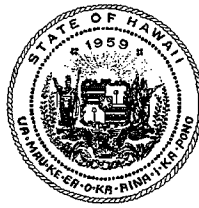


DAVID Y. IGE
GOVERNOR



NOLAN P. ESPINDA
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Jodie F. Maesaka-Hirata
Deputy Director
Corrections

Renee R. Sonobe Hong
Deputy Director
Law Enforcement



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

No. _____

TESTIMONY ON HOUSE BILL 1420, HOUSE DRAFT 1
RELATING TO THE DEPARTMENT OF PUBLIC SAFETY
OPERATING BUDGET.

by

Nolan P. Espinda, Director
Department of Public Safety

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Monday, February 25, 2019; 3:00 p.m.
State Capitol, Conference Room 308

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Department of Public Safety (PSD) **supports** the passage of House Bill (HB) 1420, House Draft (HD) 1, which appropriates funds for the Department of Public Safety's Health Care Division, PSD 421.

HB 1420, HD1 provides the additional requested funds for PSD 421 for FB 2019-21 over the current base budget. While the Department greatly appreciates the House Committee on Health's provision of additional resources for the Health Care Division, it is important to note that the measure does not include funding for the base budget for PSD 421, which left unfunded, would curtail essential health care services at prisons and jails, statewide. PSD, therefore, respectfully requests that your Committee consider amending HB 1420, HD1, or alternately, HB 2, HD1, to appropriate the total funding request for PSD 421 – Health Care for FB 2019-21, encompassing both its base budget and the request for additional funding, as follows:

Fiscal Year	Fiscal Year
<u>2019-2020</u>	<u>2020-2021</u>
208.60*	208.60*
\$29,322,314 A	\$29,647,827 A

The Department further notes that on page 4 of the bill, the expending agency is incorrectly indicated as "HTH", the program ID for the Department of Health, and respectfully requests that it be changed to "PSD", so that the appropriation is properly channeled to the Department of Public Safety.

The attached documents provide additional detailed information to your Committee to assist in its review of the FB 2019-21 Budget Requests for PSD 421:

1. Form B (Base Budget plus FB 2019-21 Budget Requests)*
2. Form A (Details of FB 2019-21 Budget Requests)*

Thank you for the opportunity to present this testimony.

*Hard copies of Attachments to be delivered to Committee by noon on Monday, February 25th.

ATTACHMENT #1

**FB 19-21 BIENNIUM BUDGET
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS
DEPARTMENT OF PUBLIC SAFETY**

Based on FORM B
Date Prepared/Revised: 11/27/2018

Current Services Operating Budget Ceilings by MOF

MOF	FY 20		FY 21	
	FTE (P)	FTE (T)	FTE (P)	FTE (T)
A	197.60		197.60	
B				
N				
P				
R				
S				
T				
U				
W				
X				
TOTAL	197.60	-	197.60	-
	\$ 26,032,680		\$ 26,248,193	

Req Cat	B&F Code	Prog ID/Org	Dept P/I	Description	MOF	FY 20		FY 21	
						FTE (P)	FTE (T)	FTE (P)	FTE (T)
	OR	421/HC	8	Additional Psychiatrist Staff Coverage for HCCC & OCCC	A	1.00		1.00	220,000
	OR	421/HC	24a	Add Funds for Mental Health Payroll Shortfall	A				391,192
	OR	421/HC	24b	Add Funds for License Practical Nurse & Physical Therapist Payroll Shortage	A				97,992
	OR	421/HC	37a	Add Permanent Nurse Positions for MCCC	A	2.00		2.00	118,080
	OR	421/HC	37a	(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL) Add Permanent Nurse Positions for MCCC	A				(118,080)
	OR	421/HC	37a	(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL) Add Permanent Nurse Positions for MCCC	A				(59,040)

Governor's Decision

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20		FY 21	
						FTE (P)	FTE (T)	\$ Amount	FTE (P)
OR		421/HC	37b	Add Permanent Nurse & Para Med Asst Positions for HCF	A	4.00		4.00	215,952
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC	37b	Add Permanent Nurse & Para Med Asst Positions for HCF	A		(107,976)		(215,952)
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC	37c	Add Permanent Nurse Positions for WCCC	A	2.00	59,040	2.00	118,080
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC	37c	Add Permanent Nurse Positions for WCCC	A		(59,040)		(118,080)
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC	37d	Add Permanent Nurse Positions for OCCC	A	2.00	59,040	2.00	118,080
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC	37d	Add Permanent Nurse Positions for OCCC	A		(59,040)		(118,080)
				(B&F CONCURS WITH TRADEOFF FROM OTHER CURRENT CONTRACTED SERVICES TO FUND PAYROLL)					
OR		421/HC		Medicaid Payment Shortfall	A		1,944,923		1,944,923
OR		421/HC		Pharmacy Cost	A		745,527		745,527

TOTAL ADJUSTMENTS:	11.00	-	3,289,634	11.00	-	3,399,634
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Request Category Legend:	TO Trade-Off/Transfer	By MOF	General	A	11.00	-	3,289,634	11.00	-	3,399,634
UP Conversion of Unbudgeted		General		A	11.00	-	3,289,634	11.00	-	3,399,634

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	Mof	FY 20		FY 21	
						FTE (P)	FTE (T)	\$ Amount	FTE (P)
FE				Special	B	-	-	-	-
FE				Federal Funds	N	-	-	-	-
FA				Other Federal Funds	P	-	-	-	-
GI				Private	R	-	-	-	-
HS				County	S	-	-	-	-
FY				Trust	T	-	-	-	-
				Inter-departmental Transfer	U	-	-	-	-
NR				Revolving	W	-	-	-	-
OR				Other	X	-	-	-	-

GRAND TOTAL = BASE + TRO/TRNF & CONV UNBGT

By Mof		FY 20		FY 21			
A	B	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
208.60	-	-	-	29,322,314	208.60	-	29,647,827
General	Special						
208.60	-	-	-	29,322,314	208.60	-	29,647,827
Other Federal Funds	Private						
County	Trust						
Inter-departmental Transfer	Revolving						
Other							

**FB 2019-21 BIENNium BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised: 9/10/2018

Department Priority: 8

Program ID/Orq. Code: PSD 421
Program Title: HEALTH CARE DIVISION

Department Contact: WESLEY MUN
I. TITLE OF REQUEST: Additional Psychiatrist Staff Coverage for HCCC & OCCC

Description of Request: The establishment of an additional psychiatrist position will greatly improve access to mental health services in accordance with accreditation standards of the National Commission on Correctional Health Care (NCHC) and meet the standards of the Department of Justice set as a result of the OCCC Settlement Agreement. This position will allow for better coverage for HCCC and OCCC.

