

Department of Health and Human Services

FINAL Impact Statements: House Finance Reductions

Prepared for Senate Finance on 4/20/15

While the Department has the obligation to work with the Legislature in crafting the budget, the Department neither recommends nor approves of making any of these adjustments. The impacts of the options have profound impacts on the people and the families we serve, the communities in which they reside, the provider communities who deliver the services as well as the shifting of costs to other domains including local and County government. Many of these options, if enacted, will impact the Department's ability to achieve existing program requirements as established by the legislature.

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DRUG AND ALCOHOL**Title of Reduction: Governor's Commission New Funding Reduction**

Description of Initiative: Additional funding noted in the Governor's budget of \$6 million over the biennium was eliminated.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

There are more than 100,000 people in New Hampshire that meet the criteria for substance abuse and dependence. New Hampshire, like most other state's throughout the country, is experiencing an opioid (including heroin and prescription opioids) epidemic. Treatment admissions for opioids have risen from 17% in 2003 to 48% in 2014. Drug overdose deaths have risen from 40 in 2000, to 190 in 2013; with more than 300 overdose deaths projected for 2014 (some autopsy outcomes still pending).

The following information provides an overview on the impact of reductions of \$2,000,000 in SFY-16 and \$4,000,000 in SFY-17 funding included in the Governor's budget and is relative to how the Governor's Commission would allocate this funding over the biennium. The impact of eliminating this funding would include approximately 10,000 fewer youth receiving target prevention services, in state fiscal years 2016/2017, approximately 150 individuals not receiving medication assisted treatment for opioid use disorders (heroin, prescription opioids) and approximately 450 people not receiving recovery support relapse prevention services during this period. In addition, this reduction would eliminate over \$1 million for criminal justice initiatives to address substance use disorders and would also result in a reduction of resources for provider training and technical assistance to meet the Department of Health and Human Services requirements for these services.

It should be noted eliminating the \$6 M over the biennium will have a very significant impact on our state's ability to meet the objectives outlined in the Governor's Commission's "Collective Action / Collective Impact; New Hampshire Strategy for Reducing the Misuse of Alcohol and Drugs" and the Departments "Comprehensive Approach to addressing the misuse of alcohol and drugs" that aligns with the Commission's plan and that incorporates the Department's "fiscal strategy".

The following are key elements of a comprehensive approach to addressing the misuse of alcohol and drugs that incorporates the Department's fiscal strategy:

- The Department's comprehensive approach includes Population level prevention strategies that target the entire population or large segments of the population. Population level strategies are the least expensive and reach the greatest number of people.

- Targeted prevention services are directed at individuals that are at risk for misusing alcohol and drugs. These services are more expensive per capita than population level strategies but reach more people and are less expensive than early intervention or treatment services.
- Early Intervention services that are directed at individuals misusing but not yet addicted to alcohol and or drugs. These services are more expensive on a per capita basis than prevention strategies and services but reach more people and are less expensive than treatment services.
- Treatment services target individuals addicted to alcohol and or drugs and are the most expensive service type. It should be noted that individuals addicted to alcohol and or drugs are the primary cross systems cost drivers (healthcare, criminal justice, child-welfare, business, etc.).
- Recovery support services are a low cost effective approach to relapse prevention and for sustaining recovery.
- All elements of a comprehensive approach collectively are a small fraction of the cross systems costs to the State of New Hampshire associated with the misuse of alcohol and drugs, estimated to be \$1.8 billion annually
- The better the outcome in each of the earlier (less expensive) elements of the comprehensive approach the fewer people progressing to misuse and addiction that require more costly services and that perpetuate most of the cross systems costs. Preventing this progression is the basis of the Department’s fiscal strategy (“an ounce of prevention is worth a pound of cure”).

Assumptions As To Impacts

Additional funds were added to the Governor’s Commission to support and expand treatment and prevention services.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU <u>2989</u>	SFY 16	SFY 17	Total
General Funds	(\$2,000)	(\$4,000)	(\$6,000)
Federal Funds	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0
Total	(\$2,000)	(\$4,000)	(\$6,000)

BEHAVIORAL HEALTH**Title of Reduction: Community Mental Health Non-Medicaid Services**Description of Initiative:

- Elimination of General/Federal Funds for one (1) BBH Position (Children's Director) \$(94,959) Sal/Ben in 2016, \$(98,041) Sal/Ben in 2017
- Reduction of General Funds for Community Mental Health infrastructure
 - Cypress Center, \$(338,000) each year
 - Adult ACT Teams, \$(308,000) each year
 - Children's ACT Teams, \$(780,000) each year
 - Crisis Apts. In North Country, \$(11,000) each yr.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impacts:Children's Director:

This position is responsible for overseeing children's Behavioral Health services, including, implementation of children's ACT Teams, training for children's mental health clinicians based on the recent release of the children's mental health core competencies plan, and represents the Bureau at the Children's Collaborative, the children's mental health system of care grant, and the Federal Block Grant Advisory Committee.

Crisis Apartments:

Reduction of support for the only crisis apartments in the North Country will eliminate or substantially reduce non-hospital based crisis care for adults with serious mental illness. A four unit apartment building in Berlin provides crisis care for eight (8) individual as a safe alternative to more expensive care at the New Hampshire Hospital. These beds were created to reduce the burden on local emergency rooms after the Designated Receiving Facility at Androscoggin Valley Hospital closed.

Reductions to Assertive Community Treatment Teams (ACT):

Children's ACT Teams would have the capacity to serve 700 children with Severe Emotional Disorders; the two operational teams currently serve approx. 150 children. Children's ACT teams are intended to serve the most vulnerable and high risk children who would benefit from intensive 24/7 services and supports intended to keep them in school, out of emergency rooms, New Hampshire Hospital, or other expensive out of home placement. Elimination of funding of five (5) Children's Assertive Community Treatment Teams (ACT) currently in procurement will result in the loss of future capacity to serve 500 children with severe mental disabilities and will

result in more hospitalizations and out of home placements. Reduction to funding to the two existing teams will reduce capacity to serve vulnerable children with the services and supports described above.

Adult ACT Teams are a foundation of the Community Mental Health Agreement. These teams are designed to provide intensive, specialized, 24/7 services and supports for Adults with Severe Mental Illness who are at the very highest risk to themselves or others due to the symptoms of their mental illness. Each ACT Teams is designed to serve 100 individuals with the state needing to provide the capacity for 1,500 by 6/30/2016. As of the end of June, 2015, the current eleven adult ACT Teams reported a total caseload of 902. Reductions to Adult ACT Teams will result increases in hospitalizations, homelessness, and incarcerations of people with severe mental illnesses. Additionally, with reduced funding for adult ACT Teams, the state will not meet the requirements for capacity and staff composition required by the Federal Court Order in *Amanda D. v. Hassan*.

Reduction of Funding for Cypress Center:

Reduction of General Fund support for the Cypress Center will likely result in the closure of the state's only Acute Psychiatric Residential Treatment Program (APRTP). The 900 adults with severe mental illness served annually by the program would be referred to emergency rooms to await beds at New Hampshire Hospital.

Providers:

The NH Mental Health System is made up of 10 regional community mental health centers. These agencies are private nonprofit entities which are important resources for the community by providing a range of behavioral health supports and service and are large employers of a highly skilled workforce. These centers provide the essential infrastructure from which children and adults with severe emotional disabilities receive services to support independent living. They are required to provide services for those who meet eligibility regardless of someone's ability to pay.

Any reduction in funding has significant impact on the centers' ability to operate. Three of the centers' financial instability led the Department to step in to provide technical assistance in the last year. It is important that the State ensures continuity of care for children and adults with severe emotional disabilities so any changes to the make-up of the system needs to be done in a deliberate manner.

Community:

The erosion the NH mental health system over the last decade resulted in the *Amanda D.* lawsuit, which alleged that individuals were being unnecessarily institutionalized due to the lack of community supports. This erosion created a ripple effect for local and state law enforcement, the courts, county jails and the state prison all faced with increasingly complex populations due to the inability of the community mental health system to intervene and treat individuals as symptoms develop rather than when they become acute. Perhaps the most visible and unacceptable result of the erosion of community capacity is the emergency room boarding of dozens of adults and children waiting for a bed at the New Hampshire Hospital. The proposed reductions will only add to the burden on individual citizens needing mental health services, their families, and the community services as noted above.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU 092-5945	SFY16	SFY17
General Funds	\$(1,500)	\$(1,500)
Federal Funds	\$(32)	\$(33)
Other Funds	\$0	\$0
Total	\$(1,532)	\$(1,533)

DEVELOPMENTAL SERVICES

Title of Reduction: Reduction of \$26 million general funds in BDS over the biennium

Description of Initiative: HB1 reduction and HB2 amendment section 366 requires DHHS to combine waiver and non-waiver services into one account within BDS and to reduce, among all services, \$26 million per biennium. (During the House phase the LBA only combined the waiver services into one account. This will need to be addressed in the Senate phase.)

There are 3 Medicaid waiver programs; Developmental Disabilities (DD), Acquired Brain Disorders (ABD) and In Home Supports (IHS). In addition BDS provides services for Family Support, Special Medical Services and Early Intervention.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization
- Rules (identify)
- Legislation:

May need CMS approval and rule changes in order to combine waivers and to develop prioritization of services. RSA 151-A needs suspension of WL.

Estimated Impact to clients, providers, communities: The Bureau is unable to determine the impact to clients by waiver at this time. We do know a \$26 million reduction is a 9% reduction in the BDS Governor’s recommended service budget. The Bureau will need to develop a prioritization method to allocate funding across all service needs.

The following pages contain impact statements relative to the specific waivers and other services.

