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AS THE NUMBER OF ELDERLY INMATES RISES, PRIVATE FIRMS SEE A HOT NICHE MARKET.

Pensioners or Prisoners?

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ull Gearreald has discovered a new niche market. The company he heads, Just Care Inc., recently opened America's first privately owned prison specifically for elderly and ailing inmates. The innocuously dubbed Columbia Care Center, a 326-bed, razor-wire-encircled hospice in Columbia, South Carolina, aims to take in infirm convicts from nearby county, state and federal correctional facilities, where surging numbers of older inmates are driving medical expenses skyward.

So far, the \$18 million center houses only a handful of prisoners, but Gearreald is confident he'll get more. In fact, Just Care plans to open several more such prisons in the next few years. "The Southeast market alone can use ten or fifteen of these facilities," says Gearreald, a former investment banker with Merrill Lynch.

Just Care is out front, but other companies will shortly follow. Another startup, Texas-based Corrections National Corporation, plans to open its own 700-bed penal nursing home in Pennsylvania by next year and four more within the next five years. "We'll be in excess of \$100 million in revenues within four years," predicts CNC president Norman Cox. Major private prison operators such as Wackenhut Corrections Corporation are also looking into opening geriatric lockups.

There are already plenty of serious concerns about the explosive growth of private prisons [see Eric Bates, "Prisons for Profit," January 5, 1998], but this new subspecies raises still more. Will the companies skimp on their charges' costly medical care



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to fatten profits? And aren't there more sensible ways to deal with America's tens of thousands of frail, sick, old convicts than keeping them behind bars?

From a business standpoint, at least, private geriatric prisons certainly look promising. Thanks to a combination of tougher sentencing laws and changing demographics, the number of elderly prisoners is skyrocketing. Just Care and CNC claim they can take care of such inmates more cheaply and efficiently than state-

run institutions, thus saving taxpayers money—the same selling point that has made conventional private prisons into a billion-dollar industry in the past fifteen years.

Since 1980 the number of inmates in state and federal prisons has more than tripled, to nearly 1.2 million. During that time, the number of inmates over 55—generally considered geriatric age among correctional officials—has shot up to a record 40,000, including some in their 80s and 90s. Since 1990 the proportion of the total prison population over 50 years old has climbed from 4.8 percent to 7.2 percent.

This shift is partly due to simple demographics. America's population as a whole is graying as baby boomers age, a change that is reflected in prisons. The aging of the prison population, however, has been compounded by trends in criminal justice. "There's a bulge in the middle-aged group in prisons," says Allen Beck, chief of correctional statistics at the federal Bureau of Justice Statistics. "There's concern that bulge will keep moving up, especially with 'three strikes'"—the sentencing laws in many states that mandate twenty-five years to life for third-time felons. Moreover, fourteen states and the federal prison system

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have eliminated parole boards completely in recent years. Taken together, these factors insure that an ever-growing proportion of people being sent to prison will be staying there until they are very old or dead.

Many geriatric prisoners are five to ten years "older" physiologically than they should be, their bodies prematurely worn down from years of alcohol and drug abuse and the stress of prison life. In dollar terms, that means elderly inmates typically cost up to three times as much to incarcerate as younger ones, averaging well over \$60,000 a head per year. There are already around 100,000 inmates nationwide serving life sentences; if they all reach retirement age in prison, the tally for their care will top \$6 billion annually. "It's a disaster," says Dr. Armond Start, a former medical director of the Texas, Oklahoma and Wisconsin prison systems. "If you look at Medicare, 40 percent of the money is spent in the last sixty days of a person's life. We're going to incur those end-of-life costs with all these guys we're locking up, and our kids will have to pick up the cost."

In response, a few states have created public geriatric prisons, and others are considering doing the same. Such specialized facilities cut down on the problem of older inmates' being victimized by younger ones. They can also save money. "Older prisoners get injured just from moving around," says Jonathan Turley, founder of the Project for Older Prisoners. "You can cut costs by having them all in a place where there [are] no stairs, and specially trained staff who can recognize and treat problems before they become severe."

Geriatric facilities, most experts agree, make sense. For-profit geriatric facilities are another matter. It's far from clear that they will save taxpayers money—and if they do, at what cost. The private geriatric prisons say their economies of scale will offer big savings over prison infirmaries. They will also provide a wider range of treatment than most prison clinics, supposedly cutting down on the expensive necessity of sending inmates out to community hospitals. Yet the most comprehensive studies on the issue of whether private prisons produce the cost savings they claim are inconclusive at best. And there is the ever-present possibility that private prisons will skimp on services to boost profits—a concern that becomes even more acute in a private medical facility. Just Care and CNC both plan to offer employees profit-sharing programs, giving nurses and guards an incentive to minimize costly care. Companies may also cut corners through staffing reductions. Critics charge that nonunionized, under-trained private prison workers are a major reason for the many escapes and brutality scandals that have bedeviled the industry in recent years.

The history of privatized medical care in government prisons is no more encouraging. Over the past twenty years, healthcare services for nearly a quarter of all prison and jail inmates have been contracted out to private companies. A recent investigation by the *St. Louis Post-Dispatch* found more than twenty cases in which inmates in the care of such companies allegedly died as a result of negligence, poorly trained or inadequate staff, and cost-cutting measures.

Of course, there's no shortage of abuse and neglect in state-run prisons, either. CNC's Cox, a former Texas corrections official, insists there's a selfish reason his company will at least do

no worse. "We could lose contracts if we got a reputation of skimping on services," he says. "There will always be abuses in any industry, but by and large it's bad business." In any case, both CNC and Just Care say their facilities will always be open for inspection by officials from correctional agencies that have berthed prisoners there. But, as Start wonders, "is someone from Alabama going to go up periodically to that facility in South Carolina and talk to inmates and make sure the contract is being filled? I'll tell you, the answer is 'no.' They just want to pay their 50 dollars a day and wash their hands of those prisoners."

Perhaps the most worrisome aspect of this new prison-product line is simply that it adds to the swelling coterie of companies that have a vested interest in the continuing growth of the US prison population. After all, the more people there are making money off of prisoners, the more political pressure there is likely to be for laws that put more people behind bars.

There are other ways, of course, to deal with the growing number of elderly inmates. Geriatric prisoners deemed to pose minimal risk of further crimes can be released to house arrest or electronically monitored parole, which costs less than one-fifth what it does to keep them in prison. And those who are too enfeebled to be any kind of risk can simply be given compassionate release.

The Project for Older Prisoners has successfully lobbied for such release for more than 200 convicts nationwide since 1989, not one of whom has gone back to prison. "Age is the most reliable predictor of recidivism," Turley points out. According to Bureau of Justice Statistics research, the recidivism rate for prisoners over 55 is a fraction of that of younger ones. Today, however, no politician wants to take the chance of looking soft on criminals—even elderly ones. Tull Gearreald and Norman Cox are counting on that attitude—and your tax dollars—to make them rich. ■