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

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July 22, 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

- Pursuant to RSA 14:30-a, VI, Additional Revenues, authorize the Department of Health and Human Services to budget and expend additional Medicaid Enhancement Tax revenue in the amount of \$9,000,939 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021, and further authorize the allocation of these funds in the account below. 100% Other Funds (Medicaid Enhancement Tax).

**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	\$382,650,660		\$382,650,660
005-402201	Agency Income: Medicaid Enhancement - Local	\$138,519,061	\$9,000,939	\$147,520,000
007-407145	Agency Income Drug Rebates	\$29,153,034		\$29,153,034
009-406848	Agency Income MEAD	\$168,378		\$168,378
009-405615	Agency - MCO Liquid Damages			\$0
	General Fund	\$198,091,241		\$198,091,241
	Total Revenue	\$748,582,374	\$9,000,939	\$757,583,313
041-500801	Audit Set Aside	\$445,687	\$0	\$445,687
101-500729	Medical Payments to Providers	\$748,136,687	\$9,000,939	\$757,137,626
	Total Expense	\$748,582,374	\$9,000,939	\$757,583,313

- 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 \$9,009,940 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021, and further authorize the 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	\$382,650,660	\$9,009,940	\$391,660,600
005-402201	Agency Income: Medicaid Enhancement - Local	\$147,520,000		\$147,520,000
007-407145	Agency Income Drug Rebates	\$29,153,034		\$29,153,034
009-406848	Agency Income MEAD	\$168,378		\$168,378
009-405615	Agency - MCO Liquid Damages	\$0		\$0
	General Fund	\$198,091,241		\$198,091,241
	Total Revenue	\$757,583,313	\$9,009,940	\$766,593,253
041-500801	Audit Set Aside	\$445,687	\$9,001	\$454,688
101-500729	Medical Payments to Providers	\$757,137,626	\$9,000,939	\$766,138,565
	Total Expense	\$757,583,313	\$9,009,940	\$766,593,253

EXPLANATION

The Department is requesting to: (i) increase the budgeted amount of Medicaid Enhancement Tax Revenue (MET); (ii) accept matching federal funds within Medicaid Care Management.

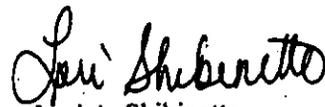
The public health emergency for COVID-19 was declared by the Secretary of Health and Human Services on January 31, 2020. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.

The Department received an enhanced matching rate of federal funds for the Disproportionate Share Hospital payment processed during SFY20 due to the public health emergency. The increase in matching federal funds reduced the required amount of MET needed to fund the payment. According to RSA 167:64, I(a)(2)(D): "Any remaining funds produced from the Medicaid enhancement tax shall be used to support provider payments and to support Medicaid services and programs administered by the department." Prior to the end of SFY20, the surplus of MET was transferred from the Uncompensated Care Account to the Medicaid Care Management accounting unit. The Medicaid Care Management account was a non-lapsing account for SFY20; therefore, the balance of revenue was applied to SFY 21 revenues.

This request is to accept additional MET and accept federal matching dollars to cover costs in the Division of Medicaid Services. Funding in Accounting Unit 79480000 represents costs associated with purchased services for Medicaid Care Management capitation payments and fee-for-service provider payments for clients enrolled in New Hampshire's Medicaid program.

Geographic area served: Statewide

Respectfully submitted,


 Lori A. Shibinette
 Commissioner