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THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

FIS 18 187

John Elias
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

September 12, 2018

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

[Handwritten Signature]
Approved by Fiscal Committee _____ Date _____

Hjs Excellency, Governor Christopher T. Sununu
And the Honorable Executive Council
State House
Concord, NH 03301

Requested Action

1. Pursuant to RSA 14:30-a, VI, authorize the Insurance Department to accept and expend federal grant funds in the amount of \$280,076.12 for FY 2019 from the U.S. Department of Health and Human Services ("USDHHS") to support the Insurance Department's oversight of the safety and competitiveness of the Individual and Small Group health insurance markets in New Hampshire. This action is to be effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2019.

Source of Funds is 100% Federal Funds.

2. Pursuant to RSA 124:15 authorize the Insurance Department to establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-240010-2350 for the period of Fiscal Committee and Governor and Executive Council approval through June 30, 2019.

Funds will be budgeted as set forth in the table below. Source of funds: 100% Federal Funds.

FY 2019 State Flexibility Grant
02-24-24-240010-2350

				Fiscal Year 2019	Fiscal Year 2020
Class	Description	Expense Account	Revenue Account	New Appropriation	New Appropriation
20	Current Expense	500252	400338	\$ 1,000.00	\$ 150.12
41	Audit Set Aside	500801	400338	\$ 140.00	\$ 140.00
46	Consultants	500464	400338	\$ 228,646.00	\$ 50,000.00
	Total Appriation			\$ 229,786.00	\$ 50,290.12
Source of Funds					
Federal Funds				\$ 229,786.00	\$ 50,290.12

EXPLANATION

The New Hampshire Insurance Department has received a federal grant for the purpose of enhancing the States' ability to effectively stabilize the Individual and Small Group health insurance market under Part A of title XXVII of the Public Health Service Act. The purpose of the grant program is to help States expand their review of health insurance issuers' compliance with Guaranteed Availability and Renewability of Coverage regulations. The Department plans to hire contractors to perform analyses that will enhance its understanding of the ways in which the risk pools of these markets are changing. This work will improve the Department's effectiveness in its continued efforts to assist legislators and other policymakers in determining how best to stabilize these markets which have, in recent years, shown considerable volatility. The goal of this analytical work is to produce recommendations to legislators and other policymakers for legislation or other regulatory initiatives that will ensure, to the greatest extent practicable, that individuals and small employers in this state have access to a reliable source of coverage that meets their health care needs. In addition, the Department plans to use grant funds to contract with a pharmacological clinician to support its ability to perform effective review of health plans' formularies. This work will improve the Department's ability to review health insurance plan designs to ensure that issuers are not designing plans in a way that discourages people with high-cost medical conditions from enrolling in those plans. Specifically, the Department will use the funds to perform a market scan and actuarial or economic analysis to assess: 1) that coverage is comprehensive and affordable, 2) what measures are needed to strengthen the type of coverage provided by health insurance issuers in the small group, and large group market, and 3) if products are being appropriately renewed or continued in force.

We are requesting the acceptance of this grant in the amount of \$280,076.12 to allow for the continuation of the State's efforts to effectively regulate and stabilize the Individual and Small Group health insurance market during FY2019.

The following appropriation authority is being requested for Fiscal Year 2019:

1. Class 020 – Current Expenses – FY19 - \$1,150.12. These funds are required in order to provide general supplies support projects funded by this grant.
2. Class 041 – Audit set aside – FY19 - \$280.00. These funds are required in order to meet audit costs associated with the grant program.
3. Class 046 – Consultants – FY19 - \$278,646.00. These funds are required to review health insurance issuers' compliance with Guaranteed Availability and Renewability of Coverage regulations, and to ensure health insurance issuers do not include discriminatory benefit designs that discourage people with potentially high-cost medical conditions from enrolling in those plans.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981:

1. Relationship to existing agency program: The funds from this federal grant will be used for the purpose of enhancing the States' ability to effectively stabilize the Individual and Small Group health insurance market and to ensure that health insurance issuers do not include discriminatory benefit designs.
2. Has a similar program been requested of the legislature and denied? The nature of the work to be completed under the grant has never been requested and denied by the General Court.
3. Why wasn't funding included in the agency's budget request? The FY18-FY19 Biennium budget process was completed before the grant was awarded.
4. Can portions of the grant funds be utilized? One hundred percent federal grant funds can be used to fund all program costs associated with this request.

In the event that federal funds become no longer available, General Funds will not be requested to support this program. Thank you for your consideration.

