



Lori A. Shibinette
Commissioner

Nathan D. White
Chief Financial Officer

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

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

October 28, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court and

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, New Hampshire Hospital, to amend Fiscal Committee item # FIS 22-162, approved on May 20, 2022, and Governor and Council item #7, approved on May 18, 2022, by repurposing funds approved from the Disproportionate Share Hospital Program (DSH) effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2023. 100% Other Funds.

EXPLANATION

The Department is requesting to reallocate \$990,000 of Disproportionate Share Hospital (DSH) funding, which was previously approved to replace underground oil tanks at New Hampshire Hospital. While the underground oil tanks are still in need of replacement, construction costs for the renovation of E&F unit (the former children's unit) have increased and the Department is requesting to repurpose the DSH funds allocated to replace oil tanks to the renovation of E&F unit at New Hampshire Hospital. The funding to replace oil tanks at New Hampshire Hospital was originally appropriated in Class 048 (Contractual repairs; building, grounds) and would continue to be appropriated in this class line.

The Department has worked diligently to lower the cost of renovating E&F units. The following table outlines the funding history of E&F units, the newly obtained estimate for construction, and the remaining budget deficit:

New Hampshire Hospital- E&F Unit (i.e. Childrens Units) Renovation Construction Funding History	
FY20/21 HB4 246:220 Appropriation (non-lapsing)	\$4,000,000
Total E&F unit renovation budget	\$4,000,000
FY20/21 Estimate Summary	
Design costs expended (architecting, geo-tech, land surveying, & cancelation fees)	\$749,843
Funds allocated to furniture, fixtures, and utility hook-ups	\$0
Previous construction estimate	\$3,363,159
Previous total project cost estimation	\$4,113,002
Previous anticipated surplus/deficit compared to appropriation	(\$113,002)
FY20/21 HB4 Appropriation	\$4,000,000
Less funds spent in previous design effort (which resulted in usable design artifacts)	\$749,843
Current total appropriation available	\$3,250,157
Current Estimate Summary	
Additional design costs committed (architecting, geo-tech, land surveying, etc.)	\$580,390
Funds allocated to furniture, fixtures, and utility hook-ups	\$0
Current construction estimate (based on an actual bid)	\$3,763,934
Current total project cost estimation	\$4,344,324
Current anticipated surplus/deficit compared to appropriation	(\$1,094,167)
Oil tank replacement DSH appropriation	\$990,000
Oil tank costs incurred to tate	\$0
Remaining funding available from oil tank replacement project	\$990,000
Remaining deficit estimate if oil tank replacement funds are allocated to the E&F unit renovation project	(\$104,167)

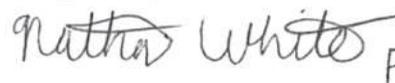
As noted in the Construction Funding History table, the Department is requesting to reallocate \$990,000 in DSH funding from the oil tank replacement project to the E&F unit renovation project. The remaining \$104,167 deficit will be incurred via the projects contingency budget, or through the Department's operating budget.

Funds are budgeted as follows:

Class 48- Contract repairs; building, grounds

Source of Funds: These funds are 100% Other Funds.

Respectfully Submitted,

 For:

Lori A. Shibinette
 Commissioner

MCC



Lori A. Shibinette
Commissioner

Kerrin A. Rounds
Chief Financial Officer

STATE OF NEW HAMPSHIRE **FIS 22 162**
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FINANCE AND PROCUREMENT

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April 22, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court and

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 \$5,672,079 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, 2023, 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: DIVISION OF MEDICAID SERVICES: OFC OF MEDICAID SERVICES, MEDICAID
ADMINISTRATION**

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase/(Decrease) Amount	Revised Modified Budget
000-403978-16	Federal Funds	\$32,445,205	\$5,672,079	\$38,117,284
000-400338-16	Federal Funds	\$6,157		\$6,157
000-403900-16	Federal Funds	-\$3,266		-\$3,266
000-403951-16	Federal Funds	\$10,886,198		\$10,886,198
000-406762-16	Federal Funds	\$146,341	\$0	\$146,341
	General Funds	\$7,801,800	\$0	\$7,801,800
	Total Revenue	\$51,282,435	\$5,672,079	\$56,954,514
010-500100	Personal Services-Perm Classified	\$1,394,549	\$0	\$1,394,549
012-500128	Personal Services-Unclassified	\$570,963	\$0	\$570,963
018-500106	Overtime	\$7,500	\$0	\$7,500
020-500200	Current Expenses	\$80,669	\$0	\$80,669
026-500251	Organizational Dues	\$12,312	\$0	\$12,312

