

**DIVISION OF CORRECTIONAL HEALTH CARE SERVICES
FISCAL YEAR 2007/08
MAY REVISE PROCESS OVERVIEW**

Nearly every aspect of medical care delivery within the State's prison system requires substantial reform; in many cases, essential programs or departments are non-existent. The tasks involved in the system's repair are numerous and complex, and following decades of neglect and mismanagement, all of the existing problems cannot begin to be completed in the next one to two years. The augmentation of an additional 806.1 positions for the field, 131.0 positions for headquarters and/or regional locations and 100 Career Executive Assignment positions to begin the process of establishing a management and support structure for institutions statewide (for a total of 1,037.1 positions) represents the initial staffing needed to begin addressing the Receiver's remediation strategy. In addition, there are numerous operating expense and equipment items that will be required in Fiscal Year (FY) 2007/08. The following attachments provide detail regarding the projected increases required in personal services and operating expense and equipment for FY 2007/08:

- ✓ Attachment 1 – Overview of Fiscal Impact to May Revise, which provides a high level description of the fiscal impact to the FY 07/08 budget;
- ✓ Attachment 2 – Identification of Fiscal Impact to May Revise, which provides a more specific description of the fiscal impact to the FY 07/08 budget; and
- ✓ Attachment 3 – May Revise Staffing Augmentation – Program Description, which provides an overview for each of the 18 program areas approved for implementation in FY 2007/08.

Many critical medical system programs, including medical contracts processing, recruitment, hiring, and human resource transaction processing have in the past been provided by California Department of Corrections and Rehabilitation (CDCR) divisions other than the Division of Correctional Health Care Services (DCHCS), resulting on occasion in poor service, inadequate staffing, and a lack of responsiveness to remedial plan requirements. The Receiver is convinced that unless and until the Office of the Receiver assumes direct control over the day-to-day operation of these critical functions, the remedial programs that he implement will not be effectuated in a timely and cost effective manner. (Receiver's 3rd Bi-Monthly Report)

Consequently, the plan for Fiscal Year (FY) 2007/08 includes a significant number of positions to assume responsibility for the functions that support the day-to-day operation of the Medical Program. In the past, the DCHCS has submitted numerous requests to add support staff at headquarters and in the field, as well as requests to augment an already deficient equipment budget; however, those requests have continuously been denied. During the FY 2006/07 Finance Letter Process, the DCHCS requested an additional 80 positions for the support areas included in this request (i.e., Fiscal, Information Technology, Radiology, Health Records, and Business Operations); however, only 10 positions for Radiology were approved (a total of 12.5% of the staff requested).

Process Used to Determine Staffing Needs:

The Receiver initiated the May Revise Process by tasking the DCHCS management team with the responsibility to identify program areas that we should focus on for FY 07/08. All areas identified were required to be in line with his Plan of Action and/or be emergent issues requiring immediate relief. As such, the following steps were taken to accomplish this task.:

Identification and Prioritization of Program Areas:

The DCHCS regional and headquarters' management team conducted numerous meetings to identify those program areas that were in need of immediate attention at headquarters and in

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the field. In addition, Regional managers solicited input statewide from the Health Care Managers (HCM)/Chief Medical Officers (CMO) to obtain their input. Additional information was provided by the Receiver as to the areas he wanted to focus on during FY 07/08. As a result of these discussions, a total of 28 issues were identified. Assignments were given to the management team to develop a proposal to support each request identified, including the identification of the positive outcomes that would be achieved by adding the additional resources.

A total of 1,782.6 positions (1,257.6 for the field and 525.0 positions for headquarters) were requested (refer to Attachment 4). The total number of positions identified includes 138 positions that have already been established via the Department of Finance (DOF) Letter process (refer to Attachment 5, Letter to DOF dated May 1, 2007).

Review and Approval Process:

Numerous meetings were conducted with the DCHCS management team and the Receiver to discuss the requests. Each request was presented by the staff person responsible for developing the proposal. Based on those discussions a total of 1,176.1 positions were approved; 868.1 for the field, or 69% of the total requested and 308.0 positions for headquarters, or 59% of the total requested.

Costing Proposals:

DCHCS staff worked with CDCR Budget Management Branch staff to obtain costing detail for each of the classifications approved as part of this process. Attachment 6 provides a rollup costing and copies of the costing by each major program area. Each costing identifies costs based on 6 months, 9 months or 12 month increments.

Identification of Resources Required Prior to July 1, 2007 (via Letters to DOF):

Based on the discussions between DCHCS management staff and the Receiver, decisions have been made that resulted in the establishment of some positions in the current FY. Consequently, it is our understanding that the Department of Finance (DOF) has not included these position requests as part of the May Revise Process. Therefore, additional costings are being provided to identify the positions and full year costs for FY 07/08:

- Attachment 7 – Costing for Letter to DOF Dated May 1, 2007;
- Attachment 8 - Pending DOF Letter for Miscellaneous Institution Issues; and
- Attachment 9 – Physician Salary Increase (Effective 3/1/07)

Cost Avoidance and Savings:

Medical Technical Assistant (MTA) to Licensed Vocational Nurse (LVN) Conversion: In the current FY, one of the Receiver's major initiatives was the conversion of MTA positions to LVN. As part of that project, I established an additional 300 LVN buffer positions that have been used to augment staffing during the conversion process. This process will be completed by June 1, 2007 and I will be returning the 300 LVN positions to the State. The full year cost for these positions is \$17,853,196 (refer to Attachment 10). In addition, this initiative resulted in cost avoidance of approximately \$39 million dollars for the State (refer to Attachment 11).

CDCR Support Staff Reconciliation: A number of positions added by this process will perform functions currently the responsibility of CDCR headquarters. These include human resources, fiscal, business services, etc. The Office of the Receiver will work with DOF and CDCR to identify positions that can be redirected or eliminated.