



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Shibinette
Commissioner

Lori A. Weaver
Deputy Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9200 1-800-852-3345 Ext. 9200
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

December 28, 2021

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court and

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

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Office of the Commissioner, to accept and expend federal funds from the American Rescue Plan Act (ARPA) in the amount of \$500,500 which will be used to fund a third-party vendor to review and consult on how to improve the Medicaid Care Management model effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2023 and further authorize the allocation of these funds in the accounts below. This is an allowable use of ARPA FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts.¹ 100% Federal Funds.

05-095-094-940010-24650000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUNDS

¹ All direct program costs will be accounted for using activity 00FRF602PH9516A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9516Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-400338	Federal Funds	\$65,860,703	\$500,500	\$66,361,203
	General Fund	\$0		\$0
	Total Revenue	\$65,860,703	\$500,500	\$66,361,203
020-500200	Current Expenses	\$1		\$1
030-500301	Equipment New Replacement	\$1		\$1
040-500800	Indirect Costs	\$2,121,473		\$2,121,473
041-500801	Audit Set Aside	\$45,288	\$500	\$45,788
042-500620	Additional Fringe benefits	\$8,733		\$8,733
046-500464	Consultants	\$1		\$1
047-500240	Own Forces Maint Build-Grn	\$1		\$1
048-500226	Contractual Maint Build-Grn	\$1		\$1
059-500117	Temp Full Time	\$98,792		\$98,792
060-500601	Benefits	\$126,251		\$126,251
102-500731	Contract For program Services	\$52,188,937		\$52,188,937
103-502664	Contracts for Op Services	\$11,271,224	\$500,000	\$11,771,224
	Total Expense	\$65,860,703	\$500,500	\$66,361,203

EXPLANATION

The Department is requesting to accept and expend American Rescue Plan Act (ARPA) funding to engage consulting support to improve upon the current Medicaid Care Management (MCM) model. As the State of New Hampshire continues to face the systemic challenges of the COVID-19 pandemic, particularly the impact on the health and well-being of the most complex, highly vulnerable individuals and families, coupled with the ongoing impact of the emergency department psychiatric boarding issue and opioid situation, housing shortages and other health and social barriers, a clear need – and responsibility – exists to evaluate the effectiveness and success of the current MCM model.

It is incumbent on the State to ensure its Medicaid beneficiaries are receiving the highest quality, value-driven care to meet their physical, behavioral and human service needs; among the major components of the MCM program is the Medicaid Managed Care Organization (MCO) contract. The MCO contract is the single largest contract for the State of New Hampshire. Over the term of the re-procured contract covering the period September 1, 2019 through August 31, 2024 the estimated expenditures will likely exceed \$6.0 billion.

Further, Medicaid is the second largest item in the state budget, totaling over \$2.0 billion in expenditures in the current fiscal year. Medicaid provides health care currently to over 234,000 New Hampshire residents. This amounts to about 1 in 6 of the state's population. New Hampshire's MCM Program is executed by three MCO's that receive a fee per member per month from the State of New Hampshire. By enrolling these individuals, the MCO assumes financial responsibility for their state plan health care.

The Department seeks to engage consulting support to improve upon the MCM model. The consultant's deliverable would include a comprehensive summary of key findings, implications and strategic recommendations around the current MCM model and potential future state opportunities to more effectively incorporate DHHS' current investments in service delivery both in Medicaid and within the full service umbrella of DHHS. Specifically, the Department wishes to engage an independent consulting firm with seasoned expertise in health and human service policy and operations to conduct a comprehensive evaluation including both a quantitative and qualitative assessment.

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The ultimate objectives are to increase the beneficial program impacts for beneficiaries while improving quality and bending the future cost trends of the DHHS' Programs. The independent consulting firm will assess and identify opportunities within the current service delivery model, both the MCM program and other program areas. The current model could be characterized as more of a needs-based eligibility approach that begins services once a person has no or few good options. DHHS seeks to evolve to a more preventative focused model that is more value-based and one with increased long-run cost effectiveness with enhanced performance for the citizens of NH while improving quality and program spending growth trends.

The independent consulting firm will review quality metrics, existing data sources including but not limited to quality metrics, current program costs/savings, the MCO contract, departmental guidance thereto, quality management, community needs health assessments, State Health Assessment and State Health Improvement Plan, data inventory/survey results, Council for Housing Stability data sources, State Opioid Response data and any other existing relevant data sources. Additionally, the consultants as part of the engagement will conduct a comprehensive qualitative assessment through internal and external stakeholder interviews.

DHHS respectfully requests \$500,500 ARPA funds to secure an appropriate consulting organization to complete this work. The Department anticipates this engagement to take 6-12 months after securing a consultant through a competitive Request for Proposal (RFP) process.

Funds will be budgeted as follows:

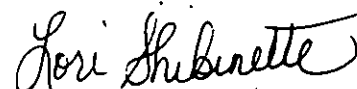
- Class 041 – The funds will be used to pay for audit fund set aside per State requirement.
- Class 103 – The funds will be used to pay for the contract with the selected vendor

Area served: Statewide

Source of Funds: These funds are 100% Federal.

In the event that these Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Lori A. Shibinette
Commissioner