



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID SERVICES

Jeffrey A. Meyers
Commissioner

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Director

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March 7, 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

REQUESTED ACTION

#1 - Pursuant to RSA 14:30a, VI, Additional Revenues authorize the Department of Health and Human Services, to accept and expend additional federal funds from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services in the amount of \$2,775,742 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2018, and further authorize the allocation of these funds in the accounts below. The source of funds is 100% Federal.

05-95-47-470010-79480000, OFF. OF MEDICAID & BUS POLICY, MEDICAID CARE MGMT

Class/Object	Class Title	Current Authorized Budget	This Request	Adjusted Budget
Revenue				
000-403978	Federal Funds	\$ 357,880,902	\$ 2,775,742	\$ 360,656,644
005-402201	Agency Income:Medicaid Enhancement Local	\$ 152,833,504		\$ 152,833,504
007-407145	Agency Income Drug Rebates	\$ 18,000,000		\$ 18,000,000
009-406848	Agency Income MEAD	\$ 149,200		\$ 149,200
	General Funds	\$ 181,033,938		\$ 181,033,938
Total Revenue:		\$ 709,897,544	\$ 2,775,742	\$ 712,673,286
Expense				
041-500801	Audit Fund Set Aside	\$ 350,457	\$ -	\$ 350,457
101-500729	Medical Payments to Providers	\$ 709,547,087	\$ 2,775,742	\$ 712,322,829
Total Expense:		\$ 709,897,544	\$ 2,775,742	\$ 712,673,286

#2 - Pursuant to the provisions of RSA 9:16-a, Transfers Authorized authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to transfer general funds in the amount of \$2,775,742 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2018, and further authorize the allocation of these funds in the account below.

05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS POLICY, MEDICAID CARE MGMT

Class/Object	Class Title	Current Authorized Budget	This Request	Adjusted Budget
Revenue				
000-403978	Federal Funds	\$ 360,656,644		\$ 360,656,644
005-402201	Agency Income:Medicaid Enhancement Local	\$ 152,833,504		\$ 152,833,504
007-407145	Agency Income Drug Rebates	\$ 18,000,000		\$ 18,000,000
009-406848	Agency Income MEAD	\$ 149,200		\$ 149,200
	General Funds	\$ 181,033,938	\$ (2,775,742)	\$ 178,258,196
Total Revenue:		\$ 712,673,286	\$ (2,775,742)	\$ 709,897,544
Expense				
041-500801	Audit Fund Set Aside	\$ 350,457	\$ -	\$ 350,457
101-500729	Medical Payments to Providers	\$ 712,322,829	\$ (2,775,742)	\$ 709,547,087
Total Expense:		\$ 712,673,286	\$ (2,775,742)	\$ 709,897,544

05-95-95-954010-5952, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: HHS: COMMISSIONER, OFFICE OF INFORMATION SERVICES, OFFICE OF INFORMATION SERVICES

Class/Object	Class Title	Current Authorized Budget	This Request	Adjusted Budget
Revenue				
000-408159	Federal Funds	\$ 54,583,581		\$ 54,583,581
	General Funds	\$ 25,881,581	\$ 2,775,742	\$ 28,657,323
Total Revenue:		\$ 80,465,162	\$ 2,775,742	\$ 83,240,904
Expense				
010-500100	Personal Services Perm	\$ 3,243,362	\$ -	\$ 3,243,362
012-500128	Personal Services Unclass	\$ 1,165,541		\$ 1,165,541
018-500106	Overtime	\$ 190,000	\$ -	\$ 190,000
020-500200	Current Expenses	\$ 267,078		\$ 267,078
026-500251	Organizational Dues	\$ 30,000	\$ -	\$ 30,000
027-582703	Transfers to DOIT	\$ 43,333,973		\$ 43,333,973
039-500180	Telecommunications	\$ 30,000		\$ 30,000
050-500109	Other Personal Services	\$ 352,282		\$ 352,282
060-500601	Benefits	\$ 2,097,297	\$ -	\$ 2,097,297
102-500731	Contracts for Program Services	\$ 29,755,629	\$ 2,775,742	\$ 32,531,371
Total Expense:		\$ 80,465,162	\$ 2,775,742	\$ 83,240,904

#3 – Contingent upon approval of Requested Action #2 and pursuant to RSA 14:30a, VI, Additional Revenues authorize the Department of Health and Human Services, to accept and expend additional federal funds from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services in the amount of \$2,779,591 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2018, and further authorize the allocation of these funds in the accounts below. The source of funds is 100% Federal.

