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Lori A. Weaver
Interim Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

MAR 17 '23 AM 10:16 RCVD

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March 15, 2023

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

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Office of the Commissioner, to accept and expend federal funds from the American Rescue Plan Act (ARPA) in the amount of \$15,015,000 that will be used to provide capital defrayment to SolutionHealth and any associated affiliates to develop a consolidated behavioral health hospital, effective upon Governor and Executive Council approval through June 30, 2023, and further authorize the allocation of these funds in the accounts below. The Joint Legislative Fiscal Committee previously approved this request to accept and expend funding for this purpose on September 9, 2022, FIS 22-305. The Department held this request until it could finalize the corresponding agreement, which has been concurrently submitted for consideration on this agenda. This is an allowable use of ARPA FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts.¹ 100% Federal Funds.

05-095-094-940010-24650000² HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUNDS

¹ All direct program costs will be accounted for using activity 00FRF602PH9528A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9528Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase/ (Decrease) Amount	Revised Modified Budget
000-400338-16	Federal Funds	\$ 82,199,672	\$ 15,015,000	\$ 97,214,672
	Total Revenue	\$ 82,199,672	\$ 15,015,000	\$ 97,214,672
010-500100	Personal Services Perm Class	\$ 122,104		\$ 122,104
020-500200	Current Expenses	\$ 410,001		\$ 410,001
022-500255	Rents-Leases other than State	\$ 3,891,727		\$ 3,891,727
030-500301	Equipment New/Replacement	\$ 68,001		\$ 68,001
040-500800	Indirect Costs	\$ 2,123,973		\$ 2,123,973
041-500801	Audit Fund Set Aside	\$ 75,359	\$ 15,000	\$ 90,359
042-500620	Additional Fringe Benefits	\$ 8,733		\$ 8,733
046-500462	Consultants	\$ 1		\$ 1
047-500240	Own Forces Maintenance (Bldg-Grnds)	\$ 1		\$ 1
048-500226	Contract Repairs: Bldg, Grounds	\$ 1		\$ 1
059-500117	Temp Full Time	\$ 98,133		\$ 98,133
060-500601	Benefits	\$ 119,996		\$ 119,996
072-502676	Grants Federal	\$ 250,000		\$ 250,000
085-588514	Interagency Transfer	\$ 52,750		\$ 52,750
102-500731	Contracts for Program Services	\$ 50,311,610	\$ 15,000,000	\$ 65,311,610
103-502507	Contracts for Operational Services	\$ 24,667,282		\$ 24,667,282
	Total Expenses	\$ 82,199,672	\$ 15,015,000	\$ 97,214,672

EXPLANATION

The purpose of this request is to accept and expend funding to offset capital costs incurred by SolutionHealth and any associated affiliates for the construction of a consolidated behavioral health hospital in southern New Hampshire. A behavioral health hospital will increase inpatient and outpatient behavioral health services capacity to address the mental health crisis in New Hampshire that has been exacerbated by the pandemic.

On March 11, 2021, the American Rescue Plan Act was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and tribal governments with resources necessary to provide resources to respond to the COVID-19 pandemic and its impacts. Effective April 1, 2022, the United States Department of the Treasury (Treasury) adopted as final the interim final rule published on May 17, 2021, which implemented the SLFRF established under the American Rescue Plan Act. Treasury identified several public health impacts of the pandemic and enumerated uses of funds in the rule to respond to impacted populations, including behavioral health care, such as mental health treatment, substance use treatment, and other behavioral health services. Treasury recognized that the pandemic has broadly impacted individuals' behavioral health, and behavioral health services could be provided to the general public in response to these impacts. Eligible uses enumerated by Treasury in the rule include:

- Behavioral health facilities and equipment.
- Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support.
- Support for equitable access to reduce disparities in access to high-quality treatment.

- Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery.

The Treasury rule also expressly permitted use of funds for capital expenditures that respond to the public health impacts of the pandemic, including presumed behavioral health impacts on the general public.

