



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF MEDICAL AND FORENSIC
SERVICES

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MLC
Helen E. Hanks
Commissioner

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March 21, 2019

The Honorable Mary Jane Wallner, 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 Chapter 155, Laws of 2017, class footnote¹ for accounting unit 82340000, Class 101 *Medical Payments to Providers*, the NH Department of Corrections requests authorization of additional funding in the amount of \$889,000 for medical payments to providers to cover projected shortfalls through June 30, 2019, effective upon Fiscal Committee and Governor and Executive Council approval. 100% General Funds.

Funding is to be budgeted in accounts listed on the detailed exhibits as follows:

02-46-46-465010-82340000 Medical - Dental				
Class	Description	Current Modified Budget	Requested Action	Current Revised Budget
010-500100	Personal Services - Permanent	\$ 3,724,125		\$ 3,724,125
012-500128	Personal Services - Unclassified	\$ 111,636		\$ 111,636
018-500106	Overtime	\$ 245,865		\$ 245,865
019-500105	Holiday Pay	\$ 53,389		\$ 53,389
020-500200	Current Expenses	\$ 209,321		\$ 209,321
022-500255	Rents - Leases Other than State	\$ 8,393		\$ 8,393
030-500331	Equipment New/Replacement	\$ 96,705		\$ 96,705
039-500188	Telecommunications	\$ 22,478		\$ 22,478
050-500109	Personal Service-Temp/Appointed	\$ 88,988		\$ 88,988
057-500534	Books Periodicals Subscriptions	\$ 199		\$ 199
060-500602	Benefits	\$ 2,375,528		\$ 2,375,528
070-500704	In State Travel Reimbursement	\$ 5,471		\$ 5,471
101-500729	Medical Payments to Providers	\$ 5,441,618	\$889,000	\$ 6,330,618
102-500731	Contract for Program Services	\$ 20,279		\$ 20,279
103-502664	Contracts for Operational Services	\$ 790		\$ 790
	Total	\$ 12,404,785	\$889,000	\$ 13,293,785
	REVENUES			
	Total General Funds	\$ 12,404,785	\$889,000	\$ 13,293,785

¹ 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

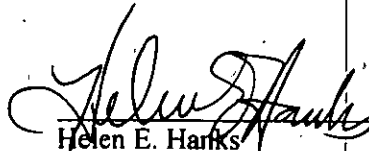
Class 101 *Medical Payments to Providers* has a projected shortfall of \$889,000 due to several areas that are driving increased costs in medical services. In review of specific triggers for increased healthcare costs, we have seen an escalation in emergency room visits which includes costs for ambulance services as well as the costs incurred for hospital-based emergency rooms services. We continue to analyze emergency room service utilization but at this time have not found common causes for this increase. The utilization has been in line with cardiac events, neurological issues such as strokes, various trauma events, and complicated medical situations requiring immediate attention.

Our utilization of community-based outpatient healthcare services is up over 56% year-to-date as compared to February of 2018. These services are linked to the follow-up care required post the utilization of emergency room services and encompass a wide variety of healthcare diagnoses. We continue to monitor this information to look for opportunities to contract for services of commonality to decrease cost while maintaining appropriate delivery of healthcare services.

We have been continually tracking the change in practices associated with triaging and diagnosing Hepatitis C (HCV) as outlined by the American Association for the Study of Liver Disease (AASLD) as it adjusts pursuant to the advances in treatment through pharmaceuticals. As a result, lab costs related to HCV infection in our population has increased. Our protocol for management of this serious infectious disease, has adjusted to include a FibroScan (imaging device used to measure liver scarring), an abdominal ultrasound (to confirm presence of hepatitis), and reflex testing (to determine viral load and genotype). In order to meet legal requirements for the provision of healthcare and the standards for appropriate clinical practice, these tests provide the data to diagnose and determine course of treatment for HCV. We are projecting an additional \$60,000 of expense this fiscal year to fulfill the testing requirements for the patients currently identified as high risk for infection. The cost of a Fibroscan is \$435, an abdominal ultrasound is \$330, and reflex testing is \$925.

The Department has a constitutional obligation under the 8th 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 and contract for services at the best cost available.

Respectfully Submitted,


Helen E. Hanks
Commissioner