There are 3 Reallocation/Priority Considerations:

1. No Waitlist services provided:

Waiver	# of Clients
DD Waiver	688
ABD Waiver	18
IHS Waiver	75

2. Reduce Services for existing clients:

Waiver/Service	# of Clients
DD Waiver	4,494
ABD Waiver	243
IHS Waiver	323
Family Support	11,742
Early Intervention	3,673

3. Combination of elimination and/or reduction in existing services and/or waitlist.

Estimated Increase (Reduction)

	FY15 Adj Auth Services Only	FY 16 Gov Budget Services Only	House Reductions	FY16 House Budget
DD Waiver	\$232,587,182	\$224,389,716		
ABD Waiver	\$25,054,634	\$23,750,684		
IHS Waiver	\$6,583,268	\$6,615,560		
Total Waivers	\$264,225,084	\$254,755,960	(\$15,302,676)	\$239,453,284
Family Support	\$5,212,356	\$4,700,000	(\$2,349,999)	\$2,350,001
Early Intervention	\$10,230,182	\$8,220,219	(\$687,008)	\$7,533,211
Special Medical Services	\$2,635,909	\$2,635,909	(\$527,182)	\$2,108,727
Totals	\$282,303,531	\$270,312,088	(\$18,866,865)	\$251,445,223

	FY15 Adj Auth	FY 17 Gov Budget Services Only	House Reductions	FY17 House Budget
DD Waiver	\$232,587,182	\$234,254,004		
ABD Waiver	\$25,054,634	\$24,515,164		
IHS Waiver	\$6,583,268	\$6,615,560		
Total Waivers	\$264,225,084	\$265,384,728	(\$22,869,476)	\$242,515,252
Family Support	\$5,212,356	\$5,200,000	(\$2,599,999)	\$2,600,001
Early Intervention	\$10,230,182	\$8,220,219	(\$620,208)	\$7,600,011
Special Medical Services	\$2,635,909	\$2,635,909	(\$527,182)	\$2,108,727
Totals	\$282,303,531	\$281,440,856	(\$26,616,865)	\$254,823,991

DEVELOPMENTAL SERVICES**Division & Bureau:** Bureau of Developmental Services (093)**Title of Reduction:** Developmental Disabilities Waiver**Description of Initiative:** Reduction of funding for the Developmental Disabilities Waiver

NH's Developmental Services' Home and Community Based Services Waiver (HCBS) provides Long Term Care direct supports and services for approximately 4,615 individuals statewide who have a developmental disability and qualify for the developmental services system as outlined in RSA 171:A:2: *Services for the Developmentally Disabled*, and He-M 503: *Eligibility and the Process of Providing Services*.

Authorization(s) Needed*Detail statutory changes that would be required to implement the reductions proposed*

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: suspend requirement in RSA 171-A:1-a Full Funding of Services Budget; Limits of Waiting Lists.

Estimated Impact to clients, providers, communities: More than 80% of individuals served through the developmental services system statewide live with their families. Reductions in funding for the Developmental Disabilities /Waiver will significantly impact individuals, families, employers and other state programs in the following ways:

- Loss of school supports for individuals leaving the education system at age 21 without waiting list funding in place will result in:
 - Significant risk of medical, functional and behavioral regression as well as significant risk for personal harm for individuals who are without essential support services;
 - Parents of adult children with intellectual/developmental disabilities are at significant risk for job loss and attendant loss of essential income. Parents who must leave employment in order to care for their adult sons/daughters will need to access other state benefits such as cash assistance and food stamps. This is particularly significant for single parent families.
 - Many parents provide private, employer sponsored health insurance as the primary insurance for their adult, Medicaid eligible children. This benefits the State through reduced Medicaid costs and this benefit will be lost with loss of employment.
 - Families who are without essential home and community based care services may need to access nursing facility admission for their adult child at higher Medicaid average cost per person.
 - Families who are inadequately supported at the time their adult children leave the school system are more likely to require more costly residential 24/7 supports earlier than those who are provided with adequate day habilitation services.
- Loss of waiting list funds for individuals who are in need of additional supports will impact individuals and families in the following ways:
 - Additional stressors on aging parent caregivers as well as increased stressors for caregivers whose own health is declining.
 - Inability to address modest increase in services related to aging or functional decline of the individual will result in a shift from home and community based care to more costly nursing facility care.

Division & Bureau: Bureau of Developmental Services (093)

Title of Reduction: Acquired Brain Disorders Waiver

Description of Initiative: A reduction in funding for the Acquired Brain Disorders Waiver NH's Acquired Brain Disorders Waiver provides Home and Community Based Services (HCBS) waiver services for approximately 342 adults statewide who have an acquired brain disorder pursuant to RSA 137-K:3, Services for Individuals with Acquired Brain Disorders and He-M 522: Services for Individuals with Acquired Brain Disorders.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed: Not applicable

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation

Estimated Impact to clients, providers, communities: Adults [age 21-60+] who are served on the Acquired Brain Disorders Waiver include those who have a traumatic brain injury as well as those who have an acquired brain disorder such as stroke. The Acquired Brain Disorders Waiver provides an extremely valuable home and community based alternative to nursing facility care. Failure to fully fund the Acquired Brain Disorders Waiver will significantly impact individuals, families, employers and other state funded programs in the following ways:

- Individuals with acquired or traumatic brain injury who cannot access home and community based care are at high risk for more costly institutional care such as nursing home care.
- Spouses and other caregivers of individuals with acquired brain disorders are at significant risk for job loss and attendant loss of essential income as a result of caregiving responsibilities.
- Individuals who have acquired brain disorders and are unable to access supportive services are at higher risk for psychiatric crisis and resultant Emergency Room and Psychiatric in-patient care, both of which are more costly than home and community based care services.
- Families who are without essential home and community based care services may access nursing facility admission for their family member with an acquired brain disorder at higher Medicaid average cost per person.

Division & Bureau: Bureau of Developmental Services (093)

Title of Reduction: In Home Supports Waiver

Description of Initiative: Reduction in funding for the In Home Supports Waiver

NH's In Home Supports Waiver provides Home and Community Based Services (HCBS) waiver services for approximately 342 children and young adults [up to the age of 21] statewide who have a developmental disability and qualify for the developmental services system as outlined in RSA 171:A:2: *Services for the Developmentally Disabled*, and He-M 524: In Home Supports. Children who qualify for In Home Supports have medical or behavioral management needs that exceed those of their peers with intellectual/developmental disabilities. There are currently 150 children who are not able to access this service because of the need for waiting list funds.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed: Not applicable

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation

Estimated Impact to clients, providers, communities: Children who are served on the In Home Supports Waiver include those with a diagnosis of autism as well as those who have other developmental conditions that significantly impact their medical and/or behavioral support needs. Failure to fully fund the In Home Supports Waiver Waiting will significantly impact individuals, families, employers and other state programs in the following ways:

- Parents of children with intellectual/developmental disabilities are at significant risk for lost days at work and job loss and attendant loss of essential income. Parents who must leave employment in order to care for their children will need to access other state benefits such as cash assistance and food stamps.
- Many parents provide private, employer sponsored health insurance as the primary insurance for their Medicaid eligible children. This benefits the State through reduced Medicaid costs and this benefit will be lost with loss of employment.
- Families who are without essential home and community based care services may need to access nursing facility admission for their child at higher Medicaid average cost per person.
- Families who are inadequately supported prior to when their children turn 21 are more likely to require more costly residential 24/7 supports earlier than those who are provided with in home supports.

Division & Bureau: Bureau of Developmental Services (093)

Title of Reduction: Family Supports (Respite) Non Medicaid clients

Description of Initiative: Reduction in funding for non-Medicaid Family Supports

New Hampshire's Developmental Services System provides Family Support, including respite care, case management, connections to generic community support services, funding for vehicle and environmental modifications such as wheelchair van adaptations, ramps and lifts to assist families whose child or adult son/daughter have a developmental disability and live at home with their family. More than 11,000 families benefit from this service statewide and more than 80% of individuals served through the developmental services system live with their families. The care provided by families is critical to reducing the need for more costly day habilitation and residential services.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed: Not applicable

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation

Estimated Impact to clients, providers, communities: Children and adults of all ages with Developmental Disabilities and who live at home with their families benefit from Family Support Services.

Failure to fully fund Family Support activities will significantly impact individuals, families, and other state and social service programs in the following ways:

- Increased caregiver stress, including physical and emotional strain for families who are unable to access respite care or environmental modification services.
- Families whose respite care needs are met are more likely to continue their caregiving roles beyond age 21, resulting in significant cost savings for the State of New Hampshire.
- Families whose support needs are not met may seek more costly nursing facility services.

Division & Bureau: Bureau of Developmental Services**Title of Reduction: Step 2 Medicaid Care Management Program Savings Long-Term Supports and Services**

Description of Initiative: MCO's to set competitive rates for Step 2 Long-term-care services in order to achieve MCM savings target in year 1.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

The 1915c Waivers that govern Home and Community Based Services on the Developmental Disabilities, Acquired Brain Disorders and In Home Supports Waiver programs will need to be amended. The amendments must be approved by the Centers for Medicare and Medicaid Services [CMS] in order to bring these services into the Medicaid Care Management program. In order to obtain this approval, the rates paid under the program must be actuarially sound. Because NH already has cost effective Waiver services as evidenced by low average costs per person, compared to other New England states as well as on a national basis, it is highly unlikely that the reductions required by the proposed budget cuts will produce rates that are satisfactory to CMS without at least one year of history/data regarding adequacy of the rates and services.

In addition, although design concepts have not yet been finalized for these Waiver services [DHHS is still collecting stakeholder input], a key strategy for maintaining stability of providers and maintaining continuity of care for individuals and families is the ability to maintain rates [and current providers] in year one of the program.

Failure to assure a safe and effective transition is in contrast to CMS expectations, national best practices for implementing a managed long term services and supports system and is not consistent with the principles adopted by the Governor's Commission on Medicaid Care Management.

This action will likely result in a delay in implementation of the Medicaid Care Management program and eliminate any potential savings in this biennium.

Estimated Impact to clients, providers, communities:

Even if the rates and the plan for transition under these circumstances are approved by CMS [which is unlikely] there is risk that longstanding Home and Community Based Services providers will not be able to maintain their infrastructure to continue to provide services with reduced reimbursement rates in year 1, an intense period of transition from fee-for-service to managed care. This will result in an unstable and unsafe transition, risk of harm to individuals who receive Waiver services and a loss of access to home and community-based services with the attendant risk of increased more costly and less desirable nursing facility utilization.

