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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4501 1-800-852-3345 Ext.4501
Fax: 603-271-4827 TDD Access: 1-800-735-2964



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

January 13, 2015

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

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provision of RSA 14:30-a, VI, Additional Revenues, authorize the Department of Health and Human Services, Division of Public Health Services, to accept and expend federal funds from the Centers for Medicare and Medicaid Services, Center for Medicare and Medicaid Innovation for the State Innovation Models: Round Two of Funding for Design and Test Assistance in the amount of \$1,818,182 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2015, and further authorize the allocation of the funds in the accounts below. Grant funds awarded for periods after SFY 2015 will be included in the future operating budget for SFY 2016. 100% Federal Funds.

05-95-90-900010-3319 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, ADMINISTRATION, STATE INNOVATION MODELS (SIMS II)

Table with 5 columns: Class/Object, Class Title, Current Modified Budget, Increase (Decrease) Amount, Revised Modified Budget. Rows include Federal Funds, Total Revenue, Current Expenses, Equipment, Telecommunications, Audit Set Aside, In State Travel, Out of State Travel, Contracts for Program Services, and Total Expenses.

## EXPLANATION

The Department of Health and Human Services has received a one-year federal Center for Medicare and Medicaid Services (CMS), Center for Medicare and Medicaid Innovation (CMMI), award in the amount of \$2,000,000 effective February 1, 2015. This request is to accept and expend the funds made available for the remainder of SFY 2015 in the amount of \$1,818,182. The project is 100% federally funded with no State match requirements. No State General Funds will be used to support this award.

The State Innovation Models: Round Two of Funding for Design and Test Assistance (SIM) is based on the premise that state innovation with broad stakeholder input and engagement, including multi-payer models, will accelerate delivery system transformation to provide better care at lower costs. SIM is focused on public and private sector collaboration to transform the State's health delivery system. The Department received a SIM Design Assistance award. The goal of the Design award funding is to support the development of a transformative health services delivery model that addresses the needs of multiple stakeholders including providers, employers and businesses, communities, academic institutions, health care consumers, public health, commercial and public payers. The NH SIM model to be developed with this award will design a structure for providers to access the tools they need to transform their practice in a rapidly changing healthcare system. The Department intends to provide resources and support to improve the effectiveness of health care delivery statewide through the development and use of Regional Health Care Extensions. These Regional Health Care Extensions will support three goals:

- Champion healthcare systems engineering, bringing business systems engineering techniques to improve provider efficiency and better prepared the marketplace for value-based purchasing;
- Expand the use of information technologies and improve the care coordination of delivery systems; and
- Lead local population health improvements to integrate diverse community perspectives and resources into health improvements.

Funds are to be budgeted as follows:

- Funds are budgeted for Current Expenses (Class 020) for purchase of office supplies, copying, and printing.
- Funds are budgeted for Equipment (Class 030) for purchase of two lap top computers and docking stations, a printer, and a conference phone and a white board for the project.
- Funds are budgeted for Telecommunications (Class 039) for the cost of phone and data lines.
- Funds are budgeted for Audit Set Aside (Class 041) per state guidelines.
- Funds are budgeted for In-State Travel (Class 070) to cover travel expenses staff incurs while performing their duties and includes two organized program meetings.
- Funds are budgeted for Out-of-State Travel (Class 080) to cover travel expenses for meetings mandated by the funder, and for professional development.
- Funds are budgeted in Contracts for Program Services (Class 102) to fund support the development of a transformative health services delivery model.

The Department of Health and Human Services is committed to understanding New Hampshire's unique needs and barriers to reducing the costs of health systems while maintaining or improving health outcomes for the State's citizens. Further, the Department is committed to coordinating a statewide

The Honorable Neal M. Kurk, Chairman  
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January 13, 2015  
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effort to improve both individual health and community health and reduce the cost of care for New Hampshire. By January 31, 2016, the Department will have New Hampshire Health Systems Innovation Plan, reflecting the New Hampshire solution for health system transformation, which will be submitted for a SIM Model Testing award supporting model implementation.