05-95-95-954010-59520000, HHS: COMMISSIONER, OFFICE OF INFORMATION SERVICES,
 OFFICE OF INFORMATION SERVICES

Class/Object	Class Title	Current Authorized Budget	This Request	Adjusted Budget
Revenue				
000-408159	Federal Funds	\$ 54,583,581	\$ 2,779,591	\$ 57,363,172
	General Funds	\$ 28,657,323		\$ 28,657,323
Total Revenue:		\$ 83,240,904	\$ 2,779,591	\$ 86,020,495
Expense				
010-500100	Personal Services Perm	\$ 3,243,362	\$ -	\$ 3,243,362
012-500128	Personal Services Unclass	\$ 1,165,541		\$ 1,165,541
018-500106	Overtime	\$ 190,000	\$ -	\$ 190,000
020-500200	Current Expenses	\$ 267,078		\$ 267,078
026-500251	Organizational Dues	\$ 30,000	\$ -	\$ 30,000
027-582703	Transfers to DOIT	\$ 43,333,973		\$ 43,333,973
039-500180	Telecommunications	\$ 30,000		\$ 30,000
050-500109	Other Personal Services	\$ 352,282		\$ 352,282
060-500601	Benefits	\$ 2,097,297	\$ -	\$ 2,097,297
102-500731	Contracts for Program Services	\$ 32,531,371	\$ 2,779,591	\$ 35,310,962
Total Expense:		\$ 83,240,904	\$ 2,779,591	\$ 86,020,495

EXPLANATION

The Department is requesting to (i) accept Federal funds in the Medicaid program, (ii) transfer general funds from Medicaid to the Office of Information Services to maintain essential Medicaid Management Information System (MMIS) system contracts in place to operate the program as further detailed below and (iii) accept Federal funds into the Office of Medicaid Services to match the transferred general funds and meet the need for MMIS system maintenance.

In formulating the SFY 2018 – 2019 budget, some funding for the Office of Information Services was moved to the Department’s budget for DoIT as part of a planned merger between the DHHS Information Systems and DOIT. The merger would have resulted in DOIT procuring and managing contracts for program services, including MMIS. At that time, class line 102, Contracts for Program Services, which funded the MMIS contract, was reduced by \$6,000,543 of total funds, but not replaced in the DoIT budget. These contracts are essential for the daily operations of the Medicaid program and without this funding the Department would be unable to continue funding the MMIS system through the end of the year.

The Department seeks to address this matter with unanticipated Medicaid revenue. The federal funds being accepted are as result of the reauthorization of the Medicaid Children's Health Insurance Program (CHIP), which occurred as part of the Continuing Resolution passed by the Congress last month.

Due to uncertainty in future availability of federal funds, during the SFY 2018 budget, the Department only budgeted one quarter (three months) of Medicaid CHIP revenue received at a federal match of 88%, and three quarters at 50% federal match. On January 22, 2018, Congress passed a six-year extension of CHIP funding as part of a broader continuing resolution to fund the federal government, which provides federal funding for CHIP for six years starting at the enhanced rate of 88% for some eligibility groups (see below). While the Department estimates this extension could result in approximately \$20 million in SFY 2018, at this time, the Department is only requesting to utilize \$2,775,742 for the purposes of continuation of Medicaid operations.

<u>Federal Poverty Level</u>	<u>Number of Children</u>	<u>Group</u>	<u>Federal Match Rates</u>
0% - 133%	59,000	Standard Children's Medicaid	50%
133% - 196%	15,000	Qualifying State Chip	88%
196% - 318%	14,500	Medicaid Expansion Group (CHIP)	88%
Foster Children	2,000	Separate eligibility group	50%
Katie Beckett (intensive needs)	1,500	Separate eligibility group	50%

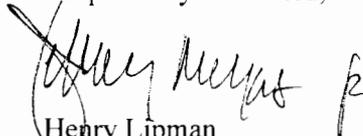
The following is the information specifically required when transfers are requested, in accordance with the Budget Officer's instructional memorandum dated April 17, 1985, to support the above requested actions:

- A. Justification: As noted above, this accept and expend request is utilizing available surplus federal funds to help satisfy the projected general fund deficit in the Office Information Systems contract line account and will be used to fund Medicaid Management Information System's (MMIS) contract.
- B. Does this transfer involve continuing programs or one-time projects?
This transfer involves continuing programs.
- C. Is this transfer required to maintain existing program levels or will it increase the program level?
This transfer is required to maintain existing program levels.
- D. Cite any requirements which make this program mandatory.
The programs of the Department are mandated by various state and federal laws.

- E. Identify the source of funds on all accounts listed on this transfer.
047-7948 is 50.8% federal, 25.1% general and 24.1% other funds;
095-5952 is 66.6% federal and 33.4 % general.
- F. Will there be any effect on revenue if this transfer is not approved?
Yes as there would be a surplus in federal revenue.
- G. Are funds expected to lapse if this transfer is not approved?
The federal revenue in excess of the budget would lapse if not transferred to cover the MMIS contract.
- H. Are personnel services involved?
No positions are being transferred as a result of this request.

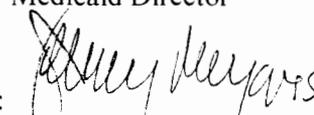
Geographic area served: Statewide

Respectfully submitted,



Henry Lipman
Medicaid Director

Approved by:



Jeffrey A. Meyers
Commissioner