

STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION
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HELEN E. HANKS
COMMISSIONER

JONATHAN K. HANSON
DIRECTOR

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May 23, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

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

REQUESTED ACTION

Pursuant to the provisions of RSA 9:16-a, the New Hampshire Department of Corrections respectfully requests permission to transfer \$939,244 among accounts listed on the attached detailed exhibit to reallocate appropriations and cover anticipated shortfalls effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2022. 100% General Funds.

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

02-46-46-465010-82310000 Mental Health				
Class	Description	FY 2022 Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 1,279,797		\$ 1,279,797
018-500106	Overtime	\$ 200		\$ 200
020-500200	Current Expenses	\$ 1,535		\$ 1,535
022-500255	Rents - Leases Other than State	\$ 2,145		\$ 2,145
030-500331	Equipment New/Replacement	\$ 113,908		\$ 113,908
039-500188	Telecommunications	\$ 4,659		\$ 4,659
049-584995	Transfer to Other State Agencies	\$ 29,179		\$ 29,179
057-500531	Books Periodicals Subscriptions	\$ 21,100		\$ 21,100
060-500602	Benefits	\$ 777,324		\$ 777,324
070-500704	In State Travel Reimbursement	\$ 1,547		\$ 1,547
101-500730	Medical Payments to Providers	\$ 5,653,450	\$ 569,363	\$ 6,222,813
103-502664	Contracts for Operational Services	\$ 180		\$ 180
	Total	\$ 7,885,024	\$ 569,363	\$ 8,454,387
	REVENUES			
	Total General Funds	\$ 7,885,024	\$ 569,363	\$ 8,454,387

02-46-46-465010-82340000 Medical - Dental				
Class	Description	FY 2022 Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 4,466,387		\$ 4,466,387
011-500126	Personal Services - Unclassified	\$ 80,005		\$ 80,005
012-500128	Personal Services - Unclassified	\$ 119,436		\$ 119,436
018-500106	Overtime	\$ 117,149		\$ 117,149
019-500105	Holiday Pay	\$ 70,920		\$ 70,920
020-500200	Current Expenses	\$ 211,819		\$ 211,819
022-500255	Rents - Leases Other than State	\$ 5,246		\$ 5,246
030-500331	Equipment New/Replacement	\$ 236,238		\$ 236,238
039-500188	Telecommunications	\$ 25,736		\$ 25,736
050-500109	Personal Service-Temp/Appointed	\$ 96,061		\$ 96,061
057-500531	Books Periodicals Subscriptions	\$ 199		\$ 199
060-500602	Benefits	\$ 2,920,109		\$ 2,920,109
070-500704	In State Travel Reimbursement	\$ 6,051		\$ 6,051
101-500729	Medical Payments to Providers	\$ 7,606,350	\$ 369,881	\$ 7,976,231
102-500731	Contracts for Program Services	\$ 17,955		\$ 17,955
103-502664	Medical Payments to Providers	\$ 4,868		\$ 4,868
230-500765	Interpreter Services	\$ 828		\$ 828
	Total	\$ 15,985,357	\$ 369,881	\$ 16,355,239
	REVENUES			
	Total General Funds	\$ 15,985,357	\$ 369,881	\$ 16,355,238

02-46-46-465010-82360000 Pharmacy				
Class	Description	FY 2022 Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 207,995		\$ 207,995
011-500126	Personal Services - Unclassified	\$ 376,195		\$ 376,195
018-500106	Overtime	\$ 4,169		\$ 4,169
019-500105	Holiday Pay	\$ 100		\$ 100
020-500200	Current Expenses	\$ 30,596		\$ 30,596
024-500225	Maint Other Than Build-Grm	\$ 4,707		\$ 4,707
030-500331	Equipment New/Replacement	\$ 31,775		\$ 31,775
039-500188	Telecommunications	\$ 3,333		\$ 3,333
060-500602	Benefits	\$ 306,218		\$ 306,218
070-500704	In-State Travel Reimbursement	\$ 282		\$ 282
100-500726	Prescription Drug Expenses	\$ 4,753,578	\$ (939,244)	\$ 3,814,334
103-502664	Contracts for Operational Services	\$ 460		\$ 460
	Total	\$ 5,719,408	\$ (939,244)	\$ 4,780,164
	REVENUES			
	Total General Funds	\$ 5,719,408	\$ (939,244)	\$ 4,780,164

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EXPLANATION

The Department requests to transfer \$939,244 among various General Fund accounting units, Class 100 *Prescription Drug Expense* and Class 101 *Medical Payments to Providers*, as summarized in the attached detail, to address current and anticipated deficits in Class 101 *Medical Payments to Providers* in various accounting units.

Class 100 *Prescription Drug Expense* has an estimated surplus of \$939,244. The Department has achieved significant savings on pharmaceuticals as a result of our participation in the 340B program, a federal drug program allowing us to obtain certain medications at greatly reduced prices. This has allowed us to purchase anti-viral treatments for hepatitis C (HCV) and human immunodeficiency virus (HIV) during the past six months of fiscal year 2022 at great savings. Between April of 2021 and April of 2022, the NHDOC reduced costs for HCV and HIV medications by 68% and 44%, respectively.

Another savings is in the investment in pharmacy automation. In July of 2021, the NHDOC purchased a machine that fills recurring prescriptions that are distributed to NHDOC facilities. This new machine has the capability to respond to changes in prescriptions quickly so that the NHDOC pharmacy does not have to send as much medication out at one time. As a result, we do not have to stock as much medication therefore by reducing our inventory, we are seeing a reduction in costs.

Accounting unit 8231 *Mental Health* Class 101 *Medical Payment to Providers* has a projected fiscal year shortfall of \$569,363 primarily due to vacant contracted positions being filled by the contractor to provide inpatient and outpatient psychiatric services. In a review of contracted position fill rates for FY21, we found an increase in FY22 fill rates for these contracted positions that provide behavioral health services at all our department of corrections locations in varying capacity.

Accounting unit 8234 *Medical-Dental* Class 101 *Medical Payment to Providers* has a projected fiscal year shortfall of \$369,881 primarily due to the amount of money spent on temporary clinical staffing, primarily nursing staff, to offset the high vacancy rate in our state nursing positions. Currently, we have a 27% vacancy rate for nurses.

As a result of this ongoing nursing vacancy rate in FY 22, we have expended 700% more on temporary staffing as compared to this time in FY 21.

Transfer \$939,244 from Class 100 *Prescription Drug Expense*:

- \$ 939,244 from accounting unit 8236 Pharmacy


Transfer \$939,244 to Class 101 *Medical Payments to Providers*:

- \$569,363 to accounting unit 8231 Mental Health
- \$369,881 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.
Meeting the medical needs of residents is mandatory and this transfer facilitates 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 June 30, 2023
- G. Are personnel services involved?
No new positions are being funded by this transfer.

Respectfully Submitted,


Helen E. Hanks
Commissioner