



Lori A. Weaver
Commissioner

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

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Joint Commission on Demographic Trends
State House
107 North Main Street
Concord, NH 03301

Dear Committee Members:

The Department of Health and Human Services submits this letter detailing ten-year cost projections for the following items, in accordance with RSA 9:9-e:

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

The Department utilized the *State, County and Municipal Population Projections: 2020-2050* published by the New Hampshire Department of Business and Economic Affairs published in September 2022 to develop the cost projections. We applied the calendar year projections (January 1 to December 31) to each State Fiscal Year (SFY) (July 1 to June 30) for SFY’s 2024 to 2033.

Because the demographic data in the *State and County Population Projections* is provided in five-year increments, we assumed an even trend in the intervening years. The demographic data was applied by age group, but not by gender.

Table 1: SFYs 2024 through 2033 (in millions)					
	SFY 2024	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Uncompensated Care	\$244.4	\$244.4	\$244.4	\$244.4	\$244.4
Medicaid Managed Care / Dental Organization	\$1,274.0	\$1,322.4	\$1,376.3	\$1,435.9	\$1,499.5
Medicaid funded Home & Community based Waiver Services	\$501.4	\$504.0	\$506.5	\$508.9	\$511.4
Nursing Facility	\$244.3	\$253.0	\$266.5	\$279.9	\$293.3
	SFY 2029	SFY 2030	SFY 2031	SFY 2032	SFY 2033
Uncompensated Care	\$244.4	\$244.4	\$244.4	\$244.4	\$244.4
Medicaid Managed Care / Dental Organization	\$1,567.3	\$1,637.2	\$1,710.1	\$1,785.7	\$1,864.5
Medicaid funded Home & Community based Waiver Services	\$513.8	\$516.3	\$518.4	\$520.5	\$522.6
Nursing Facility	\$306.8	\$320.2	\$335.7	\$351.3	\$366.8

Uncompensated Care: Projections are flat-lined based on the SFY 2024 and SFY 2025 approved budgeted appropriations. Forecasting uncompensated disproportionate hospital payments are contingent on the following:

- The 2018 Medicaid Enhancement Tax (MET) / Medicaid Disproportionate Share (DSH) Settlement Agreement between the State and 26 New Hampshire hospitals expires at the conclusion of SFY 2024. The terms of any future agreement are unknown and cannot be predicted at this time.
- DSH Allotment Reductions - The law requiring DSH allotment reductions has continuously been postponed for over a decade. Most recently, section 2341 of the Continuing Appropriations Act, 2024 and Other Extensions Act delayed implementation of the reductions through November 18, 2023. Additionally, Congress is still considering the Supporting Safety Net Hospitals Act which would delay the implementation of the allotment reductions until 2026. Currently, there appears to be a strong desire within Congress to delay the allotment reductions, although it is possible that it will take effect at some point. Current Federal law states that DSH allotments will be reduced by \$8 billion nationally with NH's allotment declining to just \$59.4 million from \$237.4 million (75 percent reduction) in federal financial participation in Federal Fiscal Year 2024. The terms of future DSH allotments are unknown and cannot be predicted at this time.

Medicaid Managed Care and Dental Organization: the Department used the following assumptions and methodologies (excludes fee for service):

- We considered demographic changes in age groups relating to Medicaid Managed Care rate cells for age groups 0 to 19, 20 to 64, 65-84 and 85-100 years of age.
- The Adult Dental coverage was implemented April 1, 2023, with the Dental Organization and is included in the 20 to 64 age grouping.
- The Department used birth estimates in the 10-year demographic trend data to consider the likely number of maternity kick payments (lump-sum payment to the State's contracted managed care organizations) will remain flat.
- We assumed a combined cost increase each year of 3.5 percent trend for managed care and adult dental capitation rates.
- Cost projections incorporate Chapter 79, Sections 238 through 240, Laws of 2023 (i.e., House Bill 2) Medicaid provider rate increases across the Department – these include \$24 million for general 3% Medicaid provider rate increases and \$110 million for targeted Medicaid rate increases for services including those deemed most critical.

