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STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF CORRECTIONS  
 Division of Medical and Forensic Services

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March 28, 2018

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

*[Handwritten Signature]* 4/20/18

Approved by Fiscal Committee Date

His Excellency, Governor Christopher T. Sununu  
 And the Honorable Executive Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to the provisions of Chapter 155, Laws of 2017, class footnote<sup>1</sup> for accounting unit 8234, Class 101 *Medical Payments to Providers*, the NH Department of Corrections (NHDOC) requests authorization of additional funding in the amount of \$211,144 for medical payments to providers to cover projected shortfalls for the remainder of State Fiscal Year 2018, effective upon Fiscal Committee and Governor and Executive Council approval. 100% General Funds.

Funding is to be budgeted in the account listed on the detailed exhibit as follows:

02-46-46-465010-82340000 Medical - Dental				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 3,683,625		\$ 3,683,625
012-500128	Personal Services - Unclassified	\$ 108,960		\$ 108,960
018-500106	Overtime	\$ 159,522		\$ 159,522
019-500105	Holiday Pay	\$ 52,600		\$ 52,600
020-500200	Current Expenses	\$ 197,731		\$ 197,731
022-500255	Rents - Leases Other than State	\$ 7,846		\$ 7,846
030-500331	Equipment New/Replacement	\$ 58,731		\$ 58,731
039-500188	Telecommunications	\$ 22,478		\$ 22,478
050-500109	Personal Service-Temp/Appointed	\$ 88,455		\$ 88,455
057-500534	Books Periodicals Subscriptions	\$ 199		\$ 199
060-500602	Benefits	\$ 2,147,770		\$ 2,147,770
070-500704	In State Travel Reimbursement	\$ 5,261		\$ 5,261
101-500729	Medical Payments to Providers	\$ 5,544,692	\$211,144	\$ 5,755,836
102-500731	Contract for Program Services	\$ 39,479		\$ 39,479
103-502664	Contracts for Operational Services	\$ 767		\$ 767
	Total	\$12,118,116	\$211,144	\$12,329,260
	REVENUES			
	Total General Funds	\$12,118,116	\$211,144	\$12,329,260

<sup>1</sup> In the event that expenditures are greater than amounts appropriated, the Commissioner may request, with prior approval of the Fiscal Committee, that the Governor and Council authorize additional funding. Upon Fiscal Committee and Governor and Council approval, the Governor is authorized to draw a warrant from any money in the Treasury not otherwise appropriated.

## EXPLANATION

Class 101 *Medical Payments to Providers* has a projected shortfall of \$211,144 due to several areas that are driving increased costs in medical services at this time. They are staffing, treatment for self-injurious behaviors, oral surgery services, dialysis service, specialty durable medical equipment and other surgical interventions. These services are constitutionally required and are mandated in the Holliday and Laaman consent decrees.

Due to extended pharmacy vacancies, the Department contracted temporary staffing services in order to meet the provision of prescription medications. We expended \$78,922 in these services.

The Department continues to see a wide range of self-injurious behaviors by those in our care and custody. Typically, self-injurious behavior is manifested as cutting. However, an unusual kind of self-injurious behavior has continued to develop in the male population that requires increased emergency room visits and surgical involvement. Another type of self-injurious behavior that has increased this year is swallowing of items that create blockage or other risk to internal organs. This has resulted in an increase in spending of \$32,898 over last year's expenditures to manage these costs.

Oral surgery services have increased this year due to dentist recruitment difficulties and the unexpected loss of one of our dentists. Having to use off site services is more expensive and as a result we have expended \$42,000 more than last year in this area.

Another 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 required this service. In SFY 2018 we have had three people admitted who require dialysis services. So far this year, the Department has spent \$18,324 more than last year. This cost would have been even higher except that we were able to transfer two individuals to a jurisdiction that has on site dialysis services.

We have two unusual costs this year that were unanticipated. One is an individual requiring a very specialized prosthetic device that costs \$17,000. The other unanticipated single cost is paying for a hip replacement that was a day surgery and did not require a hospital stay. Since it was an outpatient procedure, we could not defer the costs to expanded Medicaid. As a result, this surgery cost the Department \$22,000.

Pharmacist and dentist shortages have resulted in using off site services to deliver medically necessary interventions. The Department is making progress in recruitment but until the positions are fully staffed, costs will be increased to cover services. Dialysis services are a constant issue as it is impossible to predict the number of people who might need these services. As described above, we seek to contain these costs by utilizing transfers to other jurisdictions whenever possible. With advances in orthopedic surgical interventions, day surgery for joint replacements, such as the hip replacement mentioned above, will become more common. We will be monitoring this trend as it will have an impact on future budgets as well.

The Department has a constitutional obligation under the 8<sup>th</sup> Amendment to provide adequate health care services to people under departmental control. We will continue to monitor costs via financial analysis and monitoring of service utilization. We will continue to seek opportunities to reduce costs through these monitoring processes which includes reviewing invoices to ensure that appropriate billing is occurring and to seek opportunities to contract for services at the best cost available.

Respectfully Submitted,

  
Helen E. Hanks  
Commissioner