Request Category: _____
Trade-Off/Transfer (+) _____ (-)
Conversion of Unbudgeted Positions _____
Fixed Cost/Entitlement _____
Federal Fund Adjustment Req _____
Governor's Initiatives _____
Health, Safety, Court Mandates _____
Full Year Funding for New Positions _____
Adjustment for Non-Recurring Items _____
Other X _____

II. OPERATING COST SUMMARY

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

	FY 20 Request		FY 21 Request		FY 22	FY 23	FY 24	FY 25
	FTE (P)	FTE (T)	FTE (P)	FTE (T)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services	1.00		1.00		220,000	220	220	220
TOTAL REQUEST	1.00	0.00	1.00	0.00	220,000	220	220	220

By MOF: A 1.00 110,000 1.00 1.00 220,000 220 220 220 220
 B
 N
 P
 U
 W

III. OPERATING COST DETAILS

MOF	FY 20 Request			FY 21 Request			FY 22	FY 23	FY 24	FY 25
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services (List all positions)										
	1.00		110,000	1		220,000	220	220	220	220
Psychiatrist II LHC 3; #90866V										
Other Personal Services										
Fringe Benefits										
Subtotal Personal Service Costs										
By MOF	1.00	0.00	110,000	1.00	0.00	220,000	220	220	220	220
A	1.00	0.00	110,000	1.00	0.00	220,000	220	220	220	220
B	0.00	0.00	0	0.00	0.00	0	0	0	0	0
N	0.00	0.00	0	0.00	0.00	0	0	0	0	0
B. Other Current Expenses (List by line item)										
Subtotal Other Current Expenses										
By MOF			0			0	0	0	0	0
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
C. Equipment (List by line item)										
Subtotal Equipment										
By MOF			0			0	0	0	0	0
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
L. Current Lease Payments (Note each lease)										
Subtotal Current Lease Payments										
By MOF			0			0	0	0	0	0
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
M. Motor Vehicles (List Vehicles)										
Subtotal Motor Vehicles										
By MOF			0			0	0	0	0	0
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
TOTAL REQUEST										
	1.00	0.00	110,000	1.00	0.00	220,000	220	220	220	220

IV. JUSTIFICATION OF REQUEST

The request for a J.U.F.-I-E Psychiatrist in position at the Uanu and Hawaii Community Correction Center (H.U.C.C. and U.U.C.U.) is necessary to ensure that adequate mental health services consistent with the standards agreed upon by the Department of Justice (DOJ) OCCC Settlement Agreement are provided.

During FY 2017, the ACLU has sent the Department correspondence which infers that they have been in contact with the DOJ with regards to many issues relating to the mental health services operations of the OCCC and other locations state-wide. It has been documented in the correspondence that the mental health care being provided isn't up to the previous standards which enabled the Department to complete all of the terms and settle the original OCCC Settlement Agreement with the DOJ.

In addition, the DOJ will be monitoring the Oahu facilities with regards to ADA issues this fall. Included in these ADA issues may be mental health care provided at each facility. With mental health care services possibly becoming a DOJ issue in the near future, it is imperative that the State proactively responds to the challenge of providing at least correctional levels of standards of mental health care as defined by the DOJ. The Attorney General's office has great concerns regarding this issue and they can be contacted to verify their concerns.

A recent operational review by the Department's Mental Health Consultant, Dr. Joel Dvoskin has resulted in his recommendation to provide psychiatric weekend and relief coverage at the OCCC with the addition of another psychiatrist.

The Health Care Division is presently having difficulties providing psychiatric coverage for HCCC. Tele Psychiatry clinics are being provided but addition services provided at the facility is necessary. This additional psychiatrist would enable more frequent on-site coverage at HCCC without affecting the present OCCC coverage.

Alternatives Considered Partnerships:

Discussions with the Department of Health, Adult Mental Health Division (AMHD) has resulted in increasing the overall costs of providing similar services, as its payroll cost structure is identical to the Department. In addition, they also face a shortage of psychiatrists.

Discussions with the University of Hawaii, Schools of Psychiatry and Psychology will result in higher costs due to the overhead and administrative costs associated with contracts and MOAs for like services. Present MOAs provide additional resident and internship coverage on a limited basis.

Privatization:

Presently the HCD will be relying on the use of Locum Tenets organizations to find psychiatrist to provide the coverage. The costs of Locum is approximately 38% higher than the salary requested for a State employed psychiatrist.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs or Agencies.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current Federal, State, and/or Court Ordered Requirements. This request will be consistent with the Standards of the National Commission on Correctional Health Care, the Department's Health Care Accreditation Organization.

X. REQUIRED LEGISLATION (Please specify appropriate statutes: i.e., HRS)

XI. OTHER COMMENTS

Access to adequate health care is a Constitutional right for all inmates. Failure to provide adequate care may result in civil rights litigation.

**FB 2019-21 BIENNIUM BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised: 9/10/2018

FORM A

Department Priority: 24a

Program ID/Org. Code: PSD 421
Program Title: HEALTH CARE DIVISION
Department Contact: WESLEY MUN

Phone: 587-1250

I. TITLE OF REQUEST: Add Funds for Mental Health Payroll Shortfall

Request Category: _____
Trade-Off/Transfer (+) _____ (-)
Conversion of Unbudgeted Positions _____
Fixed Cost/Entitlement _____
Federal Fund Adjustment Req _____
Governor's Initiatives _____
Health, Safety, Court Mandates _____
Full Year Funding for New Positions _____
Adjustment for Non-Recurring Items _____
Other X _____

Description of Request:
This request will provide the payroll funds to enable the Department to fill and maintain the present Mental Health staffing levels necessary to meet the Department of Justice (DOJ) Mental Health performance standards developed during the OCCC DOJ Settlement Agreement throughout its statewide network of facilities.

