

# POST AUDIT DIVISION

LEGISLATIVE AUDIT REPORT

## REGIONAL JAIL & CORRECTIONAL FACILITY AUTHORITY

REPORT SUMMARY

- Issue 1: The West Virginia Regional Jail and Correctional Facility Authority's Medical Services Contract is Ambiguous and Uncertain on Key Elements, Including Contract Price.
- Issue 2: The Regional Jail and Correctional Facility Are Not Adhering to the Contract Requirement that Monthly Invoices Be Submitted and Paid in Arrears.



JOINT COMMITTEE ON  
GOVERNMENT & FINANCE

*Note: On Monday, February 6, 2017, the Legislative Manager/ Legislative Auditor's wife, Elizabeth Summit, began employment as the Governor's Deputy Chief Counsel. Most or all the actions discussed and work performed in this report occurred after this date. However, the Governor's Deputy Chief Counsel was not involved in the subject matter of this report, nor did the audit team have any communications with her regarding the report. As Deputy Chief Counsel, the Legislative Auditor's wife is not in a policy making position within the Executive Branch. Therefore, the Post Audit Division does not believe there are any threats to independence with regard to this report as defined in A3.06.a and A3.06.b of the Generally Accepted Government Auditing Standards. Furthermore, the Legislative Auditor has instructed the Director of the Post Audit Division to document and discuss any issues he believes are a threat to the division's independence with the President of the Senate and the Speaker of the House due to Ms. Summit's position.*

OFFICE OF THE  
LEGISLATIVE AUDITOR  
Legislative Manager & Legislative Auditor, Aaron Allred



GENERALLY ACCEPTED GOVERNMENT  
AUDITING STANDARDS STATEMENT

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

POST AUDIT DIVISION  
Director, Denny Rhodes

# POST AUDIT DIVISION

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DECEMBER 3, 2017  
LEGISLATIVE AUDIT REPORT

# REGIONAL JAIL & CORRECTIONAL FACILITY AUTHORITY

## LEGISLATIVE AUDITOR'S STAFF CONTRIBUTORS

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## TABLE OF CONTENTS

Issue 1: The West Virginia Regional Jail and Correctional Facility Authority's Medical Services Contract is Ambiguous and Uncertain on Key Elements, Including Contract Price. ....p.1

Issue 2: The Regional Jail and Correctional Facility Are Not Adhering to the Contract Requirement that Monthly Invoices Be Submitted and Paid in Arrears. ....p.8

Appendix A: Transmittal Letter .....p.10

Appendix B: Agency Response.....p.12

Appendix C: Objective, Scope, Methodology .....p.16

Appendix D: Pricing Documentation.....p.18

# **Issue 1: The West Virginia Regional Jail and Correctional Facility Authority's Medical Services Contract is Ambiguous and Uncertain on Key Elements, Including Contract Price.**

## **Introduction**

In May of 2017, the Legislative Auditor became aware of concerns with the West Virginia Regional Jail and Correctional Facility Authority's (RJA) current medical contract with PrimeCare Medical of West Virginia, Inc. (PrimeCare). Concerns had been raised that the RJA was not being billed properly. As a result, the Legislative Auditor conducted an audit of the contract to determine whether the RJA is being billed by PrimeCare in accordance with its contract.

