

RAY



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION

FIS 77 481
Wren 41

William L. Wrenn
Commissioner

PO BOX 1806
CONCORD, NH 03302-1806
603-271-5610 FAX: 603-271-5639
TDD Access: 1-800-735-2964
www.nh.gov/nhdoc

Robin H. Maddaus
Director

March 20, 2017

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301


Approved by Fiscal Committee Date

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 276:219 Laws of 2015, the New Hampshire Department of Corrections respectfully requests permission to transfer \$1,054,000 among accounts listed on the attached detailed exhibits effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2017.
100% General Funds

Transfers are to occur from and within accounts listed on the attached detailed exhibits as follows:

The remainder of this page intentionally left blank.

02-46-46-463010-7140000 NHSP/M Maintenance				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 631,035		\$ 631,035
018-500106	Overtime	\$ 16,959		\$ 16,959
019-500105	Holiday Pay	\$ 7,138		\$ 7,138
020-500200	Current Expenses	\$ 103,056		\$ 103,056
022-500255	Rents - Leases Other than State	\$ 2,952		\$ 2,952
023-500291	Heat-Electricity-Water	\$ 3,005,418	\$(301,000)	\$ 2,704,418
024-500225	Maint Other Than Build-Grn	\$ 44,779		\$ 44,779
030-500331	Equipment New/Replacement	\$ 1,732		\$ 1,732
039-500188	Telecommunications	\$ 4,977		\$ 4,977
047-500240	Own Forces Maint Build-Grn	\$ 106,034		\$ 106,034
048-500226	Contractual Maint Build-Grn	\$ 246,044		\$ 246,044
050-500109	Personal Service-Temp/Appointed	\$ 24,317		\$ 24,317
060-500602	Benefits	\$ 400,341		\$ 400,341
070-500704	In-State Travel Reimbursement	\$ 20,368		\$ 20,368
103-502664	Contracts for Operational Services	\$ 50,568		\$ 50,568
	Total	\$ 4,665,718	\$(301,000)	\$ 4,364,718
	REVENUES			
	Total General Funds	\$ 4,665,718	\$(301,000)	\$ 4,364,718

02-46-46-464010-8302000 District Offices				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 5,448,697		\$ 5,448,697
011-500126	Personal Services - Unclassified	\$ 100,099		\$ 100,099
018-500106	Overtime	\$ 666		\$ 666
019-500105	Holiday Pay	\$ 1,094		\$ 1,094
020-500200	Current Expenses	\$ 99,633		\$ 99,633
022-500255	Rents - Leases Other than State	\$ 392,391		\$ 392,391
023-500291	Heat-Electricity-Water	\$ 35,987		\$ 35,987
024-500225	Maint Other Than Build-Grn	\$ 38		\$ 38
028-500292	Transfers to General Services	\$ 17,963		\$ 17,963
030-500331	Equipment New/Replacement	\$ 40,862		\$ 40,862
039-500188	Telecommunications	\$ 124,059		\$ 124,059
047-500240	Own Forces Maint Build-Grn	\$ 1,000		\$ 1,000
048-500226	Contractual Maint Build-Grn	\$ 4,634		\$ 4,634
050-500109	Personal Service-Temp/Appointed	\$ 238,777	\$(224,000)	\$ 14,777
060-500602	Benefits	\$ 3,397,992		\$ 3,397,992
068-500565	Remuneration	\$ 1,500		\$ 1,500
070-500704	In-State Travel Reimbursement	\$ 91,110		\$ 91,110
080-500714	Out of State Travel	\$ 100		\$ 100
102-500731	Contracts for Program Services	\$ 79,193		\$ 79,193
103-502664	Contracts for Operational Services	\$ 15,526		\$ 15,526
	Total	\$10,091,321	\$(224,000)	\$ 9,867,321
	REVENUES			
	Total General Funds	\$10,091,321	\$(224,000)	\$ 9,867,321

02-46-46-465010-82340000 Medical - Dental				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 3,724,348		\$ 3,724,348
012-500128	Personal Services - Unclassified	\$ 108,024		\$ 108,024
018-500106	Overtime	\$ 67,023		\$ 67,023
019-500105	Holiday Pay	\$ 62,818		\$ 62,818
020-500200	Current Expenses	\$ 179,828		\$ 179,828
022-500255	Rents - Leases Other than State	\$ 1,524		\$ 1,524
024-500225	Maint Other Than Build-Grn	\$ 2,107		\$ 2,107
030-500331	Equipment New/Replacement	\$ 50,000		\$ 50,000
039-500188	Telecommunications	\$ 12,804		\$ 12,804
050-500109	Personal Service-Temp/Appointed	\$ 86,645		\$ 86,645
060-500602	Benefits	\$ 1,953,780		\$ 1,953,780
070-500704	In State Travel Reimbursement	\$ 5,153		\$ 5,153
101-500729	Medical Payments to Providers	\$ 5,284,201	\$ 462,000	\$ 5,746,201
103-502664	Contracts for Operational Services	\$ 2,890		\$ 2,890
	Total	\$11,541,145	\$ 462,000	\$12,003,145
	REVENUES			
	Total General Funds	\$11,541,145	\$ 462,000	\$12,003,145

