



CRIMINAL JUSTICE + POLICING

Fight erupts over plan to stop outsourcing prison health care in Virginia

\$90 million contract at center of lobbying blitz

BY: **NED OLIVER** - NOVEMBER 18, 2021 12:02 AM



📷 A picture of the assisted living ward at Deerfield Correctional Center that the Virginia Department of Corrections shared with lawmakers in 2019. The prison, which houses some of the state's most medically fragile inmates, has seen a major COVID-19 outbreak. (Virginia Department of Corrections)

When the head of Virginia's prison system announced to staff members this summer that he planned to end the practice of outsourcing medical care to a private contractor, [his memo](#) to employees suggested the decision was final.

Armor Health, the Florida-based company that suddenly faced the prospect of losing its \$90-million contract to staff prisons with doctors and nurses, had other ideas.

Records show the company embarked on a monthslong campaign to override Department of Corrections Director Harold Clarke, at times flaunting the sway the company believes it holds with lawmakers.

“(Armor CEO Otto Campo) does not believe this battle is over by any stretch!” wrote Matthew Berg, an executive with the company, in an email last month to a DOC official. The email informed the department that Armor had “been assured by both governor candidates that they also do not support the actions of VADOC and will proceed to intervene after the election.”

The dispute, which has raised eyebrows in Richmond, offers an unusually candid window into the intersection between politics and high-dollar government contracts.

Armor provides medical care to prisoners in about half of the state’s 40 prisons, with state-employed staff providing care in the other half. The state has traditionally turned to outsourcing to provide medical care in harder-to-staff rural institutions and those with more intensive medical needs, such as infirmaries, but as health care costs have continued to rise, [audits have suggested](#) state officials reconsider the arrangement.

Publicly, the Department of Corrections had spoken favorably of Armor, calling the relationship a “long and productive partnership” even in the memo announcing plans to end the contract. But internal DOC documents suggest the decision to de-privatize followed frustration with understaffing, escalating contract costs and years of litigation over the quality of medical care provided at Fluvanna Correctional Center for Women, which was the site of dozens of inmate deaths.



Five years later, Virginia prison still not meeting terms of court-ordered settlement over shoddy medical care

A new court appointed monitor's first review of operations at Fluvanna Correctional Center for Women suggests the state isn't close to meeting the terms of a five-year-old legal settlement over poor health care and a spate of inmate deaths . The report, filed earlier this year in a federal court case that's closing in on ...
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The department also assessed nearly \$4 million in fines against Armor last fiscal year for failing to adequately staff facilities.

“(Fluvanna) and the COVID pandemic have shown us that ultimately the state will be held responsible for the quality of inmate medical care,” a DOC committee wrote in a report recommending de-privatization. “As a result of cost-saving pressures from the private company, the state has had to step in and either take over or provide additional services at the state’s expense.”

As an example, the report cites the state’s decision to take over health care at Fluvanna and, more recently, provide COVID-19 testing at Armor-managed facilities. “In fact, we believe it would have been more efficient if we had run the facilities ourselves to start with as we faced these challenges.”

A spokeswoman for the Department of Corrections, Lisa Kinney, says the department does not anticipate the change would cost the state any additional money.

Armor, meanwhile, has argued that DOC lacks the expertise to take over inmate health care, suggesting the plans would significantly increase costs. Over the summer, the company

refused to meet with DOC officials to discuss what was intended to be a gradual transition away from Armor over one to two years. Instead, the company embarked on a lobbying campaign directed at the General Assembly, Gov. Ralph Northam's administration and the campaigns of Democrat Terry McAuliffe and Republican Glenn Youngkin.

In an August letter, Campo said the earliest he was willing to meet was in December. "As you are no doubt aware there appears to be a great deal of concern and uncertainty about the financial viability of DOC's decision to bring in-house Virginia's correctional health care," he wrote.

In September, a DOC director, Dean Ricks, wrote the company urging Campo to reconsider his refusal to meet.

"Your refusal to cooperate is making it more difficult for us to ensure that inmates are being appropriately treated," Ricks wrote. "Our goal has always been to provide constitutionally mandated health care to the inmates in our custody, but your actions are making this increasingly difficult."

