

Jeffrey A. Meyers
Commissioner

Mark F. Jewell
Director

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

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9700 1-800-852-3345 Ext. 9700
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www.dhhs.nh.gov

June 27, 2018

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

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

Christopher T. Sununu 7/20/18
Approved by Fiscal Committee **Date**

REQUESTED ACTION

- Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Client Services to accept and expend Federal Funds in the amount of \$2,966,646 from the Centers For Medicare and Medicaid Services for purposes of making changes to the New HEIGHTS eligibility system to comply with federally required guidelines, implement the expanded Medicaid work program, and modernize legacy systems effective upon date of Fiscal Committee and Governor and Executive Council approvals through June 30, 2019, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.
- Contingent upon approval of Requested Action #1, pursuant to RSA 124:15, authorize the Department of Health and Human Services to establish Class 046 - Consultants to amend contracts for the purposes described in Requested Action #1 effective upon Fiscal Committee and Governor and Council approvals through June 30, 2019. 100% Federal funds.

05-95-45-451010-79930000 DIVISION OF CLIENT SERVICES; FIELD ELIGIBILITY & OPERATIONS

Class/Object	Class Title	Current Authorized Budget	This Request	Adjusted Budget
Revenue				
000-403950	Federal Funds	\$ 17,051,411	\$ 2,966,646	\$ 20,018,057
	General Funds	\$ 12,543,835		\$ 12,543,835
	Total Revenue:	\$ 29,595,246	\$ 2,966,646	\$ 32,561,892
Expense				
010-500100	Personal Services Perm	\$ 15,263,836	\$ -	\$ 15,263,836
018-500106	Overtime	\$ 582,245	\$ -	\$ 582,245
020-500200	Current Expenses	\$ 165,213	\$ -	\$ 165,213
022-500257	Rents-Leases Other Than Sta	\$ 8,659	\$ -	\$ 8,659
028-582814	Transfers to Gen Services	\$ 46,530	\$ -	\$ 46,530
030-500321	Office Equip & Furn (Replace)	\$ 5,250	\$ -	\$ 5,250
037-500166	Technology-Hardware	\$ -	\$ 599,400	\$ 599,400
038-500177	Technology-Software	\$ -	\$ 1,750,140	\$ 1,750,140
039-500180	Telecommunications	\$ 4,503	\$ -	\$ 4,503
040-500800	Indirect Costs	\$ 209,809	\$ -	\$ 209,809
041-500801	Audit Fund Set Aside	\$ 14,082	\$ 2,964	\$ 17,046
042-500620	Post Retirement Benefits	\$ 412,002	\$ -	\$ 412,002
046-500464	Gen Consultants, Non-Benefit	\$ -	\$ 614,142	\$ 614,142
050-500109	Other Personal Services	\$ 368,180	\$ -	\$ 368,180
059-500117	Temp Full Time	\$ 545,169	\$ -	\$ 545,169
060-500601	Benefits	\$ 10,383,615	\$ -	\$ 10,383,615
070-500700	In State Travel Reimb	\$ 186,153	\$ -	\$ 186,153
102-500731	Contracts for Program Service	\$ 1,400,000	\$ -	\$ 1,400,000
	Total Expense:	\$ 29,595,246	\$ 2,966,646	\$ 32,561,892

EXPLANATION

These Federal funds support legislative requirements, mission critical initiatives, and compliance with Federal standards for ongoing enhanced operational match from the Center for Medicare & Medicaid Services (CMS), including:

DCYF Imaging - This initiative supports SB63 which has been approved by the legislature and requires DHHS to digitize child welfare client documentation. An electronic case record will assist DCYF in their ongoing effort to optimize service delivery and mitigate the impact of the opioid epidemic on children and the associated increase in caseload. Additional scanning, content management, and server hardware and software capacity is required to deploy this initiative.

New HEIGHTS Modernization – DHHS has been shifting workload from the z/OS mainframe operating system to the Red Hat Linux operating system replacing legacy assets using a Java and COTS application framework. This modernization initiative reduces the cost of ongoing operations and supports compliance with CMS standards and conditions for enhanced federal operations match. The enhanced operations match upgrades the standard match from 50/50 to 75/25. The increased hardware capacity and software for the Linux platform will enable DHHS to execute the planned migration of workload from z/OS to Linux.

~~Enterprise Business Intelligence~~ – DHHS requires platform upgrades to support business intelligence visualization, extraction, transform, and load (ETL) capability, and hardware infrastructure to host the Oracle database and supporting services. This initiative supports DHHS's needs for enhanced analytical capabilities and the CMS standards and conditions for reporting.

