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THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

July 8, 2015

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Executive Council
State House
Concord, NH 03301

Requested Action

1. Pursuant to RSA 14:30-a, VI, authorize the Insurance Department to retroactively accept and expend federal grant funds (Health Insurance Premium Review Cycle IV Grant) in the amount of \$444,179 for FY 2016 from the U.S. Department of Health and Human Services ("USDHHS") for the purpose of improving the rate review process, effective upon Fiscal Committee and Governor and Council approval, for the period **retroactive** to July 1, 2015 through December 31, 2015. 100% Federal Funds.

2. Pursuant to RSA 124:15 authorize the Insurance Department to retroactively amend FIS#14-174 approved by the Fiscal Committee on November 10, 2014 and Item # 30 approved by the Governor and Council on November 12, 2014, to establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-2400-59300000, by extending the end date from June 30, 2015 to December 31, 2015 effective upon Fiscal Committee and Governor and Executive Council approval, for the period **retroactive** to July 1, 2015. 100% Federal Funds.

Funds will be budgeted as set forth in the table below. Source of funds: 100% Federal Funds.

FY 2016 Health Insurance Premium Review Cycle IV Grant
02-24-24-2400-59300000

Fiscal Year 2016		
Class	Description	New Appropriation
20	Current Expense	\$3,000
41	Audit Set Aside	\$1,179
46	Consultants	\$,433,000
50	Personal Services Part Time Temp	\$6,000
60	Benefits	\$1,000
	Total Appropriation	\$444,179
	Source of Funds	
0	Federal Funds	\$444,179

EXPLANATION

These Requested Actions are retroactive due to the Continuing Resolution. Grant funds awarded for periods after December 31, 2015 have been requested in the future operating budgets for FY 2016 and FY2017.

The New Hampshire Insurance Department has received a federal grant to support improving the health insurance premium rate review process and transparency related to health insurance premiums and medical care costs in New Hampshire. The Health Insurance Premium Rate Review Grant –Cycle IV is made available pursuant to Public Law 111-148 (The Patient Protection and Affordable Care Act). The purpose of the grant program is to help make private health insurance more accessible and affordable and to increase the transparency of the health insurance system by providing grants to states to help them improve the health insurance rate review process. Specifically, the Insurance Department will use these funds to improve the rate review process by enhancing the rate review filing requirements; improving the data submission process and market conduct oversight; enhancing the NH health claims database, the Comprehensive Health Information System (CHIS) and the NHHealthcost.org website for publishing medical pricing; improving the transparency of the information from a consumer perspective; reaching out to additional audiences with medical pricing information; developing provider payment reform options for consideration by policymakers; and supporting the fulfillment of the Department’s regulatory responsibilities in the area of health policy.

The Insurance Department currently reviews health insurance premium rates, and has been deemed to be an effective rate review state by USDHHS. We are requesting the acceptance of this grant in the amount of \$444,179 to allow for the continuation of the efforts to improve our health insurance rate review process during FY 2016.

The acceptance of the grant funds, in the amount of \$444,179 and the following appropriation authority is being requested for Fiscal Year 2016.

1. Class 020 – Current Expenses – FY16 - \$3,000. These funds are required in order to provide general supplies to the part-time employee, conference call between the department and consultants, and miscellaneous expenses (postage, printing).
2. Class 041 – Audit set aside – FY16 - \$1,179. These funds are required in order to meet audit costs associated with the grant program.
3. Class 046 – Consultants – FY16 - \$433,000. These funds are required to hire consultants to perform quantitative analysis of various data sources, create futuristic models of the insurance marketplace, improve the transparency of information for consumers, and enhance the HealthCost website as a centralized location for health care price information.
4. Class 050 – Personal Services – PT Temp – FY16 - \$6,000. These funds are set aside in order to pay the budgeted part time employee to administer the grant program.
5. Class 060 – Benefits – FY16 - \$1,000. These funds are necessary for the payroll contributions for the part-time employee.