The next month, DOC officials informed Armor that it was [terminating the company's contract](#), telling House and Senate budget leaders that "the relationship and correspondence with the vendor has degraded significantly." Campo fired back calling the decision reckless and "consistent with a well-documented pattern of mismanagement."

The state has already replaced Armor with another prison health care vendor, VitalCore Health Strategies, and corrections officials say the terms of the contract are nearly identical to Armor's, though they concede they agreed to pay \$500,000 in startup costs and forgo penalties for understaffing during the transition.

Armor calls it "a sweetheart deal" in a protest the company's lawyers filed with the state. The filing seeks to overturn the emergency contract, contending that it was not a proper emergency procurement because DOC created the emergency circumstances itself when it fired Armor. It also argues that there can't be an emergency because Armor is ready and available to continue working in DOC facilities.

As for the fines for understaffing, which the company announced earlier this year it would cease paying, Armor has said the pandemic made staffing more difficult, noting DOC has faced [its own staffing shortages](#).

In a statement through the company's lobbying firm, McGuireWoods, Campo argued a review comparing Armor's performance to state-managed prison infirmaries would show Armor is "the best provider."

"Armor believes this decision should not be made by an outgoing administration and has requested multiple times it be made by the incoming administration," Campo wrote. "We believe that a fair and independent analysis and review should be performed and any recommendation be reviewed accordingly."

The company has found at least one high-profile ally in Del. Luke Torian, D-Prince William, who will lose his position as House Appropriations chairman under the new GOP majority. Torian has questioned DOC's plans in two letters to Northam's administration. The most recent, sent last week, echoes Armor's calls for delay.

"I respectfully request that DOC suspend its current activities regarding correctional health care until a comprehensive review is undertaken and provided to the General Assembly and the incoming administration," wrote Torian, who declined multiple requests for comment.

The letter came after Armor donated \$25,000 to the Virginia Legislative Black Caucus, to which Torian is the largest single donor.

Campo said in a statement there is nothing unusual about its donations to the Black Caucus or its decision to approach the gubernatorial campaigns of McAuliffe and Youngkin.

Of the donation, he said, "Armor has a long history of supporting political groups and individuals that seek efficiency and effectiveness in government."

And on the gubernatorial candidates, he reiterated that "both expressed concern about the decision DOC was attempting to make" and believes either administration "would intervene to assess this decision further."

Gov.-elect Youngkin's press office did not respond to an email seeking comment, but a spokesman for McAuliffe, Jake Rubenstein, called the company's description of the meeting in its email to DOC false. He said that the campaign was made aware of Armor's email during the campaign and approached the company's lobbyist to make clear that there was no agreement to overrule Clarke, who has served under three governors, including McAuliffe.

Rubenstein said any promise by a candidate to intervene in the issue would have been completely inappropriate.

Gov. Ralph Northam's administration has also expressed concern about the company's tactics. Secretary of Public Safety Brian Moran called the company's decision to involve the two gubernatorial campaigns distressing.

"The provision of adequate health care for our inmates should not be politicized," he said. "From our point of view, this is about inmate health care – quality and affordable health care."

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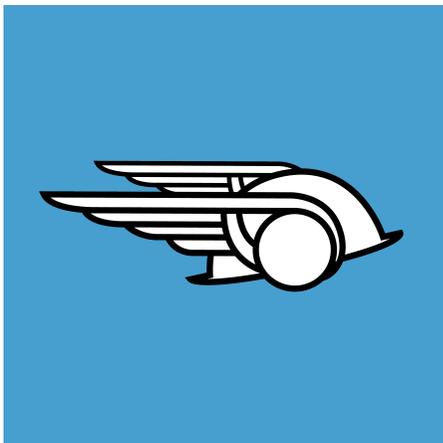
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GOVERNMENT + POLITICS

HOUSING, WORKING & BUSINESS

Lobbyists load Va. lawmakers onto private jet to kick off push to loosen slots laws

BY: NED OLIVER - JULY 22, 2021 12:10 PM



📷 Skill games in a Richmond corner store. The games popped up in gas stations, convenience stores and bars around the state before they were outlawed. (Ned Oliver/Virginia Mercury)

A coalition of gambling companies hoping to get slot machines back into Virginia convenience stores and bars kicked off its legislative push this week with a private flight for four lawmakers to Chicago.

