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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FINANCIAL SERVICES

Lori A. Shiblinette  
Commissioner

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Kerrin A. Rounds  
Chief Financial Officer

March 31, 2020

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, NH 03301

**REQUESTED ACTION**

- 1. Pursuant to the provisions of RSA 9:16-a, Transfers Authorized authorize the Department of Health and Human Services, Division of Medicaid Services to transfer general funds in the amount of \$5,000,000 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the allocation of these funds in the accounts below. 100% General Funds.

05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF  
HHS: OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	\$357,842,605		\$357,842,605
005-402201	Agency Income: Medicaid Enhancement - Local	\$142,400,000		\$142,400,000
007-407145	Agency Income Drug Rebates	\$33,500,000		\$33,500,000
009-406848	Agency Income MEAD	\$168,800		\$168,800
009-405615	Agency - MCO Liquid Damages	\$0		\$0
	General Fund	\$168,251,903	(\$3,000,000)	\$165,251,903
	Total Revenue	\$702,163,308	(\$3,000,000)	\$699,163,308
041-500801	Audit Set Aside	\$356,882		\$356,882
101-500729	Medical Payments to Providers	\$701,806,426	(\$3,000,000)	\$698,806,426
	Total Expense	\$702,163,308	(\$3,000,000)	\$699,163,308

**05-95-47-470010-7939 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS:  
 OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, STATE PHASE DOWN**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
010-79390000	General Funds	\$47,698,772	(\$2,000,000)	\$45,698,772
	Total Revenue	\$47,698,772	(\$2,000,000)	\$45,698,772
503-500892	State Phase Down	\$47,698,772	(\$2,000,000)	\$45,698,772
	Total Expense	\$47,698,772	(\$2,000,000)	\$45,698,772

**05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD - FAMILY SERVICES**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested Change	Revised Modified Budget
000-404230	Federal Funds	\$ 31,530,640	\$ -	\$ 31,530,640
007-407139	Other Funds	\$ -	\$ -	\$ -
	General Fund	\$ 44,005,984	\$ 5,000,000	\$ 49,005,984
	Total Revenue	\$ 75,536,624	\$ 5,000,000	\$ 80,536,624
020-500200	Current Expenses	\$ 13,500	\$ -	\$ 13,500
041-500801	Audit Fund Set Aside	\$ 33,869	\$ -	\$ 33,869
049-584902	Transfer to Other State Agencies	\$ 17,975	\$ -	\$ 17,975
101-500729	Medical Payments to Providers	\$ 336	\$ -	\$ 336
102-506223	Contracts for Program Services	\$ 1,709,705	\$ -	\$ 1,709,705
103-506224	Contracts for Operational Services	\$ 160,000	\$ -	\$ 160,000
108-500751	Provider Payments-Legal Services	\$ 90,216	\$ -	\$ 90,216
533-500373	Foster Care Services	\$ 1,307	\$ -	\$ 1,307
535-500376	Out of Home Placements	\$ 28,446,776	\$ 400,000	\$ 28,846,776
550-500398	Assessment and Counseling	\$ 1,096	\$ 1,925,000	\$ 1,926,096
563-500915	Community Based Services	\$ 9,633,162	\$ -	\$ 9,633,162
636-504180	Title IV-E Foster Care Placement	\$ 6,554,384	\$ 300,000	\$ 6,854,384
637-504181	Title IV-E Foster Care Service	\$ 413,173	\$ 20,000	\$ 433,173
638-504182	Title IV-E Foster Care Other	\$ 93,450	\$ 15,000	\$ 108,450
639-504184	Title IV-A/TANF Emergency Assistance Placement	\$ 4,820,166	\$ -	\$ 4,820,166
640-504185	Title IV-A/TANF Emergency Assistance Service	\$ 1,617,843	\$ -	\$ 1,617,843
642-504187	TANF MOE	\$ 1,440,073	\$ 200,000	\$ 1,640,073
643-504191	State General Funds for Placement	\$ 8,970,117	\$ 800,000	\$ 9,770,117
644-504195	State General Funds for Services	\$ 4,875,308	\$ 1,000,000	\$ 5,875,308
645-504004	State General Funds for Other	\$ 1,346,500	\$ -	\$ 1,346,500
646-504006	Title IV-E Adoption Placement	\$ 5,182,745	\$ 340,000	\$ 5,522,745
647-504007	Title IV-E Adoption Services	\$ 8,902	\$ -	\$ 8,902
648-504015	Title IV-E Adoption Admin Only	\$ 106,021	\$ -	\$ 106,021
	Total Expense	\$ 75,536,624	\$ 5,000,000	\$ 80,536,624

2. Contingent upon approval of Requested Action #1, pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services to accept and expend additional federal funds in the amount of \$4,000,000 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