Web Content Management – The DHHS website used to inform, educate and engage consumers considering or participating in the Medicaid program is operating using a Web Content Management (WCM) platform which has reached end-of-life. Additionally, there is significant opportunity to improve the user experience (UX) and User Interface (UI) as well as content. The replacement system will be built on a new WCM platform which requires additional hardware and software. This platform will serve as the enterprise asset foundation for the DoIT digital governance vision to enhance WCM statewide.

Vendor Services – CMS requires Independent Verification and Validation (IV&V) of Design, Development, and Implement (DDI) projects where enhanced 90/10 funding is utilized. The IV&V vendor monitors project progress and provides status and risk reporting to CMS on a quarterly basis.

Funds will be budgeted as follows:

- | | |
|-----------|--|
| Class 037 | The funds will be used to fund purchases of hardware. |
| Class 038 | The funds will be used to fund purchases of software. |
| Class 041 | The funds will be used to pay audit fund set aside expense. |
| Class 046 | The funds will be used to fund required contract amendments. |

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

1. List of personnel involved: Temporary consultants
2. Nature, Need, and Duration: The temporary consultants will provide for the increased needs for subject matter experts beyond the limited resources of in-house personnel.

3. Relationship to existing agency programs: within the New HEIGHTS system ensure compliance with the federal and state regulations as they relate to the modernization of the New HEIGHTS infrastructure, DCYF Imaging and to provide functionality to support DHHS's strategic vision for improved service delivery.
4. Has a similar program been requested of the legislature and denied? No
5. Why wasn't funding included in the agency's budget request? The original budget request assumed a smaller percentage of the planned work would qualify for a higher federal funds percentage. Given the CMS approval this request will support the New HEIGHTS modernization work without the need for additional general funds.
6. Can portions of the grant funds be utilized? All grant dollars are being used for this request.
7. Estimate the funds required to continue this position(s): The consultants necessary for this work will not be permanent.

Area served: statewide.

Source of Funds: 100% Federal Funds.

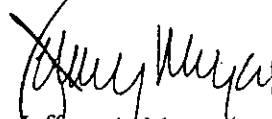
If Federal Funds become no longer available, General Funds will not be requested to support the program expenditures.

Respectfully submitted,



Mark F. Jewell
Director

Approved by:



Jeffrey A. Meyers
Commissioner



ADMINISTRATION FOR
CHILDREN & FAMILIES

330 C Street SW., Washington, DC 20201 | www.acf.hhs.gov

December 21, 2017

Jeffrey A. Meyers
Department of Health and Human Services
129 Pleasant Street
Concord, New Hampshire 03301

Re: NH-2017-12-07

Dear Mr. Meyers:

We are responding to your letter dated November 30, 2017 requesting the Department of Health and Human Services (HHS) approve New Hampshire's, Implementation Advance Planning Document (APD) Update for the New Hampshire Empowering Individuals to Get Help Transitioning to Self-sufficiency (HEIGHTS) modernization project. The purpose of this APD is to request additional funding for the following Design, Development, and Implementation (DDI) projects:

- Milestone Adjustments
- Maintenance Operations
- Medicaid Program Enhancements
- Access Front Door (AFD)
- Enterprise Business Intelligence (EBI)
- NH Easy Legacy Platform Modernization
- Medicaid Program Enhancements

The revisions include schedule modifications that utilize the A-87 cost allocation exception extension through December 31, 2018 and new scope. HHS has completed its review of this APD, including revisions/supplemental information/the state's response to a Request for Additional Information submitted on December 18, 2017.

The New HEIGHTS APD indicates that the state anticipates that the total title IV-E project share will be \$16,553 (up from \$15,722). This amount is well below the mandatory APD threshold and we are approving the title IV-E funding as requested for the remainder of the project.

	Title IV-E 50%	FFP Amount
This Approval	\$16,553	\$8276
Total Approved	\$16,553	\$8276

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HHS also approves the Medicaid Federal Financial Participation (FFP) for Federal fiscal year(s) 2018 through 2020 as described in the tables in Appendix A, covering the date of this letter through September 30, 2020.

This approval letter supersedes any previous letters that may have been issued for the approval period noted above. This letter includes all previously approved funds covering the approval period for the date of this letter through September 30, 2019. Appendix B contains additional information about Federal guidance and the state's responsibilities concerning the APD.

Please plan on submitting an Annual APD Update (within 10 months of the date of your state's last Annual APD Update approval letter or before August 1, 2018) outlining budget and implementation activities for the future Federal Fiscal year so that the future year's funding may be approved. HHS has 60 days to review and respond to a state's APD submission. Failure to timely submit an Annual APD Update may put the state at risk for not having FFP for future Federal fiscal years.

