

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: S 1105

SHORT TITLE: Safekeeper Changes

SPONSOR(S): Proposed Committee Substitute

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House

Chief Sponsor, Senate

Fiscal Note Requested By **SEN. BASNIGHT**

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.

President Pro Tempore, Henson Barnes

Chairman of the House Base Budget Appropriations Committee

Representative David Diamont

Chairman of the House Expansion Budget Appropriations Committee

Representative Martin Nesbitt

Chairman of the Senate Appropriations Committee

Senator Marc Basnight

Chairman of the Senate Ways and Means Committee

Senator Kenneth C. Royall, Jr.

Chairman of the Senate Base Budget Committee

Senator Aaron W. Plyler

House Principal Clerks Office

Senate Principal Clerks Office

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

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FISCAL IMPACT: **Expenditures:** **Increase (x)LocalDecrease (x) GF**
 Revenues: **Increase () Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (x) Highway Fund () Local Fund (x)**
 Other Fund ()

BILL SUMMARY: This bill amends G.S. 162-39 to require counties to reimburse the Department of Correction for medical costs incurred for unsentenced safekeepers.

EFFECTIVE DATE: July 1, 1992

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Correction

FISCAL IMPACT

FY 92-93 FY 93-94_ FY 94-95 FY 95-96 FY 96-97

EXPENDITURES

TOTAL EXPENDITURES

STATE FUNDS

FEDERAL FUNDS

LOCAL FUNDS up to \$3,500,000/year

OTHER FUNDS

RECEIPTS/FEES

POSITIONS: 0

ASSUMPTIONS AND METHODOLOGY:

G.S. 148-32.1 provides that the Department of Correction reimburse the counties for extraordinary medical expenses incurred for "inmates committed to the custody of the local confinement facility to serve sentences of 30 days or more". These extraordinary medical expenses include the following:

- (1) Medical expenses incurred as a result of providing health care to an inmate as an inpatient (hospitalized);
- (2) Other medical expenses when the total cost exceeds thirty-five dollars (\$35.00) per occurrence or illness as a result of providing health care to an inmate as an outpatient (non-hospitalized); and
- (3) Cost of replacement of eyeglasses and dental prosthetic devices if those eyeglasses or devices are broken while the inmate in incarcerated, provided the inmate was using the eyeglasses or devices at the time of his commitment and then only if prior written consent of the Department is obtained by the local facility.

The issue concerning prisoner safekeepers and their associated medical costs has resulted from legislation passed in 1990. According to a memorandum issued January 28, 1992 by Michael Smith of the Institute of Government, it was stated that:

"In the Conferee Report on S 1426, the 1990 General Assembly indicated that DOC should 'increase receipts from counties for medical expenses for unsentenced safekeepers....' but the legislature did not provide DOC with any additional authority for raising that money. In particular, it did not amend G.S. 162-39 to require counties to reimburse DOC for more than the daily rate of \$14.50.

The General Assembly may have assumed incorrectly that DOC already had the authority to bill counties for the medical expenses of safekeepers. After a careful review of the law, it seems that such authority did not exist at the time and it does not exist now. The reference in the Conferee Report does not have the legal effect of amending G.S. 162-39 and requiring counties to pay DOC for the medical expenses of safekeepers."

The budgeted amount of increased receipts from counties for medical expenses of unsentenced safekeepers was \$319,728 beginning in FY 1990-91. This was based upon expenditures by the Department of Correction during FY 1989-90 for these expenses.

Medical Costs for Safekeepers Housed by the Department of Correction:

In FY 1990-91 the Department of Correction billed counties \$1,626,936 for safekeeper medical expenses and received \$694,110. For July 1 through December 31, 1991, the Department billed \$1,797,457 and received \$294,472. The large increase in medical costs for safekeepers held by the Department is due primarily to several factors such as increased length of time safekeepers stay in the custody of the Department, inflation of medical care costs for outside treatment, increased number of safekeepers in need of drug treatment and other medical care, and better billing procedures.

SOURCES OF DATA: Department of Correction

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: JUNE 30, 1992



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