

Discussion Points

1. During this past year “Superstorm Sandy” created havoc and chaos in New York and New Jersey, causing flooding, property destruction and wide-scale power outages.

- **Questions:** What preparations has the department made to deal with natural disasters that may affect the operation and security of its facilities? Does the department have a plan in place for facility evacuation and inmate security should that ever become necessary? How were the department’s facilities affected during “Superstorm Sandy”? Does the department anticipate the receipt of any federal funds made available as a result of the storm?

The Department has on file with the Office of Homeland Security a Continuation of Operations Plan (COOP) and Continuation of Government (COG) which were required by the State Police. In addition, each facility has an Emergency Operations Manual and Level 1 and 3 Internal Management Procedures (IMP) to deal with natural disasters and other emergent situations. Throughout the year, the Department conducts “table top” exercises to prepare for any possible emergency. In preparation of any natural disaster, the Department of Corrections has issued a Directive that each facility maintains equipment and levels of available supplies in order to accommodate inmates evacuated from facilities. Equipment and supplies may include; but are not limited to: drinking water, bedding, mattresses, food, portable generators, fuel for generators, cell phones, and Government Emergency Telecommunications Services (GETS) cards.

The Department of Corrections does have a Natural Disaster Emergency Response Plan for natural disasters that may affect the operation and security of the facilities. This plan directs the overall activities necessary to relocate inmates as needed.

As a result of Super Storm Sandy, seven facilities sustained damage from high winds, and flooding. This included damage to fencing, roofs, siding, transformers and generators at institutions and central office headquarters. All property damage was reported to the Department of the Treasury, Division of Risk Management and included in our FEMA application for reimbursement.

The Disaster Relief Appropriations Act, 2013, (P.L. 113-2), does not include funding that would result in a direct appropriation to the Department of Corrections. However, the Department of Corrections has applied to the Federal Emergency Management Administration (FEMA) through the New Jersey Office of Emergency Management (OEM) for federal reconstruction sub-grant funding. Application was made in late January for FEMA Public Assistance funding to cover the staff labor costs incurred and material losses sustained following the storm for debris removal and emergency protective measures. Damages claimed were slightly less than \$100,000. FEMA is currently reviewing our application documents

The Department has also applied to OEM for Section 404 funding under the FEMA Mitigation Grant Program. Our request included funding to support various capital construction, communication upgrades and other facility enhancements in order to harden our infrastructure in the event of a future disaster.

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2. In his testimony before the Senate Budget and Appropriations and Assembly Appropriations committees during the 2013 budget process Commissioner Lanigan stated:

It is estimated that 43 percent of the offenders in DOC facilities have a severe drug and/or alcohol problem. Currently the department contracts with the Gateway Foundation for 1,376 therapeutic community beds located in six different correctional facilities, for minimum and medium security inmates. . . . In addition, severely addicted offenders are placed in licensed, secure residential drug treatment facilities under the Mutual Agreement Program.

According to the monthly Inmates, Admissions, and Releases report produced by the Department of Corrections, as of December, 2012 there were 20,377 adult and young adult inmates housed in DOC facilities and county jails. If 43 percent of that number were severely drug and/or alcohol addicted, 8,762 inmates would require treatment.

- **Question:** In addition to the 1,376 treatment beds located in DOC facilities, how many beds are available for inmate treatment in secure, residential facilities? What criteria does the department use to determine which inmates receive treatment and which ones must wait for an open bed? Do all inmates receive access to treatment prior to release or parole? What is the average length of time an inmate receives treatment? What arrangements are made for continued treatment after release? Since all of the treatment beds are located in medium and minimum security facilities, what provisions are made for drug treatment services for those inmates classified as maximum security?

The Department of Corrections currently has 2,731 treatment beds available: 1,332 treatment beds in DOC facilities, 1,399 Substance Abuse treatment beds in Residential Community Release Programs including Mutual Agreement Program (MAP) beds allotted for NJDOC Drug Programs.

The criteria the Department uses consists of a classification review of clinical and correctional factors. The main clinical factor is the severity of substance use based on the result of the Addiction Severity Index (ASI) score obtained at intake. Other clinical factors such as the presence of significant healthcare problems can override enrollment in substance abuse programs while those healthcare problems are being treated. The correctional factors include objective classification scoring of security risks and the length of sentence along with parole eligibility. Examples of security risks include the level of known violence and type of offense. When the inmate meets an ASI score above 4, the correctional factors are reviewed to see if that inmate can be placed into programming.

