



# FUNDING FOR HEALTH SERVICES AND SUPPORTS IN THE GOVERNOR'S PROPOSED STATE BUDGET

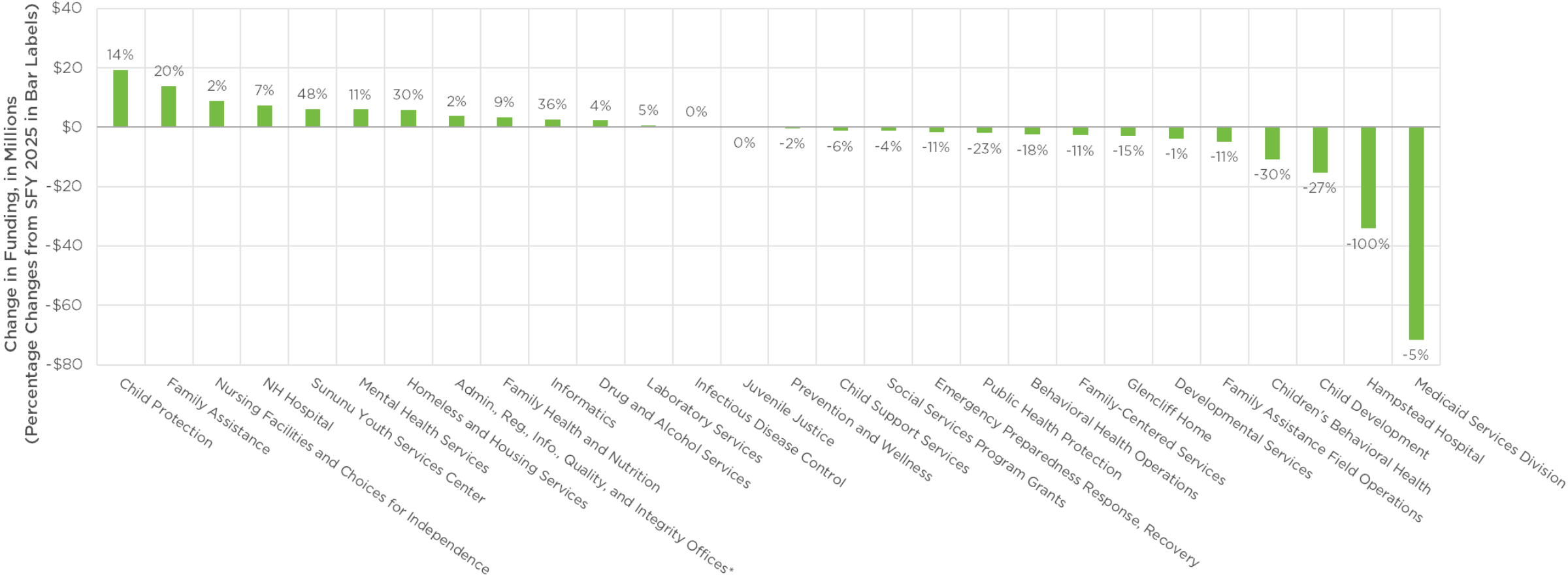
BI-STATE PRIMARY CARE ASSOCIATION  
LEGISLATIVE AND BUSINESS EVENT

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MARCH 20, 2025

# GOVERNOR'S PROPOSED FUNDING CHANGES TO DEPARTMENT OF HEALTH AND HUMAN SERVICES

CHANGES BY SUB-AGENCY WITHIN THE NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES, CURRENTLY-AUTHORIZED EXPENDITURES FOR SFY 2025 VS. PROPOSED SFY 2026