Assumptions As To Impacts

Year 1 reimbursement rates needed to achieve savings will meet the actuarial certification test and be approved by CMS

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU_048-4818-59420000_	SFY16		SFY17
General Funds	\$0	General Funds	(\$4,365)
Federal Funds	\$0	Federal Funds	(\$4,365)
Other Funds	<u>\$0</u>	Other Funds	<u>\$0</u>
Total	\$0	Total	(\$8,730)

ELDERLY AND ADULT SERVICES**Division & Bureau: Elderly & Adult Services (048)****Title of Reduction: Non-Medicaid Social Services Reduction**

Description of Initiative: 50% reduction in non-Medicaid Social Services such as meals (home delivered and congregate), transportation and in-home care.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- X State Plan Amendment: The NH State Plan on Aging specifies services to be provided, numbers of individuals to be served, and funding allocations for each service. The US Administration for Community Living (ACL) would require BEAS to submit a proposed amendment for approval prior to implementing reductions.
- Other Federal Authorization (describe)
- X Rules (identify): He-E 501 (Title XX Program Rule) and He-E 502 (Title III Program Rule) would require modification in advance of budget reductions. The rules currently require that services be provided to all eligible individuals and have explicit parameters regarding the circumstances in which waitlists may be developed.
- Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

Social Services funded through BEAS provide critical, mainly non-medical support to older and disabled individuals living at home. Services are targeted toward low-income individuals who meet eligibility requirements for a specific service, and are not financially or clinically eligible for Medicaid services. As individuals age, the need for help to sustain independent living may increase and most often the support needed is not of a medical nature.

Currently, NH is ranked as the third highest state with the fastest growing older population. It is widely recognized that NH's older citizens, after a life of productivity and independent community living, are very reluctant to ask for services and usually do not ask for help until they are in desperate need. Each day, thousands of individuals receive home-delivered or community meals, transportation services, , personal care or homemaking services. These services provide a minimum level of support needed to help individuals to continue living independently. Many individuals receiving services do not have family members nearby who can help them. Services are provided through a network of aging services provider agencies statewide.

If services are reduced by 50%, BEAS would not meet its federal funding match requirements, known as "Maintenance of Effort", which is comprised of state general funds. When reducing the programs by 50%, BEAS would still be required to meet the same MOE match funding amount, as this amount is based on the average of the prior three year amounts of federal funding the state received. Further, by 9/30/15, BEAS would be required to specify the federal funds it would not be using and these funds would subsequently be distributed to other states. It is highly unlikely that BEAS would ever be able to reclaim relinquished federal funds in future years.

Assumptions As To Impacts

It is assumed that one-half of clients currently being served could continue to be served, leaving thousands of eligible individuals unable to receive a service intended to support basic human

needs and the simple maintenance of independent living (see chart below). BEAS would be required to submit requested amendments to ACL to receive approval to modify the NH State Plan on Aging. BEAS would be required to propose administrative rule changes to He-E 501 and He-E 502 to implement extremely narrow eligibility requirements and to provide further direction in prioritizing clients to receive services.

In addition to the reduction in BEAS’ federal funding, provider agencies would experience additional losses of financial and community support because they utilize multiple sources of funding, in conjunction with BEAS’ funding, to support these services. If the federal funding is reduced, fewer individuals would be served, and the funding that agencies secure from towns, cities, counties, private donors and foundations would most likely diminish in a corresponding manner. Provider agencies would likely need to reduce their numbers of employees. Towns, cities and counties would see an increase in the numbers of people seeking help; however, clients who already receive a cash assistance benefit would not receive additional help from town, cities or counties.

The reduction of these services, which support the basic, simple human needs of citizens who have led productive and self-sustaining lives, would result in a very painful legacy for the State.

In addition to the rule changes required, BEAS would lose funding for approximately 3 full time positions.

Client Data from 2014:

Non-Medicaid Social Services	FFY14 Total Clients Served
Personal Care/Home Health Aide (HHA)	531
Homemaker	4,870
Home Delivered Meals	25,285
Adult Day Care/Health	891
Congregate Meals	56,973
Transportation	81,376
Legal Assistance	532
Adult In Home Care	3,579
Other Services (nursing, support svcs, screening)	22,573
Totals	196,610
Proposed House Reduction = 50%	98,305
*As reported by contract agencies	

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 048-7872 (ACL)</u>	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$2,618)	(\$2,618)
Federal Funds (Title III)	(\$2,778)	(\$2,788)
Other Funds	\$0	
Total	(\$5,396)	(\$5,406)

<u>AU 048-9255 (SSBG)</u>	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$2,592)	(\$2,739)
Federal Funds	(\$2,180)	(\$2,222)
Other Funds	\$0	
Total	(\$4,772)	(\$4,961)

After the reductions were taken during the House phase, DHHS determined that there would be no corresponding loss of federal SSBG funds (AU 9255) associated with this reduction. The chart below reflects the restoration of federal SSBG funds.

		Social Services Block Gran	SFY 2016	Restoring		SFY 2017	Restoring	
ORG	CLA	DESCRIPTION	House	SSBG	SFY 2016	House	SSBG	SFY 2017
			<u>3/30/2015</u>	<u>Funds</u>	<u>Balance</u>	<u>3/30/2015</u>	<u>Funds</u>	<u>Balance</u>
		Class Title					Total	
9255	040	Indirect costs	1,000		1,000	1,000		1,000
9255	041	Audit Fund Set Aside	4,500		4,500	4,500		4,500
9255	102	Contracts for Program Serv	309,952		309,952	309,952		309,952
9255	542	Homemaker Services	1		1	1		1
9255	543	Adult In Home Care	2,931,985	584,434	3,516,419	2,928,320	563,146	3,491,466
9255	544	Meals-Home Delivered	1,251,001	1,355,252	2,606,253	1,249,438	1,408,940	2,658,378
9255	545	I&R Contracts	157,955		157,955	161,114		161,114
9255	550	Assessment and Counselin	-	-	-	-	-	-
9255	565	Outpatient Hospital	-	-	-	-	-	-
9255	566	Adult Group Day Care	<u>221,969</u>	<u>240,466</u>	<u>462,435</u>	<u>221,691</u>	<u>249,992</u>	<u>471,683</u>
9255	570	Family Caregiver		-	-		-	
		Total	4,878,364	2,180,152	7,058,516	4,876,016	2,222,078	7,098,094
		Federal - Total	2,231,721	2,180,152	4,411,873	2,187,018	2,222,078	4,409,096
		Highway						
		Other		-			-	
		GF Staff		-			-	
		General	<u>2,646,643</u>	<u>-</u>	<u>2,646,643</u>	<u>2,688,998</u>	<u>-</u>	<u>2,688,998</u>
		Total Revenue	4,878,364	2,180,152	7,058,516	4,876,016	2,222,078	7,098,094

Division & Bureau: Elderly & Adult Services (048)**Title of Reduction: County CAP increase of \$3.2M each year**

Description of Initiative: The Counties participate in funding Long Term Care (LTC) up to a CAP or ceiling per county. LTC includes Nursing Facility (NF) & Choices for Independence (CFI) expenditures. This initiative increases the County Obligation or CAP which would have a direct \$1 for \$1 reduction to the general fund.

Authorization(s) Needed: N/A

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)
RSA 167:18-a is updated by the legislature every biennium in HB2.

Estimated Impact to clients, providers, communities:

- This is a direct down shift of costs to the local community.
- Any changes to the County Cap may impact the county taxes.
- There is not a direct relationship to clients served.

Assumptions As To Impacts:

- The impact assumes only the county cap change and does not include any other possible reductions for Elderly & Adult Services.

	FY 2015 Adjusted Auth	FY 2016 Governor's Recommended	County CAP Initiative Adjustment	FY 2016 House Revised
LTC - NH & CFI				
Total Expenditures	255,190,315	245,047,108	-	245,047,108
Revenue				
Federal (50%)	127,595,158	122,523,554	-	122,523,554
County CAP (42%)	107,499,984	103,517,685	3,200,000	106,717,685
General Fund (8%)	20,095,174	19,005,869	(3,200,000)	15,805,869
Total Revenue	255,190,315	245,047,108	-	245,047,108
LTC - NH & CFI				
Total Expenditures		246,685,920	-	246,685,920
Revenue				
Federal (50%)		123,342,960	-	123,342,960
County CAP (42%)		104,207,632	3,200,000	107,407,632
General Fund (8%)		19,135,328	(3,200,000)	15,935,328
Total Revenue		246,685,920	-	246,685,920

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU <u>5942</u>	SFY16	SFY17
General Funds	\$(3,200)	\$(3,200)
Federal Funds	\$0	\$0
Other Funds	\$3,200	\$3,200
Total	\$0	\$0

Division & Bureau: Elderly & Adult Services (048)
Title of Reduction: Elimination of Servicelink Funding

Description of Initiative:

This action eliminates funding to the ServiceLink Program

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- X Other Federal Authorization: The NH State Plan on Aging identifies ServiceLink contractors in New Hampshire as the Aging and Disability Resource Centers (ADRC). ACL would require BEAS to submit a proposed amendment for approval prior to implementing reductions.
- X Rules: NH rules specifically require that individuals be referred to Aging and Disability Resource Centers (ADRC) for the purpose of receiving options counseling. Current language is as follows:

RSA 151-E, the state statute on long-term care, contains RSA 151-E: 5, “Information and Referral”, which states: “The department shall establish a system of **community-based information and referral resource centers** that provide information and referral services to elderly and chronically ill adults. The information and referral network established under this section shall not be used for the purpose of political advocacy, but may inform and educate the general court regarding the extent of services available as well as the unmet needs in the community.

RSA 161-F: 77 defines “ServiceLink Resource Center or SLRC, as a statewide network of **locally administered community-based resources** for seniors, adults with disabilities and their families.”

RSA 161-F: 79 requires that a caregiver support program be maintained in **each Service Link Resource Center** region to assist caregivers in assessing their needs and accessing support and services; including generic community resources, state and federally funded support services and other services as available.

- Legislation: (recommended language) Recommended language would be contingent on how the state decided to maintain the required ADRC functions. For example “statewide network” and “locally administered” may change to “statewide available resource within DHHS” (Note: the costs associated would have to be calculated.)

Estimated Impact to clients, providers, communities:

New Hampshire’s statewide ServiceLink network is the national model of Aging and Disability Resource Centers, developed in cooperation with the US Administration of Community Living (ACL). In each NH county, ServiceLink is the locally administered full service access point for individuals and families, including those with private pay resources, to access information, assistance and guidance in planning for and/or utilizing community based services.

