



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Corrections

Office of the Commissioner

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.4652
Fax: 907.465.3315

April 15, 2014

The Honorable Bill Stoltze, Co-Chair
House Finance Committee
Alaska House of Representatives
State Capitol, Rm 515
Juneau, AK 99801-1182

The Honorable Alan Austerman, Co-Chair
House Finance Committee
Alaska House of Representatives
State Capitol, Rm. 505
Juneau, AK 99801-1182

Dear Representatives Stoltze and Austerman:

Thank you for allowing the Department of Corrections (DOC) the opportunity to provide a brief overview on how DOC uses Permanent Fund Dividend Criminal Receipts during the April 12, 2014 hearing on SB 104. During the hearing, Representative Costello asked how much of DOC's inmate health care budget goes towards prescription costs.

DOC is projecting \$2,295.13 in prescription costs in FY14. This is out of a total FY14 Inmate Health Care budget of \$41,268.2. Unfortunately, as with overall health care, DOC has seen an increase in prescription costs over the years. Enclosed you will find additional information on how prescription costs have increased for DOC in recent years.

Once again, thank you for allowing DOC the opportunity to address the House Finance Committee. Please let me know if you have any other questions or would like additional information.

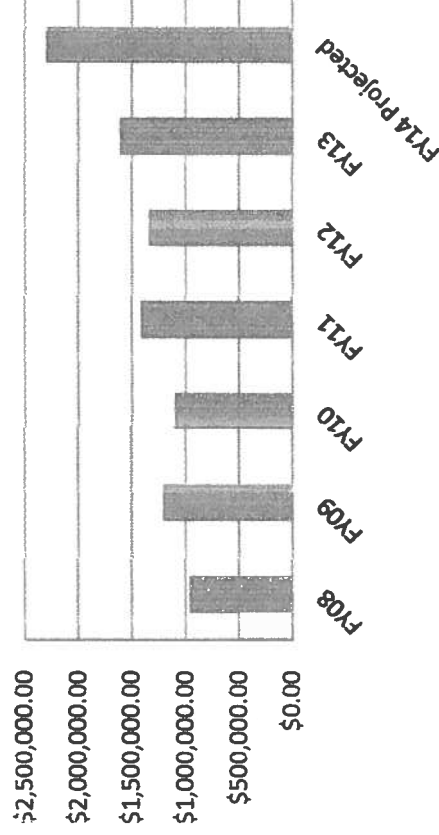
Sincerely,


Joseph Schmidt
Commissioner

Pharmaceutical Costs

- Medications
 - Projected 42% increase in physical health care pharmaceutical costs from FY13 to FY14

Physical Health Care Medication Costs



Physical Health Care Medication Costs	
FY08	\$958,693.90
FY09	\$1,210,181.92
FY10	\$1,105,422.14
FY11	\$1,416,225.20
FY12	\$1,339,712.93
FY13	\$1,611,841.82
FY14 Projected	\$2,295,133.18