

Secretary of State Audit Report

Kate Brown, Secretary of State

Gary Blackmer, Director, Audits Division



Department of Corrections: Treatment of the Highest-risk Offenders Can Avoid Costs

Summary

The effects of substance abuse on Oregon's economy and communities are substantial. According to a report by the consulting firm ECONorthwest, the direct economic costs from substance abuse in Oregon totaled approximately \$5.9 billion in 2006. Alcohol and drug enforcement costs alone were about \$656 million.

As of December 2012, 70% of incarcerated offenders had some level of substance abuse problem. Research indicates that addressing the treatment needs of offenders is critical to reducing overall crime and other societal issues related to substance abuse. Studies also show the importance of treating those offenders with the highest-risk of committing new crimes.

Previous evaluations have determined that Department of Corrections (DOC) and county community corrections agencies' practices are effective and align with best practices. Offenders are systematically assessed for factors known to influence future criminal behavior and these assessments are used in determining offender programming and treatment.

Our analysis of offenders released during 2008-2011, found that most were assessed in the community and in prison, and most treatment resources were directed at the highest risk offenders. However, about half of all the highest-risk offenders did not receive treatment. Highest-risk offenders are those who have been assessed by DOC and community corrections agencies as having a medium-to-high risk to reoffend and a moderate-to-high substance abuse challenge. While these offenders are costly to supervise and treat in the community, about \$16 a day, the cost is substantially less than the approximate \$84 a day cost in prison.

We found 4,525 of the offenders assessed as highest-risk who were released from 2008-2011 did not receive treatment. We estimate Oregon taxpayers and victims could have avoided about \$21.6 million in costs if substance abuse treatment had been provided to all of the highest-risk offenders.

We found variations in funding and treatment efforts among counties. These variations are often due to funding shortfalls and differences in available community corrections services.

The expansion of Medicaid eligibility under the federal Patient Protection and Affordable Care Act (ACA), which becomes effective in January 2014, offers an opportunity for the State and local community corrections agencies to provide substance abuse treatment to untreated highest-risk offenders, despite current funding limitations. Once the expansion becomes effective, additional released offenders may qualify for coverage. Under the ACA, the federal government will cover almost the entire cost of the expansion population, starting at 100 % funding from 2014-2016 and gradually decreasing to a minimum of 90 % in 2020. This expansion of health care coverage has the potential to relieve financially-stressed counties of nearly all costs of providing substance abuse treatment to offenders in the community and to make treatment seamless following their release.

We recommend that DOC management work with county community corrections agencies and the Legislature to coordinate funding and track resources to provide substance abuse treatment for the highest-risk offenders wherever possible. We also recommend that DOC management explore utilizing expanded Medicaid funding for substance abuse treatment for released offenders and consider integrating Medicaid eligibility review into release planning.

Agency Response

The agency response is attached at the end of the report.

Background

Substance abuse and dependence exact an immense toll on the nation's economy and communities. A report by the White House Office of National Drug Control Policy estimated the nationwide costs of substance abuse at almost \$193 billion in 2007, including health care costs, productivity losses, and other related costs, such as criminal justice system and victim costs. Moreover, substance abuse contributes to the death of more than 100,000 Americans every year.

Nationwide, the funding to alleviate these economic and societal costs largely falls on the public sector. For example, from 1986-2005, around 79.2% of national spending for substance abuse treatment, or \$22.2 billion, was publically funded. State and local governments provide about 45.3% of this funding, equaling \$10.1 billion. Most publicly funded referrals for substance abuse treatment originate from the criminal justice system.

Substance abuse has significant negative impacts on Oregon's economy

The effects of substance abuse on Oregon's economy and communities are substantial. According to a 2008 report by the consulting firm ECONorthwest, the direct economic costs from substance abuse in Oregon totaled approximately \$5.9 billion in 2006. To put these costs in context, they represent roughly \$1,600 per Oregonian and exceed the state's combined economic output in 2006 from agriculture, forestry, fishing, and hunting. These approximate costs include:

- \$4.15 billion in lost earnings;
- \$813 million in healthcare costs, including treatment;
- \$656 million in alcohol and drug enforcement costs;
- \$271 million in costs from vehicle crashes;
- \$26 million in personal and property damages costs related to fires; and
- \$13 million in social welfare program costs.

Importance of treating highest-risk offenders

Our report focuses on substance abuse consisting of alcohol and drug use that influence an offender's criminal behavior. As of December 2012, the Oregon Department of Corrections (DOC) was holding 14,240 felony offenders, roughly 70% who had some level of substance abuse problem. Providing treatment to offenders with substance abuse problems is critical to reducing overall crime and other societal impacts of substance abuse. According to the National Institute on Drug Abuse, released offenders with untreated substance abuse challenges are more likely than treated offenders to engage in substance abuse and criminal behavior. Furthermore, for offenders with substance abuse problems, treatment is more effective than incarceration in interrupting the substance abuse/criminal justice cycle.