Core functions within each ServiceLink include: one-on-one counseling to ensure that consumers, from any payer source, fully understand what community-based options are available, such as medicare benefits, enrollment counseling, caregiver options such as Alzheimer and related disorders counseling and respite grants. ServiceLink also administers the Veteran's Directed Home and Community-Based Services Program, supporting eligible veterans to receive needed supports at home, through agreements with both the Manchester and White River Junction Veterans' Health Administration facilities. For individuals who qualify for public programs, the one-stop provides a streamlined eligibility process leading to all long-term support programs. Aging and Disability Resource trained and certified options counselors identify natural support and resources during the planning process, regardless of the funding source. Without this established local network, NH would be reversing fifteen years of work that it has done, in conjunction with the federal Administration for Community Living and multiple state partners to build a community-based system of care for individuals needing long-term care services.

Elimination of the full service access point for eligibility screening and application, enhanced options counseling, and referral and linkage to community supports for all populations and all payers would remove the ability for individuals to make fully informed choices about home and community based options. All other states are involved in similar initiatives to create a strong system of community based care for individuals needing long-term support services. Community-based long-term care services are generally preferred by individuals as they provide minimal support yet help support individuals to maintain independence and continue to live in their own homes.

NH is currently in the middle of the Balancing Incentive Program (BIP) award period, which is administered in partnership with the Agency for Community Living, The Centers for Medicare and Medicaid, and the Veterans Health Administration. The federal deliverables require that the state Medicaid agency work with Aging and Disability Resource Centers to implement certain infrastructure changes. The changes inform individuals (all populations and all payers) about all resource options with the goal of reducing cost, while improving care and quality of services. Continued BIP funding could be at risk with the elimination of the locally administered Aging and Disability Resource Center network.

Assumptions As To Impacts

The NH Service Link network is the recognized source and expertise for all matters relating to community based services. Without this network, there would be the domino-effect of infrastructure breakdown. Individuals and families would not know where to go or how to access services and supports to help plan services to care for their loved ones. Without access to the community-based expertise of ServiceLink, individuals/families would not know about available local supports, including private and faith-based organizations that might be readily available. Further, individuals may experience a decline in their health and risks to their security resulting in preemptive, precipitous admissions to nursing facilities because their relatives and loved ones are not aware of the other options available to them.

Individuals/families with the ability to pay privately for services would not receive guidance on how to make their resources last longer and delay Medicaid eligibility as no one with the expertise would be available. Veterans being served in collaboration with the Veterans; Administration would not be able to participate in the Veteran's Directed program. Statewide it is estimated that at least 72 ServiceLink employees would lose their jobs, causing a job loss impact on the local economy. Community service providers could see a decrease in the number of clients served because individuals/families wouldn't know about their services (see chart

below). Local, city and town welfare offices could experience an increase in the numbers of individuals/families seeking help.

The Aging and Disability Resource Center functions are required to be available through the State Agency on Aging. Elimination of locally administered programs does not eliminate the State Agency’s requirement to make these services and supports available.

Agency	Service Area	Total FY14 Unduplicated Clients	FY15 State Contract Amount
Belknap-Merrimack County CAP	Merrimack County	2,081	\$ 328,453.39
Crotched Mountain	Rockingham County	2,597	\$ 581,934.04
Community Partners	Strafford County	994	\$ 245,113.00
Easter Seals	Hillsboro County	3,795	\$ 454,367.69
Grafton County Senior Citizens Council	Grafton County	1,449	\$ 305,690.11
Lakes Region Partnership	Belknap County	1,443	\$ 452,250.00
Lakes Region Partnership	Carrol County	691	
Monadnock Collaborative	Sullivan County	818	\$ 583,949.53
Monadnock Collaborative	Monadnock Area	1,388	
Tri-Cty CAP	Coos County	659	\$ 180,216.37
Total		15,915	\$ 3,131,974.13

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

Accounting Unit		SFY16			SFY17		
		Total	GF	FF	Total	GF	FF
9565	ServiceLink	(510)	(510)	0	(510)	(510)	0
6180	Assessment and Counseling	(1,258)	(629)	(629)	(1,258)	(629)	(629)
9255-545	SSBG: Information and Referral	(146)	(67)	(79)	(146)	(67)	(79)
7872-570	Caregiver	(364)	(91)	(273)	(364)	(91)	(273)
7872-072	ADRC	(299)	0	(299)	(299)	0	(299)
8925	Medical Service Grant: SHIP	(249)	0	(249)	(249)	0	(249)
3317	SMPP	(211)	(40)	(171)	(211)	(40)	(171)
8888	MIPPA	(100)	0	(100)	(100)	0	(100)
2985	BIP	(108)	0	(108)	(108)	0	(108)
	Summary of Totals	(3,244)	(1,336)	(1,908)	(3,244)	(1,336)	(1,908)

Division & Bureau: Elderly & Adult Services (048)
Title of Reduction: Crotched Mountain Reduction

Description of Initiative:

Crotched Mountain is a post-acute hospital program that serves pediatric and adult patients requiring complex care. These were additional funds given to Crotched Mountain to ensure sustainability to continue providing support for this complex population.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

Elimination of this funding would reduce the availability of critical services for children and adults with complex conditions. Crotched Mountain is a unique institution in New Hampshire that provides very specialized services. Reducing the availability of these services would impact clients and would also undermine the financial ability of Crotched to continuing to serve this population.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU <u>6173-073</u>	SFY16	SFY17
General Funds	(\$250)	(\$250)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$250)	(\$250)

Division & Bureau: Elderly & Adult Services (048)
Title of Reduction: Change NFQA to 75% for MQIP

Description of Initiative:

This initiative proposes utilizing 25% of Nursing Facility Quality Assessment (NFQA) to fund Long Term Care (Nursing Home and Choices for Independence services). By diverting these funds, only 75% of the NFQA would be available to be paid out in supplemental Medicaid Quality Incentive Payments (MQIP).

This initiative was previously enacted for the biennium ending June 30, 2013, but was repealed in the current 14-15 budget.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)
 - This initiative will require language to be included in HB2 which will amend the following RSA's: RSA 84-C:1, V(a); RSA 84-C:3; RSA 84-C:11, I; RSA 84-D:3; RSA 84-D:5; RSA 151-E:14 & RSA 151-E:15-a.

Estimated Impact to clients, providers, communities:

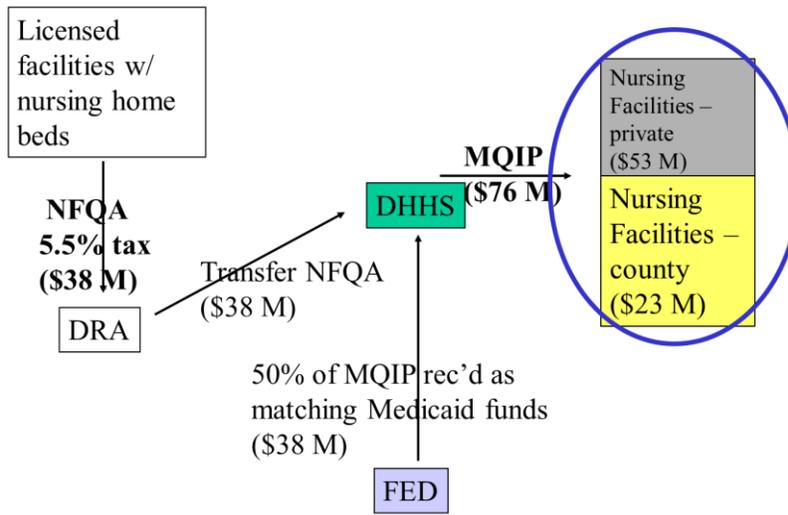
- No direct client impact is anticipated.
- This initiative will impact providers as they rely on this supplemental payment to help fill the gap created by the Budget Neutrality Factor (BNF) in regular Nursing Facility payment calculations.
- This initiative will mean there is less revenue available to fill the BNF gap.
- It is important to note that the severity of the impact is different between private and County providers. This has less of an impact on County Providers because they receive an additional supplemental payment that privates do not, known as ProShare.
- For Counties, ProShare funds the gap between Medicare and Medicaid. As Medicaid payments are reduced, Counties receive an increase in ProShare.

Background:

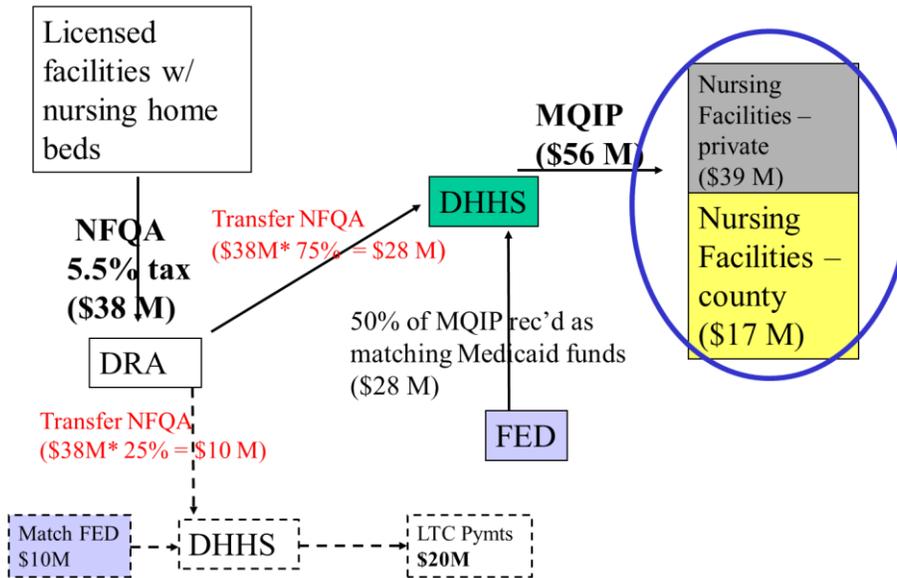
The Medicaid Quality Incentive Program (MQIP) provides quarterly supplemental rates to nursing facilities for each paid Medicaid bed day at their facility in the prior quarter. This is done through a three-step process as follows:

- Every licensed nursing home pays a Nursing Facility Quality Assessment (NFQA) of 5.5% of net patient services revenue to the New Hampshire Department of Revenue, each quarter.
- The aggregate funds are then transferred to DHHS, which is then matched with Federal Medicaid funds.
- Nursing facilities, that accept Medicaid reimbursement, are then paid an MQIP payment. These supplemental Medicaid payments are based on the paid Medicaid bed days at each facility and are adjusted to fill shortfalls in initial rates due to the application of a budget neutrality factor (BNF).