All inmates who meet the eligibility requirements described above are provided access to treatment prior to release or parole. However, many inmates who are provided such access choose not to participate in treatment prior to release or parole. As previously mentioned, there are also many clinical and classification reasons for which an inmate does not meet eligibility to receive treatment.

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Each inmate is individually assessed and offered various treatments based on need. Some programs run concurrently and other run sequentially, therefore an average time in days spent in treatment is not determined.

Some inmates receive substance abuse treatment through the healthcare staff and those inmates are all provided with referrals for follow up healthcare treatment, which includes the need for continued substance abuse treatment. For inmates being paroled, the treatment team sends a Treatment Progress report to the State Parole Board which includes information on treatment progress for SPB to determine whether further treatment is warranted. For inmates not leaving on parole, NJDOC makes every effort to assist these inmates in preparation for release by identifying appropriate programs that offer substance programming in the vicinity of the location they intend to live. NJDOC has a small grant-funded program getting underway in which case managers affiliated with inmates enrolled in the substance abuse program, Engaging The Family, will be using telephone contacts to more directly refer and monitor enrollment in aftercare for up to 6 months post release. This program was also granted direct enrollment access into the Department of Mental Health and Addiction Services central computerized enrollment program.

As all treatment beds are located in medium and minimum security facilities, the NJDOC has set up some programs to provide maximum security inmates access to drug treatment services. These include the Living in Balance program as well as AA and NA meetings. The AA/NA services are entirely run through volunteer staff provided by community providers.

3. The Department of Corrections is currently under contract with Global Tel*Link (GTL) to provide inmates with access to telephone calls. Under the program, inmates may make collect or pre-paid telephone calls to family and friends. In the past this service was provided by ATT.

- **Questions: Why did the department switch from ATT to GTL? What is the duration of the current contract with GTL? What is the cost of this service to the participating inmates? How much of each inmate's telephone fee is returned to the State? How much funding is generated for the State annually under the program? How many vendors are available to provide this service?**

The switch from ATT inmate telephone services is a direct result of ATT's decision to sell its inmate telephone division. GTL was awarded the inmate telephone services contract in April 2005 and was recently extended in March 2013 to March 2014 due to anticipated Federal Communications Commission (FCC) rule changes.

Since June 2010, the surcharge of \$1.75 per collect call and \$1.49 per debit call was eliminated and all calls originating from the institutions are now charged at the flat rate of \$0.33 cents per minute plus any applicable federal, state and local taxes. This applies to debit and collect calls. The maximum length of an inmate phone call is 15 minutes therefore the maximum GTL phone call would cost \$4.95 plus applicable taxes.

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The current contract provides that 41% of all GTL revenue generated from inmate phone calls, approximately \$3.9 million during FY 2012 is deposited to the State and is used to offset the cost of DOC supervision, investigation and management of the Inmate telephone system.

There are many firms capable of delivering an inmate telephone services system to the State.

4. In response to a question posed by a FY 2013 OLS Discussion Point concerning inmate eligibility for Medicaid coverage for hospital stays commencing in 2014 the DOC stated:

The DOC has been engaged in ongoing meetings and discussions with the New Jersey Department of Human Services (DHS) which administers Medicaid, to implement a program to obtain Medicaid payments or reimbursements for qualified inmates' in-patient hospitalization costs. . . . Because nearly 10 percent of all inmate hospitalizations fall within the allowable Medicaid categories prior to eligibility determination, the DOC finds it feasible to take advantage of this ruling.

- **Question:** Please comment upon the status of the DOC's discussions with the DHS concerning the application for Medicaid funding. What preparations would be necessary in order for the DOC and DHS to be ready to participate in the Medicaid reimbursement program for DOC inmates? Will the department be prepared to take advantage of these reimbursement in January 2014 when the rule change takes effect?

DOC and DHS have formed a Medicaid Task Force which has been meeting regularly since 2011 to discuss inmate enrollment in Medicaid. Currently, Medicaid enrollment for hospital stays twenty-four hours and longer is available only for certain categories of inmates (e.g., over 65, under 19, pregnant, on dialysis, blind, permanently disabled). On January 1, 2014, however, due to changes in the law, it is possible that virtually all inmates meeting certain income criteria could be eligible for Medicaid coverage for the costs of their hospital stays if they are hospitalized for twenty-four hours and longer.

DOC has been working to implement a "pilot program" with DHS and its Division of Medical Assistance and Health Services (DMAHS), for enrollment of our Medicaid eligible inmates hospitalized for twenty-four hours and longer at St. Francis Medical Center in Trenton. Also included in this pilot are pregnant inmates, who are usually treated and delivered at St. Peters Medical Center in New Brunswick and any inmate who has been enrolled in Medicaid during the prior twelve months. DOC and our medical provider, UMDNJ, are working with DHS/DMAHS to enroll these inmates in Medicaid as soon as possible, retroactive to February 1, 2013. The first such enrollments were submitted to DHS/DMAHS on February 12, 2013.

We expect that Medicaid enrollment will soon be extended to all hospitals which house DOC inmates for stays of twenty-four hours and longer.

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It is anticipated that through this limited pilot program, the parties will be able to refine the Medicaid enrollment process and procedure and resolve any associated problems or issues well in advance of 2014. The department expects to be ready to take advantage of the reimbursement in January 2014 when the changes to Medicaid take effect.

5. According to the department's monthly Inmates, Admissions and Releases institutional population has decreased from 24,836 inmates in December 2008 to 22,982 inmates in December 2012, a decrease of 1,854 inmates. During this time the department closed Riverfront State Prison a medium security prison housing an average of 1,000 inmates.

- **Question:** Does the DOC have any plans to further eliminate or consolidate its prison facilities? How has this decrease in population allowed the DOC to provide better or increased services to the offender population?

The Department monitors the inmate population daily for the purpose of consolidating bed space in order to make needed repairs at the facilities. As bed vacancies occur, they are assessed to determine what units can be consolidated and would have the least impact on a facility to continue their normal operation.

With these temporary closures we have been making repairs to include but not limited to; roofs, bathrooms, floors, walls, windows, and HVAC systems. As units are consolidated, staff is reassigned to areas of need to provide and increase the services offered to the inmate population (i.e. increased transport, program escorts, etc.)

6. P.L.2009 c.330 requires the Department of Corrections, in consultation with the Commissioner of Labor and Workforce Development (DLWD), to establish a mandatory workforce skills training program in each of this State's correctional facilities. Under the statute the DOC and DLWD are required to ensure that vocational training programs provided to inmates remain current and relevant to employers' current expectations of workforce qualification standards, and revise or terminate outdated programs and redirect inmates from terminated programs into other vocational training programs that meet current employer and industry requirements.

- **Question:** What changes has the department made to its educational programming in order to assure that its training is "current and relevant to employers' current expectations of workforce qualification standards"? What further changes are necessary in order to comply with this mandate?

Our career technical educational programs are subject to a re-approval process by the New Jersey Department of Labor. Each program offering is reviewed to see if it is listed by the New Jersey Center for Occupational Employment Information's (COEI) Labor Demand List. If the

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program relates to the list of the "Real Time Jobs in Demand" published by COEI, it is tailored to ensure that a coherent course of study incorporates structured learning experiences that could lead to an industry-recognized credential or certificate.

Our curriculum is regularly updated to ensure that instructional strategies incorporate applied, contextual, cross curricular and interdisciplinary activities. Recently, the Office of Educational Services expanded its portfolio of career technical education program offerings by creating the Heating/Ventilation and Air-Conditioning (HVAC) program (at BSP). The HVAC program is a nationally recognized program that trains our inmate population with the necessary skills to service and install residential, heating, ventilation and air conditioning systems. No further program changes are necessary at this time to comply with this mandate.

7. In a response to a FY 2012 OLS Discussion Point concerning a proposed pilot program for food services, the department stated:

The Department of Corrections has released a RFP for a vendor to run a pilot food services project at one adult correctional facility as a way to determine if it can save substantially and provide healthier food service options throughout the correctional facility system.

According to the Division of Purchase and Property website, a contract was awarded to ARAMARK Correctional Services for \$7.2 million on December 11, 2012 to implement the pilot program at Bayside State Prison.

- **Question: What is the status of this pilot program? What improvements have been made to the food services menus? What are the potential savings department-wide? What provisions has the department made for the food services personnel who would be displaced by the ARAMARK program? What is the potential impact of this program on the department's current Agri-Industries program?**

The contract vendor, ARAMARK took over food service operations at Bayside State Prison and its two satellite units on March 25, 2013. This is a planned two year pilot program, which will be monitored and evaluated regularly throughout the time period. The vendor's menu provides complete dietary needs for the inmates. The nutritional content of the menu is the same as the NJDOC Central Menu as defined in contract.

Approximately 7% in savings for food service costs at Bayside State Prison is anticipated as a result of the food services pilot. Upon completion of the two year pilot program, a determination will be made as to the efficacy of the program and whether to further expand the initiative. At that time, the scope of expansion will determine future department-wide savings.

