

JOINT LEGISLATIVE FISCAL COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Friday, March 16, 2018

MEMBERS PRESENT:

Rep. Neal Kurk, Chair

Rep. Ken Weyler

Rep. Lynne Ober

Rep. Mary Jane Wallner

Rep. Dan Eaton

Rep. Frank Byron (*)

Rep. Karen Umberger (*)

Senator Gary Daniels

Senator Bob Giuda

Sen. Lou D'Allesandro

Senator James Gray (*)

Sen. Sharon Carson (*)

(*) Alternate

(The meeting convened at 10:04 a.m.)

(1) Acceptance of Minutes of the February 16, 2018 meeting

NEAL KURK, State Representative, Hillsborough County, District #02 and Chairman: Good morning, everyone. I'd like to open the Fiscal Committee meeting of March 16th, 2018, and express a welcome to Senators Carson, Giuda, and Gray. Welcome to you. Congratulations on your new appointments.

SHARON CARSON, State Senator, Senate District #14: Thank you. Mr. Chairman.

ROBERT "Bob" GIUDA, State Senator, Senate District #02: Thank you.

CHAIRMAN KURK: Let's turn to the first item on our agenda, the acceptance of the minutes of the February 16th meeting.

** LOU D'ALLESANDRO, State Senator, Senate District #20: Move.

GARY DANIELS, State Senator, Senate District #11: Second.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Senator Daniels that the minutes be accepted. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The minutes are accepted.

*** {MOTION ADOPTED}

(2) Old Business

CONSENT CALENDAR

(3) RSA 9:16-a, Transfers Authorized:

CHAIRMAN KURK: We now turn to item number (3) on the agenda. This is a Consent Calendar item. There are four items on it. Does anyone wish to remove any item from this Consent Calendar? There being no item that anyone wishes to remove, then we will vote on the entire Consent Calendar under Tab (3). That's Fiscal 18-039, 047, 051 and 055. Is there a motion?

** SEN. D'ALLESANDRO: Move the items.

CHAIRMAN KURK: Senator D'Allesandro -- Senator Carson, did have you a question?

SEN. CARSON: Yes, Mr. Chairman. I would like to remove item number (7) from the Consent Calendar.

CHAIRMAN KURK: Which item is that?

SEN. CARSON: I'm sorry, I'm looking at --

SEN. DANIELS: This is under Tab (3).

JAMES P. GRAY, State Senator, Senate District #06: 18-058.

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SEN. CARSON: 18-058.

CHAIRMAN KURK: I don't see that under Tab (3).

SEN. GRAY: Seven.

SEN. DANIELS: We are just taking one tab at a time.

SEN. CARSON: Okay. Excuse my ignorance, Mr. Chairman.

CHAIRMAN KURK: I didn't make it clear. We are dealing only with agenda item number three.

SEN. CARSON: Okay.

CHAIRMAN KURK: RSA 9:16-a, Transfers Authorized. There are four items under that. We will have a single vote on those four items, unless someone wishes to remove one. Since no one wishes to remove one, the vote is on all of those four as one. The motion was made by Senator D'Allesandro to approve and accept these. Is there a second?

SEN. DANIELS: Second.

SEN. GIUDA: Second.

CHAIRMAN KURK: Second by Senator Giuda. Discussion? There being none, are you ready for the question? All those in favor of approving those four items, please indicate by saying aye? Opposed? The ayes have it. Those items are approved.

***** {MOTION ADOPTED}**

(4) RSA 9:16-c, I, Transfer of Federal Grant Funds:

CHAIRMAN KURK: We now turn to Tab (4), Consent Calendar under RSA 9:16-c, Transfer of Federal Grant Funds. There is one item under this.

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** SEN. D'ALLESANDRO: Move the item.

CHAIRMAN KURK: That's item Fiscal 18-038. Approval has been moved by Senator D'Allesandro. Seconded by?

SEN. DANIELS: Second.

CHAIRMAN KURK: Is there a House Member who'd care to make a second.

LYNNE OBER, State Representative, Hillsborough County, District #37: I will second.

CHAIRMAN KURK: Thank you, Representative Ober.

SEN. GIUDA: Is there a statement there?

REP. OBER: No.

CHAIRMAN KURK: Is there discussion? There being none, are you ready for the question? All those in favor of approving Tab (4), item Fiscal 18-038, please now indicate by saying aye? Opposed? The ayes have it and that tab's approved.

*** {MOTION ADOPTED}

(5) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source:

CHAIRMAN KURK: We now turn to the next item on the Consent Calendar, Tab (5), a request under RSA 14:30-a. This is Fiscal 18-040. Does anyone wish to discuss that?

SEN. DANIELS: I guess I have one question.

CHAIRMAN KURK: Is there a motion?

** SEN. D'ALLESANDRO: I move it.

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SEN. GIUDA: Second.

CHAIRMAN KURK: The item has been moved and seconded -- moved by Senator D'Allesandro, seconded by Senator Giuda, and Senator Daniels has a question. Is there someone from the Insurance Department available to respond?

KAREN UMBERGER, State Representative, Carroll County, District #02: By Environmental Services.

SEN. D'ALLESANDRO: 18-040, Department of Environmental Services.

CHAIRMAN KURK: Thank you. From Environmental Services.

DANIEL EATON, State Representative, Cheshire County, District #03: She came up anyway.

CHAIRMAN KURK: I think I need more caffeine, Representative Eaton.

SUSAN CARLSON, Department of Environmental Services: You and me both. Good morning, Mr. Chairman, Members of the Committee. For the record, my name is Susan Carlson with the Department of Environmental Services.

CHAIRMAN KURK: Senator Daniels has a question. Senator.

SEN. DANIELS: Thank you. Just a question as to where this money is going to be used to develop geographical coordinate data standards? Can you explain a little bit about what that is?

MS. CARLSON: Essentially -- are you familiar with the term GIS?

SEN. DANIELS: Yes.

MS. CARLSON: This is what we're talking about. We're talking about developing standards for GIS, recording

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information so that we have one standard for all the GIS so that the information we put into the system is consistent across all programs.

SEN. DANIELS: Follow-up. Is this GIS new to DES?

MS. CARLSON: No, we've been working on new standards. We've been working to put GIS on all our programs. So now we're working with -- we'll be working with the University System to develop a standard across every single program. What we found is over time as the technology has improved and changed, some of our old information now is not as good as the new information. So we're bringing everyone up to a standards page.

SEN. DANIELS: Okay. Thank you.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Is this GIS program exclusive to New Hampshire?

MS. CARLSON: No.

SEN. GIUDA: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Have other states already adopted improved standards that would be suitable without spending money on a contract that we might adopt?

MS. CARLSON: I don't know the answer to that; but I brought my technical expert with me just in case.

REP. OBER: Sounds like a good plan for you, Susan.

MS. CARLSON: When it comes to this I know I don't know.

HAMILTON MCLEAN, Administrator, Department of Environmental Services: For the record, my name is Hamilton McLean. I'm the

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Bureau Administrator for the Project Management and Innovation Unit at DES. Could I have the question again, sir?

SEN. GIUDA: Sure.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: This is a two-part question. The first was do other states have the GIS system?

MR. MCLEAN: The standards that we're going to be adopting have been developed and promulgated by the EPA, because we transfer information about our environmental programs to EPA and that information relates to facilities that are regulated under EPA. They have a standard. Not all states have adopted that standard. We have elected to explore the adoption inclusion of those standards in all records at DES.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Have any other states already done this work so I'm driving to the assumption that we could merely adopt into our system what others might have --

MR. MCLEAN: Actually, they have not. The standard we are going to be using is going to allow us to share information amongst not just DES but other agencies and EPA based on a national standard that has not been fully adopted by other states.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: I don't think you're answering the question. The question is do other states have the standard already developed that we can merely buy from them or extrapolate onto our platforms?

MR. MCLEAN: Yes, they do. Yes, they do. It's a standard that EPA has developed and states may elect to adopt it or not adopt it. And --

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CHAIRMAN KURK: Follow-up.

SEN. GIUDA: And other states have already developed the standard?

MR. MCLEAN: They haven't developed the standard. They have adopted the standard, sir.

SEN. GIUDA: Thank you.

CHAIRMAN KURK: Is it possible for us to avoid this expenditure by piggy-backing on something other states have already done?

MR. MCLEAN: No, sir, it's not.

CHAIRMAN KURK: Thank you. Does that help? Further questions for discussion? We have a motion.

REP. OBER: Yes.

CHAIRMAN KURK: If you're in favor of approving Fiscal 18-040, please now indicate by saying aye? Opposed? The ayes have it and the item is approved. Thank you both.

*** {MOTION ADOPTED}

MR. MCLEAN: Thank you.

MS. CARLSON: Thank you.

(6) RSA 124:15 Positions Authorized:

CHAIRMAN KURK: We now turn to Tab (6). There's only one item under Tab (6), Fiscal 18-041, a request from the Department of Environmental Services for authorization to extend one full-time temporary Environmentalist position to March 31, '18 to December 31st, '18.

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** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves to approve; seconded by Senator Daniels. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved. Motion carries. The item is adopted.

*** {MOTION ADOPTED}

(7) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 9:16-a, Transfers Authorized:

CHAIRMAN KURK: Turning to Tab (7). Again, this is under Consent Calendar, but there's only one item. This is Fiscal 18-058, a request from the Department of Health and Human Services for authorization through June 30th, 2018, to accept and expend \$2,775,742 in Federal funds and transfer the same amount in General Funds and contingent upon approval of that accept and expend \$2,779 -- sorry -- \$2,779,591 in Federal funds. There are many questions that we have about this. Is there someone from the Department?

JEFFREY MEYERS, Commissioner, Department of Health and Human Services: There are several of us will come up.

CHAIRMAN KURK: Good morning, Commissioner, and welcome.

MR. MEYERS: Thank you very much, Mr. Chairman. For the record, there's several folks I'd like to introduce. To my right is Mary Calise who is the Deputy Financial Officer of the Department. To my left, obviously, is Commissioner Goulet from DoIT. This does not seem like it's on at all.

CHAIRMAN KURK: It is on. If you bring it quite close to your mouth, it works.

MR. MEYERS: It is working now. Thank you. Behind me I'm going to recognize Kerrin Rounds. Kerrin is the new Chief Financial Officer of the Department of Health and Human Services, recently appointed. She comes from most recently DRA where she was the Deputy Audit Director. And so starting next month she will be at the table with me. But we're -- I'm trying to create a glide path for her.

CHAIRMAN KURK: We appreciate that and look forward to working with her. I'm sure DRA is suffering.

MR. MEYERS: They're pleased with me, yes. Yes.

CHAIRMAN KURK: Could you explain the timing of the need for this additional funding to make these improvements to the MMIS system?