MQIP / NFQA - current



MQIP / NFQA - Proposed



Facility	Mqip	Proshare	Net Impact
Private	(13.2)	N/A	(13.2)
County	(5.7)	2.8	(2.8)

Estimated Increase (Reduction) Rounded to \$000

County CAP will not be impacted by this initiative.

AU 5942	SFY16	SFY17
General Funds	\$(9,439)	\$(9,533)
Federal Funds	\$(6,584)	\$(6,650)
Other Funds	\$ 2,855	\$ 2,883
Total	\$(13,168)	\$(13,299)

NHHPP

Division & Bureau: Office of Medicaid Business and Policy
Title of Reduction: NH Health Protection Program

Description of Initiative:

The NHHPP covers childless adults aged 19 through 64 with household incomes up to 133 percent of the federal poverty level (FPL) and parents with income from 53 to 133 percent of the FPL. An individual’s salary cannot exceed \$16,248 per year. The NH Health Protection Program currently covers 37,000 persons and is expected to cover over 50,000 persons by the end of 2015. The program is currently authorized until December 31, 2016, when 100% federal funding ends. Beginning on January 1, 2017, the federal government will pay 95% of the cost of services and the state would be required to pay 5% of the cost of services.

In SFY 2016 and 2017, the program will bring into the Department up to \$900 million dollars, which will be paid to New Hampshire providers, including community health centers, community mental health centers, substance use disorder providers, hospitals and others for medical services. The state general fund cost for services for this program is estimated at \$12 million in 2017.

Impacts of Failure to Fund:

The multiple impacts of failure to fund the NH Health Protection Program are significant:

- Up to 50,000 people will lose health care coverage
- Providers will lose approximately \$470 million in federal funds in SFY 17
- Uncompensated care will increase, severely impacting many of the community health centers and community mental health centers and substance use disorder providers
- Emergency room use will increase because of the lack of coverage for the new adults
- Failure to provide substance use disorder benefits will perpetuate the high rate of alcohol and drug use in the state.
- Monies trimmed from the DHHS budget for emergency mental health services and community health centers be added back into the budget because of the increase in uninsured persons
- Money reduced from the DHHS budget for savings from moving breast and cervical patients and pregnant women onto the NHHPP must also be added back into the budget because they will no longer be covered by the NHHPP.
- Revenue from Insurance Premium Tax will decrease significantly (\$20M)

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 047 79480000</u>	SFY16	SFY17
General Funds	(\$0)	(\$ 12,000)
Federal Funds	(\$500,000)	(\$470,000)
Other Funds	(\$0)	(\$0)
Total	(\$500,000)*	(\$458,000)*

NHHPP contracts:

If the NH Health Protection Program is not re-authorized, contracts for the Health Insurance Premium Program that administer employer sponsored insurance coverage (HMS Corporation would be discontinued), enrollment assistance and technical support would be discontinued. There would be a need for communications to those enrolled, providers, and the public, and payments to providers for services rendered.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 4700 79370000</u>	SFY16	SFY17
General Funds	(\$1,600)	(\$1,650)
Federal Funds	(\$1,600)	(\$1,650)
Other Funds	<u>(\$0)</u>	<u>(\$0)</u>
Total	(\$3,200)	(\$3,300)

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 4510 5 79930000</u>	SFY16	SFY17
General Funds	(\$0)	(\$ 152)
Federal Funds	(\$0)	(\$398)
Other Funds	<u>(\$0)</u>	<u>(\$0)</u>
Total	(\$0)	(\$550)

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 9540 59520000</u>	SFY16	SFY17
General Funds	(\$0)	(\$ 78)
Federal Funds	(\$0)	(\$236)
Other Funds	<u>(\$0)</u>	<u>(\$0)</u>
Total	(\$0)	(\$315)

NHHPP staffing:

There are currently 62 positions assigned to the NH Health Protection Program as part of the eligibility and enrollment processes. If the NHHPP is not re-authorized, these positions would no longer be needed resulting in layoffs.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- X State Plan Amendment
 - X Other Federal Authorization – Termination of 1115 Waiver
 - X Rules (Repeal of NHHPP rules)
- Legislation: None assuming the language in HB 2 re: reinstatement of funds is included in the final version of HB 2.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 045 79930000</u>	SFY16	SFY17
General Funds	(\$0)	(\$851)
Federal Funds	(\$0)	(\$1,089)
Other Funds	<u>(\$0)</u>	<u>\$0</u>
Total	(\$0)	(\$1,939)

MEDICAID

Division & Bureau: Office of Medicaid Business and Policy

Title of Reduction: Reduce Medicaid Caseload

4700-79480000

Description of Initiative: Reduce caseload projections from -1.4% each year as indicated in the NH Medicaid Program Enrollment Forecast from Dr Gittell to -2.0 for SFY 16 and -2.5% in SFY 17%

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

Caseload fluctuations are not under the direct control of the Department. As such, regardless of the funds appropriated, DHHS is required under Federal Medicaid Laws to provide certain services. If the reduced caseloads do not materialize, the Department would be in a budget deficit and would need to cut other programs to pay for the increase in services. A reduction in other DHHS programs could result in a shift to local town welfare offices.

In SFY 14-15, the budgeted caseload growth was 0%. Actual caseloads grew much greater than 0% due to the eligibility changes associated with the Affordable Care Act which created the current budget deficit the Department is now facing. DHHS commissioned a caseload projection report from Dr. Ross Gittell, an economist. The analysis reveals an overall drop in case load by 1.4% each year of the biennium. Prior forecasts have been accurate. Should it be so in the next biennium the state will once again face a deficit in DHHS.

Reduction in caseload assumptions would also necessitate re-negotiation with managed care contracted entities, with a significant risk in parties not reaching agreement thereby undermining the entire Medicaid Care Management Program.

Assumptions As To Impacts

The -1.4% caseload assumption was based off of Dr. Ross Gittells economic forecast. Traditionally his projections have proven to be an extremely reliable source. Changing the assumption down to -2% and -2.5% is more aggressive than recommended.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 047-79480000-101</u>	SFY16		SFY17
General Funds	(\$1,950)	General Funds	(\$5,187)
Federal Funds	(\$1,950)	Federal Funds	(\$5,187)
Other Funds	\$0	Other Funds	\$0
Total	(\$3,900)	Total	(\$10,374)

Division & Bureau: Office of Medicaid Business and Policy**Title of Reduction: Transition of the New Hampshire Medicaid Preferred Drug List (PDL) to the Medicaid Managed Care Organizations (MCOs)****4700-79480000**Description of Initiative:

This initiative will transition the management of the PDL for Medicaid beneficiaries in managed care, to each of the MCOs. Currently, the Medicaid Care Management MCOs are contractually required to adhere to the Medicaid Fee-For-Service PDL and the PDL associated utilization management strategies. This initiative eliminates this requirement, enabling the MCOs to manage their own respective PDLs.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- X State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

Rules-related considerations: Based on a review of the pharmacy and managed care rules, no need for a rule change was identified; the preferred drug list at issue is not mentioned in these rules.

Current Legislative considerations: None. SB 383-FN (Chapter 188), enacted in 2004, conferred the Commissioner with the authority to establish a preferred drug list (PDL) while prohibiting limits for non-preferred drugs for under certain conditions (*see* Section IV-a of SB 383-FN), including when a physician deems that changing a non-preferred drug would pose a clinically unacceptable risk to the beneficiary. These requirements will still apply to the Medicaid Care Management program after the transition of the PDL management to the MCOs.

Proposed legislation: As currently written House Bill 564-FN, introduced in January 2015, would prohibit all New Hampshire managed care health plans, including health plan participating in the Medicaid Care Management program, from instituting prior authorizations or other restrictions for mental health drugs. Should this bill be enacted, this would reduce the savings generated by the MCO PDLs because the MCO PDL policies could not entail any restrictions or prior authorization requirements for mental health drugs thus reducing the estimated budgetary savings from the transition of the New Hampshire Medicaid PDL to the MCOs.

Estimated Impact to clients, providers, communities:

Providers will need to be aware of utilization management strategies and PDLs, for each Medicaid MCO's and Medicaid Fee-For-Service. This initiative will require amendments to the MCO contracts.

Beneficiaries switching from Fee-For-Service Medicaid to a MCO or between MCOs will be required to change from one drug in a particular therapeutic class to another drug in the same therapeutic class due to differences in each MCO's PDL. Variance between each payer's PDL will determine the degree of disruption.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU_047-79480000-101</u>	SFY16		SFY17
General Funds	(\$12,500)	General Funds	(\$12,500)
Federal Funds	(\$12,500)	Federal Funds	(\$12,500)
Other Funds	\$0	Other Funds	\$0
Total	(\$25,000)	Total	(\$25,000)

<u>AU_047-79480000-407145</u>	SFY16		SFY17
Other Funds (Rx rebates)	(\$10,000)	Other Funds	(\$10,000)

	SFY16	SFY17
Net General Fund Impact	(\$2,500)	(\$2,500)

The reduction of the expenses by \$25M reduces the Drug Rebate Revenue by \$10M which will increase the General Fund responsibility by \$2,500,000 per fiscal year.

Of note, this impact statement addresses the budget recommendations made by the House and are in addition to \$2,500,000 reduction included in the Governor’s budget. Combining both the House and Governor reductions, the General Fund reductions are \$5 million each year or \$10 million over the Biennium.

Division & Bureau: Bureau of Elderly and Adult Services
Title of Reduction: Step 2 Savings Long-term-care

Description of Initiative: MCO’s to set competitive rates for Step 2 Long-term-care services in order to achieve savings target in year 1.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

A new Medicaid waiver and federal approval will be needed for Choices for Independence (CFI) services. Nursing home services will require State Plan Amendment.

HB2 language will be required in the final version of the bill to reflect legislative intent of eliminating the design feature of holding steady in year 1 on provider reimbursement rates. The intent is to have DHHS and the MCOs set rates that achieve the savings targets in year 1. This is in contrast to public feedback on transitioning to managed care. It is also not consistent with the program design shared with providers, advocates and the MCM Commission..

