

Year 1 Progress Report

Inmate Correctional Healthcare Contract for
Arizona Department of Corrections,
Rehabilitation, & Reentry (ADCRR)



Presented by NaphCare, Inc.

Oct. 1, 2022 - Sept. 30, 2023





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Innovating to Improve Lives in Arizona

Nearly 35 years ago, NaphCare was founded on innovation. As a correctional health and technology company, NaphCare innovates every day to create healthcare and technology solutions to improve the lives of people who are incarcerated.

Driven by a culture of finding solutions to difficult problems, we pursued a partnership with the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) with eyes wide open - fully aware of the decade-long litigation and failures of multiple healthcare providers to provide basic standards of correctional healthcare.

Confident in our ability to succeed where other health providers had failed, NaphCare responded to the ADCRR's Request for Proposals (RFP) and was awarded the opportunity to turn things around. And that's exactly what has happened.

With more than 33,000 individuals incarcerated across nine (9) state prisons and seven (7) in-state private prisons, the ADCRR houses one of the largest prison populations in the country. Many of the nine state-run prisons are located in rural areas of the state, leading to unique challenges related to patient care and recruitment and retention of healthcare staff.

NaphCare made a significant investment and commitment to the health and safety of those in Arizona's prisons. We were selected to provide proactive, patient-focused healthcare, delivering evidence-based clinical programs to address the specific challenges of the corrections environment, including medical and mental health care, pharmaceuticals, dialysis clinics, third-party administrative services and a corrections-specific electronic health record (EHR), TechCare.

One year later, we are driving significant improvements in access to care and patient outcomes.

A Broken Healthcare System

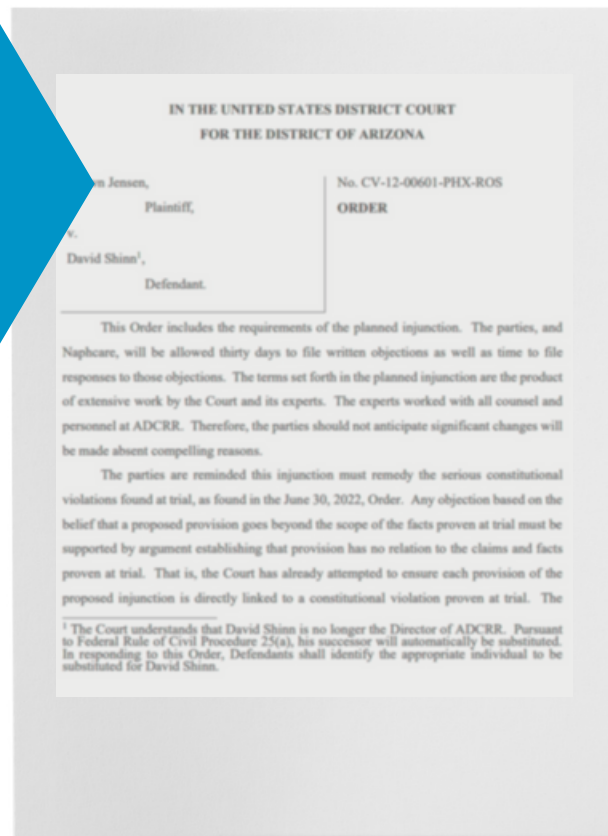
In 2012, the American Civil Liberties Union (ACLU) filed a class-action lawsuit challenging the adequacy of medical, dental, and mental health care provided to incarcerated individuals by ADCRR. This resulted in a consent decree that outlined approximately 100 performance measures to improve the correctional healthcare program.

ADCRR was required to monitor and submit detailed reports on the performance measures. Over the course of ten years, three different healthcare providers were unable to meet basic standards of correctional healthcare to comply with critical benchmarks resulting in substantial financial penalties and incessant litigation.

In June 2022, U.S. District Judge Roslyn Silver issued a scathing, 200-page legal opinion finding that healthcare in Arizona's prisons was in violation of the United States Constitution.

“No legit humane system would operate in this manner.”

**U.S District Court Order
June 30, 2022**





NaphCare assumed services on October 1, 2022. Upon contract takeover, we found a system congruent with Judge Silver’s determination; it was lacking in quality care with multiple issues impeding the delivery of compliant, quality healthcare services:

- **No centralized technology platform or electronic health record** – meaning there were no documented plans of care, specifically impacting chronic care. All healthcare data was separated among different software and manually kept spreadsheets making it inconsistent across facilities.
- **No consistent method of tracking key quality of care indicators.** Data was manually pulled from a small sample of patients and not reflective of the overall population.
- Direct patient care, ancillary care, pharmaceuticals and diagnostics were **all managed inadequately.**
- **Insufficient staff** were hired to provide expected levels of care.
- **Significant backlogs of pending healthcare services across the system,** such as access to specialty care and response to patients’ Health Needs Requests.