02-46-46-465010-82360000 Pharmacy				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 552,238		\$ 552,238
018-500106	Overtime	\$ 32,406		\$ 32,406
019-500105	Holiday Pay	\$ 8,848		\$ 8,848
020-500200	Current Expenses	\$ 25,943		\$ 25,943
022-500255	Rents - Leases Other than State	\$ 6,354		\$ 6,354
024-500225	Maint Other Than Build-Grn	\$ 27,580		\$ 27,580
030-500331	Equipment New/Replacement	\$ 900		\$ 900
039-500188	Telecommunications	\$ 261		\$ 261
060-500602	Benefits	\$ 251,401		\$ 251,401
070-500704	In-State Travel Reimbursement	\$ 39		\$ 39
100-500726	Prescription Drug Expenses	\$ 2,486,297	\$ 592,000	\$ 3,078,297
103-502664	Contracts for Operational Services	\$ 432		\$ 432
	Total	\$ 3,392,699	\$ 592,000	\$ 3,984,699
	REVENUES			
	Total General Funds	\$ 3,392,699	\$ 592,000	\$ 3,984,699

02-46-46-466010-71110000 NHSP/W - Prison for Women				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 1,498,470		\$ 1,498,470
011-500126	Personal Services - Unclassified	\$ 93,165		\$ 93,165
018-500106	Overtime	\$ 113,118		\$ 113,118
019-500105	Holiday Pay	\$ 32,123		\$ 32,123
020-500200	Current Expenses	\$ 38,675		\$ 38,675
021-500211	Food Institutions	\$ 132,753		\$ 132,753
022-500255	Rents - Leases Other than State	\$ 270,443		\$ 270,443
023-500291	Heat-Electricity-Water	\$ 312,435	\$ (42,000)	\$ 270,435
024-500225	Maint Other Than Build-Grn	\$ 12,296		\$ 12,296
030-500331	Equipment New/Replacement	\$ 3,991		\$ 3,991
039-500188	Telecommunications	\$ 11,096		\$ 11,096
047-500240	Own Forces Maint Build-Grn	\$ 4,394		\$ 4,394
048-500226	Contractual Maint Build-Grn	\$ 7,988		\$ 7,988
050-500109	Personal Service-Temp/Appointed	\$ 61,791		\$ 61,791
060-500602	Benefits	\$ 1,038,308		\$ 1,038,308
068-500565	Remuneration	\$ 80,008		\$ 80,008
070-500704	In-State Travel Reimbursement	\$ 10,923		\$ 10,923
102-500731	Contracts for Program Services	\$ 770,500	\$(285,000)	\$ 485,500
103-502664	Contracts for Operational Services	\$ 5,959		\$ 5,959
	Total	\$ 4,498,436	\$(327,000)	\$ 4,171,436
	REVENUES			
	Total General Funds	\$ 4,498,436	\$(327,000)	\$ 4,171,436

02-46-46-468010-82500000 Berlin Prison (NCF)				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 6,466,724		\$ 6,466,724
011-500126	Personal Services - Unclassified	\$ 107,482		\$ 107,482
018-500106	Overtime	\$ 710,174		\$ 710,174
019-500105	Holiday Pay	\$ 181,366		\$ 181,366
020-500200	Current Expenses	\$ 227,168		\$ 227,168
021-500211	Food Institutions	\$ 652,140		\$ 652,140
022-500255	Rents - Leases Other than State	\$ 8,855		\$ 8,855
023-500291	Heat-Electricity-Water	\$ 1,387,409	\$(202,000)	\$ 1,185,409
024-500225	Maint Other Than Build-Grn	\$ 21,717		\$ 21,717
030-500331	Equipment New/Replacement	\$ 94,812		\$ 94,812
039-500188	Telecommunications	\$ 58,424		\$ 58,424
047-500240	Own Forces Maint Build-Grn	\$ 72,236		\$ 72,236
048-500226	Contractual Maint Build-Grn	\$ 137,861		\$ 137,861
050-500109	Personal Service-Temp/Appointed	\$ 1,080		\$ 1,080
060-500602	Benefits	\$ 4,767,912		\$ 4,767,912
068-500565	Remuneration	\$ 259,968		\$ 259,968
070-500704	In-State Travel Reimbursement	\$ 117,174		\$ 117,174
102-500731	Contracts for Program Services	\$ 43,518		\$ 43,518
103-502664	Contracts for Operational Services	\$ 20,565		\$ 20,565
	Total	\$15,336,585	\$(202,000)	\$15,134,585
	REVENUES			
	Total General Funds	\$15,336,585	\$(202,000)	\$15,134,585

EXPLANATION

The Department requests to transfer \$1,054,000 between and among various General Fund accounting Class 023 *Heat, Electricity and Water*, Class 050 *Personal Services Temporary Appointed*, Class 100 *Prescription Drugs*, Class 101 *Medical Payments to Providers* and Class 102 *Contracts for Program Services* as summarized in the attached detail to address surpluses and shortfalls in each class.