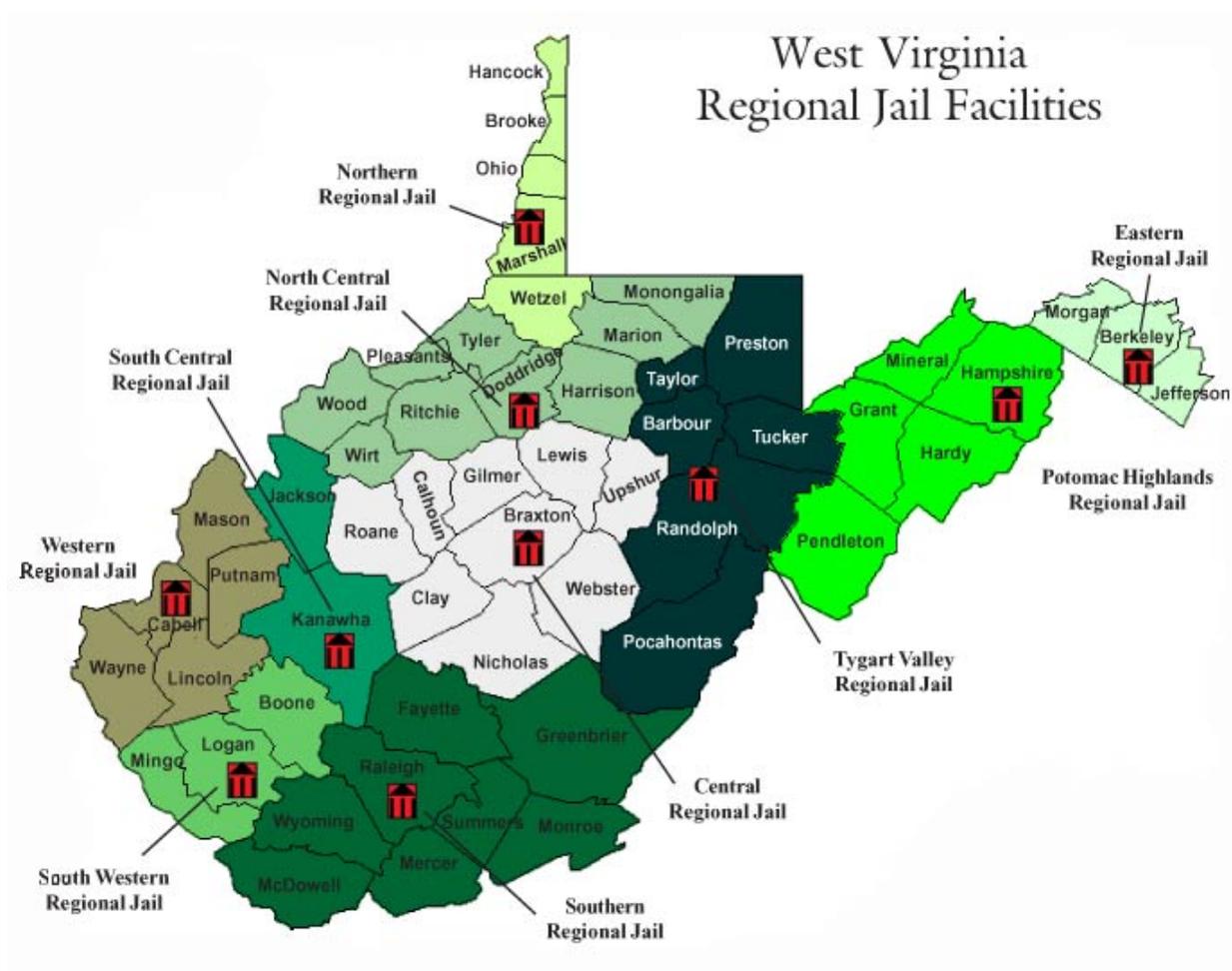
The RJA's current medical contract<sup>1</sup> with PrimeCare, which is exempt from the requirements of the Purchasing Division, went into effect on August 1, 2016 and covers 9 out of the 10 regional jail facilities throughout the State. Northern Regional Jail, which shares a physical structure with Northern Correctional Facility, is not covered by the RJA's contract with PrimeCare. Instead, the Division of Corrections' (DOC) medical vendor, Wexford, provides services to the inmates housed in Northern Regional Jail, and the RJA reimburses the DOC for these costs. The map in Figure 1 shows the ten facilities and displays the service area for each regional jail.

PrimeCare is a privately-owned correctional health care corporation, which has operated for over thirty years, including nearly 25 years of operation in West Virginia. The RJA has had a contractual relationship with PrimeCare since 1993, when PrimeCare first assumed medical operations at the Eastern Regional Jail in Martinsburg, West Virginia. The RJA operates ten facilities in total, which generally house pre-trial defendants and inmates sentenced to terms of one year or less. However, RJA facilities also houses DOC inmates and some federal inmates.

## **Figure 1.**

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<sup>1</sup> One other vendor submitted a bid for the current contract. Despite the ambiguity and uncertainty related to the cost quotations and final contract price, it appears that PrimeCare did submit the low bid.



Source: *RJA 2016 Annual Report*.

## **Confusion Over the Contract Price Necessitated a Legal Analysis by Legislative Services.**

The Legislative Auditor reviewed the RJA’s contract and analyzed its payments to PrimeCare. The results of this initial analysis caused the Legislative Auditor to become concerned that the RJA was being significantly overbilled according to the per inmate daily costs established in the contract. Therefore, the Legislative Auditor met with the RJA’s Executive Director, Chief Financial Officer, and Purchasing Director to discuss the issue. At the meeting, the RJA indicated that they interpreted the contract’s pricing structure differently than the Legislative Auditor. The RJA stated that based upon PrimeCare’s interpretation of the contract, they were paying the proper amount each month.

As a result, the Legislative Auditor consulted legal counsel within Legislative Services to determine the proper interpretation of the contract’s price structure. In legal counsel’s subsequent analysis of the contract, two major issues were identified:

1. The final contract, which includes the original Request for Quotation (RFQ), is ambiguous and unclear on many key elements, including the final contract price.
2. The contract does not contain a provision that expressly authorizes overage charges, nor does it contain any provisions that establish how these overages are to be assessed.