**05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD - FAMILY SERVICES**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested Change	Revised Modified Budget
000-404230	Federal Funds	\$ 31,530,640	\$ 4,000,000	\$ 35,530,640
007-407139	Other Funds	\$ -	\$ -	\$ -
	General Fund	\$ 49,005,984	\$ -	\$ 49,005,984
	Total Revenue	\$ 80,536,624	\$ 4,000,000	\$ 84,536,624
020-500200	Current Expenses	\$ 13,500	\$ -	\$ 13,500
041-500801	Audit Fund Set Aside	\$ 33,869	\$ -	\$ 33,869
049-584902	Transfer to Other State Agencies	\$ 17,975	\$ -	\$ 17,975
101-500729	Medical Payments to Providers	\$ 336	\$ -	\$ 336
102-506223	Contracts for Program Services	\$ 1,709,705	\$ -	\$ 1,709,705
103-506224	Contracts for Operational Services	\$ 160,000	\$ -	\$ 160,000
108-500751	Provider Payments-Legal Services	\$ 90,216	\$ -	\$ 90,216
533-500373	Foster Care Services	\$ 1,307	\$ -	\$ 1,307
535-500376	Out of Home Placements	\$ 28,846,776	\$ 400,000	\$ 29,246,776
550-500398	Assessment and Counseling	\$ 1,926,096	\$ 1,925,000	\$ 3,851,096
563-500915	Community Based Services	\$ 9,633,162	\$ -	\$ 9,633,162
636-504180	Title IV-E Foster Care Placement	\$ 6,854,384	\$ 300,000	\$ 7,154,384
637-504181	Title IV-E Foster Care Service	\$ 433,173	\$ 20,000	\$ 453,173
638-504182	Title IV-E Foster Care Other	\$ 108,450	\$ 15,000	\$ 123,450
639-504184	Title IV-A/TANF Emergency Assistance Placement	\$ 4,820,166	\$ 1,000,000	\$ 5,820,166
640-504185	Title IV-A/TANF Emergency Assistance Service	\$ 1,617,843		\$ 1,617,843
642-504187	TANF MOE	\$ 1,640,073		\$ 1,640,073
643-504191	State General Funds for Placement	\$ 9,770,117		\$ 9,770,117
644-504195	State General Funds for Services	\$ 5,875,308		\$ 5,875,308
645-504004	State General Funds for Other	\$ 1,346,500	\$ -	\$ 1,346,500
646-504006	Title IV-E Adoption Placement	\$ 5,522,745	\$ 340,000	\$ 5,862,745
647-504007	Title IV-E Adoption Services	\$ 8,902	\$ -	\$ 8,902
648-504015	Title IV-E Adoption Admin Only	\$ 106,021	\$ -	\$ 106,021
	Total Expense	\$ 80,536,624	\$ 4,000,000	\$ 84,536,624

3. Contingent upon approval of Requested Actions #1 and 2, pursuant to RSA 9:16-c, authorize the Department of Health and Human Services to transfer federal funds in the amount of \$1,000,000

effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested Change	Revised Modified Budget
000-404230	Federal Funds	\$ 35,530,640	\$ -	\$ 35,530,640
007-407139	Other Funds	\$ -	\$ -	\$ -
	General Fund	\$ 49,005,984	\$ -	\$ 49,005,984
	Total Revenue	\$ 84,536,624	\$ -	\$ 84,536,624
020-500200	Current Expenses	\$ 13,500	\$ -	\$ 13,500
041-500801	Audit Fund Set Aside	\$ 33,869	\$ -	\$ 33,869
049-584902	Transfer to Other State Agencies	\$ 17,975	\$ -	\$ 17,975
101-500729	Medical Payments to Providers	\$ 336	\$ -	\$ 336
102-506223	Contracts for Program Services	\$ 1,709,705	\$ -	\$ 1,709,705
103-506224	Contracts for Operational Services	\$ 160,000	\$ -	\$ 160,000
108-500751	Provider Payments-Legal Services	\$ 90,216	\$ -	\$ 90,216
533-500373	Foster Care Services	\$ 1,307	\$ -	\$ 1,307
535-500376	Out of Home Placements	\$ 29,246,776	\$ -	\$ 29,246,776
550-500398	Assessment and Counseling	\$ 3,851,096	\$ -	\$ 3,851,096
563-500915	Community Based Services	\$ 9,633,162	\$ -	\$ 9,633,162
636-504180	Title IV-E Foster Care Placement	\$ 7,154,384	\$ -	\$ 7,154,384
637-504181	Title IV-E Foster Care Service	\$ 453,173	\$ -	\$ 453,173
638-504182	Title IV-E Foster Care Other	\$ 123,450	\$ -	\$ 123,450
639-504184	Title IV-A/TANF Emergency Assistance Placement	\$ 5,820,166	\$ 1,000,000	\$ 6,820,166
640-504185	Title IV-A/TANF Emergency Assistance Service	\$ 1,617,843	\$ (1,000,000)	\$ 617,843
642-504187	TANF MOE	\$ 1,640,073	\$ -	\$ 1,640,073
643-504191	State General Funds for Placement	\$ 9,770,117	\$ -	\$ 9,770,117
644-504195	State General Funds for Services	\$ 5,875,308	\$ -	\$ 5,875,308
645-504004	State General Funds for Other	\$ 1,346,500	\$ -	\$ 1,346,500
646-504006	Title IV-E Adoption Placement	\$ 5,862,745	\$ -	\$ 5,862,745
647-504007	Title IV-E Adoption Services	\$ 8,902	\$ -	\$ 8,902
648-504015	Title IV-E Adoption Admin Only	\$ 106,021	\$ -	\$ 106,021
	Total Expense	\$ 84,536,624	\$ -	\$ 84,536,624

