

12
MAC

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FINANCE AND PROCUREMENT

Lori A. Shibinette
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9546 1-800-852-3345 Ext. 9546
TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Kerrin A. Rounds
Chief Financial Officer

April 29, 2021

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

- Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Medicaid Services to accept and expend federal funds in the amount of \$10,443,320 from the Centers for Medicare and Medicaid Services to fund the New Hampshire Hospital Disproportionate Share Hospital Payments, 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.

**05-95-47-470010-7937, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF
HHS: OFC MEDICAID SERVICES: OFC OF MEDICAID SERVICES, MEDICAID
ADMINISTRATION**

Class/Obj	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	\$30,589,055	\$10,443,302	\$41,032,357
	General Funds	\$4,259,114	\$0	\$4,259,114
	Total Revenue	\$34,848,169	\$10,443,302	\$45,291,471
010-500100	Personal Services-Perm. Classified	\$1,826,082	\$0	\$1,826,082
012-500128	Personal Services-Unclassified	\$490,062	\$0	\$490,062
018-500106	Overtime	\$7,500	\$0	\$7,500
020-500200	Current Expense	\$151,169	\$0	\$151,169
026-500251	Organizational Dues	\$12,200	\$0	\$12,200
030-500301	Equipment New/Replacement	\$4,000	\$0	\$4,000
037-500173	Technology-Hardware	\$0	\$0	\$0
038-500177	Technology-Software	\$0	\$0	\$0
039-500188	Telecommunications	\$26,200	\$0	\$26,200

040-500800	Indirect Costs	\$1,260,294	\$0	\$1,260,294
041-500801	Audit Fund Set Aside	\$29,697	\$10,433	\$40,130
042-500620	Additional Fringe Benefits	\$125,000	\$0	\$125,000
049-584994	Transfer to Other State Agencies	\$22,535,453	\$10,432,869	\$32,968,322
050-500109	Personal Service-Temp/Appointe	\$415,902	\$0	\$415,902
060-500601	Benefits	\$984,124	\$0	\$984,124
066-501709	Employee Training	\$3,000	\$0	\$3,000
070-500706	In-State Travel	\$1,500	\$0	\$1,500
080-500715	Out-of State Travel	\$2,500	\$0	\$2,500
101-500729	Medical Payments to Providers	\$364,616	\$0	\$364,616
102-500731	Contracts for Program Services	\$6,608,433	\$0	\$6,608,433
211-500757	Property and Casualty Insurance	\$437	\$0	\$437
	Total Expenses	\$34,848,169	\$10,443,302	\$45,291,471

- Contingent upon approval of Requested Action #1, pursuant to RSA 14:30-a, VI, authorize the Department of Health and Human Services to accept and expend additional Intra-Agency transfer from the Disproportionate Share Hospital Program in the amount of \$9,444,660 which will be used to replace Other Funds (Provider and Café fees) which are less than estimated effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2021. 100% Intra-Agency Funds.

05-95-94-940010-84100000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL NHH-FACILITY/PATIENT SUPPORT

New Hampshire Hospital									
Fund	Agcy	Org	Clas	Rcpt Acct	Class Title	Incr/(Decr)	OF	OF	GF
010	094	84100000	001	484947	Transfer from Other Agency	\$ 450,000			
010	094	84100000	007	402134	Agency Income	\$ (450,000)			
Total Revenue						\$ -	484947	401234	
010	094	84100000	010	500100	Personal Services Perm Class	\$ -	\$ 20,000	\$ (20,000)	\$ -
010	094	84100000	018	500106	Overtime	\$ -	\$ 15,000	\$ (15,000)	\$ -
010	094	84100000	019	500105	Holiday	\$ -	\$ 2,000	\$ (2,000)	\$ -
010	094	84100000	020	500200	Current Expense	\$ -	\$ 39,000	\$ (39,000)	\$ -
010	094	84100000	021	500211	Food Institution	\$ -	\$ 41,000	\$ (41,000)	\$ -
010	094	84100000	022	500255	Rents, Leases	\$ -	\$ 8,000	\$ (8,000)	\$ -
010	094	84100000	023	500291	Heat electricity water	\$ -	\$ 36,000	\$ (36,000)	\$ -
010	094	84100000	024	500228	Maint other than Bldg/Gmds	\$ -	\$ 12,000	\$ (12,000)	\$ -
010	094	84100000	042	500620	Addl Fringe Benefits	\$ -	\$ 86,000	\$ (86,000)	\$ -
010	094	84100000	047	500240	Own Forces Maint	\$ -	\$ 9,000	\$ (9,000)	\$ -
010	094	84100000	048	500226	Contractual Maint	\$ -	\$ 35,000	\$ (35,000)	\$ -
010	094	84100000	049	584923	Transfer to Other State Agency	\$ -	\$ 70,000	\$ (70,000)	\$ -
010	094	84100000	050	500109	Personal Svcs Temp	\$ -	\$ 13,000	\$ (13,000)	\$ -
010	094	84100000	060	500601	Benefits	\$ -	\$ 40,000	\$ (40,000)	\$ -
010	094	84100000	102	500731	Contracts for Progr Svcs	\$ -	\$ 24,000	\$ (24,000)	\$ -
Total Expense						\$ -	\$ 450,000	\$ (450,000)	\$ -

