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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF MEDICAID SERVICES

Lori A. Weaver
Commissioner

Henry D. Lipman
Director

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October 22, 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

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Medicaid Services, to budget and expend prior year agency income Medicaid Enhancement Tax revenue in the amount of $31,480,149 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, and pursuant to RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Medicaid Services, to accept and expend matching federal funds in the amount of $31,511,629 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.

05-95-47-470010-7948000, 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 Budget	Federal Funds 403978	Other Funds 402201	Revised Modified Budget
000-403978-16	Medicaid Grants-Federal Funds	$506,556,096	$31,511,629		$538,067,725
001-403187-16	Trans from Other Agy-Refugee Med	$552,233			$552,233
005-402201-04	Agency Income: Medicaid Enhancement - Local	$123,069,851		$31,480,149	$154,550,000
007-407145-44	Drug Rebates - Regular Care	$13,526,585			$13,526,585
009-405615-12	Agency - MCO Liquid Damages	$8,987,674			$8,987,674
	General Fund	$352,695,647			$352,695,647
	Total Revenue	**$1,005,388,086**	**$31,511,629**	**$31,480,149**	**$1,068,379,864**

041-500801	Audit Set Aside	$547,681	$31,480		$579,161
101-500729	Medical Payments to Providers	$904,949,450	$31,480,149	$31,480,149	$967,909,748
535-500376	Out of Home Placements	$73,649,911			$73,649,911
563-500915	Community Based Services	$26,241,044			$26,241,044
	Total Expense	**$1,005,388,086**	**$31,511,629**	**$31,480,149**	**$1,068,379,864**

EXPLANATION

The Department is requesting to: (1) budget and expend additional Medicaid Enhancement Tax (MET) revenue; and (2) accept and expend matching federal funds within Medicaid Care Management.

The MET is paid by certain hospitals at a rate of 5.4 percent on net patient services revenue. The amount of the MET received during State Fiscal Year 2024 was greater than the amount budgeted because the Net Patient Revenue was higher than forecasted during the State Fiscal Year 2024 budget process. RSA 167:64, I(a)(2)(D) specifies that "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." In accordance with State law, the Department is seeking to budget and expend the State Fiscal Year 2024 MET revenues and matching federal funds and apply them to the State Fiscal Year 2025 adjusted authorized budgeted revenue.

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 the MET program.

Respectfully Submitted,

Ann Co. N. Landry *for:*

Lori A. Weaver
Commissioner