

COVID-19

New Hampshire COVID-19 Directed Payment¹

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On April 30, 2020, New Hampshire received approval from the Centers for Medicare & Medicaid Services (CMS) to require its managed care organizations (MCOs) to make a directed payment to six types of essential Medicaid providers in order to help them keep their doors open during the COVID-19 pandemic. Numerous states across the country share New Hampshire's interest in directing MCOs to use some of their capitation funds to support providers facing sharp declines in utilization due to COVID-19. Specifically, New Hampshire is taking approximately 1.5 percent of its capitation payments from September 1, 2019 through June 30, 2020 and requiring plans to distribute them to the following provider types as a uniform percent increase in payment for specified procedures:

- Critical access hospitals
- Residential substance use disorder providers
- Home health care providers
- Private duty nursing providers
- Personal care providers
- Federally qualified health centers and rural health centers

The documents used in the New Hampshire approval include:

- **CMS Approval:** [Letter from CMS](#) to Commissioner of the Department of Health and Human Services in New Hampshire providing approval of the state's directed payment arrangement in response to the [state's preprint submission](#). New Hampshire will need to provide additional details on its evaluation strategy and how it will ensure the payment arrangement is reasonable, appropriate and attainable if it continues in future rating periods.
- **Rate Update:** [Memo](#) from Milliman to Henry Lipman, New Hampshire's Medicaid Director, presenting updated rates for September 1, 2019 through June 30, 2020, certification of their actuarial soundness, and a description of how New Hampshire established and will administer the new provider payment pool for the directed payments. The memo also describes the addition of a risk corridor program and a few other administrative changes

¹ Subsequent to CMS approval of New Hampshire's directed payment, CMS issued new managed care directed payment [guidance](#) offering states new flexibilities related to directed payments during the public health emergency.

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- **New Hampshire's Responses to CMS' Questions:** New Hampshire responded to CMS' questions ([response I](#) and [response II](#)), including confirming that the state is re-allocating capitation dollars to the directed payment pool in light of COVID-19 and other factors (rather than increasing rates).