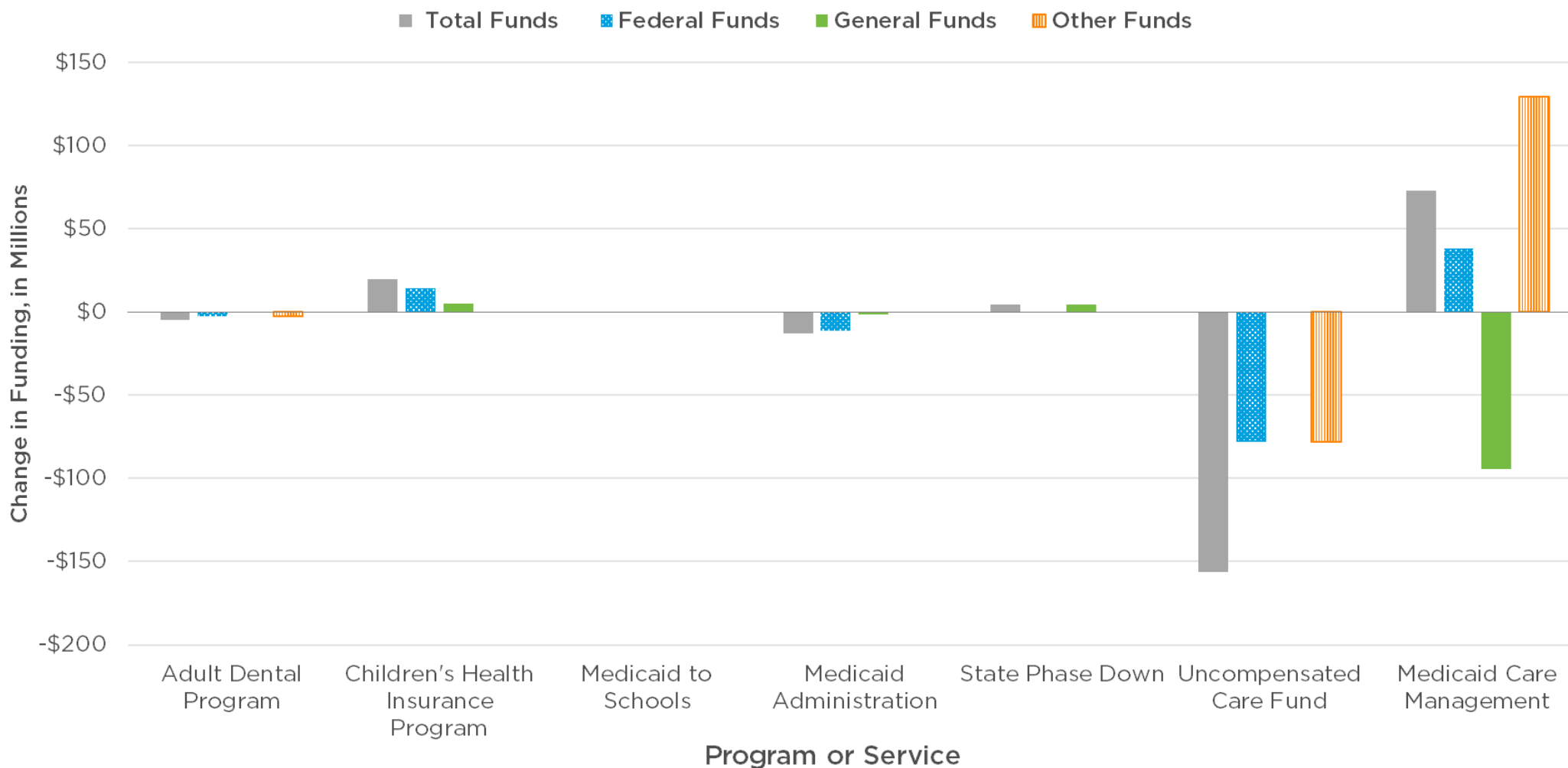
Subagency with the New Hampshire Department of Health and Human Services

\*Note: Combined nine operating units across separate budget lines, including the Commissioner's Office. The Bureau of Healthcare Access and Policy is being reorganized and does not appear here. Source: Governor's Operating Budget and Governor's Executive Budget Summary, February 13, 2025

# MEDICAID SERVICES DIVISION CHANGES

## CHANGE IN MEDICAID FUNDING BY FUNDING TYPE

*Adjusted Authorized Amount for SFY 2025 Compared to Governor's Proposal for SFY 2026, New Hampshire*



# MEDICAID REDUCTIONS LARGELY DUE TO LOWER HOSPITAL UNCOMPENSATED CARE FUNDING

- Total reduction of \$200.5 million in General Funds from current State Fiscal Years (SFYs) 2024-2025 to Governor's proposed SFYs 2026-2027, accounting for both years in each State Budget
- \$133.1 million of that total is in the Medicaid managed care line
- Total appropriations for Medicaid managed care are higher (\$291.1 million, 19.0 percent), but General Funds are substantially lower while Other Funds increased
  - More Medicaid Enhancement Tax revenues flowing to the Medicaid managed care lines
- Uncompensated care funding pool for hospitals:
  - SFY 2024 actual expenditures: \$243.2 million
  - SFY 2026 Governor's proposal: \$88.4 million
- Lower uncompensated care payments allows more Medicaid Enhancement Tax revenue to offset more General Fund revenue for Medicaid match
- Changes to these lines could impact General Fund appropriations

