

## MEMORANDUM

**TO:** Senator Marc Basnight                      Senator Linda Garrou  
Representative James B. Black              Senator Kay Hagan  
Senator Walter Dalton                      Representative Debbie Clary  
Representative James Crawford              Representative Beverly Earle  
Representative Edd Nye                      Representative Bill Owens  
Representative Wilma Sherrill              Representative Phillip Haire  
Representative Joe Kiser

**FROM:** Tracy A. Little, Deputy Secretary

**DATE:** May 16, 2007

**SUBJECT:** Costs for Inmate Medical Services

If the cost of providing food and health care to inmates housed in the Division of Prisons is anticipated to exceed the continuation budget amounts provided for that purpose, Section 17.6.(a) of Session Law 2005-276 requires the Department of Correction to report the reasons for the anticipated cost increase and the source of funds the Department intends to use to cover those additional needs to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House of Representatives Appropriations Committees, and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public safety.

Pursuant to Section 17.6.(a), the Department of Correction reports that it anticipates exceeding the Department's inmate medical continuation budget for hospital and other medical provider services as of February 2006. The inmate hospital and other provider medical services continuation budget was reduced by \$4.6 million while the inmate population and the costs of inmate healthcare have increased. The Department reports the need to transfer \$32 million from lapse salary and non-related salary funds available to pay the cost of providing medical services to inmates housed in the Division of Prisons.

I am requesting that this item be placed on the agenda of the next meeting of the Joint Legislative Commission on Governmental Operations. Staff from the Department of Correction will be available to provide additional information.

TAL/jk

Attachment

cc: David McCoy  
Jim Mills  
Sheryl Stephens  
Barbara Baker  
Mike Joyner

## **Department of Correction**

### **DOC Inmate Medical Services – 532130**

**Continuation Budgeted Amount:** \$43,144,353

**Projected Shortfall for 2005-06:** \$32,000,000

**Total Requirements for 2005-06:** \$75,144,353

**The Department reports the need to use funds available to cover \$32 million in projected Inmate Medical Services in Fund 1330 DOP Health Services.**

**Basis for Shortfall:** The Department of Correction will exceed the Continuation Budget for DOC Inmate Hospital and Other Provider Medical Services. The Continuation Budget for Fund 1330 – Inmate Medical has not been adjusted for actual expenditures for several years. The inmate hospital and other provider medical services continuation budget was reduced while the cost of inmate healthcare has increased and inmate population has increased. Actual expenditures for base year - \$46,947,574. Actual expenditures for medical services 2004-2005 were \$56,744,236.

Medical Services Inmate Accounts  
532131 Hospital Provider Medical Services  
532132 Other Provider Medical Services