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STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
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JOHN V. SCIPPA
INTERIM COMMISSIONER

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May 22, 2025

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

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 106, Laws of 2023, class footnote¹ for accounting unit 82360000 *Pharmacy, Class 100 Prescription Drug Expenses*, the New Hampshire Department of Corrections (NHDOC) respectfully requests authorization for additional funding in the amount of \$551,000 for prescription drug expenses to cover projected shortfalls for the remainder of fiscal year 2025, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2025. 100% General Funds.

Funding is to be budgeted within the account listed on the attached exhibit as follows:

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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.

02-46-46-465010-82360000 Pharmacy				
Class	Description	FY 2025 Modified Budget	Requested Action	FY 2025 Revised Budget
010-500100	Personal Services - Permanent	\$ 242,290		\$ 242,290
011-500126	Personal Services - Unclassified	\$ 786,360		\$ 786,360
020-500200	Current Expenses	\$ 37,155		\$ 37,155
024-500225	Maint Other Than Buil-Gm	\$ 61,379		\$ 61,379
030-500331	Equipment New/Replacement	\$ 456,023		\$ 456,023
039-500188	Telecommunications	\$ 3,724		\$ 3,724
060-500602	Benefits	\$ 447,101		\$ 447,101
100-500726	Prescription Drug Expenses	\$ 4,391,188	\$ 551,000	\$ 4,942,188
103-502664	Contracts for Operational Services	\$ 469		\$ 469
	Total	\$ 6,425,690	\$ 551,000	\$ 6,976,690
	REVENUES			
	Total General Funds	\$ 6,425,690	\$ 551,000	\$ 6,976,690

EXPLANATION

Class 100 *Prescription Drug Expenses* has an estimated shortfall of \$551,000 due to several factors. Continued treatment of hepatitis C (HCV) has had a significant impact on pharmaceutical costs for the NHDOC. Despite our status as a 340B* entity, the costs for treating this serious, and potentially deadly disease, continue to remain elevated. Treatment failures or those with varying genotypes require more costly treatment. These unanticipated and clinically appropriate treatments with Vosevi cost \$2,611 per treatment. A study published by Oxford University on behalf of the Infectious Disease Society of America found that HCV prevalence is ninefold higher in the incarcerated population. The CDC reports that 30% of the total people infected with HCV in the United States spend at least part of the year in a carceral setting.

In the first three quarters of fiscal year 2025, the NHDOC treated 99 individuals with HCV, which is more than anticipated. The cost for this treatment was \$939,654.36.

While the number of inmates treated with HCV has begun to stabilize, inflation and supply chain issues continue to drive up the cost of other pharmaceutical agents. These increases have contributed to the shortfall.

The unanticipated addition of one cancer treatment in 2025 has had a significant impact on the pharmacy budget. ~~At a cost of \$19,957.39 every 28 days, this unanticipated treatment will be~~ required for the duration of the individual's incarceration. This one medication has had an impact of \$99,786.95 on the FY 2025 budget.

At the beginning of 2023 over 450 medication prices increased. The beginning of 2024 saw hikes for more than 700 medications. Inflation of like medications orders by the NHDOC in quarter three was 9.92% over the same time last year. The median price hike for brand name medications for 2025 was 4% according to National Public Radio (NPR).

Our monthly Pharmacy and Therapeutics Committee regularly reviews the costs of medications and how they are used. Our Chief Medical Officer and Chief Psychiatric Officer conduct audits of medical records to ensure that medications are prescribed in accordance with diagnoses and industry standards. We continue to keep our formulary aligned to the State of New Hampshire's Medicaid formulary. Pharmacy staff frequently review our higher cost items and seek alternative more cost-effective treatments that still meet the needs of our patient population. We continue to seek out contracts that will potentially reduce the cost of 340B and non-340B medications for the NHDOC. We have begun enrolling in managed care organizations to meet the requirements of the 1115 Medicaid Waiver. With careful planning these will continue to be cost-saving items for the NHDOC in the future. Fortunately for us, some other states have forged the way and are aiding us in successfully building/implementing these programs.

Respectfully Submitted,



John V. Scipio,
Interim Commissioner

*340B is a federal program that allows participating entities to purchase medications at significantly lower rates than through other purchasing venues.