June 2017

BUREAU OF PRISONS

Better Planning and Evaluation Needed to Understand and Control Rising Inmate Health Care Costs

GAO Highlights

Highlights of GAO-17-379, a report to congressional requesters

Why GAO Did This Study

As of June 2017, BOP was responsible for the custody and care—including health care—of about 154,000 inmates housed in BOP institutions. Health care includes medical, dental, and psychological treatment. BOP provides most care inside its institutions, but transports inmates outside when circumstances warrant. GAO was asked to review health care costs at BOP institutions.

This report addresses: (1) BOP's costs to provide health care services and factors that affect costs; (2) the extent to which BOP has data to help control health care costs; and (3) the extent to which BOP has planned and implemented cost control efforts.

GAO analyzed BOP health care obligations data for fiscal years 2009 through 2016, gathered information on BOP's health care cost control initiatives through a data collection instrument, and reviewed BOP's health care related strategic plans. GAO also interviewed BOP officials and visited 10 BOP institutions, selected in part, for total and per capita medical services costs.

What GAO Recommends

GAO is making five recommendations, including that BOP conduct a cost-effectiveness analysis to identify the most effective method to collect health care utilization data; conduct a spend analysis of health care spending data; evaluate cost control initiatives; and enhance its planning efforts by incorporating elements of a sound planning approach. BOP concurred with the recommendations.

View GAO-17-379. For more information, contact Gretta L. Goodwin at (202) 512-8777 or goodwing@gao.gov

What GAO Found

From fiscal years 2009 through 2016, the Bureau of Prisons (BOP) obligated more than $9 billion for the provision of inmate health care and several factors affected these costs. Obligations for health care rose from $978 million in fiscal year 2009 to $1.34 billion in fiscal year 2016, an increase of about 37 percent. On a per capita basis, and adjusting for inflation, health care obligations rose from $6,334 in fiscal year 2009 to $8,602 in fiscal year 2016, an increase of about 36 percent. BOP cited an aging inmate population, rising pharmaceutical prices, and increasing costs of outside medical services as factors that accounted for its overall costs.

Bureau of Prisons (BOP) Institution Obligations for Inmate Health Care, Including Psychological Care, and Inflation Adjusted Per Capita Obligations from Fiscal Years 2009 through 2016

	Fiscal year							
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Total health care obligations (millions)	**$978**	**$1,035**	**$1,081**	**$1,122**	**$1,200**	**$1,243**	**$1,299**	**$1,344**
Per capita obligations (2016 dollars)	$6,334	$6,495	$6,485	$6,627	$6,998	$7,350	$7,958	$8,602

Source: GAO analysis of BOP data. | GAO-17-379

BOP lacks or does not analyze certain health care data necessary to understand and control its costs. For example, while BOP's data can show how much BOP is spending overall on health care provided inside and outside an institution, BOP lacks utilization data, which is data that shows how much it is spending on individual inmate's health care or how much it is expending on a particular health care service. BOP has identified potential solutions for gathering utilization data, but has not conducted a cost-effectiveness analysis of these solutions to identify the most effective solution. BOP also does not analyze health care spending data, i.e., what its institutions are buying, from whom, and how much they spend. BOP has pursued some opportunities to control its health care spending through interagency collaboration and national contracts, but it has not conducted a spend analysis to better understand trends. Doing so would provide BOP with better information to acquire goods and services more strategically.

BOP has initiatives aimed to control health care costs but could better assess effectiveness and apply a sound planning approach. Since 2009, BOP has implemented or planned a number of initiatives related to health care cost control, but has not evaluated their cost-effectiveness. Further, BOP has engaged in a strategic planning process to help control costs, but has not incorporated certain elements of a sound planning approach, such as developing a means to measure progress toward its objectives and identifying the resources and investments needed for its initiatives. By incorporating these elements, BOP could enhance its planning and implementation efforts before expending resources, better positioning itself for success as it aims to control health care costs.