II. OPERATING COST SUMMARY

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services					391	391	391	391
B. Other Current Expenses					-	-	-	-
C. Equipment					-	-	-	-
L. Current Lease Payments					-	-	-	-
M. Motor Vehicles					-	-	-	-
TOTAL REQUEST	0.00	0.00	0.00	0.00	391	391	391	391

BY MOF: A

391,192 391,192 391.0 391.0 391.0 391.0

III. OPERATING COST DETAILS

MOF	FY 20 Request			FY 21 Request			FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)				
A. Personal Services (List all positions)										
Regular Pay 2001										
A			391,192			391,192	391.0	391.0	391.0	391.0
Subtotal Personal Service Costs										
A	0.00	0.00	391,192.00	0.00	0.00	391,192	391	391	391	391
By MOF										
B. Other Current Expenses (List by line item)										
Subtotal Other Current Expenses										
A			0			0	0	0	0	0
By MOF										
C. Equipment (List by line item)										
Subtotal Equipment										
A			0			0	0	0	0	0
By MOF										
L. Current Lease Payments (Note each lease)										
Subtotal Current Lease Payments										
A			0			0	0	0	0	0
By MOF										
M. Motor Vehicles (List Vehicles)										
Subtotal Motor Vehicles										
A			0			0	0	0	0	0
By MOF										
TOTAL REQUEST										
	0.00	0.00	391,192	0.00	0.00	391,192	391	391	391	391

IV. JUSTIFICATION OF REQUEST

Previous Legislative sessions assisted the Department in establishing the present Mental Health Branch under the Health Care Division by providing the necessary positions to ensure that the mental health treatment standards developed in collaboration with the Department of Justice (DOJ) during the now settled OCCC Mental Health Care DOJ Settlement Agreement would be implemented system-wide.

As the Department is filling vacant positions that will complete its Corrections Mental Health Care Reform Program, a payroll shortfall in the amount of \$343,258 for filled and soon to be filled priority positions has been realized.

Due to previous malpractice litigation settlements, the Department was compelled on a Risk Management concern to fill all Physician positions. As of this date, all physician positions are trying to be filled to achieve this goal. Thus making the increase in the base in all MH salaries necessary. (Request for physician salary funding was made during the FY 2017 and it was partially funded) Our department have no alternative ways for funding a fully staffed mental health office. In addition, out of facility health care services (emergency room, hospitalization and specialty care services) costs have risen significantly, making the use of contract help more difficult.

During FY 2017, the ACLU has sent the Department correspondence which states that they have been in contact with the DOJ with regards to many issues relating to the operations of the OCCC and other locations state-wide. It has been documented in the correspondence that the mental health care being provided isn't up to the previous standards which enabled the Department to complete all of the terms and settle the original OCCC Settlement Agreement with the DOJ. In addition, the DOJ will be monitoring the Oahu facilities with regards to ADA issues this fall. Included in these ADA issues will be mental health care provided at each facility. With mental health care services becoming a DOJ issue in the near future, it is imperative that the State proactively responds to the challenge of providing at least correctional levels of standards of mental health care as defined by the DOJ. The Attorney General's office has great concerns regarding this issue and they can be contacted to verify their concerns.

In Summary:

The Department realizes a payroll shortfall in the Mental Health Branch between the budgeted amount and the actual payroll expense:

FY 19 MH Projected Salary	\$4,248,250
Budget Salary	3,857,058
Shortage	<u>\$391,192</u>

Alternatives Considered

Partnerships:

Discussions with the Department of Health, Adult Mental Health Division (AMHD) has resulted in increasing the overall costs of providing similar services, as its payroll cost structure is identical to the Department.

Discussions with the University of Hawaii, Schools of Psychiatry and Psychology has resulted in higher costs due to the overhead and administrative costs associated with contracts and MOAs for like services. Present MOAs provide additional resident and internship coverage on a limited basis.

Privatization:

Discussions with private correctional health care vendors have resulted in higher costs and would be advantageous in situations in which the hiring of staff was an issue.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. ELECTRONIC DATA PROCESSING

Not applicable

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs/Agencies.

VIII IMPACT OF FACILITY REQUIREMENTS (R&M, CIP)

None

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current federal, state, and /or court-ordered requirements. The right to adequate health care is a constitutional right for all inmates.

X. OTHER COMMENTS

None

**FB 2019-21 BIENNIAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised: 9/10/2018

Department Priority: 24b

Program ID/Orq. Code: PSD 421
Program Title: HEALTH CARE DIVISION
Department Contact: WESLEY MUN

Phone: 587-1250

I. TITLE OF REQUEST: Add Funds for License Practical Nurse & Physical Therapist Payroll Shortage
Description of Request: Add Funds for License Practical Nurse & Physical Therapist Payroll Shortage

Request Category: _____
Trade-Off/Transfer (+) _____ (-)
Conversion of Unbudgeted Positions _____
Fixed Cost/Entitlement _____
Federal Fund Adjustment Req _____
Governor's Initiatives _____
Health, Safety, Court Mandates _____
Full Year Funding for New Positions _____
Adjustment for Non-Recurring Items _____
Other X _____

II. OPERATING COST SUMMARY

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services		97,992	0.00	0.00	97,992	98	98	98
B. Other Current Expenses					-			
C. Equipment					-			
L. Current Lease Payments					-			
M. Motor Vehicles					-			
TOTAL REQUEST	0.00	97,992	0.00	0.00	97,992	98	98	98

By MOF:
A

97,992

97,992

98.0

98.0

98.0

98.0

III. OPERATING COST DETAILS

	MOF	FY 20 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
		FTE (P)	FTE (T)				
A. Personal Services (List all positions)							
Regular Pay 2001				97,992	98.0	98.0	98.0
	A.			97,992	98.0	98.0	98.0
Subtotal Personal Service Costs							
By MOF		0.00	0.00	97,992	98	98	98
A				97,992	98	98	98
B. Other Current Expenses (List by line item)							
Subtotal Other Current Expenses							
By MOF				0	0	0	0
A				0	0	0	0
C. Equipment (List by line item)							
Subtotal Equipment							
By MOF				0	0	0	0
A				0	0	0	0
L. Current Lease Payments (Note each lease)							
Subtotal Current Lease Payments							
By MOF				0	0	0	0
A				0	0	0	0
M. Motor Vehicles (List Vehicles)							
Subtotal Motor Vehicles							
By MOF				0	0	0	0
A				0	0	0	0
TOTAL REQUEST							
		0.00	0.00	97,992	98	98	98

IV. JUSTIFICATION OF REQUEST

The PSD Health Care Division supports any effort to assist in the hiring and retention of critical health care positions such as LPNs and Physical Therapists. These positions have been difficult for the State System (Departments of Health and Public Safety) to fill due to the present community shortage of qualified candidates. In addition, recruiting for health care positions at PSD has historically been difficult as many potential candidates are fearful and apprehensive in working at a correctional facility, with inmates/patients. Thus to provide additional incentives for candidates to consider applying for difficult to fill positions at PSD, compensation equal or greater than the community standards are necessary.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

