State of New Hampshire
Department of Health and Human Services
SFY 22-23 Capital Budget

Presented to Senate Capital Budget Committee
May 14, 2021

Contact Information

► **Lori Weaver, Deputy Commissioner**

- lori.a.weaver@dhhs.nh.gov

- **(603) 271-9545**

► **David Clapp, Director of Facilities and Maintenance**

- david.s.clapp@dhhs.nh.gov

- **(603) 271-9501**

► **David Wieters, Director of Information Services**

- david.e.wieters@dhhs.nh.gov

- **(603) 271-9529**

► **Mary Calise, Deputy Chief Financial Officer**
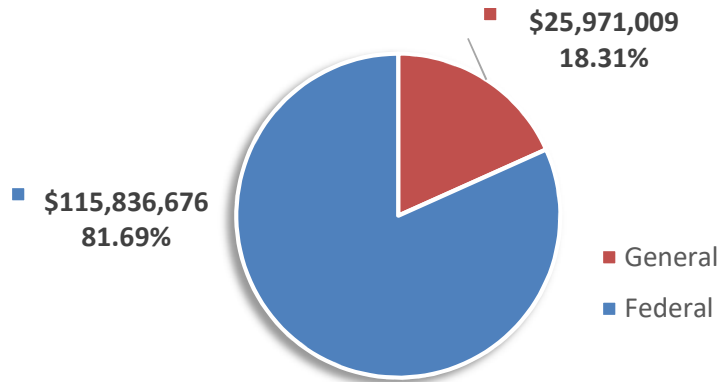
- mary.e.calise@dhhs.nh.gov
- **(603) 271-9294**

Agenda

►**Summary & Overview**

►**HB25 Capital Projects in Priority Order**

►**Other Important Capital Project Requests in Priority Order**

► **Conclusion**

►**List of HB25 Capital Projects in Priority Order**

►**List of Other Important Requests in Priority Order**

Summary & Overview
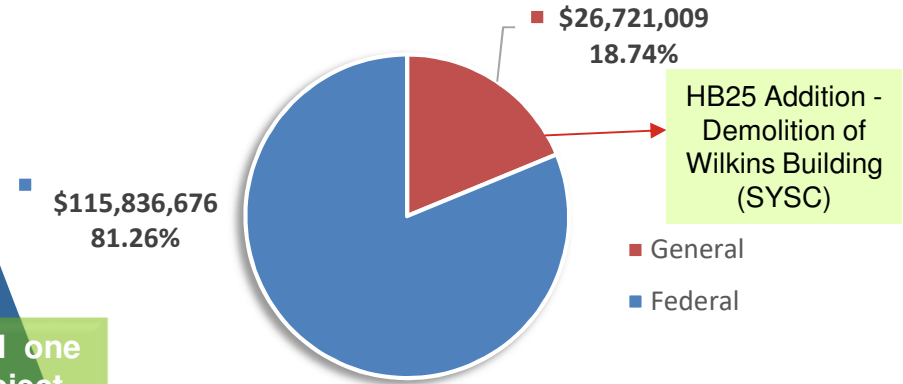
2022 / 2023 Governor's Capital Budget

$25,971,009
18.31%

$115,836,676
81.69%

- General
- Federal

Total Funds: $141,807,685

2022 / 2023 House Capital Budget

$26,721,009
18.74%

HB25 Addition - Demolition of Wilkins Building (SYSC)

$115,836,676
81.26%

- General
- Federal

Total Funds: $142,557,685

HB25 added one Capital Project ($750,000, GF)

3 Building Repairs and Maintenance Capital Projects

8 Systems Modernization and Lifecycle Management Capital Projects

4 Building Repairs and Maintenance Capital Projects

8 Systems Modernization and Lifecycle Management Capital Projects

Summary & Overview
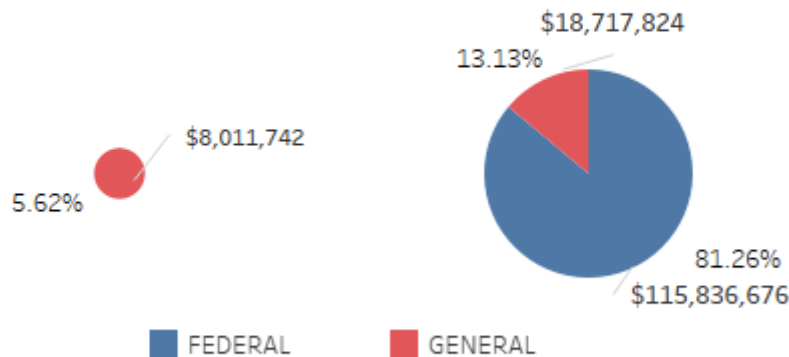
HB25 Capital Projects

Facility and Maintenance	IT Infrastructures

$18,717,824
13.13%

$8,011,742
5.62%

81.26%
$115,836,676

■ FEDERAL   ■ GENERAL

Funding Type (color) and % of Total Amount (size) broken down by Category. Percents are based on the total DHHS appropriations passed in HB25.