### **The Final Contract Price is Ambiguous, Uncertain, and Subject to Interpretation.**

The Legislative Auditor, through legal counsel’s analysis, determined that the final contract does not specify the contract price in any of its provisions. Instead, the contract states:

*The original specifications contained in the Agency’s Request for Quotation, including any and all addenda, and the **verified cost sheets** are incorporated herein by reference and made a part hereof. [Emphasis added]*

While there is no document within the contract materials<sup>2</sup> titled “verified cost sheet,” the RFQ does contain a section entitled “Cost Quotation.” This section contains **two separate pricing documents**. Each bidder was required to fill out both sets of documents for the bid to be considered. Appendix D provides an example of both pricing documents.

The **first pricing document** establishes four tiers of rates for the daily costs per inmate. These tiers are based on average daily population ranges of all inmates housed in the regional jails. Figure 2 shows the tiered-pricing proposal submitted by PrimeCare in its response to the RFQ, in which PrimeCare quotes a rate of \$9.58 daily for the 3,801 – 4,300 inmate tier. The RFQ indicates that the RJA scored each bid it received based on the 3,801 – 4,300 average daily inmate population range. While this pricing document is used for scoring purposes in the bid evaluation, the rates listed are not actually used in determining the monthly invoice amounts billed to the RJA for these services.

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<sup>2</sup> “Contract materials” include the final contract, the RFQ, the responses to the RFQ, and all addenda to the RFQ. All of these materials encompass the agreement between the RJA and PrimeCare.

Figure 2 Four-Tiered Rates for the Daily Cost Per Inmate	
Average Daily Population at All Regional Jail Facilities Combined	Price Per Housed Inmate
3,300 – 3,800	\$11.23 Daily
<b>3,801 – 4,300</b>	<b>\$9.58 Daily</b>
4,301 – 4,800	\$11.30 Daily
4,801 – 5,300	\$11.37 Daily

*Source: Contract materials provided by the RJA; Section 4.5 “Cost Quotation.”*

Notably, Legislative Services’ legal counsel indicates that the current contract never defines “population.” The measure of the population is an important element in the pricing bids, and also forms the basis for PrimeCare’s “overage charges.” However, because the term is never clearly defined, it is unclear whether this total measure of inmate population includes **only** RJA inmates, or if it is meant to capture the numerous DOC and Federal inmates housed in a regional jail facility as well. Additionally, the “Cost Quotation” sheet in Section 4.5 of the RFQ lists the population ranges as the “number of inmates housed daily **at all Regional Jails Facilities combined.**” Therefore, it is also unclear whether these numbers are meant to include the inmates at the Northern Regional Jail, which is not covered under this contract.

The **second pricing document** required each vendor to document the monthly and annualized **all-inclusive** fees for medical and mental health services. Figure 3 provides the monthly all-inclusive costs for each facility, as provided by PrimeCare in its bid. Notably, these pricing documents include a note stating, *“This is a breakdown of the monthly . . . and is not for evaluation purposes.”*

Figure 3 PrimeCare Medical’s Monthly All-Inclusive Costs, by Facility August 2016-July 2017 Contract Year	
Facility	Monthly All-Inclusive
Eastern Regional Jail	\$138,665.97
Central Regional Jail	\$123,841.42
Southern Regional Jail	\$160,271.08
South Central Regional Jail	\$176,002.74
South Western Regional Jail	\$125,856.45
Potomac Highlands Regional Jail	\$99,442.42
North Central Regional Jail	\$172,789.45
Western Regional Jail	\$181,463.14
Tygart Valley Regional Jail	\$156,446.32
<b>Monthly Total</b>	<b>\$1,334,778.99</b>
<b>Annual Total</b>	<b>\$16,017,347.88</b>

*Source: Invoice documentation pulled from wvOASIS*

Because the contract document does not clearly explain the final contract price, Legislative Services’ legal counsel indicated:

*. . . it is unclear which price controls when Primecare bills the RJA for inmate medical services or how the two prices interrelate. For that reason, it appears that the contract price provided by the contract material alone is uncertain, ambiguous, and subject to interpretation.*

Further, Legislative Services’ legal counsel stated that, “When there is ambiguity in a contract, the parties’ subsequent actions may affect its interpretation.” Under the current contract, PrimeCare and the RJA have interpreted the contract such that the RJA is billed according to the monthly all-inclusive amounts for each facility. The RJA indicated that,

*. . . the monthly base bill is not based on a per inmate fee. Instead, the base bill is based on the breakdown of monthly costs for listed positions [in the RFQ].*

The Executive Director of the RJA stated that based upon PrimeCare’s interpretation of the contract, they were paying the proper amount each month.