In response to the anticipated two-part question, "Can these funds be used to offset General Funds?" and "What is the compelling reason for not offsetting General Funds?" the Division offers the following information: These funds may not be used to offset General Funds as they are specifically granted to the State for the purpose of providing the services described above.

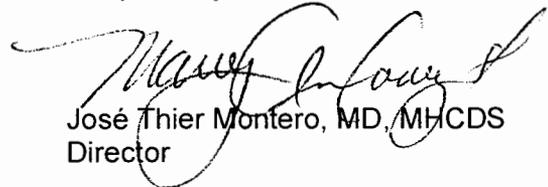
These funds will not change the program eligibility levels. No new program will be established with the acceptance of these funds.

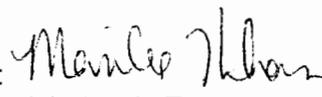
Area served: Statewide.

Source of Funds: 100 % Centers for Medicare & Medicaid Services, Center for Medicare and Medicaid Innovation, State Innovation Models: Round Two of Funding for Design and Test Assistance. Attached is the Notice of Grant Award and award history. Notice of these funds was received on December 16, 2014. They were not added to the operating budget because these are new funds recently granted to the State and were not anticipated at the time the budget was developed.

In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

  
José Thier Montero, MD, MHCDS  
Director

Approved by:   
for Nicholas A. Toumpas,  
Commissioner

- SIMS - Quartern HFK

1. DATE ISSUED MM/DD/YYYY 12/16/2014	2. CFDA NO. 93.624	3. ASSISTANCE TYPE Cooperative Agreement
1a. SUPERSEDES AWARD NOTICE dated except that any additions or restrictions previously imposed remain in effect unless specifically rescinded		
4. GRANT NO. 1G1CMS331392-01-00 Formerly	5. ACTION TYPE New	
6. PROJECT PERIOD From 02/01/2015	Through 01/31/2016	
7. BUDGET PERIOD From 02/01/2015	Through 01/31/2016	

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

**NOTICE OF AWARD**

AUTHORIZATION (Legislation/Regulations)  
 Section 1115A of the Social Security Act (added by section 3021 of the  
 Patient Protection and Affordable Care Act (P.L. 111-148))

8. TITLE OF PROJECT (OR PROGRAM) State Innovation Models: Round Two of Funding for Design and Test Assistance	
9a. GRANTEE NAME AND ADDRESS New Hampshire Dept of Health & Human Services 129 Pleasant St Concord, NH 03301-3852	9b. GRANTEE PROJECT DIRECTOR Ms. Doris Lotz 129 Pleasant St Concord, NH 03301-3852 Phone: 603-271-9422

10a. GRANTEE AUTHORIZING OFFICIAL Ms. Delores Cooper 129 Pleasant St Apt Concord, NH 03301-3852 Phone: 603-271-4613	10b. FEDERAL PROJECT OFFICER Ms. Leah Nash 7500 Security Boulevard Baltimore, MD 21244 Phone: 610-513-5311
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**ALL AMOUNTS ARE SHOWN IN USD**