- DHHS requests that no change be made to HB25 capital budgets.

- DHHS requests consideration of other important capital budgets critical to the services we provide to our residents.
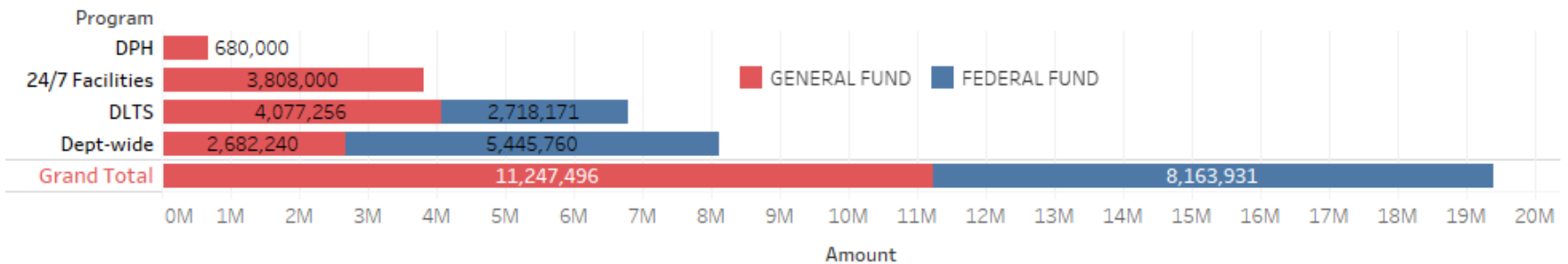
HB25 Total: $142,557,685 `12 Projects`

Dept. Total: $161,969,112 `22 Projects`

(19,411,427)

Other Important Department Requests

Program		
DPH	680,000	
24/7 Facilities	3,808,000	
DLTS	4,077,256	2,718,171
Dept-wide	2,682,240	5,445,760
Grand Total	11,247,496	8,163,931

■ GENERAL FUND   ■ FEDERAL FUND

0M 1M 2M 3M 4M 5M 6M 7M 8M 9M 10M 11M 12M 13M 14M 15M 16M 17M 18M 19M 20M

Amount

Federal Mandate
- The Administration for Children and Families (ACF) has revised the Statewide Automated Child Welfare Information System regulations to create a **new model** called the **Comprehensive Child Welfare Information System (CCWIS)** on June 2, 2016.

Current System
- The Statewide Automated Child Welfare Information System (the Bridges system).
- **23 years old**.

New System
- The Comprehensive Child Welfare Information System (CCWIS).
- Part of the **6-year incremental modernization** of the Bridges system.
- The **Year 3 and 4** part of the project includes **the case management and reporting functionality** of the solution.

Savings Projected
- Compliance and a modernized system to help with training complexities, reporting, and reduce time to complete paperwork.
- **$4,000,000** savings from **improved practice, functionality and processes** over lifetime.

Funding Requested
- **$9,259,352** ($**4,629,676** General Fund, **50%**, and $**4,629,67**6 Federal Fund, **50%**).

Child Protection

HB25 Status	Dollar Amount Change?
Passed	No

MEDICAID MANAGEMENT INFORMATION SYSTEM(MMIS) OVERVIEW

Medicaid Management Information System (MMIS)

2005 System Design **2007** Purchased Hardware & Software **2013** Go - Live **2015** Certification

The Medicaid Management Information System priorities are directed by State and Federal legislation.

Medicaid Systems Overview

Key Benefits / Metrics

✓ Core Medicaid System - Integrates 6 DHHS systems

✓ Federal Reporting - federal claiming for funding match

✓ MMIS Providers enrolled = 30,000

✓ Managed over 137,000 calls annually 99.5% up-time

✓ MMIS processes 15.7M claims totaling $1.8B annually

Penalties and Risks

Biennium Penalties:
- EVV: 21st century cures act: $2.14M
- Interoperability and Patient Access Final Rule - $2M

Risks:
- Certification: General Fund Impact - $6.6M annually
- Unfunded legislative mandates resulting in complex workarounds increasing operational costs

Re-Procurement Strategies

NASPO: Provider Services & Fee For Service (FFS) Claims
6% of NH population is FFS remaining 94% is Managed Care