030-500300	Equipment New/Replacement	\$4,000	\$0	\$4,000
039-500188	Telecommunications	\$17,888	\$0	\$17,888
040-500800	Indirect Costs	\$920,882	\$0	\$920,882
041-500801	Audit Set Aside	\$42,949	\$5,666	\$48,615
042-500620	Additional Fringe Benefits	\$104,604	\$0	\$104,604
049-584994	Transfer to other State Agencies	\$32,558,684	\$5,666,413	\$38,225,097
050-500109	Personal Services Temp/Appoin	\$146,803	\$0	\$146,803
059-500117	Temp Full Time	\$126,360	\$0	\$126,360
060-500602	Benefits	\$889,476	\$0	\$889,476
066-500543	Employee Training	\$1,000	\$0	\$1,000
070-500704	In-State Travel	\$1,500	\$0	\$1,500
080-500714	Out-of State Travel	\$0	\$0	\$0
101-500729	Medical Payments to Providers	\$354,617	\$0	\$354,617
102-500731	Contracts for Program Services	\$14,047,679	\$0	\$14,047,679
211-501530	Property and Casualty Insurance	0	\$0	\$0
	Total Expense	\$51,282,435	\$5,672,079	\$56,954,514

- 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 \$5,666,413 which will be used to fund several projects at NH Hospital and supplant Other Funds (Provider and Café fees) which are anticipated to be less than budgeted effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2023. 100% Intra-Agency Funds.

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

Class/Obj	Class Title	Current Modified Budget	Increase (Decrease) 001-484947	Increase (Decrease) 000-405921	Revised Modified Budget
001-484947-64	Inter-Agency	\$ 25,039,269	\$5,666,413		\$30,705,682
007-402865-18	Tuition-APC	\$ -			\$0
000-405921-68	Agency Income - Provider Fees	\$ 21,763,378		\$ (2,833,828)	\$18,929,550
	General Funds	\$ 28,551,166		\$0	\$28,551,166
	Total Revenue	\$ 75,353,813	\$5,666,413	\$ (2,833,828)	\$78,186,398

Class/Obj	Class Title	Current Modified Budget	Increase (Decrease) 001-484947	Increase (Decrease) 000-405921	Revised Modified Budget
010-500100	Personal Services-Perm. Classi	\$ 23,826,006	\$2,125,371	\$ (2,125,371)	\$23,826,006
012-500128	Personal Services-Unclassified	\$ 1,111,972		\$0	\$1,111,972
018-500106	Overtime	\$ 4,322,181		\$0	\$4,322,181
019-500105	Holiday Pay	\$ 688,325		\$0	\$688,325
020-500200	Current Expense	\$ 147,424			\$147,424
022-500255	Rent - Leases other	\$ 458,387		\$0	\$458,387
026-500251	Organizational Dues	\$ 180		\$0	\$180
030-500301	Equipment	\$ 4,200	\$500,000		\$504,200
037-500173	Technology - Hardware	\$ 3,750			\$3,750
038-509038	Technology - Software	\$ 410	\$372,585		\$372,995
039-500188	Telecommunications	\$ 500		\$0	\$500
040-500800	Indirect Costs	\$ 430,401			\$430,401
042-500620	Additional Fringe Benefits	\$ 763,619		\$0	\$763,619
047-500240	Own Forces Mntn - B&G	\$ -	\$200,000		\$200,000
048-500226	Contractual Mntn- B&G	\$ -	\$1,530,000		\$1,530,000
050-500109	Personal Service-Temp/Appoint	\$ 1,155,475		\$0	\$1,155,475
057-500531	Books, Periodicals, Subscription	\$ 41,559		\$0	\$41,559
059-500117	Temp Full-time	\$ 482,660		\$0	\$482,660
060-500601	Benefits	\$ 14,352,345	\$708,457	\$ (708,457)	\$14,352,345
066-501709	Employee Training	\$ 3,910		\$0	\$3,910
070-500706	In-State Travel	\$ 250		\$0	\$250
080-500715	Out-of State Travel	\$ 1	\$30,000		\$30,001
100-500726	Prescription Drug Expenses	\$ 2,463,680		\$0	\$2,463,680
101-500729	Medicaid Payments to Provider	\$ 1,336,597		\$0	\$1,336,597
102-500731	Contracts for Program Services	\$ 23,725,992		\$0	\$23,725,992
103-502507	Contracts for Operational Svcs		\$200,000		\$200,000
501-500425	Payments to Clients	\$ 33,989		\$0	\$33,989
Total Expenses		\$ 75,353,813	\$5,666,413	\$ (2,833,828)	\$78,186,398