<b>11. APPROVED BUDGET (Excludes Direct Assistance)</b> I Financial Assistance from the Federal Awarding Agency Only II Total project costs including grant funds and all other financial participation <span style="float: right; border: 1px solid black; padding: 2px;">II</span> <table style="width: 100%; border-collapse: collapse;"> <tr><td>a. Salaries and Wages</td><td align="right">143,920.00</td></tr> <tr><td>b. Fringe Benefits</td><td align="right">35,149.00</td></tr> <tr><td>c. Total Personnel Costs</td><td align="right">179,069.00</td></tr> <tr><td>d. Equipment</td><td align="right">8,500.00</td></tr> <tr><td>e. Supplies</td><td align="right">20,740.00</td></tr> <tr><td>f. Travel</td><td align="right">61,829.00</td></tr> <tr><td>g. Construction</td><td align="right">0.00</td></tr> <tr><td>h. Other</td><td align="right">2,000.00</td></tr> <tr><td>i. Contractual</td><td align="right">1,546,044.00</td></tr> <tr><td><b>j. TOTAL DIRECT COSTS</b></td><td align="right"><b>1,818,182.00</b></td></tr> <tr><td>k. INDIRECT COSTS</td><td align="right">181,818.00</td></tr> <tr><td><b>l. TOTAL APPROVED BUDGET</b></td><td align="right"><b>2,000,000.00</b></td></tr> <tr><td>m. Federal Share</td><td align="right">2,000,000.00</td></tr> <tr><td>n. Non-Federal Share</td><td align="right">0.00</td></tr> </table>	a. Salaries and Wages	143,920.00	b. Fringe Benefits	35,149.00	c. Total Personnel Costs	179,069.00	d. Equipment	8,500.00	e. Supplies	20,740.00	f. Travel	61,829.00	g. Construction	0.00	h. Other	2,000.00	i. Contractual	1,546,044.00	<b>j. TOTAL DIRECT COSTS</b>	<b>1,818,182.00</b>	k. INDIRECT COSTS	181,818.00	<b>l. TOTAL APPROVED BUDGET</b>	<b>2,000,000.00</b>	m. Federal Share	2,000,000.00	n. Non-Federal Share	0.00	<b>12. AWARD COMPUTATION</b> a. Amount of Federal Financial Assistance (from item 11m) <span style="float: right;">2,000,000.00</span> b. Less Unobligated Balance From Prior Budget Periods <span style="float: right;">0.00</span> c. Less Cumulative Prior Award(s) This Budget Period <span style="float: right;">0.00</span> <b>d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</b> <span style="float: right; border: 1px solid black; padding: 2px;">2,000,000.00</span> <b>13. Total Federal Funds Awarded to Date for Project Period</b> <span style="float: right; border: 1px solid black; padding: 2px;">2,000,000.00</span> <b>14. RECOMMENDED FUTURE SUPPORT</b> <i>(Subject to the availability of funds and satisfactory progress of the project):</i> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>YEAR</th> <th>TOTAL DIRECT COSTS</th> <th>YEAR</th> <th>TOTAL DIRECT COSTS</th> </tr> </thead> <tbody> <tr> <td>a. 2</td> <td></td> <td>d. 5</td> <td></td> </tr> <tr> <td>b. 3</td> <td></td> <td>e. 6</td> <td></td> </tr> <tr> <td>c. 4</td> <td></td> <td>f. 7</td> <td></td> </tr> </tbody> </table> <b>15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:</b> a. DEDUCTION b. ADDITIONAL COSTS c. MATCHING d. OTHER RESEARCH (Add / Deduct Option) e. OTHER (See REMARKS) <div style="text-align: right; border: 1px solid black; padding: 5px; width: 40px; float: right;"><b>b</b></div>	YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS	a. 2		d. 5		b. 3		e. 6		c. 4		f. 7	
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**16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING 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, 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)  
 See Standard Cooperative Agreement Terms and Conditions.

GRANTS MANAGEMENT OFFICER: Michelle Feagins, Grants Management Officer

17. OBJ CLASS 4115	18a. VENDOR CODE 1026000618B3	18b. EIN 026000618	19. DUNS 011040545	20. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
21. a. 5-5990300	b. 1G1331392A	c. SIM	d. \$2,000,000.00	e. 75X05
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

**Award History**  
**State Innovation Models: Round Two of Funding for Design and Test Assistance**  
**G11CMS331392-01-00**

Award Ending 01/31/2016	1,818,182
Expended Through 6/30/14	-
Available Award Balance 7/1/14	1,818,182
SFY 15 Appropriations *	-
OYR - brought forward	-
Available To Accept	1,818,182
Amount Requested this Action	1,818,182

**\* SFY 15 Appropriations:**

	Current	OYR	Total	This Action	<b>Revised SFY 15 Budget</b>
010-090-33190000	-		-	1,818,182	1,818,182
<b>Total</b>	-	-	-	1,818,182	1,818,182