MR. MEYERS: Yeah. So yes. So there are several parts to this item. The State's contract for operation and maintenance of its -- this is not working now. I'll speak up. The State's contract with Conduent, which is formerly known as Xerox Corporation, we have a contract with Conduent for the operation and maintenance of our MMIS system. That contract expires on March 31st, just a few weeks -- couple weeks from now. We are planning to re-procure our MMIS operations and maintenance contract in the future. And so we are bringing a couple of items to the Council next week with respect to that matter. We are bringing a three-month extension of our operation and maintenance contract so that we can complete negotiations on what I believe will be a final contract with Conduent before the re-procurement of the system. We're also hiring a consultant to help us with that re-procurement that Commissioner Goulet and I have vetted. And in order to fund the three-month extension and the continuing obligation to have a fiscal agent for the operation and maintenance of our MMIS system, we have a contract item.

Our Class 102 -- now this is where it gets into DoIT. So I have a need to fund a contract extension so that we keep our MMIS system operational. And in order to do so, I need to

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transfer funds into Class 102. The reason I have to -- I'm appearing in front of you this morning and asking to transfer funds into Class 102 is that because in the budget process, as some of the Committee Members may remember, there was a lot of discussion about merging the Department's OIS system, our information system with DoIT. In fact, after the Governor was elected Governor and I first met with him I said, I don't know why we maintain our own system. And I very much proposed the idea of merging our OIS system with DoIT because I felt that there should be one State Commissioner for OIT. I'm not a tech person. That's not my wheelhouse. I don't want to run an OIS system. I need to manage it. I need to make sure that our Department is functioning. That's my responsibility. But that I thought that the OIS function should be centralized as a matter of state policy in DoIT. So I raised that with the Governor after he was elected. And I raised it with Commissioner Goulet as well. And so there was a lot of discussion about doing that.

As a result in the Governor's phase of the budget, our Class 102 was reduced by approximately \$6 million, because that was the amount that was going to be saved through this merger. It then went to the House. The House didn't end up passing a budget. The Senate took up the Governor's Budget.

There was then a decision made to not to go forward at this time with that merger for a variety of reasons that I think are beyond the scope of this discussion this morning, although we are happy to talk about it in the future. And so I think what happened, and it was not intentional, I'm not suggesting anybody did anything bad, but that Class 102 money didn't find its way back into my budget. So if it had, I wouldn't be hear asking for a transfer because I would have had the funds in the line to be able to do what I need to do today; but there's been a shortage because of all that maneuvering at the time. And the only funds that I have available today, which I'll speak to, I'm sure, in a few moments with additional questions, is money that we are realizing because of the reauthorization of CHIP. But -- and I'll ask the Commissioner to say a few words as well. But this has arisen because of how the 102 account was managed in the budget process.

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REP. OBER: Mr. Chairman, may I?

CHAIRMAN KURK: Let's let Mr. -- Commissioner Goulet finish the response, then you're more than welcome.

DENIS GOULET, Commissioner, Department of Information Technology: Good morning. Denis Goulet from DoIT. So as part of the due diligence and budget process and during the phase when the Governor's phase when that Class 102 line was moved into DoIT, we looked at that line and we felt that the run rate was more like the original number. It was 26 million, not 20 million, and we did bring that up during the process. And so, you know, I feel that this is run rate. It's not necessarily new stuff that we're doing here. Because of the nature of the budget process, and the decisions that were made, it remained at \$20 million. And it actually got moved back out of DoIT, I believe, both in the House phase. Then it came back to DoIT when the House didn't pass a budget. And then in the Senate phase it got moved back to HHS and out of DoIT, but it remained at \$20 million.

So we're here today to address the operating deficit of that \$6 million which I believe has been structurally in the budget since the budget was passed.

CHAIRMAN KURK: Question originally was timing.

MR. MEYERS: Yes.

CHAIRMAN KURK: Could you address specifically the timing issue?

MR. MEYERS: Sure, yes.

CHAIRMAN KURK: You say the contract ends on March 31st. You're talking about a three month extension.

MR. MEYERS: Correct.

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CHAIRMAN KURK: So could you explain this in relation to those deadlines.

MR. MEYERS: In order for me to bring the contract to the Council and ask the Council to consider it on Wednesday, should they pass it on Wednesday, which I hope they would, then I need this money transferred into 102 to pay for that contract. If I don't have -- if this transfer doesn't go through, then I will not have money in the appropriate line in my budget from which to pay the contract, and I'd have to come back to the Fiscal Committee and ask for it to be done retroactively, which I did not want to do at all. So -- so this is -- in order to pay for that contract, I need the appropriate amount of money in the class line and so that's why I need -- the number that I need is \$2.7 million transferred into Class 102 in order to pay for this contract.

CHAIRMAN KURK: Is there any other line that you could take this money from rather than --

MR. MEYERS: No, no. At the present time, no. I don't have any other revenue that I could borrow the money from.

CHAIRMAN KURK: I'm not talking about revenue. You have a lapse obligation.

MR. MEYERS: Correct.

CHAIRMAN KURK: Presumably, you're going to meet that without this additional revenue, although I realize that's a discussion for a different time.

MR. MEYERS: That is, indeed, a discussion. Yeah.

CHAIRMAN KURK: But between -- but because that revenue might be looked at for another purpose, is there some other account which temporarily from which you could draw to pay this money to deal with the three-month extension that you're talking about? You have many lines in your budget of multiple millions of dollars.

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MR. MEYERS: Right. The answer is no. The answer is I don't have another line in the budget. I mean, I can't take money from a provider payment line when I have to make a 40 plus million dollar payment every month to the MCOs. I mean, I've got to have the money there to be able to pay a fairly steep bill every single month. So I just don't have another line with \$2.7 million in it that I can use right now. You know, if we end up getting more drug rebate money revenue than we're projecting, which we may, you know, then I could cover this eventually. So the point I want to make to the Committee is that there's about 20 million, correct me if I'm wrong, about 20 million in anticipated CHIP money coming in that was unbudgeted CHIP revenue in Fiscal 18. I'm -- in effect, what I'm asking to do is to borrow 2.7 of it right now to be able to pay for this MMIS contract. I have -- and I'm not planning on spending another penny of that CHIP money between now and the end of the Fiscal Year.

And so I certainly would work with the Committee and work with everybody to replenish the 2.7 by the end of the Fiscal Year. I'm not sure how that would happen yet. There may be avenues for that to happen. But I can't identify another account where I can take 2.7 out today to fund this MMIS contract. But you have my commitment that if what the concern is is to not to spend any of the CHIP money by the end of this Fiscal Year or close to the end of the Fiscal Year, then I will work with you to do that.

CHAIRMAN KURK: Thank you. Representative Ober.

REP. OBER: Thank you, Mr. Chairman. The Commissioner is correct that when the budget came to his Class Line 102 was \$6 million short. However, what he didn't mention is that Division I and Division III, because we were combining, had a lengthy discussion in here with both Commissioners. Your DoIT Chair from HHS came at that time. She had a title of a dentist which combobulated a few people. So I hope you squared that out with your new hire and your new hire is not now being called a

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dentist. But there was a \$6 million loss that the Governor put in.

HHS was unable to tell us what was missing from that \$6 million. Both Divisions asked for documentation as to why that was less. That could not be provided. DHHS Commissioner is correct. After Division I met with Commissioner Goulet and he -- his opinion was the budget was \$6 million short; and if the 20 million stayed in the DoIT budget, his budget would be \$6 million short and he couldn't tell why because we were unable to get -- we the Legislature -- the documentation from HHS as to what that \$6 million recommended. So he is correct. We put the \$20 million back into HHS and took it out of DoIT, because we did not want the DoIT budget to suddenly show up and be \$6 million short for something that one agency could not verify.

So we did have a \$6 million discrepancy that we couldn't figure out what it was that came from the Governor. We did not at any time discuss the need to re-authorize the MMIS system. So I'm wondering why only a few months into this Fiscal Year we are currently hearing that we had to do that and why that wasn't a topic of discussion during the budget?

Commissioner Goulet, you didn't mention that. Commissioner Meyers, since once we put the money back you would have gone to Division III to talk about that, so how did we fail to get that noticed in the budget? And I'll toss that open to either one of you because Denis will remember we took the money back because of the \$6 million we couldn't work out.

MR. GOULET: So we knew that the contract was going to be up. The nature of -- the nature of these kind of contracts is -- and we knew that we wanted to re-procure. What we didn't know was the precise plan for re-procurement. So we didn't really have a good plan to communicate to you. We've since been working on that plan, but -- and we also knew that if we re-procured or if we launched a re-procurement it would take some time. So the assumption was made by myself, and Representative Ober's right, we did not specifically say we're going to have to re-authorize this contract. We -- we knew that

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we were going to have to continue to make Medicaid payments and we knew we'd need MMIS, and we assumed that the run rate would be about the same as we flowed past the March --

MR. MEYERS: Yeah.

MR. GOULET: -- the March contract and date. And so that -- that would be an explanation of why we're -- we did not discuss that or the reason we didn't. I don't know if it's a valid explanation or not but it is the reason.

REP. OBER: I appreciate the discussion. Representative, one more.

CHAIRMAN KURK: Further question.

REP. OBER: One more. Commissioner Meyers, what is the actual job title of your new CIO? Is she still a dentist or did we get that squared away?

MR. MEYERS: It's being squared away.

REP. OBER: It's being squared away. Right now she's doctor --

MR. MEYERS: I need DAS to work with me. We are -- that position is one of a number of unclassified positions in my agency that was created by Terry Morton back in the mid-1990's, and I've asked DAS to employ Korn Ferry in order to review those positions and re-categorize them. They're in -- their titles exist as a matter of law. So we have to have it changed by law, and we are pursuing the way to do that. I can assure you that we're making every effort that needs to be made to change the titles of the positions to update them is what's happening.

REP. OBER: Could we ask the DAS Commissioner how long that will take? He happens to be sitting here.

CHARLES ARLINGHAUS, Commissioner, Department of Administrative Services: I'm --

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CHAIRMAN KURK: Thank you, Commissioner.

MR. ARLINGHAUS: I'm Charlie Arlinghaus from DAS. Typically, through the process for redoing an unclassified position, which is the bailiwick of the Joint Committee on Employee Classification, Representative Byron chairing, is a fairly long process. But what would happen at the beginning of that is a department would make a request. As part of that request, they would send over a questionnaire or questionnaires. In this case, I'm gathering it will probably be multiple positions that he will want looked at. I've heard some discussion of three.

At that point we would ask permission from JCEC to send them to Korn Ferry, Hay Group. That would take a few weeks. We would then go back. Some of it is dependent upon how long Korn Ferry takes. Sometimes they're very quick when they don't have a lot of other things on their plate. Sometimes it takes a few weeks. And then we would have another meeting again. It would probably be resolved, I would imagine, from start to finish it would take maybe three months it could take.

CHAIRMAN KURK: Is legislation required?

MR. ARLINGHAUS: Once a position is changed, it would then have to be changed in nine -- oh, my God.

MR. MEYERS: 94:1-a.

MR. ARLINGHAUS: 94:1. I always say 91-A and I know that's not right. It would then have to be changed in the law, but that doesn't -- that is -- that's more clean-up than anything else.

REP. OBER: So, Commissioner, that would be about --

CHAIRMAN KURK: Representative Ober.

REP. OBER: -- three months to take care of once you get the paperwork from HHS which you don't have yet?