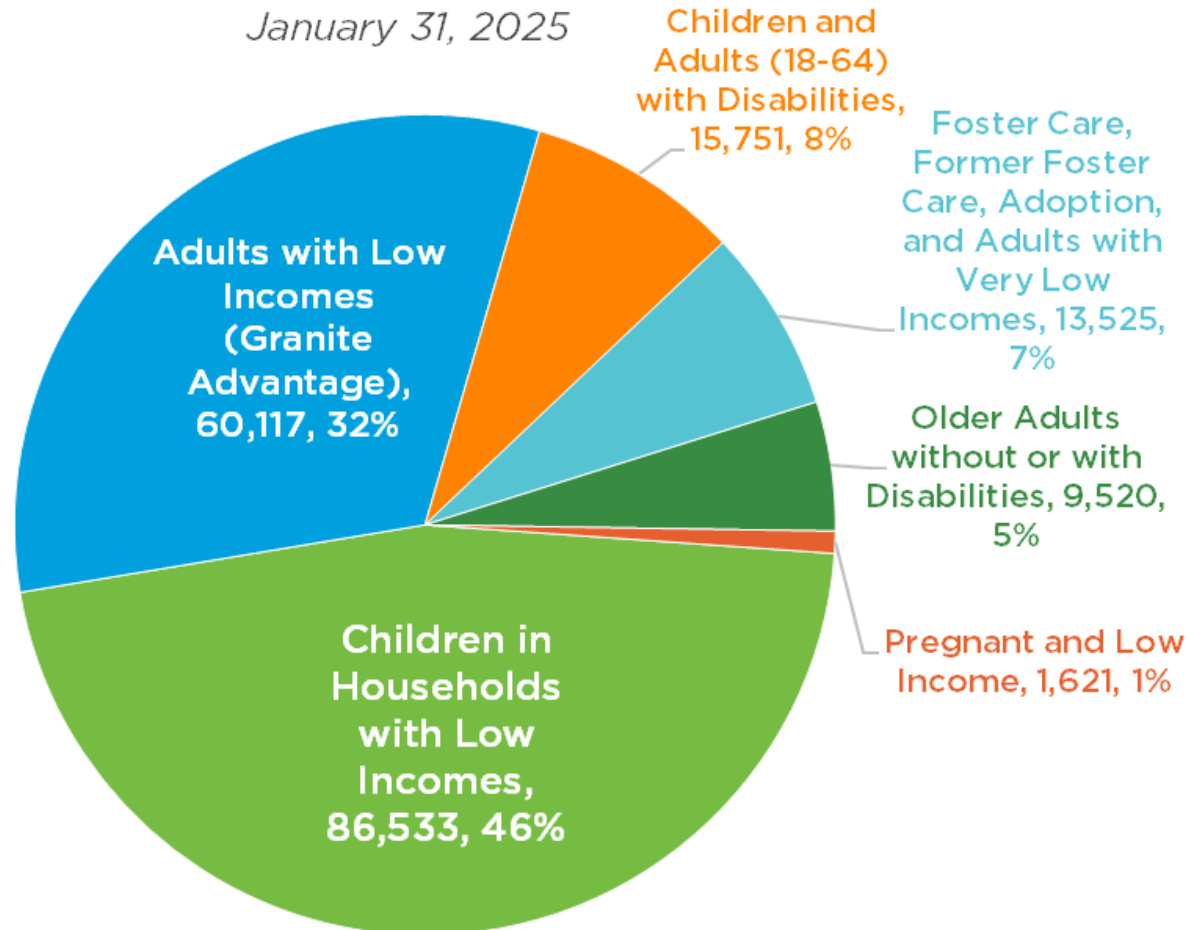
# PROPOSED COST SHARING FOR MEDICIAID ENROLLEES AND OTHER CHANGES

- Federal waiver to establish premiums among Granite Advantage Program for enrollees over 100 percent of the federal poverty guidelines
  - Estimated \$12.0 million towards the Granite Advantage Healthcare Trust Fund for SFY 2027
- Premiums also established for Children's Health Insurance Program (CHIP); households above 255 percent of the federal poverty guidelines
  - CHIP premiums factored into projected General Fund revenue; \$3.3 million for SFY 2026 and \$11.0 million for SFY 2027
- Premiums limited to 5 percent of household's income, with cost restrictions for certain services
- Increased prescription drug cost shares, from \$1-2 to \$4
  - Estimated \$750,000 each year of biennium to General Fund
- State plan amendments made for CHIP premiums and prescription cost shares by January 2026, Medicaid waiver for Granite Advantage premiums by July 2026
- Expiration of temporary Medicaid waivers associated with public health emergency; return to normal eligibility redeterminations in place prior to pandemic