Class 023 *Heat, Electricity and Water* has a projected surplus of \$545,000 due to lower than projected expense than was budgeted.

Class 050 *Personal Services Temporary Appointed* accounting unit 8302 District Offices has a projected surplus of \$224,000 primarily due to six part-time probation/parole officer positions remaining vacant. Currently there is no part-time probation/parole certification available.

Class 100 *Prescription Drugs* has a projected shortfall of \$592,000 due to high-cost pharmaceuticals related to treatment of hepatitis C (HCV), HIV, multiple sclerosis (MS) and autoimmune disorders (rheumatoid arthritis and psoriasis).

In order to determine the pharmaceutical cost drivers, a review was done of the ten individuals with the highest pharmaceutical costs this fiscal year to date. The Department is determining if the individuals would be candidates for at home confinement or medical parole. This group of individuals diagnoses were related to treatment of hepatitis C (HCV), HIV, multiple sclerosis (MS) and autoimmune disorders (rheumatoid arthritis and psoriasis). In order to mitigate the costs associated with treating these individuals and others under its care and custody, the Department continues to meet monthly in its Pharmaceuticals and Therapeutics Committee meeting to examine opportunities to switch medications to clinically equivalent medications that are lower cost. As an example, the Department always assesses the possibility of using Tecfidera to treat MS for those that meet the criteria, which is available at no cost from the pharmaceutical company.

Hepatitis C pharmaceuticals, primarily Harvoni, will remain a significant driver over the next several months and into the future. Though the number of those infected with HCV can be identified, it is difficult to predict when any individual will meet the threshold for treatment. The Department has established a team to monitor those individuals and to determine if and when treatment for HCV is necessary and appropriate.

Class 101 *Medical Payments to Providers* has a projected shortfall of \$462,000 due to three areas that are driving increased costs in medical services at this time. They are staffing, treatment for self-injurious behaviors and dialysis services.

Due to extended registered nursing staff vacancies at all facilities, the Department contracted temporary nursing services in order to provide continuous constitutionally required healthcare.

The Department experienced a rise in self-injurious behaviors by those in its care and custody. Typically, self-injurious behavior is manifested as cutting. However, an unusual kind of self-injurious behavior developed in the population that required increased emergency room visits and utilization of a specialized medical practice. This unexpected and not seen before behavior resulted in higher than expected costs.

A third area that is difficult to forecast but is costly for the Department when it arises is the necessity of dialysis services. Dialysis services are rendered three times a week for a patient. In SFY 2016, no individuals required this costly service. In SFY 2017, two individuals were sentenced to the department who require dialysis services.

Class 102 *Contracts for Program Services* accounting unit 7111 NHSP/W – Prison for Women has a projected surplus of \$285,000. Savings have been realized as fewer female inmates have been housed at the Stafford County House of Corrections than was anticipated.

Transfers from Class 023 *Heat, Electricity and Water*

- \$301,000 from accounting unit 7140 NHSP/M Maintenance
- \$ 42,000 from accounting unit 7111 NHSP/W – Prison for Women
- \$202,000 from accounting unit 8250 Berlin Prison (NCF)

Transfer from Class 050 *Personal Services Temporary Appointed*

- \$224,000 from accounting unit 8302 District Offices

Transfer from Class 102 *Contracts for Program Services*

- \$285,000 from accounting unit 7111 NHSP/W – Prison for Women

Transfer to Class 100 *Prescription Drugs*

- \$592,000 to accounting unit 8236 Pharmacy

Transfer to Class 101 *Medical Payments to Providers*

- \$462,000 to accounting unit 8234 Medical – Dental

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions.

- A. Does transfer involve continuing program or one-time projects?
These transfers involve continuing programs.
- B. Is this transfer required to maintain existing program level or will it increase the program level?
All transfers listed will be used to maintain existing program levels.
- C. Cite any requirements that make this program mandatory.
The medical needs of inmates are mandatory and these transfers facilitate the procurement of appropriate care.
- D. Identify the source of the funds on all accounts listed on this transfer.
All accounting units are General Funds.
- E. Will there be any effect on revenue if this transfer is approved or disapproved?
There will not be any effect on revenue.
- F. Are funds expected to lapse if this transfer is not approved?
General Funds- All Classes, if not fully expended, will lapse at year end.
- G. Are personnel services involved?
No new positions are being funded by this transfer.

Respectfully Submitted,



William L. Wrenn
Commissioner