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Lori A. Shibinette
Commissioner

Kerrin A. Rounds
Chief Financial Officer

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FINANCIAL SERVICES

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March 16, 2021

The Honorable Ken Weyler, 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 the provisions of RSA 9:16-a, Transfers Authorized authorize the Department of Health and Human Services, Office of Medicaid Services reduce General funds of $4,200,000 and matching Federal funds of $4,204,200 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021, and further authorize the allocation of these funds in the account below. 50% Federal funds and 50% General funds.

05-95-47-470010-7948, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	$426,876,604	($4,204,200)	$422,672,404
005-402201	Agency Income: Medicaid Enhancement - Local	$147,520,000		$147,520,000
007-407145	Agency Income Drug Rebates	$29,153,034		$29,153,034
009-406848	Agency Income MEAD	$188		$188
009-405615	Agency - MCO Liquid Damages	$0		$0
	General Fund	$200,695,241	($4,200,000)	$196,495,241
	Total Revenue	$804,245,067	($8,404,200)	$795,840,867
041-500801	Audit Set Aside	$489,381	($4,200)	$485,181
101-500729	Medical Payments to Providers	$803,755,686	($8,400,000)	$795,355,686
	Total Expense	$804,245,067	($8,404,200)	$795,840,867

2. Contingent upon approval of Requested Action #1, pursuant to the provisions of RSA 9:16-a, Transfers Authorized authorize the Department of Health and Human Services, Office of Medicaid Services to transfer General funds of $4,200,000 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021, and further authorize the allocation of these funds in the account below. 100% General funds.

05-95-47-470010-7051, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, CHILD HEALTH INSURANCE PROGRAM

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	$53,405,177		$53,405,177
	General Fund	$23,928,670	$4,200,000	$28,128,670
	Total Revenue	$77,333,847	$4,200,000	$81,533,847
041-500801	Audit Set Aside	$74,998		$74,998
101-500729	Medical Payments to Providers	$77,258,849	$4,200,000	$81,458,849
	Total Expense	$77,333,847	$4,200,000	$81,533,847

3. Contingent upon approval of Requested Action #2, pursuant to RSA 14:30-a, VI, Additional Revenues authorize the Department of Health and Human Services to accept and expend additional federal funds in the amount of $7,807,800 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

05-95-47-470010-7051, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFC MEDICAID SERVICES, OFC OF MEDICAID SERVICES, CHILD HEALTH INSURANCE PROGRAM

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	$53,405,177	$7,807,800	$61,212,977
	General Fund	$28,128,670		$28,128,670
	Total Revenue	$81,533,847	$7,807,800	$89,341,647
041-500801	Audit Set Aside	$74,998	$7,800	$82,798
101-500729	Medical Payments to Providers	$81,458,849	$7,800,000	$89,258,849
	Total Expense	$81,533,847	$7,807,800	$89,341,647

EXPLANATION

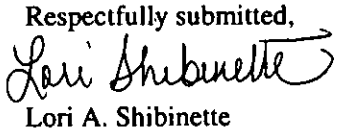
The Division of Medicaid Services requests to transfer general funds from AU 7948 Medicaid Care Management to AU 7051 Child Health Insurance Program and accept additional federal funds within AU 7051 Child Health Insurance Program. Due to the Coronavirus Public Health Emergency (PHE), the Division of Medicaid Services has been allowed to claim additional enhanced federal medical assistance percentage (E-FMAP) of 6.2% related to qualifying Medicaid expenses. The acceptance of these additional federal funds has provided state general fund relief to cover costs associated with the increased caseload due to the COVID pandemic.

During the SFY 20/21 budgeting process, AU 7051 Child Health Insurance Program was created for the purpose to budget all expenses and revenue within one accounting. The populations served by AU 7051 are CHIP, and low income children non-CHIP. Certain states had significantly expanded Medicaid eligibility for children prior to the enactment of CHIP in 1997, and these states are allowed to use their CHIP allotment funds to fund the difference between the Medicaid and CHIP matching rates (i.e., FMAP and E-FMAP rates, respectively) to finance the cost for children in Medicaid above 133% of FPL. This provision is referred to as the qualifying state option. FY2015 was the last year for which the qualifying state option was authorized until the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended the qualifying state option through FY2017. The Bipartisan Budget Act 2018 (BBA) extended the qualifying state option through FY2027. Previously the expenses and revenue related to the Child Health Insurance Program were budgeted in AU 7948 Medicaid Care Management. Expenses and federal revenue related to Qualifying

State were budgeted in multiple accounting units within DHHS. The creation of AU 7051 increased the ability to track expenses related to children and maximize the management of related federal revenue.

The public health emergency for COVID-19 was declared by the Secretary of Health and Human Services on January 31, 2020. Due to the PHE related to the pandemic since March of 2020 Medicaid has seen an increase of over 15.2% for the CHIP population and 11.7% growth for low income children non-CHIP. This increase in population served along with no prior history of budgeting for the population within its own accounting unit has created a shortfall within AU 7051. The requested funds are needed to make payments to managed care organizations for monthly capitation, fee for service expenses related to provider payments, dental, and prescriptions for carve out drugs and other acute medical services.

Respectfully submitted,



Lori A. Shibinette
Commissioner