



Lori A. Weaver
Interim Commissioner

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Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC STABILITY

FIS 23 10,6

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March 13, 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, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services (DHHS), Division of Economic Stability, to accept and expend federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), in the amount of \$5,505,500 to support call center services for DHHS to strengthen DHHS capacity and mitigate the risk of loss in coverage for those eligible for Medicaid upon the end of the federal Medicaid Continuous Enrollment, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2023, and further authorize the allocation of these funds in the accounts below. This is an allowable use of ARPA SFRF funds under Section 602(c)(1)(A), to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts. 100% Federal Funds.

05-95-94-940010-2465¹ HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUND

¹ All direct program costs will be accounted for using activity 00FRF602PH9505A (existing call center funding) and 00FRF602PH9505B (new call center funding) and all administrative and indirect costs will be accounted for using activity 00FRF602PH9505Z. 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	\$ 5,505,500	\$ 87,705,172
	General Fund	\$ -		\$ -
Total Revenue		\$ 82,199,672	\$ 5,505,500	\$ 87,705,172
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	\$ 5,500	\$ 80,859
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
050-500109	Personal Services Temp	\$ -		\$ -
059-500117	Temp Full Time	\$ 98,133		\$ 98,133
060-500601	Benefits	\$ 119,996		\$ 119,996
072-502683	Grants Federal	\$ 250,000		\$ 250,000
085-588514	Interagency Transfers Out of Federal	\$ 52,750		\$ 52,750
102-500731	Contracts for Program Services	\$ 50,311,610	\$ 5,500,000	\$ 55,811,610
103-502507	Contracts for Operational Services	\$ 24,667,282		\$ 24,667,282
Total Expenses		\$ 82,199,672	\$ 5,505,500	\$ 87,705,172

EXPLANATION

The Department is requesting funding to strengthen DHHS capacity and mitigate the risk of loss in coverage for those eligible for Medicaid, and also to prevent the state from paying for those who are truly no longer eligible, by:

1. Expanding the existing temporary Call Center in DHHS, Division of Economic Stability, Bureau of Family Assistance (BFA); and
2. Supporting procurement of a new, robust BFA Call Center that will also perform administrative services.

In March 2020, the United States Department of Health and Human Services (federal DHHS) activated a federal Public Health Emergency (PHE) as a result of the COVID-19 pandemic. The Families First Coronavirus Response Act (FFCRA) set a condition for states to receive a 6.2% increase in the Federal Medicaid Assistance Percentage (FMAP) funding, they were required to provide continuous coverage to all existing and newly eligible Medicaid beneficiaries since March 18, 2020, regardless of whether they became ineligible (excluding specific circumstances as

prescribed by the Centers for Medicare and Medicaid Services (CMS)). Medicaid enrollment has increased in New Hampshire over 52% since pre-pandemic enrollment (2019), to 273,410 as of March 3, 2023.

The FY2023 Omnibus Consolidated Appropriations Act package, passed in December 2022, ends the Medicaid Continuous Coverage requirement established by the FFCRA. Disenrollment begins April 1, 2023.

Beneficiaries who are *pending ineligible* and others whose redetermination for eligibility² is technically *overdue* are known as the “protected” Medicaid population. If not for the PHE, their Medicaid benefit would have closed. As of February 10, 2023, there were 101,165 Medicaid beneficiaries in this protected population who are at risk of losing coverage when Medicaid Disenrollment begins, including children, seniors, people with disabilities, pregnant women, kinship caregivers, those in a Medicare Savings Plan, and those receiving Long Term Care services.

DHHS is facing an unprecedented volume of demand for services by this exceptional event. By not processing applications and re-determinations in a timely manner, the state is at risk to pay capitation payments and medical expenses for those who are no longer eligible for Medicaid. CMS guidance has increased limitations on the disenrollment process for states, resulting in further financial risk to the state. It is estimated that the financial impact of this risk may be between \$4 and \$6 million in non-federal share monthly and \$25 million a month on average for total funds over the unwind period through December 31, 2023.

Additionally, during the PHE, beneficiaries of the Supplemental Nutrition Assistance Program (SNAP) of the U.S. Department of Agriculture had been receiving the Emergency Allotment (EA) amount. The FFY2023 Omnibus Appropriations package also contains a provision that terminated this benefit in February 2023. As of January 30, 2023, there were 72,602 individuals (38,628 households) receiving SNAP with the Emergency Allotment. This coupled with the Medicaid Disenrollment will increase the volume of calls and processing work to DHHS.

Planned Solutions

The current DHHS contract for the temporary call center, funded with ARPA Fiscal Recovery funds, expires June 30, 2023.³ The call volume in disenrollment will likely be moving towards a peak when the current contract ends. Adding additional customer service representatives to this Call Center through the remaining life of this contract will help increase capacity to meet the demand.

Parallel to this temporary call center service, DHHS is pursuing a new procurement for a robust Tier One Resolution Call Center that will also provide administrative services including outreach to Medicaid beneficiaries to review their status, seek required verification documentation, and assist navigating the customer self-service web-portal known as NH Easy.

² Prior to the PHE, Medicaid beneficiaries were required to reapply every 12 months for a redetermination of their eligibility. During the PHE, renewing eligibility has not been required.

³ The BFA Call Center inbound calls average 50,000 per month, and wait times average 20.5 minutes.

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Page 4 of 4

Without these solutions, the operational and financial risk outcomes include unnecessary closure of or delays in processing Medicaid applications, which may generate potential harm to individuals and families, costs to the state, as well as additional volume of work, complaints, and unnecessary administrative appeals.

Funds are budgeted as follows:

Class 041 – RSA 124:16 requires .1% to be budgeted to pay for financial and compliance audits.

Class 102 – The funds will be used to pay for call center contracts services.

Source of Funds: These funds are 100% Federal Funds.

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

Respectfully Submitted,

 For:

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Interim Commissioner