PRIVATE EQUITY FIRMS REBRAND PRISON HEALTHCARE COMPANIES, BUT CARE ISSUES CONTINUE
KEY POINTS

- Wellpath is owned by H.I.G. Capital, and is among the largest healthcare companies serving U.S. prisons and jails.

- Wellpath continues to be mired in regulatory and reputational risk related to conditions that have endangered and harmed inmates under its care.

- Recent investigations indicate that Wellpath facilities are characterized by poor intake and screening; difficulty accessing care; and inconsistent medication management practices.

- Inadequate staffing at Wellpath facilities has contributed to concerns about access to care; psychiatric staff are given caseloads in excess of what is reasonably manageable.

- Wellpath has expanded beyond correctional healthcare, and recently began providing child psychiatric services, mental health treatment, and substance use services to the general population—including a psychiatric hospital providing care to children ages 5-13.

- Wellpath’s political activities primarily involve contributions to local sheriff campaigns, and relationship-building through existing clients and associates.

- Federal and state correctional authorities should not renew or seek new contracts with Wellpath, and should ensure that existing contract terms are enforced in full. Where options are more limited, authorities should place clear accountability measures into contracts with private correctional healthcare providers.
WELLPATH’S PRACTICES LEAVE INCARCERATED PEOPLE UNWELL

I. Introduction

Days after taking office, President Joe Biden issued an executive order directing the Department of Justice to not renew contracts with privately operated criminal detention facilities, noting that privately operated facilities “consistently underperform Federal facilities with respect to correctional services, programs, and resources.” A few years earlier, an Obama-era Justice Department official noted that private prisons “simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs; and as noted in a recent report by the Department’s Office of Inspector General, they do not maintain the same level of safety and security.”

However, privatization and its attendant harms continue in other forms and places, such as within immigration facilities. Federal and state correctional authorities also continue to privatize specific services within facilities, such as phone services, commissary, and healthcare. In 2020, there were estimated to be over 4,100 corporations profiting from mass incarceration in the U.S. In 2016, the Justice Department’s Office of Inspector General found that federal prison spending on outsourced healthcare increased 24% to $327 million between 2010 and 2014, while the overall prisons budget increased only 11%. In 2016 it was estimated that half of all state and local prisons and jails had outsourced healthcare to an industry worth more than $3 billion annually. As of 2022, correctional healthcare is estimated to be worth $9.3 billion.

In a 2020 report, Reuters estimated that over 60% of jails outsource their healthcare to private companies. The report also reviewed deaths in more than 500 jails from 2016 to 2018, and found that “those relying on one of the five leading healthcare contractors had higher death rates than facilities where medical services are run by government agencies.”

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Prison healthcare contracting can be incredibly lucrative. The Bureau of Prisons negotiates federal medical services contracts facility-by-facility basis. According to an OIG report in 2016, federal medical services contracts had reimbursement rates from 115 to 385 percent of the Medicare rate. Contracting practices vary between state departments of corrections and costs can range from $19,796 per inmate on healthcare in California to $2,173 per inmate in Louisiana.

A handful of private equity firms have invested heavily in private prison services, including two of the biggest prison healthcare providers: Wellpath (H.I.G. Capital) and YesCare (The Flacks Group, formerly BlueMountain Capital). In August 2022, the American Correctional Association’s 152nd Congress of Correction—which counts among its sponsors healthcare providers Wellpath and YesCare—including more than 120 exhibitors, as well as four days of workshops including “Outsourcing Healthcare: Various Models and Oversight.” Other private equity-backed healthcare exhibitors at the New Orleans conference included SnapNurse (Pivotal Group) and TridentCare (Silver Point Capital).

In 2019, the Private Equity Stakeholder Project, along with other organizations, sent letters to firms invested in companies that profit from incarceration and detention, and asked the firms to meet and to exit their investments in prison, jail, and detention service providers. Letter recipients included, among others, BlueMountain Capital and H.I.G. Capital, respective owners of correctional healthcare providers Corizon Health (now YesCare) and Wellpath.

This report examines Wellpath, a company that claimed more than 15,000 healthcare professionals serving over 300,000 adult and juvenile patients across the United States and Australia in 2019. The report also looks at Wellpath’s private equity owner H.I.G. Capital, and more generally examines private equity’s healthcare profiting from prisons, jails, and mass incarceration. As discussed below, Wellpath has been found by regulators and watchdogs to provide inadequate healthcare in some of its facilities and has continued to staff some facilities to levels inadequate to provide adequate care.

