



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

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October 15, 2021

The Honorable Erin Hennessey, Chair
Commission on Demographic Trends
Legislative Office Building
33 North State Street
Concord, NH 03301

Dear Chairperson Hennessey:

In accordance with RSA 9:9-e, the Department of Health and Human Services has prepared this response regarding the requirement of ten-year cost projections for the following items:

- (a) Uncompensated care
- (b) Medicaid care management
- (c) Medicaid-funded home and community based waiver services; Choices for Independence, Developmental Services, Acquired Brain Disorder, and Children's In Home Services
- (d) Nursing home services

HB 1817, Laws of 2018, directed the Department to work with the Director of the Office of Strategic Initiatives (OSI), which included the creation of a State Demographer position in the development of these ten-year cost projections. Although this position was not funded in the recent budget, the Office of Planning and Development (formerly OSI) is working on securing the resources to provide new detailed population projections currently expected to be released next year.

The Department cannot develop sound ten year projections until the completion of 1) new population projections 2) the end of the Public Health Emergency (PHE) period is determined and 3) any updated forecasts of the post-pandemic employment. Given the uncertainty of the course of the pandemic over at least the next six months, we are updating three different outcome scenarios in order to develop and monitor a fiscal impact range for SFY 2022 cost projections on a monthly basis. Medicaid caseloads have been directly impacted as a result of the COVID-19 pandemic and the continuous coverage requirement of the Families First Coronavirus Response Act, which prohibits state Medicaid agencies from disenrolling beneficiaries during the Public Health Emergency period. While the PHE currently expires October 20, 2021, we anticipate it will be renewed at least once (and likely more than once) since we have not yet received the sixty day advance notice as promised to Governor's by the Federal government. The increased costs have been funded by the increased 6.2% federal match which continues until the end of the quarter in which the PHE expires.

The Standard Medicaid caseload has increased by 16.9% from the period pre-COVID March 19, 2020 through October 4, 2021 and the Granite Advantage caseload has increased by 57.8%. This is a combined increase of 51,024 members or 28.8% in enrollment. The most recent guidance from the Centers for Medicare & Medicaid Services (CMS) gives states up to 12 months to complete income eligibility

redeterminations for its Medicaid members. The Department is diligently developing an unwind plan with the goal of ensuring that there are no gaps in medical coverage, whether that coverage is continued Medicaid or other sources of private or Marketplace coverage, and which is consistent with the budget in managing coverage transfer or disenrollment within a three to four month timeframe.

Additionally, Section 9817 of the American Rescue Plan creates an opportunity for States to draw an additional 10% match on home and community-based service expenditures, which may be reinvested in waiver services and possibly managed care expenditures. New Hampshire's spending plan projects reinvestment in the range of \$44 to \$50 million and has received partial approval from CMS. However, the Department cannot develop final spending projections until completing technical assistance with CMS and full approval has been granted.

The Department will gladly provide updated projections to the Committee if called upon to do so as additional information becomes available.

Sincerely, ..



Lori A. Shibinette
Commissioner

Attachments:

Table 1: Comparison of SFYs 2020 and 2021 As Reported in October 2019 10-year letter to Actual Expenditures

Table 2: Comparison of SFYs 2022 and 2023 October 2019 10-year letter to Budget to Current Projection

Table 3: SFYs 2024 through 2029 As Reported in October 2019 10-year Letter

Table 1: Comparison of SFYs 2020 and 2021 As Reported in October 2019 10-year letter to Actual Expenditures

	SFY 2020 From October 2019 letter	SFY 2020 Actual	SFY 2021 From October 2019 letter	SFY 2021 Actual
Uncompensated Care ¹	\$224,360,000	\$228,149,996	\$232,420,000	\$229,090,365
Managed Care ²	\$1,120,120,596	\$956,884,067	\$1,195,851,780	\$1,129,118,147
Waiver Services	\$414,938,298	\$377,887,811	\$415,658,838	\$405,050,177
Nursing Facility	\$204,197,921	\$201,830,825	\$204,197,921	\$219,087,071

1. Uncompensated Care (UCC) Notes:

- UCC amount includes all payments to Hospitals made in accordance with RSA 167:64, such as Disproportionate Share Hospital payments, directed payments, and supplemental payments.
- SFY 2021 UCC was lower than budgeted due to depressed Medicaid Enhancement Tax revenue due to reduced Net Patient Service Revenue as a result of reduced service utilization from Covid-19.

2. Managed Care Notes:

- SFY 2020 managed care spend was lower than budget because the PHE created authority for the Department to renegotiate rates retroactive to September 2019 and utilize a risk corridor based on depressed service utilization due to Covid-19.
- SFY 2021 actual spend grew over SFY 2020 due to the continuous coverage requirement of the Families First Coronavirus Response Act.

Table 2: Comparison of SFYs 2022 and 2023 October 2019 10-year letter to Budget to Current Projection

	SFY 2022 From October 2019 letter	SFY 2022 Budget	SFY 2022 Projection	SFY 2023 From October 2019 letter	SFY 2023 Budget	SFY 2023 Projection
Uncompensated Care	\$240,800,000	\$237,666,290	\$237,666,290	\$249,460,000	\$237,666,290	\$237,666,290
Managed Care ¹	\$1,205,006,321	\$1,266,910,222	\$1,396,856,091	\$1,201,210,757	\$1,067,894,335	\$1,061,549,375
Waiver Services	\$416,379,377	\$422,388,812	\$422,388,812	\$417,099,921	\$459,036,908	\$459,036,908
Nursing Facility	\$204,197,921	\$222,124,804	\$222,124,804	\$204,197,921	\$227,374,804	\$227,374,804

1. Managed Care Notes:

- SFY22/23 Budget assumed flat caseload July 2021 - September 2021; PHE end September 2021 and pre-covid enrollment as of January 2022.
- SFY22/23 Projections assume continued caseload growth through Mar 22; Flat thru June 22 and Pre-covid levels Nov 2022 and continued depressed utilization over SFY 2022.
- SFY22 Projection includes two-month MCO claim lag payment, which reduces the State’s liability as reported on ACFR for SFY 2022 and in future years. In paying now, DHHS receives an additional 6.2% FMAP.

Table 3: SFYs 2024 through 2029 As Reported in October 2019 10-year Letter

	SFY 2024	SFY 2025	SFY 2026	SFY 2027	SFY 2028	SFY 2029
Uncompensated Care	\$258,440,000					
Managed Care	\$1,197,435,193	\$1,178,119,628	\$1,175,776,979	\$1,173,434,330	\$1,171,091,680	\$1,168,749,031
Waiver Services	\$417,820,456	\$418,540,995	\$419,273,523	\$420,006,050	\$420,738,577	\$421,471,104
Nursing Facility	\$204,798,072	\$211,311,804	\$220,747,560	\$230,183,317	\$239,619,074	\$249,054,831