



**STATE OF MONTANA  
DEPARTMENT OF CORRECTIONS  
POLICY DIRECTIVE**

Policy No. DOC 4.5.12	Subject: <b>MANAGED CARE AND COST CONTAINMENT</b>
Chapter 4: FACILITY/PROGRAM SERVICES	Page 1 of 3
Section 5: Clinical Services	Effective Date: Sept. 1, 1998
Department Director Signature: /s/ Mike Batista	Revised: 03/21/2016
Medical Director Signature: /s/ Tristan Kohut, M.D.	
Clinical Services Division Administrator Signature: /s/ Connie Winner	

**I. POLICY**

The Department of Corrections facilities will monitor and maintain offender health care services and costs to provide the recommended and necessary level of health care to offenders in Department custody.

**II. APPLICABILITY**

All secure care facilities Department-owned and contracted, as specified in contract.

**III. DEFINITIONS**

Clinical Services Division (CSD) – The division that oversees all medical, mental health, dental and vision services for all offenders in the custody of the Department in secure and contracted facilities.

Clinical Services Division Administrator – The administrator responsible for overseeing the Clinical Services Division and is the designated Responsible Health Authority for the Department.

Facility/Program – Refers to any division, prison, secure care correctional facility, correctional or training program, or community-based program under Department jurisdiction or contract. This term includes the facility building or residence, including property and land owned or leased and operated by the Department.

Managed Care – A health care delivery system designed to balance quality of services, access to care, and containment of costs.

Managed Care RN – Coordinates the health care delivery system by cost containment efforts and utilization review for all offenders in Department facilities.

Medical Director – The physician(s) designated by the Clinical Services Division administrator to oversee clinical practice decisions requiring medical judgments for offenders under Department jurisdiction.

Medical Review Panel (MRP) – A panel of qualified health care professionals that is comprised of the Clinical Services Division administrator, medical director, at least two additional health care providers (one of whom must be a physician), and the Department managed care RN, all of whom are designated to review complex health care cases and health care topics relevant to the patient population under the care and custody of the Department of Corrections.

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Responsible Health Authority – The individual that arranges for all levels of health care and assures quality, accessible and timely health services for offenders. The individual is appointed by the Department director and reports directly to the director on matters of health care.

**IV. DEPARTMENT DIRECTIVES****A. General Requirements**

1. Each facility will establish procedures to implement managed care and cost containment processes and recommendations provided by the Department's Clinical Services Division administrator and the medical director (see managed care recommendations in section B below).
2. CSD will explore potential funding sources for which the offender may be eligible. Each facility may be asked to assist with this process.
3. The Clinical Services Division administrator or designee will utilize information provided by the Department's medical staff to identify, review, and contract with agencies, facilities, or services to provide quality offender care in a timely and cost efficient manner.

**B. Managed Care Recommendations**

1. The following is a list of administrative processes utilized by health care organizations to educate care providers and consumers in appropriate use of resources and services:
  - a. review and preauthorize care to assure it is appropriate and necessary;
  - b. monitor outcomes to establish cost/benefit relationships;
  - c. recognize and use providers who generate consistently good outcomes at the most reasonable cost;
  - d. analyze financial and outcome data to identify trends and to identify offenders who generate the highest 10% of cost and/or the highest 10% of consumer's medical services;
  - e. manage individuals identified as over-utilizer or medically unnecessary, i.e., those individuals who tend to excessively access the health care system;
  - f. conduct concurrent review of inpatient services and referral patterns, i.e., review of hospital procedures and admissions while the offender is receiving these services;
  - g. provide discharge planning, e.g., examine alternatives to hospitalization and costly procedures and arrange for these services so there is a good outcome for the offender without generating excessive costs for the State of Montana;
  - h. employ case management for complex or costly cases, e.g., identify those procedures and/or diagnoses that are likely to generate excessive cost and evaluate all care on a basis of a cost/benefit ratio for the individual;
  - i. prevent duplication of services by improved communication between health care service providers; and
  - j. authorize and prioritize care with oversight from the medical review panel.

**C. Cost Containment Recommendations**

1. The following is a list of administrative processes utilized to reduce the overall cost of health care while maintaining quality:

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- a. contract review and negotiations;
- b. competitive bidding;
- c. clinical review of utilization and quality of care provided;
- d. regionalization and specialization;
- e. continuous quality improvement review; and
- f. retrospective review of bills to determine accuracy.

**V. CLOSING**

Questions concerning this policy should be directed to the Clinical Services Division administrator or Department medical director.

**VI. REFERENCES**

- A. *53-1-203, MCA*
- B. *National Commission on Correctional Health Care Standards, 2014*

**VII. ATTACHMENTS**

None