Despite ongoing concerns, the company has continued to make political contributions, build local connections, and sign contracts to expand its services into new areas and populations—including an unprecedented contract to provide child psychiatric care in a non-correctional hospital.
II. H.I.G.’s Dubious Track Record in Prisons and Healthcare

Wellpath was formed in 2018 from the consolidation of H.I.G. Capital-owned companies Correct Care Solutions (CCS), which H.I.G. acquired in 2018, and Correctional Medical Group Companies (CMGC), acquired by H.I.G. in 2013.27

CCS was no stranger to private equity; before H.I.G. acquired it, the company was owned by private equity firms Audax Group, Frazier Healthcare Partners and GTCR. The firms had created CCS out of their own flurry of consolidations beginning in 2012.28

California Forensic Medical Group, a CMGC company now part of Wellpath, paid out millions in settlements to families of incarcerated people who alleged negligence by the company after it was acquired by H.I.G.29 In 2018 the Project on Government Oversight reported that CCS had been sued nearly 1,400 times in federal courts over course of the decade before H.I.G. acquired the company, largely during Audax Group’s, Frazier Healthcare Partners’ and GTCR’s tenure.30

In the year before H.I.G. acquired Correct Care Solutions, the company also came under scrutiny from the U.S. Department of Homeland Security Office of Inspector General and members of Congress for poor conditions at an immigration facility where it provided healthcare in Adelanto, California. The inspector general’s report raised concerns about “untimely and inadequate medical care” and 80 detainee medical care grievances filed between November 2017 to April 2018. At another facility in Texas, the U.S. Justice Department found CCS failed to meet federal staffing standards more than 90 percent of the time.31

In addition to the healthcare provider, H.I.G. Capital also owns TKC Holdings, which provides food, commissary, and telecom services to jails, prisons, and immigrant detention centers.32 The company was formed by combining Trinity Services Group, which H.I.G. acquired in 2012, and the Keefe Group, acquired in 2016. Before that, H.I.G. helped make Securus Technologies one of the largest correctional telecommunications companies in the U.S., before selling the company in 2011.33

H.I.G. Capital has itself been named as a defendant in lawsuits related to its portfolio companies. For example, the Massachusetts Attorney General sued H.I.G. Capital alleging the firm knew about fraudulent Medicaid claims submitted to the state by a company that H.I.G. owned and controlled. The company, a subsidiary of H.I.G.’s behavioral health provider Community Intervention Services (CIS), paid $4 million to settle the False Claims Act violations in 2018.34 CIS declared bankruptcy in January 2021.35 In October 2021, H.I.G. Capital paid a $19.95 million settlement but admitted no wrongdoing.36

H.I.G. was also named a defendant for its alleged role in the fraudulent activity of its portfolio Surgery Partners Inc., which paid $41 million in 2020 to settle U.S. Justice Department allegations that the company defrauded federal health programs through claims for medically
unnecessary urine drug testing services. After the settlement, the case against H.I.G. continued before an appellate court affirmed its dismissal on procedural grounds in 2022. Until recently, private equity owners of healthcare companies were rarely implicated in False Claims Act actions.

Despite fraud allegations, CIS’s bankruptcy, and thousands of lawsuits involving its portfolio companies, H.I.G. Capital remains active in acquiring healthcare providers. In late 2020, the firm acquired a leading provider of hospice services, and partnered to create a new digestive health investment platform.

Private Equity Stakeholder Project has continued to track H.I.G. Capital’s repeated problems with regulatory and reputational risk across multiple portfolio companies, including Wellpath. In 2020, PESP reached out to H.I.G. to ask the firm to take steps to mitigate the harmful impacts of its prison and detention businesses in light of the COVID-19 pandemic; and later that year examined data on outbreaks and resident deaths at ten Wellpath-managed facilities across the country.

Recently, Wellpath came under scrutiny from the U.S. Department of Justice, which in 2021 published an investigation of California’s San Luis Obispo County Jail and found reasonable cause to believe that the jail failed to provide constitutionally adequate medical and mental health care, and denies prisoners with mental health disabilities access to services, programs, and activities. Justice Department investigators were accompanied by medical and mental healthcare consultants for visits to the jail in January 2019 and August 2019. The county health agency provided and mental health services to the jail until Wellpath began providing services in February 2019. The report includes comparisons of before and after Wellpath began providing the jail’s healthcare services.

In early 2022, the Disability Law Center in Massachusetts investigated a Wellpath-serviced state hospital, and published a report identifying concerns including illegal chemical and physical restraint practices, limitations on medical care, and a lack of programming for people who have intellectual and/or developmental disabilities. In July 2022, Moody’s downgraded Wellpath’s corporate family rating to B3 from B2 because of persistent labor issues as well as an increase in pharmacy supply costs.
III. YesCare/Corizon Health — BlueMountain Capital Management, Flacks Group

One of Wellpath’s largest competitors is YesCare, which was known as Corizon Health until the company rebranded in May 2022. YesCare/Corizon was previously owned by private equity firm BlueMountain Capital Management until its 2020 acquisition by the Flacks Group. According to a press release at the time of its acquisition, YesCare/Corizon provided primary medical services, behavioral health, dental care, and pharmacy services to 149 facilities in 16 states, employing more than 5,000 people and generating approximately $800 million in annual revenue. Gerard Boyle, the Wellpath founder who pleaded guilty of bribery in 2021, started his correctional healthcare career at a company that would eventually rebrand as Corizon Health.

Flacks Group, which owns YesCare, is an investment firm with more than 20 real estate investments in the U.S. and Europe. The firm also makes corporate investments including pharmacy services, beauty products, and fossil fuel pump manufacturers.