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 and café revenues) to fund critical projects at NHH.

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 uninsured and 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.

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 New Hampshire Hospital's cost of uncompensated care. New Hampshire performs audits of the DSH program three years in arrears, and this additional DSH is the result of those audits. The reason for the variance in DSH earned versus DSH claimed in a given year is the result of improvements in New Hampshire Hospital's cost reporting. To be conservative, the Department has used the prior year's audited Medicare Cost Report to claim DSH, but in years where significant improvements in cost reporting are made, this conservative approach creates a gap between DSH claimed and DSH earned. As such, the Hospital's efforts to improve its cost reporting have yielded significant results, and we are therefore requesting to use some of this funding for a myriad of one-time funding requests to take care of significant needs, Legislative Budget Assistants (LBA) audit findings, and off-set forecasted revenue challenges, the details of which are as follows:

1. Improve Staff Scheduling Systems

Currently, New Hampshire Hospital has a web-based scheduling system for staff. The Department would like to expand this system to include new functionality such as a time-clock system and a staffing analytics module. In doing so, the Department would be solving a long-standing LBA finding relative to the lack of a time-clock system. It is also important to note some of these improvements will also improve staff satisfaction, as scheduling is an incredibly important aspect of healthcare operations that directly impacts staff. The Department would also like to deploy these systems to Glenclyff Home, who currently conducts all of their staff scheduling manually, and has the same challenges relative to time cards.

2. Make Facility Improvements based on Joint Commission and workplace safety recommendations

The Hospital recently underwent a Joint Commission survey that resulted in some recommendations specific to aspects of the facility that are outdated. Additionally, there are some improvements that have been identified by New Hampshire Hospital Staff which would improve workplace safety. As a result, we are requesting additional funding in class 047 to pay for these one-time improvements.

3. Retain a consulting firm to advise the Department on key aspects of Forensic Hospital operations.

As construction for the new Forensic Hospital begins, the Department would like to retain a Forensic Hospital consultant to offer assistance and guidance on a variety of operational matters specific to forensic environments. This consulting engagement, in conjunction with guidance from New Hampshire Hospital and the Department of Corrections, will provide a comprehensive set of skills to ensure the facility is designed and operated in the most safe and effective manner possible for patients and staff. This endeavor is anticipated to be a one-time cost, with a timeline that mirrors the construction and opening of the facility.

4. Fund employee travel to study operations at leading Forensic Hospital facilities.

As the construction of the new Forensic Hospital begins, the Department would like the opportunity to visit leading Forensic Hospital facilities to learn about their operations, challenges, and successes, with the hopes that this information can further inform the design and operation of New Hampshire's Forensic Hospital. This request is anticipated to be a one-time cost, with a timeline that mirrors the construction and opening of the facility.

5. Procure and Implement a Learning Management System

Currently, New Hampshire Hospital offers a variety of staff training programs ranging from Registered Nurse onboarding to Annual Required Education. The Department would like the opportunity to expand educational opportunities via a Learning Management System (LMS), much like the systems used by

colleges and universities. A viable, quality, user friendly LMS is an integral part of a 21st century workplace learning and development strategy. Delivering learning through a robust learning management system facilitates better results through engagement and human learning experience design, consistency of learning, easy tracking and reporting, creation of meaningful, engaging courses, and ensures the organization is up-to-date with compliance regulations while reducing learning and development time and costs. This procurement will have significant costs in year 1, and subsequent costs thereafter, but the Department does not expect subsequent costs to be significant.