Estimated Impact to clients, providers, communities:

There is risk that providers will not be able to maintain their infrastructure to continue to provide services with reduced reimbursement rates in year 1, an intense period of transition from fee-for-service to managed care. This will result in a loss of access to home and community-based services, resulting in an increase in need for nursing home beds. There are not enough available beds to support those individuals receiving care at home via the CFI waiver. Responsibility for care will fall upon family members, if they exist.

Clients will no longer have the choice of staying at home during their elder years.

The contracts with the MCOs will require renegotiation. This reduction will be in addition to an already existing reduction of 2% from the MCOs rates. Driving rates to secure savings puts the ability of DHHS and the MCOs coming to an agreement at high risk.

Assumptions As To Impacts

Year 1 reimbursement rates needed to achieve savings will meet the actuarial certification test and be approved by CMS

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU_048-4818-59420000</u>	SFY16		SFY17
General Funds	\$0	General Funds	(\$2,890)
Federal Funds	\$0	Federal Funds	(\$2,890)
Other Funds	<u>\$0</u>	Other Funds	<u>\$0</u>
Total	\$0	Total	(\$5,780)

Division & Bureau: Office of Medicaid Business and Policy
Title of Reduction: Remove funding to support Substance Use Disorder benefits for standard Medicaid population
4700-79480000

Description of Initiative:

The FY16/17 proposed expansion of SUD benefits to the remaining Medicaid population in SFY 2017. This initiative removes funds that were added to support Substance Use Disorder as standard Medicaid Benefit consistent with services offered under the NH Health Protection Program.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

Failure to fund this extension of SUD services will preclude access to treatment for an estimated 14% of the standard Medicaid population. Health outcomes for this population could deteriorate; those unable to access services may become justice involved persons, increasing county and state corrections costs. Untreated conditions could result in other more costly health impacts.

Assumptions As To Impacts

New Hampshire has some of the highest rates of alcohol and other drug misuse in the country and is facing a sharp increase in heroin use and in related ED visits, with heroin use up an estimated 90 percent over the last ten years and heroin-related ED visits up 100 percent from 2012 to 2013. A 2014 survey by the federal Substance Abuse and Mental Health Services Administration found that 92 percent.

If adults surveyed in New Hampshire who had alcohol dependence or abuse issues in the past year did not receive treatment. The same survey found that 83.6 percent of New Hampshire adults surveyed who had illicit drug dependence or abuse in the past year did not receive treatment.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU 047-79480000-101</u>	SFY16		SFY17
General Funds	\$0	General Funds	(\$3,300)
Federal Funds	\$0	Federal Funds	(\$3,300)
Other Funds	<u>\$0</u>	Other Funds	<u>\$0</u>
Total	\$0	Total	(\$6,600)

Division & Bureau: Office of Medicaid Business and Policy
Title of Reduction: Reinstate the BCC Program upon repeal of NHHPP
4700-79480000

Description of Initiative: Medicaid Enhancement for Children and Pregnant Women. If the New Hampshire health protection program established under RSA 126-A:5, XXIII-XXV is repealed effective December 31, 2016 or earlier, the commissioner of the department of health and human services shall reinstate Medicaid coverage and open enrollment for children and pregnant women under RSA 167:68

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- | | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | State Plan Amendment |
| <input type="checkbox"/> | Other Federal Authorization (describe) |
| <input checked="" type="checkbox"/> | Rules (identify) |
| <input checked="" type="checkbox"/> | Legislation: (recommended language) |

Rule would need to be adopted to establish the eligibility levels for Medicaid coverage under RSA 167:68 identical to the eligibility levels which were in effect prior to the effective date of the New Hampshire health protection program.

Estimated Impact to clients, providers, communities:

In accordance with HB 413 (2014) an 1115 Medicaid waiver will need to be submitted and approved by CMS to allow for the phase out of the eligibility category to assure currently eligible clients will not lose access to on-going treatment during the elimination of the BCCP eligibility pathway and transition to the NHHPP.

- There are 1,600 women currently eligible for Medicaid through the BCCP Pathway. Eligibility criteria: uninsured, diagnosed through the public health CDC screening program and < 250% FPL. Of those the majority are < 133% FPL. These individuals will be found eligible for the NHHPP Bridge program and the state will receive the enhanced ACA rate of 100% vs. the current 65% match.
- Of the 1,600 client approximately 100 women have incomes greater than 133% FPL. These individuals if in current treatment, will complete their treatment covered under the 1115 waiver. Newly eligible (effective date to be determined) will apply for health care coverage under the NH Marketplace. Out of pocket costs will increase. Total out of pocket costs may range from \$2000 to \$3,000. This equates to more than 12% of an individual’s annual income.

Providers:

- Providers including the public health screening sites will need to be well educated on this significant change to assure that no client under treatment is dropped.
- Provider reimbursement rates under the NHHPP Bridge program are more than under traditional Medicaid.

Communities:

- Local welfare offices may receive requests for financial support for the out of pocket costs associated with the Marketplace.

Assumptions As To Impacts:

- 1,600 eligible individuals – stable case load continues.
- CMS approves the 1115 waiver to phase out the eligibility category.
- NHHPP is reauthorized beyond December 31, 2016.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

<u>AU_047-79480000-101</u>	SFY16		SFY17
General Funds	\$0	General Funds	\$800
Federal Funds	\$0	Federal Funds	\$801
Other Funds	<u>\$0</u>	Other Funds	<u>\$0</u>
Total	\$0	Total	\$1,601

HUMAN SERVICES

Division & Bureau: Human Services, Division for Children Youth and Families, Sununu Youth Services Center

Title of Reduction: Sununu Youth Services Center (SYSC) Biennium Budget Reduction of \$6.9 million

Description of Initiative:

26% Reduction in general fund dollars to the SYSC Governor’s Recommended Budget in the amount of \$3.4 million in SFY16 and \$3.5 million in SFY17.

	Gov Recommended – General Funds Only	Reduction	Revised Budget
FY16	\$13,243,721	\$3,443,721	\$ 9,800,000
FY17	\$13,596,746	\$3,496,746	\$10,100,000

Authorization(s) Needed

- _____ State Plan Amendment
- _____ Other Federal Authorization (describe)
- _____ Rules (identify)
- _____ Legislation: (recommended language)

Assumes there will be no changes needed to the following RSA because this initiative is to reduce the general funds budgeted for SYSC with the Department of Health & Human Services still administering the services.

RSA 621:1 II. Directs the programs of the Youth Development Center shall be administered by the Department of Health and Human Services.

Estimated Impact to clients, providers, communities

Staffing

The impact would be a loss of 18 full-time and 40 part-time staff positions affecting all departments at SYSC.

Residential Programs

Out of the 18 full-time positions eliminated, 11 would be from Residential/Treatment Programs. Of the 40 part-time staff eliminated, 28 would be from this same area.

If minimal staffing levels are not met the services to youth and families will be impacted because SYSC will be unable to provide the much needed specialized treatment programs currently provided. Reducing staff will force the combination of specialized units thus combining youth who should not be together because of their specific types of treatment needs. For example, youth needing substance abuse treatment could be combined with those needing gender responsive

treatments. Lack of attention to the identified treatment needs of the youth can result in inadequate treatment and in turn will create a dangerous and unsafe environment for staff and youth. This leads to an increase in the number of assaults youth to youth or youth to staff. Inadequate treatment will also lead to an increase in the number of youth re-offending and compromise community safety.

Additionally, SYSC is required to comply with the Prison Rape Elimination Act, per federal law from the Department of Justice. SYSC also utilizes Performance Based Standards (PbS) as the measuring tool. This does not allow the use of Room Confinement and/or Isolation as part of the behavior or disciplinary process. Prior to the implementation of PbS at the facility, SYSC experienced double the national average for assaults. Lower staffing numbers, may result in an increased number of assaults and injuries which could lead to lawsuits against the State.

Education

Implementing these reductions will eliminate 5 full-time teacher/teacher assistant positions. Youth that are placed at SYSC typically work on credit recovery which allows them to transfer credits earned at SYSC to their community school. If the credits are non-transferrable, youth will fall behind from their peers, when they return to their home school district, and may possibly drop out of school. As a result of recent budget cuts SYSC is currently managing the provision of vocational programs to youth without a full time vocational teacher. It is proven that such programs are necessary to teach youth a marketable skill while they are at SYSC. This will be even more important when the age of majority is raised from 17 to 18 effective July 1, 2015. The lack of sufficient vocational programs coupled with the elimination of teacher positions could jeopardize SYSC's future Special Education Certification through the Department of Education.

Medical Services

Another area of SYSC that will be affected by this \$6.9m biennium budget reduction is Medication and Medical Services provided to the youth. The elimination of 7 part-time nurses will result in inadequate medical oversight to this 24/7 facility. For example, less staff will be available during 3rd shift, when youth are sleeping. That would mean any medical emergencies would have to be dealt with at the local hospital. This option will lead to higher medical costs for youth if not treated at the facility. Health Care Services includes medical, dental, psychiatric assessment as well as on-going treatment. These services are crucial to the overall success of the youth. This area did not see a significant increase in requested funds for the 17-18 year old population that is being received on July 1, 2015. However, this substantial of a reduction means not being able to provide much needed health services to the youth.

Support Staff

7 support staff positions would be eliminated due to this reduction. 1 full-time and 4 switchboard operator positions will be eliminated. The operators manage multiple supporting tasks for the various departments and are also available to receive visitors, JPPOs, lawyers and family numerous times throughout the day and early evening. Without this staff in place, proper safety protocols will not be consistent for this secure facility. Maintenance & Kitchen will experience 1 position reduction per department. By further reducing these areas we will not have adequate coverage for vacations/sick leave and snowstorms which means overtime will increase in these two areas.