Resetting the Baseline of Care

NaphCare was awarded the ADCRR Medical and Mental Health Services contract for state-operated prisons through a competitive RFP process in May 2022 and initiated an extensive transition in June 2022. Within four months, we successfully transitioned ADCRR facilities to NaphCare's healthcare services. We quickly assessed and addressed the immediate challenges to stabilize the patient population while putting the groundwork in place to achieve long-term goals.

June - September 2022: Transition

- Retained existing staff and hired part-time and agency staff to provide an appropriate level of care
- Mobilized NaphCare staff from across the country to provide onsite transition support and training
- TechCare - implemented EHR and populated with patient data by Day 1 of the contract
- Imported over 1 million healthcare data points, making TechCare the single source of healthcare data for more than 25,000 patients under ADCRR's watch

October 1, 2022: Go Live

- TechCare EHR fully operational at nine ADCRR sites across the state on Day 1
- TechCare fully integrated with ADCRR OMS, pharmacy, radiology and labs for seamless, paperless process
- All healthcare staff successfully trained on TechCare and NaphCare protocols
- NaphCare Phoenix leadership team in place and working 24/7 to ensure transition success
- Telehealth equipment installed and running for patient encounters

In the first three months of the contract, NaphCare prioritized resetting the baseline of care to a foundation of compliant, constitutional care throughout the ADCRR facilities. It was vital to ensure the basics of care were performed on time, for all patients, each day - medication administration, health needs requests, specialty provider visits and acute care needs.

October-December 2022: 90-Day Milestones

- Shifted staff focus away from non-urgent administrative tasks to patient care
- Identified higher acuity patients to ensure better access to care and better use of facilities
- QualCare, NaphCare's quality oversight team who works remotely 24/7 to support site teams, managed the following backlogs so site teams could focus on immediate patient care:
 - Addressed backlog of 3,000 Health Needs Requests (HNRs) to bring patient care up-to-date
 - Reviewed and completed nearly 1,000 labs to ensure patients were informed of results and treatment orders were placed
 - Checked thousands of patient records manually to ensure patient records were accurate and complete
 - Addressed and completed backlog of sick call appointments, dating back to April 2022
- Healthcare staff began tuberculosis (TB) testing for all patients - which had not occurred consistently in prior years
- Automated a vast majority of Court Decree Reporting Requirements to provide real-time analysis

Year One: A New Standard of Care

After a three-month clean-up effort to reestablish the baseline of care and stabilize healthcare operations, NaphCare made significant strides in improving access to patient care, quality of care and compliance with court-ordered standards. Many of the deficiencies found by the court were solved in short order with the implementation of TechCare EHR, enacting NaphCare's policies and protocols and enabling site, regional and corporate leaders to fully engage in the provision of care.

Other requirements were met over the course of the first year of services, as NaphCare emphasized culture building and training among site healthcare staff. The results are evident in boosted staff morale, successful National Commission on Correctional Health Care (NCCHC) audits and a noted decrease in morbidity and mortality, among other measures outlined here.

Improved Access to Care

Creating Connections in Care

A key goal for NaphCare and the ADCRR is improving access to care for patients. We have prioritized patient communication using the tablets in place to provide direct access to caregivers and personal health information, as well as to promote patient involvement in their care. This platform also satisfies court orders relating to the ability of patients to specifically select a preferred provider appointment.

In addition, ADCRR patients now have direct access to the NaphCare pharmacy team using the Health Needs Request (HNR) form on their tablet to submit medication questions and follow-up. The NaphCare Pharmacy reviews all pharmacy related HNRs and responds directly to the patient via TechCare. This two-way communication between patients and the pharmacy team is a unique service that helps ensure patients receive medications in a timely manner.

