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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF LONG TERM SUPPORTS AND SERVICES

Lori A. Weaver  
Commissioner

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Melissa A. Hardy  
Director

June 5, 2024

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**

Pursuant to the provisions of RSA 9:16-a, I, authorize the Department of Health and Human Services, Division of Long Term Supports and Services to transfer funds in the amount of \$8,004,000 for costs associated with Nursing Facility Payments, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2025. Funding source: 50.02% Federal Funds, 49.98% General Funds.

**05-95-48-482010-21520000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: DLTSS-ELDERLY&ADULT SVCS, WAIVER AND NURSING FACILITIES, WAIVER/NF PMTS-COUNTY PARTIC**

| CLASS OBJ             | CLASS TITLE             | Current Modified Budget | Increase / (Decrease) Amount | Revised Modified Budget |
|-----------------------|-------------------------|-------------------------|------------------------------|-------------------------|
| 000-404362-16         | Federal Funds           | \$188,802,751           | \$4,004,000                  | \$192,806,751           |
| 005-403011-18         | Private Local Funds     | \$126,849,659           | \$0                          | \$126,849,659           |
|                       | General Funds           | \$52,999,647            | \$4,000,000                  | \$56,999,647            |
| <b>Total Revenue</b>  |                         | <b>\$368,652,057</b>    | <b>\$8,004,000</b>           | <b>\$376,656,057</b>    |
| 041-500801            | Audit Fund Set Aside    | \$209,493               | \$4,000                      | \$213,493               |
| 502-500891            | Payments To Providers   | \$3,011,457             | \$0                          | \$3,011,457             |
| 504-500893            | Nursing Home Payments   | \$255,756,884           | \$8,000,000                  | \$263,756,884           |
| 505-500894            | Mid Level Care Expenses | \$2,178,172             | \$0                          | \$2,178,172             |
| 506-500895            | Elderly Adult Supp Serv | \$106,753,965           | \$0                          | \$106,753,965           |
| 529-500370            | Home Health Services    | \$742,085               | \$0                          | \$742,085               |
| <b>Total Expenses</b> |                         | <b>\$368,652,057</b>    | <b>\$8,004,000</b>           | <b>\$376,656,057</b>    |

**05-95-47-470010-79480000, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS  
 DEPT OF HHS: DIVISION OF MEDICAID SERVICES, OFC OF MEDICAID SERVICES,  
 MEDICAID CARE MANAGEMENT**

| <b>CLASS OBJ</b> | <b>CLASS TITLE</b>                          | <b>Current Modified Budget</b> | <b>Increase / (Decrease) Amount</b> | <b>Revised Modified Budget</b> |
|------------------|---|--------------------------------|-------------------------------------|--------------------------------|
| 000-403978-16    | Medicaid Grants-Federal Funds               | \$459,778,834                  | (\$4,004,000)                       | \$455,774,834                  |
| 005-402201-04    | Agency Income: Medicaid Enhancement - Local | \$154,549,999                  |                                     | \$154,549,999                  |
| 007-407145-44    | Drug Rebates - Regular Care                 | \$25,921,476                   |                                     | \$25,921,476                   |
|                  | General Fund                                | \$291,964,312                  | (\$4,000,000)                       | \$287,964,312                  |
|                  | <b>Total Revenue</b>                        | <b>\$932,214,621</b>           | <b>(\$8,004,000)</b>                | <b>\$924,210,621</b>           |
| 041-500801       | Audit Set Aside                             | \$481,276                      | (\$4,000)                           | \$477,276                      |
| 101-500729       | Medical Payments to Providers               | \$827,472,003                  | (\$8,000,000)                       | \$819,472,003                  |
| 535-500376       | Out of Home Placements                      | \$81,609,908                   |                                     | \$81,609,908                   |
| 563-500915       | Community Based Services                    | \$22,651,434                   |                                     | \$22,651,434                   |
|                  | <b>Total Expense</b>                        | <b>\$932,214,621</b>           | <b>(\$8,004,000)</b>                | <b>\$924,210,621</b>           |

**EXPLANATION**

The Department requests approval of this transfer to ensure funds are available to cover projected Nursing Facility (NF) Medicaid service payments. NFs provide direct services to individuals eligible for Medicaid and who meet the clinical and financial eligibility standards defined in RSA 151-E for nursing facility long-term care. NF residents receive nursing care in a residential setting that promotes rehabilitation and enhanced support in activities of daily living. NF care is the most intensive level of service provided outside of a hospital. Admissions to a NF can be temporary for those who require short-term rehabilitation or a brief recuperative period after an extended hospitalization. The structure and support offered within a NF supports individuals to maximize their level of independence and affords some residents the opportunity to return home. Residents for whom a return to the community is not possible due to the complexity of their care needs receive care to maximize their functional capabilities.

Funds are needed in accounting unit 21520000, Class 504 (Nursing Home Payments) to cover projected NF Medicaid expenses that are higher than the budgeted amount. The Department previously submitted FIS 24-150 to the May 2024 Fiscal Committee agenda to transfer approximately \$6.5M to cover increased NF costs in SFY 24. These increases in costs resulted from prior year back billing (approximately \$15.5 million in SFY24) and data reported to the Department indicated a lower utilization than has been the experienced need. The Department prepared and submitted FIS 24-150 prior to having complete expenses for the month of April 2024 due to the timing of the Fiscal deadline. However, costs in April and May of 2024 averaged \$22.24 million whereas the preceding six months averaged \$20.33 million. Consequently, the Department needs to transfer funds to ensure sufficient funds for NF payments in SFY 2024.

Class 041 (Audit Set Aside) funds are being transferred between accounting units per State requirements.

Funds are available in accounting unit 79480000 Medicaid Care Management, Class 101 (Medical Payments to Providers). Funding in this Accounting Unit represents costs associated with Medicaid Care Management capitation payments and fee-for-service provider payments. Excess funds are available in 79480000 due to several contributing factors that include: (1) Authority provided via Chapter 79, 202, Laws

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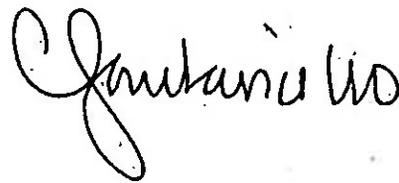
of 2023 to carry forward funds from the prior biennium to address the unknowns associated with the Public Health Emergency enrollment unwind; (2) the unwind process took less time than originally projected with relatively few setbacks, which resulted in less spending than originally projected; and (3) DHHS initiated the unwind one month earlier than originally planned in April 2023 instead of May 2023.

The following is provided in accordance with the Budget Officer's instructional memorandum, dated April 17, 1985, in support of the requested actions:

1. Does the transfer involve continuing programs or one-time projects?  
Transfers are for continuing programs.
2. Is this transfer required to maintain existing program level or will it increase program level?  
Transfers are to maintain existing program levels.
3. Cite any requirements, which make this program necessary.  
RSA 151-E Long Term Care.
4. Identify the source of funds on all account listed on this transfer.  
50.02% Federal Funds, 49.98% General Funds.
5. Will there be an effect on revenue if this transfer is approved or disapproved?  
DHHS draws the revenue based on actual expenditures. The transfer will not have any effect on revenues to be drawn for actual expenditures.
6. Are funds expected to lapse is this transfer is not approved?  
No.
7. Are personnel services involved?  
No, there are no personnel services involved in this transfer.

Area served: Statewide.

Respectfully Submitted,



Lori A. Weaver  
Commissioner

for: