



## POLICY DIRECTIVE

Policy:	<b>DOC 4.5.12 MANAGED CARE AND COST CONTAINMENT</b>
Effective Date:	09/01/1998 <span style="float: right;">Page 1 of 2</span>
Revision Date(s):	04/19/2021; 04/24/2026
Department Director Signature:	/s/ Eric Strauss, Director
Medical Director Signature:	/s/ Dr. Paul Rees, MD
Health Services Bureau Chief Signature:	/s/ Cynthia McGillis-Hiner, RN, MSN

### I. POLICY

Department 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 (see Glossary)

### IV. REQUIREMENTS

#### A. General Requirements

1. Each facility will establish processes to implement managed care and cost containment processes and recommendations provided by the Health Services Bureau Chief and the Medical Director (see managed care recommendations in IV.B below).
2. The Health Services Bureau Chief will explore potential funding sources for which the offender may be eligible. Each facility may be asked to assist with this process.
3. The Health Services Bureau Chief or designee will use 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.
4. Administrative decisions, such as utilization review, are coordinated, if necessary, with clinical needs so that offender care is not jeopardized.

#### 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, for example, those individuals who tend to excessively access the health care system;
- f. conduct concurrent review of inpatient services and referral patterns, for example, review of hospital procedures and admissions while the offender is receiving these services;
- g. provide discharge planning, for example, 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, for example, 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 to reduce the overall cost of health care while maintaining quality:
  - 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 about this policy should be directed to the Health Services Bureau Chief or Department Medical Director.

### **VI. REFERENCES**

- A. 53-1-203, MCA
- B. MH-A-03; *National Commission on Correctional Health Care Standards, 2018*
- C. Y-A-03; *National Commission on Correctional Health Services in Juvenile Detention and Confinement, 2022*