Direct Patient Communication via Digital Tablets

- **Streamlined submission of Health Needs Requests (HNRs)**
- **Interaction with nurses and providers**
- **Access to read direct responses to medical and mental health questions**
- **Ability to request prescription renewals**
- **Access to patient education**

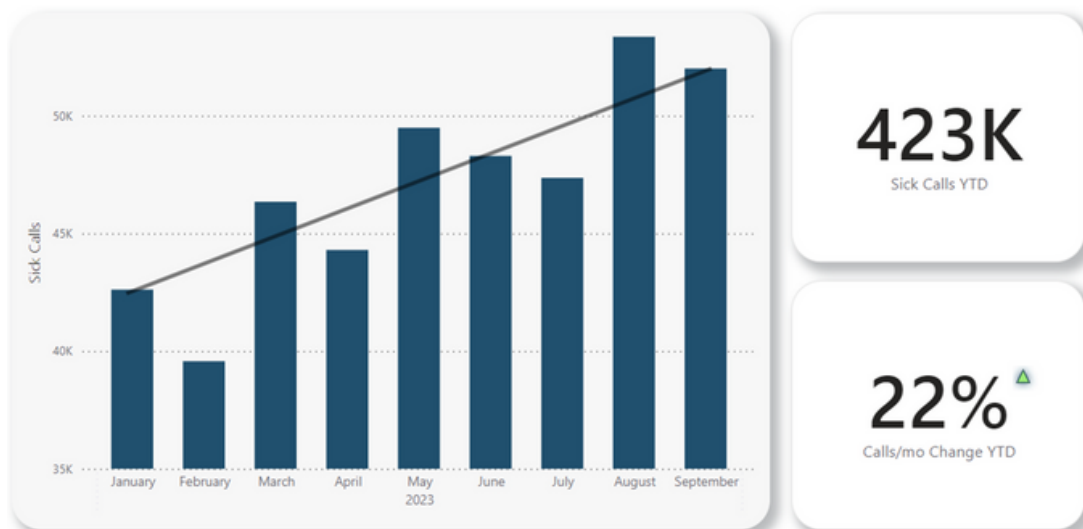


Positive Trends: Access to Care

It takes time to implement a new model of care and hire the staff needed to consistently execute that model. NaphCare’s model is focused on making sure patients have face-to-face encounters with healthcare professionals. As shown in the below charts, this focus has led to an upward trend in access to care since NaphCare implemented services.

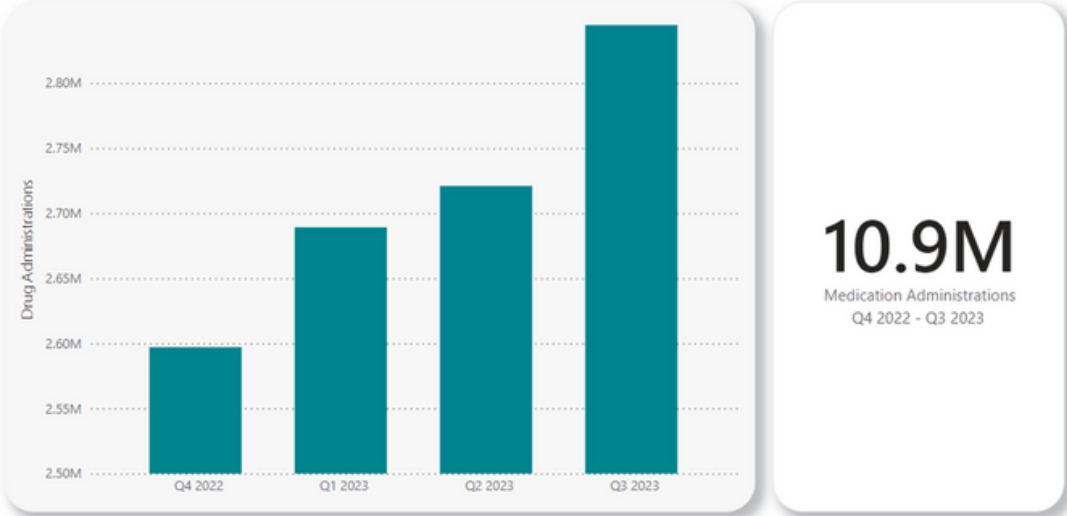
Over an eight-month period, completed Health Needs Requests (HNRs/sick calls) increased by 22 percent. While NaphCare inherited significant backlogs for HNRs, we were able to reduce this obstacle to patient care through additional clinical resources who are able to see more patients. As more patients are seen, more patients receive appropriate treatment plans and necessary medications in a timely manner.

