



Lori A. Shibinette  
Commissioner

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Director

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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
*DIVISION OF PUBLIC HEALTH SERVICES*

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August 30, 2022

The Honorable Karen Umberger, 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, Office of the Commissioner, to accept and expend federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in the amount of \$252,500 that will be used to provide grants to support New Hampshire's Birthing Centers, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2023, and further authorize the allocation of these funds in the accounts below. This is an allowable use of ARP FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts.<sup>1</sup> 100% Federal Funds.

**05-095-094-940010-24650000<sup>2</sup> HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUNDS**

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<sup>1</sup> All direct program costs will be accounted for using activity 00FRF602PH9531A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9531Z. 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	\$ 57,774,070	\$ 252,500	\$ 58,026,570
	General Fund	\$ -	\$ -	\$ -
	<b>Total Revenue</b>	<b>\$ 57,774,070</b>	<b>\$ 252,500</b>	<b>\$ 58,026,570</b>
010-500100	Personal Services Perm Class	\$ 122,104		\$ 122,104
020-500200	Current Expenses	\$ 250,001		\$ 250,001
022-500255	Rents-Leases other than State	\$ 3,891,727		\$ 3,891,727
030-500301	Equipment New/Replacement	\$ 1		\$ 1
040-500800	Indirect Costs	\$ 2,123,973		\$ 2,123,973
041-500801	Audit Fund Set Aside	\$ 48,707	\$ 2,500	\$ 51,207
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
059-500117	Temp Full Time	\$ 98,133		\$ 98,133
060-500601	Benefits	\$ 119,996		\$ 119,996
072-502676	Grants Federal	\$ -	\$ 250,000	\$ 250,000
102-500731	Contracts for Program Services	\$ 39,364,360		\$ 39,364,360
103-502507	Contracts for Operational Services	\$ 11,746,332		\$ 11,746,332
	<b>Total Expenses</b>	<b>\$ 57,774,070</b>	<b>\$ 252,500</b>	<b>\$ 58,026,570</b>

### EXPLANATION

The Department is requesting funds to facilitate a program to assist New Hampshire's Birthing Centers and home birth midwives experiencing increases in malpractice premiums primarily as a result of the COVID-19 pandemic. These increases are putting the continued operation of the centers at risk because the facilities are required to have malpractice insurance in order to receive Medicaid reimbursement or enter into commercial provider contracts.

Absorbing a new major malpractice insurance cost presents significant hardship to the centers and to at-home midwives, and current Medicaid reimbursement rates are significantly lower than actual facility costs. As an example, one center reported an increased overall cost of more than \$40,000, which is a more than 250% increase over the previous premium cost.

New Hampshire Birthing Centers and midwives help fill a unique gap and model of care in the State, and the significant malpractice insurance premium increases they are facing are substantially related to increased utilization throughout the COVID-19 health crisis, as more families are choosing not to have births in a hospital setting.

A stabilization fund of \$250,000 will be established whereby Birthing Centers and/or eligible home birth midwives will be able to request financial support to offset costs associated with malpractice insurance rate increases resulting from COVID-19 (up to 60% of the cost of the increase based on industry data).

Area served: Statewide

Source of Funds: These funds are 100% Federal.

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

Respectfully submitted,



Lori A. Shibinette  
Commissioner