# MEDICAID POPULATION MAJORITY CHILDREN AND GRANITE ADVANTAGE ADULTS

## MEDICAID ENROLLMENT IN NEW HAMPSHIRE

January 31, 2025



Source: New Hampshire Department of Health and Human Services, February 4, 2025

Enrollment as of February 28, 2025:

- Medicaid: 183,764
- Supplemental Nutrition Assistance Program (SNAP): 76,875

Based on national data from 2023, 64 percent of Medicaid enrollees age 19-64 are working

- Common reasons for not working include: caregiving, having a disability, attending school

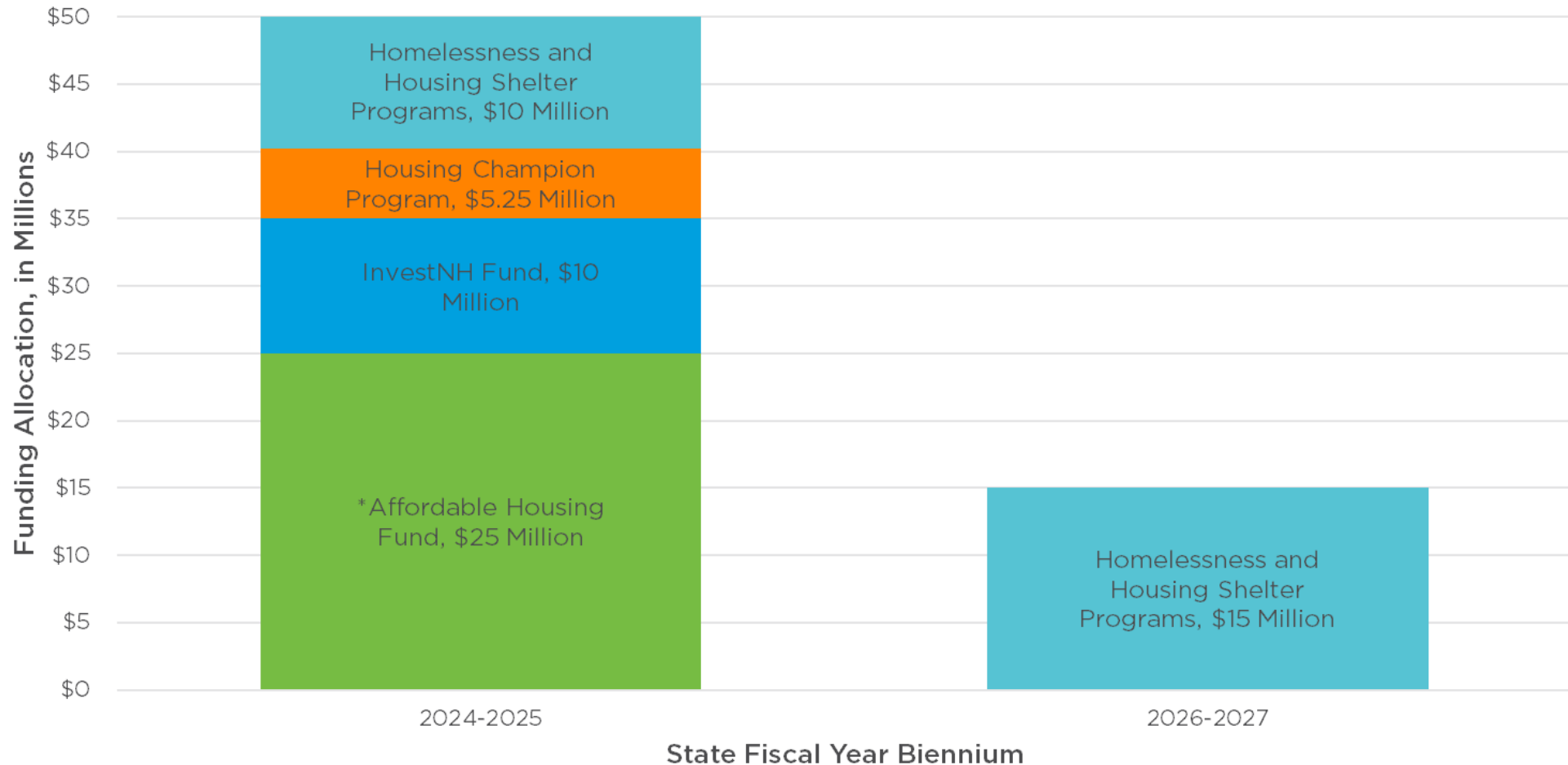
Source: Kaiser Family Foundation, Understanding the Intersection of Medicaid and Work: An Update, Feb. 2025 6