There is a broad consensus supported by research that treatment and supervision resources should be focused on offenders with a moderate to high risk of reoffending. For example, according to the Urban Institute, addressing criminal risk factors of moderate and high risk offenders is key to achieving better treatment outcomes for those offenders. Additional studies have shown targeting higher-risk offenders can increase treatment effectiveness. Specifically, programs adhering to a prescribed set of evidence-based principles called the Risk-Needs-Responsivity Theory were found to reduce recidivism rates by 25% to 60%. Two of the theory's main principles are:

- Principle of Risk – Services should be targeted to those offenders with a higher probability to recidivate, with more intense services provided to higher-risk offenders.
- Principle of Need – Treatment should focus on addressing an offender's specific criminal risk.

Oregon study demonstrates the effectiveness of substance abuse treatment for offenders

A 2008 evaluative study commissioned by the Oregon Legislature's Public Safety Strategies Task Force substantiated the effectiveness of some criminal justice programs in Oregon, including programs emphasizing prison and community-based substance abuse treatment. This study used a methodology developed by the Washington State Institute of Public Policy that was subsequently adopted by the Oregon Criminal Justice Commission. Of particular interest, the study estimated that over a ten-year period, substance abuse programs offered in prison and in the community led to fewer felony convictions and a reduction in negative impacts related to crime.

Treating Oregon offenders with substance abuse problems

Consistent with best practices, offenders in Oregon are assessed for criminal risk factors and substance abuse treatment need when they enter prison (see Figure 1). The DOC uses the Automated Criminal Risk Score (ACRS), which considers factors such as an offender's age, earned time, sentence length, number of prior incarcerations, to name a few. ACRS is different from other risk assessment tools as it considers combinations of the characteristics to more accurately predict who will recidivate. Prior to December 2012, offenders with an ACRS score that indicated medium or high risk for reoffending were further evaluated using the Level of Service/Case Management Inventory (LS/CMI) assessment tool. The LS/CMI tool is used to identify specific criminal risks and to assist with appropriate case plan interventions. Since December 2012, all offenders entering prison receive this assessment. The DOC also uses the Texas Christian University (TCU) Drug Screen tool to identify offender drug use problem severity and substance abuse treatment needs.

These assessments result in an Offender Profile Report the DOC uses to develop a Corrections Plan for offenders. This plan sets forth the most appropriate services needed in prison to address the identified risks, treatment, and other programming needs. In addition, the plan is used later to help direct service referrals that promote successful community re-entry.

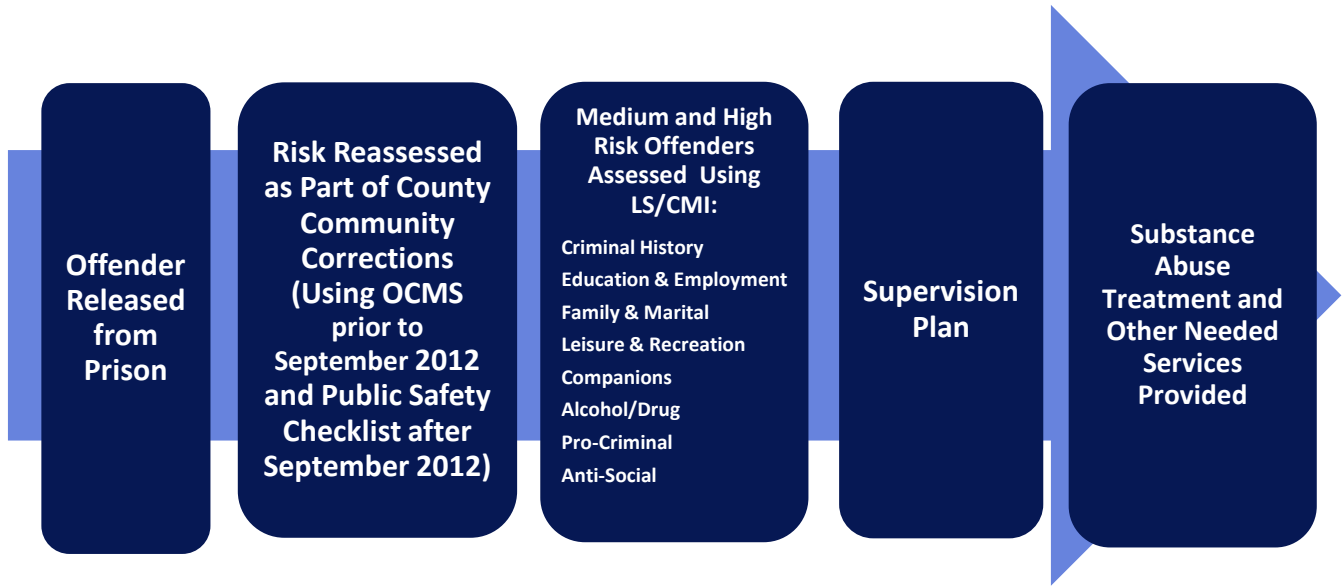
Figure 1: Assessment Process for Offenders Entering Prison, Prior to December 2012



As shown in Figure 2, offenders are once again assessed when they are released into the community. Generally, released offenders receive post-prison supervision through county community corrections agencies.