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

1. List of personnel involved: This federal grant will continue to fund a part time temporary position of Grants and Contracts Technician (Labor Grade 15). We are using the Supplemental Job Description that was approved by the Director of Personnel on December 1, 2010. This position is currently funded by the "Grant to Support States in Health Insurance Rate Review" Grant Cycle II which ends 09/30/2015, Rate Review Grant Cycle III which ends 09/30/2015, Rate Review Cycle IV which ends 9/18/2016, and CY2014 Level I Establishment Grant which ends 12/31/2015.

Upon Fiscal Committee and Governor and Executive Council approval, the Insurance Department will award contracts to various vendors and pay them from the Consultants line item.

2. Nature, need, and duration: The position of Grants and Contracts Technician will be serving as the financial records assistant, maintaining all financial records and creating requisite financial reports for the grant. The Department will also employ various

contractors to work on this project. Funding for this position and various consultant contracts will be good through December 31, 2015.

3. Relationship to existing agency program: The funds from this federal grant will be used to enhance Insurance Department functions related to our existing health insurance premium rate review process. Funds will be used to improve the transparency of cost drivers in the New Hampshire health insurance system by providing the means to improve current data sources and in turn the health insurance rate review process.

4. Has a similar program been requested of the legislature and denied? The nature of the work to be completed under the grant has never been requested and denied by the General Court.

5. Why wasn't funding included in the agency's budget request? This request is required due to the Continuing Resolution.

6. Can portions of the grant funds be utilized? 100% of federal grant funds can be used to fund the personnel costs and all program costs associated with this request.

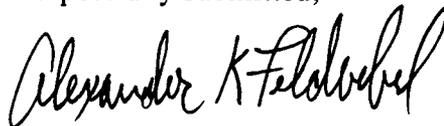
7. Estimate the funds required to continue this position(s): There will be no cost to the State of New Hampshire associated with this position or any consultants as all will terminate at the end of the grant period.

FISCAL SITUATION

Grant Award	\$1,179,000.00
Less Amount Spent Fiscal Year 2015	<u>\$8,164.23</u>
Grant Balance Remaining	\$1,170,835.77
 FY16This request	 \$444,179.00

In the event that federal funds become no longer available, General Funds will not be requested to support this program. Thank you for your consideration.

Respectfully submitted,



Alexander K. Feldvebel

Enclosures

1. DATE ISSUED MM/DD/YYYY 09/19/2014
 2. CFDA NO. 93.511
 3. ASSISTANCE TYPE Project Grant

Department of Health and Human Services
 Centers for Medicare & Medicaid Services
 Office of Acquisitions and Grants Management
 7500 Security Boulevard
 Baltimore, MD 21244-1850

1a. SUPERSEDES AWARD NOTICE dated
 except that any additions or restrictions previously imposed remain
 in effect unless specifically rescinded

4. GRANT NO. 1 PRPPR140070-01-00
 Formerly
 5. ACTION TYPE New

6. PROJECT PERIOD MM/DD/YYYY
 From 09/19/2014 Through 09/18/2016

7. BUDGET PERIOD MM/DD/YYYY
 From 09/19/2014 Through 09/18/2016

NOTICE OF AWARD

AUTHORIZATION (Legislation/Regulations)
 Section 2794 of the Public Health Service Act (Section 1003 of the
 Affordable Care Act)

8. TITLE OF PROJECT (OR PROGRAM)
 Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of

9a. GRANTEE NAME AND ADDRESS
 State of New Hampshire Insurance Department
 21 S Fruit St
 -DUP3
 Concord, NH 03301-2428

9b. GRANTEE PROJECT DIRECTOR
 Mr. Alexander K. Feldvebel
 21 S Fruit St
 Concord, NH 03301-2428
 Phone: (603)271-2261