Respectfully submitted,



John Elias

Enclosure

FISCAL SITUATION

U.S. Department of Health and Human Services Appropriation	\$ 280,076.12
FY2019 Requested Appropriation	<u>\$ 280,076.12</u>
Total Appropriations	<u>\$ 280,076.12</u>

1. DATE ISSUED MM/DD/YYYY 08/20/2018
 2. CFDA NO. 93.413
 3. ASSISTANCE TYPE Project Grant

Department of Health and Human Services
 Centers for Medicare & Medicaid Services
 Office of Acquisitions and Grants Management
 7500 Security Boulevard
 Baltimore, MD 21244-1850

1a. SUPERSEDES AWARD NOTICE dated
 except that any additions or restrictions previously imposed remain
 in effect unless specifically rescinded

4. GRANT NO. 1 PRPPR180114-01-00
 Formerly
 5. ACTION TYPE New

6. PROJECT PERIOD MM/DD/YYYY
 From 08/20/2018 Through 08/19/2020

7. BUDGET PERIOD MM/DD/YYYY
 From 08/20/2018 Through 08/19/2020

NOTICE OF AWARD
 AUTHORIZATION (Legislation/Regulations)
 Section 2794 of the Public Health Service Act (Section 1003 of the
 Affordable Care Act)

8. TITLE OF PROJECT (OR PROGRAM)
 Grants to Support States in Providing Added Flexibility to Strengthen the Private Health Insurance
 Market Implementation of Market Reforms under Part A of Title XXVII of the Public Health Service Act

9a. GRANTEE NAME AND ADDRESS
 Insurance Department, New Hampshire
 Alternate Name: Insurance Department, New Hampshire
 21 S Fruit St Ste 14
 Concord, NH 03301-2428

9b. GRANTEE PROJECT DIRECTOR
 Alexander K. Feldvebel
 21 South Fruit Street
 Concord, NH 03301-0000
 Phone: 603-271-2736

10a. GRANTEE AUTHORIZING OFFICIAL
 Alexander K. Feldvebel
 21 South Fruit Street
 Concord, NH 03301-0000
 Phone: 603-271-2736

10b. FEDERAL PROJECT OFFICER
 James Taing
 7500 Security Boulevard
 null
 null
 Baltimore, MD 21244-null
 Phone: None

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)	
i. Financial Assistance from the Federal Awarding Agency Only <input type="checkbox"/>	
ii. Total project costs including grant funds and all other financial participation <input checked="" type="checkbox"/>	
a. Salaries and Wages	0.00
b. Fringe Benefits	0.00
c. Total Personnel Costs	0.00
d. Equipment	0.00
e. Supplies	0.00
f. Travel	0.00
g. Construction	0.00
h. Other	1,430.12
i. Contractual	278,646.00
j. TOTAL DIRECT COSTS	280,076.12
k. INDIRECT COSTS	0.00
l. TOTAL APPROVED BUDGET	280,076.12
m. Federal Share	280,076.12
n. Non-Federal Share	0.00

12. AWARD COMPUTATION	
a. Amount of Federal Financial Assistance (from Item 11m)	280,076.12
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	280,076.12
13. Total Federal Funds Awarded to Date for Project Period	280,076.12

14. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project):			
YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	

15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:
 a. DEDUCTION
 b. ADDITIONAL COSTS
 c. MATCHING
 d. OTHER RESEARCH (Add / Delete Option)
 OTHER RESEARCH
 b

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:
 a. The grant program legislation
 b. The grant program regulations
 c. This award notice including terms and conditions, if any, noted below under REMARKS
 d. Federal administrative requirements, cost principles and audit requirements applicable to this grant.
 In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS (Other Terms and Conditions Attached - Yes No)

Refer to the following Award Attachments: 1) Standard Terms and Conditions 2) Programmatic Terms and Conditions

GRANTS MANAGEMENT OFFICIAL: Michelle Feagine, Grants Management Officer

17. OBJ CLASS	415B	18a. VENDOR CODE	1026000618M1	18b. EIN	026000618	19. DUNS	808591051	20. CONG. DIST.	02
FY-ACCOUNT NO.		DOCUMENT NO.		ADMINISTRATIVE CODE		AMT ACTION FIN ASST		APPROPRIATION	
21. a.	B-5991262	b.	PRPPR0114A	c.	IPR	d.	\$280,076.12	e.	75750112
22. a.		b.		c.		d.		e.	
23. a.		b.		c.		d.		e.	