Prior to September 2012, the counties used the Oregon Case Management System (OCMS) risk assessment tool to identify those offenders released into the community who present the highest-risk to reoffend. In September 2012, the counties implemented the Public Safety Checklist (PSC) which replaced the OCMS. With the new PSC, offenders assessed with a medium to high risk of reoffending are evaluated again using the LS/CMI. The identified needs, such as substance abuse treatment, are then integrated into the offender’s overall community corrections case plan.

Figure 2: Assessment Process for Offenders Released to Community Corrections



Risk assessments indicate many highest-risk offenders released to the community have substance abuse treatment needs

Of the 18,834 offenders included in our analysis who were released from 2008-2011, about half, or 9,704, were considered highest-risk (see Figure 3). Highest-risk offenders are those who have been assessed by DOC and community corrections as having a medium-to-high risk to reoffend and a moderate-to-high substance abuse challenge. These offenders are considered the highest-risk for future involvement in the criminal justice system.

Figure 3: Oregon Released Offenders, 2008-2011 (Total = 18,834)

	Medium/High Substance Abuse Challenge	Low/No Substance Abuse Challenge
Medium/High Criminal Risk	9,704 Highest-risk Offenders	1,137 Offenders
Low Criminal Risk	5,626 Offenders	2,367 Offenders

Highest-risk releases are the most expensive to treat

Released offenders assessed with a higher risk to reoffend are the most expensive offenders to treat in the community. Table 1 shows the cost difference, by risk level, to supervise released offenders in the community. As shown in the table, medium and high-risk releases cost significantly more to supervise and generally have substance abuse problems. However, supervising these offenders in the community costs much less than keeping them in prison. As of the 2009-2011 biennium, the cost per day for offenders in prison was \$84.43.

Table 1: Community Risk Levels, Including Cost per Day*

Risk Level	Attributes	Cost Per Day
Limited	General compliance with supervision conditions	\$0.53
Low	Limited prior convictions Some violations of supervision conditions	\$0.78
Medium	Some prior criminal history Substance abuse problems Two or fewer prior convictions Violating conditions of supervision Often person-to-person or sex offenses Prior treatment failure	\$11.70
High	Four or more prior convictions Several prior prison incarcerations Substance abuse problems Serious crime Violating conditions of supervision	\$16.08

*Cost per day is based on costs from the 2009-2011 biennium.

Most released offenders are assessed, but only about half of the highest-risk offenders receive treatment

Assessments are provided for almost all releases

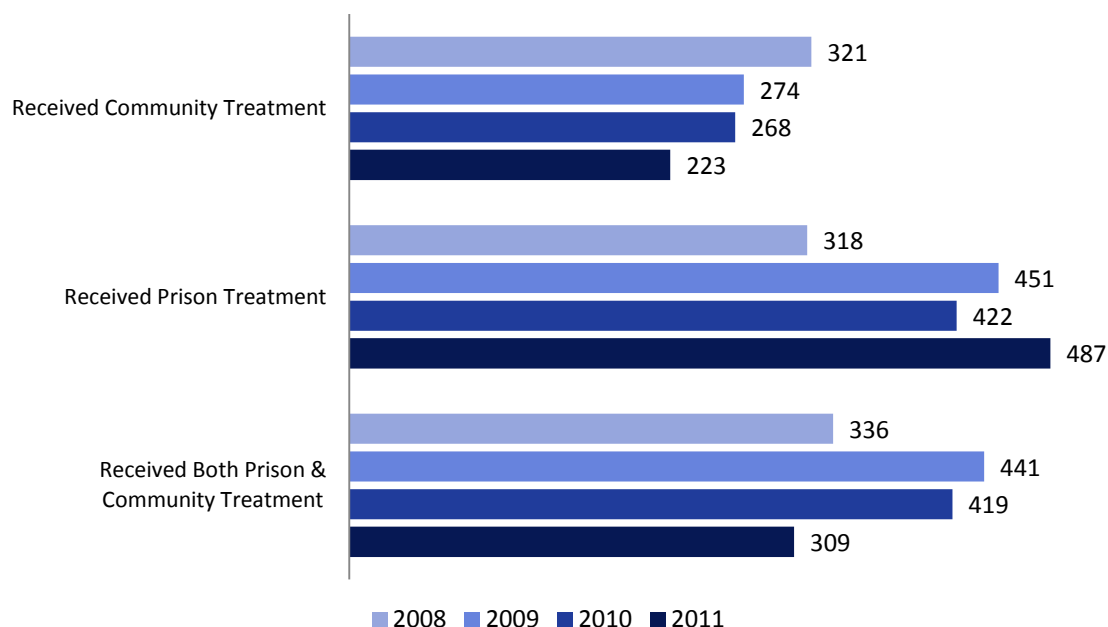
The first step in providing evidence-based treatment to offenders is to assess their risk level, including criminal risks and substance abuse challenges. Of the 18,834 releases from 2008-2011, 99% had been assessed for risk while in prison and 90% were assessed again while in the community. Generally, those not assessed in the community are released on an interstate compact, have a federal immigration hold, or lack an assessment due to an oversight by the county.