Privatization

Exploring the option regarding privatizing certain areas of the facility:

- Food Services – In exploring this option, if the savings were 25% in salaries and benefits, the amount saved would be just over \$90,000 per year.
- Maintenance – Due to the lack of adequate funding currently in this area, outsourcing this department would be an initial cost in order to upgrade the Building Control and Security Access Control, estimated at \$700,000. This does not include any preventative maintenance contracts needed or additional Staff. It is not cost effective to outsource this department.
- Residential Services – Other states that have privatized this area experience the private provider wanting to serve greater numbers of youth for longer periods of time to increase their revenue. Without proper oversight, facilities such as these may not consistently provide the individualized clinically based treatment programs SYSC has developed. Without adequate and timely treatment these youth are less likely to be successful in transitioning back to their home community/school and may reoffend.
- Education - The budget reductions made in FY14/15 to this area was 13 full-time positions and this was a savings of \$1.2 million per year. Privatizing the education department in FY 16/17 would require time to release a RFP and procure a contract. There would initially be no cost savings in this process due to the substantial payouts to the teachers who would have to be released from employment.
- Complete Privatization of the Facility – The average number of residential placements for these youth prior to coming to SYSC is 7. The staff secure intensive residential treatment providers that have worked with these youth prior to the youth's commitment to SYSC have been unsuccessful in providing the treatment and secure environment they need to be safe and stay out of danger. Current in-state facilities do not have the capacity, nor are they architecturally secure to take on this population. The state would need to contract with multiple providers and each provider would require additional capital improvement funding to accommodate their facility to become architecturally secure. That cost would be in addition to the daily rate charged per youth. There are other costs associated with complete privatization if the facility is not being utilized as a juvenile/correctional facility. These would include paying back the VOI/TIS federal funding, cold storage the facility and all other buildings on campus and massive payout amounts to staff that would be released from employment at the facility.

Overview/VOI/TIS

SYSC is a 144 bed secure rehabilitation and detention facility that provides an architecturally secure placement for committed juveniles and for NH youth involved with the NH court system prior to their adjudication. Construction of the facility was completed in 2006 with the use of VOI/TIS (Violent Offender Incarceration Truth in Sentencing) Federal Funding.

When SYSC was designed and constructed, it was estimated that the growth in population, plus the possible changing of the age of majority would require, over the 30-year life cycle of the facility, a bed capacity of 144. The age of majority will change as of July 1st, 2015 and while the actual population increase at SYSC is unknown at this time, we have anticipated approximately 12 additional youth at any point in time.

The current population (as of 4/9/15) at the facility is 46. During the last twelve months the population at the facility has ranged from 36 to 62 with an average monthly census of 51.

Assumption As To Impact

1. By drastically reducing staff, the need to become a Psychiatric Residential Treatment Facility (PRTF) to secure Medicaid funding for services will be in jeopardy (as detailed in the Report to Fiscal Committee regarding Cost Effective, Long and Short Term Uses of the Sununu Youth Services Center (dated January 2014).
2. Personnel Rules state that part-time positions must be eliminated before any full-time positions are eliminated. Without part-time staff, SYSC will lose the ability to flex schedules for coverage when full-time employees are out sick, on vacation or on FMLA. This would potentially increase overtime expenses. In addition this could leave the facility understaffed, putting the youth and staff at risk of harm.
3. The additional cuts to Education will affect the special education certification of the school. Therefore, any changes to staffing education would require DHHS to maintain and accredited school so that all courses youth receive while being placed at SYSC, would count as credits earned for graduation purposes when they return to their home school district. If you fall behind in school, this increases the probability that they may drop out of school.
4. The age of majority changes from age 17 to age 18, effective July 1, 2015. We estimate the number of youth will increase at SYSC to 12 youth at any one time. However, this is just an internal estimate without knowing how the court system will react to this change in statute. Massachusetts implemented this law in late 2013, and recent conversations with that state revealed that the 17 year old population is much more challenging to serve compared to any other age group. They need more 1:1 supports and are less invested in participating in treatment programs.
5. As cited in the March 23, 2015 CJCA review of New Hampshire's juvenile justice system, "youth committed to the SYSC have serious emotional and mental health problems and many have a co-occurring disorder of substance abuse and/or alcohol abuse". The current configuration of units at the SYSC is based on the specialized treatment needs of the youth. With the proposed reductions, units will be closed or combined and youth will not be placed in specially designed units based on their assessments and individual treatment plans. This could result in increased negative behaviors.. Also, with the reductions in staff, the youth will not receive all of the intensive treatment that they currently receive to deal with underlying causes of delinquency.

Estimated Increase (Reductions) – Rounded to \$000

Accounting Information

Accounting Unit 7909

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$117)	(\$122)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$117)	(\$122)

Accounting Unit 7910

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$21)	(\$21)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$21)	(\$21)

Accounting Unit 7911

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$50)	(\$50)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$50)	(\$50)

Accounting Unit 7912

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$10)	(\$10)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$10)	(\$10)

Accounting Unit 7913

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$192)	(\$179)
Federal Funds	\$0	\$0
Other Funds	\$110	\$110
Total	(\$82)	(\$69)

Accounting Unit 7914

Class	<u>SFY16</u>	<u>SFY17</u>
General Funds	(\$93)	(\$93)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$93)	(\$93)

Accounting Unit 7915

Class	SFY16	SFY17
General Funds	(\$212)	(\$190)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$212)	(\$190)

Accounting Unit 7916

Class	SFY16	SFY17
General Funds	(\$1,515)	(\$1,597)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$1,515)	(\$1,597)

Accounting Unit 7917

Class	SFY16	SFY17
General Fund	(\$1,209)	(\$1,210)
Federal Funds	\$0	\$0
Other Funds	\$500	\$500
Total	(\$709)	(\$710)

Accounting Unit 7918

Class	SFY16	SFY17
General Funds	(\$24)	(\$25)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	(\$24)	(\$25)

Division & Bureau: Human Services, Bureau of Homeless and Housing**Title of Reduction: Eliminate funding for the emergency shelters program**Description of Initiative:

Reduce \$2,000,000 of general funds per year for State Grant-in-Aid (SGIA) program that supports homeless shelters in New Hampshire in both SFY16 and SFY17.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

The Bureau would have to research the necessity of repealing RSA 126-A:26 through 126-A:31

Estimated Impact to clients, providers, communities:

The State is obligated to match federal funds at the level of \$1.2 million annually to preserve the federal Emergency Solutions Grant (ESG), Projects for Assistance in Transition from Homelessness (PATH), and a variety of grants in the Continuum of Care Program. Without State matching funds, the continuation of all these programs is unlikely. The Department will need to evaluate and prioritize the most critical services and service areas to be funded if this reduction is taken.

There are 34 agencies administering 42 shelter programs. In SFY '14 Shelter programs served 4,760 people, which included 855 children, 1,300 persons with a known mental illness, 890 persons with a physical disability, and 1,006 victims of domestic violence. Homeless Prevention Intervention programs served 5,016 people, in addition to the 5,905 unduplicated persons provided information and referral through NH 211. Reducing state funding for shelters by \$2,000,000 in both SFY 16 and 17 will potentially result in the closure of some emergency shelters and the complete loss of funding for specialty and transitional homeless shelters in the State. Using SFY14 data, we could estimate that potentially 1,080 people would be unsheltered for the two-year period as a result of this action, including 381 children. Costs for assisting the displaced clients will fall directly on municipalities and local welfare offices under RSA 165:1-a.

Under a reduction of this size the highest priority programs we would fund would be the very basic safety net of emergency shelters that serve all persons (families and individuals) and have low thresholds for entry (ie: if they have a bed and you are homeless you get in). The next level would be funding specialty shelters serving special populations (ie: pregnant women, young people 18-24, substance abuse recovery). The next level would be transitional housing which are 24 month programs providing longer stays, case management and assistance in developing life skills (household budgeting, how to be a good tenant, parenting) If we were to apply a reduction we would start with this funding for transitional housing, then cut the specialty shelters.

A reduction of \$2,000,000 per year from the Governor's recommended budget would result in the elimination of funding for specialty and transitional shelters. Some of the shelters losing funding would be Family Willows in Manchester; Laconia Area Land Trust in Laconia; The Front Door in Nashua; Helping Hands Outreach in Manchester; Marguerite's Place in Nashua; and Child & Family Services with locations in Manchester, Concord, Dover and Littleton.

Assumptions As To Impacts

We assume elimination of \$2,000,000 in general funds in the Emergency Shelters program in each year of the biennium, taken from the Contracts for Program Services line item. Assume that direct impact will occur at the local municipal and county level. Assume that additional burden will be placed on emergency rooms and possible local law enforcement when individuals without shelter seek it in hospitals and other settings

MOE requires minimum of \$1.2 million.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU <u>79280000</u>	SFY16	SFY 17
General Funds	\$(2,000)	\$(2,000)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	\$(2,000)	\$(2,000)

PUBLIC HEALTH**Division & Bureau: DPHS – Bureau of Population Hlth & Community Services**
Title of Reduction: Community Health CentersDescription of Initiative:

These funds support all maternal and child health and primary care services funded by the state. The Legislature included additional funding of \$1 million in SFY14 and \$2 million in SFY15 to restore funding to community health centers that had been reduced in the SFY12-13 budget. The 16/17 budget based on level funding the general funds at the 2015 level. During the Governors phase, of 16/17 \$1 million was removed. The House recommended budget removes all of the remaining “increased” funds received during SFY 14/15 budget.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

- 5190 includes Federal and General Funds for not only Primary Care in Community Health Centers, but other Maternal and Child Health activities such as injury prevention, infant screening programs, epidemiological support and quality improvement activities, including infant, child and maternal mortality review.
- In calendar year 2013, Community Health Centers (CHCs) and healthcare for the homeless agencies provided care to 118,417 individuals through 493,198 health care visits. In this time period, approximately 25% of clients were uninsured; 19% had Medicare coverage; and 23% had Medicaid coverage.
- In some areas, most particularly Coos County, the CHCs are not only the “safety net provider” for the uninsured, but are the only healthcare practice available for all residents.
- A decrease in funding will likely result in a proportional decrease in clients served. Those clients unable to access care at the CHCs may seek non-urgent, primary care services or care for conditions exacerbated by lack of preventive care, at higher cost hospital-based emergency departments.
- As access to the Health Protect Plan increases, General Funds will be used to further support access to enabling services, including integrated Behavioral Health (including treatment for Substance Use Disorders) and Oral Health services that are presently not supported by the HPP.
- Enabling services also include case management, benefit counseling or eligibility assistance, health education and supportive counseling, interpretation, outreach, transportation, and education of patients and the community regarding the availability and appropriate use of health services.
- Demand for the above services will likely be borne by other state, county and local health and social service agencies, such as hospital emergency departments.