6. Engage with a Consultant to perform a Financial Risk Assessment

The Hospital would like to engage with a financial consulting firm to conduct a comprehensive financial risk assessment. The Hospital currently has the skillset to perform such an analysis, but lacks the bandwidth given the significant workload involved in such an endeavor. This request would resolve a recent LBA finding for New Hampshire Hospital, and also give the Department a potential outline on an approach for future financial risk assessments of other program areas. This project would be a one-time cost.

7. Dietary Kitchen Upgrades

The Hospital kitchen and Cafeteria require upgrades to meet Behavioral Health Facilities Guidelines for Design and Construction for Psychiatric Hospitals including layout, furnishings, equipment, and security features. The kitchen/food preparation area layout is crowded, not conducive for the efficient production of patient meals, and does not provide for proper security. The Café's finishes are old, worn, and cause safety, security, and infection control risks to patients, staff, and visitors. Furniture and equipment in both the Kitchen and Café have outlasted useful life. This initiative would eliminate the need for a future capital project request.

8. Underground Storage Tank Replacement/Fuel Conversion

DHHS proposes to remove 3 (three) 30 year old Underground Storage Tanks (2- #6 oil and 1-Diesel) from the Admitting area sally port at New Hampshire Hospital. This request will fund the design and installation of new tank(s) for fuel supply to redundant forced hot water (FHW) and Steam boilers and existing 700kW emergency generator. This initiative would eliminate the need for a future capital project request.

9. Water Delivery Systems Piping Assessment

Much of the Hospital's piping is original to the buildings construction in 1989, and will likely need replacement in the years to come. This assessment would provide a thorough evaluation of the water delivery systems piping for all areas of APS, including but not limited to chilled water, condenser water, forced hot water, domestic hot and potable water, and sewerage drain piping throughout the building. Design would provide recommendations for phased and prioritized replacement of piping in subsequent biennia. This initiative will aid the Department in putting forward thoughtful capital requests in future bienniums.

10. Egress/Room ID Signage Upgrade

DHHS proposes to replace/update ADA approved interior egress and room identification signage throughout Acute Psychiatric Services facility at NHH. Current egress and room identification signage is not ADA compliant.

11. Procure a Healthcare Inventory Management System

Currently the Hospital uses a home-grown inventory management system that was primarily designed for warehouse management. This system does not meet the needs of a multi-site, complex health system managing a just-in-time inventory, and often results in re-work and extensive manual labor to conduct inventory management reporting. The Department wishes to procure a new system to better aid staff in effectively managing inventory across the health system.

12. Procure new furniture & equipment for New Hampshire Hospital

The Hospital has a continual need to replace furniture and equipment, and this need exceeds the Hospital's existing furniture and equipment budget. Given this challenge, the Department is requesting some additional funding for new furniture and equipment, improving infection control standards, as well as clinical workflows, for patients and staff.

13. Offset Billing Revenue Shortfalls

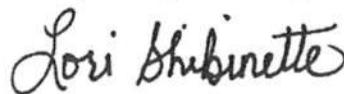
In FY2022, patients stabilized were not able to be discharged to the community due to lack of available housing options with an appropriate level of care due to the disruptions the COVID-19 pandemic created within a variety of healthcare facilities such as long-term care facilities, group homes, and transitional housing programs. As a result, post-stabilization days were not reimbursable by the insurance providers. The inability to collect provider fees for the post-stabilization days negatively impacted the ability to collect billing revenues. The Department is requesting to off-set billing revenues with DSH funds. Should the Department have additional billing revenue at the end of the fiscal year, these funds will be lapsed to the general fund.

Pursuant to Chapter 91, Section 35 (Laws of 2021): "Department of Health and Human Services; Change in Federal Match Revenue. During the biennium ending June 30, 2023 any item submitted to the fiscal committee of the general court which increases a draw on federal funds, as a result of miscalculation of or change in the state's share of a federal match program in excess of \$100,000 in an accounting unit, shall include an explanation stating if any general funds have been supplanted, and if so, for what purpose those supplanted general funds will be used, and the amount of supplanted general funds anticipated to lapse." For the accounting units included in this request, the general funds being supplanted are going to be used to fund a myriad of one-time requests to take care of significant needs. DHHS does not anticipate any of these funds to lapse.

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. Shabinette
Commissioner