Only 53% of highest-risk released offenders received substance abuse treatment

Research shows that the highest-risk offenders should receive substance abuse treatment. The DOC and counties do appear to target treatment to released offenders with the highest-risk to re-offend. Of the offenders released from 2008-2011 and treated in prison or community corrections, about 80% were highest-risk offenders. However, even though treatment resources appear to be focused on high risk offenders, only 53% of the highest-risk released offenders received treatment in prison or in the community. Of the 9,704 released offenders in this population with the highest-risk to reoffend, 1,678 received treatment only in prison, 1,996 received treatment only after reentering the community, and 1,505 received treatment both in prison and in the community.

Additionally, it appears the number of highest-risk releases treated in the community has decreased from 2008-2011. Figure 6 shows that the number treated in the community within 180 days of release decreased from 321 in 2008 to 223 in 2011. For 2008, the 321 represented about 33% of the total number of released offenders treated in that year versus 22% in 2011.

Figure 6: Highest-risk Released Offenders Treated in Prison or the Community within 180 Days, 2008-2011 (Total = 4,269)



Not treating all high risk offenders resulted in \$21 million in additional costs statewide

Not treating all highest-risk offenders with significant substance abuse challenges results in increased costs to communities. Crime results in both monetary costs, such as costs related to the criminal justice system or lost or damaged property, and non-monetary costs, such as the pain and suffering inflicted on victims.

To the extent substance abuse treatment for released offenders can curtail future criminal activity, monetary and non-monetary costs can be avoided. Based on an established method used extensively in Washington State and adapted for Oregon by the Oregon Criminal Justice Commission, we estimated the net benefit Oregon communities and victims could have received had treatment been extended to all of the highest-risk offenders released from 2008 to 2011.

Table 2 presents the cost and benefit categories included in our final estimate. The ‘Treatment Cost per Offender’ column includes the estimated cost to provide substance abuse treatment to an offender in prison versus in the community. Estimated costs communities and victims bear because of untreated offenders’ continued criminal activities are shown in the benefit columns. These costs are shown as benefits because they may have been avoided had treatment occurred. The ‘Benefit to Taxpayers per Offender’ column includes estimated avoidable costs related to the criminal justice system, such as costs for police and sheriff operations, courts and prosecutors, jails, prisons, and community supervision. Avoided victim costs are included in the ‘Benefit to Others per Offender’ column. These avoided costs include two categories: monetary and quality of life. Monetary costs include medical and mental health care expenses, property damage and losses, and reductions in victims’ future earnings. Quality of life costs are those that represent the pain and suffering of crime victims. Quality of life costs were estimated by researchers using jury awards for pain and suffering and lost quality of life. Avoidance of other societal costs are captured in the ‘Other Indirect Benefit per Offender’ column.

Table 2: Benefit-Cost Analysis of Providing Substance Abuse Treatment to Untreated Highest-Risk Offenders, 2008-2011

Program	Treatment Cost per Offender	Benefit to Taxpayers* per Offender	Benefit to Others* per Offender	Other Indirect Benefit* per Offender	Untreated Highest-Risk Offenders	Total Costs	Total Taxpayer Benefits	Total Other/ Indirect Benefits	NET COSTS/ BENEFITS
Drug Treatment in Prison**	(\$5,854)	\$3,064	\$5,736	\$1,531	817	(\$4,782,718)	\$2,503,288	\$5,937,139	\$3,657,709
Drug Treatment in Community***	(\$1,908)	\$2,341	\$3,252	\$1,154	3,708	(\$7,074,864)	\$8,680,428	\$16,337,448	\$17,943,012
TOTALS						(\$11,857,582)	\$11,183,716	\$22,274,587	<u>\$21,600,721</u>
Benefit-Cost Ratio								2.82	

*Benefits to Taxpayers are avoided incarceration costs; Benefits to Others are avoided victimization costs; Other Indirect Benefits include secondary effects from avoiding incarceration.