None

VI. ELECTRONIC DATA PROCESSING

Not applicable

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

None

VIII IMPACT OF FACILITY REQUIREMENTS (R&M, CIP)

None

IX. EXTERNAL CONFORMANCE REQUIREMENTS

X. OTHER COMMENTS

None

**FB 2019-21 BIENNIIUM BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised : 9/12/2018

FORM A

Program ID/Org. Code: PSD 421
Program Title: Health Care Division

Department Contact: Wesley Mun

Phone: 587-1250

Department Priority: 37A

I. TITLE OF REQUEST: Add Permanent Nurse Positions for MCCC

Description of Request: The establishment of additional nursing positions will provide improved access to health care services in accordance with accreditation standards of the National Commission on Correctional Health Care (NCCCHC), which would decrease potential litigation risks. The Health Care Division is taking this opportunity to utilize "RN extenders" such as Nurses to evaluate the future restructuring of the Medical Staffing mix to be less reliant on costly RN staffing.

Request Category: Conversion of Unbudgeted Positions
 Fixed Cost/Entitlement
 Federal Fund Adjustment Req
 Governor's Initiatives
 Health, Safety, Court Mandates
 Full Year Funding for New Positions
 Adjustment for Non-Recurring Items
 Other _____

II. OPERATING COST SUMMARY

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services	2.00	0	2.00		118	118	118	118
B. Other Current Expenses					(118)	(118)	(118)	(118)
C. Equipment								
L. Current Lease Payments								
M. Motor Vehicles								
TOTAL REQUEST	2.00	0.00	2.00	0.00	0	0	0	0

By MOF:
A 2.00
B 0
N 2.00

III. OPERATING COST DETAILS

MOF	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services (List all positions)								
	2.00		2		118	118	118	118
NURSE: #90867V, #90868V								
Other Personal Services								
Fringe Benefits								
Subtotal Personal Service Costs								
	2.00	0.00	2.00	0.00	118	118	118	118
By MOF								
A	2.00	0.00	2.00	0.00	118	118	118	118
B	0.00	0.00	0.00	0.00	0	0	0	0
N	0.00	0.00	0.00	0.00	0	0	0	0
B. Other Current Expenses (List by line item)								
New positions funds come from Operating								
Subtotal Other Current Expenses								
		(59,040)		(118,080)	(118)	(118)	(118)	(118)
By MOF								
A		(59,040)		(118,080)	(118)	(118)	(118)	(118)
B		0		0	0	0	0	0
N		0		0	0	0	0	0
C. Equipment (List by line item)								
Subtotal Equipment								
		0		0	0	0	0	0
By MOF								
A		0		0	0	0	0	0
B		0		0	0	0	0	0
N		0		0	0	0	0	0
L. Current Lease Payments (Note each lease)								
Subtotal Current Lease Payments								
		0		0	0	0	0	0
By MOF								
A		0		0	0	0	0	0
B		0		0	0	0	0	0
N		0		0	0	0	0	0
M. Motor Vehicles (List Vehicles)								
Subtotal Motor Vehicles								
		0		0	0	0	0	0
By MOF								
A		0		0	0	0	0	0
B		0		0	0	0	0	0
N		0		0	0	0	0	0
TOTAL REQUEST								
	2.00	0.00	2.00	0.00	0	0	0	0

IV. JUSTIFICATION OF REQUEST

The request for 2.0 FTE Nurse positions at the Maui Community Correctional Center (MCCC) is necessary as its current count of 6 RN III positions is too low to provide adequate health care coverage for 16 hours per day. The medical staff position count has not changed in the last 8 years while MCCC has experienced a 39% increase in Inmate population with a corresponding 13% increase in the utilization of health care services over the past six years.

Inmates seeking daily nurse sick call visits and those needing nurse encounters for blood draws, dressing changes, treatment, etc., have each increased by 48% between FY 2010 and 2018 increasing the need for nursing staff to perform these functions. Nursing functions surrounding the provision of emergency care increased by 61%. The ongoing increase in patient volume is operationally difficult on an already understaffed professional staff. This is illustrated in the following chart:

	FY 2010	FY 2018	Increase %
Inmate Population	322	478	48%
Nursing Encounters	13,157	23,057	75%
ER Visits	56	90	61%
RN III Position Count	6	6	0

The HCD has determined that the requested 2.0 FTEs will provide the additional nursing support to meet the growing health care needs of our incarcerated patient population at MCCC. This request is for positions only as the decreased use of agency replacement hours will provide the funding for these positions.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs or Agencies.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current Federal, State, and/or Court Ordered Requirements. This request will be consistent with the Standards of the National Commission on Correctional Health Care, the Department's Health Care Accreditation Organization.

X. REQUIRED LEGISLATION (Please specify appropriate statutes: i.e., HRS)

XI. OTHER COMMENTS

Access to adequate health care is a Constitutional right for all inmates. Failure to provide adequate care may result in civil rights litigation.

Date Prepared/Revised: : 9/12/2018

**FB 2019-21 BIENNIAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Department Priority: 37D

Request Category:

Program ID/Org. Code: PSD 421
Program Title: Health Care Division
Department Contact: Wesley Mun

Phone: 587-1250

I. TITLE OF REQUEST: Add Permanent Nurse & Para Med Asst Positions for HCF

Description of Request: The establishment of additional nursing positions will provide improved access to health care services in accordance with accreditation standards of the National Commission on Correctional Health Care (NCCCHC), which would decrease potential litigation risks. The Health Care Division is taking this opportunity to utilize "RN extenders" such as Nurse and PMAs to evaluate the future restructuring of the Medical Staffing mix to be less reliant on costly RN staffing.

