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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION 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 Drug Rebate revenue in the amount of $14,473,415, for expenses associated with Medicaid Care Management, 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 (Drug Rebates).

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 $14,487,888, for expenses associated with Medicaid Care Management, 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.

05-95-47-470010-7948, 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 Budget	Federal Fund 403978	Other Fund 407145	Revised Modified Budget
000-403978-16	Medicaid Grants-Federal Funds	$506,556,096	$14,487,888		$521,043,984
001-403187-16	Trans from Other Agy-Refugee Med	$552,233			$552,233
005-402201-04	Agency Income: Medicaid Enhancement - Local	$123,069,851			$123,069,851
007-407145-44	Drug Rebates - Regular Care	$13,526,585		$14,473,415	$28,000,000
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	$14,487,888	$14,473,415	$1,034,349,389
041-500801	Audit Set Aside	$547,681	$14,473		$562,154
101-500729	Medical Payments to Providers	$904,949,450	$14,473,415	$14,473,415	$933,896,280
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	$14,487,888	$14,473,415	$1,034,349,389

EXPLANATION

The Department is requesting to budget and expend additional Drug Rebate revenue and matching federal funds within Medicaid Care Management.

The Department of Health and Human Services (DHHS) requests to accept additional Other funds, Drug Rebates, to Accounting Unit 79480000 for Medicaid Care Management, (MCM) to cover expenses in the Division of Medicaid Services. Funding in Accounting Unit 79480000 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 increase in Other Funds, Drug Rebate revenue received in SFY 2024 was a result of rebates collected for drug claims. These claims were identified by staff after a review of drug claims that were not submitted for rebate. They were identified as being rebate eligible but not captured during the quarterly drug rebating process. The claims identified were a subset of claims that had dates of service related to prior quarters. The issue resulted in a one-time adjustment that will not be a recurring item.

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 be requested to support this program.

Respectfully Submitted,

Ann M. N. Landry *for:*

Lori A. Weaver
Commissioner