

Fallout from privatizing prison healthcare: layoffs

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Nearly 2,000 state workers are being displaced from Florida Gov. Rick Scott's administration because of the nation's biggest outsourcing of prison health care.

"Due to the outsourcing of this function, your position will be deleted," reads a dryly worded dismissal notice from the Department of Corrections, sent to 1,890 state employees in the past two weeks.

The Department of Corrections signed a \$230 million contract with Corizon Healthcare of Nashville to provide all health care in central and north Florida prisons and is negotiating contract terms with Wexford Health Sources of Pittsburgh to take over health care in nine South Florida prisons for \$48 million a year.

In the dismissal letters, prison officials emphasize that dismissed workers will get first consideration for new jobs at one of the two for-profit vendors, though with fewer benefits. The workers also expect to pay more out of their pockets for their own health insurance.

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Many make less than \$35,000 a year, have not had a raise in six years and live in economically distressed areas home to many state prisons, including Bradford, Dixie, Levy, Suwannee and Union counties.

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"This isn't unexpected, and I understand the state is trying to save money," said Kurt Bertschinger, 68, of Apollo Beach, a psychiatrist at Union Correctional Institution in Raiford who is paid \$115 an hour. "My concern is how much they are going to contract the workforce and perhaps have fewer people do more and more work."

Spokesman Brian Fulton said Corizon offers "competitive wage and benefits packages based on market surveys conducted in Florida."

The state and Wexford signed a five-year contract in 2000 to provide health care in South Florida prisons. Wexford sued the state to get a rate increase and won, and the state did not renew the contract.

The latest outsourcing is still not a sure thing.

Labor unions representing many affected workers will be back in court Monday, challenging the state's authority to outsource health care without specific legislative direction.

"This is bad for employees who will lose retirement and health benefits and probably pay," said AFSCME spokesman Doug Martin. He calls privatization "a rotten deal for taxpayers" because the cost savings have not been substantiated.

The Legislature wrote language in last year's budget that required the prison system to save tens of millions of dollars a year by privatizing health care for Florida's population of 100,000 inmates.

But bureaucratic delays snarled the project. Time ran out and the provision lapsed when a new fiscal year began July 1.

In September, the Legislative Budget Commission gave the prison system the go-ahead to shift \$57.7 million between budget accounts to pay for privatization for the rest of this budget year. That has spawned a lawsuit by AFSCME Council 79, the Federation of Physicians and Dentists, and the Alliance of Healthcare and Professional Employees.

The state's latest action was based on a provision in state law that allows the prison system to sign contracts with "other entities" to provide services. The state says that's legal, and the unions say it's not.

The state argues that even if the unions are right, another law allows the agency to "enter into continuing contracts with licensed health care providers." The unions say neither Corizon nor Wexford fits that definition under state law.

Scott, a former hospital chain CEO, promised when he ran for governor in 2010 to competitively bid health care contracts. The prison system projects savings of \$34 million in the first year of privatization, and that without it, the budget deficit in the prison system will only get worse.

"We think there are efficiencies that will be gained throughout the system," said Deputy Corrections Secretary Mike Crews. He said the vendors set the pay and benefits for the employees, but that the state has final say over staffing plans.

Shifting to privatization costs the state money, because every displaced worker is entitled to a lump-sum payment for unused sick leave and vacation time.

Prison officials say those payments will total \$6.9 million.

The state hopes both vendors can be on the job by January.

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