Regionalized Government: AZ & HI; Michigan and Illinois

Modular – 7 capital project requests to support effort
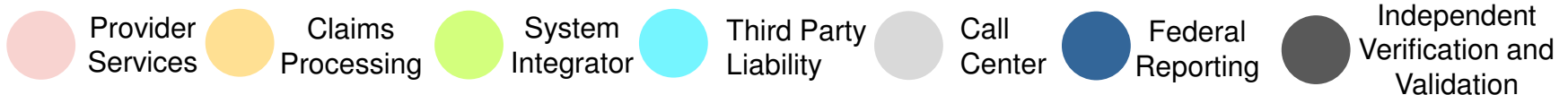
Strategic Directions

5 year plan: Maintain existing system and re-procure the MMIS key components

Lifecycle Management: maintain and operate during re-procurement and meet federal and state legislation

Provider Services | Claims Processing | System Integrator | Third Party Liability | Call Center | Federal Reporting | Independent Verification and Validation

CAPITAL PROJECTS CONTINUED

MMIS Lifecycle Management & Re-procurement

Per CMS original direction, the State entered into a contract with the vendor requiring the ownership of the equipment and software resulting in the responsibility of the State to allocate funds to replace the equipment on a standard lifecycle management plan of ten years.

Based on the age of the hardware and software, the department submitted for the hardware and software upgrades to be completed in SFY 2018/2019 and SFY 2020/2021 in the amount of $90M and was appropriated approximately $26M to begin the process.
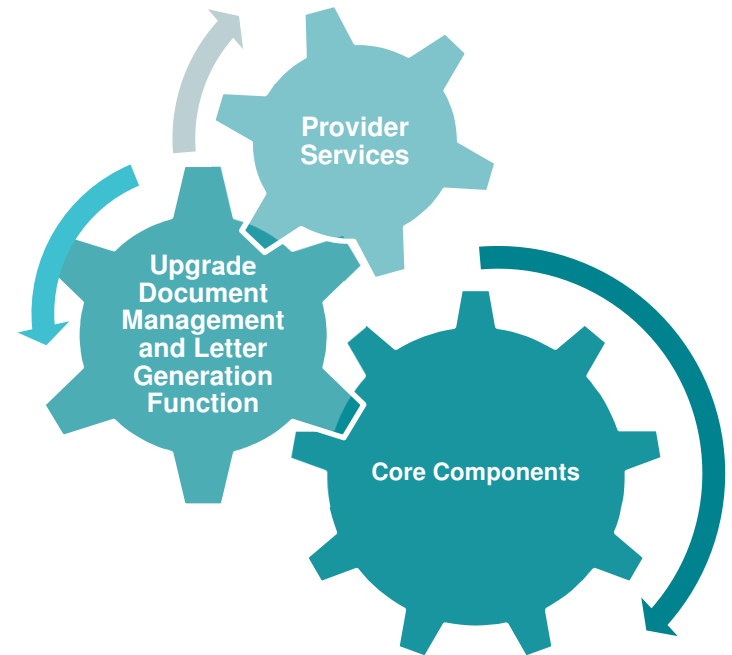
➡ MMIS Core Components

- MMIS rely on several IBM and Commercial Off the Shelf (COTS) products to support the environment that will all be at the **end of support** by calendar year end of 2021, requiring the State to upgrade the software. – Estimated $35M total funds

➡ Modules to Procure and Implement

- As part of the 5 year re-procurement strategy the department would begin an effort to procure and implement modules to include: **Provider Services, Call Center, Care Coordination and System Integrator**.

$90,000,000 Total Funds ($81,000,000 Federal Fund, 90%; $9,000,000, General Fund, 10%)

Provider Services

Upgrade Document Management and Letter Generation Function

Core Components

HB25 Status	Dollar Amount Change?
Passed	**No**

Beneficiary Service Improvement

Key Objectives

| Compliance with 45 CFR § 95.62 and Maintain Federal Financial Participation Funding | Independent Verification and Validation Contract for Federal Compliance | Third Party Liability Claims and Fraud Detection | Removal of Cross Over Claim Denials from Remittance Advice, and Maintain Necessary Portal Updates for Forms and Provider Types | Improve 27,000 Provider Self-Service Capabilities | Digital Transformation |

Funding Requested: $8,000,000 ($800,000 General Fund, 10%; $7,200,000 Federal Fund, 90%)

✓ Part of the Medicaid Management Information System (MMIS). The MMIS is an incredibly complex system, consisting of multiple vendor solutions that must be integrated to meet the common goal of delivering Medicaid services to the citizens of New Hampshire.

✓ This capital project provides for greater capability for managing **nursing facility cost reporting**, and more efficient and effective **nursing facility cost analysis to support rate setting**.

