

Expense Type	Transition Period*	Cost Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
Salaries	\$	5,822,683.14	\$ 35,726,671.00	\$ 37,155,737.84	\$ 38,641,967.36	\$ 40,187,646.05	\$ 41,795,151.89
Systems & Contracts	\$	4,332,500.00	\$ 4,332,500.00	\$ 4,765,750.00	\$ 5,718,900.00	\$ 6,862,680.00	\$ 8,235,216.00
Pharmacy	\$	2,552,575.11	\$ 5,105,150.21	\$ 5,615,665.23	\$ 6,738,798.28	\$ 8,086,557.93	\$ 9,703,869.52
Operating	\$	46,493,302.90	\$ 7,043,397.64	\$ 7,747,737.40	\$ 9,297,284.88	\$ 11,156,741.86	\$ 13,388,090.23
ISF	\$	5,505,698.69	\$ 4,855,317.85	\$ 5,141,494.81	\$ 5,616,916.40	\$ 6,165,307.20	\$ 6,800,376.47
Totals	\$	64,706,759.84	\$ 57,063,036.71	\$ 60,426,385.29	\$ 66,013,866.92	\$ 72,458,933.05	\$ 79,922,704.12
							\$ 400,591,685.92

1% Conservative Inflationary percentage applied to out years in Systems & Contracts, Pharmacy, and Operating beginning in year 2.

4% Conservative growth applied to salaries to account for State COLA, Steps, Benefit cost increases.

*Current Contract plus start up costs.

Note:

DOC and its contracted Comprehensive Health Services partner continue to experience staffing shortages across the state. Utilization of "Agency Staff" or otherwise referred to as traveling nurses has been ongoing.

Due to high pay received by medical staff, challenging to hire qualified medical staff using current pay structure/scale offered by State. Additionally, many salaries reflected in the cost estimate have higher actuals as reflected in contractor agreement but would be outside State pay scale.

Contracted partner not limited to State pay structure; salaries here comparable to existing rates.

To further this point, VT State Psychiatric Hospital in FY23 spent just under \$20m to staff its 25 bed facility using private medical companies. This is up from \$4.9 million in FY21.

Cost Estimate
State Run Correctional Health Services

Table with columns: Medical, FTE, Est Salary per FTE, Base, Shift, Corr Comp Sup, FICA, RETIREMENT, Est. Health, Dental, EAP, LIFE, FMLI, Child Care Contr., Total Annl Salaries. Includes sub-sections for Medical and Administration with detailed job titles and associated costs.

Summary table for Medical and Administration sections, listing Total Estimated Staff (204), Total Estimated Annual Salaries Transition Period (\$ 5,822,683.14), and annual salary estimates for years 1 through 5.

Note: Salaries reflect current job market however, given current workforce staffing challenges additional funds may be needed to attract qualified candidates.
Revision to State compensation structure for medical staff may be needed.
State would need to determine administrative structure (VDH, DOC, another existing department or new entity).

IT Systems and Personal Services Contracts

Equipment Maintenance Contracts	\$	50,000.00
Consulting	\$	125,000.00
Community Care Providers - Reentry	\$	125,000.00
EHR licensing	\$	450,000.00
Medical Billing Software & Licensing	\$	225,000.00
Dues & Subscriptions	\$	7,500.00
Telehealth Provision	\$	1,000,000.00
Agency Nursing Partnerships	\$	1,500,000.00
On-Site Contractors (Audiology, PT, Vision, etc...)	\$	500,000.00
Backup Community Pharmacy	\$	350,000.00
Systems & Contracts Annual Total	\$	4,332,500.00

Annual Totals Pre-ISF:	\$	59,201,061.15	\$	52,207,718.85	\$	55,284,890.48	\$	60,396,950.52	\$	66,293,625.84	\$	73,122,327.65
Internal Service Fund Estimates 7% of overall budget	Transition Period	Year 1	Year 2	Year 3	Year 4	Year 5						
Communications & Information Technology Fund (ADS) 1%	\$	592,010.61	\$	522,077.19	\$	552,848.90	\$	603,969.51	\$	662,936.26	\$	731,223.28
Human Resources Fund 1%	\$	592,010.61	\$	522,077.19	\$	552,848.90	\$	603,969.51	\$	662,936.26	\$	731,223.28
Fee for Space 3%	\$	1,776,031.83	\$	1,566,231.57	\$	1,658,546.71	\$	1,811,908.52	\$	1,988,808.78	\$	2,193,669.83
Financial & Human Resources (VISION) 1%	\$	592,010.61	\$	522,077.19	\$	552,848.90	\$	603,969.51	\$	662,936.26	\$	731,223.28
Workers Compensation Fund 2%	\$	1,184,021.22	\$	1,044,154.38	\$	1,105,697.81	\$	1,207,939.01	\$	1,325,872.52	\$	1,462,446.55
State Liability Fund (GL) 1%	\$	592,010.61	\$	522,077.19	\$	552,848.90	\$	603,969.51	\$	662,936.26	\$	731,223.28
Property & Commercial Insurance Fund (AOI) .03%	\$	177,603.18	\$	156,623.16	\$	165,854.67	\$	181,190.85	\$	198,880.88	\$	219,366.98
	\$	5,505,698.69	\$	4,855,317.85	\$	5,141,494.81	\$	5,616,916.40	\$	6,165,307.20	\$	6,800,376.47