** Previous studies identified an estimated 0.08 in avoided felony convictions and an estimated -5.7% reduction in crime.

***Previous studies identified an estimated 0.10 in avoided felony convictions and an estimated -9.3% reduction in crime.

The total estimated benefits of providing substance abuse treatment to the 4,525 untreated highest-risk releases from 2008-2011 are \$33.5 million versus \$11.9 million in estimated costs. This indicates Oregon lost about \$21.6 million by not treating these released offenders. Put another way, by not treating these offenders, Oregon experienced an estimated \$21.6 million in avoidable costs, many of which were borne by crime victims.

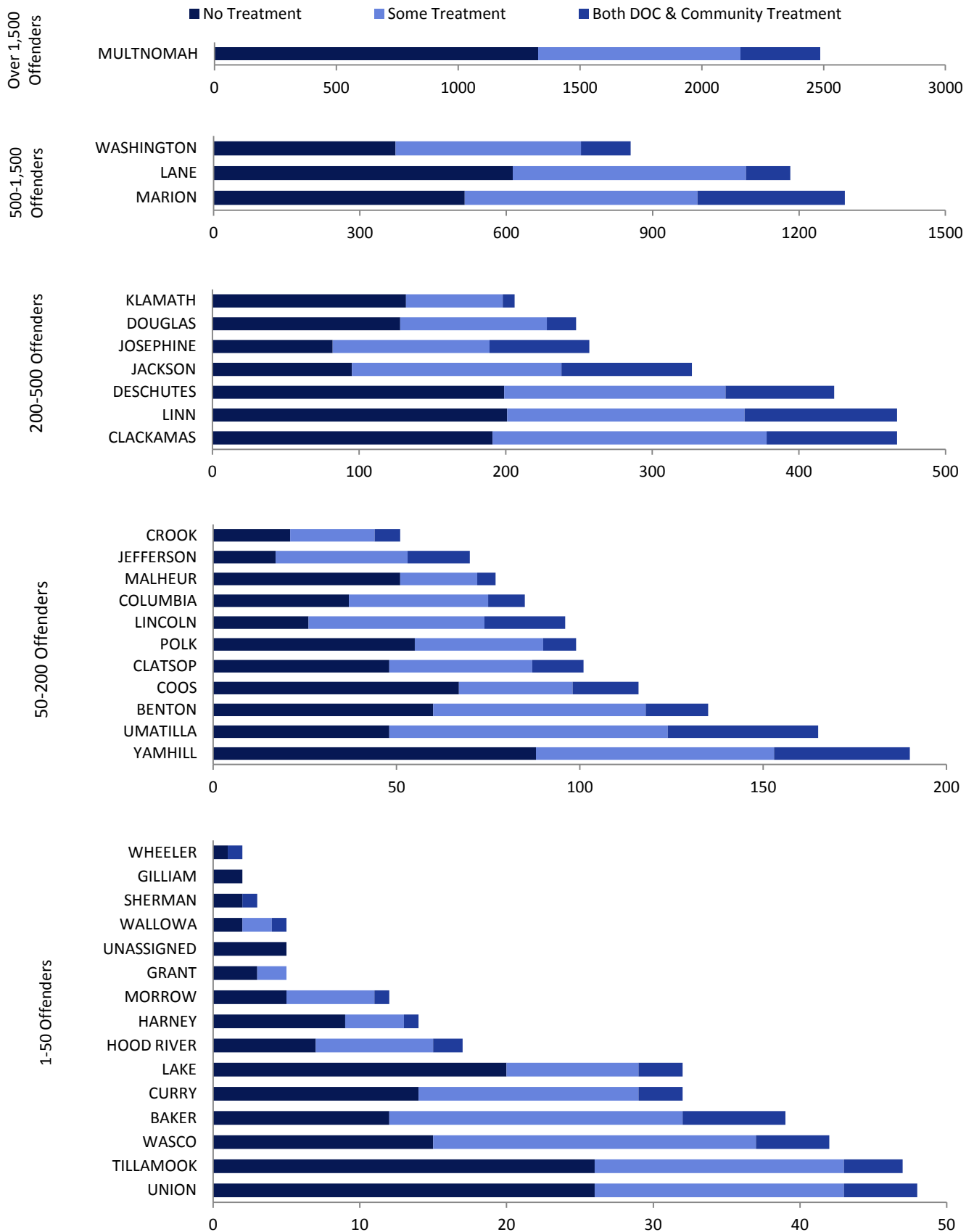
Substance abuse treatment programs follow evidence based practices but available funding and county variations are problematic

Beginning in 2003, Oregon statutes required a portion of community corrections programs to be evidence-based and cost-effective. A review conducted by the Oregon Public Safety Commission found that Oregon generally adhered to community corrections practices shown to reduce recidivism. In particular, the Commission acknowledged Oregon's practice of providing supervision to every offender released from prison, incorporating risk and assessments into the corrections process to target appropriate supervision and services, and using a structured sanctioning grid to facilitate swift and certain sanctions.

