



**STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR**

CHRISTOPHER T. SUNUNU
Governor

**STATE OF NEW HAMPSHIRE
BY HIS EXCELLENCY
CHRISTOPHER T. SUNUNU, GOVERNOR**

Executive Order 2019-04

An order improving transparency, streamlining operations, and establishing a Division of Performance Evaluation and Innovation at the Department of Health and Human Services

WHEREAS, the Department of Health and Human Services (“DHHS”) has need to evaluate and modernize its administrative and program operations, align department strategic goals with operations and contract performance measures, assess technology and human resources needs, evaluate manual processes that could be streamlined or digitized, and evaluate billing and claiming procedures to provide for the ongoing and long-term efficient expenditure of federal and state funds, and increase the effectiveness of the delivery of services to the public; and

WHEREAS, the State of New Hampshire’s new Ten Year Mental Health plan, released in January of 2019, includes a recommendation that DHHS be required to conduct a LEAN or similar process to determine where there is redundancy in quality reviews, designations, Community Mental Health Agreement-related reporting and other requirements; and

WHEREAS, New Hampshire citizens have a vested interest in clear and transparent budgets and expenditures in all areas of State operations; and

WHEREAS, DHHS makes up nearly half of the State’s general fund budget in State Fiscal Year 2019, of which Medicaid is the single largest general fund program in State Government; and

WHEREAS, DHHS’s budgeting and revenue projections will be enhanced by certain changes in the accounting and reporting of Medicaid expenditures for all Medicaid populations,

NOW THEREFORE, I, CHRISTOPHER T. SUNUNU, GOVERNOR of the State of New Hampshire, by the authority vested in me pursuant to part II, article 41 of the New Hampshire Constitution, do hereby order, effective immediately, that:

1. The Division of Performance Evaluation and Innovation (the “Division”) is hereby established at DHHS to be led by a director appointed by the Commissioner. The Division shall be responsible for the following general functions:

- a) Outcomes, Performance Measures, and Accountability

- b) Strategic and Operational Planning
- c) Data Reporting and Analysis
- d) Business Process Analysis
- e) Project Management and Implementation
- f) Internal Audit
- g) Enterprise Risk Management

2. DHHS shall utilize management tools and strategies such as Results-Based Accountability, Balanced Scorecard, LEAN, or Six Sigma that are issued by nationally recognized strategic planning, data analysis, and government accounting and audit organizations.

3. The Division shall:

- a) Continually assess the organizational structure of DHHS, evaluate business systems, and establish comprehensive systems of control and accountability;
- b) Create outcome-based system of measurement for all DHHS contracts, with links to identified goals and key performance indicators at each program level;
- c) Make recommendations to the Commissioner relative to streamlining processes, reducing unnecessary operational costs, and improving organizational structure;
- d) Examine DHHS business enterprise systems to identify redundancies and inefficient, time intensive and low value procedures, which may include but is not be limited to procurement, provider services, grants management, accounts payable, and human resources and personnel; and
- e) Continuously review and consider department-wide intersecting areas of service, starting with the State's developmental disability, child welfare, mental health, and substance misuse provider networks to identify technology limitations, system vulnerabilities, and other barriers to improving efficiencies in the procurement, delivery and payment of services.

4. DHHS shall create a work plan outlining the organizational structure of the Division no later than July 1, 2019. The work plan shall identify initial and long-term projects anticipated to meet the objectives of the Division outlined above. The work plan shall place an immediate priority on initial and long-term projects that are necessary to fulfill recommendations included in the State's new Ten Year Mental Health Plan, beginning with a review of DHHS administrative requirements in the mental health area to determine where there is redundancy in quality reviews, designations, CMHA-related reporting and other requirements. This initial review shall be completed by July 1, 2019 and the results of the review shall be reported with the Division's work plan.

5. DHHS shall publish a report no later than November 1, 2019 outlining the status of completed, ongoing, and future projects implemented to meet the objectives outlined above, including, but not limited to: internal audits planned or completed, lean events, strategic planning initiatives, and contract performance measurement systems. Strategic planning initiatives shall identify goals, performance measures, strategies and target dates. DHHS shall publish a report of Division activities, including completed, ongoing, and future projects, on October 1 of each year thereafter.

6. DHHS shall immediately take the following steps to improve the transparency of Medicaid program financial functions:

- a) establish additional Medicaid accounting units with clearly identified revenue sources for all Medicaid populations beginning for State Fiscal year 2020;
- b) include in its monthly dashboard a quarterly projection for anticipated population and expenditures in order to determine likely Medicaid expenditures over the fiscal year, presented by quarter;
- c) create a formal mechanism to include revenue lapse projections in its SB 32 reports; and
- d) work with the Bureau of Accounts to reduce the need and use of the federal revenue clearing account AU 6500 for year-end, based on standard revenue transfers, beginning no later than the first month of SFY 2020.

Given under my hand and seal at the Executive Chambers in Concord, this 12th day of March, in the year of Our Lord, two thousand and nineteen, and the independence of the United States of America, two hundred and forty-three.



GOVERNOR OF NEW HAMPSHIRE