In addition, the RJA receives a separate invoice for “overage charges” whenever the average daily inmate population exceeds the 3,801 - 4,300 range. For every inmate, on average, over the 4,300 average daily population range, PrimeCare bills the RJA according to the 4,301 – 4,800 average daily population range. Figure 4 provides an example from June 2017 of how the RJA is assessed for overages. According to information provided by the RJA’s Purchasing Director, the RJA paid \$964,439 in overages from August 2016 to July 2017. Further, the RJA has paid more than \$261,650.17 in overages from August 1, 2017 to October 31, 2017 for a grand total of \$1,226,089.67.

<b>Figure 4</b>	
<b>PrimeCare Overage Invoice for June 2017</b>	
<b>Total Average Daily Population</b>	<b>4,707.83</b>
Maximum Contracted Average Daily Population	4,300
Variance	407.83
Number of Days	30
Daily Rate	\$11.30
<b>Total Charge</b>	<b>\$138,225.39</b>
<b>Source: Invoice Data pulled from wvOASIS for June 2017 billing.</b>	

According to Legislative Services’ legal counsel, it could be argued that this method of billing is permissible under the terms of the current contract. However, according to legal counsel, it is equally valid to argue that all four of the daily inmate cost tiers apply.

## **The Contract Does Not Contain Any Express Provisions Allowing for or Governing the Overage Charges Assessed by PrimeCare.**

Although PrimeCare assesses an overage charge when the system-wide average daily population exceeds 4,300, **the current contract does not contain any provision that expressly allows for such charges.** Further, the contract does not establish how these overage charges are supposed to be calculated. However, as stated earlier, the RJA has paid more than \$1.2 million in overages from August 1, 2016 to October 31, 2017. Legislative Services' legal counsel notes that:

*While no contract provision expressly provides or forecloses these charges based on the tiered rates, it seems wholly inconsistent that PrimeCare uses the daily cost per inmate when the inmate population is above 4,300 but fails to use the daily cost per inmate when the inmate population is at or below 4,300.*

The \$11.30 daily cost from the first pricing document is used by PrimeCare to bill the RJA for each inmate in excess of 4,300. However, as noted above, it is still unclear why PrimeCare provided the \$9.58 cost quotation in the first pricing document, or why the RFQ indicated that the bids would be evaluated based upon this figure since it is never applied to the actual billing.

## **Conclusion**

In the opinion of the Legislative Auditor, an effective contract clearly lays out each parties' expectations for services to be rendered and clearly establishes the considerations to be paid. The RJA's current contract does not meet this broad standard. **The current contract is unnecessarily vague and ambiguous regarding many of the key elements of the agreement, such as the price of the contract and the definition of the "inmate population" covered by the contract.** Other elements, such as a full breakdown of the costs of services and provisions governing overage charges are omitted entirely. These factors contribute to an overall lack of transparency regarding the invoiced charges for the medical services provided.

The final contract document makes no mention of final costs and refers only to vague material in the original RFQ. The cost quotation documents therein are so confusing, in fact, that both vendors—including the prevailing vendor—sought clarification about what costs they were being asked to provide. Ultimately, the final contract is so ambiguous that the critical element of final price is subject to interpretation. This is not a hallmark of an effectively written contract. Therefore, the Legislative Auditor makes the following recommendations:

## **Recommendations**

- 1.1 *The Legislative Auditor recommends that the Regional Jail and Correctional Facility Authority modify the current contract with PrimeCare Medical to:*
  - a) *clearly define what it will be billed and how this amount is to be calculated;*
  - b) *clearly define its measure of "inmate population"; and*
  - c) *include specific provisions that allow and detail the process by which the vendor assesses overage charges.*

- 1.2 *The Legislative Auditor recommends that the Regional Jail and Correctional Facility Authority report back to the Post Audits Subcommittee at its January 2018 interim meeting and provide an update on its progress in revising the current contract.*

**Issue 2: The Regional Jail and Correctional Facility Are Not Adhering to the Contract Requirement that Monthly Invoices Be Submitted and Paid in Arrears.**

**Payments Made by the RJA are Routinely Made Prior to Services Being Rendered.**

The current contract, like most contracts, contains a specific prohibition on prepayment for services. According to Legislative Services' legal counsel, there are four separate provisions in the final contract and the RFQ that require all invoices to be submitted and paid in arrears. The final contract states, "*The Vendor shall invoice the Authority by facility, on a monthly basis in arrears. The Vendor shall submit invoices, in arrears, to the Authority [at its labeled address].*" Notably, PrimeCare agreed to invoice only in arrears in its response to the RFQ by expressly stating that "*PrimeCare Medical acknowledges that it will be required to submit invoices, in arrears, to the WVRJA at [its labeled address.]*"

The Legislative Auditor analyzed the invoice documentation for each monthly bill invoiced and paid under the current contract. Each invoice contains the billing period, the invoice date, and the due date. In addition, the Legislative Auditor was able to determine the payment date for each invoice in wvOASIS.