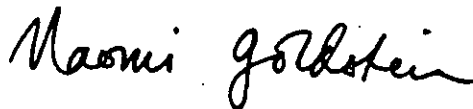
Please note that all future APD-related correspondence for this project should be addressed as follows:

Naomi Goldstein
Deputy Assistant Secretary for Planning, Research, and Evaluation
Administration for Children and Families
330 C Street, SW
Washington, DC 20201

Attn: Ms. Christi Dant
State Systems Coordinator for HHS

All HHS APDs, RFPs, and contracts, along with a cover letter should be sent to HHSMulti-ProgramAPDSubmissions@acf.hhs.gov and the HHS program offices participating in the funding of a project. If you have any questions or concerns regarding this letter, please contact Christi Dant at 202-402-7042, or by e-mail at Christi.Dant@acf.hhs.gov.

Sincerely,



Naomi Goldstein
Deputy Assistant Secretary for
Planning, Research, and Evaluation

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cc:

Martin Rice, CMCS/CMS

Terry Watt, CB/ACF

Karen Painter-Jaquess, FNS/USDA

Carrie Feher, CMCS/CMS

Alberta Sannie-Ariyibi, CMCS/CMS

Dian Carroll, CB/ACF

Dawn Bartolomeo, FNS/USDA

Appendix A

New Hampshire Medicaid Detailed Budget Table
 Covers Federal Fiscal Years (FFY) 2012-2020 (ending September 30, 2020)

Funding amounts described below are summarized by FFY; however funding is only approved to be used in accordance with the approval dates described in this letter

“Please note: The amounts provided for Federal fiscal years 2012 – 2017 are for informational purposes only.”

	Medicaid Share (90% FFP) DDI	State Share (10%)	Medicaid Share (75% FFP) DDI (COTS)	State Share (25%)	Medicaid Share (75% FFP) M&O	State Share (25%)	Medicaid Share (75% FFP) M&O, E&E Staff	State Share (25%)	Medicaid ENHANCED FUNDING FFP Total	State Share Total	Medicaid ENHANCED FUNDING (TOTAL COMPUTABLE)
	28A & 28B†		28A & 28B†	--	28C & 28D†	--	28E & 28F†				
FFY 2012	\$3,952,335	\$439,148	\$823,178	\$274,393	\$0	\$0	\$0	\$0	\$4,775,513	\$713,541	\$5,489,054
FFY 2013	\$7,508,748	\$834,305	\$221,412	\$73,804	\$0	\$0	\$0	\$0	\$7,730,160	\$908,109	\$8,638,269
FFY 2014	\$12,663,307	\$1,407,034	\$538,231	\$179,410	\$0	\$0	\$13,480,338	\$4,493,446	\$26,681,876	6,079,890	\$32,761,766
FFY 2015	\$13,159,156	\$1,462,128	\$1,272,978	\$424,325	\$0	\$0	\$14,605,165	\$4,868,388	\$29,037,299	\$6,754,841	\$35,792,140
FFY 2016	\$11,753,640	\$1,305,960	\$146,557	\$48,852	\$0	\$0	\$15,471,419	\$5,157,140	\$27,371,616	\$6,511,952	\$33,883,568
FFY 2017	\$13,817,034	\$1,535,226	\$600,000	\$200,000	\$0	\$0	\$15,780,847	\$5,260,282	\$30,197,881	\$6,995,508	\$37,193,389
FFY 2018	\$30,640,440	\$3,404,493	\$0	\$0	\$0	\$0	\$16,032,558	\$5,344,186	\$46,672,998	\$8,748,679	\$55,421,677
FFY 2019	\$14,959,537	\$1,662,171	\$0	\$0	\$0	\$0	\$0	\$0	\$14,959,537	\$1,662,171	\$16,621,708
FFY 2020	\$1,052,401	\$116,933	\$0	\$0	\$0	\$0	\$0	\$0	\$1,052,401	\$116,933	\$1,169,334

	Medicaid Share (50% FFP) M&O E&E Staff	State Share (50%)	Medicaid NOT ENHANCED FUNDING FFP Total	State Share Total	Medicaid NOT ENHANCED FUNDING (TOTAL COMPUTABLE)
	28G & 28H†	--			
FFY 2012	\$0	\$0	\$0	\$0	\$0
FFY 2013	\$0	\$0	\$0	\$0	\$0
FFY 2014	\$4,258,374	\$4,258,374	\$4,258,374	\$4,258,374	\$8,516,748
FFY 2015	\$4,615,226	\$4,615,226	\$4,615,226	\$4,615,226	\$9,230,452
FFY 2016	\$6,462,596	6,462,596	6,462,596	6,462,596	12,925,192
FFY 2017	\$6,591,848	\$6,591,848	6,591,848	\$6,591,848	\$ 13,183,696.00
FFY 2018	\$7,599,393	\$7,599,393	\$7,599,393	\$7,599,393	\$ 15,198,786.00
FFY 2019	\$0	\$0	\$0	\$0	\$0
FFY 2020	\$0	\$0	\$0	\$0	\$0