✓ It includes new system capabilities to achieve efficiencies and broaden capabilities in **cost recovery** in the areas of **third party liability and potential fraud detection**.

HB25 Status	Dollar Amount Change?
Passed	**No**

Electronic Visit Verification System (EVV)

Federal Mandate

- H.R. 34, the 21st Century Cures Act, was signed into law on December 13, 2016, requiring Electronic Visit Verification (EVV) for personal care services beginning January 1, 2020.

Previous Denial

- SFY20/21 capital funds request was not approved.

Exemption Expiration

- CMS Good Faith Effort exemption to delay implementation expired on January 1, 2021.
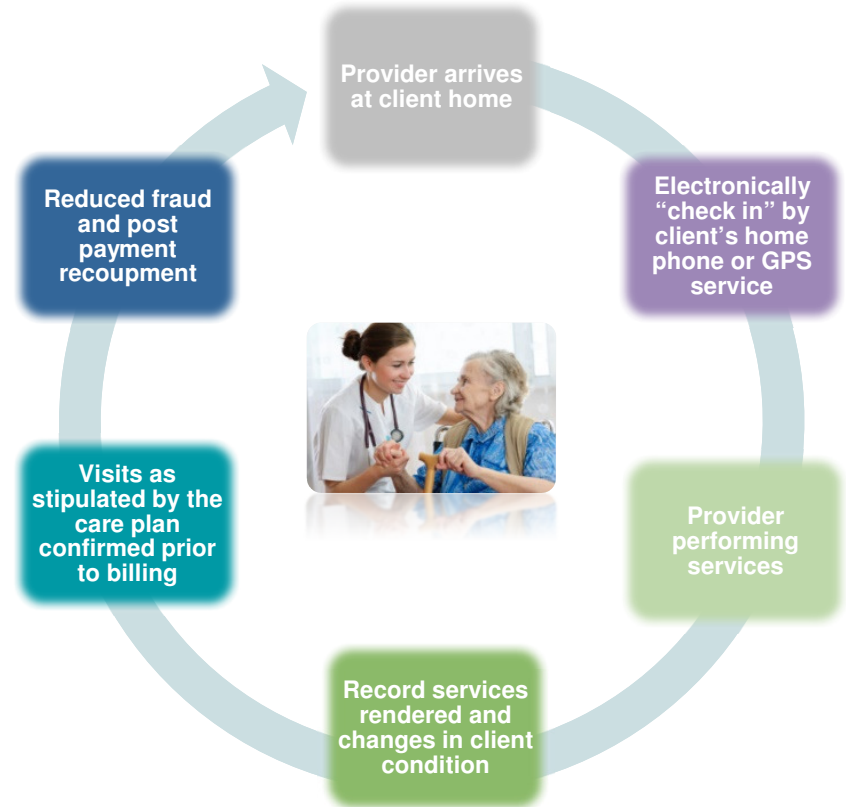
Penalty

- Personal Care Services: **0.25%** in 2021 increasing to 1% in 2025
- Home Health Services: **0.25%** in 2023 increasing to 1% in 2027
- **Biennium penalties for SFY22/23 are estimated to total $2.6 M**

Current Status

- Evaluating optimal approach and technology developing requirements with service providers.

Funding Requested

- $5,094,000 Federal Funds, **90%**
- $566,000 General Funds, **10%**
- $5,660,000 Total Funds

Provider arrives at client home

Electronically "check in" by client's home phone or GPS service

Provider performing services

Record services rendered and changes in client condition

Visits as stipulated by the care plan confirmed prior to billing

Reduced fraud and post payment recoupment

HB25 Status	Dollar Amount Change?
Passed	**No**

Centers for Medicare & Medicaid Services (CMS), **Minimal Acceptable Risk of Security and Privacy Controls for Exchanges** (**MARS-E 3.0**)