Increase in Completed Health Needs Requests (HNRs / Sick Calls)

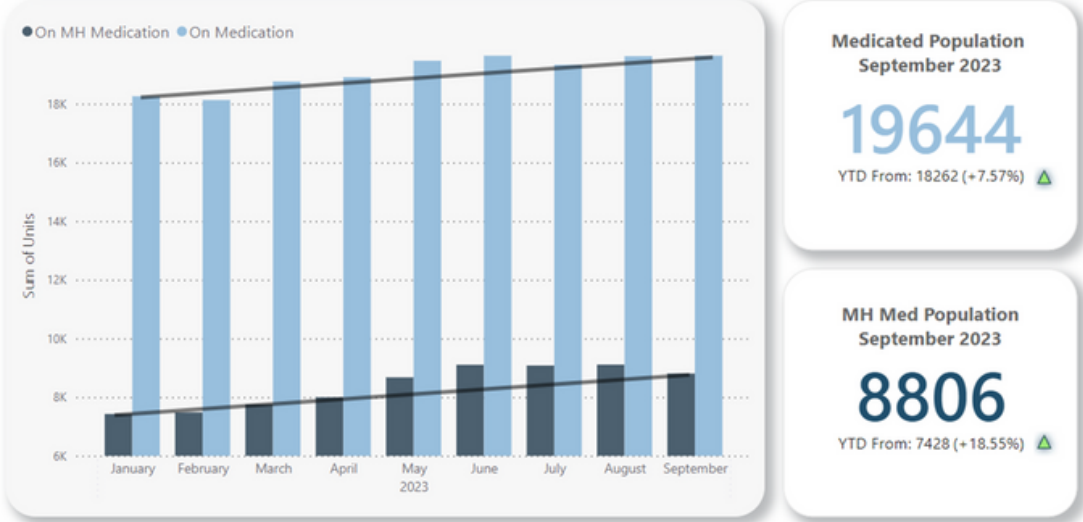


An upward trend in pharmaceutical prescribing and medication administration rates are a clear indicator of improved access to care. More patients are being seen by clinicians, leading to more and better diagnoses and access to treatment for medical and mental health conditions.

Increase in Medication Administration



Population on Medications



New Programs: Medication-Assisted Treatment (MAT) for Opioid Use Disorder (OUD)

MAT is the use of medications, counseling and behavioral therapies to treat opioid addiction. Although the vast majority of correctional facilities in America still do not offer MAT, these programs are proven to provide for safer withdrawal and reduced risk of relapse and overdose when implemented in prisons and jails.

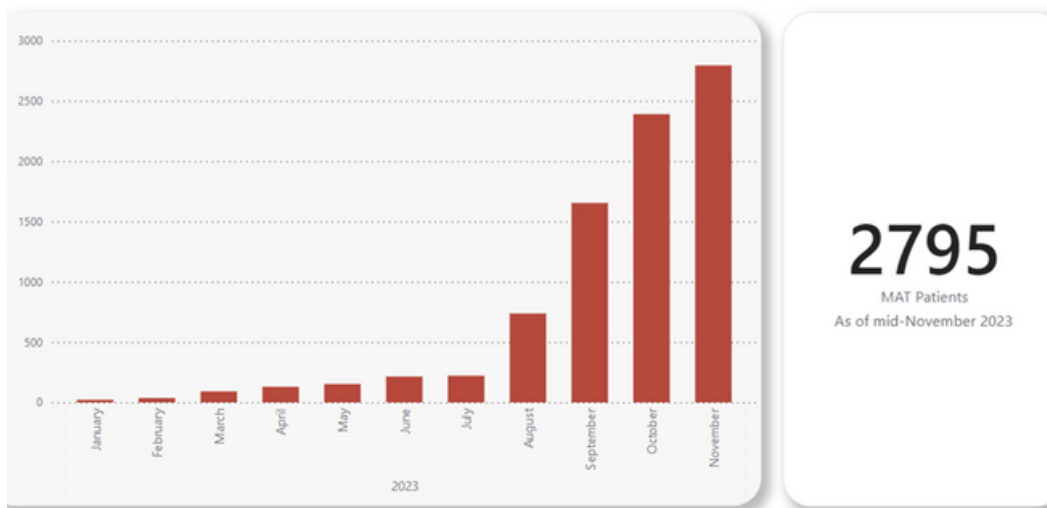
Before NaphCare, MAT services in Arizona’s prisons were limited. Observing the need for an effective MAT program, NaphCare went above and beyond contract requirements to implement policies that safely manage opioid withdrawal and continue patients on medications if they entered the prison system on a prescribed course of treatment.

To expand care further, NaphCare and ADCRR are partnering to offer MAT services to all patients, including those with a history of addiction who have not participated in a MAT Program in either the community or the prison.

NaphCare uses telemedicine for virtually all MAT appointments, which provides easy access to an addiction specialist no matter the patient’s location, ensuring access to care.