In the five years leading up to April 2020, YesCare/Corizon paid at least $16 million in fines, penalties, or lost revenue due to inadequate staffing levels and failures to improve patient healthcare around the country. At one facility in Arizona, a judge-appointed expert observed that “recruitment and retention are an ongoing issue, resulting in staff being stretched too thin to provide coverage.” At the same facility, staff described the situation in an email to management with the subject line, “IN NEED OF HELP!!”

By late 2021, YesCare/Corizon had faced more than 1,000 lawsuits across the country alleging substandard care in jails and prisons and paid out millions of dollars to settle wrongful death lawsuits. Together with the Wellpath examples described above, YesCare/Corizon’s performances demonstrate the risks to life and health in correctional healthcare, particularly where it is contracted out to private-equity-backed providers.
IV. Wellpath’s inadequate screening practices during inmate intake

Concerns at Wellpath facilities have arisen as early as intake into a facility when inmate screening occurs. At one Wellpath facility in California, the U.S. Justice Department observed that incarcerated persons were “routinely” examined beyond 14 days of admission—“or not at all”—in violation of facility policy. Additionally, the report stated that “[p]ost-intake mental health assessments are also inadequate, and sometimes occur after significant delay.”

The findings were part of an investigation announced in November 2018, which San Luis Obispo County officials said was not focused “on any single event, but rather on the delivery of medical and mental health services.” The report contained findings on healthcare, use of force, and other topics at San Luis Obispo Jail, where Wellpath started providing services in February 2019.

Inmates who are screened may still not receive appropriate follow-up for medical conditions. The Justice Department report observed that “[w]hen nursing staff learn through initial screenings that prisoners have chronic diseases or are actively withdrawing from drugs, the Jail does not provide prompt evaluation and diagnosis by a medical provider.”

Similar concerns are seen at other Wellpath facilities. In March 2022, the Louisville Metro Corrections director announced his retirement after two no confidence votes related to seven suicide and drug overdose deaths within six months at Louisville’s jail.
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After an eighth death, Kentucky ACLU’s interim president said there was need for a “thorough review” of Wellpath, which was contracted to provide healthcare at the jail. “There is clear indication something is wrong with their screening process,” she stated. “We have to, as a community, investigate and hold Wellpath responsible for the care they are providing for people in custody.”

In additional types of care, the Justice Department found that the San Luis Obispo jail also “failed to provide a medical screening system that ensures adequate diagnosis and treatment of serious medical conditions and continuity of care,” including for serious medical conditions like HIV and hypertension, and care for pregnant women.

In other counties where Wellpath provides services, officials have noted the cost-saving effects from not transferring inmates outside the jail. In Isabella County, Michigan, the Sheriff wrote in a memo to the finance department, “Wellpath has been successful in keeping the emergency room and other medical visits to a minimum.” Included with the memo are documents suggesting that in this county, Wellpath attempts to achieve fewer offsite visits by providing more on-site nurse, doctor, and mental health hours than its competing bidders.

In a proposal to Fort Bend County, Texas, Wellpath includes a section in their budget proposal dedicated to the assumption that their model will decrease off-site costs. The proposed 2020 budget assumes that off-site costs will fall by more than a quarter percent to pre-2017 levels.

In April 2022, an agreement was announced for Wellpath to provide healthcare at the jail in Muscogee County, Georgia. Working with Wellpath “will cut our medical cost of us going outside and we can have those services provided here on the inside,” said the county sheriff. “Over the next five years it’s going to cut outside medical cost.”
V. Difficulty accessing care at Wellpath facilities

Beyond intake an early screening, persons served by Wellpath have faced additional difficulties accessing care. In San Luis Obispo County, the Justice Department observed “Neither of the Jail’s two channels for prisoners to notify staff about medical concerns—medical request forms and healthcare grievances—function properly.”

In reviewing medical request forms, “medical staff frequently overlook prisoners’ concerns, fail to provide prompt care, or fail to provide care at all.” Inmates at the facility have encountered obstacles when attempting to raise concerns: “the Jail routinely fails to give prisoners grievance forms, or provide them timely, even after repeated requests.” For the grievances that were completed, “a significant proportion raise medical issues, including missed or unfilled medications, failure to provide follow-up care, and inability to access care through the sick call slip process.”

At the San Luis Obispo facility, a Wellpath administrator used a meme while presenting on the grievance process, which read, “Stop whining and find something to do.” The report authors noted, “Wellpath and its staff appear not to take seriously prisoner grievances or the grievance process as a mechanism for prisoners to raise legitimate medical concerns.”

The Justice Department also identified failures to provide adequate specialty care, ancillary services, and follow-up treatment and care. Specialty care appointments, laboratory draws, and other tests “are frequently ‘rescheduled’ for no discernable or documented reason, resulting in very long delays or the failure to perform tests or deliver follow-up care entirely.” The report also noted, “Wellpath also refuses treatment for chronic conditions when prisoners are purportedly to be released soon, even though many of them have release dates weeks or months away or requested treatment months earlier.”

