



STATE OF NEW HAMPSHIRE

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

NEW HAMPSHIRE HOSPITAL

Jeffrey A. Meyers
Commissioner

36 CLINTON STREET, CONCORD, NH 03301
603-271-5300 1-800-852-3345 Ext. 5300
Fax: 603-271-5395 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

Lori A. Shibinette
Chief Executive Officer

April 15, 2019

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

[Signature]
Approved by Fiscal Committee Date

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 additional federal revenue from the Disproportionate Share Hospital Program in the amount of \$6,500,000 which will be used to replace Provider Fees which are less than estimated effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2019. 100% Federal Funds (DSH).

05-095-940010-87500000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, ACUTE PSYCHIATRIC SERVICES

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-404434	Federal Funds- DSH	\$12,596,025	\$6,500,000	\$19,096,025
003-402997	Revolving Funds	(\$50)		(\$50)
007-402865	Tuition - APC	(\$7,763)		(\$7,763)
009-405921	Agency Income- Provider Fees	\$26,150,664	(\$6,500,000)	\$19,650,664
	General Fund	\$21,134,289		\$21,134,289
	Total Revenue	\$59,873,165	\$0	\$59,873,165

010-500100	Personal Svcs - Perm Classified	\$21,887,421		\$21,887,421
012-500128	Personal Svcs - Unclassified	\$918,437		\$918,437
018-500106	Overtime	2,314,902		2,314,902
019-500105	Holiday Pay	549,641		549,641
020-500200	Current Expenses	108,470		108,470
022-500255	Rents- Leases other	436,086		436,086
041-500801	Audit Fund Set Aside	16,307		16,307

042-500620	Additional Fringe Benefits	460,510		460,510
050-500109	Personal Service – Temp	1,642,249		1,642,249
059-500117	Temp Full-time	298,187		298,187
060-500601	Benefits	12,554,448		12,554,448
066-500543	Employee Training	25,000		25,000
100-500726	Prescription Drug Expenses	1,584,626		1,584,626
101-500729	Medical Payments to Providers	926,245		926,245
102-500731	Contracts for Program Services	16,087,530		16,087,530
501-500425	Payments to Clients	61,182		61,182
523-500363	Client Benefits	1,924		1,924
	Total Expenses	\$59,873,165	\$0	\$59,873,165

EXPLANATION

The Department is requesting to accept and expend additional federal income from Medicaid Disproportionate Share Hospital program, which are federal revenues to cover the hospital cost of uncompensated care. The Department has earned this additional DSH revenue by having a higher-than-anticipated amount of unreimbursed bed days and the Department seeks to utilize these additional federal funds not budgeted to address program revenue short-falls from Provider Fees.

Funds from Provider fees are lower than budgeted due to a larger than anticipated number of patients unable to be discharged into appropriate community settings. When this occurs, commercial insurance carriers reduce their level of reimbursement because patients waiting for discharge do not require the same level of acute care services that carry higher reimbursement rates.

Patients who are unable to be discharged to a lower level of care setting may qualify as Administrative Necessity. The Centers for Medicare and Medicaid Services permits partial payments (in the form of federal DSH revenue) for uncompensated care for qualified patients who are hospitalized due to Administrative Necessity. While the Department cannot estimate the exact reduction in provider fees for SFY 2019 as compared to the budget, the Department anticipates it will be close to the \$6,500,000 earned in additional DSH revenue. Reducing the anticipated revenue in the budget system through this fiscal item will bring the budget more in line with actual expenditures at fiscal year close.

Geographic area served: Statewide

Respectfully submitted,



Jeffrey A. Meyers
 Commissioner