Required by 2023

Funds Requested: $600,000 ($540,000 Federal Fund, 90%; $60,000 General Fund, 10%)
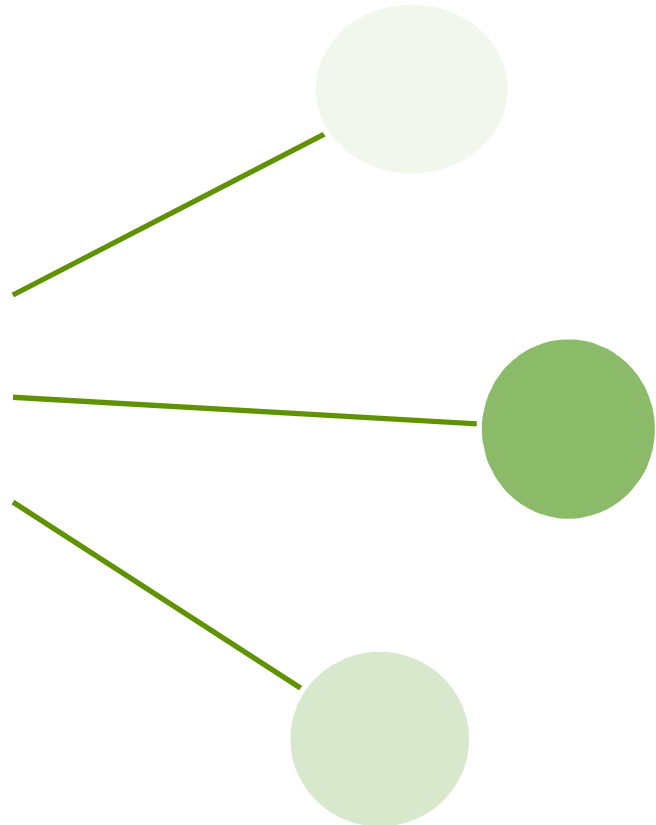
- Maintain the authority to connect to the Federal Data Services Hub (FDSH) and Federally Facility Marketplace (FFM)

- Retain **75/25 federal match** for Medicaid operations

- Potential **$6.6M loss** of federal Medicaid funding

HB25 Status	Dollar Amount Change?
Passed	**No**

2016 LBA Audit Finding: Unspent Appropriations	Phase 1: Research and Analysis of Existing Technology Environment	Phase 2: Procurement of a New System that Meets the Business and Technical Requirements

✓ *Modernize* the Bureau of Developmental Services' information technology systems.

✓ *Ensure ongoing bureau compliance* with federal and state regulations.

✓ *Leverage work done on the DCYF Bridges Modernization Project* using the Department's standard Salesforce platform and the business process framework in the New HEIGHTS system for the **Choices for Independence Home** and **Community Based Services Waiver**.

✓ *Five system releases* using the Agile Methodology for implementing system functionality.

✓ *Interfaces with the Medicaid Management Information System and New HEIGHTS system* for Medicaid eligibility.

✓ *Further the Department's goals* of interoperability, service delivery transformation, and security.

Total Funds Requested: $13,278,333 ($11,950,500 Federal Fund, 90%; $1,327,833 General Fund, 10%)

HB25 Status	Dollar Amount Change?
Passed	**No**

NH Bureau of Developmental Services (BDS) Direct Billing

Finding

- The Centers for Medicare, and Medicaid Services (CMS) determined that the NH Bureau of Developmental Services (BDS) was **out of compliance** with direct pay and conflict of interest regulations for their 1915(c) Home and Community Based Services waivers.

CMS Corrective Action Plan

- Improved information system and service processes that provide the ability to **satisfy the CMS corrective action plan** for conflict of interest and direct billing and **ensure continued federal funding** for services estimated at **$181M**.

Project Objectives

- **Critical modification** in Medicaid Management Information System.
- **Update billing processes** with the BDS Area Agencies and service providers.
- **Update service authorization** with the BDS Area Agencies and service providers.
- **Eliminate manual processes** that are prone to error and replace an existing unsupported access database with an enterprise supported solution that eliminates errors and time wasted on manual processes.