Medical records from a 2021 lawsuit describe the facility medical charges policy for one Texas facility where Wellpath provides services. The facility charges a $10 health service fee for a nurse sick call; $15 for referrals to a physician or dentist; and each prescription includes a $3 charge. Facility inmates are still charged $10 if they choose not to be seen after submitting a sick call.
VI. Wellpath’s inconsistent and harmful medication practices

Wellpath facilities have also been accused of medication mismanagement. In January 2022, the Disability Law Center in Massachusetts issued a report on Bridgewater State Hospital, where it has conducted oversight for almost eight years, finding “Wellpath is now subjecting [persons served] to all forms of restraint and seclusion in unsanctioned circumstances, particularly the use of manual holds, seclusion, and chemical restraint.”

The DLC report also describes a “culture of intimidation” at the facility. One individual reported that Wellpath staff would “supply the disturbance”—through offensive comments or by instigating conflict—in order to justify the use of chemical restraints.

In July, Disability Law Center published a follow-up report on Bridgewater, identifying involuntary medication administration absent emergencies and a “significant number of [emergency treatment orders] administered for reasons that do not comply” with state law.” “Wellpath continues to use vague terms, which often lack any reference to harm whatsoever” to justify restraints and seclusion. In May 2022 at Norfolk City Jail in Virginia, a Wellpath psychiatrist resigned citing disagreements over issues at the jail, including what he perceived to be overmedication of people incarcerated at the facility.

In San Luis Obispo, the Justice Department reported “systematic problems with medication management” which were “extremely dangerous to prisoners whose health is threatened by serious medical conditions, and—as noted with respect to patients with HIV infections—increases the risk of developing medication resistance.” Medication mismanagement at the jail included delayed medication or not provided at all; wrong dosages or ineffective combinations of medications; and psychiatric staff mismanagement.

The Justice Department report included specific examples. In March 2019, one San Luis Obispo inmate was transferred to a county psychiatric facility. When she was transferred back to the jail in April, mental health staff did not continue her on medication she was taking at the psychiatric facility. A week later, mental health staff noted signs of mental health deterioration. Another inmate sent to the psychiatric facility in March 2019 had to wait eight days to speak with a psychiatrist after returning to the jail, and another five days to receive prescribed psychotropic medications. A clinician noted that during this time, the inmate “articulated apparent delusions.”

In August 2019, a “psych tech” at the jail administered “a high one-time dosage of an anti-psychotic that could have caused an overdose.” According to the report, despite exhibiting signs of overdose, there is no indication the man was physically evaluated, and a psychiatric nurse practitioner did not evaluate him until a week after the high dosage of medication.

In another example from an Iowa jail, in 2021 Wellpath was sued for allegedly refusing to administer prescribed mental health medication. In one such case, Wellpath agreed in a settlement to finally provide prescribed mental health medication to an incarcerated man.
VII. Wellpath’s inadequate staffing and oversight

Inadequate staffing is one contributing factor to Wellpath’s issues in providing care. “Wellpath fails to provide adequate staffing to prevent delays in medical care that place prisoners at substantial risk of serious harm,” observed the Justice Department in San Luis Obispo’s jail.  

The investigators noted inconsistencies in reported hours, for example a nurse practitioner who reported an average of 18.7 and 13.4 hours per calendar day in July and August 2019. In an interview, the nurse said she had worked about 50 hours per week during this time, substantially less than reported. “No matter the actual number of service hours, as illustrated above and below,” the Justice Department wrote, “existing staffing appears inadequate to ensure timely access to various types of care.”

In San Luis Obispo’s jail, “[t]he onsite Health Services Administrator told us that she assigned the psychiatrist 50% more patients per day than the psychiatrist felt comfortable seeing.” Additionally, “[t]he psychiatric nurse practitioner said that previously she sometimes had as many as 30 patients on her list per day even though she could only see between 10 and 12.”

In May 2022, a Wellpath-contracted psychiatrist resigned after six months after disagreements with the Norfolk Sheriff’s Office in Virginia, including over the number of inmates he examined each week, according to a report by The Virginian-Pilot. The psychiatrist stated that he was asked to see a minimum of 50 inmates per week in the nine hours he was contracted to
In April 2022, one recently unionized Wellpath worker at a pretrial facility in Bakersfield, California, said in a press release “We are overworked and not compensated fairly.” The mental health technician continued, “The understaffing does not allow for my coworkers and I to take off to care for our mental health.”

work: an average less than 11 minutes per appointment. In emails reviewed by The Pilot, psychiatrist’s Wellpath supervisor informed him that the request was based on the schedule of the jail’s previous psychiatrist, who saw 50 to 60 patients per week.91

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In Sonoma County, California, the National Union of Healthcare Workers sent a letter to county officials in April, outlining a number of issues related to understaffing at the county jail. At the time, nurses estimated 300 cases that had gone more than 14 days without being addressed by a healthcare professional. And despite Wellpath’s recent contract renewal with the county, only 59% of registered nurse hours that Wellpath was contracted to fill were staffed from the end of 2021 to March 2022. Nurses reported working shifts alone, despite requirements that Wellpath have six nurses in the jail per day shift.94