Conversion of Unbudgeted Positions X
Fixed Cost/Entitlement
Federal Fund Adjustment Req
Governor's Initiatives
Health, Safety, Court Mandates
Full Year Funding for New Positions
Adjustment for Non-Recurring Items
Other _____

II. OPERATING COST SUMMARY

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services	4.00		4.00		216	216	216	216
B. Other Current Expenses		(107,976)			(216)	(216)	(216)	(216)
C. Equipment								
L. Current Lease Payments								
M. Motor Vehicles								
TOTAL REQUEST	4.00	0.00	4.00	0.00	0	0	0	0

BY MOF:
A 4.00
B 0
N 4.00

III. OPERATING COST DETAILS

MOF	FY 20 Request			FY 21 Request			FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)				
<p>A. Personal Services (List all positions) Position Title, Nurse: #90869V, #90870V, #90871V PARA MEDICAL ASSISTANT II HE-04 A: #90872V Other Personal Services Fringe Benefits</p>										
	3.00		88,560	3		177,120	177	177	177	177
	1.00		19,416	1		38,832	39	39	39	39
	4.00	0.00	107,976	4.00	0.00	215,952	216	216	216	216
<p>B. Other Current Expenses (List by line item) New positions funds come from Operating Subtotal Other Current Expenses</p>										
	4.00	0.00	107,976	4.00	0.00	215,952	216	216	216	216
	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	0.00	0.00	0	0.00	0.00	0	0	0	0	0
			(107,976)			(215,952)	(216)	(216)	(216)	(216)
<p>C. Equipment (List by line item)</p>										
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
<p>L. Current Lease Payments (Note each lease)</p>										
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
<p>M. Motor Vehicles (List Vehicles)</p>										
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
			0			0	0	0	0	0
<p>TOTAL REQUEST</p>										
	4.00	0.00	0	4.00	0.00	0	0	0	0	0

IV. JUSTIFICATION OF REQUEST

The request for 3.0 FTE Nurse and 1.0 FTE PMA positions at the Halawa Correctional Facility (HCF) is necessary as its current count of 16 RN III positions is too low to provide adequate 24/7 health care coverage for both the Medium and Special Needs HCF facilities. The RN position count has not changed in the last 7 years while HCF has experienced a significant increase in Inmate acuity levels.

As the inmate population ages and the sicker inmates who are unable to transfer to the Saguaro facility in Arizona, the patient population has become adversely selected. This population require a higher level of care and services and are housed in the infirmary when skilled nursing care is needed.

Nursing functions surrounding the provision of emergency care have increased 24% while pre and post hospital care have increased by 53%. This is illustrated in the following chart:

	FY Ending 2014	FY Ending 2018	Increase
ER Visits	123	153	24%
Hospitalizations	62	95	53%
RN III Positions	16	16	0

The addition of an Nurse II to function as the movement nurse who will coordinate all out of facility patient appointments with community providers, monitor hospitalized patients, manages the pre-authorization approval process, post treatment follow-up, and provide ongoing patient education, will free up the RN presently assigned that function. The addition of the other Nurse would provide assist in the medications administration process, provide coverage for other staff leave time off, and other duties as needed, freeing up the RNs for other functions.

The addition of a PMA to assist in providing Activities of Daily Living, vital signs, meal service, etc. to patients admitted to the HCF infirmary would allow the RN staff to focus on assessments and care plans, etc.

The Health Care Division is taking this opportunity to utilize "RN extenders" such as LPNs and PMAs to evaluate the future restructuring of the Clinical Services Staffing mix to become less reliant on costly RN staffing.

This request is for positions only as the decreased use of agency replacement hours will provide the funding for these positions

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs or Agencies.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current Federal, State, and/or Court Ordered Requirements. This request will be consistent with the Standards of the National Commission on Correctional Health Care, the Department's Health Care Accreditation Organization.

X. REQUIRED LEGISLATION (Please specify appropriate statutes: i.e., HRS)

XI. OTHER COMMENTS

Access to adequate health care is a Constitutional right for all inmates. Failure to provide adequate care may result in civil rights litigation.

**FB 2019-21 BIENNIAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised : 9/12/2018

FORM A

Program ID/Org. Code: PSD 421
Program Title: Health Care Division

Department Priority: 37c

Department Contact: Wesley Mun

Phone: 587-1250

I. TITLE OF REQUEST: Add Permanent Nurse Positions for WCCC

Description of Request: The establishment of additional nursing positions will provide improved access to health care services in accordance with accreditation standards of the National Commission on Correctional Health Care (NCCHC), which would decrease potential litigation risks. The Health Care Division is taking this opportunity to utilize "RN extenders" such as Nurse to evaluate the future restructuring of the Clinic Services Staffing mix to be less reliant on costly RN staffing.

Request Category: _____
Trade-Off/Transfer (+) _____ (-)
Conversion of Unbudgeted Positions X
Fixed Cost/Entitlement _____
Federal Fund Adjustment Req _____
Governor's Initiatives _____
Health, Safety, Court Mandates _____
Full Year Funding for New Positions _____
Adjustment for Non-Recurring Items _____
Other _____

II. OPERATING COST SUMMARY

	FY 20 Request		FY 21 Request		FY 22	FY 23	FY 24	FY 25
	FTE (P)	FTE (T)	FTE (P)	FTE (T)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services	2.00	0	2.00		118	118	118	118
B. Other Current Expenses					(118,080)	(118)	(118)	(118)
C. Equipment								
L. Current Lease Payments								
M. Motor Vehicles								
TOTAL REQUEST	2.00	0.00	2.00	0.00	0	0	0	0

By MOF:
A 2.00
B 0
N 2.00

III. OPERATING COST DETAILS

MOF	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services (List all positions) NURSE: #90873V, #90874V Other Personal Services								
	2.00			2	118	118	118	118
Fringe Benefits								
Subtotal Personal Service Costs								
A	2.00	0.00	59,040	2.00	0.00	118,080	118	118
B	0.00	0.00	0	0.00	0.00	0	0	0
N	0.00	0.00	0	0.00	0	0	0	0
B. Other Current Expenses (List by line item) New positions funds come from Operating								
Subtotal Other Current Expenses								
A			(59,040)		(118,080)	(118)	(118)	(118)
B			(59,040)		(118,080)	(118)	(118)	(118)
N			0		0	0	0	0
C. Equipment (List by line item)								
Subtotal Equipment								
A			0		0	0	0	0
B			0		0	0	0	0
N			0		0	0	0	0
L. Current Lease Payments (Note each lease)								
Subtotal Current Lease Payments								
A			0		0	0	0	0
B			0		0	0	0	0
N			0		0	0	0	0
M. Motor Vehicles (List Vehicles)								
Subtotal Motor Vehicles								
A			0		0	0	0	0
B			0		0	0	0	0
N			0		0	0	0	0
TOTAL REQUEST								
	2.00	0.00	0	2.00	0.00	0	0	0

IV. JUSTIFICATION OF REQUEST

The request for 2.0 FTE Nurse positions at the Women Community Correctional Center (WCCC) is necessary as its current count of 9 RN III positions is too low to provide adequate 24/7 health care coverage. The medical staff position count has not changed in the last 6 years.

