



## State of New Mexico

*Office of the Governor*

**Bill Richardson**  
Governor

For Immediate Release  
Aug. 12, 2004

Contact: Gilbert Gallegos  
(Santa Fe) 505-476-2217

### **Governor Bill Richardson Announces \$7.2 million in savings On health services for prison inmates**

*Savings reflect latest success of Save Smart New Mexico project*

SANTA FE- Governor Bill Richardson today announced that new contracts for inmate medical costs will result in savings of \$7.2 million while maintaining or improving quality. The \$1.8 million in annual savings, totaling \$7.2 million over four years, is the result of a comprehensive review and the harnessing of a competitive bidding process.

The new contracts reflect the latest success of Save Smart New Mexico, a project that Governor Richardson initiated to ensure that state government delivers citizens the best value for their tax dollars. Governor Richardson is making good on a campaign promise to cut \$90 million in state spending.

“I am committed to driving down health care costs wherever possible so we can make better use of taxpayer money,” Governor Richardson said. “This savings can be redirected to more urgent needs, such as teacher salaries and increasing access to health care for our most vulnerable citizens.”

New Mexico’s prison facilities house about 6,200 inmates. The state is legally required to provide prison inmates with medical services. In deciding on a new inmate medical services contract, the state focused its efforts on value for New Mexico taxpayers, but also made delivering reliable quality care a top priority.

“We are excited that this new contract will maintain or improve quality of care for the prisoners while helping significantly reduce the cost of providing care,” said Joe Williams, the Secretary of New Mexico Corrections Department, who provided guidance and leadership during the RFP process. “The new provider will retain most of the current provider’s qualified medical staff members who are critical to helping us maintain continuity of care.”

The contract was awarded to Wexford Health Sources, Inc. Wexford is a leader in providing health care services in the correctional industry; they currently provide comprehensive medical services to over 69,000 inmates in eight states. Wexford is committed to New Mexico, the local economy, and New Mexico’s citizens. They will use local hospitals and other medical establishments to provide care to prisoners, thus retaining the majority of the contracted spend within the state.

“We are excited about the new partnership with Wexford,” said Dr. Frank Pullara, the Medical Director for the New Mexico Corrections Department. “We hope to maintain our high quality of care while making continuous improvements through this new partnership. The new provider will make extensive use of latest technologies such as telemedicine to provide timely access to medical care to prisoners in remote locations and reduce wasteful expenses related to events such as unnecessary ER visits.”

#### **Fifth Successful Category for Save Smart New Mexico**

This is the fifth category to be completed as part of the Governor’s **Save Smart New Mexico** initiative. The state has previously achieved an average of 28% savings on its express mail service, 49% savings on mailing equipment, 20% savings on computer hardware, and 22% in office supplies. Combined with inmate medical services, Save Smart has created \$6.5 million in annualized savings and more than \$23 million savings over the life of the contracts.

The Save Smart process better coordinates procurement across over 100 state agencies to achieve better prices for the goods and services the state purchases every day. Through this program, the state expects to realize millions of dollars in savings that can be used to invest in better schools and a stronger economy.

#30#