At the Louisville jail in Kentucky, where at least 8 people died by suicide at from 2008 to 2019, two incident reports from early February 2022 indicate there was no mental health staff on site. “After 5 p.m., there is nobody. On the weekends, there is nobody,” said the head of the jails’ staff union.95

The actions of jail staff can sometimes highlight the need for medical staff. Recently in North Carolina, a grand jury indicted a Wellpath nurse for involuntary manslaughter at a facility where the company provides care.96 The grand jury declined to indict five detention officers for the death of the man, who died while they restrained him in a prone position. An attorney for the nurse stated that the “only time” she touched him “was to take his vitals and perform CPR”.97
VIII. COVID-19 response from Wellpath and H.I.G. Capital

In July 2020, PESP discussed COVID-19 outbreaks reported at 10 facilities where Wellpath provides care, including facilities in Massachusetts, Kentucky, California, and others. At one facility in Arkansas, nurses described understaffing issues that could leave Wellpath prison infirmaries hundreds of sick calls behind.

*The Financial Times* reported that a court-ordered inspection in Shelby County, Tennessee, “concluded that ‘the Wellpath Covid-19 response plan is inadequate to protect … vulnerable inmates.’” The investigation also noted that Wellpath employs a ‘non-test’ strategy for managing COVID-19 at the jail.

In April 2020, PESP joined partner organizations in asking that private equity firms invested in prison and detention service companies to halt those companies’ predatory practices during the COVID-19 pandemic. As part of that effort, a letter was sent to H.I.G. Capital regarding Wellpath and TKC Holdings.

In a response letter, H.I.G. objected to accusations that it engaged in “predatory behavior” or using the pandemic “as an opportunity to further exploit incarcerated people”—saying that these descriptions were “insulting and couldn’t be further from the truth.” A response letter was sent to H.I.G. highlighting COVID-19 cases impacting incarcerated persons and staff in Florida, Massachusetts, New Jersey, Michigan, and Louisiana. The response also noted understaffing issues at Wellpath facilities, and additional concerns over correctional service provider TKC Holdings, an H.I.G. portfolio company.

In 2021 in Polk County, Iowa, a Wellpath social worker agreed to a $65,000 settlement after being fired in the pandemic’s early months, allegedly for criticizing how the facility handled COVID-19 restrictions, characterizing the protocols as “a clusterf---” and alleging that inmates with mental illness were being poorly treated. According to county data released two days after her firing in May 2020, at least 89 inmates and nine staffers at Polk County Jail had tested positive for the virus.
IX. Wellpath’s expansion beyond correctional settings

Despite concerns surrounding Wellpath’s healthcare services in correctional settings, the company has expanded into additional settings. In May 2022, the New Hampshire Executive Council approved a two-year, $52 million no-bid contract with Wellpath to provide psychiatric care for children at Hampstead Hospital. Calls on the government body to seriously reconsider the Wellpath proposal came from five organizations, including Disability Rights Center-NH, New Futures, NAMI New Hampshire, New Hampshire Legal Assistance, and Waypoint of New Hampshire.

“[W]e do not believe this company is qualified to provide in-patient psychiatric care to children experiencing mental health crises,” the letter read, “Other than juvenile detention centers, we have been unable to locate any inpatient psychiatric treatment facilities serving children that are operated by the company.” Wellpath was one of four companies to submit bids to provide behavioral healthcare at the hospital, and scored second to Dartmouth Health.

In support of the proposal, a New Hampshire Health and Human Services Associate Commissioner expressed reassurance by Wellpath’s prior work at the Alaska Psychiatric Institute, for a period of 18 months from February 2019 to August 2020. The facility has 61 beds, 10 of which are in the adolescent unit. The Alaska facility treats children ages 13-18, whereas New Hampshire’s Hampstead hospital cares for children ages 5-17.

Alaska hired Wellpath in February 2019 to overcome hospital dysfunction including threatened loss of federal funding sources. In April, the state announced its intent to end the 5-year contract by December 2019. According to the state health commissioner, “There’s so many questions and skepticism surrounding this contract, it’s important for us to resolve those questions, that our process aligns with our intentions.” Wellpath’s Alaska contract would eventually end in August 2020. According to health department spokesperson at the time, Wellpath helped “stabilize” the facility, and “the need for ... services decreased.”

Wellpath’s New Hampshire children’s hospital proposal was also reviewed by the state attorney general’s office, which concluded that “Wellpath does not appear to have an unusual amount of litigation or pose any substantial risk of inadequate care.” The review was based on data from the last five years, provided by Wellpath from psychiatric hospitals where it provides services, as well as online database searches relating to the same facilities.