Based on this analysis, the Legislative Auditor determined that the November 2016 invoice is the only invoice the RJA paid in arrears. Each of the other monthly invoices were paid between 10 and 38 days in advance. Further, PrimeCare Medical has invoiced the RJA at least one month in advance of services rendered over the entirety of the contract, and January 2017 was invoiced a full two months in advance. Figure 5 provides a detailed breakdown.

**Figure 5**  
**Billing Periods vs Invoice and Payment Dates**  
**August 2016 – October 2017**

<b>Billing Period</b>	<b>Invoiced Date</b>	<b>Scheduled Payment Date</b>	<b>Number of Days Prepaid</b>
August 2016	7/1/2016	8/3/2016 to 8/22/2016*	10 to 28 days
September 2016	8/1/2016	9/20/2016 to 9/21/2016*	10 to 11 days
October 2016	9/1/2016	10/6/2016 to 10/20/2016*	12 to 26 days
November 2016	11/1/2016	12/5/2016	N/A
December 2016	12/1/2016	12/20/2016	12 days
January 2017	12/1/2016	1/4/2017	28 days
February 2017	1/1/2017	2/2/2017	27 days
March 2017	2/1/2017	3/20/2017	12 days
April 2017	3/1/2017	3/24/2017	38 days
May 2017	4/1/2017	5/20/2017	12 days
June 2017	5/1/2017	6/20/2017	11 days
July 2017	6/1/2017	7/20/2017	12 days
August 2017	7/1/2017	8/20/2017	12 days
September 2017	8/1/2017	9/20/2017	11 days
October 2017	9/1/2017	10/20/2017	12 days

\*For the months of August, September, and October 2016, each facility was billed individually. Thus, payment dates varied.  
*Source: Post Audit Division's analysis based on scheduled payment dates and invoice documents pulled from wvOASIS,*

Additionally, the final contract and the RFQ both contain a provision that requires PrimeCare to only submit one invoice per month. The RFQ states, “*Invoices may not be submitted more than once monthly, and State law prohibits payment of invoices prior to receipt of services.*” Further, in its response to the RFQ, PrimeCare acknowledged this requirement, stating, “*it is acknowledged that invoices may not be submitted more than once monthly*”. However, PrimeCare routinely submits additional invoices to the RJA for overage and catastrophic charges. These invoices are always submitted separately from the monthly base bill.

## **Recommendation**

- 2.1 *The Legislative Auditor recommends that the Regional Jail and Correctional Facility Authority cease prepayment for services rendered under its current contract with PrimeCare Medical. In addition, the Regional Jail and Correctional Facility Authority should require PrimeCare to adhere to the contract and only submit invoices in arrears.*

**WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE**

*Post Audit Division*

1900 Kanawha Blvd. East, Room W-329  
Charleston, WV 25305-0610  
(304) 347-4880



**Denny Rhodes**  
Director

November 27, 2017

David A. Farmer, Executive Director  
West Virginia Regional Jail and Correctional Facility Authority  
1409 Greenbrier Street  
Charleston, WV 25311

Dear Executive Director Farmer:

This is to transmit a draft copy of our report on the Regional Jail and Correctional Facility Authority's medical services contract with PrimeCare Medical. This report is tentatively scheduled to be presented during the December interim meeting of the Post Audits Subcommittee. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to respond to the report and answer any questions committee members may have during or after the meeting.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please notify Nathan Harris, Assistant to the Director at 304-347-4880 by **Thursday, November 30, 2017**. In addition, we need your written response by noon on **Friday, December 1, 2017** in order for it to be included in the final report. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink that reads "Denny Rhodes".

Denny Rhodes

Enclosure

c: Jeff Sandy, Cabinet Secretary, Department of Military Affairs and Public Safety

# STATE OF WEST VIRGINIA



## WEST VIRGINIA REGIONAL JAIL AND CORRECTIONAL FACILITY AUTHORITY

**Jim Justice**  
Governor

P.O. Box 50285  
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Cabinet Secretary

**David Farmer**  
Executive Director

November 30, 2017

Joint Committee

NOV 30 2017

Post Audit Committee

Denny Rhodes, Director  
West Virginia Legislative Auditor's Office  
1409 Greenbrier Street  
Charleston, WV 25311

Dear Mr. Rhodes:

Thank you for the opportunity to provide our written response for the final report, please find them below.

