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THE STATE OF NEW HAMPSHIRE  
INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14  
CONCORD, NEW HAMPSHIRE 03301

John Elias  
Commissioner

Alexander K. Feldvebel  
Deputy Commissioner

July 8, 2019

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 Executive Council  
State House  
Concord, NH 03301

Requested Action

1. Pursuant to RSA 14:30-a, VI, authorize the Insurance Department to **retroactively** amend FIS#18-187 (\$280,076) approved by the Fiscal Committee on October 19, 2018 and Item # 55 approved by the Governor and Council on October 31, 2018 extending the authority to expend federal grant funds from the U.S. Department of Health and Human Services ("USDHHS") in the amount of \$226,926 from June 30, 2019 through September 30, 2019 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, for the period **retroactive** to July 1, 2019 through September 30, 2019. 100% Federal Funds.

2. Pursuant to RSA 124:15 authorize the Insurance Department to **retroactively** amend FIS#18-187 (\$280,076) approved by the Fiscal Committee on October 19, 2018 and Item # 55 approved by the Governor and Council on October 31, 2018, to establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-240010-2350, by extending the end date from June 30, 2019 to September 30, 2019 effective upon Fiscal Committee and Governor and Executive Council approval, for the period **retroactive** to July 1, 2019. 100% Federal Funds.

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

FY 2020 State Flexibility Grant

02-24-24-240010-23500000

			Fiscal Year 2020
Class	Description	Expense Account	New Appropriation
020	Current Expense	500252	\$ 1,150.00
041	Audit Set Aside	500801	\$ 280.00
046	Consultants	500464	\$ 225,496.00
	Total Appriation		\$ 226,926.00
Source of Funds			
Federal Funds Revenue Account #400338			\$ 226,926.00

EXPLANATION

The requested actions are retroactive due to this being the first Fiscal Committee meeting in July.

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 continued authority to expend this grant in the amount of \$226,926 to allow for the continuation of the State's efforts to effectively regulate and stabilize the Individual and Small Group health insurance market during FY2020.

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 9:16-a, "Transfers authorized", RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source", or RSA 124:15, "Positions Authorized", or both, and all emergency requests pursuant to "Chapter 145, subparagraph I, (a), Laws of 2019, making temporary appropriations for the expenses and encumbrances of the State of New Hampshire":

1. Is the action required of this request a result of the Continuing Resolution for FY 2020? No, this request is a continuance to expend the grant funds accepted in the FY18/19 Biennium.
2. If this request is **retroactive** what is the significance and importance of the action being effective from an earlier date? We have awarded contracts and work being is done that must be paid from these funds.
3. Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.) Yes, the original Fiscal Package is attached.
4. Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied? No, this program was not included in the FY2018-2019 enacted Budget. This request is a continuance to expend the grant funds accepted in the FY18/19 Biennium
5. Is this program in total or in part, included in the vetoed FY 2020-2021 Operating Budget proposal currently pending for your department, or was it requested and denied? No, this is a continuation to expend the grant funds that were accepted during the FY2018-2019 Biennium.
6. Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.) There are no positions in this program. Yes, there are class 046 – consultants in this program and contracts have been awarded.

7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied? If denied, The Insurance Department will be unable to use the consultant funds in class 046 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? There are no additional funds being requested, this is a request to continue the authority to expend funds that were already accepted.
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

Grant Award	\$280,076.00
Less Amount Spent Fiscal Year 2019	<u>\$ 46,400.00</u>
Grant Balance Remaining	\$233,676.00
Less Amount Encumbered	\$ 6,750.00
FY2020 – 2021 This request	\$226,926.00

1. DATE ISSUED MM/DD/YYYY 08/20/2018	2. CFDA NO. 93.413	3. ASSISTANCE TYPE Project Grant
4a. 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 <i>Formality</i>	5. ACTION TYPE New	
6. PROJECT PERIOD From MM/DD/YYYY 08/20/2018	Through MM/DD/YYYY 08/19/2020	
7. BUDGET PERIOD From MM/DD/YYYY 08/20/2018	Through MM/DD/YYYY 08/19/2020	