Wellpath has also recently opened clinics serving the general public, which are dedicated to treating opioid addiction and other substance use disorders. In April 2021, Wellpath opened a treatment center in Winston-Salem, North Carolina, providing in-person and telehealth services. In May 2022 the company announced a second North Carolina clinic providing in-person and telehealth addiction recovery services to members of the public. The following month, Wellpath announced a clinic in Newport News, Virginia, where medication assisted treatment and addiction counseling are available to formerly incarcerated persons as well as the general public.
X. Wellpath’s expansion into new locations

Continuity between Wellpath and its predecessor companies can sometimes be seen in the career trajectories of company executives and associates. Wellpath’s CEO, Jorge Dominicis, who has led the company since its formation in 2018, also led controversial Correct Care Solutions from 2014, and was previously a GEO Group executive. When Dominicis became CEO of CCS, his predecessor Gerard Boyle became executive chairman, and served on Wellpath’s board until 2019—the same year he was indicted on federal bribery charges.

Boyle was chief executive of CCS until becoming executive chairman in 2014. After the company’s acquisition, Boyle served on Wellpath’s board until 2019. He started his career as a prison guard and by the early 1990s had become superintendent of Bridgewater State Hospital, the Massachusetts facility recently examined by Disability Law Center. Boyle later led Prison Health Services, which became part of Corizon Health, among the largest private healthcare providers in U.S. correctional facilities. (Corizon is now known as YesCare.)

In another example from October 2021, Grand Prairie Healthcare Services—in partnership with Wellpath—entered a $590 million contract to provide healthcare to Michigan’s county jails. Grand Prairie is owned by Dr. Deann Rieger, who is the former chief medical officer for Correct Care Solutions (one of the companies that was merged into what is now Wellpath). According to Rieger, Grand Prairie will be the sole medical provider for the state’s 10,000 county inmates, and Wellpath will provide nonclinical support such as human resources, finances, and legal services.

A public information officer for the Michigan Department of Corrections stated that the Grand Prairie contract scored highest in a review of proposals, based on experience in crisis intervention, providing weekend and night shift care for prisoners, and its medication practices that could lower pharmacy spending. According to a Wellpath executive, the agreement would save the state up to 20% compared to the previous correctional care provider, Corizon.

Other recent contracts with Wellpath have come from facilities ending previous contracts. For example, in February 2022, Alachua County, Florida, began a $20 million contract with Wellpath to provide services in the county jail through 2025, replacing Corizon health. In April 2022, 1,400 inmates in Delaware County, Pennsylvania were transferred from GEO Group to county responsibility, with Wellpath providing health services for the county. In July 2022, Sherburne County, Minnesota, approved an agreement with Wellpath to take effect in September, replacing Minnesota-based MEnD Correctional Care.

Other facilities have contracted with Wellpath after difficulty finding an alternative. After two years unable to find bidders to provide healthcare at the county jail, in October 2021 the St. Joseph County Council in Indiana entered a three-year, $2.9 million annual contract with Wellpath. The Wellpath contract will annually cost the county about $300,000 more than it paid on its own staff in 2021. In June 2022, Ventura County, California, approved a five-year agreement with Wellpath, with NaphCare being the only other company to submit a proposal to the county.
XI. Wellpath’s political activities

Wellpath makes political donations through Wellpath PAC, known as Correct Care PAC until 2019. The political action committee’s largest contributions were in 2015 and 2016, when it contributed $5,000 to Jeb Bush’s Right to Rise PAC and to the Republican Party of Kentucky. According to the FEC’s online disbursements data, Correct Care/Wellpath PAC has made more than 100 disbursements since 2015, including vendor fees, contributions to other PACs, and contributions to political candidates for legislative, judicial, and executive positions at state and local levels.142

i. Virginia — Bribery and corruption

In another large donation during the 2015-16 election cycle, Correct Care PAC donated to $4,000 to Bob McCabe for Sheriff in Norfolk, Virginia.143 In October 2019, Wellpath founder Gerard Boyle was indicted on federal bribery charges, along with McCabe.144 Additionally, in a 2020 news report, associates commented that his local ties and position as board chairman helped Wellpath win contracts with Massachusetts state and county jails, as well as with Bridgewater. Sheriff McCabe had also been a reference while the company was seeking business in Massachusetts: “As a client, I feel valued and this sets CCS apart from your competitors,” McCabe wrote in a proposal document.145

In 2021, Boyle pleaded guilty for engaging in the 13-year bribery scheme, which he had started at Correct Care Solutions (CCS) before the company was consolidated into Wellpath.146 According to allegations, from 2004 to 2016, Boyle provided Sheriff Robert McCabe with cash, travel, a loan, entertainment, gift cards, personal cards, and campaign contributions, in exchange for official actions that favored Boyle’s company, including contract extensions and renewals worth approximately $3.2 million per year, as well as inside bidding information.147
ii. New Orleans

In the 2021-22 election cycle, Wellpath PAC has donated $2,000 to the Committee to Re-Elect LaToya Cantrell. Cantrell is currently mayor of New Orleans, and was a non-voting member of a selection committee that in April 2022 selected Wellpath’s $104 million proposal to provide healthcare at the city jail in New Orleans. The contract renewal faced opposition from Orleans Public Defenders, Orleans Parish Prison Reform Coalition, and a group of more than 100 doctors and medical students.

