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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 in the amount of \$529,678 for FY 2016 from the U.S. Department of Health and Human Services for continued implementation of plan management partnership operations during calendar year 2015, and for exploring continuity of coverage options, effective upon Fiscal Committee and Governor and Council approval, **retroactive** from July 1, 2015 through December 31, 2015. 100% Federal Funds.

2. Pursuant to RSA 124:15, authorize the Insurance Department to **retroactively** establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-2400-89040000 for the period retroactive from July 1, 2015 through December 31, 2015. 100% Federal funds.

Funds will be budgeted as set forth in the table below.

CY2014 Level I Establishment Grant

02-24-24-2400-89040000

RSRC: 403507

| | | Fiscal Year 2016 |
|-------|-------------------------------------|-----------------------------|
| Class | Description | New Appropriation |
| 20 | Current Expense | \$2,900 |
| 41 | Audit Set Aside | \$2,048 |
| 46 | Consultants | \$486,919 |
| 50 | Personal Services Part Time Temp | \$23,111 |
| 60 | Benefits | \$1,768 |
| 70 | In-State Travel | \$6,520 |
| 80 | Out of State Travel | \$6,412 |
| | Total Appropriation | \$529,678 |
| | | |
| | Source of Funds | |
| 000 | Federal Funds | \$529,678 |

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 continue the support of Plan Management partnership functions connected with the Health Insurance Marketplace being operated by the federal government, and to explore continuity of care coverage options for Marketplace users. These activities are structured so as to preserve the state's insurance regulatory authority, to the greatest extent possible, for insurance plans sold on the Marketplace. The Level One Establishment Grant is made available pursuant to Public Law 111-148 and Public Law 111-152 (The Patient Protection and Affordable Care Act).

The acceptance of the grant funds, in the amount of \$529,678 and the following appropriation authority is being requested for Fiscal Year 2016.

1. Class 020 – Current Expenses – FY16 - \$2,900. These funds are required in order to pay for any conference calls that may occur between the department & consultants and for public advertisement of the requests for proposals.
2. Class 041 – Audit set aside – FY16 - \$2048. These funds are required in order to meet audit costs associated with the grant program.
3. Class 046 – Consultants – FY16 - \$486,919. These funds are required to hire consultants to support Plan Management operations for CY2015 and to explore continuity of care coverage options.
4. Class 050 – Personal Services – PT Temp – FY16 - \$23,111. These funds are set aside in order to pay the budgeted part time employee to administer the grant program.
5. Class 060 – Benefits – FY16 - \$1,768. These funds are necessary for the payroll contributions for the part-time employee.
6. Class 070 – In-State Travel – FY16 - \$6,520. These funds are required for travel related to grant activities within the state.
7. Class 080 – Out of-State Travel – FY16 - \$6,412. These funds are required for travel related to grant activities out of state.

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

1. 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. 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: This grant will provide support of the Insurance Department functions by funding the continued support of a Plan Management partnership functions for the Health Insurance Marketplace and exploring continuity of care coverage options, in a manner that preserve the state's insurance regulatory authority, to the greatest extent possible, for insurance plans sold on the Marketplace.
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 | \$2,048,237.00 |
| Less Amount Spent Fiscal Year 2014 | \$125,672.35 |
| Less Amount Spent Fiscal Year 2015 | <u>\$1,285,858.24</u> |
| Grant Balance Remaining | \$636,706.41 |
| FY16This request | \$529,678.00 |

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 06/21/2014
 2. CFDA NO. 93.525
 3. ASSISTANCE TYPE Cooperative Agreement

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 01/22/2014
 except that any additions or restrictions previously imposed remain
 in effect unless specifically rescinded

4. GRANT NO. 4 HBEIE140190-01-01
 Formerly
 5. ACTION TYPE Post Award Amendment
 6. PROJECT PERIOD From 01/22/2014 Through 12/31/2015
 7. BUDGET PERIOD From 01/22/2014 Through 12/31/2015

NOTICE OF AWARD
 AUTHORIZATION (Legislation/Regulations)
 Section 1311 of the Affordable Care Act, Health Insurance Exchange

8. TITLE OF PROJECT (OR PROGRAM) Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance

9a. GRANTEE NAME AND ADDRESS
 State of New Hampshire Insurance Department
 21 S Fruit St
 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. Karen Charles
 200 Independence Avenue, S.W.
 Room 738-G
 Washington, DC 20201
 Phone: 301-492-4171

ALL AMOUNTS ARE SHOWN IN USD

| 11. APPROVED BUDGET (Excludes Direct Assistance) | | 12. AWARD COMPUTATION | |
|--|--|---|--------------------|
| I Financial Assistance from the Federal Awarding Agency Only | | a. Amount of Federal Financial Assistance (from item 11m) 2,048,237.00 | |
| II Total project costs including grant funds and all other financial participation <input checked="" type="checkbox"/> | | b. Less Unobligated Balance From Prior Budget Periods 0.00 | |
| a. Salaries and Wages 0.00 | | c. Less Cumulative Prior Award(s) This Budget Period 2,048,237.00 | |
| b. Fringe Benefits 0.00 | | d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION 0.00 | |
| c. Total Personnel Costs 0.00 | | 13. Total Federal Funds Awarded to Date for Project Period 2,048,237.00 | |
| d. Equipment 0.00 | | 14. RECOMMENDED FUTURE SUPPORT | |
| e. Supplies 0.00 | | (Subject to the availability of funds and satisfactory progress of the project). | |
| f. Travel 0.00 | | YEAR | TOTAL DIRECT COSTS |
| g. Construction 0.00 | | a. 2 | d. 5 |
| h. Other 2,048,237.00 | | b. 3 | e. 6 |
| i. Contractual 0.00 | | c. 4 | f. 7 |
| j. TOTAL DIRECT COSTS 2,048,237.00 | | 15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: | |
| k. INDIRECT COSTS 0.00 | | a. DEDUCTION | |
| l. TOTAL APPROVED BUDGET 2,048,237.00 | | b. ADDITIONAL COSTS | |
| | | c. MATCHING | |
| | | d. OTHER RESEARCH (Add / Deduct Option) | |
| | | e. OTHER (See REMARKS) | |
| m. Federal Share 2,048,237.00 | | 16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDOING AGENCY OR THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING: | |
| n. Non-Federal Share 0.00 | | a. The grant program legislation. | |
| | | b. The grant program regulations. | |
| | | c. This award notice including terms and conditions, if any, noted below under REMARKS. | |
| | | d. Federal administrative requirements, cost principles and audit 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)

This Notice of Award approves the No Cost Extension for the period of 12/31/2014 to 12/31/2015 per your request dated 5/29/2014.

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. | 4-5992638 | b. | HBEIE0190A | c. | SEPI | d. | \$0.00 | e. | 7540115 |
| 22. a. | | b. | | c. | | d. | | e. | |
| 23. a. | | b. | | c. | | d. | | e. | |