment."

Hickman County's decision was to limit its exposure at \$10,000 for any one inmate through the Inmate Excess Medical Insurance policy. CRS is the only company that provides this coverage in Tennessee. This insurance policy stops the spikes in offsite inmate medical costs that may be caused by large inmate medical claims. Hickman County will be saving money it hasn't been saving before. Plus they will be protecting the county taxpayers against the expenses of catastrophic claims for inmates' medical bills.

"Hickman County will pay the first \$10,000 on any one inmate's incurred medical costs. Whenever these medical expenses go over the \$10,000, they will be covered by the Inmate Excess Medical Insurance policy. In addition, the Inmate Claim Management Program will provide Hickman County with claims administration to verify the appropriateness of care and billing charges, as well as reasonable and customary charges," explains Frank Carcione, vice president of CRS.

As a past president of the Tennessee County Services Association (TCSA), Mayor Gregory knows firsthand that Hickman County is not the only county struggling with the rising medical costs. Mayor Gregory indicates this fact is substantiated by the TCSA, which recently released a March 15, 2005, "Report to the TCSA Board of Directors by the Jail Cost Study Committee," that analyzes and documents the substantial expenses that county governments throughout Tennessee are incurring, especially as many inmate populations are exceeding 100% capacity. At the top of the list of recommendations in this report is the topic of "Health Care."

"Hickman County was trying to get the fastest route to a solution for our rising medical costs," Mayor Gregory emphasizes, "and we were already considering the inmate medical insurance program when this study was released. We get reimbursed for state and federal inmates we are housing, but those



County Mayor Steve Gregory



sentenced to the county jail and awaiting trial are entirely the county's responsibility."

"My staff and I don't have the time or expertise to look at these medical bills and break them down into what is being billed for each inmate."

The report's findings verified in many ways what Hickman County and other counties were already experiencing, including the need for negotiated medical provider rates, which the Inmate Medical Insurance program provides through its medical claims management. "To our knowledge, CRS is the only insurance provider licensed to sell inmate excess medical insurance in Tennessee," Kreal says.

The Jail Cost Study Committee reports, "Inmate health care costs continue to be a very substantial part of the jail operating budget." The study suggests various solutions including "private vendors that will review all of the inmate medical bills for accuracy, double billing and other errors."

Sheriff Ward provides an example of unexpected medical claims, "In this fiscal year, we had four or five county inmates who had legitimate surgeries related to shooting injuries—one inmate shot in the arm and another in the finger—that really ran our expenses up. This year has been rougher than any other year.

"And our county is not alone," Sheriff Ward says, "I've talked to several other sheriffs who have had to go back for an increase in their medical care budget or to just fulfill their obligations on medical bills that exceeded their planned expenses."

Medical claims billing errors throughout the insurance industry are continuing to drive up the costs of medical care, but particularly these billing errors can be an expensive issue for county governments that often foot the entire bill for the costs of the medical care for inmates in county jails. Some typical medical claims billing errors might include incorrect billing codes; diagnostic tests that were ordered and charged, but never administered; unnecessary medical services or supplies; and similar situations that raise the cost of medical treatment, regardless of any discounts that might be provided through an insurance plan.

Kreal points out, "The solution to rising medical costs for inmates in county jails that Correctional Risk Services offers can be IMMEDIATE and cost-effective. In a nutshell, CRS helps counties and sheriffs' departments manage

inmate offsite claims by monitoring the necessity of medical treatment, auditing medical charges to assure services were actually performed, and reviewing medical charges to determine if they are priced correctly. CRS will also obtain provider discounts which CRS has already contracted throughout Tennessee. Another service provided by CRS is to determine if the inmate has private medical insurance or is eligible to exercise his/her COBRA rights."

Through the Inmate Excess Medical Insurance program, a policy is designed to limit the county's liability for paying an inmate's inpatient and outpatient hospital costs. This plan can be customized to be affordable, flexible and tailored to the county's needs. This insurance insures the county's liability for hospital and in-hospital professional charges as a result of an inmate's illness or injury that requires the inmate to be treated in a hospital.

Medical claims billing errors throughout the insurance industry are continuing to drive up the costs of medical care.

CRS also professionally administers claims including processing hospital and related physician charges, auditing the bills including elimination of duplication of submitted claims and processing checks. Detailed claims records and analysis to assist in better budget forecasting are also included. The utilization review process helps to reduce claims dollars by assuring that medical procedures and testing are appropriate.

Through a preferred provider network, CRS negotiates with healthcare providers to reduce their charges and fees, including discounts at the local hospital. Optional coverage is even available for AIDS/HIV, substance abuse, maternity, mental and nervous disorders, and security and guarding.

Correctional Risk Services Inc. is dedicated to "helping sheriffs' departments and county governments manage inmate medical costs." The firm is located at Financial Peace Plaza, Suite 450G, 1749 Mallory Lane, Brentwood, TN 37027. For additional information, please contact Steve Kreal, president, Correctional Risk Services Inc., at the toll-free number- 1-866-345-4554 or 615-370-4554, fax 615-371-5049, e-mail stevek@crisks.com, or mail him at P. O. Box 2132, Brentwood, TN 37024-2132.