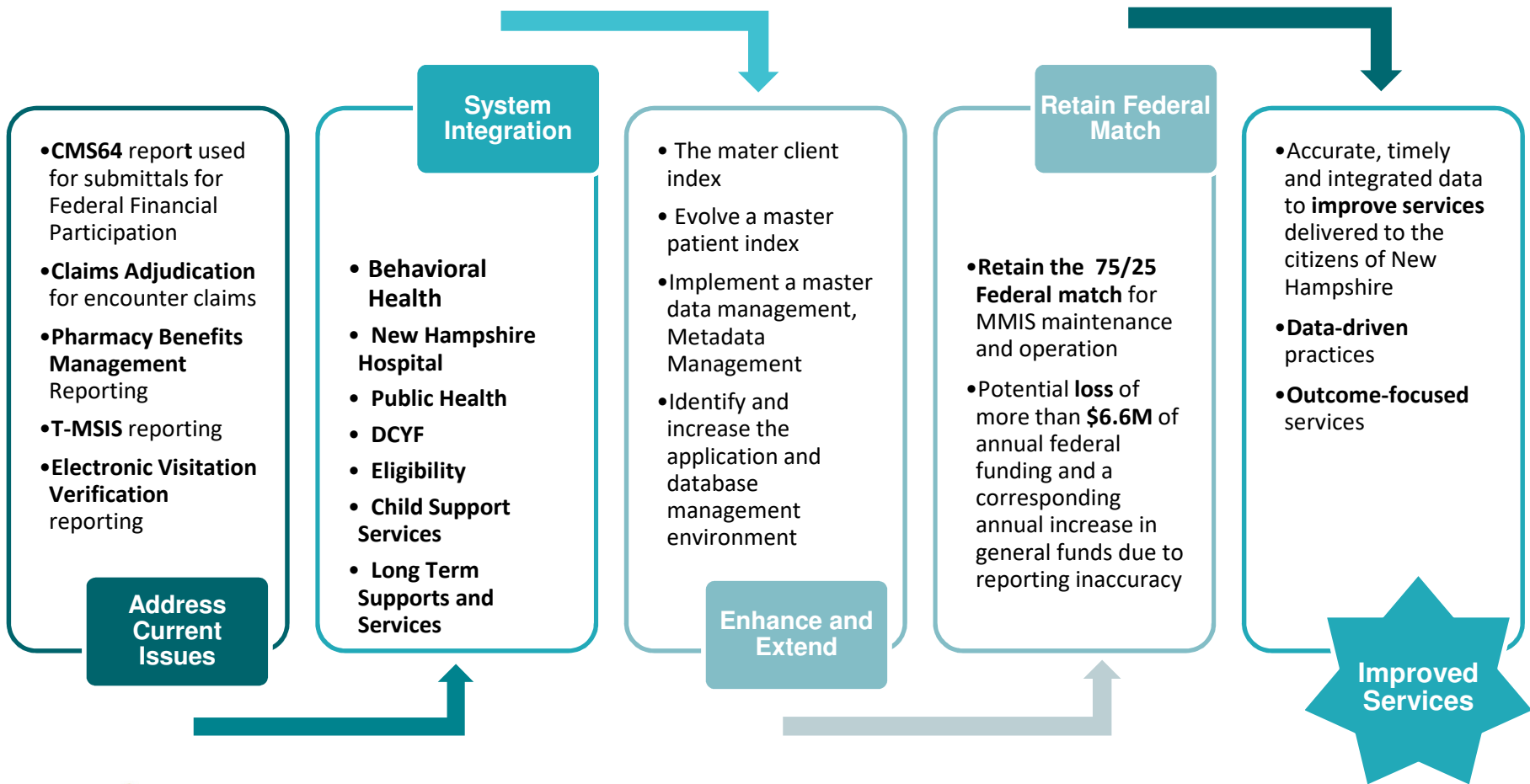**$1,000,000 Total Funds ($900,000 Federal Fund, 90%; $100,000, General Fund, 10%)**

HB25 Status	Dollar Amount Change?
Passed	**No**

Address Current Issues

- **CMS64** repor**t** used for submittals for Federal Financial Participation
- **Claims Adjudication** for encounter claims
- **Pharmacy Benefits Management** Reporting
- **T-MSIS** reporting
- **Electronic Visitation Verification** reporting

System Integration

- **Behavioral Health**
- **New Hampshire Hospital**
- **Public Health**
- **DCYF**
- **Eligibility**
- **Child Support Services**
- **Long Term Supports and Services**

Enhance and Extend

- The mater client index
- Evolve a master patient index
- Implement a master data management, Metadata Management
- Identify and increase the application and database management environment

Retain Federal Match

- **Retain the 75/25 Federal match** for MMIS maintenance and operation
- Potential **loss** of more than **$6.6M** of annual federal funding and a corresponding annual increase in general funds due to reporting inaccuracy

Improved Services

- Accurate, timely and integrated data to **improve services** delivered to the citizens of New Hampshire
- **Data-driven** practices
- **Outcome-focused** services

$ Funding Requested: $6,750,000 ($4,522,500 Federal Fund, 67%; $2,227,500 General Fund, 33%)

HB25 Status	Dollar Amount Change?
Passed	**No**

Glencliff Home LaMott Wing Roof Replacement

Background

- The LaMott wing houses **50 of the residents**.

- The roof has deteriorated to the state where the shingles are bubbling and many are blowing off. Staff have discovered pin-holes of light through the sheathing, causing leaks.

- Concerns that water may run down to the walls and **compromise the integrity of the entire building**.

Goals

- Address excessively deferred repairs

- Reduce future costs from damage caused by a faulty roof

- Improve residents living quality and experience

Funding Requested

- $1,100,000 All General Fund

HB25 Status	Dollar Amount Change?
Passed	No

NH Hospital Seclusion Room Safety Upgrades

Situation

- New Hampshire Hospital seclusion rooms have not been updated since the building was constructed (1989).

