



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION
P.O. BOX 1806
CONCORD, NH 03302-1806
603-271-5607 FAX: 888-908-6609
TDD ACCESS: 1-800-735-2964
www.nh.gov/nhdoc

HELEN E. HANKS
COMMISSIONER

JONATHAN K. HANSON
DIRECTOR

63

February 21, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

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

REQUESTED ACTION

Pursuant to the provisions of Chapter 90, Laws of 2021, class footnote¹ for accounting unit 8234 *Medical-Dental* and accounting unit 8231 *Mental Health Class 101 Medical Payments to Providers*, the New Hampshire Department of Corrections (NHDOC) respectfully requests authorization of additional funding of \$5,690,234 for medical payments to providers to cover projected shortfalls for the remainder of state fiscal year 2023, effective upon Fiscal Committee and Governor and Executive Council. 100% General Funds.

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

The remainder of this page intentionally left blank.

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.

02-46-46-465010-82310000 Mental Health				
Class	Description	FY 2023 Modified Budget	Requested Action	FY 2023 Revised Budget
010-500100	Personal Services - Permanent	\$ 1,678,123		\$ 1,678,123
018-500106	Overtime	\$ 200		\$ 200
020-500200	Current Expenses	\$ 1,565		\$ 1,565
022-500255	Rents - Leases Other than State	\$ 2,805		\$ 2,805
039-500188	Telecommunications	\$ 4,659		\$ 4,659
049-584995	Transfer to Other State Agencies	\$ 31,258		\$ 31,258
057-500531	Books Periodicals Subscriptions	\$ 11,333		\$ 11,333
060-500602	Benefits	\$ 1,052,173		\$ 1,052,173
070-500704	In State Travel Reimbursement	\$ 1,547		\$ 1,547
101-500730	Medical Payments to Providers	\$ 5,594,288	\$ 1,083,196	\$ 6,677,484
103-502664	Contracts for Operational Services	\$ 180		\$ 180
	Total	\$ 8,378,131	\$ 1,083,196	\$ 9,461,327
	REVENUES			
	Total General Funds	\$ 8,378,131	\$ 1,083,196	\$ 9,461,327

02-46-46-465010-82340000 Medical - Dental				
Class	Description	FY 2023 Modified Budget	Requested Action	FY 2023 Revised Budget
010-500100	Personal Services - Permanent	\$ 4,575,402		\$ 4,575,402
011-500126	Personal Services - Unclassified	\$ -		\$ -
012-500128	Personal Services - Unclassified	\$ 126,111		\$ 126,111
018-500106	Overtime	\$ 144,618		\$ 144,618
019-500105	Holiday Pay	\$ 71,984		\$ 71,984
020-500200	Current Expenses	\$ 217,296		\$ 217,296
022-500255	Rents - Leases Other than State	\$ 5,051		\$ 5,051
030-500331	Equipment New/Replacement	\$ 188,599		\$ 188,599
039-500188	Telecommunications	\$ 25,736		\$ 25,736
050-500109	Personal Service-Temp/Appointed	\$ 99,755		\$ 99,755
057-500531	Books Periodicals Subscriptions	\$ 199		\$ 199
060-500602	Benefits	\$ 3,001,095		\$ 3,001,095
070-500704	In State Travel Reimbursement	\$ 6,051		\$ 6,051
101-500729	Medical Payments to Providers	\$ 6,383,476	\$ 4,607,038	\$ 10,990,514
102-500731	Contracts for Program Services	\$ 18,233		\$ 18,233
103-502664	Medical Payments to Providers	\$ 4,868		\$ 4,868
230-500765	Interpreter Services	\$ 828		\$ 828
	Total	\$ 14,869,302	\$ 4,607,038	\$ 19,476,340
	REVENUES			
	Total General Funds	\$ 14,869,302	\$ 4,607,038	\$ 19,476,340

EXPLANATION

Class 101 *Medical Payments to Providers* has a projected shortfall of \$5,690,234 due to several areas that are driving increased costs in medical services at this time. These funds are sought to fulfill the Department’s constitutional obligation under the case law standards from the 8th Amendment to meet the treatment needs of those in our care and custody. Several factors have contributed to the Department’s need for additional funds for medical care.