	Medicaid ENHANCED FUNDING FFP Total	Medicaid NOT ENHANCED FUNDING FFP Total	TOTAL FFP	STATE SHARE TOTAL	APD TOTAL (TOTAL COMPUTABLE)
FFY 2012	\$4,775,513	\$0	\$4,775,513	\$713,541	\$5,489,054
FFY 2013	\$7,730,160	\$0	\$7,730,160	\$908,109	\$8,638,269
FFY 2014	\$26,681,876	\$4,258,374	\$30,940,250	\$10,338,264	\$41,278,514
FFY 2015	\$29,037,299	\$4,615,226	\$33,652,525	\$11,370,069	\$45,022,591
FFY 2016	\$27,371,616	\$6,462,596	\$33,834,212	\$12,974,548	\$46,808,760
FFY 2017	\$30,197,881	\$6,591,848	\$36,789,729	\$13,587,356	\$50,377,085
FFY 2018	\$46,672,998	\$7,599,393	\$54,272,391	\$16,348,072	\$70,620,463
FFY 2019	\$14,959,537	\$0	\$14,959,537	\$1,662,171	\$16,621,708
FFY 2020	\$1,052,401	\$0	\$1,052,401	\$116,933	\$1,169,334

†MBES Line Item	
28A	E&E - Title 19 (Medicaid) DDI- In-house Activities
28B	E&E - Title 19 (Medicaid) DDI- Contractors
28C	E&E - Title 19 (Medicaid) Software/Services/Ops- In-house Activities
28D	E&E - Title 19 (Medicaid) Software/Services/Ops- Contractors
28E	E&E - Title 19 (Medicaid) Eligibility Staff- Cost of In-house Activities (staff who makes eligibility determinations)
28F	E&E - Title 19 (Medicaid) Eligibility Staff- Cost of Private Sector (staff who makes eligibility determinations)
28G	E&E - Title 19 (Medicaid) Eligibility Staff- Cost of In-house Activities (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)
28H	E&E - Title 19 (Medicaid) Eligibility Staff- Cost of Private Sector (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)

FFP rates for specific activities and costs can be found at 76 FR 21949, available at <https://federalregister.gov/a/2011-9340>

Appendix B

[HHS/CMS] approval of this APD is in accordance with Federal regulations at 42 CFR § 433, subpart C, “Mechanized Claims Processing and Information Retrieval Systems,” 45 CFR § 95, subpart F, “Automatic Data Processing Equipment and Services - Conditions for Federal Financial Participation,” and 42 CFR § 457.230, “FFP for State ADP expenditures.”

The amounts allocated per Federal fiscal year in Appendix A cannot be reallocated between Federal fiscal years, even within the period of this letter’s approval, without submission and approval of an APD Update. Only actual costs incurred are reimbursable.

Please refer to Federal regulations at 42 CFR § 433 for specific CMS FFP rates for the variety of activities supporting proper matching rates. Specifically, please note that commercial off the shelf (COTS) licenses are matched at 75 percent FFP and training is matched at 50 percent FFP.

Also, states may claim 75 percent Title XIX FFP for the costs of certain staff time spent on mechanized eligibility determination systems. Please note that continued access to the enhanced match from Title XIX for the staff positions, as outlined in the CMS Frequently Asked Questions (FAQ) from April 25, 2013 on www.Medicaid.gov, is contingent upon the state’s execution of the approved mitigation plan, verification plan, and transition plan.

CMS will be monitoring progress of the state’s eligibility and enrollment modernization project using the Enterprise Life Cycle (ELC) model. This approach supports the high degree of interaction that will be required between Medicaid, CHIP, and the Health Insurance Marketplace, and the use of a shared eligibility service among the programs. Based on the state’s project management plan, CMS will be working with the state to schedule the next Medicaid IT review.

As part of the ELC model, the state should submit to CMS monthly status reports as well as participate in regular monitoring calls. Monthly status reports should include, at a minimum, the status of the project as well as risks, issues, and planned mitigations.

As described in regulation at 45 CFR § 95.611, Requests for Proposals (RFPs) or contracts that the state procures with funding from the herein approved APD, must be approved by [HHS/CMS] prior to release of the RFP or prior to execution of the contract.