### **ISSUE 1: The West Virginia Regional Jail and Correctional Facility Authority's Medical Services Contract is Ambiguous and Uncertain on Key Elements, Including Contract Price.**

1.1. *The final contract, which includes the original Request for Quotation (RFQ), is ambiguous and unclear on many key elements, including the final contract price.*

The West Virginia Regional Jail and Correctional Facility Authority ["WVRJCFA"] states upon information and belief that its contract for medical services has been implemented and enforced in a manner which has provided the requisite quality of care at the cost contemplated in the original RFQ and the June 29, 2017 change order. However, the WVRJCFA respectfully accepts certain conclusions of the Legislative Auditor as to how this existing contract could be clarified and improved relative to the duties of the parties and the payment calculus for services rendered. The WVRJCFA further agrees that such changes would enhance the public trust and create more transparency in the future in its mandatory duty to provide competent medical services for individuals incarcerated within the Regional Jail system.

The Legislative Auditor is correct in its finding that the medical services contract does not specify a total contract price but references two separate pricing documents deriving from the original RFQ, to-wit: (1) a four-tiered Cost Quotation Pricing Range document; and (2) nine separate multiple total monthly all-inclusive fee for Medical/Mental Health Services documents for costs at each of the nine jail facilities serviced under the contract. Both bidders on the original contract were required to provide detailed cost estimates for both pricing documents.

In practice, costs for the medical services were paid in accordance with two distinct monthly invoices. The first invoice embodied the total static monthly all-inclusive fee. The second invoice embodied a supplemental cost for the variable amount representing the average number of inmates housed in the previously month which would have exceeded the 3801 - 4300 Daily Population Range, which was the target population range at contract execution.<sup>1</sup> This second invoice is calculated as an “overage” of inmates housed during the period in question and will be further discussed below.

Pursuant to WVRJCFA calculations, rendering payment for medical services in this manner resulted in a significant cost savings as opposed to determining payment strictly based upon the four-tiered Cost Quotation Pricing Range document. However, despite these savings, the WVRJCFA will endeavor to clarify the contract as it relates to the specific provisions for payment in a manner most consistent with the public interest. While the WVRJCFA greatly appreciates the Legislative Services’ legal counsel notation that this method of billing is arguably permissible under the terms of the contract, modification will be sought which will render such payments more predictable and less subject to the interpretation of the parties.

The WVRJCFA accepts the recommendation of the Legislative Auditor to seek improvement of the existing contract for medical services.

*1.2. The contract does not contain a provision that expressly authorizes overage charges, nor does it contain any provisions that establish how these overages are to be assessed.*

As stated above, implementation of the contract in the manner described has, in practice, resulted in lesser expenditures for medical services as opposed to a strict calculation of average daily inmate population at the rate specified in the four-tiered Cost Quotation Pricing Range document. However, the WVRJCFA agrees that the current contract does not contain an express provision authorizing the bifurcated method of payment of the annualized costs plus overage charges when the inmate population is less or greater than the target amount.

The Legislative Auditor notes that the stated cost of \$9.58 in the four-tiered Cost Quotation Pricing Range document never applied to the actual billing. While this is a correct statement, WVRJCFA records indicate that the inmate population has never fallen within the target range

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<sup>1</sup> The former was paid on a current pay basis, and approved for such payment by the West Virginia State Auditor, as it was a static amount. The latter was paid in arrears, as will be discussed below.

during the life of this contract for reasons that will be addressed upon renegotiation of the same. Upon information and belief, no second invoice would have been paid had the inmate population been within the target range during any monthly period.

The WVRJCFA accepts the recommendation of the Legislative Auditor that it report back to the Post Audits Subcommittee at its January 2018 interim meeting and provide an update on its progress in revising the current contract.

**ISSUE 2: The Regional Jail and Correctional Facility Authority Are Not Adhering to the Contract Requirement that Monthly Invoices Be Submitted and Paid in Arrears. Payments Made by the RJA are Routinely Made Prior to Services Being Rendered.**

As referenced above and upon information and belief, the static amount in the monthly invoice for annualized costs was paid on a current pay basis as approved by the West Virginia State Auditor. The variable costs in the second invoice for overage costs has been paid on an arrears basis. These issues will be addressed in its effort to revise the existing contract.

The WVRJCFA accepts the recommendation of the Legislative Auditor, and will henceforth require PrimeCare to adhere to the arrears based pay provisions for all aspects of the existing contract.

