



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
*DIVISION OF FINANCE AND PROCUREMENT*

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July 20, 2023

Dear Developmental Services Providers:

The Department has received questions and requests for clarification on recent communications from DHHS staff regarding the Medicaid Rate Increases included in budget for the biennium ending June 30, 2025. We want to provide additional clarification in response to those questions concerning the intent and scope of the 3% rate increase.

- As noted, the \$24 million of general funds included in House Bill 2 (Chapter 79:238, Laws of 2023) for the 3% across-the-board rate increase did not include developmental services provider rates. Rather, the Designated Area Agency Delivery System (DAADS) rate was fully funded at \$31 million for the biennium to cover the administrative costs of the Area Agencies, enabling direct service providers to claim the full rate of services, which equates to 3% or more.
- House Bill 2 (Chapter 79:239, XII, Laws of 2023) appropriates \$24.6 million of General Funds, which when matched with federal funds, equates to \$49.2 million total funds for targeted Medicaid rate increases for Developmental Services. We will use the majority of this allocation for the Myers and Stauffer rate work to inform the targeted Medicaid rate increases that will take effect by January 1, 2024. This appropriation also includes funding for Early Supports and Services.

As outlined above, there is up to \$80 million of total additional funding between House Bill 1 and House Bill 2 for Medicaid rates for service providers in the developmental services delivery system. We are pleased that the Legislature continued to fully fund current and projected service needs as the biennial operating budget includes an additional \$122 million for the developmental services system over the prior biennium. DHHS also received authority to request additional General Funds, with Fiscal Committee approval, in the event service needs exceed budgeted amounts.

We look forward to continuing to work with you as we move this work forward. Thank you.

Sincerely,

Nathan White  
Chief Financial Officer

cc: Lori Weaver, Commissioner  
Chris Santaniello, Associate Commissioner  
Melissa Hardy, Director, Division of Long Term Supports and Services  
Jake Leon, Director, Bureau of Communications and Public Information