In the wake of the COVID-19 pandemic, the Department has experienced increased challenges recruiting and retaining our medical staff, especially RNs. The current vacancy rate amongst nursing staff today is 17% agency wide, with a 27% vacancy rate at the New Hampshire State Prison for Men in Concord. Like all state agencies providing medical services, the New Hampshire Department of Corrections is at a disadvantage when hiring medical professionals in comparison to the private sector. During the current fiscal year, the Department experienced an 8-week period without seeing one application for nursing staff. Additionally, nursing staff at the Department of Corrections are in the unique position of providing care to convicted felons in a dangerous environment, making the Department’s ability to hire, an even greater challenge.

To maintain the level of care required at each of our facilities, the Department has been forced to turn to temporary staffing as a solution. Temporary staffing, while meeting our medical staffing needs, is not as cost-effective as being able to fill our own vacancies. Our temporary staffing cost during this same period last year, was \$358,000, it is currently over \$1.7 million.

Much like the general public, the Department of Corrections was forced to postpone routine medical procedures for residents during the height of the COVID-19 pandemic. This has left the Department in the position of scheduling many procedures to catch-up on this care, this is shown in the \$384,918 increase in hospital expenses, as compared to the same time last year. The department tracks type of healthcare services regularly examining past fiscal year expense to current. The following is a snapshot of a few service area types from January 2023 compared to January 2022 as an example of the pattern of increases experienced by the department:

Medical Expenditures				
Summary by Vendor Type				
DOC				

Vendor Type	1/31/23 Expenditures FY 2023	1/31/22 Expenditures FY 2022	Increase (decrease)	% Difference
Ambulance	265,242	95,949	169,293	176.44%
Anesthesia	27,647	18,726	8,921	47.64%
Eye	74,958	48,402	26,556	54.87%

Hospital	1,502,124
Neurology	17,222
Oncology/Hematology	38,954
Other Physician	118,761

1,117,206
6,410
8,373
91,063

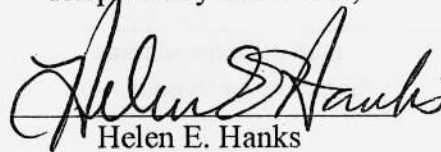
384,918	34.45%
10,812	168.66%
30,581	365.25%
27,699	30.42%

In addition to scheduling more routine care, this is occurring during a time when the cost of medical care is heightened. According to the Centers for Medicare and Medicaid Services (CMS) Office of the Actuary's report released in March of 2022, we saw a 6.4% increase in hospital spending in 2020, with a forecasted 6.9% increase in 2022.²

Finally, the Department entered a new contract with Wexford for the provision of medical services. The cost of this contract is 23% higher than the previous contract with Centurion. Some of this increased cost is due to additional medical positions being added to our contract with Wexford, including a podiatrist, an oral surgeon, a psychologist and two additional Licensed Alcohol and Drug Counselors (LADCs). Each of these positions were greatly needed in our facilities. In examining other state correctional healthcare contract cost experiences, we found states like Indiana are paying 33% more for their contracted healthcare which went from \$106 million to \$160 million. The state of Tennessee department of corrections is in a challenging situation of having to rebid \$123 million dollar contract for just their behavioral health services.

While the cost of providing medical care to residents has increased this year, cost pales in comparison to the potential litigation costs faced by not providing these legally required medical services. In 2018, Lebanon County, PA settled a wrongful death lawsuit for \$5 million, due to their failure to provide adequate medical care to an 18-year-old resident withdrawing from opioids.³ The New Hampshire Department of Corrections takes our constitutional obligation to provide adequate medical care to residents very seriously, and we are confident we are fulfilling this obligation.

Respectfully Submitted,


Helen E. Hanks
Commissioner

² Press release CMS Office of the actuary releases 2021-2030 projections of National Health Expenditures. CMS. (2022, March 28). Retrieved March 1, 2023, from <https://www.cms.gov/newsroom/press-releases/cms-office-actuary-releases-2021-2030-projections-national-health-expenditures>

³ Walmer, D. (2019, April 9). *After Tori Herr Payout, Lebanon County prison plans to Outsource Medical Services*. Lebanon Daily News. Retrieved March 1, 2023, from <https://www.ldnews.com/story/news/local/2019/04/09/after-lawsuit-lebanon-county-plans-3-million-contract-outsource-medical-services/3394965002/>