- Eight of the State’s Community Health Centers are Federally Qualified Health Centers (FQHC), or Healthcare for the Homeless (HCH) programs, receive federal funds to also support care for the uninsured.
- Federally funded agencies may fare better financially than the six agencies not receiving federal funds, though the financial fragility of all of these agencies is well known. Depending on the final magnitude of the cuts, some CHCs may be forced to close, impacting not just the uninsured but providers and communities as well.
- All CHCs have entered into contractual relationships with Medicaid Managed Care Organizations (MCOs)
- Each infant born in New Hampshire (13,080 in 2011) is impacted by funds within this budget. MCH maintains and monitors the quality of the newborn hearing screening system implemented by each birthing hospital in the State.
- Efforts have been expanded to more seamlessly include infants born in freestanding birthing centers and infants born at home to ensure that these newborns have access to hearing screening at birth.
- Funds support Sexual Violence Prevention Programming providing effective and evaluated sexual violence prevention education sessions in schools, colleges and community organizations. In FY2011, 961 educational sessions and 15 professional trainings were provided to 26,362 students.
- In New Hampshire from the years 1999-2007, unintentional injuries were the leading cause of death for residents 1-34 years of age. For New Hampshire residents ages 15-34, in those same years, suicide was the second leading cause of death. Unintentional falls are the leading cause of injury-related death for New Hampshire citizens aged 65 years and older. MCH supports activities to reduce unintentional injuries among children and adolescents; the prevention of falls among older adults; the reduction of suicides and suicide attempts; and the maintenance of coalitions and workgroups for effective programming in these areas
- Surveillance data needs to be continually monitored regarding injuries and emergency department admissions to ensure that resources and activities are focused on New Hampshire’s needs
- Further general fund reductions in this appropriation would result in a reduction or elimination of the federal Maternal & Child Health Block Grant which includes approximately 800,000 of federal funds in Special Medical Services. The grant carries a MOE requirement of 2.8ml.
-

Assumptions As To Impacts N/A

Estimated Increase (Reduction) Rounded to \$000

AU 51900000	SFY16	SFY 17
General Funds	\$(1,000)	\$(1,000)
Federal Funds	\$0	\$0
Other Funds	\$0	\$0
Total	\$(1,000)	\$(1,000)

Division & Bureau: New Hampshire Hospital (094)**Title of Reduction: Reduce Funding for NHH Positions****Description of Initiative:**

The House Floor Amendment 2015-1220h to HB2 requires New Hampshire Hospital to reduce general fund expenditures over the biennium by \$2M by eliminating 1 Vice President of Nursing and 6 Nurse Coordinator positions. The elimination of those positions, however, will only reduce general fund expenditures by \$509,000 over the biennium, \$1.5M short of the required target.

In order to achieve the required savings, up to an additional 25 positions would need to be eliminated and would result in decreasing bed capacity at NHH by 24 beds, effectively closing down an entire unit. The Hospital does not have excess funding to the extent that cuts of this nature are able to be absorbed without corresponding reductions to services.

The effect on operations by just eliminating the critical 7 positions mentioned in HB2 alone would compromise accreditation status, continuity of care, inability to meet patient care standards from regulatory agency standards. Further, it will affect round the clock supervision, consultation and support for acute clinical and emergency situations, ensure inadequate monitoring of policies and procedures related to sound patient care resulting in the potential for increased errors, more adverse outcomes, decreased patient satisfaction and higher risk of patient abuse, injury or even death that would result in litigation.

Authorization(s) Needed:

Detail statutory changes that would be required to implement the reductions proposed

- State Plan Amendment
- Other Federal Authorization (describe)
- Rules (identify)
- Legislation: (recommended language)

No Authorization needed

Estimated Impact to clients, providers, communities:

The waiting list of individuals in emergency service departments will drastically increase with profound effects to clients, providers and communities. Individuals will be waiting for an open bed at NHH for extended periods of time without receiving the specialized care required for stabilization. Patients will be admitted to NHH in a state of greater psychiatric crisis due to lack of treatment options while waiting in an emergency room setting. This delay in admission will result in a longer length of stay at NHH thus occupying an admission bed for a longer period of time. Community beds are more difficult to secure due to the shortage of available capacity resulting in longer stays at NHH. Affected external entities include all community mental health centers, emergency service departments within acute care hospitals and the Secure Psychiatric Unit at the Department of Corrections.

Assumptions As To Impacts:

Assumptions to impacts are based on the reality of closing 24 admissions beds in FY 12 due to budgetary shortfalls. Prior to the closing of those beds, NHH was able to keep up with admitting individuals needing involuntary admission from community emergency rooms. Since that time, the waiting list has steadily remained in the 20 – 40 range with a high in the 50's in early 2014.

These delays have sometimes resulted in harmful attacks on emergency room staff as well as prolonging the period needed to safely treat the patients admitted to NHH.

Estimated Increase (Reduction):

In order to achieve the \$2M in general fund reductions for biennium, over 30 staff will be laid off to reduce salary and benefits as well as reductions to various operational class lines.

Rounded to '000s

<u>AU 094-8750</u>	<u>SFY16</u>	<u>SFY17</u>	<u>Total</u>
General Funds	(\$1,000)	(\$1,000)	(\$2,000)
Federal Funds	(\$1,269)	(\$1,269)	(\$2,538)
Other Funds	<u>(\$1,577)</u>	<u>(\$1,577)</u>	<u>(\$3,154)</u>
Total	(\$3,846)	(\$3,846)	(\$7,692)

Division & Bureau: New Hampshire Hospital (094)

Title of Reduction: Delay Opening of 10-Bed Stabilization Unit

Description of Initiative:

This reduction would delay the opening of the 10-bed crisis unit (Inpatient Stabilization Unit) by one year, pushing back the opening to July 1, 2016. This unit was established in the capital budget, Chapter 195:1, VII, H, Laws of 2013, to alleviate the list of individual in emergency services departments throughout the state waiting for admission to New Hampshire Hospital. The waiting list has fluctuated between 20-40 individuals at any given time (22 on 4/8/15). These beds would triage the most compromised individuals waiting for admission to expedite treatment in order to sooner stabilize the patient and hopefully a sooner return to a community setting.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- XX Legislation: (recommended language)

During the 2014 Session, SB235 was enacted requiring NHH to open the 10-bed crisis unit no later than July 1, 2015. This act was in response to attacks on emergency room staff statewide by individuals waiting for admission to NHH. The unit was initially designated to open July 1, 2016 but plans were revised to meet the intent of SB235.

Assumptions As To Impacts

Assumptions to impacts are based on the reality of closing 24 admissions beds in FY 12 due to budgetary shortfalls. Prior to the closing of those beds, NHH was able to keep up with admitting individuals needing involuntary admission from community emergency rooms. Since that time, the waiting list has steadily remained in the 20 – 40 range with a high in the 50’s in 2014. These delays have sometimes resulted in harmful attacks on emergency room staff as well as prolonging the period needed to safely treat the patients admitted to NHH. The delays also has a direct effect on the length of stay required to properly treat a patient due to a heightened acuity upon admission as well as the impact on family members and guardians unsure when the patient will start to receive treatment.

Estimated Increase (Reduction)

\$1.9m in general fund reductions will be achieved by delaying operating expenses of the unit for one year. Class line showing reductions will be salary & benefits, overtime, holiday pay, current expenses, food, medication expense and clinical contractual payments.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU 094-8750	SFY16	SFY17 N/A
General Funds	(\$1,900)	
Federal Funds	(\$568)	
Other Funds	<u>(\$1,000)</u>	
Total	(\$3,468)	

Division & Bureau: Office of Administration

Title of Reduction: Reduce District Office costs by \$1,000,000 GF in each fiscal year

Description of Initiative:

The Department would need to close and consolidate at least four of District Offices into other existing locations. Upon review it has been proposed, because of lease status, cost of procuring new leases, as well as overall caseloads, the District Offices in Claremont, Conway, Laconia and Rochester will be closed and their functions consolidated into other District Offices as well as some non-public functions being relocated to offices located in Concord.

The Department will be looking to leverage new technologies, on-line application process, telephonic interviews, partnering with other agencies and creating additional teleworking arrangements as appropriate.

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

Current Staffing and Caseloads;

Office	Staffing	Caseload
Claremont	57	8,336
Conway	40	7,856
Laconia	62	11,938
Rochester	68	13,291

Assumptions As To Impacts

Closure of these proposed locations is expected to have an overall reduction of \$1,546,381. There will be some cost associated with relocation of staff, procurement of equipment and fitting up of space to accommodate relocated staff.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU	5685	SFY16	SFY17
General Funds		(\$ 939)	(\$939)
Federal Funds		(\$607)	(\$607)
Other Funds		\$ 0	\$ 0
Total		(\$1,546)	(\$1,546)

Division & Bureau: Office of Information Services

Title of Initiative: Delay / re-scope MMIS system initiatives.

Description of Initiative:

Reduced funding for HIPAA Operating Rules Phase 3 in SFY16
 Reduced scope and funding of MITA State Self-Assessment 3.0 in SFY16
 Reduced funding for anticipated MMIS enhancements in SFY17
 Defer Payment Method Development to beyond SFY17

Authorization(s) Needed

Detail statutory changes that would be required to implement the reductions proposed

- ___ State Plan Amendment
- ___ Other Federal Authorization (describe)
- ___ Rules (identify)
- ___ Legislation: (recommended language)

Estimated Impact to clients, providers, communities:

These initiatives are mostly federal mandates to improve Medicaid program effectiveness and efficiency. Failure to not have sufficient finds to complete the work and/or complete the work when required could result in a financial impact either in the amount of federal reimbursement and/or penalties. Deferring improvements may impact security over client information.

Assumptions As To Impacts

For most IT projects, the federal matching rate is enhanced at 90%.

Estimated Increase (Reduction) Rounded to \$000

If initiative impacts more than one accounting unit, show separate table for each.

AU	SFY16	SFY17
General Funds	(\$ 250)	(\$250)
Federal Funds	(\$2,250)	\$ (2,250)
Other Funds	\$ 0	\$ 0
Total	(\$2,500)	\$ (2,500)