As a 24/7 facility, the WCCC provides infirmary care, which enables patients requiring a higher level of nursing care to remain at the facility. As the present inmate population has become sicker and aged, the demand for beds in the infirmary has risen. In addition, other services such as medication administration has also increased. Duties such as custodial infirmary care and medications administration can be assume by LPNs. The Health Care Division is taking this opportunity to utilize "RN extenders" such as Nurse to evaluate the future restructuring of the Clinical Services Staffing mix to become less reliant on costly RN staffing.

This request is for positions only as the decreased use of agency replacement hours will provide the funding for these positions.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

Not applicable.

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs or Agencies.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current Federal, State, and/or Court Ordered Requirements. This request will be consistent with the Standards of the National Commission on Correctional Health Care, the Department's Health Care Accreditation Organization.

X. REQUIRED LEGISLATION (Please specify appropriate statutes; i.e., HRS)

XI. OTHER COMMENTS

Access to adequate health care is a Constitutional right for all inmates. Failure to provide adequate care may result in civil rights litigation.

**FB 2019-21 BIENNIAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised: 9/12/2018

FORM A

Program ID/Orq. Code: PSD 421
Program Title: Health Care Division

Department Priority: 37d

Department Contact: Wesley Mun

Phone: 587-1250

Request Category: Conversion of Unbudgeted Positions

Fixed Cost/Entitlement

Federal Fund Adjustment Req

Governor's Initiatives

Health, Safety, Court Mandates

Full Year Funding for New Positions

Adjustment for Non-Recurring Items

Other _____

Description of Request: The establishment of additional nursing positions will provide improved access to health care services in accordance with accreditation standards of the National Commission on Correctional Health Care (NCCCHC), which would decrease potential litigation risks. The Health Care Division is taking this opportunity to utilize "RN extenders" such as Nurse to evaluate the future restructuring of the Medical Staffing mix to be less reliant on costly RN staffing.

II. OPERATING COST SUMMARY

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services	2.00	0	2.00		118	118	118	118
B. Other Current Expenses					(118,080)	(118)	(118)	(118)
C. Equipment								
L. Current Lease Payments								
M. Motor Vehicles								
TOTAL REQUEST	2.00	0.00	2.00	0.00	0	0	0	0

By MOF:
A 2.00
B 0
N 2.00

III. OPERATING COST DETAILS

MOF	FY 20 Request			FY 21 Request			FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)				
A. Personal Services (List all positions)										
	2.00		59,040	2		118,080	118	118	118	118
NURSE: #90875V, #90876V										
Other Personal Services										
Fringe Benefits										
Subtotal Personal Service Costs										
A	2.00	0.00	59,040	2.00	0.00	118,080	118	118	118	118
B	0.00	0.00	0	0.00	0.00	0	0	0	0	0
N	0.00	0.00	0	0.00	0.00	0	0	0	0	0
B. Other Current Expenses (List by line item)										
New positions funds come from										
Operating										
Subtotal Other Current Expenses										
A			(59,040)			(118,080)	(118)	(118)	(118)	(118)
B			(59,040)			(118,080)	(118)	(118)	(118)	(118)
N			0			0	0	0	0	0
C. Equipment (List by line item)										
Subtotal Equipment										
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
L. Current Lease Payments (Note each lease)										
Subtotal Current Lease Payments										
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
M. Motor Vehicles (List Vehicles)										
Subtotal Motor Vehicles										
A			0			0	0	0	0	0
B			0			0	0	0	0	0
N			0			0	0	0	0	0
TOTAL REQUEST										
	2.00	0.00	0	2.00	0.00	0	0	0	0	0

IV. JUSTIFICATION OF REQUEST

The request for 2.0 FTE Nurse positions at the Oahu Community Correctional Center (OCCC) is necessary as its current count of 12 RN III positions is too low to provide adequate 24/7 health care coverage. The RN position count has not changed in the last 5 years while OCCC has experienced a significant increase in inmate utilization of health care services over the past five years.

The inmate census has remained stable while the numbers of inmates requiring nursing services has increased 11%. Emergency Department referrals have increased 280% while hospitalizations have increased 132%. Both of these increases demonstrate the higher acuity inmates being admitted into the Department present. This increase in volume of serious patient cases is operationally difficult on an already understaffed nursing staff. The difficulties of providing adequate monitoring and follow-up of these patients out the Department and State at risk for potential litigation. This is illustrated in the following chart:

	FY 2010	FY 2018	Increase %
Nursing Encounters	46,343	51,246	11%
ER Visits	50	190	280%
Hospitalizations	25	58	132%
RN III Positions	12	12	0

Compliance with the National Commission on Correctional Health Care standards have resulted in additional nursing assessments on all inmates being admitted into OCCC. Nursing staff is also on the alert for any possible Opioid overdose situations while also screening and providing treatment for detoxification for alcohol and other substances. In addition, nursing is providing medical screening for over 100 inmates per week for transfers to the Federal Detention Center to decrease facility overcrowding.

The addition of an Nurse to function as the movement nurse who will coordinate all out of facility patient appointments with community providers, monitor hospitalized patients, manages the pre-authorization approval process, post treatment follow-up, and provide ongoing patient education, will free up the RN presently assigned that function. The addition of the other Nurses would assist in the medications administration process, freeing up another RN.

The HCDD has determined that the requested 2.0 FTE Nurse will provide the additional nursing support to meet the growing health care needs of our incarcerated patient population at OCCC. The Health Care Division is taking this opportunity to utilize "RN extenders" such as nurses to evaluate the future restructuring of the Clinical Services Staffing mix to become less reliant on costly RN staffing whenever possible

This request is for positions only as the decreased use of agency/replacement hours will provide the funding for these positions.

