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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAID SERVICES

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August 15, 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

#1 – Pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services to accept and expend additional agency income drug rebate revenue in the amount of \$2,000,000 effective upon approval by the Fiscal Committee and Governor and Council through September 30, 2019, and further authorize the allocation of these funds in the account below. 100% Other Funds (Drug Rebate Revenue).

05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFF. OF MEDICAID & BUS. POLICY, MEDICAID CARE MANAGEMENT

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
000-403978	Federal Funds	\$100,570,436		\$100,570,436
005-402201	Agency Income: Medicaid Enhancement - Local	\$40,114,666		\$40,114,666
007-407145	Agency Income Drug Rebates	\$4,500,000	\$2,000,000	\$6,500,000
009-406848	Agency Income MEAD	\$36,900		\$36,900
	General Fund	\$41,557,830		\$41,557,830
	Total Revenue	\$186,779,832	\$2,000,000	\$188,779,832
041-500801	Audit Set Aside	\$89,537	\$0	\$89,537
101-500729	Medical Payments to Providers	\$186,690,295	\$2,000,000	\$188,690,295
	Total Expense	\$186,779,832	\$2,000,000	\$188,779,832

#2 – Pursuant to the provisions of RSA 9:16-a, Transfers Authorized authorize the Department of Health and Human Services, Office of Medicaid Services to transfer General Funds in the amount of \$2,000,000 effective upon approval by the Fiscal Committee and Governor and Council through September 30, 2019, 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: OFF. OF MEDICAID & BUS. POLICY, MEDICAID CARE MANAGEMENT**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
000-403978	Federal Funds	\$100,570,436		\$100,570,436
005-402201	Agency Income: Medicaid Enhancement - Local	\$40,114,666		\$40,114,666
007-407145	Agency Income Drug Rebates	\$6,500,000		\$6,500,000
009-406848	Agency Income MEAD	\$36,900		\$36,900
	General Fund	\$41,557,830	(\$2,000,000)	\$39,557,830
	Total Revenue	\$188,779,832	(\$2,000,000)	\$186,779,832
041-500801	Audit Set Aside	\$89,537		\$89,537
101-500729	Medical Payments to Providers	\$188,690,295	(\$2,000,000)	\$186,690,295
	Total Expense	\$188,779,832	(\$2,000,000)	\$186,779,832

**05-95-47-470010-3413 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF
 HHS: MEDICAID & BUS POLICY OFC, OFF. OF MEDICAID & BUS. POLICY, CFI & NURSING
 HOME SVS**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
000-404362	Federal Funds	\$63,539,649		\$63,539,649
005-403011	Local Nursing	\$17,267,899		\$17,267,899
005-403399	County ProShare	\$17,994,843		\$17,994,843
007-402241	Agency Income MQIP	\$19,673,906		\$19,673,906
	General Funds	\$8,517,558	\$2,000,000	\$10,517,558
	Total Revenue	\$126,993,855	\$2,000,000	\$128,993,855
CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
040-500800	Indirect Costs	\$32,098		\$32,098
041-500801	Audit Set Aside	\$53,335		\$53,335
101-500729	Medical Payments to Providers	\$2,311,445	\$675,000	\$2,986,445
504-500893	Nursing Home Payments	\$55,344,862		\$55,344,862
505-500894	Mid Level Care Svs	\$2,378,645	\$240,000	\$2,618,645
506-500895	Home Support Waiver Svs	\$9,602,626	\$925,000	\$10,527,626
509-500897	Other Nursing Services	\$1,170,290	\$122,500	\$1,292,790
514-500356	Proshare	\$14,516,874		\$14,516,874
516-500358	Medicaid Quality Incentive	\$39,347,813		\$39,347,813
529-500370	Home Health Care Waiver Svs	\$2,235,867	\$37,500	\$2,273,367
073-509074	Contracts - Grant's not Federal	\$0		\$0
	Total Expense	\$126,993,855	\$2,000,000	\$128,993,855

#3 – Contingent upon approval of Requested Action #2, pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services, to accept and expend additional federal funds from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services in the amount of \$2,002,000 effective upon approval by the Fiscal Committee and Governor and Council through September 30, 2019, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

**05-95-47-470010-3413 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF
 HHS: MEDICAID & BUS POLICY OFC, OFF. OF MEDICAID & BUS. POLICY, CFI & NURSING
 HOME SVS**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
000-404362	Federal Funds	\$63,539,649	\$2,002,000	\$65,541,649
005-403011	Local Nursing	\$17,267,899		\$17,267,899
005-403399	County ProShare	\$17,994,843		\$17,994,843
007-402241	Agency Income MQIP	\$19,673,906		\$19,673,906
	General Funds	\$10,517,558		\$10,517,558
	Total Revenue	\$128,993,855	\$2,002,000	\$130,995,855
CLASS OBJ	CLASS TITLE	Current Modified Budget	Requested change	Revised Modified Budget
040-500800	Indirect Costs	\$32,098		\$32,098
041-500801	Audit Set Aside	\$53,335	\$2,000	\$55,335
101-500729	Medical Payments to Providers	\$2,986,445	\$675,000	\$3,661,445
504-500893	Nursing Home Payments	\$55,344,862		\$55,344,862
505-500894	Mid Level Care Svs	\$2,618,645	\$240,000	\$2,858,645
506-500895	Home Support Waiver Svs	\$10,527,626	\$925,000	\$11,452,626
509-500897	Other Nursing Services	\$1,292,790	\$122,500	\$1,415,290
514-500356	Proshare	\$14,516,874		\$14,516,874
516-500358	Medicaid Quality Incentive	\$39,347,813		\$39,347,813
529-500370	Home Health Care Waiver Svs	\$2,273,367	\$37,500	\$2,310,867
073-509074	Contracts - Grant's not Federal	\$0		\$0
	Total Expense	\$128,993,855	\$2,002,000	\$130,995,855