While the plush jet raised some eyebrows – Virginia politicians have [generally eschewed gifts](#) of private air travel after scandal consumed former Gov. Bob McDonnell – organizers said it was strictly an opportunity to learn from Illinois, which [broadly legalized video gambling terminals in 2009](#).

“It was a fact-finding mission,” said Dylan Bishop, the lobbyist who organized the trip on behalf of the new Va. Video Gaming Terminal Coalition, which represents five gambling operators that have collectively given nearly a quarter million dollars to Virginia politicians in recent years, according to the Virginia Public Access Project.

In a letter to other gaming lobbyists last week, Bishop framed video slots and poker as the industry’s best shot at restoring gambling terminals to businesses that were recently forced to shut down so-called skill games after they were banned by the General Assembly.

“Video Gaming Terminals or ‘VGTs’ are Class III slot machines, just like the ones on a casino floor, but they can be installed in the same locations skill games have operated,” Bishop wrote. “VGTs offer better games, more robust regulation and, most importantly, more revenue.”

Skill games function almost exactly like traditional slot machines, but to [side-step state gambling laws](#), they generally incorporated a memory game or some other non-chance-based element, which players often skipped entirely but in theory would allow someone to win their money back on every hand based on skill alone.

The gambit worked for a time. After initially pursuing a ban, the General Assembly and Gov. Ralph Northam allowed them to operate for one year to raise money for COVID-19 relief. But this year lawmakers rebuffed a push to allow the machines to remain indefinitely, citing concerns the terminals were siphoning away profit from the Virginia Lottery.

The fight played out as the state legalized slots parlors operated by Colonial Downs, online sports betting and casino gaming in five cities.

Some lawmakers say they still see a role for slot machines in corner stores and restaurants, citing the \$130 million in tax revenue the skill-games raised and the additional profits they brought in for the small businesses that hosted them.

Among them is Sen. Joe Morrissey, D-Richmond, who attended the trip to Illinois with Sens. Jeremy McPike, D-Prince William, John Bell, D-Loudoun, and Del. Will Morefield, R-Tazewell.

“I have a very favorable impression of the VGT industry,” Morrissey said. And while he said he didn’t necessarily approve of the way the skill-game industry slipped through the regulatory back door, he said he did want to support the businesses that saw increased profits as a result of the machines.

“My constituents, my convenience store owners – they really don’t care whether it’s VGT or it’s skill games,” he said. “They want them in there because that’s a source of revenue for them. So I’m going to support it.”



📷 Sen. Joe Morrissey, D-Richmond. (Photo by Ned Oliver/Virginia Mercury)

Like Bishop, who organized the trip, Morrissey framed the roughly 36-hour excursion as all-business, beginning with a stop in Effingham, Ill., where J&J Ventures Gaming is headquartered. The company is the state's [most profitable video gambling operator](#), according to industry press.

Morrissey said 20 minutes after landing in a cornfield, he was in a company conference room talking to company leaders. They then spent two hours touring convenience stores that host the games.

”

If people think that it's a pleasure trip then my response is why don't you go on it and see it.

- Sen. Joe Morrissey, D-Richmond

The group then flew into Chicago, where they met with state lawmakers who work on gambling legislation. The lawmakers stayed overnight at the Hyatt Regency Chicago.

“If people were to think they went out there and visited casinos or engaged in gaming – nothing like that happened at all,” Morrissey said. “If people think that it’s a pleasure trip then my response is why don’t you go on it and see it.”

The other three lawmakers who attended did not immediately respond to a request for comment. McPike and Bell both sit on a committee tasked with studying the video gaming industry and Morefield sits on a House subcommittee devoted to gambling.

As for the private jet – a [plush, 9-seat charter](#) – both he and Bishop described it as simply the most practical way to complete the planned itinerary. And both parties say the trip was properly reported and in compliance with state ethics laws.

“I don’t care if I go out there by dirigible, airplane or Jeff Bezos’ rocket ship,” Morrissey said. “I’m not driving out there.”