In a three-month period, participation in the MAT program has increased **from 100 patients to over 2,000**. In the coming months, NaphCare expects to reach approximately 10,000 patients with MAT once the program is fully operational across all state prison locations. Through this investment in addiction treatment, patients leaving the Arizona prison system will now be at reduced risk of overdose and relapse.

Increase in MAT Program Participation





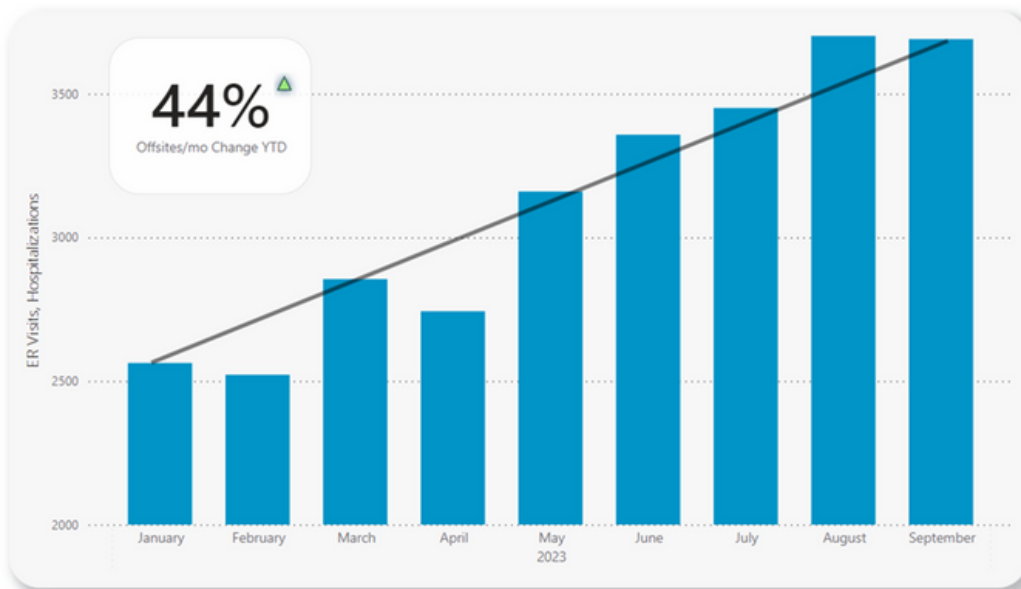
Renewed Focus on Quality

NaphCare introduced a new approach to healthcare focused on quality interactions to drive proactive health and wellness for patients, individualized treatment planning and improved patient outcomes.

The Right Treatment at the Right Time

With NaphCare’s medical services protocols, more patients are getting treatment. For many patients, the treatment they need is not available within the prison complex. NaphCare believes in sending patients to the necessary provider - whether emergency department, hospital or specialty care physician - for medically necessary care. This core philosophy of NaphCare has resulted in increased offsite trips - meaning more patients are being sent to get the care they need.

Increase in Healthcare Visits



Secure Units improve Hospital Care

NaphCare was instrumental in partnering with Florence Hospital to better utilize their secure unit that is specially designed for the secure care of ADCRR residents. The 16-bed secure unit is now consistently filled with patients, allowing ADCRR to centralize hospital care and officer transport. This model has proven so beneficial in improving patient care that St. Mary’s Hospital in Tucson also opened a new 11-bed secure unit this year.

Innovative Services: QualCare - Quality Oversight Team

QualCare is an innovative service provided exclusively by NaphCare. QualCare provides ADCRR with a dedicated quality oversight team of Arizona-licensed advanced care practitioners who focus on quality assurance and standards compliance while also supporting clinical site staff in patient care. The centralized team works remotely with real-time access to health records in TechCare in order to provide 24/7 availability to answer questions and address medical or behavioral health emergencies that take place in the facilities.

**27,700+
Patient
Encounters**

The QualCare team enhances access to care for patients providing clinical quality oversight of high acuity patients, chart reviews and consult for physicians and prescribing capabilities for treatments - an added layer of clinical support for site healthcare teams. NaphCare goes above and beyond quality standards to ensure continuity of care for patients with our corporate clinical resources.



ADALIA CERRILLO

FACILITY HEALTH ADMINISTRATOR (FHA) - PERRYVILLE

“I truly believe this is the best healthcare company to come in and has truly elevated the level of care we are providing to our population.”

“The implementation of the QualCare providers has drastically improved the ability of our nurses on the ground to provide immediate provider-driven patient care, 24-7.”