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

**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	
II Total project costs including grant funds and all other financial participation	
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
<b>l. TOTAL DIRECT COSTS</b>	<b>280,076.12</b>
k. INDIRECT COSTS	0.00
<b>l. TOTAL APPROVED BUDGET</b>	<b>280,076.12</b>
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
<b>d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</b>	<b>280,076.12</b>
<b>13. Total Federal Funds Awarded to Date for Project Period</b>	<b>280,076.12</b>

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		e. 6	
b. 3		f. 7	
c. 4			

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 / Deduct Option)  
e. OTHER (See REMARKS)

**b**

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDOING 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 program 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 Feagins, Grants Management Officer

17. OBJ CLASS 4158	18a. VENDOR CODE 1026000618M1	18b. EIN 026000618	19. DUNS 808591051	20. CONG. DIST. 02
FY-ACCOUNT NO. B-5991262	DOCUMENT NO. PRPPR0114A	ADMINISTRATIVE CODE IPR	AMT ACTION FIN ASST \$280,076.12	APPROPRIATION 75750112
21. a.	b.	c.	d.	e.
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.



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

*[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
	<b>Total Appriation</b>			<b>\$ 229,786.00</b>	<b>\$ 50,290.12</b>
<b>Source of Funds</b>					
<b>Federal Funds</b>				<b>\$ 229,786.00</b>	<b>\$ 50,290.12</b>

**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:

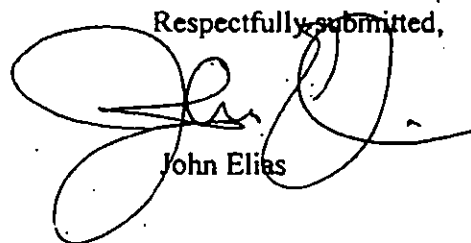
1. Class 020 – Current Expenses – FY19 - \$1,150.12. These funds are required in order to provide general supplies support projects funded by this grant.
2. Class 041 – Audit set aside – FY19 - \$280.00. These funds are required in order to meet audit costs associated with the grant program.
3. Class 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
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 Priority	5. ACTION TYPE New	
6. PROJECT PERIOD From MM/DD/YYYY 08/20/2018	Through MM/DD/YYYY 08/19/2020	
7. BUDGET PERIOD From MM/DD/YYYY 08/20/2018	Through MM/DD/YYYY 08/19/2020	

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

**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 Tainig  
7500 Security Boulevard  
null  
null  
Baltimore, MD 21244-null  
Phone: None

**ALL AMOUNTS ARE SHOWN IN USD**

11. APPROVED BUDGET (Includes Direct Assistance)	
1. Financial Assistance from the Federal Awarding Agency Only	<input checked="" type="checkbox"/> B
8. Total project costs including grant funds and all other financial participation	
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
<b>j. TOTAL DIRECT COSTS</b>	<b>280,076.12</b>
k. INDIRECT COSTS	0.00
<b>l. TOTAL APPROVED BUDGET</b>	<b>280,076.12</b>
m. Federal Share	280,076.12
n. Non-Federal Share	0.00

12. AWARD COMPUTATION	
a. Amount of Federal Financial Assistance (from item 11)	280,076.12
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
<b>d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</b>	<b>280,076.12</b>
e. 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 BUDGETS SHALL BE USED IN ACCORDANCE WITH ONE OF THE FOLLOWING ALTERNATIVES:  
a. REDUCTION  
b. ADDITIONAL COSTS  
c. MATCHING  
d. OTHER (RESEARCH (Sub) Budget Option)  
e. OTHER (See REMARKS)  
 b

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE STATED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED HEREBY COMPLETELY OR BY REFERENCE TO THE FOLLOWING:  
a. The grant program guidelines  
b. The grant program regulations  
c. The award notice including terms and conditions, if any, noted below under REMARKS.  
d. Federal administrative requirements, cost principles and cost requirements applicable to this grant.  
In the event there are conflicting or otherwise inconsistent portions applicable to this 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 Feagins, Grants Management Officer

17. OBJ CLASS 4158	18a. VENDOR CODE 1026000618M1	18b. EIN 026000618	19. DUNS 808591051	20. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FSN ASST	APPROPRIATION
21. a. 8-5991262	b. PRPPR0114A	c. IPR	d. \$280,076.12	e. 75750112
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.