# PROPOSED CHANGES RELATED TO MENTAL HEALTH FUNDING

- Increase for Bureau of Mental Health Services; additional \$12 million in allocations across proposed biennium, \$6 million each year, to support uncompensated care at community mental health centers
- Decrease of \$10.9 million in Children's Behavioral Health Bureau between SFY 2025 adjusted authorized amount and SFY 2026 in the Governor's proposal
  - Reorganization of funds into other departments
  - Children's Behavioral Health Resource Center not funded under proposal
- Funding for Bureau of Drug and Alcohol Services remain relatively flat; declines among Recovery Friendly Workplace Initiative
- Hampsted Hospital removed from State Budget following approved lease and operational change to Dartmouth Health
- Increase of \$7.3 million in allocations for New Hampshire Hospital, between adjusted authorized amount for SFY 2025 and proposed for SFY 2026

# INCREASED FUNDING FOR HOMELESSNESS SERVICES AND SHELTER SUPPORTS

## ADDITIONAL HOUSING INVESTMENTS BY BUDGET BIENNIUM



\*Note: Allocations towards the Affordable Housing Fund do not include additional \$5 million transfers from the Real Estate Transfer Tax, which occur each State Fiscal Year.

Sources: Chapter 79, Laws of 2023; New Hampshire Department of Administrative Services, Budget Office

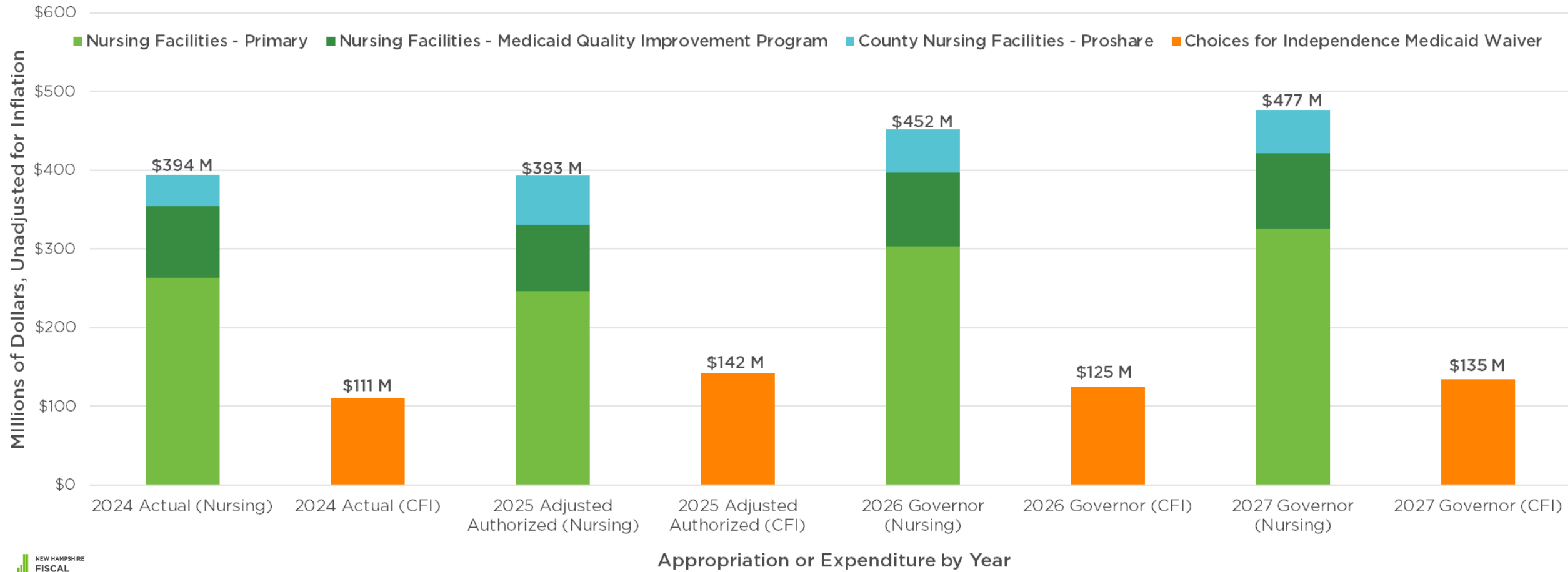


# FUNDING FOR HEALTH CENTER SUPPORT VARIED IN GOVERNOR'S PROPOSAL

- State Loan Repayment Program (SLRP) helping to recruit and retain health care professionals in rural and medically underserved areas
  - Total funding remained relatively flat between the adjusted authorized amount for SFY 2025 and the proposed amount for SFY 2026
- Maternal and Child Health Title V Block Grant, also formerly known as “primary care contracts,” providing funding to health centers to support preventive care
  - Total funding declined between the adjusted authorized amount for SFY 2025 (\$6.0 million) and the proposed amount for SFY 2026 (\$5.6 million)
  - Funding towards contracts for program services increased slightly between SFY 2025 (\$4.5 million) and SFY 2026 (\$4.7 million)