Sincerely,



David A. Farmer  
Executive Director

DAF/sys

## **Appendix C**

### **Objective, Scope, and Methodology**

The Post Audit Division within the Office of the Legislative Auditor conducted this review as authorized by Chapter 4, Article 2, Section 5 of the *West Virginia Code*, as amended.

#### **Objectives**

The objective of this review is to determine whether the Regional Jail and Correctional Facility Authority is being billed properly by the vendor PrimeCare Medical of West Virginia, Inc., according to its medical services contract.

#### **Scope**

The scope of this review consists of all activities and payments under the current contract, which began on August 1, 2016. This information includes all documentation related to the current contract (RFQ, Cost Quotations, Change Order, etc.), all invoices, and payment information. Additionally, the scope will consist of interviews with the Executive Director, Purchasing Director, and Chief Financial Officer of the Regional Jail and Correctional Facility Authority. This audit did not evaluate any payments or other activities under the prior contract.

#### **Methodology**

Post Audit staff gathered and analyzed several sources of information and assessed the sufficiency and appropriateness of the information used as evidence. Testimonial evidence was gathered through interviews with various agencies that oversee, collect, or maintain information. The purpose for testimonial evidence was to gain a better understanding or clarification of certain issues, to confirm the existence or non-existence of a condition, or to understand the respective agency's position on an issue. Such testimonial evidence was confirmed by either written statements or the receipt of corroborating or physical evidence.

Auditors confirmed with the Regional Jail and Correctional Facility Authority that all relevant contract documents over the scope of this audit were contained in the packets we were provided. All invoices and payments under the current contract were analyzed by Post Audit staff. Legal counsel from Legislative Services provided a legal analysis of the contract to assist audit staff with the complexities inherent therein.

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.

**WV Regional Jail & Correctional Facility Authority  
Cost Quotation  
Pricing Range  
RJC711**

**4.5 Cost Quotation**

<b>Number of Inmates Housed Daily at all Regional Jail Facilities Combined</b>	<b>Price per Inmate Housed</b>
3300 – 3800	<u>\$ 11.23 Daily</u>
<b>3801 – 4300</b>	<u>\$ 9.58 Daily</u>
4301 – 4800	<u>\$ 11.30 Daily</u>
4801 – 5300	<u>\$ 11.37 Daily</u>

**Bid Evaluation will be scored based on the 3801 – 4300 Daily Population  
Range**

<b>CENTRAL REGIONAL JAIL</b> <b>1255 Dyer Hill Road</b> <b>Sutton, (Braxton County) WV 26601</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 123,841.42
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,486,097.08
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 694,140.40
Associated Benefits	\$ 177,005.51
Pharmaceuticals	\$ 122,872.75
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 28,014.53
Contract Mental Health	\$ 154,005.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 11,297.44
Specialty Consult, referrals, etc.	\$ 69,366.67
Malpractice	\$ 42,155.03
Administrative Overhead/Management Fee	\$ 40,529.92
Any other cost— <i>Please List</i> <u>Laboratory / Diagnostics / Radiology, Legal &amp; Accounting, Marketing / Recruiting, Information Technology, General and Administrative</u>	\$ 143,922.85

***\*This is a breakdown of the monthly cost for the listed positions and is not for evaluation purposes.***

<b>EASTERN REGIONAL JAIL</b> <b>94 Grapevine Road</b> <b>Martinsburg, (Berkeley County) WV 25401</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 138,665.97
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,663,991.66
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 744,338.49
Associated Benefits	\$ 191,041.83
Pharmaceuticals	\$ 153,320.20
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,789.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 35,916.07
Contract Mental Health	\$ 154,005.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 14,483.90
Specialty Consult, referrals, etc.	\$ 88,931.63
Malpractice	\$ 54,044.92
Administrative Overhead/Management Fee	\$ 45,381.59
Any other cost— <i>Please list</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 179,741.06

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<b>NORTH CENTRAL REGIONAL JAIL</b> <b>1 Lois Lane</b> <b>Greenwood, (Doddridge County) WV 26415</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 172,789.45
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 2,073,473.44
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 844,188.49
Associated Benefits	\$ 229,132.49
Pharmaceuticals	\$ 214,549.09
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 51,808.93
Contract Mental Health	\$ 195,525.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 20,893.03
Specialty Consult, referrals, etc.	\$ 128,283.87
Malpractice	\$ 77,959.79
Administrative Overhead/Management Fee	\$ 56,549.28
<i>Any other cost—Please List</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 251,784.51