The newly elected Orleans Parish Sheriff won on a platform that included removing Wellpath from the jail. “Tear up the contract with the jail’s healthcare provider, Wellpath, LLC, an organization that is the subject of long-standing criticism and dozens of public and private lawsuits in multiple states, including Louisiana, for charges of neglect, health violations and religious discrimination, and instead partner with public health organizations to provide medical care.”

The city committee voted unanimously to begin negotiating a new contract with Wellpath. “This is their business. They are a correctional medical company,” said the deputy director of New Orleans EMS, one of the committee members. He continued, “LSU, this is part of their portfolio. Wellpath, this is their portfolio.” The committee member did note the criticisms, “We have heard from the public not too many positive things about Wellpath, around the services that they provide and just the general feeling of where they are now in the jail.”

Criticisms of Wellpath in New Orleans go back to at least 2019. “We don’t really have faith that this group knows how to properly care for people in jail,” said the executive director of the Orleans Parish Prison Reform Coalition. “There should have been more effort from the city of New Orleans to look for different health care providers and I’ll even say to look for a local provider,” she said at the time. “We outsource many services in New Orleans to people who are out of town, when we could look in town and see what we have and actually work with people who are connected to the community.”

The company was chosen over rival bidder LSU Health, a division of the state university focused on health sciences. The local university was the only other entity to meet the December proposal deadline. A supervising attorney for the Orleans Public Defenders commented, “I understand that LSU’s proposals may have its flaws, but Wellpath has proven of the course of the last decade that they cannot provide adequate care.”

Wellpath was a sponsor for the recent 152nd Congress of Corrections, which took place in New Orleans in early August 2022. According to the Prison Policy Initiative, Louisiana “locks up a higher percentage of its people than any democracy on earth.”
iii. Texas

In 2015-16, Correct Care PAC gave $1,000 on the Gary Cutler Campaign Fund, for sheriff of Hays County, Texas. In July 2019, Hays County began contracting with Wellpath to provide the county juvenile detention center with a licensed vocational nurse, a registered nurse, and a physician. In April 2022, the county approved a new and expanded contract with Wellpath for medical services at its jail and the juvenile detention center. Under the contract, Wellpath provides intake screenings, health assessments, dental care, on-site emergency visits, on-site blood draw procedures, as well as telehealth services and outpatient services as needed.

In other parts of Texas, Correct Care made numerous donations to sheriff races. In 2015-16, Correct Care PAC gave $500 to Sheriff Johnny Brown in Ellis County, Texas. Online job listings indicate that Wellpath is responsible for licensed vocational nurses at Wayne McCollum Detention Center in Ellis County.

In 2015-16, Correct Care PAC gave $1,000 to Rand Henderson for Sheriff in Montgomery County, Texas. In 2019-20, Wellpath PAC gave $3,500 to the Rand Henderson campaign. Henderson’s campaign has also received $1,050 from Wellpath PAC during the 2021-22 cycle. Wellpath provides behavioral health services at Montgomery County Mental Health Treatment Facility.

Texas Congressmembers John Culberson and Henry Cuellar were the only candidates to receive contributions from Correct Care PAC in 2017-18. Otherwise, in this election cycle records indicate that the PAC spent funds on itself, to go towards various luncheons, receptions, and six golf tournaments.

In 2019-20, Wellpath PAC spent $1,000 on Friends of Trever Nehls, candidate for sheriff of Fort Bend County, Texas. In 2016, Correct Care PAC spent $600 on Trevor’s brother Troy Nehls. Troy Nehls served as sheriff in Fort Bend County before winning the 2020 election to represent Texas’s 22nd Congressional District. In his first month in office, Troy objected to the 2020 electoral college count. In January 2022, he entered an entire episode transcript of The Joe Rogan Experience into the Congressional Record. Fort Bend County entered an agreement with Correct Care Solutions in 2017, and Wellpath provides services at Fort Bend County Jail.
iv. Georgia

In 2015-16, Correct Care PAC contributed $4,000 to four sheriff races in Georgia, including $1,500 for Jeffrey Mann the race in DeKalb County. Correct Care and Wellpath have provided services to DeKalb County for more than a decade at about $9 million a year. Before the company became part of Wellpath, Correct Care Solutions was hired in the county by Thomas Brown, who was county sheriff from 2001 to 2014.

In 2021, DeKalb County Detention Center came under scrutiny when correctional officers placed responsibility of an inmate’s death on Wellpath staff. The day before the man died, officers claim they alerted medical staff two times that the man was experiencing intense hernia pain and could barely walk. “I feel like it could have been reported,” said an officer who reported the man’s pain to a nurse. “But I don’t think medical perceived it as being serious.”

Former DeKalb County Sheriff Brown has also worked as a consultant with Wellpath, and helped introduce the company to sheriff’s offices in other Georgia counties, including Cobb, Cherokee counties. Brown has introduced the company to the sheriff’s office in Rockdale County, where Correct Care PAC contributed $500 to the sheriff’s race in the 2015-16 election cycle.