# BUDGETED MEDICAID FUNDING INCREASED FOR NURSING FACILITIES, LOWER FOR CFI SERVICES

## FUNDING FOR NURSING FACILITIES AND CHOICES FOR INDEPENDENCE HOME AND COMMUNITY-BASED MEDICAID SERVICES IN THE GOVERNOR'S BUDGET



Source: Governor's Operating Budget Proposal, February 2025

# FEDERAL FUNDING FOR NEW HAMPSHIRE MEDICAID

- Medicaid, including all parts of the program, is the largest program the State operates (estimated \$2.6 billion in SFY 2025)
- Federal funds for Medicaid was the single largest source of revenue to the State in SFY 2024 (\$1.4 billion)
- Several federal proposals under consideration would substantially change Medicaid funding to states
- Two measurable proposals, implemented together, would have cost the State of New Hampshire about \$493 million more in SFY 2025 to keep the same level of service

## COST TO STATE OF NEW HAMPSHIRE FROM POTENTIAL MEDICAID FEDERAL FUNDING MATCH REDUCTIONS

### MEDICAID STATE MATCH FLOOR REMOVAL

*Current Federal Law Provides a Minimum 50 Percent Match for State Medicaid Programs, Otherwise Adjusted by Formula Based on State Per Capita Income*

Removal of Minimum Federal Match Floor (Currently 50%)	Estimated Additional State Share Cost of Projected Calendar Year 2025 Costs for Medicaid Program Except for Granite Advantage if Match Had Been Lower
Estimated New Match Rate for New Hampshire (2025): 42%	\$194 Million

### MEDICAID EXPANSION MATCH CHANGES

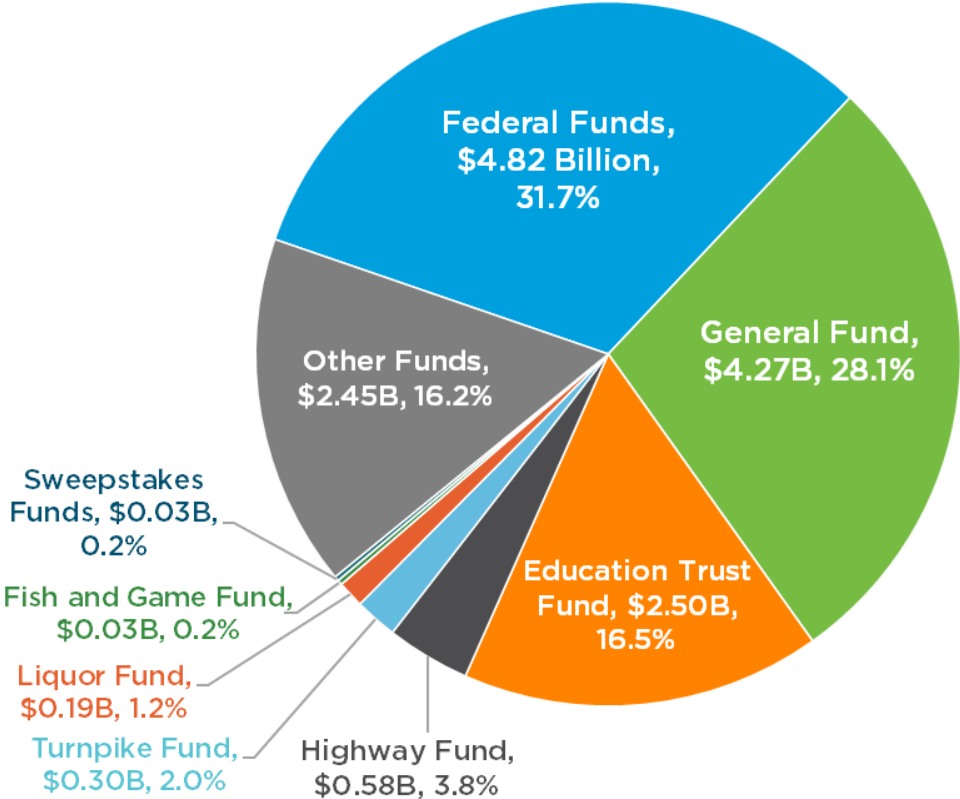
*Current Federal Law Provides a 90 Percent Match for Cost of Providing Granite Advantage Program Health Coverage*