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MR. ARLINGHAUS: My -- yeah. My current understanding is that there is -- there is some paperwork that is, I suspect, in transit. And while I may not have seen it yet, it could have come in in the last day or two.

CHAIRMAN KURK: Can we get our discussion back to the item before us?

MR. MEYERS: Yes.

REP. OBER: This is the item before us because it is IT with they're paying a dentist doing IT.

CHAIRMAN KURK: Thank you, Representative Ober. Senator Daniels.

SEN. DANIELS: Commissioner, you mention in your notes that you expect about \$20 million from the CHIP reauthorization.

MR. MEYERS: Correct, sir. Yes.

SEN. DANIELS: Under your Dashboard you say that the State will receive approximately 26.5 million. So I wonder where that other 6.5 million went?

MR. MEYERS: It's an up -- the \$20 million is an updated number. Yeah, 20.5. It's just an updated number. It's been -- it's taken the Federal Government awhile to communicate with us exactly, you know, how we're going to access this money, and when it's going to be drawn down, and what the total is going to be. So there were two parts of the Dashboard and I apologize. Yeah, the narrative did not get updated and I apologize for that. The total that we expect in this Fiscal Year is approximately \$20 million.

CHAIRMAN KURK: How much do we expect next Fiscal Year?

MR. MEYERS: About the same. A little bit more, but roughly the same amount; 21, \$22 million.

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CHAIRMAN KURK: Thank you.

SEN. DANIELS: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. DANIELS: If this request that you're giving to us needs to be done by the end of the month, why did you bring it to us now as opposed to a month ago?

MR. MEYERS: Because we hadn't reached an agreement with Conduent, and I didn't know how much money was going to be needed. That's why.

CHAIRMAN KURK: And I want to reiterate this. If this is approved, we have your commitment that you will replace this money coming out of the CHIP, 20.5 million, with some Other Funds by the end of the year; is that correct?

MR. MEYERS: I will work with you to do it. We need to work together to do it. And you have my genuine commitment to work to do it. I'm not in a position of authorizing a guarantee. I don't know what could happen between now and then; but I will genuinely work with this Committee to make sure that gets replaced.

CHAIRMAN KURK: And this won't involve the apocryphal solution that the School Board does when someone proposes a budget reduction they say, sure, we'll be glad to do that. We'll cut the football team.

MR. MEYERS: I don't have a football team.

CHAIRMAN KURK: I said it was apocryphal. I mean, there are ways to do this which are --

MR. MEYERS: We're not going to cut people's benefits if that's what you're referring to.

CHAIRMAN KURK: Thank you, Commissioner. We'll stand in recess for -- till quarter of.

(Recess taken at 10:33 a.m.)

(Reconvened at 10:42 a.m.)

CHAIRMAN KURK: The Committee will come out of recess. The item before us is --

SEN. D'ALLESANDRO: 18-058.

CHAIRMAN KURK: 18-058. We've had some discussion about this. The Commissioner has made it -- has offered to use his best efforts, I think is the correct expression, to bring before us some time before the end of the Fiscal Year a different way from his own budget to replace these Federal funds which he's asking for today. And on the basis of that --

** SEN. D'ALLESANDRO: I move approval on 18-058.

CHAIRMAN KURK: On the basis of the Commissioner's commitment, is there a motion to approve?

** SEN. D'ALLESANDRO: I move approval.

CHAIRMAN KURK: Senator D'Allesandro moves, seconded by Representative Wallner.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Discussion. Representative Ober.

REP. OBER: I would really like to amend that motion, but it's not quite germane, to say that Commissioner Meyers must by the 1st of April get the position information to Commissioner Arlinghaus.

CHAIRMAN KURK: You're correct. That is non-germane.

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REP. OBER: That the Commissioner hears us and he will have to come back in April and he'll be asked, so.

CHAIRMAN KURK: Further discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Thank you, Commissioner. Both Commissioners.

(8) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source and RSA 124:15 Positions Authorized:

CHAIRMAN KURK: We now turn to Tab (8), another Consent Calendar item. Does anyone wish to remove either of those?

** REP. OBER: Move to approve.

SEN. DANIELS: Yeah, I --

REP. OBER: Sorry.

CHAIRMAN KURK: Senator Daniels wishes to remove one so we will deal with them, both of them, we'll deal with them in order.

First item before us under Tab (8) is Fiscal 18-042, a request from the Insurance Department for authorization through September 18th, 2018, to accept and expend \$139,012 in Federal funds and increase Class 46 by \$139,012.

** REP. OBER: I move to approve.

CHAIRMAN KURK: Representative Ober moves to approve. Seconded by?

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SEN. D'ALLESANDRO: Second.

CHAIRMAN KURK: Senator D'Allesandro. Senator Daniels has a question. Is there someone from the Insurance Department?

Good morning, gentlemen, and welcome. But before you even introduce yourselves, I'd like you to convey to Commissioner Sevigny our gratitude for his years of service and our appreciation for all that he's done for the state.

JOHN ELIAS, Assistant Commissioner, Insurance Department: Absolutely.

CHAIRMAN KURK: I'm sorry he's not here to hear those in person, but I'm sure he'll get the message.

MR. ELIAS: He absolutely will.

CHAIRMAN KURK: Could you introduce yourselves, please, and then Senator Daniels has a question.

MR. ELIAS: Thank you, Mr. Chairman, Members of the Committee. For the record, my name is John Elias. I'm the Assistant Commissioner at the Insurance Department, and I brought Al from the Health Policy team to help explain any details, questions you may have.

CHAIRMAN KURK: Thank you. Does Al have a last name?

AL COUTURE, Health Reform Coordinator, Insurance Department: Al Couture.

MR. ELIAS: Yes, I'm sorry.

CHAIRMAN KURK: Thank you. Senator Daniels.

SEN. DANIELS: Thank you. I just had a question. The note indicates that this would improve -- this is for the purpose of improving the rate review process. And I'm curious as to how this will improve the rate review process. What's wrong with it

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now? You know, how is it a detriment, and why is this even necessary?

MR. COUTURE: The process to collect information for the rates are always changing. One of those areas we continually try to improve is the quality check on the data that comes in from our claims data. And so we have millions of records and we continually try to make sure that the quality of the data is as best as possible. So ongoing we find problem areas and we try to fix them.

CHAIRMAN KURK: I guess I would ask, don't we already have money for this? Aren't we already doing this? Why are we expanding this?

MR. COUTURE: Well, there's new problems that come up. We have new carriers, new products that come in, and sometimes we have problems with that. Remember, we are collecting data, claims data basically from the carriers.

CHAIRMAN KURK: Don't you already do that?

MR. COUTURE: We do. This is just ongoing -- this is a four-year -- the grant's four years old so some of the contracts need to be renewed, need to be updated. So it's to pay for additional resources.

CHAIRMAN KURK: But this is an expansion, not simply a continuation of an ongoing process.

MR. COUTURE: Right. The grant only allows us to use money for improvement and not for our operational. So when we -- by going through the process, we find errors that we believe we could improve the process. We basically issue an RFP to help us develop a new process or improved process to review the data.

CHAIRMAN KURK: So when this grant runs out, will you come back to the Legislature and increase your budget, thereby increasing premiums for everybody in the state to continue this 139,000 level of expenditure?

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MR. COUTURE: Hopefully, we won't need that as the tools will be built. But, you know, I cannot tell you what's going to happen in the future.

CHAIRMAN KURK: Thank you. Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. How does this rate review process which you use internal employees or consultants or a combination?

MR. COUTURE: We use consultants and they're managed by internal people. We have myself and other folks that work with the consultants. We have folks who are responsible for the ongoing process of data collection and doing the public hearings, but we hire consultants to help us in that process.

SEN. GIUDA: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Thank you, Mr. Chairman. How many people in your Department are appropriated for doing the rate review process for this particular --

MR. COUTURE: I think there are two individuals that spend a good part of their time on this process.

SEN. GIUDA: Follow-up.

CHAIRMAN KURK: Follow-up.

SEN. GIUDA: Do you have any consultants currently employed or engaged?

MR. COUTURE: As part of this grant, yes. We have consultants that -- we have long-term agreements with them.

SEN. GIUDA: How many?

MR. COUTURE: I don't have that detail with me. Again, this grant's been going on for four years so we've had a series of contracts.

SEN. GIUDA: Thank you.

CHAIRMAN KURK: Senator Daniels.

SEN. DANIELS: Thank you. So after four years, what end result have we seen that has made things better and what can we expect to see after spending this hundred and thirty-nine dollars that would improve the process --

MR. COUTURE: Sure.

SEN. DANIELS: -- or somehow result in something that's better.

MR. COUTURE: So much of the information we've gathered we use in annual public hearing which is a requirement that we hold to explain why health care costs are changing. If you've been attending or aware of those public hearings in the last four years, the amount of data and quality of data and the information we're able to share with the public has greatly improved and has been much useful in understanding where health care cost is going.

CHAIRMAN KURK: Take the next step. Now that we have this information, how has this benefited the public?

MR. COUTURE: Better understanding of what are the cost drivers and, hopefully, improvement in how health care is used, how health care is paid for.

CHAIRMAN KURK: Hopefully?

MR. COUTURE: Again, we can provide information to the consumers. We are not -- we don't dictate to them how they use their health care. But if, for example, we have a lot of information that consumers can use now to identify costs and

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quality of particular services, and if they use that information to make decision where and when they receive services.

CHAIRMAN KURK: But you have no evidence that, in fact, the information just made available is being used.

MR. COUTURE: Yes, we do.

CHAIRMAN KURK: You do.

MR. COUTURE: We have a website and there's lots of people going on the website. It's considered one of the best web site in the nation as far as having cost information data.

CHAIRMAN KURK: That's where this information is?

MR. COUTURE: This data resides in a database and in addition to making a public hearing, we make the data available to consumers so they can know what the costs are associated with particular procedures or quality.

CHAIRMAN KURK: Thank you. Further discussion?
Representative Giuda.

SEN. GIUDA: I have a motion.

CHAIRMAN KURK: Sure.

** SEN. GIUDA: I move to table. And I move to table because I'm reluctant to spend --

CHAIRMAN KURK: The motion to table can't be debated.

SEN. GIUDA: Right.

CHAIRMAN KURK: Is there a second?

SEN. DANIELS: I'll second.

CHAIRMAN KURK: The motion is to table Item 18-042. If you're in favor of that, please indicate by saying aye? Opposed?

CHAIRMAN KURK: The nos have it and the motion to table fails.

*** {MOTION TO TABLE FAILED}

CHAIRMAN KURK: Is there a further motion?

REP. OBER: We already have a motion on the table.

CHAIRMAN KURK: Made by?

REP. OBER: I made it.

CHAIRMAN KURK: Right. Thank you. Further discussion?

SEN. D'ALLESANDRO: Mr. Chairman.

CHAIRMAN KURK: Senator D'Allesandro.

SEN. D'ALLESANDRO: I would ask the Department to get back to Senator Giuda with the following information. The number of people involved in the project, both internally and consultants, and a little précis on what's happened as a result of their work. Is that clear?

MR. ELIAS: Absolutely.

MR. COUTURE: Absolutely.