10a. GRANTEE AUTHORIZING OFFICIAL
 Mr. Alexander K. Feldvebel
 21 S Fruit St
 Concord, NH 03301-2428
 Phone: (603)271-2261

10b. FEDERAL PROJECT OFFICER
 Ms. Susan Lorden
 200 Independence Ave Sw Rm 738-G
 Washington, DC 20201-0004
 Phone: (301) 492-4162

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)

I Financial Assistance from the Federal Awarding Agency Only		<input type="checkbox"/>
II Total project costs including grant funds and all other financial participation		<input checked="" type="checkbox"/>
a. Salaries and Wages	35,100.00	
b. Fringe Benefits	2,685.00	
c. Total Personnel Costs	37,785.00	
d. Equipment	0.00	
e. Supplies	0.00	
f. Travel	0.00	
g. Construction	0.00	
h. Other	7,179.00	
i. Contractual	1,134,036.00	
j. TOTAL DIRECT COSTS	1,179,000.00	
k. INDIRECT COSTS	0.00	
l. TOTAL APPROVED BUDGET	1,179,000.00	
m. Federal Share	1,179,000.00	
n. Non-Federal Share	0.00	

12. AWARD COMPUTATION

a. Amount of Federal Financial Assistance (from item 11m)	1,179,000.00
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	1,179,000.00
13. Total Federal Funds Awarded to Date for Project Period	1,179,000.00

14. RECOMMENDED FUTURE SUPPORT

(Subject to the availability of funds and satisfactory progress of the project)

YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	

15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:

- a. DEDUCTION
- b. ADDITIONAL COSTS
- c. MATCHING
- d. OTHER RESEARCH (Add / Deduct Option)
- e. OTHER (See REMARKS)

b

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

- a. The grant program legislation
- b. The grant program regulations
- c. This award notice including terms and conditions, if any, listed below under REMARKS
- d. Federal administrative requirements, cost principles and award requirements applicable to this grant.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS (Other Terms and Conditions Attached - Yes No)

Refer to the following Award Attachments: 1) Standard Terms and Conditions 2) Programmatic Terms and Conditions

GRANTS MANAGEMENT OFFICER: Michelle Feagins, Grants Management Officer

17. OBJ CLASS 4115	18a. VENDOR CODE 1026000618M1	18b. EIN 026000618	19. DUNS 808591051	20. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
21. a. 4-5992933	b. PRPPR0070A	c. IPR	d. \$1,179,000.00	e. 75X0112
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

October 10, 2014

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

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Executive Council
State House
Concord, NH 03301

Requested Action

1. Pursuant to RSA 14:30-a, VI, authorize the Insurance Department to accept and expend federal grant funds in the amount of \$398,777.00 for FY 2015 from the U.S. Department of Health and Human Services ("USDHHS") for the purpose of improving the rate review process. This action is to be effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2015. 100% Federal Funds.
2. Pursuant to RSA 124:15 authorize the Insurance Department to establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-2400-59300000 for the period of Fiscal Committee and Governor and Executive Council approval through June 30, 2015.

Funds will be budgeted as set forth in the table below. Source of funds: 100% Federal Funds.

FY 2015-2017 Health Insurance Premium Review Cycle IV Grant
02-24-24-2400-59300000

Fiscal Year 2015		
Class	Description	New Appropriation
20	Current Expense	\$2,100
46	Consultants	\$383,452
50	Personal Services Part Time Temp	\$12,285
60	Benefits	\$940
	Total Appropriation	\$398,777
	Source of Funds	
0	Federal Funds	\$398,777