The COVID-19 pandemic exacerbated behavioral health issues for many adults and youth in New Hampshire. On May 13, 2021, Governor Christopher Sununu issued Executive Order 2021-09, directing additional actions to address the mental health crisis in New Hampshire that has led “to increases in the number of adults and children going to emergency departments for mental health services.” The Executive Order came in response to the worsening of the mental health crisis statewide and increased waiting times for in-patient beds due to COVID-19. Additionally, the Centers for Disease Control and Prevention have conducted surveys and reported:

- National increases in emotional and psychological distress, substances misuse, and suicidal ideation (June 2020).
- More than a third (37%) of high school students in the U.S. reported they experienced poor mental health during the COVID-19 pandemic. While state-level data is not available, many agencies and organizations serving youth have reported a much higher prevalence of acuity of behavioral health issues (March 2022).
- In July 2022, 29% of New Hampshire adults reported symptoms of anxiety or depression, compared to 20% in April 2020 (August 2022).

Alternative solutions have been explored that have not yielded viable paths forward. Following the Governor’s Executive Order, the State took multiple actions to address the crisis, including offering to enter into an agreement with every hospital in the state to provide funding to stand up designated receiving facility beds for a minimum of one year. The funding was intended to offset costs associated with psychiatric evaluation, medical monitoring, clinical supervision, therapeutic activity for short-term stabilization of psychiatric crisis, and family support. Due to limited interest from hospitals, no awards had been made when this request to accept and expend funds was approved by the Joint Legislative Fiscal Committee on September 9, 2022. The State subsequently held conversations with New Hampshire-based hospitals to identify willing partners to establish sustainable and long-term solutions to address New Hampshire’s mental health crisis; for the most part, this was not feasible given the other challenges these facilities are facing in the context of COVID-19.

SolutionHealth is ready to make a capital investment to immediately address the behavioral health needs resulting from the COVID-19 pandemic. If this request is approved, the Department anticipates the consolidated behavioral health hospital should be operational in Calendar Year 2024 and responsive to the ongoing and long-term behavioral health impacts of the pandemic. The hospital is planned to be located in south-central New Hampshire, which is a more densely populated area of the state, and therefore has the greatest demand for these services. The facility will be a fully licensed and accredited behavioral health facility for inpatient and outpatient services, which is now anticipated to provide the following services:

- Designated Receiving Facility Unit (72 beds, representing an approximate net increase of 44 beds of this type provided by the Grantee across all their NH facilities) - Individuals 18 years of age or older and admitted on either a voluntary or an involuntary basis and who may or may not have co-occurring mental health and substance use disorders.
- Inpatient Child/Adolescent Psychiatric Unit (24 beds, representing an approximate net increase of 24 beds of this type provided by the Grantee across all their NH facilities) -

Individuals 17 years of age or younger and admitted on either a voluntary or an involuntary basis and who may or may not have an intellectual or developmental disability diagnosis.

- Inpatient Geriatric Psychiatric Unit (24 beds, representing an approximate net increase of 13 beds of this type provided by the Grantee across all their NH facilities) - Individuals who are 55 years of age or older and admitted on either a voluntary or an involuntary basis.

The estimated cost to build the behavioral health hospital is approximately \$55 to \$60 million, excluding real estate costs. The State of New Hampshire would provide \$15 million in capital defrayment at intervals throughout the build of the new facility. Construction is anticipated to be completed by the end of Calendar Year 2024.

Funds will be budgeted as follows:

Class 041 – The funds will be used to pay for audit fund set aside per State requirement.

Class 102 – The funds will be used to pay for the agreement.

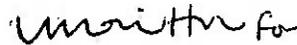
Without this funding for capital expenditures to defray construction costs to meet pandemic behavioral health needs, the State of New Hampshire would be severely limited in its ability to establish a long-term and sustainable solution to New Hampshire's mental health crisis exacerbated by the COVID-19 pandemic.

Area served: Statewide

Source of Funds: These funds are 100% Federal.

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. Weaver
Interim Commissioner

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STATE OF NEW HAMPSHIRE FIS 22 305
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Shabinette
Commissioner

Lori A. Weaver
Deputy Commissioner

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August 26, 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, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Office of the Commissioner, to accept and expend federal funds from the American Rescue Plan Act (ARPA) in the amount of \$15,015,000 that will be used to provide capital defrayment to SolutionHealth and any associated affiliates to develop a consolidated behavioral health hospital, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2023, and further authorize the allocation of these funds in the accounts below. This is an allowable use of ARP FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts.¹ 100% Federal Funds.