Medication Type	Annual Cost
Pharmacy - HIV	\$ 350,000.00
Pharmacy - Psych	\$ 450,000.00
Pharmacy - Buprenorphine	\$ 1,150,000.00
Pharmacy - Methadone	\$ 900,000.00
Pharmacy - Other	\$ 750,000.00
Pharmacy - Hepatitis	\$ 800,000.00
Pharmacy - Specialty other	\$ 500,000.00
Pharmacy - Backup	\$ 100,000.00
Pharmacy - Release Meds	\$ 30,150.21
Pharmacy - Management Vendor Fees	\$ 75,000.00
Total Pharmacy Costs	\$ 5,105,150.21

Medical Operating	
X-Ray	\$ 95,000.00
Laboratory Services	\$ 152,270.09
Medical Equipment (Beds, Dental)	\$ 30,000.00
Dental Supplies	\$ 125,000.00
Medical Supplies	\$ 750,000.00
Mental Health Supplies	\$ 12,500.00
Technology Assisted Care (Breaking Free, SERAS, etc.)	\$ 350,000.00
Ambulance, Emergency Room, and Observation	\$ 275,000.00
Oral Surgery	\$ 25,000.00
Restorative Therapy	\$ 15,000.00
OBGYN	\$ 35,000.00
Infectious Disease	\$ 10,000.00
Outpatient One Day	\$ 129,754.69
Dialysis	\$ 54,365.80
Outpatient X-Ray	\$ 89,866.80
Laboratory Services	\$ 59,761.71
Ancillary	\$ 5,000.00
IT Processing	
Data Processing Fees & Supplies	\$ 60,000.00
IT Equipment	\$ 5,000.00
Laptops	\$ 122,400.00
Dues & Subscriptions	\$ 3,176.29
Employee & Training	
Employee Education & Training	\$ 9,164.96
Employee Recruitment	\$ 55,000.00
Licenses Fees	\$ 350,000.00
Administrative Operating	
Meetings & Registration	\$ 17,500.00
Office Supplies	\$ 38,000.00
Outside Services - Nonmedical	\$ 9,075.11
Postage and Mailings	\$ 14,000.00
Printing & Forms	\$ 1,518.15
Rent - Equipment (copier rentals etc)	\$ 28,000.00
Rent - Office or Fee for Space	\$ 650,000.00
Other Equipment	\$ 10,000.00
Electricity	\$ 18,000.00
Custodial Services	\$ 21,600.00
Heat (gas/oil etc...)	\$ 25,000.00
Repairs & Maintenance	\$ 5,944.04
Telephone VOIP	\$ 6,000.00
Wireless Phones	\$ 54,000.00
Household/Lab Supplies	\$ 12,000.00
Paper Products - non office supply	\$ 3,000.00
Rental - Vehicles Fleet	\$ 26,400.00
Gasoline	\$ 12,000.00
Travel In-State Mileage	\$ 15,000.00
Travel In-State Meals	\$ 1,200.00
Travel In-State Accomodations	\$ 1,200.00
Travel Out-State Mileage	\$ 1,200.00
Travel Out-State Meals	\$ 750.00
Travel Out-State Other Transport	\$ 2,000.00
Travel Out-State Accomodations	\$ 1,750.00
Legal Liability (malpractice payouts) low estimate	\$ 750,000.00
Insurance (Med malpractice, SAAM, Prof Liab etc...)	\$ 2,500,000.00
Total Annual Operating	\$ 7,043,397.64

Transition Period Summary

In order to transition to State-run Medical and Mental Health Services, DOC estimates roughly 60% of Administrative staff need to be in place prior to end of privatized contract.

Medical staff would have ability to transition to State-run program pursuant to HR hiring policies, background checks, etc.

Also applies to contracts for pharmacy, on-site services, state-owned IT infrastructure and software required to be in place concurrently with privatized vendor to ensure seamless transition.

Transition Year includes overlap costs and annual cost of current Health Services contractor.

Due to required contracts, other State entities (e.g., ADS) would likely require Project Manager or Business Analyst to assist during transition period.

Salaries & Personal Services

Salaries	\$ 5,822,683.14
Systems & Contracts	\$ 4,332,500.00
Pharmacy	\$ 2,552,575.11
Current Contractor	\$ 43,591,452.90
EHR Procurement and Implementation	\$ 750,000.00
ADS Project Manager	\$ 125,000.00
Health Services Project Manager (Limited Service/Temp)	\$ 125,000.00
Transition Period - Salaries & Personal Services	\$ 57,299,211.15

Operating On-Time Costs

Other Equipment	\$ 75,000.00
Office Space Rental	\$ 650,000.00
Utilities (Electricity, Heat, Custodial)	\$ 64,600.00
Furniture & Fixtures	\$ 250,000.00
Misc Office Supplies	\$ 25,000.00
IT Equipment - Laptops & Monitors	\$ 327,250.00
Sign-on bonuses	\$ 500,000.00
Office Equipment Purchases (Postage etc)	\$ 10,000.00
Total One-Time Operating Costs	\$ 1,901,850.00

Transition Period Total Costs \$ 59,201,061.15