SEN. D'ALLESANDRO: I think you should do that expeditiously so that the Senator can have the information before him.

MR. ELIAS: I assure you we will.

REP. OBER: Mr. Chairman.

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CHAIRMAN KURK: Representative Ober.

REP. OBER: Would the good Senator be amenable to asking the Agency to get that to LBA so it can be disseminated to all Fiscal Committee Members?

CHAIRMAN KURK: That, of course, is a request. It's not just for Senator Giuda, it's for all of us. And information can be given to the LBA who will, in fact, send it to Senator Giuda and the rest of us. And it would be also helpful to me if you could demonstrate that, in fact, this benefits the public. I know it's federal tax dollars, but we all pay those, too, so it's really our money just paid through a different form of government. Thank you.

MR. ELIAS: Absolutely.

SEN. D'ALLESANDRO: Thank you for that clarification, Mr. Chairman.

CHAIRMAN KURK: Had we had the vote?

REP. WEYLER: We have to vote. We have a motion to approve. We have to vote.

CHAIRMAN KURK: Further discussion? There being none, are you ready for the question? If you're in favor of approving Item 18-042 at this time, please now indicate by saying aye? Opposed?

SEN. DANIELS: No.

SEN. GIUDA: No.

CHAIRMAN KURK: The ayes have it and the item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: We turn now to Fiscal 18-053, a request from the Department of Safety for authorization through June 3,

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2019, to accept and expend \$1,330,000 in federal funds, and contingent upon that approval continue utilizing existing consultants currently contracted for the VISION project. Is there a motion?

** SEN. D'ALLESANDRO: So move.

CHAIRMAN KURK: Moved by Senator D'Allesandro. Seconded by Representative Wallner. Discussion?

SEN. DANIELS: One question.

CHAIRMAN KURK: Senator Daniels. Is there someone from the Department who can answer questions? Good morning, Mr. Lavoie.

STEVEN LAVOIE, Director, Division of Administration, Department of Safety: Good morning, Mr. Chairman, Members of the Committee. Steven Lavoie, Director of Administration from the Department of Safety.

CHAIRMAN KURK: Senator Daniels has a question.

SEN. DANIELS: Thank you, Mr. Lavoie. Just a question as to when we expect to see any end to this project, the VISION? I mean, it's -- I guess is this the one that goes over -- it's replacing the automated test driver testing system. How long is it going to take to get the new system in place?

MR. LAVOIE: Sure. So the new system would be planned on implemented by the end of September of this Calendar Year. And that is a separate system, independent of the VISION System. But it is required to interface with the VISIION System to ensure that we can provide customer service to the driver license -- people applying for driver license and the exam.

CHAIRMAN KURK: Follow-up. All set?

SEN. DANIELS: Yep, all set. Thank you.

CHAIRMAN KURK: Thank you, sir.

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MR. LAVOIE: Thank you.

CHAIRMAN KURK: Further discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it and the item is approved.

*** {MOTION ADOPTED}

(9) RSA 14:30-a, VI Fiscal Committee Approval Required for Acceptance and Expenditure of Funds Over \$100,000 from Any Non-State Source, RSA 124:15 Positions Authorized And Chapter 156:137, Laws of 2017, Contingent Appropriation; Office of Professional Licensure and Certification; Controlled Drug Prescription Health and Safety Program:

CHAIRMAN KURK: We turn now to Tab (9), Fiscal 18-052, a request from the Office of Professional Licensure and Certification for four authorizations.

Is there somebody from the Board or the office who can respond to questions? Good morning. Could you identify yourselves for the record?

PETER DANLES, Executive Director, Office of Professional Licensure and Certification: Peter Danles. I'm the Executive Director of OPLC.

CHAIRMAN KURK: Can you speak closer to the microphone. That's not on. Speak up a bit.

MR. DANLES: Okay. Can you hear me now?

CHAIRMAN KURK: Sort of.

MR. DANLES: Peter Danles. I'm the Executive Director with the Office of Professional Licensure and Certification.

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MICHELLE RICCO JONAS, Administrator, Division of Health Professionals, Office of Professional Licensure and Certification: Good morning. Michelle Ricco Jonas, the Program Manager for the Prescription Drug Monitoring Program.

MICHAEL BULLEK, Administrator, Chief of Compliance, Board of Pharmacy, Office of Professional Licensure and Certification: Good morning. I'm Mike Bullek. I'm the Administrator, Chief of Compliance, for the Board of Pharmacy.

CHAIRMAN KURK: Thank you very much. There were a number of questions that folks had. Who would like to go first? Senator Daniels.

SEN. DANIELS: Thank you. I noticed in the last performance audit that was done of the Department there were a number of deficiencies. I wondered, have those deficiencies been cleared and what documentation do you have that might show that?

MR. BULLEK: The audit address, you talking about the PDMP audit or the audit that pretty much talked about the previous audits? 'Cause there were two parts of this audit that was presented. A lot of the -- lot of the information in there for the PDMP audit is in the process of being addressed now through both Committee work and a lot of it is -- is just in the infancy part because a lot of it we didn't have computer software to be able to pull out some of the data we needed.

On the compliance end of things, a lot of the old audit stuff is in the works. Most of it isn't finished yet. Again, we have some issues with software that has been hampering us.

MS. RICCO JONAS: And if I could add? We submitted the initial plan to the Fiscal Committee.

MR. BULLEK: Hm-hum.

MS. RICCO JONAS: Then this month we submitted our first report so you should have that in front of you. And that should show some of the progress that we've made, and then on the 29th

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we'll be submitting an additional which will be the April plan that will go to you in front of -- in April. So we are making progress.

The Advisory Council has -- meets on a monthly basis. And, in fact, we meet on Monday. There have been subcommittees created working on the strategic planning section specifically. We hope to have that done in May and June which will look to focus specifically on a big bulk of the issues that came out through the audit, and that's also addressed in the plan that's been given to you at today's meeting as well.

SEN. DANIELS: Thank you.

CHAIRMAN KURK: Representative Ober, did you want -- you had questions about the reports or the lack thereof?

REP. OBER: Well, I mean, Michelle is aware.

CHAIRMAN KURK: Representative Ober.

REP. OBER: We don't get data from the system. We spent a lot of money on it. We have yet to get any data out of it.

Michelle, I also had a little issue with the report you guys submitted. You nicely color coded it, which I appreciated, but I understood from your color coding that it was -- if it was green it was done. And then on Page 25 it's all marked green. And you say, well, no, we're not all done. Some are in draft. So I am trying to figure out what's going on. But I guess probably going to do that later or we going to do that --

MS. RICCO JONAS: I can clarify if you want. There's actually a couple of things. The completion status, there's one dot that's for open, two dots is partial, three is substantially completed, and four is fully completed.

REP. OBER: And the colors?

MS. RICCO JONAS: The colors shows that there was action taken on that specific thing. So updated status was in process. A green was that it was fully completed. And what might have been a bit confusing, and I apologize with that, was the report actually breaks out in a light green those items that were specific to the Board of Pharmacy on past audits and that was towards the back of the report.

REP. OBER: Right. But you have on the top page two colors.

MS. RICCO JONAS: Yes, so that's a light blue.

REP. OBER: And green was completed.

MS. RICCO JONAS: Right. So there's nothing completed. That's light blue so that's in process.

REP. OBER: Page 25 is green.

MS. RICCO JONAS: If I go to Page 25 --

CHAIRMAN KURK: Is light green.

REP. OBER: But she doesn't have a light green on --

MS. RICCO JONAS: I understand, and that's why I'm clarifying and I apologize that that's confusing. So the light green were -- were findings that were for the Board of Pharmacy specifically and so the darker green is actually completed items that the Board of Pharmacy has completed. So I apologize that my -- my --

REP. OBER: Your testimony is --

MS. RICCO JONAS: -- ledger wasn't --

REP. OBER: -- you failed to add the ledging completely.

MS. RICCO JONAS: Correct.

REP. OBER: Thank you. But we still have gotten no data to speak of from this system and how many years have we been running it?

MS. RICCO JONAS: Well, actually, I did send out the Annual Report to many of you. I did.

CHAIRMAN KURK: Oh, I believe you. I didn't receive it.

MS. RICCO JONAS: I specifically sent it to you, to your e-mail. I went to many -- as many of you that I could remember on the Fiscal Committee, I personally sent it to many of you the Annual Report when it was sent out.

CHAIRMAN KURK: Probably sent it to my non-existent legislative e-mail address.

REP. OBER: Mine, too.

MS. RICCO JONAS: I went to the web site. If your web site address on the Gen Court is wrong, then that's where it went.

CHAIRMAN KURK: Mine's correct.

REP. OBER: Typically, to reach us you send that to the LBA and ask them to disseminate to all Fiscal Members.

MS. RICCO JONAS: I'll be more than happy to make sure you all get a copy of this.

REP. OBER: Chris, I'm not saying something wrong, right? You'll be happy to do that.

MR. SHEA: No, we'd be happy to do that. If it's an item that an agency wants to get to Fiscal Committee Members, we'd be happy to forward it if it came to us.

MS. RICCO JONAS: But it's also public on our web site. But I will be happy to make sure the LBA gets it to send you. But I

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did send it to many of you via your addresses that were listed on Gen Court.

CHAIRMAN KURK: I understand where you're getting the \$267,000. Where are you getting the \$100,000?

MS. RICCO JONAS: The \$100,000 was appropriated to us in I think it was Senate Bill 522.

CHAIRMAN KURK: But that was contingent on our approval.

REP. OBER: Senator -- could we ask Senator Daniels? I thought --

CHAIRMAN KURK: Representative Ober.

REP. OBER: -- this was in 517. That replaced HB 517.

SEN. DANIELS: 517.

REP. OBER: But I'm not familiar with SB 522.

SEN. DANIELS: I'm not familiar with that one either.

CHAIRMAN KURK: Mr. Shea.

CHRISTOPHER SHEA, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: It was an appropriation contained in House Bill 517 which was treated as House Bill 2.

MS. RICCO JONAS: Okay.

MR. SHEA: And it is in the packet that you have before you, fourth page in from the back side there's a copy of this statute there.

CHAIRMAN KURK: I wonder if you could help us understand what we are getting from spending almost \$400,000? There's a paragraph in the letter that you've given us. Approval of this request -- this is on Page 3 of the request, your request.

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MS. RICCO JONAS: So it will continue with the operational expenses of the database. It continues with the two full-time staff positions. It will add an analyst position which will allow us to meet a lot of the requirements that are in the audit. It will allow us to purchase software for data analysis within our office. Hum -- I mean it's -- the rest of it is, you know, the regular expenses that -- I mean, those are the bulk of the expenses.

CHAIRMAN KURK: And when will we get our first report, the report being what's happening with the PDMP?

MS. RICCO JONAS: We give you a monthly report. I mean, I don't -- I mean, this is -- this is the report that was accepted by the Fiscal Committee. So if there's something different other than this format, I need to know from you what you're expecting.

CHAIRMAN KURK: I'm not sure to what you're referring.

MS. RICCO JONAS: This is the report. This was the original plan that we presented to the Fiscal Committee. And this is my understanding in speaking to the LBA that this is the type of format that we give you as a monthly update.

