



Texas Department of Criminal Justice

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December 1, 2008

Report to the Legislature Pursuant to House Bill 429, 80th Legislature, Health Care Savings from Releasing Certain Offenders Age 55 and Over

House Bill 429 of the 80th Legislative Session requires the Texas Department of Criminal Justice (TDCJ) to determine the number of offenders 55 years of age and older who receive health care services from the department and have never been convicted of or received a grant of deferred adjudication for an offense described by Section 3g Article 42.12, Code of Criminal Procedure.

House Bill 429 further requires TDCJ to determine the amount of savings that would result to the state in health care service costs if the population described above was released to parole supervision. The TDCJ is required to submit a report regarding the potential cost savings to the legislature no later than December 1, 2008.

Background Information:

According to the Correctional Managed Health Care Committee, aging of the offender population has a demonstrated impact on the resources of the health care system. Offenders age 55 and older access the health care delivery system at a much higher level and frequency than younger offenders. Encounter data indicates that offenders aged 55 and over had a documented encounter with medical staff almost three (3) times as often as those under age 55. In terms of hospitalization, the older offenders were utilizing health care resources at a rate of more than four (4) times higher than the younger offenders. The 55 and older offenders comprise about 6.8% of the overall service population and yet account for more than 30.5% of the hospitalizations.

The following data was used in the calculation of savings in health care costs:

- 10,950 offenders age 55 and older were incarcerated as of August 31, 2008 in TDCJ
- 5,000 offenders age 55 and over with no 3g offenses as of August 31, 2008 in TDCJ
- \$4,040 off-site medical costs during FY 2008 for offenders over 55

Our mission is to provide public safety, promote positive change in offender behavior, reintegrate offenders into society, and assist victims of crime.

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Calculations:

\$ 4,040	annual off-site cost per offender over 55
<u>x 5,000</u>	offenders over 55 without 3g offense
\$20,200,000	medical costs (potential savings) per year

Additional factors related to costs and/or cost savings would include increases in the parole supervision population and a comparable decrease in incarcerated offenders. With parole supervision costs of \$3.51 per offender per day (FY 2006 LBB cost information), the supervision of 5,000 additional offenders would cost about \$6.4 million annually. Based on the most recent LBB offender population projections (which indicate a somewhat stable incarcerated offender population over the next several years), a reduction of 5,000 incarcerated offenders could eliminate the need for contracted temporary capacity, currently 1,899 beds, reducing current agency expenditures by approximately \$29 million annually. To the extent that additional costs savings would be directly attributed to a population reduction would be contingent upon closing or reducing the use of facilities contractually operated by vendors, thus reducing per diem payments which are based on the offender population at each facility, or closing state-operated facilities.

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