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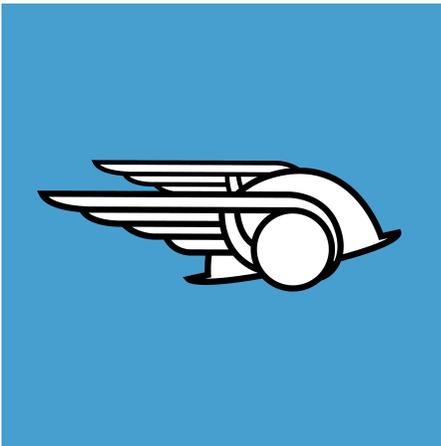
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ELECTION 2021

Wild-card Democratic senators in line to be power players of divided government

‘Imagine the U.S. Senate with more than one Joe Manchin’

BY: **NED OLIVER** - NOVEMBER 3, 2021 4:13 PM



📷 Virginia State Sen. Chap Petersen, D-Fairfax, left, gestures as he talks with Sen. Siobhan Dunning, R-Henrico, second from right, as they prepare for the reconvene session to order at the Science Museum of Virginia Wednesday April 22, 2020, in Richmond, Va. The Senate is meeting in a remote location due to COVID-19 social distancing restrictions. (AP Photo/POOL/Steve Helber)

With Republicans in Virginia suddenly one Senate seat away from total control of state

government, attention turned almost immediately Wednesday to a pair of Democratic senators with a history of siding with the GOP on key issues like education and abortion.

And on Wednesday morning, the two men, Sen. Chap Petersen, D-Fairfax City, and Sen. Joe Morrissey, D-Richmond, appeared to be delighting in a sudden surge of interest in their policy ideas and positions.

“It’s a new day,” said Morrissey, a pro-life Democrat who said Texas-style abortion legislation goes too far but declined to say what changes to Virginia law he might be inclined to support. “I am a very strong proponent of the right to life. That’s as far as I’m going to go. Folks can read into it what they want; I will carefully consider any and all legislation.”

Petersen, who joined with Morrissey and Republicans earlier this year to make school reopening a focus of the legislative session, meanwhile, continued to criticize restrictions on after school activities and mask mandates that Democrats have generally supported – a subject of many passionate floor speeches he delivered over the past year.

“Once we go back into session it will have been two years since the pandemic began,” Petersen said. “I think we’re getting to the point where we need to move on and get on with our lives.”

The comparisons to moderate Democratic holdouts in Washington, Arizona’s Sen. Kristen Sinema and West Virginia’s Joe Manchin, were instantaneous.

“If you want to know what the Virginia Senate is going to look like next year, imagine the U.S. Senate with more than one Joe Manchin,” said Stephen Farnsworth, a political scientist at the University of Mary Washington.



📷 Sen. Joe Morrissey, D-Richmond, reads an obituary of the late Lt. Gov. John Hager as he sits at his desk before the floor session in the temporary Virginia Senate chamber inside the Science Museum of Virginia in Richmond on Aug. 28, 2020. (Pool photo by Bob Brown/ Richmond Times-Dispatch)

Democrats were still holding out hope Wednesday that Republicans might not win an outright majority in the House, noting that absentee ballots were still being counted in several races where the GOP was leading by a few hundred votes. But Republicans, who appear to have flipped seven Democratic seats for a 52-48 majority, said they were confident the results would hold and busied themselves with discussion about who would serve as the next House speaker.

With Republican Glenn Youngkin in the governor's office and former GOP Del. Winsome Sears presiding over the Senate as lieutenant governor and casting tie-breaking votes, Democrats will not be able to spare a single vote in the chamber – where they hold a 21-19 advantage – if they hope to block GOP-sponsored bills.

Democratic leaders in the Senate will be aided by the fact that they will continue to retain control of key levers of power in the chamber – namely the authority to set the agenda through control of committees and daily floor calendars.

That means no Democrats will have free rein to cross caucus priorities. But there's also no guarantee leadership will be able to bottle up GOP bills if one or more Democrats breaks ranks, said Bob Holsworth, a longtime political observer in Richmond. "There are ways of

getting things out of committee,” he said. “My guess is that this isn’t going to be the easiest thing in the world.”

