



Jeffrey A. Meyers
Commissioner

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF MEDICAID SERVICES

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March 18, 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 Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services to accept and expend funds received from New Hampshire Counties in the amount of \$6,399,105 effective upon approval by the Fiscal Committee and Governor and Executive Council through June 30, 2019, and further authorize the allocation of these funds in the account below. The source of funds is 100% Other Funds (County).

05-95-47-470010-5201, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF
HHS: MEDICAID & BUS POLICY OFC, OFF. OF MEDICAID & BUS. POLICY, IDN Fund

Class Object	Class Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	\$15,180,424		\$15,180,424
005-402172	County-DSRP	\$0	\$6,399,105	\$6,399,105
009-407079	Agency income	\$0		\$0
	General Funds	\$9,659,745		\$9,659,745
	Total Revenue	\$24,840,169	\$6,399,105	\$31,239,274

010-500100	Personal Services - Perm Classified	\$1		\$1
039-500188	Telecommunication	\$0		\$0
041-500801	Audit Set Aside	\$14,257		\$14,257
042-500620	Additional Fringe Benefits	\$0		\$0
060-500602	Health Insurance Benefit - Perm	\$1		\$1
070-500704	In-State Travel	\$1,000		\$1,000
080-500714	Out-of State Travel	\$5,000		\$5,000
102-500731	Contracts for Program Services	\$24,819,910	\$6,399,105	\$31,219,015
	Total Expense	\$24,840,169	\$6,399,105	\$31,239,274

EXPLANATION

The Department is requesting to accept additional County funds, in addition to the state Designated State Health Programs (DSHP) general funds budgeted, in support of financing the seven regional Integrated Delivery Networks (IDNs). The general fund spending is limited to the DSHP earned cap, as outlined in the Standard Terms and Conditions of the 1115 Research and Demonstration Transformation Waiver. The DSHP limit for state fiscal year 2019 is \$7,781,334, any general funds remaining at state fiscal year end are required to lapse.

On January 5, 2016, the Centers for Medicare and Medicaid Services (CMS) approved New Hampshire's Section 1115 Research and Demonstration Transformation Waiver enabling the Department of Health and Human Services (DHHS) to access new federal funding for the purpose of strengthening and expanding capacity for the State's behavioral health system, allowing the State to access up to a total of \$150 million through calendar year 2020 (approximately \$30 million per year). These monies are comprised of federal funds from CMS that would not otherwise be matchable to NH. Over the life of the waiver, about one-third of the monies are intended to come from direct state spending on CMS approved Designated State Health Programs, and about two-thirds generated as an indirect result of otherwise unmatched County Nursing Home costs.

CMS was willing to grant this demonstration waiver on the basis that additional federal investment in NH building additional capacity in mental health and substance use disorder treatment, and integrating those services with physical health would lead to better quality of care for the Medicaid population and a lower future cost trend in NH's Medicaid program. The early results of the waiver are beginning to demonstrate measurable progress in standing up integration with beneficial impacts on such indicators as hospital readmissions and emergency room admissions otherwise unwarranted, more timely access and coordinated treatment, and added provider capacity.

Some examples of the impact of not approving the request include:

- Individuals who present in emergency rooms will lose the benefit of timely care coordination that results from the implementation and use of Admission, Discharge and Transfer notifications that take place due to real time notifications to their community providers;
- High risk individuals will no longer have the benefit of their providers working collaboratively in real time through the use of a shared care plan which enables those providers to act quickly and effectively to address the presenting symptoms and follow an identified plan of care.
- Individuals receiving support upon discharge from hospital or other institution to the community and who require critical time interventions which ultimately avoid unnecessary hospitalization will no longer have those supports in place;
- Providers will stop implementing closed loop referrals, and multidisciplinary care coordination, eliminating the whole person assessment and linkage to necessary services and community resources. This also has the unintended and unanticipated consequence of impacting an individual's employment due to housing, food security, transportation, with downstream impacts upon other household members including children.
- Recently added treatment programs and direct service staffing will be curtailed or eliminated.

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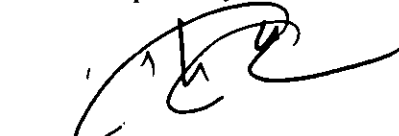
The basis for this specific request stems from the original waiver terms and conditions which required starting July 1, 2017 (SFY 18) to transition the federal match of county nursing facility cost not previously matched by CMS to move from a direct claiming basis (i.e. Designated State Health Program) match where DHHS presents the unmatched costs to a Certified Public Expenditure (CPE) match. Under CPE, claiming County funds in support of the waiver are derived indirectly from a voluntary appropriation from the Counties of funds that have not previously been matched. The \$6,399,105 represents the Counties appropriated voluntary contributions. When spent by DHHS in contracts with the IDNs they are then matched by CMS. Therefore, the county funding portion of the waiver beginning in SFY 2018 through December 31, 2020, is contingent upon county voluntary donations for the county portion.

This funding is necessary to satisfy obligations to the IDN's for the reporting period of calendar year 2018.

Area Served: Statewide 180,000+ persons served

Source of Funds: 100% Other Funds (County)

Respectfully submitted,


FOR Jeffrey A. Meyers
Commissioner