Elsewhere in Georgia, in the 2019-20 election cycle Wellpath PAC spent $600 on a golf outing for Ira Edwards for Sheriff’s campaign committee, in Athens-Clarke County, Georgia. One local publication noted that Edwards’ campaign also received also support from correctional contractors Securus Technologies, Global Tel Link, and Apps Auburn.

In the 2021-22 election cycle, Wellpath PAC has given $2,500 to Patrick Labat for Sheriff, in Fulton County, Georgia. The county terminated its contract with Correct Care Solutions after five people died in a span of 75 days in 2017. In 2018, Fulton County signed a contract with private healthcare provider NaphCare. The county signed a new contract with NaphCare in 2022.

In November 2021, Wellpath entered an agreement with Cobb County, Georgia—one of the counties introduced to Wellpath by former DeKalb County Sheriff Brown—to provide 24-hour mental health services for detainees at the county jail, including an onsite psychiatrist during the day, and psychiatric nurses and licensed practical nurses to provide 24-hour coverage. Wellpath started providing services at the jail in 2020. “Our jails across this country have become surrogate psychiatric hospitals. The needs are absolutely immense,” said Wellpath’s vice president of mental health services.

In January 2022, Wellpath announced a new partnership with Lowndes County, Georgia. The one-year agreement includes comprehensive medical, enhanced mental health, and dental services, as well as implementation of an electronic medical record system at the jail.
According to the Wellpath website, the Georgia Department of Corrections “has announced its intention to award the Healthcare Comprehensive Contract for GA DOC locations to Wellpath.” An included map indicates that GA DOC has facilities in the counties where Wellpath contributed, including DeKalb, Athens-Clarke, Fulton, and Rockdale counties.\(^{187}\)

v. Other states

In addition to contributions mentioned above, in 2021-22 Wellpath PAC has contributed $420 to the races for sheriff in Cayuga County, New York; Monmouth County, New Jersey; and Chesapeake County, Virginia; Wellpath PAC has also donated to races for county executive in Westchester County, New York; and for the South Carolina governor’s re-election campaign.\(^{188}\)

Wellpath PAC has also contributed to Craig Greenberg for Mayor of Louisville, Kentucky. In March 2022, the Louisville Metro Corrections director announced his retirement after two no confidence votes related to 7 suicide and drug overdose deaths within six months at Louisville’s jail, where Wellpath provides services.\(^{189}\)
XII. Recommendations for federal authorities, H.I.G. Capital, state and local decisionmakers, and prison authorities.

In 2016 when the Obama Administration made the decision to phase out the federal use of private prisons, it was noted that private prisons “simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs; and … they do not maintain the same level of safety and security.” The same concerns apply to private prison services.

In order to ensure safety and security in prisons, the federal government should end contracts with prison service contractors, such as Wellpath and YesCare. Reuters reviewed deaths in more than 500 jails from 2016 to 2018, and found that “those relying on one of the five leading healthcare contractors had higher death rates than facilities where medical services are run by government agencies.”

We also renew an earlier call for H.I.G. to exit its investments in Wellpath, TKC Holdings, and all investments in incarceration and detention service providers. Investments in companies profiting from incarceration and detention of people only exacerbate existing problems, fueling the expansion and concentration of companies that provide often subpar services at high costs, draining money from low-income and minority communities.

H.I.G. Capital’s limited partners, many of which are public retirement systems, should also consider limiting future investment with the private equity firm. H.I.G. remains active in prison services, and in acquiring healthcare providers, despite fraud allegations, a bankruptcy, and thousands of lawsuits involving its portfolio companies. This creates regulatory, legal, and reputational risk for H.I.G.’s limited partners.

State and local officials who negotiate contracts with prison healthcare providers should place accountability measures on servicers it contracts with. For example, in June 2022, Ventura County, California, approved a five-year agreement with Wellpath in which the company must pay penalties if it does not meet standards for patient care spelled out in the contract. Per the agreement, Wellpath must pay the county $1,500 every time a patient showing symptoms is not evaluated by a mental health professional within 24 hours of arrival at a jail. Wellpath must also pay a $25,000 if the county jails are not accredited to national commission standards within an 18-month timeframe.

Prison and jail authorities should monitor Wellpath providers to ensure the company meets contractual obligations. Additionally, the company and its staff should be trained on and utilize all appropriate tools that are available. For example, in San Luis Obispo Jail, “Wellpath’s medical record system has the capability to create alerts for prisoners who have a risk of suicide,” but “Wellpath does not consistently create these medical alerts for prisoners placed in safety cells due to suicidal behavior,” creating risk for facility staff and incarcerated persons.

When prisons, jails, and detention centers contract out healthcare services, those services become less accountable to democratic concerns and demands from residents, incarcerated people, families, and communities. Private equity’s ownership of prison service providers only amplifies these concerns. Authorities, incarcerated people, and other stakeholders must scrutinize private equity-owned healthcare providers in jails, and work to mitigate harms caused by these companies.
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