Table 2 SFYs 2024 through 2033 Medicaid Managed Care and Dental Organization by Age Grouping (in millions)															
Age Group	SFY 2024			SFY 2025			SFY 2026			SFY 2027			SFY 2028		
	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost
0-19	\$388.56	91,310	\$425.8	\$402.16	89,027	\$429.6	\$416.24	85,659	\$427.9	\$430.80	81,339	\$420.5	\$445.88	76,578	\$409.7
20-64	\$678.93	88,743	\$723.0	\$702.69	89,649	\$755.9	\$727.29	91,506	\$798.6	\$752.74	94,263	\$851.5	\$779.09	97,426	\$910.8
65-84	\$511.26	7,301	\$44.8	\$529.15	8,464	\$53.7	\$547.67	9,749	\$64.1	\$566.84	11,094	\$75.5	\$586.68	12,450	\$87.6
85-100	\$356.73	1,975	\$8.5	\$369.21	2,170	\$9.6	\$382.14	2,364	\$10.8	\$395.51	2,538	\$12.0	\$409.35	2,708	\$13.3
Maternity	\$3,488.00	1,720	\$72.0	\$3,557.76	1,720	\$73.4	\$3,628.92	1,720	\$74.9	\$3,701.49	1,720	\$76.4	\$3,775.52	1,720	\$77.9
Total	189,329	\$1,274.0	Total	189,310	\$1,322.4	Total	189,278	\$1,376.3	Total	189,234	\$1,435.9	Total	189,162	\$1,499.5	
Age Group	SFY 2029			SFY 2030			SFY 2031			SFY 2032			SFY 2033		
	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost	Avg cost per month	Mnthly Members	Projected Cost
0-19	\$461.49	71,430	\$395.6	\$477.64	66,412	\$380.7	\$494.36	61,423	\$364.4	\$511.66	56,526	\$347.1	\$529.57	51,601	\$327.9
20-64	\$806.36	100,969	\$977.0	\$834.58	104,323	\$1,044.8	\$863.79	107,667	\$1,116.0	\$894.02	110,977	\$1,190.6	\$925.31	114,395	\$1,270.2
65-84	\$607.21	13,782	\$100.4	\$628.46	15,152	\$114.3	\$650.46	16,530	\$129.0	\$673.23	17,859	\$144.3	\$696.79	19,036	\$159.2
85-100	\$423.68	2,913	\$14.8	\$438.51	3,126	\$16.4	\$453.86	3,306	\$18.0	\$469.74	3,446	\$19.4	\$486.18	3,636	\$21.2
Maternity	\$3,851.03	1,720	\$79.5	\$3,928.05	1,720	\$81.1	\$4,006.62	1,720	\$82.7	\$4,086.75	1,720	\$84.4	\$4,168.48	1,720	\$86.0
Total	189,094	\$1,567.3	Total	189,013	\$1,637.2	Total	188,926	\$1,710.1	Total	188,808	\$1,785.7	Total	188,668	\$1,864.5	

Medicaid funded Home and Community based Waiver Services: Choices for Independence, Developmental Services, Acquired Brain Disorder, and Children’s In Home Services the Department used following assumptions and methodologies:

- The Department aggregated the average cost per participant from SFY 2017 to 2023, and based on this consideration applied the determined amount to the discrete age groups identified in the *State and County Population Projections* referenced above. SFY 2020 utilization relative to the total population by discrete age groups was used to derive potential counts for application to the average cost values.
- The Developmental Services, Acquired Brain Disorder, and Children’s In Home Services are currently engaging in rate development efforts with the Department’s contracted accounting firm. The potential rate change percentage is unknown at this point, however, the assumption of an increase was considered in the average cost per participant amount.

Nursing Facility: The following assumptions and methodologies were used:

- The Department aggregated the average cost per participant from SFY 2017 to 2023, and based on this consideration applied the determined amount to the discrete age groups identified in the *State and County Population Projections* referenced above.

- The Department used SFY 2020 utilization relative to the total population by discrete age groups to derive potential counts for application to the average cost values. The average cost per participant amount considers the Medicaid provider rate increase effective July 1, 2023, incorporating Chapter 79, Sections 238 through 240, Laws of 2023 (i.e., House Bill 2).

Sincerely,

A handwritten signature in black ink that reads "Lori Weaver". The signature is written in a cursive, flowing style.

Lori A. Weaver
Commissioner

cc: Shannon Chandley, State Committee Member
Gerald Griffin, State Committee Member
Kate Murray, State Committee Member
Joseph Pitre, State Committee Member
Ken Weyler, State Committee Member