EXPLANATION

The New Hampshire Insurance Department has received a federal grant to support improving the health insurance premium rate review process and transparency related to health insurance premiums and medical care costs in New Hampshire. The Health Insurance Premium Rate Review Grant –Cycle IV is made available pursuant to Public Law 111-148 (The Patient Protection and Affordable Care Act). The purpose of the grant program is to help make private health insurance more accessible and affordable and to increase the transparency of the health insurance system by providing grants to states to help them improve the health insurance rate review process. Specifically, the Insurance Department will use these funds to improve the rate review process by enhancing the rate review filing requirements; improving the data submission process and market conduct oversight; enhancing the NH health claims database, the Comprehensive Health Information System (CHIS) and the NHHealthcost.org website for publishing medical pricing; improving the transparency of the information from a consumer perspective; reaching out to additional audiences with medical pricing information; developing provider payment reform options for consideration by policymakers; and supporting the fulfillment of the Department’s regulatory responsibilities in the area of health policy.

The Insurance Department currently reviews health insurance premium rates, and has been deemed to be an effective rate review state by USDHHS. We are requesting the acceptance of this grant in the amount of \$398,777 to allow for the continuation of the efforts to improve our health insurance rate review process during FY 2015.

The following appropriation authority is being requested for Fiscal Year 2015:

1. Class 020 – Current Expenses – FY15 - \$2,100. These funds are required in order to provide general supplies to the part-time employee, conference call between the department and consultants, and miscellaneous expenses (postage, printing).
2. Class 046 – Consultants – FY15 - \$383,452. These funds are required to hire consultants to perform quantitative analysis of various data sources, create futuristic models of the insurance marketplace, improve the transparency of information for consumers, and enhance the HealthCost website as a centralized location for health care price information.
3. Class 050 – Personal Services – PT Temp – FY15 - \$12,285. These funds are set aside in order to pay the part time employee to administer the grant program.
4. Class 060 – Benefits – FY15 - \$940. These funds are necessary for the payroll contributions for the part-time employee.

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

1. List of personnel involved: This federal grant will continue to fund a part time temporary position of Grants and Contracts Technician (Labor Grade 15). We are using the Supplemental Job Description that was approved by the Director of Personnel on December 1, 2010. This position is currently funded by the "Grant to Support States in Health Insurance Rate Review" Grant Cycle II which ends 09/30/2015 and Rate Review Grant Cycle III which ends 09/30/2015. A copy of the director's approval is attached.

Upon Fiscal Committee and Governor and Executive Council approval, the Insurance Department will award contracts to various vendors and pay them from the Consultants line item.

2. Nature, need, and duration: The position of Grants and Contracts Technician will be serving as the financial records assistant, maintaining all financial records and creating requisite financial reports for the grant. The Department will also employ various contractors to work on this project. Funding for this position and various consultant contracts will be good through June 30, 2015.
3. Relationship to existing agency program: The funds from this federal grant will be used to enhance Insurance Department functions related to our existing health insurance premium rate review process. Funds will be used to improve the transparency of cost drivers in the New Hampshire health insurance system by providing the means to improve current data sources and in turn the health insurance rate review process.

4. Has a similar program been requested of the legislature and denied? The nature of the work to be completed under the grant has never been requested and denied by the General Court.

5. Why wasn't funding included in the agency's budget request? The September 19, 2014 notification of the federal government's funding of this grant occurred after the 2014/2015 state budget closed.

6. Can portions of the grant funds be utilized? 100% of federal grant funds can be used to fund the personnel costs and all program costs associated with this request.

7. Estimate the funds required to continue this position(s): There will be no cost to the State of New Hampshire associated with this position or any consultants as all will terminate at the end of the grant period.

FISCAL SITUATION

U.S. Department of Health and Human Services Grant	\$1,179,000.00
FY2015 Requested Appropriation	\$398,777.00
FY16 Agency Budget Request	\$583,191.00
<u>FY17 Agency Budget Request</u>	<u>\$197,032.00</u>
Total Appropriations	\$1,179,000.00

In the event that federal funds become no longer available, General Funds will not be requested to support this program. Thank you for your consideration.

Respectfully submitted,



Roger A. Sevigny

Enclosures