05-95-94-940010-87500000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ACUTE PSYCHIATRIC SERVICES

Fund	Agcy	Org	Cl	Rcpt Acct	Class Title	Incr/(Decr)	OF	OF	GF
010	094	87500000	001	484947	Transfer from Other Agency	\$ 8,994,660			
010	094	87500000	009	405921	Agency Income	\$ (8,994,660)			
Total Revenue						\$ -	484947	405921	
010	094	87500000	010	500100	Personal Services Perm Class	\$ -	\$ 8,994,660	\$ (8,994,660)	
Total Expense						\$ -	\$ 8,994,660	\$ (8,994,660)	
TOTAL NEW HAMPSHIRE HOSPITAL						\$ -	\$ 9,444,660	\$ (9,444,660)	\$ -

EXPLANATION

The Department is requesting to (1) increase the amount of federal Medicaid Disproportionate Share Hospital (DSH) Program revenue and (2) accept a transfer of DSH funds (intra-agency to NHH) for uncompensated care to offset a reduction in Other Funds (provider fee & café revenues).

1. The Disproportionate Share Hospital (DSH) payment program is a joint State and Federal program designed to reimburse hospitals for uncompensated care of uninsured and Medicaid insured patients. When services are provided to Medicaid insured individuals the state makes payments on behalf of the individuals but the level of reimbursement is typically a fraction of the cost. The DSH payment at New Hampshire Hospital (NHH) is calculated by determining the cost of care for the uninsured and the Medicaid patients and subtracting any payments received to arrive at the uncompensated care cost (UCC). The UCC is then split evenly between state and federal funds. Many factors contribute to the volatility of the budgeted amount, the least of which are patient mix, legislative changes and inflation.

Additional funding is requested due to projected costs from uncompensated care that are higher than the original budget estimate. The Source of Funds is 100% Federal Funds.

Funds are budgeted as follows:

Class 041- Audit costs per state requirements.

Class 049- Transfer to other State Agencies will be used for New Hampshire Hospital Disproportionate Share Hospital Payments.

2. This request is being made to accept and expend additional intra-agency income from Medicaid Disproportionate Share Hospital program, which are revenues to cover the hospital cost of uncompensated care. The Department has earned this additional DSH revenue by having a higher-than-anticipated amount of unreimbursed bed days and the Department seeks to utilize these additional funds not budgeted to address program revenue shortfalls from Other Income (provider fees and café revenues).

Funds from Provider Fees are lower than budgeted due to a larger than anticipated number of patients unable to be discharged into appropriate community settings. When this occurs, commercial insurance carriers reduce their level of reimbursement because patients waiting for discharge do not require the same level of acute care services that carry higher reimbursement rates. Funds from cafeteria sales have also declined significantly due to the impact of COVID, which required the café closure to all outside parties and clients.

The Honorable Ken Weyler, Chairman
His Excellency, Governor Christopher T. Sununu
April 29, 2021
Page 4 of 4

Patients who are unable to be discharged to a lower level of care setting may qualify as Administrative Necessity. The Centers for Medicare and Medicaid Services permits partial payments (in the form of federal DSH revenue) for uncompensated care for qualified patients who are hospitalized due to Administrative Necessity. While the Department cannot estimate the exact reduction in provider fees for SFY2021 as compared to the budget, the Department anticipates it will be close to the \$9,444,660 earned in additional DSH revenue.

Source of Funds: These funds are 100% Federal Funds from the United States Department of Health and Human Services Centers for Medicare and Medicaid Services, Medicaid, Catalog of Federal Domestic Assistance (CFDA) #93.778.

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

Respectfully submitted,



Lori A. Shibinette
Commissioner