- Contingent upon approval of Requested Action #1, pursuant to RSA 124:14, Estimated Federal Funds; authorize the Department of Health and Human Services to reduce federal funds in the amount of \$3,003,000 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the reduced allocation of these funds in the accounts below. 100% Federal Funds.

**05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF  
 HHS: OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	\$357,842,605	(\$3,003,000)	\$354,839,605
005-402201	Agency Income: Medicaid Enhancement - Local	\$142,400,000		\$142,400,000
007-407145	Agency Income Drug Rebates	\$33,500,000		\$33,500,000
009-406848	Agency Income MEAD	\$168,800		\$168,800
009-405615	Agency - MCO Liquid Damages	\$0		\$0
	General Fund	\$165,251,903		\$165,251,903
	Total Revenue	\$699,163,308	(\$3,003,000)	\$696,160,308
041-500801	Audit Set Aside	\$356,882	(\$3,000)	\$353,882
101-500729	Medical Payments to Providers	\$698,806,426	(\$3,000,000)	\$695,806,426
	Total Expense	\$699,163,308	(\$3,003,000)	\$696,160,308

### EXPLANATION

The Department is requesting to: (i) reduce the general funds in the Medicaid Care Management and State Phase Down programs; (ii) transfer the general funds from Medicaid Care Management and the State Phase Down accounts to the Division Child Family Services; (iii) accept general funds and matching federal funds within the Division of Children Youth and Families in order to cover shortfalls within the Division; and (iv) reduce matching federal funds from Medicaid Care Management.

The Department is utilizing general funds from the Medicaid Care Management account due to not having to pay budgeted expenses for the Health Insurer Fee. For SFY 2020, \$9 million total funds was budgeted for the Health Insurer Fee payment. The Medicaid Care Management account is a non-lapsing account for SFY 2020; any funds remaining at the end of the biennium will lapse. There are general funds available in the State Phase Down accounting unit. During the SFY 2020-2021 budget process, the rate was projected to increase annually at 3.6% and enrollment growth was projected to grow 3%. For Calendar Year 2020, the rate increased 1.36% more than budget. The enrollment rate is 2.38% less than budgeted. This has caused a surplus of general funds that may be used to address the short-fall within the Division of Children Youth and Families (DCYF).

This request is to transfer general funds and accept federal matching dollars to cover costs in DCYF. Funding in Accounting Unit 29580000 represents costs associated with purchased services for Abuse and Neglect, Children in Need of Services (CHINS) and Delinquent clients. These services include board and care as well as community-based services as ordered by the courts. Caseloads and grant award amounts had increased in SFY 2019 and funds had to be transferred throughout the year to ensure continuation of services. In SFY 2020, the approved budget for accounting unit 29580000 does not have enough general funds to maintain the level of SFY 2019 purchased service costs. In addition to redesigning the service array to comply with Families First requirements for Federal funding this transfer will provide funding needed to continue these services.

The following is the information specifically required when transfers are requested, in accordance with the Budget Officer's instructional memorandum dated April 17, 1985, to support the above requested actions:

- A. Justification: As noted above, this accept and expend request is utilizing available general funds to resolve projected general fund deficits in the Child and Family Services account.

B. Does this transfer involve continuing programs or one-time projects?

This transfer involves a continuing program.

C. Is this transfer required to maintain existing program levels or will it increase the program level?

This transfer is required to maintain existing program levels.

D. Cite any requirements which make this program mandatory.

The programs of the Department are mandated by various state and federal laws.

E. Identify the source of funds on all accounts listed on this transfer.

047-7948 Medicaid Care Management is 51.8% federal funds, 25.9% general funds and 22.3% other funds;

047-7939 State Phase Down is 100% general funds; and

042-2958 Child and Family Services is 46% federal funds, 54% general funds.

F. Will there be any effect on revenue if this transfer is not approved?

No.

G. Are funds expected to lapse if this transfer is not approved?

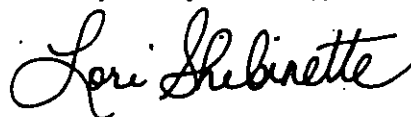
General funds in 047-7939 State Phase Down excess of budget would lapse if not transferred to cover the short-falls.

H. Are personnel services involved?

No positions are being transferred as a result of this request.

Geographic area served: Statewide

Respectfully submitted,



Lori A. Shibinette  
Commissioner

*The Department of Health and Human Services' Mission is to join communities and families  
in providing opportunities for citizens to achieve health and independence.*