CHAIRMAN KURK: But the purpose of this was to bring the organization up to a reasonable level of operating efficiency.

MS. RICCO JONAS: Correct.

CHAIRMAN KURK: The report that I'm talking about is the useful information that we expect to get from the PDMP. Not how you're doing it administratively, but how many people are getting served, how many people are using the system, all of that.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

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REP. OBER: Could I relate it to what they wrote, because I think that's what you're trying to say. On Page 3 the paragraph you were referring to they wrote, which helps combat prescription drug use and misuse by allowing practitioners to review controlled medication data. I think what we are looking for is how is this system controlling drug use and misuse, and I think that's a piece we're not getting. And is that what you're --

CHAIRMAN KURK: That's what I was referring to.

MR. BULLEK: That is what is in the Annual Report. The Annual Report shows the numbers.

MS. RICCO JONAS: Is that my copy? Can I bring this up to you? Have someone bring it up to you?

CHAIRMAN KURK: Sure.

MS. RICCO JONAS: So I don't have a copy to refer to 'cause I'm handing over my original copy, but this does reflect utilization numbers. It does reflect who's registered. Some of the activities that we're doing right now is going through the system. We migrated to Appriss, which is the new vendor as of July 26th. What we are finding is through many of those communications that happened from the migration is that many of the licensees did actually not conform and go into the system and do what we asked. So we are actually going by licensee by licensee to get them. So we just finished with dental. We are working on medicine right now.

So, for example, we went into our registration report and we found that there's about 4,000 medical licensees that are not actively registered with the PDMP. We met with the Board of Medicine last week. We've created a plan. We are using the Board of Medicine's letterhead and we are initiating a communication that they have a certain amount of time to become compliant. And if they don't become compliant, their name and information will be going to the Board for some sort of issuance from the Board.

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But they will be given an amount of time to become compliant with the statute so that they can use the PDMP accordingly.

So we are actively working on the registration pieces again. We are actively ensuring that people are using the PDMP in accordance to the law. We are working with DoIT to make sure that through the MLO system through license renewal that we're getting the information that we need so we know who is supposed to be registered. That is -- that is a whole different process in and of itself, because there have been complications with that process.

Some of the other things that we have to be paying attention is the contract that we currently have is coming to an end. So starting in April we have to do -- we are going to be doing a renewal. What does that renewal mean? We're looking at the potential enhancements that can get us to the things that you're talking about. So that how do we look at misuse and abuse and diversion? What are the best tools we can give to the people are on the line, the providers? There are things called unsolicited reports. So when we're looking at different thresholds, for example, multi-prescribers, multi-pharmacies. If an individual meets that threshold that is defined, a report will be produced and sent to that provider. If a patient is on a high current daily dose of opioids, that's the MME threshold, an unsolicited report will be sent to those providers. Concurrent benzodiazepines with an opioid. A report will be sent to those providers. These are educational reports that get information out to the providers so they can better take care and serve their patients. That is something we have to consider, but it will take money to do that. Those are the conversations we're having with the vendor as we're negotiating contracts.

There's also a system called NarxCare Enterprise which is an enhanced predicted analytic report versus the current report. I have information for you on that as well. Can I just have one of those back?

So that -- this enhancement will give what is called an overdose score to the provider when they do a controlled history

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query on a patient now. It will show a different kind of predictive analysis which is now the new thing. But, again, that's an investment. That investment is 165,000 annually. That's something that needs to be discussed, you know, because that's a lot of money annually to enhance the platform. But is it a useful tool? Is that something that will benefit the end users, whether it's a pharmacist or whether it's a doctor or nurse practitioner when they're caring for their patients? A lot of this is going to get vetted out during our strategic planning process which is scheduled to happen in June, May and June. Part of our proposal in front of you, the funding proposal, is to allow us to use some of our funds to do a strategic planning process.

We have reached out to a funding source that would match those dollars to allow us to, again, to have a robust strategic planning process to meet the requirements that have been put for us through the auditing process. So we are working very diligently to try to come to the things that you have all asked us to do.

CHAIRMAN KURK: I have not seen the Annual Report. There's been a communication gap.

MS. RICCO JONAS: Sure.

CHAIRMAN KURK: In addition to telling -- to helping the providers -

MS. RICCO JONAS: Yes.

CHAIRMAN KURK: -- are you able to provide information to the Legislature about how effective or ineffective this is? For example, the purpose of this is not simply to give information to providers, but presumably through the use of that information to decrease prescription abuse.

MS. RICCO JONAS: Correct.

CHAIRMAN KURK: So will you be able to provide data to us showing that there is a direct correlation between the existence of this system and a decline in abuse of opioid -- opioid prescriptions? In other words, fewer multiple prescriptions or whatever metric you want to use.

MS. RICCO JONAS: Well, and I --

CHAIRMAN KURK: Does the system allow you to collect that data?

MS. RICCO JONAS: Well, I think we can show and the data does show that from 2016, Fiscal Year 2016 to 2017, we definitely do see a decrease of all prescription drugs going down in a downward trend, and that includes opioids. We definitely have seen those trends from Fiscal Year and we can change the Calendar Year. We did that for DHHS who was looking at data for the Calendar Year.

CHAIRMAN KURK: Why is that related to the PDMP?

MS. RICCO JONAS: What do you mean?

CHAIRMAN KURK: What does it have to do with --

MS. RICCO JONAS: So -- but that's the question. The PDMP of itself, it's a database. So the PDMP in and of itself is a tool that allows prescribers to look at it and manage how they're treating their patients. It allows us to see trends. It's a piece of data amongst a whole bunch of data. In and of itself we can't say did the PDMP directly by itself change this. It's a tool within a number of tools that is having an impact on the opioid crisis in our state.

One of the things that we're looking at, too, when I was speaking with the Director of HDA when I asked him a question about when we were seeing a spike in cocaine deaths in the State of New Hampshire, I was asking him about that. He said, Michelle, have you looked at your stimulant counts and your Schedule II stimulants, and I said no. So I had when we had

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somebody working with us, you know, with data, someone we had a -- what do you call -- sort of a volunteer, so to speak, helping us with some data, I asked him to run this report for us for our Schedule II, specifically, ADHD drugs. In over three quarters we saw this huge spike in stimulant drugs going up.

Interestingly enough, around the same time, we were getting a lot of calls from pharmacists and a lot of prescriptions, forged prescriptions that were specifically for ADHD drugs. ADHD drugs are not opioids. We're not even looking at them. But yet, we're seeing an increasing trend of stimulant drugs going up, and yet, we're not looking at that. That's the kind of stuff we want to be able to start to look at so we can inform the Legislature. We can inform the medical community that this is something we need to be paying attention to. So it's not just an opioid thing, it's controlled substances in general.

MR. BULLEK: There's a divergent component of this, also. We have picked up divergent issues, you know, using this program. We're hampered in what information we can pass along to law enforcement at the current time. But we -- we have had almost a dozen different investigations that we have utilized PDMP data, have come out of PDMP data that have resulted in a reduction of forged prescriptions or, you know, people, you know, doctor shopping or prescription shopping. So this is more than just pressing a button and getting a report out of it. This program as we've incorporated it more into the Board of Pharmacy's operations, we're utilizing this program in different areas than originally was intended.

CHAIRMAN KURK: Further questions from Members? We will recess until 11:20.

(Recess taken at 11:14 a.m.)

(Reconvened at 11:24 a.m.)

CHAIRMAN KURK: The Committee will come out of recess and resume its activities. Is there a motion on Fiscal 18- 052?

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****** FRANK BYRON, State Representative, Hillsborough County, District #20: Mr. Chairman, I'll make a motion that I'm submitting this -- substituting for Representative Ober, by the way.

CHAIRMAN KURK: Representative Byron is recognized for a motion.

REP. BYRON: I'll make the motion that the Fiscal accept FIS 18-052.

CHAIRMAN KURK: Seconded by Senator Giuda. Would you care to speak to your motion?

REP. BYRON: Yes. One of the things that I think we need to do is I've been looking over the report, the Annual Report you had on your web site which was the same one you passed around, by the way.

MS. RICCO JONAS: Hm-hum.

REP. BYRON: It does a very good job of analyzing the data that you've collected. But one of the things that I think we need to work upon is trying to understand how that data is being used to drive down and the impact of that data being collected is being used to drive down our addictive issues, that type of thing, and how we're moving along with that. And I think what I would like to do is try and get together with you folks as Chairman of Division III House Finance --

MR. BULLEK: Hm-hum.

REP. BYRON: -- as well as some of the Senate leaders to understand what we can do maybe to expand and use the data to show what we're coming forward with.

MS. RICCO JONAS: I'll be happy to. There's actually a group that has just recently met this week with HHS and members of the State epidemiological work group that also meets through the Governor's Task Force to really look at how the PDMP data will

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be integrated with other data sets to do exactly what you're talking about.

REP. BYRON: That would be good if we could talk about that. That would be much appreciated.

MS. RICCO JONAS: Yep.

MR. BULLEK: Hm-hum.

CHAIRMAN KURK: So the focus is basically on outcomes.

MS. RICCO JONAS: Yes.

CHAIRMAN KURK: Not just analysis of the data.

MS. RICCO JONAS: Yes, that's exactly what we're looking at, too.

CHAIRMAN KURK: Senator Carson.

SEN. CARSON: Thank you very much, Mr. Chairman, and good morning. I'm sitting in for someone today, but I'm going to put my ED&A hat on. And what I'd like to get from you folks is I'd like to get a monthly report from you --

MS. RICCO JONAS: Okay.

SEN. CARSON: -- updating where you are in the deficiencies. I mean, I think this report is nice, and with the color coding and I know you had to do it in this particular format; but I think that we are responsible for making sure that you're operating correctly.

MS. RICCO JONAS: Hm-hum.

SEN. CARSON: And there have been a number of deficiencies that have been revealed, not only with this program but, again, with the Board of Pharmacy that really need to be addressed. So if it would be possible and if this would come from Mr. Danles,

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because he is the Executive Director, where you are every month until these things get resolved. Because we just -- and I'm not sure if the Committee, the Fiscal Committee, would like to get the same report. But as the Chair of ED&A, I would like to see something from you folks in writing as to where you are.

MR. DANLES: Can I ask a question of the Committee?

CHAIRMAN KURK: There is a report, Senator, that they provide each month as to where they are in completing all of these things. And I think they would be very happy to send you a copy.

SEN. CARSON: I don't want it to be redundant, Mr. Chairman. So I will make that request that you send that to me so that I can share that information with my Committee.

MR. DANLES: Are there some items on the Annual Report that you would like to see on a monthly basis?

CHAIRMAN KURK: That's something that I think will come out of your discussions with Representative Byron.

MR. DANLES: Okay.

CHAIRMAN KURK: And although there have been some questions about what's happening today, please understand that this is very much appreciated. The concept -- forgetting about the coloration.

MS. RICCO JONAS: Yes, thank you.

CHAIRMAN KURK: The plan that you have, and the monthly reports that you're submitting, this is -- I think you're making very important strides towards addressing all of the issues that the audit brought up. We're looking for more, as you expect.