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CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase/ (Decrease) Amount	Revised Modified Budget
000-400338-16	Federal Funds	\$ 57,774,070	\$ 15,015,000	\$ 72,789,070
	General Fund	\$ -	\$ -	\$ -
	Total Revenue	\$ 57,774,070	\$ 15,015,000	\$ 72,789,070
010-500100	Personal Services Perm Class	\$ 122,104		\$ 122,104
020-500200	Current Expenses	\$ 250,001		\$ 250,001
022-500255	Rents-Leases other than State	\$ 3,891,727		\$ 3,891,727
030-500301	Equipment New/Replacement	\$ 1		\$ 1
040-500800	Indirect Costs	\$ 2,123,973		\$ 2,123,973
041-500801	Audit Fund Set Aside	\$ 48,707	\$ 15,000	\$ 63,707
042-500620	Additional Fringe Benefits	\$ 8,733		\$ 8,733
046-500462	Consultants	\$ 1		\$ 1
047-500240	Own Forces Maintenance (Bldg-Grnds)	\$ 1		\$ 1
048-500226	Contract Repairs: Bldg. Grounds	\$ 1		\$ 1
059-500117	Temp Full Time	\$ 98,133		\$ 98,133
060-500601	Benefits	\$ 119,996		\$ 119,996
102-500731	Contracts for Program Services	\$ 39,364,360	\$ 15,000,000	\$ 54,364,360
103-502507	Contracts for Operational Services	\$ 11,746,332		\$ 11,746,332
	Total Expenses	\$ 57,774,070	\$ 15,015,000	\$ 72,789,070

EXPLANATION

The purpose of this request is to accept and expend funding to offset capital costs incurred by SolutionHealth and any associated affiliates for the construction of a consolidated behavioral health hospital in southern NH. A behavioral health hospital will increase inpatient and outpatient behavioral health services capacity to address the mental health crisis in New Hampshire that has been exacerbated by the pandemic.

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- In July 2022, 29% of New Hampshire adults reported symptoms of anxiety or depression, compared to 20% in April 2020 (August 2022)

Alternative solutions have been explored that have not yielded viable paths forward. Following the Governor’s Executive Order, the State took multiple actions to address the crisis, including offering to enter into an agreement with every hospital in the state to provide funding to stand up designated receiving facility (DRF) beds for a minimum of one year. The funding was intended to offset costs associated with psychiatric evaluation, medical monitoring, clinical supervision, therapeutic activity for short-term stabilization of psychiatric crisis, and family support. Due to limited interest from hospitals, no awards have been provided to date. The State subsequently held conversations with New Hampshire-based hospitals to identify willing partners to establish sustainable and long-term solutions to address New Hampshire’s mental health crisis; for the most part, this was not feasible given the other challenges these facilities are facing in the context of COVID-19.

SolutionHealth is ready to make a capital investment to immediately address the behavioral health needs resulting from the COVID-19 pandemic. If this request is approved, the Department anticipates the consolidated behavioral health hospital should be operational in Calendar Year 2024 and responsive to the ongoing and long-term behavioral health impacts of the pandemic. The hospital is planned to be located in south-central New Hampshire, which is a more densely populated area of the state, and therefore have the greatest demand for these services. The facility will be a fully licensed and accredited behavioral health facility for inpatient and outpatient services, which is anticipated to provide the following services:

Inpatient:

- DRF Unit - 25 beds (doubling existing capacity at Elliot Hospital)
- Voluntary Adult Unit – 15 beds (tripling existing capacity at Elliot Hospital)
- Adolescent/Child Psychiatric Unit – 25 beds (no existing capacity)
- Child/Adolescent Developmental Disability/Autism Unit – 15 beds (no existing capacity)

- Detox and Co-Occurring Disorder Unit – 25 beds (no existing capacity)
- Geriatric Psychiatric Unit- 25 beds (25 existing beds at Elliot Hospital and additional beds TBD)

Outpatient:

- Substance Use Disorder (SUD) Medication Assisted Treatment Center
- Partial Hospitalization Mental Health and SUD

The estimated cost to build the behavioral health hospital is approximately \$50 to \$55 million, excluding real estate costs. The State of New Hampshire would provide \$15 million in capital defrayment at intervals throughout the build of the new facility. Construction is anticipated to be completed by the end of Calendar Year 2023.

Funds will be budgeted as follows:

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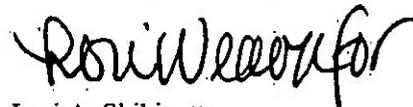
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Area served: Statewide

Source of Funds: These funds are 100% Federal.

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Respectfully submitted,



Lori A. Shibinette
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