III. OPERATING COST DETAILS

	MOF	FY 20 Request			FY 21 Request			FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
		FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)				
A. Personal Services (List all positions)											
Other Personal Services											
Subtotal Personal Service Costs											
	A	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	B	0.00	0.00	0	0.00	0.00	0	0	0	0	0
	N	0.00	0.00	0	0.00	0.00	0	0	0	0	0
B. Other Current Expenses (List by line item)											
Object Code 7101: Medicaid Fiscal Agent Cost											
	A			1,944,923			2,000	2,000	2,000	2,000	2,000
Subtotal Other Current Expenses											
	A			1,944,923			2,000	2,000	2,000	2,000	2,000
	B			1,944,923			2,000	2,000	2,000	2,000	2,000
	N			0			0	0	0	0	0
C. Equipment (List by line item)											
Subtotal Equipment											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
L. Current Lease Payments (Note each lease)											
Subtotal Current Lease Payments											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
M. Motor Vehicles (List Vehicles)											
Subtotal Motor Vehicles											
	A			0			0	0	0	0	0
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
TOTAL REQUEST		0.00	0.00	1,944,923	0.00	0.00	1,944,923	2,000	2,000	2,000	2,000

IV. JUSTIFICATION OF REQUEST

The Department of Public Safety's Health Care Division (HCD) has the responsibility to provide adequate health care services to all persons incarcerated in the State's correctional system. Over the past 7 years, the cost of providing out of facility specialty care services to the inmates residing in-state has increased 124%, from \$1,589,846 in FY 2011 to \$3,560,918 in FY 2017. The 2018 Legislature appropriated the requested amount above as non-recurring through Act 53, SLH 2018. We are requesting that this amount be appropriated as a recurring cost in PSD 421's base. During the 2018 Legislature, we requested an Emergency Appropriation for the same amount to pay for shortage in FY 2018, however the request was not funded. Therefore, the shortage in FY 2018 is now being paid in FY 2019 and the program will continue to catch-up on past year billings if this request is not authorized.

The housing of inmates in out of state facilities has resulted in a chronically sicker population in the Hawaii facilities. To meet the screening criteria of the mainland facilities, the inmate must be in good health, thus the younger, healthy inmates have been transferred to out of state facilities. In anticipation of this continuing trend in the need for future medical services, this FY 2019-21 budget request will address the need for additional medical services funding for specialty - out of facility care which includes specialty care referrals, hospitalizations and emergency room visits.

Specialty - Out of Facility Care (Medicaid Expenses)

These services are paid through the Department of Human Services (DHS) Medicaid claims payment system. The Department has an agreement with the DHS Medicaid Division to utilize their claims payment system to process medical, laboratory, x-ray, and hospital claims for out of facility services rendered to its patients. The Department is able to utilize the favorable Medicaid reimbursement rate. The following table illustrates the relationship between the expenditures reimbursed to DHS, the underlying emergency room, hospitalization and out of facility specialty care appointments

This table also illustrates how medical service needs and the associated costs can fluctuate, as there may be variations year to year that are dependent on many factors such as the number of patients requiring services and specific high cost cases requiring extensive treatment procedures and/ or prolonged hospitalizations

Specialty Care - Out of Facility Costs

Year	2011	2012	2013	2014	2015	2016	2017
Expenditures	\$1,589,846	\$1,151,926	\$1,545,237	\$2,035,792	\$1,418,556	\$1,689,105	\$3,560,918
% Increase		-27%	25%	41%	-30%	19%	53%
Number of appointments	3059	3288	2241	4174	3903	4371	4040
% Increase		7%	-30%	86%	-6%	11%	-0.70%
Hospitalizations	181	329	151	230	256	232	254
% Increase		81%	-54%	52%	11%	-9%	9%
ER visits	348	502	488	759	824	860	763
% Increase		44%	-2%	55%	8%	4%	-11%

This table illustrates the increasing expenditure of out of facility specialty care for the adverse selected in-state inmate population. As the healthy and younger inmate population continues to be transferred to the Arizona facility, the resultant in-state population over time will require more specialty care services.

The FY 2011 through 2016 time period reflects the present budgeted base, which results in a six year average of \$1,555,077. During FY 2017 an increasing expenditure trend has occurred and will likely be continued into the future. The Department of Human Services has determined that the manner in which previous years' hospitalization reimbursements were calculated (per the Affordable Care Act) was incorrect and understated, thus resulting in the FY 2017 and future years increases. In addition, the Department has been practicing more defensive medicine as a result of previous years high cost malpractice litigation settlements, which has increased the Emergency Room utilization and costs.

Request Summary

Projected Average Medicaid Fiscal Agent Costs	\$3,500,000
Budgeted FY 2011 to 2015 6 year average	1,555,077
Anticipated Budget Shortfall	\$1,944,923

Medicaid Fiscal Agent Costs

No alternatives have been considered as the patient's condition and immediate medical needs dictate services. Controls to prevent the over utilization of these services have been previously implemented. Terminally ill patients have been recommended for medical/compassionate release whenever possible.

V. RELATIONSHIP OF THE REQUEST TO THE STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. ELECTRONIC DATA PROCESSING

Not applicable

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs/Agencies.

VIII. IMPACT OF FACILITY REQUIREMENTS (R&M, CIP)

None

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current federal, state, and/or court-ordered requirements. The right to adequate health care is a constitutional right for all inmates.

X. OTHER COMMENTS

In the past, the Department has made up the shortages of the Health Care Division. However, the present facility and infrastructure demands on the Department's budget combined with increasing operating costs, limits the Department's ability to continue to cover the total inmate medical service costs. Failure to fund these increasing medical service costs would result in a decrease in the level of services provided, which would thereby increase medical malpractice litigation and allegations of deliberate indifference.

**FB 2019-21 BIENNIMUM BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF PUBLIC SAFETY**

Date Prepared/Revised: 2/7/2019 **FORM A**

Program ID/Org. Code: PSD 421
Program Title: Health Care Division
Department Contact: Gavin Takenaka

Phone: 587-1250

Department Priority: _____

I. TITLE OF REQUEST: Additional Funds for Increase Pharmacy Cost
Description of Request: This request for FB 2019-21 is to include funded amount from Act 53 SLH 2018 into the base budget. The PSD's Health Care Division (HCD) has the responsibility to provide adequate health care services to all persons incarcerated in the State's correctional system. Over the past 7 years, the cost of providing Pharmacy services to the inmates residing in-state has increased 19%, from \$3,214,184 in FY 2011 to \$3,840,000 in FY 2017. This budget request will address the need for continued additional funding for pharmacy services.