MS. RICCO JONAS: Okay.

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CHAIRMAN KURK: And in this item and your discussions in the future with Representative Byron, we think we are going to be getting more useful information for us as policy makers.

MS. RICCO JONAS: Great.

CHAIRMAN KURK: Further discussion on the motion which is to approve? Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. I was very critical of your agency earlier on in the session based on that report. I am extremely encouraged, Mike.

MR. BULLEK: Hm-hum.

SEN. GIUDA: And Michelle, and --

MR. DANLES: Danles, Peter.

SEN. GIUDA: With what you're doing. I was encouraged with integration you're moving with the Governor and DHHS and so forth. Did not only ramp up from a serious deficit which you're doing, but also to make yourself part of the drug relief efforts and the drug -- fighting the drug problems that we are dealing with in the state. So thank you for what you're doing, and I'm happy to support this endeavor.

MS. RICCO JONAS: Thank you. Mike.

MR. BULLEK: Thank you.

CHAIRMAN KURK: Further discussion. There being none, are you ready for the question? If you're in favor of approving Fiscal 18-052, please now indicate by saying aye? Opposed? The ayes have it. The item is approved.

***** {MOTION ADOPTED}**

CHAIRMAN KURK: Thank you very much.

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MS. RICCO JONAS: Thank you very much.

(10) RSA 106-H:9-I(e), Funding; Fund Established:

CHAIRMAN KURK: We now turn to Tab 10, Fiscal 18-043, a request from the Department of Safety for authorization to accept and expend \$105,000 from the Prior Year Carry Forward Balance of the Enhanced E-911 System Fund through the end of this Fiscal Year. Is there a motion?

** SEN. DANIELS: Move to approve.

REP WEYLER: (Raised his hand).

CHAIRMAN KURK: Senator Daniels moves approval, seconded by Representative Weyler. Discussion? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

(11) RSA 604-A:1-b, Additional Funding:

CHAIRMAN KURK: We turn to Tab 11, Fiscal 18-044, request from the Judicial Council for authorization to receive an additional appropriation for funds not otherwise appropriated in the amount of \$450,000 in General Funds through June 30th, 2018.

** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves to approve.

SEN. GIUDA: Second.

CHAIRMAN KURK: Seconded by Senator Giuda. Is there discussion or questions? There being none, all those in favor please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

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(12) Chapter 156:13, Laws of 2017, Judicial Branch;
Transfer among Accounts and Classes:

CHAIRMAN KURK: We turn now to Tab (12), Fiscal 18-045, a request from the Administrative Office of the Courts for authorization to transfer \$787,500 in General and Other Funds through the end of this Fiscal Year.

** REP. OBER: Move to approve.

CHAIRMAN KURK: Representative Ober moves the item be approved, seconded by Senator Giuda. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Senator D'Allesandro, was I moving too quickly for you?

SEN. D'ALLESANDRO: You're just as quick as can be.

CHAIRMAN KURK: Thank you.

SEN. D'ALLESANDRO: Appreciate that. See how much we missed you last week -- last meeting.

CHAIRMAN KURK: We now turn to --

REP. OBER: 18-046.

CHAIRMAN KURK: 18-046, a request from the Administrative Office of the Courts for authorization to transfer \$549,700 in General Funds through the end of this Fiscal Year.

** REP. OBER: Move to approve.

REP. EATON: You're slowing down.

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REP. OBER: I move to approve.

CHAIRMAN KURK: Representative Ober moves to approve.
Seconded by?

REP. EATON: Sure.

CHAIRMAN KURK: Representative Eaton. Is there somebody from the office who can answer questions?

Good morning, folks. Would you please identify yourselves for the record?

DONNA RAYMOND, Fiscal Manager, Administrative Office of the Courts, Judicial Branch: I'm Donna Raymond from the Administrative Office of the Courts.

CHRISTOPHER KEATING, Director, Administrative Office of the Courts: Chris Keating from the Administrative Office of the Courts.

CHAIRMAN KURK: Thank you both for being here. This is a lot of money, and I understand that this was part of the understanding in the budget process. However, I'm troubled by the fact that you're proposing to take this from your lapse. Care to respond? Not about my troubles but about taking it from the lapse.

MS. RAYMOND: Well, I've looked carefully at our other spending and we're hovering around the 3.3%, which is the estimated lapse for our own spending. That's why this additional transfer will put us over, and we wanted to obviously make you aware of that.

We're not happy about it either, and that's why we are trying to work as collaboratively as we can with the Sheriffs to try to get this better managed. I think we -- it seems to me over the years we've sort of lost touch with the Sheriffs and communicating with them about the amount of security they're

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providing in our courts. Since I've been with the Judicial Branch, I've never attended a Sheriffs' meeting. We are now going to be having those meetings quarterly. I'm going to be there. I'm going to be providing reports, working with them to develop budgets that we can all better understand what's going on and understand how security is provided in our courts. And, actually, we had a meeting with the Sheriffs yesterday, and one of the things we proposed as part of the process of developing budgets with them is I will go out with our head of security and we'll meet with them to discuss court by court how security should work there. So it's going to be a bit of intensive work to get that established, but we really think it's a step in the right direction to improve communications and understanding about how security is being provided.

CHAIRMAN KURK: Can you manage this in a way to reduce overtime? For example, by scheduling and/or by hiring additional part-time people rather than use the Sheriffs?

MS. RAYMOND: I think that will be one of the things we'll be looking at. Because one of the problems I had with estimating the cost of this when the pay rates went into effect is I didn't know what the impact of overtime would be. Because in the statute it was \$80 for a full day, \$40 for a half day. That was it. The wording in the chapter law says we shall pay them the same rates as we pay our court security officers.

Now, my interpretation of that was we'll pay them the same rates. So not only do we have a full-time per diem and a half day -- full day per diem and a half day per diem rate, we also pay them straight time overtime and time and a half overtime. So in my view there are four rates that we actually pay our court security officers. And so I interpreted the chapter law you shall pay the bailiffs the same way. That now introduced overtime. And at the time I was developing the 18-19 budget, I didn't have that data available because the old invoices that they used to send us just told us full days and half days, not hours.

CHAIRMAN KURK: I think you're answering the question more fully than necessary.

MS. RAYMOND: I'm sorry. Well, just to jump ahead though, I was able to try to do an analysis of overtime. How much are we actually paying them? So I looked at Fiscal Year 17. That was the first time we started paying them these new rates. We're looking at about \$105,000 in overtime for the year. That's pretty significant so something I want to address.

CHAIRMAN KURK: And there are ways you can do it. I'm urging you to do it so that --

MS. RAYMOND: Yes, I agree.

CHAIRMAN KURK: -- we get the full lapse that we anticipate, because a dollar that we don't get from you comes out of Commissioner Meyers' budget, and he's very concerned about that, also.

REP. EATON: He used to like you.

REP. UMBERGER: I doubt it.

CHAIRMAN KURK: Are there other questions? Representative Weyler.

REP. WEYLER: The Court isn't open -- excuse me. The Court isn't open that many hours. Why is there necessity for overtime?

MR. KEATING: Uh -- Representative Weyler, let me -- let me try to explain. I mean, it's different in all courts. But if you've got in the afternoon a jury trial and you've got an expert who's flown in from some other state and it's costing everybody a lot of money to have that person there, you know, the court is going to carry over the ten minutes that it takes to finish that person's testimony. And so that means that the Sheriff's deputies who are providing security in the Superior Courthouse are going to stay longer because they need to be

responsible for getting everybody out of the courthouse safely and then locking things up securely.

So it is -- at this meeting yesterday with the Sheriffs there was the Chief Justice Dalianis, soon-to-be Chief Justice Lynn, and Chief Justice of the Superior Court Tina Nadeau. And they all committed to re-invigorating the message to the judges. Look, you've got to finish things at 10 to 4 so that you can get everybody out of there. But that admonition doesn't always equate with the reality of what goes on in the courtroom.

So I -- you know, we were both really encouraged by leadership being there and committing to try to work on this. But, you know, there are times when the -- when the trial court process kind of works against us and in terms of efficiency.

CHAIRMAN KURK: Follow-up.

REP. WEYLER: I understand all that. I think it would be an exception, not to amount to \$106,000 in overtime.

MR. KEATING: And that's why we need to take a closer look at it.

REP. WEYLER: Thank you.

CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Are these court people under contracts, collective bargaining agreements?

MR. KEATING: No, sir. So courthouse security is provided in the Circuit Courts by and large through court security officers who are employees of the Administrative Office of the Courts. By statute, the Sheriffs provide security in the Superior Courts, and these are elected individuals, all of them, and they all have their own opinions about what's necessary for courthouse security within their jurisdiction. And so we -- we have worked to try to get memoranda of understanding with each of them. My predecessor negotiated four memoranda of understanding and they

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were all different from one another, and the rest of them refused to sign them. So it's a difficult thing to try to manage an entity that is not accountable to the Administrative Office of the Courts.

CHAIRMAN KURK: Which is why hiring your own part-time people in lieu of using the Sheriffs is a possible solution.

MR. KEATING: Do you want me to keep talking?

CHAIRMAN KURK: Please.

MR. KEATING: Hum -- I might be convinced with Donna that redoing this as cheaply as we can. For instance, in Merrimack County, they pay their deputies a lot more than we reimburse them for. And so it's the Merrimack County taxpayers who are footing the difference in that. And I worry that we couldn't attract people and pay them, you know, these are armed individuals, to pay them what they would expect to get paid in Hillsborough County and Merrimack County at the kind of rates that we are reimbursing now. So, right now, we are taking advantage of the fact that the Counties are picking up the difference.

CHAIRMAN KURK: That may be true in Merrimack. I don't -- I'm not sure if that's true in Hillsborough. And I'm not sure it's true in some of the other counties. But, in any event, I'm glad you're thinking about this. Senator Giuda.

SEN. GIUDA: Follow-up. Flex time is another possibility. If you work over ten minutes you come in ten minutes late tomorrow, that type of deal. I don't know the labor laws well enough to know if that's something, but clearly flexibility is important.

MR. KEATING: Thanks, Senator Giuda. It was the Fair Labor Standards Act that drove this overtime stuff for us to try to nail down; but then, again, I'll reiterate that we're not the ones telling the Deputy Sheriffs what time to show up at the courthouse.

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SEN. GIUDA: Thank you.

CHAIRMAN KURK: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. Two things I've heard. This is -- this is not a recent occurrence. We have had this through the Fiscal Committee, I think, every year, right? So this is a reoccurring situation. So two things you've said make a lot of sense to me. A, you're going to communicate with the Sheriffs and try to come up with a policy that makes sense and in creating that policy, hopefully, within the confines of the appropriation you'll be able to meet the needs. I think that's the bottom line. And it seems to me that lack of communication over the years has hurt us. When you tell me that you have four different memorandums of understanding, there's an inconsistency that's hard for you to handle if you're dealing with four separate issues. Plus, you're dealing with a unionized group, also. So it appears to be, A, communication is a key element. Having a document with all of that's consistent, not four different ones, might be the final goal that you want to arrive at. And as a result of that, you might with permission of the Chair come back and report to us as to how these negotiations are going so that we won't have to do something like this in the future.