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<b>POTOMAC HIGHLANDS REGIONAL JAIL</b> <b>355 Dolan Drive</b> <b>Augusta, (Hampshire County) WV 26704</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 99,442.42
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,193,308.99
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 486,814.79
Associated Benefits	\$ 142,804.26
Pharmaceuticals	\$ 110,762.97
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 24,871.88
Contract Mental Health	\$ 154,005.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 10,030.10
Specialty Consult, referrals, etc.	\$ 61,585.15
Malpractice	\$ 37,426.10
Administrative Overhead/Management Fee	\$ 32,544.79
<i>Any other cost—Please list</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 129,676.97

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<b>SOUTH CENTRAL REGIONAL JAIL</b> 1001 Centre Way Charleston, (Kanawha County) WV 25309	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 176,002.74
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 2,112,032.91
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 992,520.96
Associated Benefits	\$ 254,004.98
Pharmaceuticals	\$ 175,809.79
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
<b>Optical</b>	\$ 5,572.83
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
<b>Other Miscellaneous Supplies</b>	\$ 41,752.43
<b>Contract Mental Health</b>	\$ 195,525.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 16,837.53
Specialty Consult, referrals, etc.	\$ 103,383.02
Malpractice	\$ 62,827.21
Administrative Overhead/Management Fee	\$ 57,600.90
<i>Any other cost—Please List</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 206,197.69

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<b>SOUTHERN REGIONAL JAIL</b> <b>1200 Airport Road</b> <b>Beaver, (Raleigh County) WV 25813</b>	<b>RJCFA</b>
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 160,271.08
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,923,252.94
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 710,751.64
Associated Benefits	\$ 209,027.01
Pharmaceuticals	\$ 216,637.05
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 52,347.67
Contract Mental Health	\$ 195,525.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 21,110.29
Specialty Consult, referrals, etc.	\$ 129,617.85
Malpractice	\$ 78,770.46
Administrative Overhead/Management Fee	\$ 52,452.35
<i>Any other cost—Please List</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 254,226.66

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<b>SOUTHWESTERN REGIONAL JAIL</b> <b>Earl Ray Tomblin Industrial Park</b> <b>1300 Gaston Caperton Drive</b> <b>Holden, (Logan County) WV 25625</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 125,856.45
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,510,277.42
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 604,862.98
Associated Benefits	\$ 168,630.71
Pharmaceuticals	\$ 156,780.14
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 36,813.97
Contract Mental Health	\$ 154,005.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 14,846.00
Specialty Consult, referrals, etc.	\$ 91,154.92
Malpractice	\$ 55,396.04
Administrative Overhead/Management Fee	\$ 41,189.38
<i>Any other cost—Please list</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 183,811.31

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<b>TYGART VALLEY REGIONAL JAIL</b> <b>400 Abbey Road</b> <b>Belington, (Randolph County) WV 26250</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 156,446.32
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 1,877,355.79
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 869,811.60
Associated Benefits	\$ 221,702.16
Pharmaceuticals	\$ 156,088.15
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 36,634.39
Contract Mental Health	\$ 195,525.56
<i>Subcontractor Name &amp; Location</i> PsiMED and / or Self Operated	
Hospital	\$ 14,773.58
Specialty Consult, referrals, etc.	\$ 90,710.26
Malpractice	\$ 55,125.81
Administrative Overhead/Management Fee	\$ 51,200.61
<i>Any other cost—Please List</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 182,997.26

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<b>WESTERN REGIONAL JAIL</b> <b>One O'Hanlon Place</b> <b>Barboursville, (Cabell County) WV 25504</b>	RJCFA
Total monthly all-inclusive fee for Medical/Mental Health Services	\$ 181,463.14
Total annualized all-inclusive fee for Medical/Mental Health Services	\$ 2,177,557.70
<b>Vendor must also provide an annualized itemized quotation cost to include:</b>	
Salaries	\$ 916,321.97
Associated Benefits	\$ 240,934.17
Pharmaceuticals	\$ 219,405.00
<i>Provide Vendor Name &amp; Location:</i> Boswell Pharmacy Services, 131 Schoolhouse Road, Jennerstown, PA 15547	
Optical	\$ 2,786.42
<i>Provide Vendor Name &amp; Location:</i> Institutional Eye Care, P.O. Box 390, Lewisburg, PA 17837	
Other Miscellaneous Supplies	\$ 53,065.99
Contract Mental Health	\$ 195,525.56
Subcontractor Name PsiMED and / or Self Operated	
Hospital	\$ 21,399.96
Specialty Consult, referrals, etc.	\$ 131,396.48
Malpractice	\$ 79,851.36
Administrative Overhead/Management Fee	\$ 59,387.94
<i>Any other cost—Please List</i> Laboratory / Diagnostics / Radiology, Legal & Accounting, Marketing / Recruiting, Information Technology, General and Administrative	\$ 257,482.86

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