“Prior to transitioning, Perryville was not performing any annual patient exams besides chronic cares. We have now caught up a 2000+ backlog by providing all women at Perryville an annual physical and are now set up successfully with systems in place to do so every year going forward.”

Adalia has worked at the ADCRR prison in Perryville for more than a decade under prior healthcare providers. Now, as a leader for Team NaphCare, she has experienced the many ways NaphCare has made a positive, immediate impact on healthcare operations.



Shifting Perspectives: Patients Acknowledge Care Improvements

“Thank you for all you do to help us and myself with our medical needs. Your professionalism, care and concern mean a lot for myself and others.”

One of the most impactful testaments to our progress comes directly from our patients.

In the Residential Substance Abuse Treatment community in the Lewis prison, patients use a system for accountability with each other and with staff. A “push up” means you are doing well and deserve to be recognized. One patient chose to recognize a NaphCare provider and nurse for treating them with dignity.

Date: 9-24-23 To: Nurse Williams BEHAVIOR CHECK / PULL UP / PUSH UP

Behavior: Thank you for your help with my medical needs. That's your concern, your professionalism, your caring. Thank you for all you do. You stand out as a humane care provider. People like you are few and far in here.

From: _____

Date: 9-24-23 To: Medical Provider Arnold BEHAVIOR CHECK / PULL UP / PUSH UP

Behavior: Thank you for all you do to help us and myself with our medical needs. Your professionalism, care, and concern mean a lot to myself and others. You stand out as a humane provider. Thank you people like you are few and far in here.

From: _____

Targeted Diagnostics for Individualized Treatment

With NaphCare’s proactive care approach, we prioritize **early and accurate diagnosis** to treat underlying medical conditions with more effective interventions. Identifying conditions typically begins with diagnostic laboratory panels.

Prior to NaphCare, lab panels were often too general, leading to wasted resources and irrelevant results. Labs are now ordered with a more targeted approach toward patient-specific conditions and individual treatment plans.

Under NaphCare, the number of completed diagnostics has increased significantly - demonstrating our commitment to early intervention - while also becoming more targeted and specific to patient need. We now conduct more than 13,000 labs per month, which is a **48% increase** from the previous year's average of 8,800 labs per month - creating cost savings and better opportunities to diagnose and treat conditions, ultimately leading to better patient outcomes.

Consistency in Chronic Care

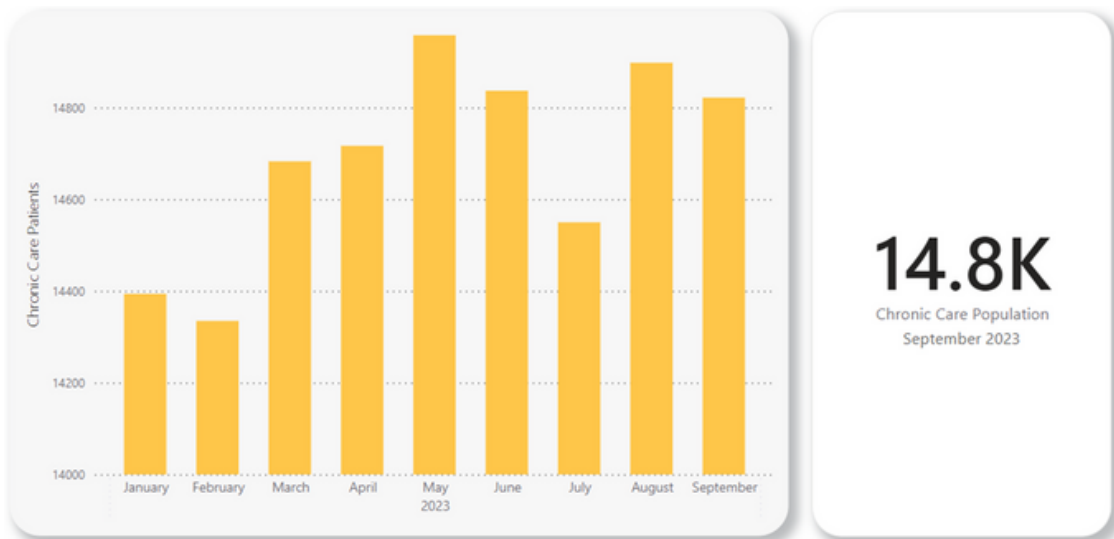
Since NaphCare assumed services, patients with chronic conditions - such as hypertension, diabetes, asthma and hepatitis - are receiving consistent care to better control their health.