Federal Medical Assistance Percentage (FMAP) - Federal Match Rate Reductions (90% in Current Law)	Estimated Additional State Share of Projected State Fiscal Year 2025 Costs for Granite Advantage Program if Match Had Been Lower
80%	\$63 Million
70%	\$125 Million
60%	\$187 Million
50%	\$249 Million
42%	\$299 Million

Sources: New Hampshire Department of Health and Human Services Point-In-Time Expenditure Estimates; Center on Budget and Policy Priorities, "Medicaid Threats in the Upcoming Congress," December 13, 2024; NHFPI Calculations

# FEDERAL TRANSFERS FUND NEARLY A THIRD OF STATE BUDGET-FUNDED SERVICES

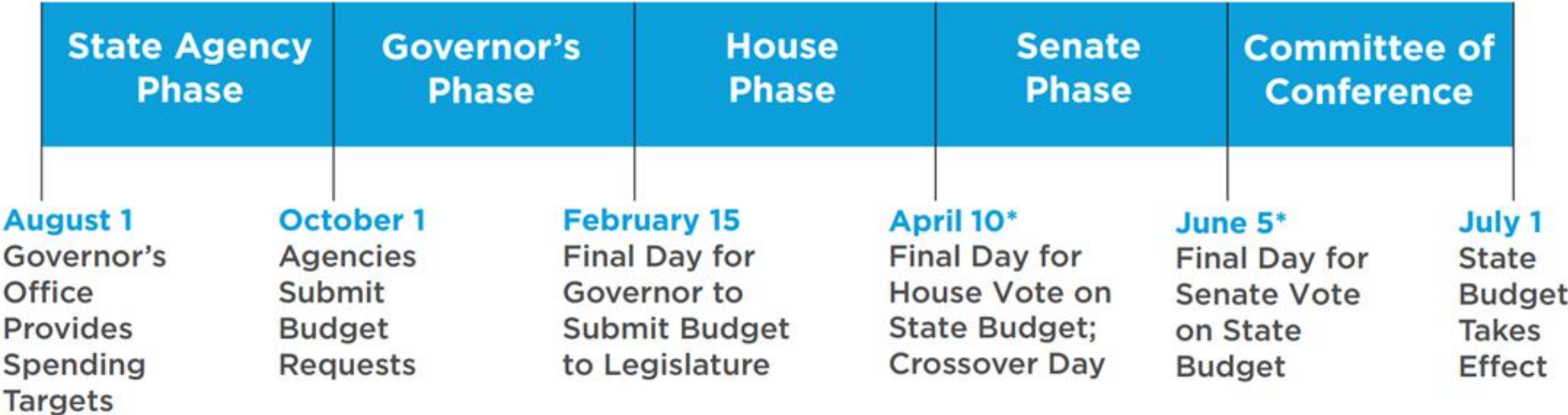
THE STATE BUDGET FOR FISCAL YEARS 2024 AND 2025, BY FUND  
*Includes Operating Budget and Trailer Bill Appropriations*



Sources: New Hampshire Office of Legislative Budget Assistant, Senate Finance Committee Surplus Statements, June 2023; 2023-2054s; 2023-2092s; 2023-2171s; 2023-2139s