I appreciate the difficulty of the job. I understand that. But, indeed, coming back it is not -- that's not the issue because when you have a problem with the lapse, as the Chair states, that's a problem that affects the operating budget. That's highly problematic as we go forward. So thank you, Mr. Chairman.

CHAIRMAN KURK: Senator -- Representative Weyler has a question.

REP. WEYLER: Thank you, Mr. Chairman. I just want to point out that, you know, we're all answerable to the average citizen. Average citizen would be appalled to think that working more than six hours is overtime. I hope you can communicate that when

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you negotiate with the Sheriffs, bailiffs that, you know, let's be reasonable. Should be more than seven or eight hours before somebody gets overtime.

MS. RAYMOND: Seven and a half. Actually, they're paid overtime when they work more than seven and a half in a day. They get time and a half overtime if during their work week they work over 40. That's how it works by individual.

CHAIRMAN KURK: So a part-time shift, four-hour shift does not get overtime.

MS. RAYMOND: That is correct.

CHAIRMAN KURK: Thank you. Further questions or discussion? There being none, are you ready for the question? The motion is to approve. If you're in favor, please now indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Thank you both.

MS. RAYMOND: Thank you.

MR. KEATING: Thank you.

(13) Chapter 156:183, Laws of 2017, Department of Health
And Human Services; Unfunded Positions;
Authorization:

CHAIRMAN KURK: We turn now to the last item on our agenda, Tab (13), Fiscal 18-054, a request from the Department of Health and Human Services for authorization to fill two unfunded positions effective upon the Fiscal Committee approval through the end -- through the biennium ending June 30th, 2019.

Senator D'Allesandro moves, seconded by Representative Weyler that the item be approved. Discussion? Questions? There being none, are you ready for the question? All those in favor,

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please indicate by saying aye? Opposed? The ayes have it. The item is approved.

*** {MOTION ADOPTED}

(14) Miscellaneous:

(15) Informational Materials:

CHAIRMAN KURK: At this time I think we have some questions about the Dashboard from Health and Human Services. Thank you both for staying.

MR. MEYERS: Yes.

CHAIRMAN KURK: Appreciate it.

MR. MEYERS: Yep.

CHAIRMAN KURK: This is 18-050, in the information section of your books. The question I have once again, Commissioner, is the use of the CHIP rebates to meet your lapses.

MR. MEYERS: Right.

CHAIRMAN KURK: As you well know, we have other obligations that probably will take up all of that money or we may have other obligations that take up all of that money.

MR. MEYERS: Hm-hum.

CHAIRMAN KURK: So my concern is that we can't double count it.

MR. MEYERS: Of course.

CHAIRMAN KURK: And so I guess this is more of a statement than a question.

MR. MEYERS: Sure.

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CHAIRMAN KURK: I hope, and indeed expect, that you will figure out ways to meet the lapse requirement without considering the excess CHIP revenue.

MR. MEYERS: Yep. I understand that that's your position. Yes.

CHAIRMAN KURK: It's always a pleasure talking to you, Commissioner.

MR. MEYERS: And I want to do that, too. I mean, I'm not trying to be glib about this.

CHAIRMAN KURK: I understand.

MR. MEYERS: Yeah, yeah.

CHAIRMAN KURK: The next question I have is on Page 9, elderly long-term care.

MR. MEYERS: Yes.

CHAIRMAN KURK: In the first column dealing with total nursing clients, there seems to be a very sharp spike for the last year starting in February of '17 and moving on to today where we go from roughly 7,000 to 7,600 clients.

MR. MEYERS: Yes, I see where you're saying. Yep, yep.

CHAIRMAN KURK: Nursing home beds seems to be a small increase but generally about where we would expect it to be. That's the -- that's Column G and H.

MR. MEYERS: Yeah, the total number of nursing home beds is capped in the state right now.

CHAIRMAN KURK: Right, we know. Although we're exceeding the cap it seems, at least, in the most recent January '18 period. But, basically, those numbers are where they should be.

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My question is, is there some reason for the spike in total nursing home clients? Because it's far more than we anticipated in the budget.

MR. MEYERS: I don't. Chris, do you have any --

CHRISTINE SANTANIELLO, Controller, Division of Developmental Services, Department of Health and Human Services: This is Chris Santaniello. How are you? I don't have that. I can actually do some research because we've been really looking at the numbers to make sure we're actually, you know, comparing from this year to last year and getting accurate counts. So I can go back between now and the next month and do some further research to where we were at and the unduplicated count, too, because there could be greater turnover.

CHAIRMAN KURK: One of the concerns is that many years ago when we went to the then called HCBC Program --

MS. SANTANIELLO: Hm-hum.

CHAIRMAN KURK: -- we made some assumptions about the health of the population over the next five or ten years and we were wrong. We assumed the same proportion of over 65s would need these services in the future as they had in the past. Well, the over 65s decided to do things differently. They became healthier, they lived longer, and they delayed, in effect --

MR. MEYERS: Hm-hum.

CHAIRMAN KURK: -- their use of nursing home services. My concern now is that that may be catching up with us.

MR. MEYERS: Right.

CHAIRMAN KURK: And that the 85 population, so to speak, and we're seeing that here.

MS. SANTANIELLO: Hm-hum.

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MR. MEYERS: Perhaps, and we'll dig into this. That's one of the reasons why we have gone forward with the plan that we have gone forward with to incorporate long-term care services, both in pay centers and managed care. That's a discussion that I hope you and I will continue over the next several weeks.

CHAIRMAN KURK: Yes, I'm sure we will. But, still, this is -- in terms of -- in terms of demographics this is -- it could be a signal of something.

MR. MEYERS: It may be. We are being tentative because we really want to dig into the numbers to make sure that they reflect what you're asking about.

CHAIRMAN KURK: And then let me just ask you a general question. Aside from giving this information to us, which is very helpful and important and we appreciate --

MR. MEYERS: Hm-hum.

CHAIRMAN KURK: -- is there anything here that you'd like to draw our attention to because it suggests some sort of a change that hadn't been previously considered?

MR. MEYERS: No. I think, you know, in terms of the Department's overall financial picture, I think we are, I mean, there are some small items that are flagged in the chart on the first or second page of this item. There's nothing new here. I think compared to the last couple of years, I think, you know, overall we're in good shape. And I understand that there's unresolved issues that are, in fact, some of them are listed here is to be determined toward the top of the chart that we are going to have to resolve before the end of the Fiscal Year. But I think that the budget is being managed well overall. And I think we kind of know where we are, and there's nothing that's surprising that has come up.

CHAIRMAN KURK: Thank you. Other questions? Thank you all.

MR. MEYERS: Thank you.

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CHAIRMAN KURK: Are there any other information items about which folks have questions? There being none, then we will turn to the audit.

Audits:

CHAIRMAN KURK: The Department of Information Technology Performance Audit Report of March 18th -- of March 2018 and each of us has a copy in our packet.

SEN. CARSON: I'll keep mine, Mr. Chair. I have an appointment at the AG's Office I need to get to. Thank you very much.

CHAIRMAN KURK: Thank you for your attendance. Mr. Smith, good afternoon and welcome. Good morning and welcome.

STEPHEN C. SMITH, MS, CPA, Director, Audit Division, Office of Legislative Budget Assistant: Still good morning, Mr. Chairman, Members of the Committee. For the record, Steve Smith, Director of Audits for the LBA. Joining me this morning to present our audit is John Clinch. He was the Senior Audit Manager on this job. And, also, Commissioner Goulet will have some comments as well. So with your permission, I'll turn it over to John.

CHAIRMAN KURK: Thank you, and welcome to both of you.

JOHN M. CLINCH, MPA, CIA, CISA, Senior Audit Manager, Audit Division, Office of Legislative Budget Assistant: Thank you. Good morning, Mr. Chairman, Members of the Committee. My name is John -- can you hear me all right? Doesn't sound like it's working.

REP. WEYLER: Doesn't sound like it's working. Is the "on" switch on?

CHAIRMAN KURK: Thanks, Josh.

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REP. UMBERGER: I checked both of them.

JOSHUA ELLIOT, Majority Policy Director, New Hampshire State Senate: It's already on. It's on on that end anyway. I don't know if the mic is on.

CHAIRMAN KURK: You know, we really ought to get some assistance from DoIT.

REP. OBER: Microphones are not part of IT. You need to call Terry Pfaff and get maintenance up here.

MR. CLINCH: Would you like me to speak loudly?

CHAIRMAN KURK: Please.

MR. CLINCH: I'll do my best. Good morning, Mr. Chairman, Members of the Committee. My name is John Clinch. I'm Senior Audit Manager with the Office of Legislative Budget Assistant, and I was the auditor in-charge with the Department of Information Technology Performance Audit.

The objective of our audit was to determine whether the Department efficiently and effectively managed and coordinated technology resources for the State in Fiscal Years 2016 and 2017. The Executive Summary is found on Page 1.

We found the Department received high marks for its technical support from its State Agency clients, but struggled with internal deficiencies that led to lower opinions of other services, like, project management, billing, and application development. We evaluated the Department's processes using 12 attributes of maturity model we determined were essential to the target's organizational success and concluded the Department scored in the beginning stages of maturity.

Our recommendation summary starts on Page 3. Our report has 24 Observations and Recommendations. The Department concurred with 23 recommendations and concurred, in part, with one

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recommendation. You may note Observation Nos. 5 and 22 may require legislative action.

The first section, service delivery, begins on Page 13. The maturity model I just mentioned is shown in Figure 2. The graphics shows the progression from left to right not implemented through fully optimized. The Department's processes fell into the performed capability dimension, which is the second box from the left, which indicated the Department is partially achieving its service outcomes.

For the 12 Observations in the section we recommended improving information technology planning, creating formal service level agreements, eliminating duplicate internal information systems, adopting portfolio management practices and improving project management, evaluating the Department's organizational structure, improving human resource distribution and workloads, evaluating existing Help Desk software, developing a process to identify state developed software and require storage and source code management tool, ensuring uniformed web sites and compatibility with mobile devices, and improving performance measurement by formally measuring customer satisfaction for all major department services.

The next section on financial operations begins on Page 43 and contains eight Observations.

In this section we recommended simplifying cost allocation methodologies and improve -- to improve transparency and equity, and improve the billing process; ensuring customer agency funding methods are formalized and kept current; ensuring cost allocation practices are periodically reviewed and revised; and analyzing duplicate financial software and evaluating business processes.

Figure 3 on Page 55 shows how the requisition process uses two different IT systems leading to delays in executing IT purchases.

On the right side of Figure 3 it shows the requisition process within NHFirst, the State system of record, and on the left side is the additional processes undertaken by the Department to request, review, approve, and process requisitions using internal software, in addition to the steps taken in NHFirst. We recommend evaluating and improving the procurement process.

The next section on administration begins on Page 63. This section contains our last four Observations. We recommended the Department update its continuity of operations plan, clarify with the Legislature the Department's ability to establish administrative rules that are binding on other State Agencies; develop policies and procedures to ensure the IT Council complies with statutory requirements, and resolving all prior audit findings timely.