Our advanced screening tools and clinical oversight ensure all patients receive appropriate care within the ADCRR. NaphCare’s EHR system requires and ensures that all patients identified with a chronic condition maintain regular provider visits on a set schedule based on acuity.

Moreover, NaphCare has worked with the ADCRR to review all chronic care guidelines and make revisions to better focus on patient care and give providers and clinical staff more direction and clear expectations for treatment protocols.

The result is a reliable system that identifies all chronic care patients and creates individualized treatment plans to stabilize their health and avoid long-term negative effects of uncontrolled conditions.

Improved Access to Chronic Care Treatment



Saving Lives in Arizona's Prisons

A substantial number of people incarcerated in Arizona's prisons are elderly or seriously ill individuals who are serving long-term sentences. With this patient population, unfortunately, a certain mortality rate is unavoidable just as in community hospice care.

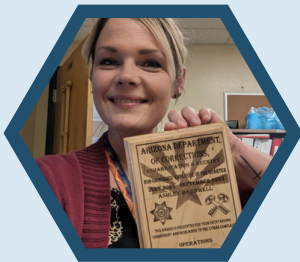
NaphCare's mission is to **improve and save lives**. In our first year, we have observed an encouraging trend showing a substantial reduction in mortality in the prison system as compared to years prior.

ADCRR's state-run facilities - where NaphCare is responsible for health care services - have seen a **34.6% decrease in mortality**. Said differently, in our first year of services, there were one-third fewer deaths per month under NaphCare's watch.

While it is always difficult to make the leap from a statistically significant correlation to causation, particularly over a relatively short period of time, we continue to believe that the most likely explanation for the overall decrease in mortality across the system is that **NaphCare's improved healthcare operation is effective in saving lives**.

#OneNaphCare Culture: Team Members Recognized by ADCRR

At NaphCare, we operate as one team with one mission - **to improve and save lives**. We're proud of our team members across Arizona who have embraced this mission and been recognized by ADCRR.



Ashley Bardwell
FHA - Eyman
Employee of the Quarter



**Jaci Brown, Assistant DON
& Carli Myers, DON**
Yuma
Leadership Excellence Award



Rita Stobie
Psychology Associate -
Eyman
Employee of the Quarter



Justine Warner
Assistant DON - Winslow
Employee of the Month

Staffing Challenges & Solutions

As is the case across the country, we recognize that staffing is an ongoing challenge. NaphCare has rigorously worked to recruit, hire, onboard and train staff across the state of Arizona since award of the ADCRR contract. Our efforts to date have resulted in successfully staffing all sites to ensure all critical aspects of patient care are being delivered.

Appropriate staffing levels are inextricably linked to quality of patient care. Poor staffing levels prior to NaphCare meant patients were not receiving timely care. This led to backlogs in critical areas, such as medication administration to patients, responsiveness to HNRs and completing appointments with specialty care providers in the community.

Our investments in innovative workforce strategies - including **significant investments in online hiring platforms (e.g. Indeed), digital and social media marketing and an incentivized bonus structure** - have solidified staff levels to optimize direct patient care and minimize negative patient outcomes due to limited access to care.

Creating Career Paths in Arizona: College & University Program

NaphCare stepped up to a challenge from ADCRR to improve the statewide College & University Program, expanding connections with Arizona colleges and universities to support recruiting and workforce opportunities. We are proud to report that our affiliation agreements have grown over the past year, and students pursuing healthcare professions are at work across ADCRR facilities.

Our reach into the educational community extends to recruiting events at colleges and universities as well as educational sessions to teach students about careers in correctional healthcare. In doing so, NaphCare is building a presence in Arizona not only for our company, but also for the ADCRR, as a career destination for those in the medical field.

Affiliated Colleges & Universities in AZ



Compliance & Reporting with TechCare EHR

A major obstacle impeding the ADCRR's ability to prove compliance to the court was the poor recordkeeping capabilities of the former medical records system. It lacked the ability to accurately document and report on the performance measures set forth in the consent decree.

Under the previous vendor, reports were generated manually, and the ADCRR did not have a complete view of the state of care across facilities due to extremely small sample sizes used in data collection and analysis.