However, in its report to the Governor, the Commission also identified funding shortfalls and geographic variation in treatment and sanctions as the most pressing threats to sustaining Oregon's reductions in recidivism. The report noted that state budget cuts resulted in about half of Oregon counties experiencing reductions in services such as outpatient substance abuse treatment and mental health services. For example, Umatilla County closed its residential treatment center, Day Reporting Center, and Early Re-entry Program. Furthermore, county officials told us that funding cuts forced them to reduce spending on substance abuse treatment.

These funding constraints and differences in available community corrections services make it difficult to provide treatment even for the highest-risk offenders. As illustrated in Figure 7, the number of released highest-risk offenders without substance abuse treatment residing in some counties is significant.

Figure 7: Released Highest-risk Offender Treatment by County, 2008-2011 (Total = 9,704)



Our review of counties' community corrections plans showed that planned funding allocations for treating offenders released from state prisons indicate wide variances between counties. Table 3 compares planned substance abuse treatment allocations for the three counties with the highest allocations to the total of the remaining 33. While Marion and Lane Counties fund substance abuse treatment from state grant-in-aid funds, Multnomah County funds treatment through county general funds, and at a much higher level. However, as shown in Figure 7, Multnomah County also received the largest number of released highest-risk offenders in 2008-2011.

Table 3: 2012-2013 Community Corrections Allocations for Substance Abuse Treatment

	Multnomah	Lane	Marion	Remaining 33 Counties	Total
State Grant-in-Aid Funds Allocated to Treatment (\$)	\$0	\$238,000	\$116,626	\$1,833,705	\$2,188,331
County General Funds Allocated to Substance Abuse Treatment	\$5,794,357	\$0	\$0	\$552,142	\$6,346,499

Table 4 shows, for all counties, the total amount of state and county funds available for County Community Corrections functions, and the amount allocated to substance abuse treatment programs for released offenders. To complete this summary, we used Community Corrections Plans counties provided to DOC as a condition for receiving grant-in-aid funding. Since every county has different programs, it was difficult to summarize or identify the amounts specifically dedicated to substance abuse treatment. This table represents our best effort at compiling the funding and substance abuse treatment program information, and clearly shows the significant variability between counties in allocating funds specifically to substance abuse treatment.

Table 4: County Community Corrections Agencies 2012-2013 Substance Abuse Treatment Funding

County Community Corrections Agency	Total State Grant-in-Aid Funds FY 2012-2013	Grant-in-Aid Funds Allocated to Substance Abuse Treatment FY 2012-2013*	Total County and Other Funds & Fees FY 2012-2013**	County General Funds Allocated to Substance Abuse Treatment FY 2012-2013*	Other Funds & Fees Allocated to Substance Abuse Treatment FY 2012-2013
BAKER	\$360,170	-	\$95,645	-	-
BENTON	\$1,062,056	\$60,000	\$516,133	-	\$20,000
CLACKAMAS	\$5,713,725	\$495,708	\$6,092,337	\$500,327	\$273,968
CLATSOP	\$1,117,694	-	\$574,351	-	-
COLUMBIA	\$1,164,480	-	\$477,349	-	\$69,540
COOS	\$1,536,078	-	\$1,354,144	-	\$50,000
CROOK	\$426,438	-	\$164,928	-	-
CURRY	\$443,383	\$3,600	\$1,073,869	-	-
DESCHUTES	\$4,228,547	-	\$1,689,701	-	\$70,000
DOUGLAS	\$3,013,389	-	\$916,902	-	-
GRANT	\$126,030	\$600	\$24,146	-	\$500
HARNEY	\$318,138	\$2,500	\$22,434	-	-
HOOD RIVER	\$266,422	\$7,576	\$365,219	\$1,815	\$2,032
JACKSON	\$4,843,493	\$95,000	\$6,372,208	-	\$95,000
JEFFERSON	\$660,101	-	\$205,000	-	-
JOSEPHINE	\$2,450,748	\$305,000	\$2,249,410	-	\$318,480
KLAMATH	\$2,043,715	-	\$646,437	-	\$54,795
LAKE	\$308,241	\$26,000	\$163,609	-	-
LANE	\$9,163,699	\$238,000	\$13,827,977	-	\$100,000
LINCOLN	\$1,309,036	-	\$633,139	-	-
LINN	\$3,695,617	-	\$942,749	-	\$398,500
MALHEUR	\$1,142,535	-	\$135,000	-	-
MARION	\$9,921,990	\$116,626	\$38,813,232	-	-
MORROW	\$190,788	-	\$105,500	-	-
MULTNOMAH	\$20,240,938	-	\$71,881,405	\$5,794,357	\$832,256
POLK	\$1,552,863	\$140,000	\$170,000	-	-
TILLAMOOK	\$526,746	-	\$127,130	-	\$31,420
TRI-COUNTY*	\$230,232	\$3,000	\$46,400	-	-
UMATILLA	\$2,201,396	\$207,500	\$1,318,867	-	\$60,000
UNION	\$511,311	\$25,000	\$112,727	-	\$20,000
WALLOWA	\$73,872	-	\$84,705	-	\$12,440
WASCO	\$694,158	\$30,000	\$206,578	-	\$3,400
WASHINGTON	\$7,442,365	\$344,101	\$9,581,845	\$50,000	\$1,272,365
YAMHILL	\$1,978,840	\$88,120	\$1,109,196	-	\$5,278
GRAND TOTAL	\$90,959,234	\$2,188,331	\$162,100,272	\$6,346,499	\$3,689,974