The Appendices are found in the tab section of the report and include the Department's service -- our methodology, the Department's response to our audit, three surveys that we conducted, and status of prior audit finding.

In conclusion, we found evidence that the State Agencies are satisfied with the Department services, but we also identified several areas where the Department could improve efficiency and effectiveness of its service delivery and operations.

This concludes my remarks. I'd like to thank the Department and its staff for their assistance during the audit. Unless there's questions from me, I'd like to turn it over to Mr. Denis Goulet, Commissioner of the Department of Information Technology. Thank you.

CHAIRMAN KURK: That would be fine. Thank you. Commissioner.

MR. GOULET: Good morning for a few more minutes. Again, first of all, I want to thank John and the audit team. I think they did a really good job of, you know, putting structure around this audit, particularly around maturity model which is

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how we like to look at things. I'd like to take an opportunity here since my new Deputy, Ken Dunn is here, to introduce him to the Committee.

KEN DUNN, Deputy Commissioner, Department of Information Technology: Good morning.

MR. GOULET: Ken was recently confirmed by Executive Council and comes with a lot of experience.

We've been on a path as Reps Ober and Eaton have seen through the IT Council. We have been on a path of continuous improvement since I joined the State and we have made some progress. But, clearly, this audit, the results of this audit, you know, show that we have a ways to go and that's expected. I -- when we went into this audit, I certainly expected to find findings like this. In fact, when we had John Clinch speak at the IT Council about the process, I said two things. One, that I embrace the audit as a positive thing. The other was I looked at it as a little bit of a challenge to see if what I was thinking with respect to improvements that we should make would match what the audit findings were and I feel like they largely do.

One thing that's great about an audit that's done well is it helps focus you on the areas and gives you a little more accountability. So I think although we were moving forward, I think this -- these audit results will help us focus and prioritize our actions better.

Also adding Ken Dunn as the Deputy brings a lot of experience in moving forward in maturity models, which is clearly, you know, the way we were going to have to measure ourselves at the very highest level is through the IT maturity models. And we plan to make ourselves accountable on that. So that we're working now to create a Dashboard that we can regularly report progress on these -- on these audit findings. We will -- the thought was we do quarterly IT Council meetings and regular legislative oversight meetings that we can share these out and make them public documents so we hold ourselves accountable for moving forward. Now, many of these items we're

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already moving forward on. One of the nature of time sliced audit is that, you know, it's, you know, it's generally in the past a little bit so there's some areas here where we actually have already made progress, and you'll see that in the first Dashboard that we publish. That's the end of my remarks. Any questions?

CHAIRMAN KURK: Thank you, Commissioner. Yes. Assuming you have the resources, by what date will you have complied with all of the recommendations in this audit?

MR. GOULET: I don't have an answer to that, sir. One of the challenges is we don't have a lot of resources and we will have to prioritize action on these. And what we'll do, we will communicate to you, there's some dates on some of these now and there's not on all of them. But what we'll do is as we advance the Dashboard and as we progress, we will knock these off. We'll then prioritize them, knock them off, and then put dates on the ones that weren't prioritized initially. But I do expect that moving forward in an maturity model is a task of years, not months.

CHAIRMAN KURK: I appreciate that. If you turn to Appendix F, you'll see that in the audit of 2008 and 2006 there are still items that have not been even begun. So that doesn't -- I know you weren't Commissioner during this entire period. I appreciate that. But that doesn't give one much confidence that these will be accomplished at any foreseeable time in the future.

MR. GOULET: So the -- you're right, I wasn't here. But I will take responsibility as Commissioner of DoIT for the fact that that didn't occur. And it's one of the reasons why I want to have a Dashboard system, a system of accountability, so that you can develop some confidence.

I will also say that, you know, in terms of organizational development and moving along the continuous improvement path, there's hierarchy of needs. And one of the things that I noticed when I joined the State was that we have a lot of work to do on the leadership and staffing side that we've since completed. So

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the pace of change I expect to accelerate. But we will always be resource constrained.

So I will prioritize these and move them forward and you'll -- you can judge by our actions in the future whether -- whether we're doing better than you have seen in the past. And I will commit to you that we will hold ourselves accountable, and I would expect the IT Council and this Committee and the Legislative Oversight Committee to hold us accountable as well.

CHAIRMAN KURK: Thank you.

REP. OBER: Mr. Chairman.

CHAIRMAN KURK: Representative Ober.

REP. OBER: Kind of interesting thing with Appendix F, because I think that's one of the first places we all go when we get one of these. What did the last audit look like, what does it look like now. There were 20 findings. Four of them have been completed leaving 16. Of those 16, nine of them reoccurred -- I'm sorry -- seven of them reoccurred through this audit, but the rest of them weren't found to be a problem this time; and yet, they aren't actually posted complete which means the Agency didn't do anything. But I know that there have been changes in DoIT. So some of those changes may have somehow accomplished some of those. That's my first observation.

If you go to Page 4, Observation No. 5, Commissioner Goulet did approach me. We did -- I did file an LSR to try to allow some of that flexibility for DoIT to reorganize the management this year. So some of that's in progress. But I would also like to point out to the Commissioner since he's here that the last two budget cycles DRA has chosen as part of the budget to reorganize when they submitted their budget appropriately, and then they have the corresponding sections in the trailer bill. So it's also something to think about as you move ahead with those. Thank you, Mr. Chairman.

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CHAIRMAN KURK: Senator Giuda.

SEN. GIUDA: Thank you, Mr. Chairman. Commissioner, thank you for coming today. There's a consistent theme that I'm finding in many of these performance audits, and it's that one of two actually. One is that good efforts begin and then they peter out. So my question would be do you have or do you plan to assign a specific person responsible for accomplishing these items that are outstanding in the audit? In other words, have you assigned specific responsibility to someone besides yourself, because you have a lot of other things to do to oversee this process?

MR. GOULET: Thank you for the question. You just met him, Ken Dunn.

MR. DUNN: Once again.

MR. GOULET: This is right in Ken's wheelhouse, this kind of stuff. And we've already -- and we're energized by it. I talked to the staff. In fact, as soon as I leave this building today, we're going to send out a message to all of DoIT sharing the audit results, but also sharing the approach that I described to you which is to embrace them and take them in a positive sense.

But further to your question, the way that you -- or the way that you build change into an organization so that it doesn't peter out is you do it incrementally and sustainably. So that's what we have to do. So I -- I bet I could probably show very quickly that we, you know, we accomplished the letter of these findings, but the spirit of these findings is the most important thing. And so as we go down the path we may find the recommendations may not be exactly what we end up doing; but the spirit of what is recommended and what was found in these 24 findings, I believe in myself, so I think that's the best answer I can give you, sir.

SEN. GIUDA: Thank you.

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CHAIRMAN KURK: Let me ask you this question, Commissioner. Let's assume that you've accomplished all of these things, and we have all of the little openings filled in, will that make a difference in any way to the people who use your services, your customers? Will the State's DoIT structure be more secure? In other words, what will the practical result be of complying with all of these audit findings?

REP. EATON: You might want to share Ken's background for security. That might help.

REP. OBER: I think we are going to scare Ken away if we're not careful.

MR. GOULET: Yes. The -- one of the reasons why these -- there's multiple IT maturity models out there. And the reasons they were created was to give us a benchmark that allow us to benchmark ourselves, and they were created to foster this idea of continuous improvement. So doing things better will make a difference. In fact, we've already, I think if you ask some Commissioners, you would find that they would say we already have made a difference in their lives, and in the lives of the citizens of New Hampshire through our improved services.

Let's just hypothetically say that, you know, some years down the road I've accomplished all of these. One of the things I've learned about continuous improvement is we'll create new and more interesting challenges for ourselves that the next, you know, future audits will find.

CHAIRMAN KURK: But the question was accomplishing these will actually make life easier or better for the agency so your customers and for anyone else for whom you provide these services.

MR. GOULET: I believe they will.

CHAIRMAN KURK: Thank you.

REP. WEYLER: Question.

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CHAIRMAN KURK: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Mr. Clinch, I'm very impressed with the thorough research you did and to do this and I sort of recognize your work after all these years. I'm curious as to how many were on this group that did the audit and how long it took?

MR. CLINCH: Hum -- there were three of us. I was the in-charge and I had two staff members assisting me with the audit. And I believe we started last August.

CHAIRMAN KURK: And working full-time on this?

MR. CLINCH: Full-time, yes.

CHAIRMAN KURK: All three of you?

MR. CLINCH: Yes.

REP. WEYLER: It was very thorough.

MR. CLINCH: Thank you.

CHAIRMAN KURK: At one point the LBA will update us on what it cost for each audit. Further questions.

REP. WEYLER: Motion.

CHAIRMAN KURK: Chair recognizes --

REP. OBER: Mr. Chairman, I have one. Commissioner, on Page 3, again, this is on Recommendation Summary. Observation 2, you -- and it's the only one you did this on, you concur in part. So there must be a part that you didn't concur with.

MR. GOULET: Yes.

REP. OBER: Can you explain this?

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MR. GOULET: Sure. So we -- we concur with the fact that we should be setting expectations with respect to how we deliver services and then measuring ourselves against those. So that's kind of the essence of service level agreement. The thoughts -- the way organizations are approaching this is morphing over time and slowly moving away from the SLA model to other models. So while we do agree that we should be setting expectations negotiating those with our agency partners, and again, some of that's funding, right? The faster you need something fixed, for example, it might cost you more, that kind of thing. So we agree that that's necessary. We are not certain that as we dig into this SLA per se will be the way we accomplish it.

REP. OBER: Okay. Thank you.

MR. GOULET: You're welcome.

CHAIRMAN KURK: Representative Weyler is recognized for a motion.

** REP. WEYLER: Thank you, Mr. Chairman. I move we accept the report, place it on file, and release in the usual manner.

REP. OBER: Second.

CHAIRMAN KURK: Seconded by Representative Ober. Discussion? Questions? There being none, are you ready for the question? All those in favor, please indicate by saying aye? Opposed? The ayes have it. The motion passes and report is approved.

*** {MOTION ADOPTED}

CHAIRMAN KURK: Gentlemen, thank you.

MR. CLINCH: Thank you.

CHAIRMAN KURK: Is there any other business to come before us? Representative Byron.

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REP. BYRON: While I'm not fishing here, one of the questions that we had at our last meeting was to try and get an understanding from LBA as to how they handled uncompleted audit observations going forward. And I think they were going to take a look at that and come back with some recommendations at some point. And I'm not proposing that Mr. Shea would have those recommendations now, but I'd just like to make sure we don't lose sight of that request.

CHAIRMAN KURK: Mr. Shea.

MR. SHEA: We are still in discussion with the Audit Division and talking about that. Mike did plan on updating the Committee today. However, unforeseen to him he's not able to be here. But that is something we haven't lost sight of and we will respond to that and anticipate it the next Fiscal Committee.

CHAIRMAN KURK: Thank you. There being no further business to come before us, our next regular meeting is scheduled for Friday, April 20th, 2018, at ten in this room and with that we stand adjourned. Thank you all.

(Adjourned at 12:11 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

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