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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

Lori A. Weaver
Interim Commissioner

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May 16, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court and

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

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Office of the Commissioner, to amend Fiscal Committee item # FIS 21-363, approved on December 2, 2021, and Governor and Council item #6B, approved on December 8, 2021, and amended by Fiscal Committee item # FIS 22-422 on November 18, 2022, and Governor and Council item #7, on November 22, 2022, by repurposing $4,811,130 of American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), not utilized for its designated purpose, to pay for increased costs associated with the construction of the Forensic Psychiatric Hospital, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2024. This is an allowable use of ARPA SFRF funds under section 602(c)(1)(A), to respond to the public health emergency or its negative economic impacts. 100% Federal Funds.

EXPLANATION

The Department is requesting to reallocate $4,811,130 of ARPA SFRF funding to ensure sufficient funding is available to enter into a contract for the construction of the future Forensic Psychiatric Hospital. The funds were originally appropriated in Class 102 (Contracts for Program Services) and will continue to be appropriated in that class line. The Department of Administrative Services issued a Request for Bids on February 14, 2023, to secure a construction company to construct the facility. The Department of Administrative Services received two (2) responses, which were opened on April 19, 2023. However, the lowest winning bid came in higher than the previously projected cost estimate and the Department has insufficient funds available to enter into a contract for the construction.

Over the past several years, inflation and other economic factors have increased construction costs significantly. To mitigate the market impacts, the Department has worked diligently to identify savings through design modifications and reductions. However, further modifications to the design for the purpose of reducing cost would either reduce the maximum census of the facility, increase operating costs, or compromise the safety of the facility. Consequently, the Department is requesting approval to reallocate funds so that the Department of Administrative Services can submit the construction contract to the Governor and Executive Council for approval to ensure construction can be completed in the late summer or fall of 2025.

The Department is seeking to repurpose a portion of the approximately $20.5 million of funds previously approved by the Fiscal Committee (FIS 21-363, December 2, 2021) and Governor and Executive Council (#6B, December 8, 2021) for the purpose of responding to the hospital capacity surge experienced at that

[1] All direct program costs will be accounted for using activity 00FRF602PH9535A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9535Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

time. Executive Order 2021-12, required the Department to "...take immediate targeted, and direct action to ensure all steps are taken to help individuals receive medical care in a timely and appropriate way." Of the total amount approved, $9,049,680, was designated for the purpose of paying Ambulatory Surgical Centers. Ambulatory Surgical Centers were to be designated as Acute Care Centers under RSA 141-C:26 at the time to allow them to take patients who needed acute care and reimburse them at the appropriate rate. These funds were ultimately not expended, as the Department was able to meet this need working with nursing facilities.

The following table details the funding and cost history:

Forensic Hospital Construction Funding History	
Forensic Facility Funding Approved to Date	
Chapter 346, Section 357, Laws of 2019	$8,750,000
Chapter 91, Section 414, Laws of 2021	$30,000,000
ARPA Funds Reallocation - FIS 22-398, Nov. 18, 2022/G&C #8, Nov. 22, 2022	$5,074,927
DSH Revenues - FIS 22-386, Nov. 18, 2022/G&C #8, Nov. 22, 2022	$757,802
Total Forensic Hospital Budget	**$44,582,729**
Cost Estimate Summary	
Design costs committed (architecting, geo-tech, land surveying, etc.)	$4,769,859
Fees paid to DAS Division of Public Works (DPW Fees)	$400,000
Funds allocated to furniture, fixtures, and equipment	$1,500,000
Low Construction Bid Received (includes utility hookups and testing)	$41,974,000
Expected additional costs resulting from Foundation Work and Architech Fees due to increase in timeline	$750,000
Current total project cost estimation	$49,393,859
Projected Deficit:	**($4,811,130)**

As noted in the above table, $5,074,927 in ARPA SFRF was previously reallocated to this project through the approval of FIS 22-398, and these repurposed funds would be added to that amount by amending FIS 22-422. These federal funds would be used to support the construction of this facility, which New Hampshire decided during the State Fiscal Year 2022-2023 biennium to construct.

Individuals who are civilly committed for a psychiatric condition in New Hampshire, such as those who are determined to be not guilty by reasons of insanity, or incompetent to stand trial, are cared for in the secure psychiatric unit at the state prison. For civilly committed persons who require inpatient psychiatric care, the most appropriate care setting (both from a clinical and legal perspective) is a Forensic Psychiatric Hospital, and not a correctional facility. This investment will help ensure that these individuals are cared for in the most appropriate setting.

Funds are budgeted as follows:

Class 102- Contracts for Operational Services.

Source of Funds: These funds are 100% Federal Funds.

Respectfully Submitted,

Lori A. Weaver
Interim Commissioner