*Excludes Drug Court, Treatment Court, Transitional Housing, and other services that do not include substance abuse treatment provided to felony offenders released from prison.

**Includes ALL other funds and fees, including Measure 57, county general, and other funds, but excluding Release Subsidy funds, for any programs listed in the county's Community Corrections Plan, not just substance abuse treatment.

Changing Medicaid eligibility could allow for more treatment of highest-risk offenders

The expansion of federal Medicaid eligibility offers an opportunity for the State and local community corrections agencies to provide substance abuse treatment to untreated highest-risk offenders, despite current funding limitations.

Starting in 2014, the federal Patient Protection and Affordable Care Act (ACA) allows states to receive federal funding to expand Medicaid to all individuals with incomes at or below 133% of the federal poverty level. Under the ACA, the federal government will cover almost the entire cost of the expansion population, starting at 100% funding from 2014-2016 and gradually decreasing to a minimum of 90% in 2020. This expansion of health care coverage has the potential to relieve financially-stressed counties of nearly all costs of providing substance abuse treatment to offenders in the community and to make treatment seamless following their release.

As mentioned previously, substance abuse treatment for released offenders is funded by state grant-in-aid and county general funds. Expanded Medicaid funding could potentially free up some of this funding for other purposes, while still providing substance abuse treatment to more of the highest risk offenders. A continuum of care is essential for the Medicaid funding to work. For example, DOC could include an offender's Medicaid eligibility review as part of release planning. In this case, DOC would integrate Medicaid eligibility determinations and align community treatment as a part of the offender re-entry process. For the eligible released offenders, DOC could track whether Medicaid-funded treatment is provided in a timely manner. This tracking would also allow for an assessment of treatment benefits and help ensure treatment is provided consistently as a function of community corrections.

Recommendations

We recommend the Department of Corrections management:

- Work with county community corrections agencies and the Legislature to coordinate funding and track resources to provide substance abuse treatment for the highest-risk offenders wherever possible.
- Explore utilizing expanded Medicaid funding for substance abuse treatment for released offenders and consider integrating Medicaid eligibility review into release planning.

Objectives, Scope and Methodology

Our audit objective was to determine whether the estimated benefits of providing substance abuse treatment to the highest-risk released offenders exceed the costs. We focused on the estimated benefits and costs associated with offenders released from 2008 through 2011.

To determine the number of individuals receiving substance abuse services, we obtained data from the Department of Corrections (DOC) Corrections Information System (CIS) database. We used data analysis software to calculate the number of offenders receiving treatment as well as those who received an assessment. We verified this data by comparing information contained in the database to a sample of hard copy case files in five counties that received the majority of released offenders during our time frame. We also surveyed all county community corrections agencies to confirm the number of individuals identified as receiving services in the CIS database. All but 8 of the 34 county community corrections directors responded to the survey. Based on survey responses, we determined the CIS data was sufficiently reliable for use in the audit. We also used the email survey to gain insights as to why high risk offenders did not receive treatment.

An expert from the Oregon Criminal Justice Commission conducted the cost-benefit estimates. In order to determine the reliability of the underlying benefit cost methodology, we reviewed previous use of this methodology, including supporting technical documentation from the Washington State Institute for Public Policy and published Oregon DOC cost estimates. We also verified the expert's credentials and experience and assessed the expert's independence.