All NJDOC employees assigned to the Food Service Unit at Bayside State Prison have been laterally reassigned to work at other institutions of their choosing.

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Pursuant to statute, Agri-Industries is not permitted to conduct business with private companies. Bayside State Prison/Agri-Industries business is approximately four percent of total Agri-Industries sales therefore no significant impact is anticipated on current operations at this time.

8. The FY 2014 budget recommends no capital funding for critical repairs and renovations at various institutions. Due to the lack of funding in the past and the age of the various institutions, numerous facilities have deteriorated to the point of requiring repair.

- **Question: How does the department plan to address the needs of the facilities requiring immediate repair? What impact has deferred maintenance had on the availability of inmate bed spaces throughout the department? Please provide the committees with a list of critical repairs required by each of the DOC's facilities and the estimated cost of each of these repairs.**

Any immediate institutional repairs, dependent on their costs, are addressed within its operating budgets or available Capital Construction Fund balances. The deferred maintenance of our aging physical structures currently does not have an impact on the inmate bed space throughout the department. With the decline of the current inmate population, which led to the consolidation of several units through out the Department, we have taken the opportunity to renovate some of the units using inmate details and current appropriations.

Each year the Department submits its annual Capital Budget Request which details critical repairs and improvements to our facilities. For FY 2014, the Department identified a total of \$78 million for capital projects for the Capital Planning Commission's consideration. Although no capital appropriation was recommended for DOC there is a \$10 million appropriation recommended in the Interdepartmental Accounts for "Life Safety and Emergency Projects – Statewide" which could be available to the DOC for emergent projects.

9. The FY 2013 Appropriations Act contains the following new language requiring the DOC to provide the Legislature with a report on the status of its community based treatment programs:

The amounts hereinabove appropriated for the Purchase of Community Services is conditioned upon the following: the Commissioner of Corrections shall report to the Presiding Officers of the Legislature in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) on the operation of each Community Based Residential Placement. The report shall include, but not be limited to, the following: (a) the total reimbursement provided, (b) the rate of reimbursement received per client, (c) the number of clients for which reimbursement was received, (d) the number of clients imprisoned for violent crimes and the total number of days such clients were imprisoned, (e) the number of clients imprisoned for non-violent crimes and the total number of days such clients

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were imprisoned, (f) the number of escapes by clients imprisoned for violent crimes and the number of escapes by clients imprisoned for non-violent crimes, (g) the number of incidents involving physical violence documented.

- **Question: What is the status of this report? Please provide a copy of this report to the committee.**

The data for the report is being compiled. The data comes from a number of sources to include the various RCRPs, the Office of Information Technology, the Special Investigation Division, and the offices of Financial Management and Community Programs. Because the data is being gathered from so many different sources, it is being thoroughly vetted and reconciled to ensure that the information released is completely accurate. Additionally, this is a new report and, as a result, a review of definitions and terms was required to ensure that all areas were being consistent in defining the terms and categories. For example, it was required that we defined the term non-violent offender and ensured that all areas were utilizing the same definition when gathering their data

10. Recent news articles have highlighted the fact that the population of older inmates in New Jersey's prisons has risen even as the number of adult offenders incarcerated in the State has declined. In these reports, the department is quoted as stating that there are "no special or unusual arrangements for the aging inmate population." According to the Department of Corrections Offender Characteristics Report, as of January 3, 2012 the total number of inmates incarcerated in the State's prison facilities who are 50 years of age or older, totaled 2,914, about 12.2 percent of the total adult prison population.

- **Question: How does the department intend to address the issue of its aging prison populations? What additional services, if any would be required to meet the needs of these inmates? What is the estimated cost of these services?**

The age group of inmates 50 years of age and older is growing modestly. Within that group, only 295 or 1.2 percent of the entire jurisdictional population is 65 or older. The requirements of an aging population are evaluated and monitored regularly and the Department will take its guidance from the Health Care professionals. While the NJDOC is aware of the aging prison population, it is not planning to change departmental policies at this time.

The NJDOC manages a 71 bed extended care unit at South Woods State Prison for inmates who require extended medical care in an infirmary setting. This is based on the inmate's individual medical needs which may not necessarily be due to their age. The Department would address expanding this unit for age or other clinical reasons upon the recommendation of its Director of Health Services; however, no additional services are required at this time. Should the Inmate population continue to age to more traditionally defined elderly (70 and above) we will need to treat dementias associated with this group. A precise cost would be determined by the size and scope of these services.

