



State of New Hampshire

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

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NICHOLAS A. TOUMPAS
COMMISSIONER

June 26, 2014

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Re: Dashboard – May 2014

Information

The Department of Health and Human Services is providing this dashboard report, which provides a status on demand for services in entitlement programs. The purposes of this dashboard are to:

1. Provide summary information on enrollments in several high cost programs,
2. Monitor high level fiscal issues to ensure sufficient funding is available for entitlement programs and for programs intended by the legislature, and to
3. Provide a summary of significant administrative and operations initiatives.

Explanation

Mission

The Department's mission is "to join communities and families in providing opportunities for citizens to achieve health and independence." The majority of individuals serviced by the Department fall into three groups and programs to help these individuals require different approaches with differing objectives.

- Permanently Disabled Individuals include the developmentally disabled, frail elderly and those with mental health issues who require long term care services. The objective is to help them maximize their independence, to allow to the extent it is safe for the individual, to live within a community, while recognizing that for many there will always be a need for long-term services and supports.
- Temporarily Low Income Individuals are those who have exhausted their financial resources due a loss of employment, divorce or temporary health issues. These individuals have the ability to likely recover their independence when jobs are available or their current crises are overcome with the appropriate interim supports.
- Chronically Low Income Individuals are the most complex. Breaking the cycle of poverty for the chronically low income requires a commitment from public and State leaders to invest in programs that will support a coordinated statewide effort including not only the Department of Health and Human Services but also Education, Corrections and Employment Security.

For the first eleven months of SFY14, the Department provided services to an average of 155,053 individuals per month. This represented a decrease of less than 1% versus the prior year. The number of Medicaid clients had been trending at slightly less than prior year but increased significantly since January. The increase is related to changes in eligibility implemented as part of the Modified Adjusted Gross Income (MAGI) methodology as part of the federal Affordable Care Act.

Number of Individual on Medicaid

		Versus Pr Month	Versus Prior Year
Jul-13	129,255	(98)	(314)
Aug-13	129,063	(192)	(888)
Sep-13	128,364	(699)	(1,115)
Oct-13	128,276	(88)	(2,117)
Nov-13	127,359	(917)	(2,751)
Dec-13	126,905	(454)	(3,096)
Jan-14	132,034	5,129	1,795
Feb-14	134,728	2,694	5,528
Mar-14	136,815	2,087	7,402
Apr-14	138,157	1,342	8,811
May-14	138,562	405	8,964

Average Enrollment (Persons) First Eleven Months

	SFY11	SFY12	SFY13	SFY14
Total Unduplicated Persons	152,662	154,598	155,888	155,053
<i>Pct Increase from Prior Year</i>	<i>4.89%</i>	<i>1.27%</i>	<i>0.83%</i>	<i>-0.54%</i>
Medicaid Persons	119,497	119,787	129,754	131,774
<i>Pct Increase from Prior Year</i>	<i>2.28%</i>	<i>0.24%</i>	<i>8.32%</i>	<i>1.56%</i>
Food Stamp Persons	112,107	115,831	118,064	113,581
<i>Pct Increase from Prior Year</i>	<i>13.98%</i>	<i>3.32%</i>	<i>1.93%</i>	<i>-3.80%</i>
FANF Persons	13,735	11,060	8,538	7,479
<i>Pct Increase from Prior Year</i>	<i>-2.52%</i>	<i>-19.47%</i>	<i>-22.81%</i>	<i>-12.40%</i>
APTD Persons	8,767	8,801	8,152	7,843
<i>Pct Increase from Prior Year</i>	<i>6.22%</i>	<i>0.39%</i>	<i>-7.37%</i>	<i>-3.80%</i>
Elderly Nursing Services	7,196	7,224	7,213	7,224
<i>Pct Increase from Prior Year</i>	<i>-1.38%</i>	<i>0.38%</i>	<i>-0.15%</i>	<i>0.16%</i>

Note: Medicaid persons for SFY11 and SFY12 does not include CHIP program.

Funding Issues

On Table A, the Department had been tracking a projected general fund shortfall for the biennium of \$36.6 million and the approved budget assumes another \$47.6 million of lapse from Department appropriations. Projected general fund shortfalls are currently estimated at \$7 million for SFY14 and \$43 million for SFY15. The Department has historically been proactive in dealing with budget shortfalls and the current budget issues have been, and will continue to be, addressed in a similar manner. The day the budget was passed the Department began work on assessing funding shortfalls and options for addressing those shortfalls.

- A DHHS hiring freeze was implemented for all non-direct care positions with an objective of maintaining 250 vacancies. Vacancies at the end of May were 306, 10.6% of authorized positions.
- All administrative accounts were reviewed to identify areas for potential reduction.
- Similar to the LBA process during the Senate phase of the budget, a list of program areas where significant general funds were added to our budget was prepared and reviewed.

In recent weeks, additional shortfalls have been identified to address federally required implementation of ICD-10 reporting and health care expansion for potential delays to Medicaid care management for long term support services, and for additional Medicaid caseloads. No additional funding has been provided for these shortfalls and the Department will likely satisfy these funding needs in SFY14 with funds that would otherwise lapse. The additional cost of the increased Medicaid caseloads for SFY14 could be lower than projected if clients remain in fee-for-service and do not require services; if, for example, clients do not select a care management plan and wait for auto-assignment. For clients enrolled in Care Management, the costs are fixed at the rate paid the Medicaid Care Management Organizations.

Operations & Administration

The Department has a number of operations challenges for the current biennium. Several significant changes to service delivery systems and operational infrastructure are in process. These include:

Service Delivery

1. Medicaid Care Management for Medical and Long Term Care Services
2. Implementation of Children in Need of Services (CHINS) Voluntary Services
3. Implementation of the 10-Year Mental Health Plan
4. State Innovation Model (SIM) Grant
5. Balanced Incentive Program (BIP) Grant

Medicaid Model

6. Development of an 1115 Waiver to restructure the Medicaid program
7. Implementation of authorized elements of the Affordable Care Act (ACA)
 - a. Implementation of the Modified Adjusted Gross Income
 - b. Federally Facilitated Marketplace
 - c. Federally Funded Primary Care Rate Increase
8. Implementation of the State's health care protection program

Information Technology

9. Medicaid Management Information System
10. Service Delivery System Transformation – Data Repository
11. Implementation of federal ICD-10 regulations
12. Health Information Exchange
13. Replace Child Support Information System (NECSES)
14. Complete the installation of the Medicaid Management Information System (MMIS)
15. Continue the modernization of the eligibility determination system (New HEIGHTS)
16. Implement Electronic Medical Record at New Hampshire Hospital
17. Implement WISDOM Public Health Performance Management System

Additionally, legislation related to medical marijuana and family planning services provided no funding for implementation and will require resources be transferred from other areas of the Department's budget.

These projects and high caseloads are straining the Department's capacity. In July 2008, the Department provided services to 125,236; today the Department provides services to 161,647 individuals, representing an increase of 28%. In July 2008, the Department had 3,095 filled positions. The number of filled positions has fallen to 2,591, representing a loss of over 500 positions, 19%. The decline in number of staff is exacerbated by the fact that nearly 12% of the Department's workforce is age 60 with at least 10 years of service and eligible for retirement. This potential drain of experienced staff, combined with the organizational downsizing and transformation challenges, creates risk to the Department's core competencies.

Litigation & Audits

In addition to managing current operations and working toward implementation of the significant transformation initiatives required in the budget, Department resources have become disproportionately directed at, and continue to be consumed to, addressing audits and litigation including: