

58 MJT



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF ELDERLY & ADULT SERVICES

Nicholas A. Toumpas
Commissioner

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May 15, 2014

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court, and

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

50% federal funds
50% Other funds

Requested Action

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services (DHHS), Bureau of Elderly and Adult Services (BEAS), to accept and expend \$10,005,000 for Proportionate Share Payments (from Title XIX Medicaid federal funds from the Centers for Medicare and Medicaid Services in the amount of \$5,005,000 and Local Funds-Nursing Homes (County) in the amount of \$5,000,000) in the following accounts effective upon the date of Fiscal Committee and Governor and Executive Council approval through June 30, 2014, and further authorize the allocation of these funds as indicated below.

05-95-48-481510-5943 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: ELDERLY AND ADULT SERVICES, MEDICAL SERVICES, PROSHARE

SFY 14

Class-Object	Class Title	Current Modified Budget	Increase/ (Decrease) Amount	Revised Modified Budget
000-404362	Federal Funds-Nursing Homes	\$ 22,249,028	\$ 5,005,000	\$ 27,254,028
005-403011	Local Funds-Nursing Homes County	\$ 22,226,801	\$ 5,000,000	\$ 27,226,801
	General Fund	\$ -	\$ -	\$ -
	Total Revenue	\$ 44,475,829	\$ 10,005,000	\$ 54,480,829
040-500800	Indirect Costs	\$ -	\$ -	\$ -
041-500801	Audit Set Aside	\$ 22,227	\$ 5,000	\$ 27,227
514-500356	Proshare	\$ 44,453,602	\$ 10,000,000	\$ 54,453,602
	Total Expenses	\$ 44,475,829	\$ 10,005,000	\$ 54,480,829

Explanation

Proportionate Share Payments (ProShare) are supplemental payments made to county-owned nursing facilities based upon the difference between Medicaid payments and what the payment would have been if those residents had been on Medicare. These annual payments are typically made in June of each year.

During the budget process, the gap between Medicare and Medicaid rates was anticipated to be lower than past years due to Medicaid Quality Incentive Payments (MQIP) increasing, as a result of the change back to 100% of the Nursing Facility Quality Assessment (NFQA), from the previous 75% level. The final appropriation for ProShare was reduced by \$5.5 million during the Senate phase of the budget for this very reason.

While the 100% MQIP law change was implemented the assumptions during the budget process were not realized. The gap between Medicare and Medicaid were larger than expected and Medicaid payments made to facilities were also larger than expected from increases in utilization.

The annual ProShare payment for SFY14 to the county-owned nursing facilities is estimated at \$54.4 million, which requires an increase in the appropriation to make the payment to the counties in June 2014.

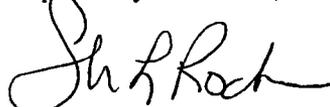
If this request is not approved by the Fiscal Committee and Governor and Council, the State will be unable to make the total SFY14 ProShare payment to the counties prior to the end of the State Fiscal Year. This would have a detrimental effect on the anticipated cash flows to the counties.

Area served: Statewide.

Source of funds: 50.1% federal funds, Medicaid; and, 49.9% local funds-county .

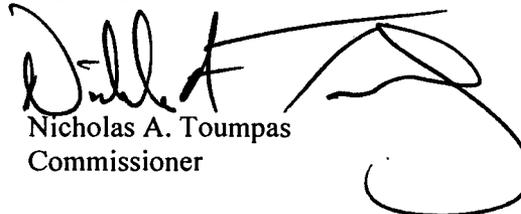
If Federal and Local funds are no longer available general funds will not be requested for this payment.

Respectfully submitted,



Sheri L. Rockburn
Director

Approved by:



Nicholas A. Toumpas
Commissioner