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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

July 8, 2015

Alexander K. Feldvebel
Deputy Commissioner

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 III Grant) in the amount of \$1,055,985 for FY 2016 from the U.S. Department of Health and Human Services ("USDHHS") for the purpose of improving the health insurance rate review process, enhancing the quality of data collected on health insurance claims, improving the transparency of information for consumers, enhancing the HealthCost website as a centralized location for health care price information, 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#13-247 approved by the Fiscal Committee on November 22, 2013 and Item #24, approved by the Governor and Council on December 4, 2013, to establish a Class 046 (Consultants) to enter into contracts for consulting services with various vendors in Account Number 02-24-24-2400-88870000, 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 2015-2017 Health Insurance Premium Review Cycle III Grant
02-24-24-2400-88870000

Fiscal Year 2016		
Class	Description	New Appropriation
20	Current Expense	\$20,965
41	Audit Set Aside	\$3,020
46	Consultants	\$500,000
49	Transfers to Other Agencies	\$511,000
50	Personal Services Part Time Temp	\$13,000
60	Benefits	\$1,000
69	Promotional – Meeting Rooms	\$5,000
70	In State Travel	\$2,000
	Total Appropriation	\$1,055,985
	Source of Funds	
0	Federal Funds	\$1,055,985

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 III 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 increase the transparency of the health insurance system by providing grants to states to help them improve the health insurance rate review process. 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 \$1,055,985 to allow for the continuation of the efforts to improve our health insurance rate review process during FY2016. The acceptance of the grant funds, in the amount of \$1,055,985 and the following appropriation authority is being requested for Fiscal Year 2016:

1. Class 020 – Current Expenses – FY16 - \$20,965 These funds are required in order to provide general supplies to the part-time employee and outreach materials consisting of publications and pamphlets.
2. Class 041 – Audit set aside – FY16 - \$3,020. These funds are required in order to meet audit costs associated with the grant program.
3. Class 046 – Consultants – FY16 - \$500,000. These funds are required to hire consultants to perform quantitative analysis of various data sources, create futuristic model 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 049 – Transfers to Other State Agencies – FY16 - \$511,000. These funds are required to allow for the transfer of funds to DHHS to support NHCHIS data consolidation efforts.
5. Class 050 – Personal Services – PT Temp – FY16 - \$13,000. These funds are set aside in order to pay the budgeted part time employee to administer the grant program.
6. Class 060 – Benefits – FY16 - \$1,000. These funds are necessary for the payroll contributions for the part-time employee.
7. Class 069 – Promotional – FY16 - \$5,000. These funds are required in order to rent meeting rooms for the Out Reach Program of the grant program.
8. Class 070 – In State Travel – FY16 - \$2,000. These funds are required for travel related to grant administration within the state.

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	\$3,020,248.00
Less Amount Spent Fiscal Year 2014	\$31,418.37
Less Amount Spent Fiscal Year 2015	<u>\$835,157.98</u>
Grant Balance Remaining	\$2,153,367.65
 FY16This request	 \$1,055,985.00

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: 09/23/2013 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 09/23/2013
except that any additions or restrictions previously imposed remain in effect unless specifically rescinded

4. GRANT NO. 1 PRPPR140053-01-00
Formerly

5. ACTION TYPE New

6. PROJECT PERIOD From 10/01/2013 Through 09/30/2015

7. BUDGET PERIOD From 10/01/2013 Through 09/30/2015

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 Health Care

9a. GRANTEE NAME AND ADDRESS
State of New Hampshire Insurance Department
21 S Fruit St
-DUP2
Concord, NH 03301-2428

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

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

10b. FEDERAL PROJECT OFFICER
Ms. Sarah Norman
200 Independence Ave Sw Rm 738-G
null
Washington, DC 20201-0004
Phone: 301-492-4185

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)

I Financial Assistance from the Federal Awarding Agency Only		<input checked="" type="checkbox"/>
II Total project costs including grant funds and all other financial participation		
a. Salaries and Wages	46,800.00	
b. Fringe Benefits	3,580.00	
c. Total Personnel Costs	50,380.00	
d. Equipment	1,000.00	
e. Supplies	1,000.00	
f. Travel	5,000.00	
g. Construction	0.00	
h. Other	35,020.00	
i. Contractual	2,927,848.00	
j. TOTAL DIRECT COSTS	3,020,248.00	
k. INDIRECT COSTS	0.00	
l. TOTAL APPROVED BUDGET	3,020,248.00	
m. Federal Share	3,020,248.00	
n. Non-Federal Share	0.00	

12. AWARD COMPUTATION

a. Amount of Federal Financial Assistance from Item 11i	3,020,248.00
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	3,020,248.00
13. Total Federal Funds Awarded to Date for Project Period	3,020,248.00

14. RECOMMENDED FUTURE SUPPORT
(Subject to the availability of funds and hierarchical 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:

<ul style="list-style-type: none"> a. DEDUCTION b. ADDITIONAL COSTS c. MATCHING d. OTHER RESEARCH (Add: Contact Center) e. OTHER (See REMARKS) 	<input checked="" type="checkbox"/> b
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16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND IS APPROVED BY, THE FEDERAL AWARDBRINGING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS SAID CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