The expert applied the Criminal Justice Commission benefit cost model to the 4,525 highest-risk offenders with serious substance abuse problems released in 2008-2011 who did not receive treatment in prison or the community. However, because the costs and benefits of providing treatment in prison versus the community are different, these offenders had to be allocated between the two. For the allocation, we first determined whether there were variables that made an offender more likely to receive treatment in either prison or the community. Not finding any variables that seemed to systematically impact offender placement, we first filled the available treatment slots in prison since prison officials told us they would have filled all available treatment slots had funding been available. The remaining offenders were allocated to community treatment.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Oregon

John A. Kitzhaber, MD, Governor

Department of Corrections

Office of the Director
2575 Center Street NE
Salem, OR 97301-4667
(503) 945-0920
FAX: (503) 373-1173

August 6, 2013

William Garber, CGFM, MPA, Deputy Director
Office of the Secretary of State
Audits Division
255 Capitol Street NE, Suite 500
Salem, OR 97310

Re: Department of Corrections – Treatment of the Highest Risk Offenders Can Avoid Costs

Dear Mr. Garber:

Thank you for the opportunity to respond to the recent audit that examined the effects of substance abuse on Oregon's economy and the results of employing evidence-based treatment for offenders during incarceration and in the community.

The Department of Corrections conducts an assessment of each adult in custody at intake to identify each individual's risks and needs. That assessment is the foundation of inmate case plans and enables the department to target its limited treatment and programming resources on those adults in custody most likely to reoffend without these interventions. Targeted services improve an inmate's likelihood of success upon return to the community. Likewise, the adoption of risk and need assessments within community corrections allows counties to focus resources on the highest risk populations, especially during times of budgetary constraints.

We are pleased your audit team found that the majority of substance abuse treatment programs serve the highest risk offenders. These findings reinforce the value of focusing resources on those who have the greatest risk to relapse and commit future crimes. In addition, the department recognizes the need for more substance abuse treatment programs within institutions and the community. System-wide, state and local governments lack capacity to provide recommended treatment for all high-risk substance abusers.

Recommendation #1:

Work with county community corrections agencies and the legislature to coordinate funding and track resources to provide substance abuse treatment for the highest risk offenders wherever possible.

The department agrees. The department will provide the legislature with information about how counties use community corrections grant-in-aid dollars. While the department does not direct or authorize how counties supervise offenders or appropriate dollars to specific programs, the department does provide research, data, and technical assistance to the counties on effective ways to assess offenders and balance resources between supervision, sanctions, and services.



William Garber, CGFM, MPA, Deputy Director
August 6, 2013
Page 2

Recommendation #2:

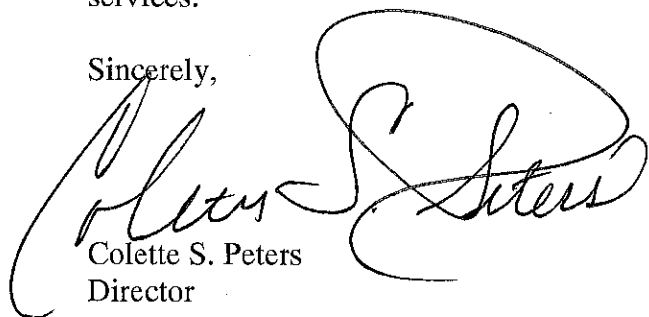
Explore utilizing expanded Medicaid funding for substance abuse treatment for released offenders and consider integrating Medicaid eligibility review into release planning.

The department generally agrees. For the majority of offenders in the community corrections system, counties determine eligibility for Medicaid and all other federal and state funding-match programs. However, in Linn and Douglas counties, the Oregon Department of Corrections directly supervises offenders and strives to enroll offenders in Medicaid whenever possible.

The department also agrees that Medicaid eligibility determinations need to be incorporated into release planning, and we are working with the Oregon Health Authority to explore a two-phase implementation process.

Additionally, the department is hiring a re-entry benefits coordinator who will focus on developing processes to pre-qualify inmates nearing release for Medicaid, Medicare, veterans' benefits, social security, and other such benefits for which they may qualify. This position will also serve to ensure releasing inmates are effectively linked to these and other supportive services.

Sincerely,

A handwritten signature in cursive script, appearing to read "Colette S. Peters". The signature is written in black ink and is positioned to the right of the typed name and title.

Colette S. Peters
Director

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

Audit Team

William Garber, CGFM, MPA, Deputy Director

Sandra Hilton, CPA, Audit Manager

Olivia Reched, MPA, Senior Auditor

Carl Foreman, MPA:HA, MS, Staff Auditor

Stephen Winn, MPP, Staff Auditor

This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained from:

Internet: <http://www.sos.state.or.us/audits/index.html>

Phone: 503-986-2255

Mail: Oregon Audits Division
255 Capitol Street NE, Suite 500
Salem, OR 97310

The courtesies and cooperation extended by officials and employees of the Department of Corrections and the county community corrections agencies during the course of this audit were commendable and sincerely appreciated.