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

**Lori A. Weaver**  
 Commissioner

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December 7, 2023

The Honorable Ken 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 \$39,013,305 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2025, and further authorize the allocation of these funds in the account below. 100% Other Funds (Medicaid Enhancement Tax).
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 matching federal funds in the amount of \$39,052,318 effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2025, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

**5-95-47-470010-79480000, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, DIVISION OF MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT**

Class/Obj	Class Title	Current Modified Budget	Other Fund Increase Amount	Federal Fund Increase	Revised Modified Budget
000-403978-16	Medicaid Grants-Federal Funds	\$450,727,632		\$39,052,318	\$489,779,950
001-403187-16	Trans from Other Agy-Refugee Med	-\$344,694			-\$344,694
005-402201-04	Agency Income: Medicaid Enhancement - Local	\$115,536,694	\$39,013,305		\$154,549,999
007-407139-44	Parental Reimbursement	\$0			\$0
007-407145-44	Drug Rebates - Regular Care	\$25,921,476			\$25,921,476
009-405615-12	Agency - MCO Liquid Damages	-\$3,046,856			-\$3,046,856
	General Fund	\$300,764,312			\$300,764,312
<b>Total Revenue</b>		<b>\$889,558,565</b>	<b>\$39,013,305</b>	<b>\$39,052,318</b>	<b>\$967,624,188</b>
041-500801	Audit Set Aside	\$469,362		\$39,013	\$508,375
101-500729	Medical Payments to Providers	\$821,427,861	\$39,013,305	\$39,013,305	\$899,454,471
535-500376	Out of Home Placements	\$45,009,908			\$45,009,908
563-500915	Community Based Services	\$22,651,434			\$22,651,434
<b>Total Expense</b>		<b>\$889,558,565</b>	<b>\$39,013,305</b>	<b>\$39,052,318</b>	<b>\$967,624,188</b>

### EXPLANATION

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

Beginning January 1, 2020, States received an additional 6.2% Federal Medical Assistance Percentage (FMAP) contingent upon the Medicaid continuous enrollment requirements stipulated in Section 6008(a) of the Families First Coronavirus Response Act. The Consolidated Appropriations Act, signed into law December 23, 2022, subsequently decoupled the continuous enrollment requirement from the Public Health Emergency and phased out the enhanced FMAP as follows:

- 5% April 1 – June 30
- 2.5% July 1 – September 30
- 1.5% October 1 – December 31

The Department made its State Fiscal Year (SFY) 2023 Disproportionate Share Hospital (DSH) payment in May 2023 and received an enhanced (FMAP) rate of 5 percent. The increase in matching federal funds reduced the required amount of MET needed to fund the DSH payment. Further, the amount of MET revenue collected in SFY 2023 was higher than the anticipated amounts included in the budget for the biennium ending June 30, 2023, which was initially developed during the summer of 2020 when there were many unknowns due to the public health emergency.

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 SFY 2023, the surplus of MET was transferred from the Uncompensated Care Account to the Medicaid Care Management accounting unit. The funds in the Medicaid Care Management account were brought forward from SFY 2023 and the Department is seeking to apply them to the SFY 2024 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.

The funds are to be budgeted as follows:

Class 041 Funds will be used for Audit Fund Set Aside per State requirement.

Class 101 Funds will be used for expenses associated with Medicaid Care management capitation payments, fee-for-service provider payments, and Division for Children, Youth and Families /Children’s Behavioral Health Services for clients enrolled in New Hampshire’s Medicaid program.

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

Respectfully Submitted,



Lori A. Weaver  
Commissioner

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