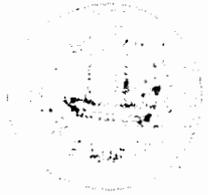
- a. The grant program agreement
 - b. The grant program instructions
 - c. The award terms and conditions, if any, noted above under REMARKS
 - d. Federal administrative regulations, policies and procedures and all other terms applicable to this grant
- If the terms there are conflicting or otherwise inconsistent, 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 disbursement 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	1026GG0618M1	18b. EIN	026000618	19. DUNS	808591051	20. CONG. DIST.	02
FF ACCOUNT NO.		DOCUMENT NO.		ADMINISTRATIVE CODE		AMT ACTION FWH ASST		APPROPRIATION	
21 a	3-5992933	b	PRPPR0053A	c	IFR	d	3,020,248.00	e	75140112
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

November 22, 2013

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 \$2,318,181.00 for FY 2014-15 from the U.S. Department of Health and Human Services ("USDHHS") for the purpose of improving the health insurance rate review process, enhancing the quality of data collected on health insurance claims, improving the transparency of information for consumers, and enhancing the HealthCost website as a centralized location for health care price information. This action is to be effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2015.

Source of Funds is 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 02-24-24-2400-88870000 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 2014-2016 Health Insurance Premium Review Cycle III Grant
02-24-24-2400-88870000

		Fiscal Year 2014	Fiscal Year 2015
Class	Description	New Appropriation	New Appropriation
20	Current Expense	\$8,500	\$11,500
30	Equipment	\$1,000	\$0
41	Audit Set Aside	\$953	\$1,498
46	Consultants	\$666,023	\$1,186,167
49	Transfer To Other State Agencies	\$0	\$400,000
50	Personal Services Part Time Temp	\$4,500	\$23,400
60	Benefits	\$350	\$1,790
69	Promotional (Outreach)	\$3,750	\$5,000
70	In-State Travel	\$1,250	\$2,500
	Total Appropriation	\$686,326	\$1,631,855
	Source of Funds		
0	Federal Funds	\$686,326	\$1,631,855

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 III 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

increase the transparency of the health insurance system by providing grants to states to help them improve the health insurance rate review process. 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 \$3,020,048 to allow for the continuation of the efforts to improve our health insurance rate review process during FY 2014, FY 2015 and FY2016. The balance of the grant funds in the amount of \$702,067 not contemplated to be budgeted through this action will be included in the Agency FY2016 Budget.

The following appropriation authority is being requested for Fiscal Year 2014 and 2015:

1. Class 020 – Current Expenses – FY14 - \$8,500; FY15 - \$11,500. These funds are required in order to provide general supplies to the part-time employee and outreach materials consisting of publications and pamphlets.
2. Class 030 – Equipment (new/replacement) – FY14 - \$1,000. These funds are required to purchase necessary computer systems, software, and technical support for the part-time employee, the contracted project manager and internal Department support personnel who will be overseeing and/or supplementing the contractors' efforts.
3. Class 041 – Audit set aside – FY14 - \$953; FY15 - \$1,498. These funds are required in order to meet audit costs associated with the grant program.
4. Class 046 – Consultants – FY14 - \$666,023; FY15 - \$1,186,167. These funds are required to hire consultants to perform quantitative analysis of various data sources, create futuristic model 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.
5. Class 049 – Transfers to Other State Agencies – FY14 - \$0; FY15 - \$400,000. These funds are required to allow for the transfer of funds to DHHS to support NHCHIS data consolidation efforts.
6. Class 050 – Personal Services – PT Temp – FY14 - \$4,500; FY15 - \$23,400. These funds are set aside in order to pay the part time employee to administer the grant program.
7. Class 060 – Benefits – FY14 - \$350; FY15 - \$1,790. These funds are necessary for the payroll contributions for the part-time employee.
8. Class 069 – Promotional – FY14 - \$3,750; FY15 - \$5,000. These funds are required in order to rent meeting rooms for the Out Reach Program of the grant program.
9. Class 070 – In State Travel – FY14 - \$1,250; FY15 - \$2,500. These funds are required for travel related to grant administration within the state.

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

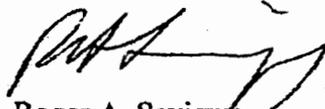
1. List of personnel involved: This federal grant will continue to fund a part time temporary position of Grants and Contracts Technician (Labor Grade 15). We are using the Supplemental Job Description that was approved by the Director of Personnel on December 1, 2010. This position is currently funded by the "Grant to Support States in Health Insurance Rate Review Grant Cycle II which ends 09/30/2014. 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. 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 23, 2013 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 Appropriation	\$3,020,248.00
FY2014 Requested Appropriation	\$ 686,326.00
FY2015 Requested Appropriation	\$1,631,855.00
Anticipated FY16 Agency Budget Request	<u>\$ 702,067.00</u>
Total Appropriations	\$3,020,248.00

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