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11. The DOC's Bureau of State Farm Operations (Agri-Industries) operates six dairy/crop farms, and milk, meat and produce processing plants with a staff of about 40 employees and 300 inmates. Products are provided to DOC facilities as well as to programs operated by the Department of Human Services, the Department of Military and Veterans' Affairs and the Juvenile Justice Commission. The program is intended to be self supporting, existing on revenues generated from the products provided.

According to a 2012 State Auditor Report, this program, which carries forward unexpended balances from year to year has seen its carry forward balance decrease from \$772,000 in FY 2010 to \$75,000 in FY 2012. The report indicates that the program will soon "require State appropriations, ending its status as a self-supporting revolving fund." The report also highlights various internal control issues and lack of compliance with Treasury policies. In addition, regulations concerning employee use of residential units have not been adhered to.

- **Question:** What steps has the department taken to ensure that this program will remain self-supporting and not require additional State funding? What steps have been taken to resolve the internal control and residential housing issues?

The Department has reviewed the overall Agri-Industries Operations and has made several administrative and operational changes to appropriately use resources. Industry FTEs and tables of organization were examined and shifts were either eliminated or consolidated to reduce coverage and overtime needs. A reduction in animal transfers between farms realized savings in fuel and labor costs. Crop production has been expanded to reduce food and feed costs. While fruit and vegetable farming will reduce purchases from outside vendors, forage crop production reduces our dependence on vendors for feed. Additionally, total herd head-count has been reduced based on customer demand.

The leases for the current occupied residential properties expire on June 30, 2013. The NJDOC is in compliance with the Employee Housing Fiscal Procedures as defined by the Division of Property Management and Construction.

An evaluation has been completed pertaining to the possible elimination of residential properties within the NJDOC. Based on the aging infrastructure of many of these buildings and the overall cost for renovations to meet code compliance, it is anticipated that the NJDOC will be moving towards the elimination of the residential properties under its jurisdiction.

12. The DOC's Bureau of State Use Industries (DEPTCOR) provides various manufactured goods to federal, State and local government agencies and provides training to State sentenced prison inmates. According to a 2012 State Audit Report, DEPTCOR has not updated its raw material prices since 2004, in some cases selling items at below cost. In addition, the report notes that DEPTCOR has not updated its catalog of products since 1993, stating that "without a current description and price list of all the articles, DEPTCOR is unable to effectively market

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their items and utilize the internet for marketing." Also, the report cited DEPTCOR's warehouse facility for operating in an unsanitary and unsafe environment.

- **Question:** What steps has the department taken to conform its pricing with its raw material costs and to develop and disseminate an updated catalog of products? What improvements have been made to improve the safety and sanitation of its warehouse facility?

DEPTCOR management has reviewed the pricing structure and has updated all raw material costs for each respective product offering. Each bill now reflects a shipping and handling charge. In addition, DEPTCOR has updated its catalog with new products and revised pricing in August of 2012. Hundreds of catalogs were made and distributed to various state agencies and will be sent to municipalities in the near future. Work is being done to produce an updated DEPTCOR web based catalog with product images, new product lines and pricing. Furthermore, DEPTCOR has reviewed and recommended a vendor who will provide an Enterprise Resource Planning System (ERP) that will aid in manufacturing, financial management, and supply chain management.

DEPTCOR management has implemented a system of oversight, inspection, reporting and technology improvements to develop a higher level of safety and sanitation in its warehouse operation and assign accountability to staff and inmates. Daily examinations and random safety reviews provide a basis for a clean and safe environment for inmates and staff.

13. The FY 2014 Budget provides an increase of \$5.2 million for the costs of inmate health care. The budget also indicates the need for FY 2013 supplemental funding of \$4.2 million to close an inmate medical cost "deficit". Available information is that increases are needed to fund contractual salary increases and fringe benefit rate increases, respectively, applicable to staff of the University of Medicine of New Jersey (UMDNJ) who provide health care services under contract with the department to the prison population.

UMDNJ became the contract provider of inmate medical services during FY 2009, at which point it was already providing mental health services to inmates. In its response to an OLS FY 2013 discussion point, the department estimated that inmate medical and mental health care costs would rise by \$6.1 million (4.5 percent) in FY 2013, from \$138.7 million to \$144.8 million. The department further informed the Legislature that the UMDNJ agreement, scheduled to end on June 30, 2012, was to be amended prior to its expiration to coincide with another contract with St. Francis Medical Center, which extends to June 20, 2014, and to add an option to extend both contracts to December 31, 2017.