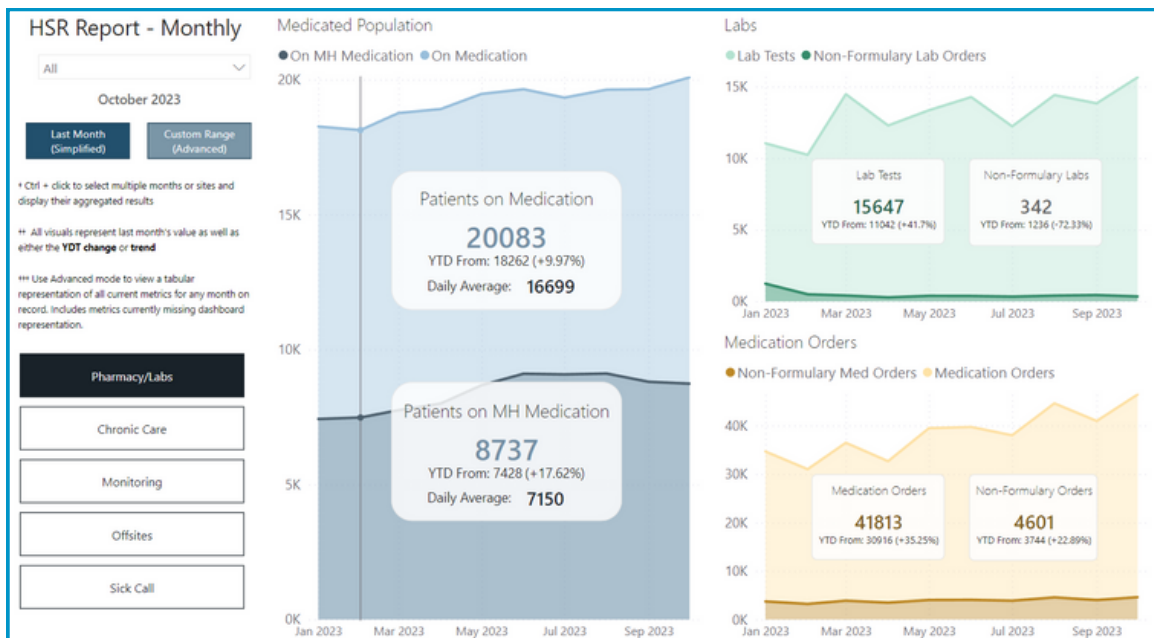
Reporting Automation: Business Intelligence & Analytics

NaphCare automated reporting of performance measures derived from the federal court order. Now, data is generated from the entire patient population, presenting a more accurate measure of healthcare performance than ever before - the ADCRR now receives reports that are based on **real-time data for 100% of the population**.

TechCare's real-time dashboards show metrics on performance measures at a glance, allowing ADCRR to see the current state of care throughout all facilities. This robust reporting system produces reports to demonstrate compliance with court-ordered measures. NaphCare developed necessary workflows and record reporting, along with alerts, based on the input of ADCRR leadership, contract monitors and legal counsel.

Proving Compliance

Compliance and Accountability with TechCare EHR



Judge, Courts, Plaintiffs Agree with Progress

In August 2023, something extraordinary happened. The parties to the ongoing federal litigation appeared in Court for a status conference where – for the first time in the long history of this litigation – the parties reported favorably on progress. The federal judge acknowledged the remarkable progress that ADCRR and NaphCare have made together. While NaphCare is not a defendant in this litigation, we are committed to continuing to work with ADCRR and share a commitment to achieving full compliance with the Court Order.

When asked for their position on compliance and the need for sanctions, Plaintiffs’ counsel responded Defendants are “making sincere, good faith attempts to comply with the [Permanent Injunction].”

- Court Order, August 2023

Moving Forward

While we are proud of our year one efforts and achievements, there is more to be done. Our ultimate goal is to consistently meet all court-ordered benchmarks as we aim to make ADCRR the gold standard for correctional healthcare in state prisons.

This means maintaining a continued focus on innovating new solutions that will make a positive impact across the state. In particular, we're thinking outside of the box to solve larger challenges that impact incarcerated and justice-involved individuals across Arizona.

Due to the aging incarcerated population in Arizona, we see a significant opportunity to partner with State and ADCRR leadership to safely reduce the prison population, focusing on patients with special needs and high medical needs.

Through the **NaphCare Charitable Foundation**, we're investing in research and resources to disrupt the cycle - to break the bond connecting those with mental illness and chemical addiction to the criminal justice system. Our goal is to promote opportunities for fair access to quality and affordable healthcare and to support individuals, their families, and their communities as they transition and reintegrate into their communities.

Through NaphCare's dedicated team, innovative technologies and proactive approach to healthcare and wellness, we are transforming the system of care at ADCRR. As we build on the foundation created during year one, we look forward to seeing further progress in the coming years.





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