EXPLANATION

The Department is requesting to (i) accept additional Other Funds Drug Rebate revenue in the Medicaid program; (ii) transfer general funds made available from AU 79480000 Medicaid Care Management within the Department and (iii) accept matching federal funds. The additional revenue received in SFY 2020 is related to revenue not budgeted during the SFY 2018/2019 budget build.

Funds are needed in excess of the State Fiscal Year 2019 Authorized Budget amount approved in the Continuing Resolution to address a shortfall in the Choices for Independence (CFI) Program and Nursing Home Services Accounting Unit 34130000. This is a Medicaid Home and Community Based Services (HCBS) Program intended to support seniors and adults requiring nursing facility level of care to receive services in the community. CFI, provided under a HCBS Medicaid Waiver, is an essential service as part of the continuum of supports for those requiring Long Term Supports and Services as an alternative to Nursing Facility care. The client count has exceeded the budgeted amount for these services in State Fiscal year 2019. For 2019 there was an annual enrollment of 2,465 individuals used for budgeting and through June 2019 there have been 3,567 individuals that have received services.

This transfer, in addition to the initial \$330,405 transfer approved in FIS 19-152 to this accounting unit, will provide funding needed to continue these services through September 30, 2019. This item was not submitted for the July Fiscal Committee meeting as the Department needed more time to determine what the total need would be. The anticipated gap in funding, effective August 30, 2019, for September in Class 101, Provider Services is \$675,000. The remaining class lines in Accounting Unit AU3413 are projected to be short \$1,325,000 effective September 13, 2019. Should Fiscal Committee and Governor and Executive Council not authorize this request, the Department will be unable to pay providers for services provided to our clients. If the Continuing Resolution were to continue beyond September, the Department will need additional funds, in excess of the State Fiscal Year 2019 Authorized Budget amount approved to address a continued projected shortfall since the client count remains at a projected 3,567 which is higher than the 2,465 used for the State Fiscal Year 2019 budgeting process.

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?

Yes, this transfer request is a result of the FY 2020 Continuing Resolution. Caseloads for the Choice for Independence waiver and Nursing Home Services increased in State Fiscal Year 2019 and funds were transferred throughout the year to ensure continuation of services. State Fiscal Year 2020 is projected to have the same high level of caseload. This transfer will provide funding needed to continue these services.

2. If this request is retroactive, what is the significance and importance of the action being effective from an earlier date?

This request is not related to any retroactive requests.

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.)

No, the requested transfer is not related to any programs established through Fiscal Committee and Governor and Council action.

4. Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied?

The funding for the program included in this transfer was included in the FY 2018-2019 Enacted Budget.

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?

Yes, these were included in the FY 2020-2021 Operating Budget

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.)

No, this request does not include funding for positions or consultants.

7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied?

Due to the Continuing Resolution budget, the Department of Health and Human Services has available 25% of its Adjusted Authorized State Fiscal Year 2019 budget to be utilized for State Fiscal Year 2020 expenses. If this request is denied, claims submitted for the Choice for Independence waiver, Home Health, and Nursing Services providers would not be able to be processed for payment. This item cannot wait until September 2019. The estimated time for when funding would run out is August 30, 2019 for Class 101, Provider Services, which funds skilled nursing services. It is projected that the remaining class lines referenced in this transfer for AU3413 will deplete its funding on or about September 13, 2019. The funding being requested is to only cover expenses through September 30, 2019 and not beyond the continuing resolution.

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

- A. Justification: As noted above, this accept and expend request is utilizing available surplus drug rebates to resolve projected general fund deficits in the Choice For Independence and Nursing Home Services account
- B. Does this transfer involve continuing programs or one-time projections?
This transfer involves continuing programs.
- 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 53.84% federal 23.91% other 22.25% general
047-3413 50% federal 43.3% other 6.7% general
- F. Will there be any effect on revenue if this transfer is not approved?
Yes, there would be a surplus in other, Drug Rebate, revenue.
- G. Are funds expected to lapse if this transfer is not approved?
The other revenue in excess of the budget would lapse if not transferred to cover the CFI Nursing Home Services.
- H. Are personnel services involved?
No

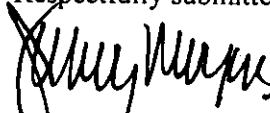
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This transfer is required to maintain existing program levels. Should Fiscal Committee and Governor and Executive Council not authorize this request, the Department would have shortfalls in the accounting unit and will be unable to pay providers for services provided to our clients.

Geographic area served: Statewide

Source of Funds: These funds are 100% Other Funds Drug Rebates and 100% Federal Funds from the United States Department of Health and Human Services Centers for Medicare and Medicaid Services, Medical Assistance Program, Medicaid Title XIX, Catalog of Federal Domestic Assistance (CFDA) #93.778.

Respectfully submitted,



Jeffrey A. Meyers
Commissioner