- **Question:** Was the contract with UMDNJ amended as envisioned in the spring of 2012? What annual cost of living adjustments were agreed to in the contract? Please specify the estimated cost of each annual adjustment. What other costs adjustments were agreed to in the contract? Please itemize any adjustments and provide the annual cost estimate of each one over the life of the contract.

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The contract with UMDNJ was extended to December 31, 2014 with three one year extensions to December 31, 2017. The agreement allows for UMDNJ to apply for an annual price increase based on compensation and non-compensation components. The increase for compensation is based on negotiated salary and benefit increases in the respective bargaining units. For the non-salary increases, the maximum increase shall not exceed the composite NY-NJ and Philadelphia regional Consumer Price Index for Medical Care. UMDNJ has strived to offset any cost increases in contract components through savings and efficiencies generated within other service areas.

- **Question:** What explains the need for \$4.2 million in additional funding in FY 2013? What portion of the FY 2014 increase of \$5.2 million is attributable to cost of living adjustments and fringe benefit costs, respectively? Please provide actual FY 2012, estimated FY 2013 and estimated FY 2014 costs for inmate medical, mental health and substance abuse services, respectively, in total and per inmate. Please provide the annual rates of change in inmate medical services in the last three full years of service prior to UMDNJ becoming the provider of those services, and the corresponding per inmate costs in each of those three years. What criteria does the department utilize to evaluate whether the UMDNJ's provision of medical services and mental health services is cost-effective compared to alternatives to providing those services?

The \$4.2 million supplemental funding in FY 2013 will fund fringe benefit cost increases for UMDNJ staff based on Circular Letter No: 13-12-OMB which sets the "Employee Reimbursement Rates" at 45.35 percent for PERS members. This is an increase of 7.40 percent from the previous rate of 37.95 percent and is largely attributable to growth in the pension payment. Unlike other Departments that contract with UMDNJ for healthcare services, related fringe benefit costs are not funded by the Interdepartmental account, rather, they are included in the Department of Corrections operating budget.

For FY 2014, \$4.5 million of the \$5.2 million increase is attributable to an estimated fringe benefit reimbursement rate of 52.65 percent, an increase of 7.3 percent from fiscal 2013.

The chart below details the costs for the individual services and related per inmate costs.

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	FY 2012 <u>Actual</u>	FY 2013 <u>Estimated</u>	FY 2014 <u>Recommended</u>
Medical/Dental	\$ 99,477,964	\$ 108,100,000	\$ 112,000,000
Per Inmate Cost	\$ 4,223.58	\$ 4,736.24	\$ 4,938.49
Mental Health	\$ 34,842,131	\$ 36,700,000	\$ 37,600,000
Per Inmate Cost	\$ 11,499.05	\$ 12,080.32	\$ 12,376.56
Substance Abuse	\$ 4,673,170	\$ 4,903,873	\$ 4,997,047
Per Inmate Cost	\$ 3,868.52	\$ 3,942.02	\$ 4,016.92

Note that the Substance Abuse increase for FY 2013 and 2104 is driven by a 1.9% contract inflator over the two years.

The annual rates of change, for inmate medical services, for the last three full fiscal years, FY 2006 to FY 2008, before UMDNJ began providing medical services were 6.4%, 4.3% and 2.7% respectively. The cost per inmate for medical services during the same time periods were: \$3,525, \$3,577 and \$3,736.

NJDOC is satisfied with the clinical services provided by UMDNJ and is confident that its administration of the healthcare budget is efficient and exceptionally well-managed. This is evidenced by UMDNJ's repeated containment of growth to less than the published Consumer Price Index. Furthermore, earlier this year, our Healthcare Provider received the NJ Hospital Association's Excellence in Quality Improvement Award for its service delivery.

In determining cost effectiveness, relative to other vendors, the Department, in partnership with our sister State Agency UMDNJ, examines current trends in pharmaceutical, laboratory, radiology and hospital expenditures. UMDNJ and the NJDOC regularly survey alternative vendors for those services to determine that costs are reasonable and competitive.

The New Jersey Department of Corrections is aware of many models of Inmate health care delivery and regularly participates in national meetings on this and related health care topics. The NJDOC has extensive experience with the private vendor model, self operation and the University model. To date, we believe that services provided by the State's Medical University system represents the best composite performance with

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regard to cost, management efficiency and technical expertise. For that reason the NJDOC has not engaged in a complex analysis of alternative systems of delivery.