



PRISON HEALTH  
SERVICES, INC.

# PRISON HEALTH SERVICES, INC.

## CASE STUDY: MULTNOMAH COUNTY - PORTLAND, OR

### Privatization vs. Local Public Health Services

November 2006

#### **Introduction**

*The Multnomah County District Attorney's Office recently conducted an independent review of the Multnomah County Sheriff's Office Policies & Procedures in Correctional Facilities. Following is an overview including excerpts and comments by PHS concerning the medical costs reviewed in the District Attorney's document.*

#### **Background**

"A major cost of running any jail system is the cost of medical care. Thirteen percent of the daily jail bed costs in our system are health care costs. In this county's jail system and juvenile detention, health care is operated by the county Health Department's Corrections Health division. We are in complete agreement with the fact that this department provides an excellent service. It is one of only six county jails in the Pacific Northwest that is certified by the National Commission on Correctional Health Care (NCCHC)."

"Corrections facilities, be they prisons or jails, effectively have three choices for operating health care systems. They can run the operation themselves, they can have a local public health service run the operation; or they can contract out health services to a private health care service..."

The District Attorney's Office stated that "using public health services like our Health Department is invariably the most expensive option." An estimated \$21/day per inmate is currently spent for health care.

In comparison with other NCCHC certified programs, the Multnomah review found that the "systems run by public health agencies are roughly 80-90% more expensive than programs meeting the same health care standards but run by the jails themselves or by private contractors."

Given the structural nature of government-run

organizations, the review stated "that we do not believe costs of a system run by the Health Department could ever be reduced to a level comparable to that of systems run by a private contractor or Sheriff's department." However, when the Sheriff was contacted, he indicated that, like other Sheriff's Departments, he was "strongly opposed to running his own health care system in the county jails."

Upon examination of the private health care contractor option, Multnomah found that PHS provides identical NCCHC certified health care for a comparable facility, the Washington County Jail, for \$11/day per inmate.

Washington County is "very satisfied with the service provided," and especially the benefit of PHS accepting "all legal liability for judgments against the county involving legal actions for inadequate jail medical care." This particular issue is timely in that Multnomah County is currently facing a multi-million dollar lawsuit involving the death of an inmate at their facility.

#### **Multnomah's Recommendation**

Based upon their research of Multnomah County, PHS' service to Washington County and their discussions with two major private jail health care companies concerning their facility in particular, the District Attorney's office's recommendation was:

"We believe that the county commission and the Sheriff should consider the option of privatizing the health care system in the county jails."

#### **Summary**

- \* Projected costs under PHS management are approximately 50% less than the Health Dept.
- \* Satisfaction is high with privately contracted services through PHS.
- \* Major benefit to jail system in shifting medical malpractice liability to a private contractor.