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

Lori A. Weaver
Interim Commissioner

Nathan D. White
Chief Financial Officer

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January 3, 2023

The Honorable Kenneth L. Weyler, 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

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Health and Human Services to accept and expend additional agency income Medicaid Enhancement Tax revenue in the amount of \$10,932,581 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 account below. 100% Other Funds (Medicaid Enhancement Tax).

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

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978-16	Medicaid Grants-Federal Funds	\$443,772,453		\$443,772,453
001-403187-16	Trans from Other Agy-Refugee Med	(\$146,439)		(\$146,439)
005-402201-04	Agency Income: Medicaid Enhancement - Local	\$131,587,419	\$10,932,581	\$142,520,000
007-407145-44	Drug Rebates - Regular Care	\$30,600,000		\$30,600,000
009-406848-44	Agency Income MEAD	\$168,378		\$168,378
009-405615-12	Agency - MCO Liquid Damages	\$1,478,958		\$1,478,958
	General Fund	\$239,904,174		\$239,904,174
Total Revenue		\$847,364,943	\$10,932,581	\$858,297,524
041-500801	Audit Set Aside	\$438,070		\$438,070
101-500729	Medical Payments to Providers	\$788,467,869	\$10,932,581	\$799,400,450
535-500376	Out of Home Placements	\$36,973,410		\$36,973,410
563-500915	Community Based Services	\$21,485,594		\$21,485,594
Total Expense		\$847,364,943	\$10,932,581	\$858,297,524

2. 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 federal funds in the amount of \$10,943,514 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.

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

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
000-403978-16	Medicaid Grants-Federal Funds	\$443,772,453	\$10,943,514	\$454,715,967
001-403187-16	Trans from Other Agy-Refugee Med	(\$146,439)		(\$146,439)
005-402201-04	Agency Income: Medicaid Enhancement - Local	\$142,520,000		\$142,520,000
007-407145-44	Drug Rebates - Regular Care	\$30,600,000		\$30,600,000
009-406848-44	Agency Income MEAD	\$168,378		\$168,378
009-405615-12	Agency - MCO Liquid Damages	\$1,478,958		\$1,478,958
	General Fund	\$239,904,174		\$239,904,174
Total Revenue		\$858,297,524	\$10,943,514	\$869,241,038
041-500801	Audit Set Aside	\$438,070	\$10,933	\$449,003
101-500729	Medical Payments to Providers	\$799,400,450	\$10,932,581	\$810,333,031
535-500376	Out of Home Placements	\$36,973,410		\$36,973,410
563-500915	Community Based Services	\$21,485,594		\$21,485,594
Total Expense		\$858,297,524	\$10,943,514	\$869,241,038

EXPLANATION

The Department is requesting to: (1) increase the adjusted authorized of Medicaid Enhancement Tax Revenue (MET); and (2) accept matching federal funds within Medicaid Care Management.

The public health emergency for COVID-19 was declared by the Secretary of Health and Human Services on January 31, 2020. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency, including any extensions, ends.

The Department received enhanced matching rate of federal funds for the Disproportionate Care Hospital payment processed during SFY22 due to the public health emergency. The increase in matching federal funds reduced the required amount of MET needed to fund the payment. According to RSA 167:64, I(a)(2)(D): "Any remaining funds produced from the Medicaid enhancement tax shall be used to support provider payments and to support Medicaid services and programs administered by the department." Prior to the end of SFY22, the surplus of MET was transferred from the Uncompensated Care Account to

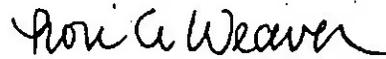
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the Medicaid Care Management accounting unit. The Medicaid Care Management account was a non-lapsing account for SFY22; therefore, the balance of revenue was applied to SFY23 revenues.

This request is to accept additional MET and accept federal matching dollars to cover expenses in the Division of Medicaid Services. Funding in Accounting Unit 7948 represents costs associated with purchased services for Medicaid Care Management capitation payments and fee-for-service provider payments for clients enrolled in New Hampshire's Medicaid program.

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 Accounting Unit 7948, the general funds being supplanted are going to be used to support the Fee-For-Service and Capitation payments made to providers due to the increased enrollment and the continuation of the public health emergency for which the federal funds were not previously budgeted. DHHS does not anticipate any of these funds to lapse.

Respectfully Submitted,



Lori A. Weaver
Interim Commissioner