He called the comparisons to Sinema and Manchin “absolutely real.”

Petersen and Morrissey aren’t the only Democrats in the Senate with contrarian streaks, but they do stand out for the frequency with which they break with their party and the impassioned speeches that typically accompany their dissent. Both have also demonstrated a willingness to withhold their votes for key Democratic priorities in exchange for legislative concessions in other areas.

An [analysis](#) by the Virginia Public Access Project found that during the 2021 legislative session, Petersen sided with his caucus in just 67 percent of votes – less than any other member. His more notable dissents included opposition to legislation legalizing marijuana and budget language that have limited evictions during the pandemic.



📷 Sen. Chap Petersen, D-Fairfax City, speaks on the Senate floor last year. (Ned Oliver/Virginia Mercury)

Morrissey, who is moderate on some social issues but displayed a progressive streak in legislative areas like criminal justice reform, sided with his caucus 79 percent of the time in 2021, according to VPAP. Some of the more prominent bills he sided with Republicans on included legislation that aimed to bar the state health department from operating a sex-ed hotline for children and legislation that repealed a prohibition on certain health insurance plans covering abortion.

Every other Democrat in the chamber except for Sen. Creigh Deeds, D-Bath, whose splits with his caucus have generally come in lower-profile votes, voted with fellow Democrats 84 percent of the time or more.

Other Democrats in the chamber pushed back on the idea that the Senate wouldn't be able to withstand GOP pressure. Sen. Scott Surovell, D-Fairfax, noted that Democrats' biggest internal debates were over policies that pushed the state to the left. He predicted it would be easier to unify Democrats in the chamber against GOP proposals that would move the state to the right.

"I think in an environment where we're the last bulwark against Virginia returning to inequitable policies, I think that's a very different vote than some of these votes that are getting criticized," said Surovell, who says he's envisioning an "Alamo strategy" for the chamber.

At the same time, Petersen and Morrissey were already thinking Wednesday about areas in which they might be able to collaborate with Republicans.

On schools, Petersen said he'd heard from parents upset about mask requirements. "I talked to parents who have kids in drama programs – they still have to wear masks on stage," he said. "I guess if I was to summarize things I want to see in the next couple years – maybe we focus on a little more joy, having fun, being outside and letting kids enjoy themselves."

Petersen also voiced support for offering a bigger standard deduction on the state income tax, which he framed as a good Democratic issue because it cuts taxes for working people that also potentially aligns with Youngkin's campaign promise to [double the standard deduction](#) for individuals.

And he suggested Dominion Energy's decision to back Democrats over Republicans in the governor's race might open the door to his longtime goal of banning political donations from publicly regulated electric utilities – which in the past has been a nonstarter for a majority of members in both parties.



📷 Sen. Joe Morrissey, D-Richmond. (Photo by Ned Oliver/Virginia Mercury)

Morrissey said he sees himself as aligning with the GOP primarily on education and abortion. On the latter, he said he would walk a line between his belief that the government shouldn't tell women what to do with their bodies and his Catholic faith. (On the subject of telling women what to do with their bodies, he volunteered that he was dismayed that Democratic women had backed a bill to ban [so-called happy ending massages](#), which he said he opposed in solidarity with sex workers. "Do you see the inconsistency?")

But he said he didn't want to say too much about his abortion stance yet.

"I'm not going to give anymore away other than saying what I've already said," Morrissey said. "I'm very, very much pro-life. I have always been. From the beginning of life to the end of life. You may have noticed I was author of legislation to ban the death penalty."

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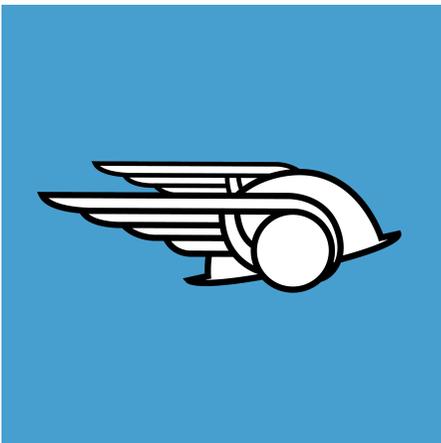
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