Request Category: _____
Trade-Off/Transfer (+) _____
Conversion of Unbudgeted Positions _____
Fixed Cost/Entitlement _____
Federal Fund Adjustment Req _____
Governor's Initiatives _____
Health, Safety, Court Mandates _____
Full Year Funding for New Positions _____
Adjustment for Non-Recurring Items _____
Other _____

II. OPERATING COST SUMMARY

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

	FY 20 Request		FY 21 Request		FY 22 (\$ thous)	FY 23 (\$ thous)	FY 24 (\$ thous)	FY 25 (\$ thous)
	FTE (P)	FTE (T)	FTE (P)	FTE (T)				
A. Personal Services	0.00		0.00		0	0	0	0
B. Other Current Expenses		745,527		745,527	746	746	746	746
C. Equipment								
L. Current Lease Payments								
M. Motor Vehicles								
TOTAL REQUEST	0.00	745,527	0.00	745,527	746	746	746	746

BY/MOF: _____
A 0.00 745,527
B 0.00 745,527
N

III. OPERATING COST DETAILS

A. Personal Services (List all positions)

Other Personal Services

Subtotal Personal Service Costs
By MOF

MOF

FTE (P)

FY 20 Request
FTE (T)

(\$)

FTE (P)

FY 21 Request
FTE (T)

(\$)

FY 22
(\$ thous)

FY 23
(\$ thous)

FY 24
(\$ thous)

FY 25
(\$ thous)

0

0

0

0

0

0

0

0

B. Other Current Expenses (List by line item)

Object Code 7107: Pharmacy

Subtotal Other Current Expenses
By MOF

MOF

FTE (P)

FY 20 Request
FTE (T)

(\$)

FTE (P)

FY 21 Request
FTE (T)

(\$)

FY 22
(\$ thous)

FY 23
(\$ thous)

FY 24
(\$ thous)

FY 25
(\$ thous)

0

0

0

0

0

0

0

0

C. Equipment (List by line item)

Subtotal Equipment
By MOF

MOF

FTE (P)

FY 20 Request
FTE (T)

(\$)

FTE (P)

FY 21 Request
FTE (T)

(\$)

FY 22
(\$ thous)

FY 23
(\$ thous)

FY 24
(\$ thous)

FY 25
(\$ thous)

0

0

0

0

0

0

0

0

L. Current Lease Payments (Note each lease)

Subtotal Current Lease Payments
By MOF

MOF

FTE (P)

FY 20 Request
FTE (T)

(\$)

FTE (P)

FY 21 Request
FTE (T)

(\$)

FY 22
(\$ thous)

FY 23
(\$ thous)

FY 24
(\$ thous)

FY 25
(\$ thous)

0

0

0

0

0

0

0

0

M. Motor Vehicles (List Vehicles)

Subtotal Motor Vehicles
By MOF

MOF

FTE (P)

FY 20 Request
FTE (T)

(\$)

FTE (P)

FY 21 Request
FTE (T)

(\$)

FY 22
(\$ thous)

FY 23
(\$ thous)

FY 24
(\$ thous)

FY 25
(\$ thous)

0

0

0

0

0

0

0

0

TOTAL REQUEST

0.001

0.001

745,527

0.001

0.001

745,527

746

746

746

746

746

746

746

746

746

746

746

746

746

W. JUSTIFICATION OF REQUEST

The Department of Public Safety's Health Care Division (HCD) has the responsibility to provide adequate health care services to all persons incarcerated in the State's correctional system. Over the past 7 years, the cost of providing Pharmacy services to the inmates residing in-state has increased 19%, from \$3,214,184 in FY 2011 to \$3,840,000 in FY 2017. This FY 2019-21 budget request will address the need for additional funding for Pharmacy services. The 2018 Legislature appropriated this amount as non-recurring through Act 53, SLH 2018. During the 2018 Legislature, we asked for Emergency Appropriation for increased Pharmacy cost for FY 2018, however the Legislature did not fund that request. Therefore the shortage in FY 2018 will be paid using FY 2019 funding and the program will continue to catch-up on Pharmacy bills.

Pharmacy Services

These services are provided to the Department via a contracted Mainland mail order vendor. The medications are blister packed by patient and shipped to each facility via FedEx. Prescription orders are placed through the Pharmacy electronic system and received the next day or the day after. In previous Request for Proposals, local vendors such as CVS, Pharmacia, etc. have not been able to complete with the pricing provided to the Department by the Mainland Correctional Pharmacy mail-order vendors.

The following table illustrates the pharmacy costs over the past seven years:
Pharmacy Costs

Specialty Care - Out of Facility Costs

Year	2011	2012	2013	2014	2015	2016	2017
Expenditures	\$3,214,184						
	\$3,110,565						
	\$2,845,000						
	\$2,992,266						
	\$3,893,479						
	\$3,624,613						
	\$3,840,000						
% Increase		-3.20%	-8.50%	5.20%	30.10%	-7%	6%

The FY 2011 through 2014 time period reflects the previous budgeted base, which results in a four year average expenditure of \$3,040,504. The HCD experienced a 30% increase in pharmacy expenditures from FY 2014 to FY 2015. These costs have remained stable through FY 2017 with modest increases and decreases, resulting in a three year average of \$3,766,031. The HCD is anticipating this present expenditure trend to be continued into the near future.

The HCD is requesting additional funding of the difference between the three year average from FY 2015 through FY 2017 and the FY 2011 through FY 2014 average costs, which is \$745,527 as illustrated below

Request Summary

FY 2015 to 2017 3 year average: \$3,786,031
FY 2011 to 2014 4 year average: 3,040,504
Anticipated Budget Shortfall \$745,527

This requested change in the HCD's appropriation will provide the Department with the resources necessary to meet its constitutional health care obligations to its inmates.

Alternatives Considered

Pharmacy Operations

The Department has explored creating and developing its own pharmacy operations, utilizing medications purchased from the Minnesota Multistate Contracting Alliance for Pharmacy. The purchasing of medications through this Alliance is very cost effective, but the startup and maintenance of a pharmacy operations in the Department was costly in relationship to what this purchasing arrangement would save. In addition, space and additional staff costs do not justify the purchasing savings.

V. RELATIONSHIP OF THE REQUEST TO THE STATE PLAN OR FUNCTIONAL PLAN

This request is consistent with the State Plan and Functional Plan.

VI. ELECTRONIC DATA PROCESSING

Not applicable

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

This request has no impact on other State Programs/Agencies.

VIII. IMPACT OF FACILITY REQUIREMENTS (R&M, CIP)

None

IX. EXTERNAL CONFORMANCE REQUIREMENTS

This request is consistent with current federal, state, and/or court-ordered requirements. The right to adequate health care is a constitutional right for all inmates.

X. OTHER COMMENTS

In the past, the Department has made up the shortages of the Health Care Division. However, the present facility and infrastructure demands on the Department's budget combined with increasing operating costs, limits the Department's ability to continue to cover the total inmate medical service costs. Failure to fund these increasing pharmacy costs would result in a decrease in the level of services provided, which would in turn increase medical malpractice litigation and allegations of deliberate indifference.