- These rooms are outdated, and **require improvement to bring them into regulatory compliance with RSA and Joint Commission standards.**

Background

- Seclusion rooms are behavioral health-grade spaces that are fully padded, include bathrooms with behavioral health-grade fixtures, and various security and monitoring equipment such as surveillance systems.

- Seclusion room design and materials are regulated, and often require expensive fixtures or materials.

Assessment

- The Governor's budget recommends $510,000 for this project.

- This project would improve the hospital's ability to meet regulatory standards.

Recommendation

- The Department requests the House approve this project at it's projected funding needs.

Funding Requested: $510,000 All General Fund

HB25 Status	Dollar Amount Change?
Passed	No

Design and renovation of C&D units to meet Behavioral Health Facilities Guidelines for Design & Construction for Psychiatric Hospitals (referenced by the Joint Commission).

Contingencies for logistical sequencing to minimize disruption to patient care.

Upgrades made directly to patient rooms, bathrooms, shower/tub rooms, unit cafeteria/kitchens and common areas, **many of which are original to the building built in1989, posing safety hazards, infectious control and regulatory compliance issue**.

Examples include environmental wall coverings/finishes, special grade lighting, special secure plumbing fixtures, security ceiling grid, and new floors.

Funding Requested: $5,650,000 All General Fund

HB25 Status	Dollar Amount Change?
Passed	**No**

The Wilkins Building suffered a catastrophic fire, cause by arson, leaving the building in an unusable and unsafe condition. Even though the building is enclosed by a fence, it is subject to trespassers.

$ **Funding Requested: $750,000 All General Fund**

HB25 Status
Addition to Governor's Budget

Dollar Amount Change?
No Change from Agency Phase

The PATH Center- Phillbrook Sewer Issue (DAS Project)

- The Department of Administrative Services (DAS) introduced a project in HB25 to improve the sewer lines at the Phillbrook building. This project is passed in HB25.

- The Department of Health and Human Services assumed occupancy of the Pillbrook building in the summer of 2020, and is running a transitional housing program out of it currently.

- We request that the "Philbrook Building - Sewer Line Replacement" capital budget under DAS be approved by the Senate, as the Phillbrook building continues to have issues relative to it's sewer.

Other Important Facility Repairs and Maintenance Requests

Dept. Priority #9 **SYSC Barn Roof Replacement**

- The Barn roof is **well passed its useful life** and has deteriorated to the point that it is **unable to keep the weather out**. This is causing internal damage to the structure that will need to be addressed to keep it from progressing further.
- The building is used for storage of materials and equipment for the facility as well as being used for programs in the facility.
- Funding Requested: $325,000 All General Fund

Dept. Priority #10 **SYSC Barn Boiler Replacement**

- The Barn Boiler provides steam to heat buildings external to the SYSC and located on the SYSC campus. The boiler has had a **complete failure** due to a malfunction of the boiler controls, which will require a complete replacement of the boiler. The boiler is neither operational or repairable. This project will ensure that buildings on the SYSC campus are properly heated.
- Funding Requested: $100,000 All General Fund

Dept. Priority #15 **Glencliff Home Waste Water Treatment Improvements**

- Replace the collection and disposal portion of the Glencliff sewer system, **certain portions of which were constructed more than 70 years ago**.
- Funding Requested: $1,200,000 All General Fund

Other Important Facility Repairs and Maintenance Requests

Dept. Priority #16 **NH Hospital APS Security System Upgrades**

- New Staff Emergency Alerting System and Patient Monitoring System
- There are currently no exterior surveillance cameras
- Funding Requested: $900,000 All General Fund

Dept. Priority #17 **NH Hospital Flooring Upgrades to All Patient Units**

- Replace flooring in all patient areas with behavioral health grade flooring products that meet requirements in the Behavioral Health Facilities Guidelines for Design & Construction for Psychiatric Hospitals (latest edition).
- The current flooring within the building is original to its construction in 1989.
- Funding Requested: $968,000 All General Fund

Other Important Information Technology Requests

Dept. Priority #13   **Bureau of Elderly and Adult Services Systems Modernization**

- **23 years old system** that needs to be updated to a web based service, be accessible off-site, off-line, and increase the number of users who can access the system.
- The current system is used to manage BEAS **social worker caseloads**, **the adult protection program, service authorization and provider payments** related to the Social Services Block Grant and the Older American's Act services.
- **The BEAS business model has evolved** over the last ten years to include a higher percentage of field work by social workers, ServiceLink personnel, and contract agencies.
- This necessitates **remote system access, off-line access, and enhanced system functionality for a variety of locations and user types**. The current application does not meet the needs of the current business model.
- Without the upgrade, **new business practices will not be supported and additional personnel will be required to enter data into the system**.
- The upgrade could be rolled out in phases by business function and leverage work done on projects.
- Funding Requested: $6,795,427 ($4,077,256 General Fund, 60%; $2,718,171 Federal Fund, 40%)