# STATE BUDGET CURRENTLY IN THE HOUSE PHASE

## State Budget Process Timeline

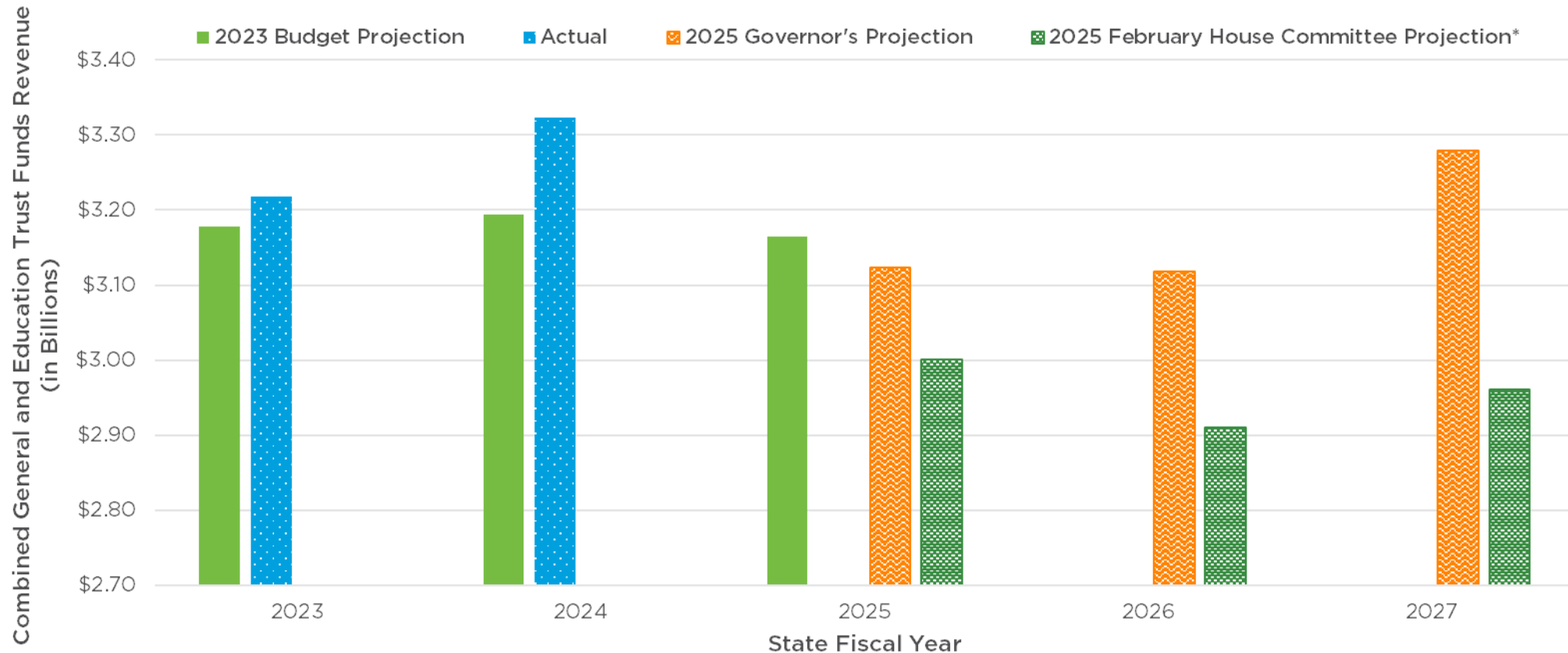


\*Dates set by legislative leadership each session; all other dates specified in statute.

# HOUSE REVENUE ESTIMATES SUBSTANTIALLY LOWER THAN GOVERNOR'S PROJECTIONS

## STATE REVENUE PROJECTIONS AND ACTUAL REVENUES

*New Hampshire Combined General and Education Trust Funds*



\*Projection from the New Hampshire House Ways and Means Committee on February 12, 2025.

Sources: New Hampshire Department of Administrative Services, Annual Comprehensive Financial Report, SFY 2023 and June SFY 2024 Preliminary Accrual; Governor's Budget Executive Summary, February 2025; New Hampshire Office of Legislative Budget Assistant, House Ways & Means Revenue Estimate Worksheets, February 12, 2025



# KEY TAKEAWAYS

- Governor's budget proposes changes to Medicaid and other assistance programs, including adding Medicaid premiums and copayments, increasing funding for mental health services and housing shelter supports, and nursing facilities
- Proposal includes proposed decreases in appropriations for Choices for Independence Medicaid waiver services and uncompensated care payments to hospitals
- Medicaid premiums would be for Granite Advantage and Children's Health Insurance Program enrollees with higher incomes
- Several federal changes could substantially reduce Medicaid funding to the State, trigger the end of some services without policy adjustments
- House revenue estimates will prompt significant funding reductions relative to Governor's proposal

# ADDITIONAL RESOURCES

- Newsletter: The latest New Hampshire economic research and fiscal analysis – delivered straight to your inbox each week: <http://nhfpi.org/subscribe/>
- Report: The Governor’s State Budget Proposal for Fiscal Years 2026 and 2027 – March 12, 2025: <https://nhfpi.org/resource/the-governors-state-budget-proposal-for-fiscal-years-2026-and-2027/>
- Webinar: Examining the State Budget 2025 Webinar Series – February 21, 2025: <https://nhfpi.org/events/examining-the-state-budget-2025-webinar-series/>
- Blog: Bigger Budget, New Lottery Revenues, and Less Money for Housing and Child Care Workforce: Five Takeaways from the Governor’s Budget Proposal – February 18, 2025: <https://nhfpi.org/blog/bigger-budget-new-lottery-revenues-and-less-money-for-housing-and-child-care-workforce-five-takeaways-from-the-governors-budget-proposal/>
- Publication: New Hampshire Policy Points, Second Edition – December 6, 2024: <https://nhfpi.org/nhpp/>
- Resource Pages: Budget <https://nhfpi.org/topic/budget/>





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