

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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March 17, 2023

Lori Weaver  
Commissioner  
Division of Medicaid Services  
New Hampshire Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301-6521

Dear Commissioner Weaver:

On February 8, 2021, New Hampshire sent a letter to the Centers for Medicare & Medicaid Services (CMS) requesting reconsideration of the January 15, 2021 CMS determination to recoup federal financial participation (FFP) for the section 1115(a)(2) costs not otherwise matchable (CNOM) under section 1903 that were authorized by the Building Capacity for Transformation (BCT) section 1115(a) demonstration that expired on December 31, 2020. In support of this request, on December 9, 2022, New Hampshire sent CMS updated actual financial expenditure data on the BCT demonstration. CMS has engaged in additional fact finding and analysis based on this new information.

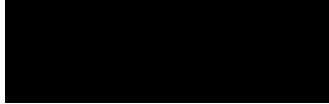
Furthermore, CMS has updated its approach to midcourse corrections under budget neutrality to provide flexibility and stability for states over the life of section 1115(a) demonstrations. The nature of the expenditures in the BCT demonstration would have constituted grounds for a mid-course correction under CMS' mid-course correction policy under which a state's baseline may be adjusted based on actual expenditure data to accommodate circumstances that are either out of the state's control (e.g., expensive new drugs that the state is required to cover enter the market); and/or the effect is not a condition or consequence of the demonstration (e.g., unexpected costs due to a public health emergency); and/or the new expenditure (while not a new demonstration-covered service or population that would require the state to propose an amendment to the demonstration) is likely to further strengthen access to care (e.g., a legislated increase in provider rates). CMS considers this a more rational, transparent, and standardized approach to permitting budget neutrality modifications during the course of a demonstration. CMS has determined that it is equitable to apply the updated mid-course correction policy to the BCT demonstration.

As a result of the additional fact finding and the application of the updated mid-course correction policy to the BCT demonstration, CMS has determined that New Hampshire does not have a budget neutrality overage, and is therefore not liable for returning the FFP in the CNOM expenditures authorized by the BCT demonstration identified in our January 15, 2021 letter. If you have questions regarding this matter, please contact Ms. Mehreen H. Rashid, Acting

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Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-0938.

Sincerely,



Daniel Tsai  
Deputy Administrator and Director

cc: Courtney Miller, Director, Medicaid and CHIP and Operations Group