Dept. Priority #21   **Interoperability and Integration**

- This request is to **improve the care coordination for our programs and services**, by implementing a **statewide closed loop referral system as well as an acute care time tracking and scheduling system** with associated infrastructure automation that DHHS needs to integrate data systems across Divisions to effectively inform our employees, providers and citizens as applicable regarding the programs and services offered.
- Funding Requested: $8,128,000 ($2,682,240 General Fund, 33%; $5,445,760, Federal Fund, 67%)

Other Important Information Technology Requests

Dept. Priority #24 **Environmental Health Data System**

- This request is to **replace three antiquated homemade Access Databases and five Excel Spreadsheets** with one comprehensive Environmental Health Data System that will take care of the data management and storage needs of Healthy Homes and Lead Poisoning Prevention Program within the Healthy Homes and Environmental Section of the Bureau of Public Health Protection.
- Funding Requested: $250,000 All General Fund

Dept. Priority #25 **PFAS Environmental Water Testing Equipment**

- This request is to purchase Liquid Chromatograph/Mass Spectrometry (LC/MS) system for PFAS water testing and minor renovation, electrical and HVAC work to Public Health Lab space. Purchase of this instrument will allow the NH PHL to begin testing environmental samples, specifically water, for PFAS.
- Funding Requested: $430,000 All General Fund

List of HB25 Capital Projects in Priority Order

	HEALTH AND HUMAN SERVICES – SFY22-23 HOUSE PASSED CAPITAL PROJECTS	GENERAL	FEDERAL	TOTAL
1	DCYF COMPREHENSIVE CHILD WELFARE INFORMATION SYSTEM (CCWIS)	4,629,676	4,629,676	9,259,352
2	MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) LIFECYCLE MANAGEMENT AND REPROCUREMENT	9,000,000	81,000,000	90,000,000
3	BENEFICIARY SERVICE IMPROVEMENT	800,000	7,200,000	8,000,000
4	ELECTRONIC VISIT VERIFICATION SYSTEM	566,000	5,094,000	5,660,000
5	MINIMUM ACCEPTABLE RISK OF SECURITY AND PRIVACY CONTROLS FOR EXCHANGES (MARS-E) SECURITY ASSESSMENT AND REMEDIATION	60,000	540,000	600,000
6	DEVELOPMENTAL SERVICES INFORMATION TECHNOLOGY REMEDIATION	1,327,833	11,950,500	13,278,333
7	NH BUREAU OF DEVELOPMENTAL SERVICES (BDS) DIRECT BILLING	100,000	900,000	1,000,000
8	FEDERAL REPORTING INTEGRITY AND COMPLIANCE	2,227,500	4,522,500	6,750,000
9	GLENCLIFF HOME LAMOTT WING ROOF REPLACEMENT	1,100,000	-	1,100,000
10	NH HOSPITAL SECLUSION ROOM SAFETY UPGRADES	510,000	-	510,000
11	NH HOSPITAL RENOVATIONS TO COMPLY WITH HEALTH AND SAFETY STANDARDS - C & D UNITS	5,650,000	-	5,650,000
12	*DEMOLITION OF WILKINS BUILDING	750,000	-	750,000
	TOTAL FOR HEALTH AND HUMAN SERVICES	**26,721,009**	**115,836,676**	**142,557,685**

*HB25 addition to Governor's Capital Budget

List of Other Important Requests in Priority Order

	CAPITAL PROJECT NAME	GENERAL FUND	FEDERAL FUND	TOTAL FUNDS
1	SYSC BARN ROOF REPLACEMENT	325,000	-	325,000
2	SYSC BARN BOILER REPLACEMENT	100,000	-	100,000
3	NHH APS KITCHEN REFRIGERATION UPGRADES	315,000	-	315,000
4	NHH FLOORING UPGRADES TO ALL PATIENT UNITS	968,000	-	968,000
5	GLENCLIFF HOME WASTE WATER TREATMENT IMPROVEMENTS	1,200,000	-	1,200,000
6	NHH APS SECURITY SYSTEM UPGRADES	900,000	-	900,000
7	BEAS SYSTEMS MODERNIZATION	4,077,256	2,718,171	6,795,427
8	INTEROPERABILITY AND INTEGRATION	2,682,240	5,445,760	8,128,000
9	ENVIRONMENTAL HEALTH DATA SYSTEM	250,000	-	250,000
10	PFAS ENVIRONMENTAL WATER TESTING EQUIPMENT	430,000	-	430,000
	TOTAL	11,247,496	8,163,931	19,411,427