Rep. Osborne, Rock. 2
Rep. Packard, Rock. 16
Rep. S. Smith, Sull. 3
Rep. Kofalt, Hills. 32
Rep. Sweeney, Rock. 25
Rep. Peternel, Carr. 6
Rep. Burroughs, Carr. 2
Rep. Spier, Hills. 6
May 13, 2026
2026-1957h
09/08

Floor Amendment to SB 498-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to children's mental health services for persons 18 years of age and younger and relative to requiring a performance audit of the system of care for children's mental health.

Amend the bill by replacing all after section 3 with the following:

4 Performance Audit; System of Care for Children's Mental Health. The audit division of the office of legislative budget assistant, pursuant to RSA 14:31-a, shall conduct a performance audit of the system of care for children's mental health established under RSA 135-F and of all care management entities under contract with the department of health and human services to deliver services within the system of care. The audit shall cover state fiscal years 2020 through the most recent fiscal year for which complete data is available, and shall examine, but not be limited to, the following:

I. Whether the system of care has achieved the 3 statutory purposes set forth in RSA 135-F:1, including improvements in clinical and functional outcomes, reductions in cost, leverage of non-general-fund sources, reductions in out-of-home placements, reductions in duplication across agencies, and improved coordination for children involved in multiple systems.

II. A complete financial review of each care management entity, including all revenue by source, all payments received from the state, rate methodology, executive compensation, administrative cost ratio, subcontractor payments, related-party transactions, reserves, and cost per child served compared to community mental health centers under RSA 135-C and to national benchmarks for high-fidelity wraparound and intensive care coordination.

III. An operational review of each care management entity, including clinical and functional outcomes measured by validated instruments, length of stay, fidelity to evidence-based wraparound practice, staff credentials and supervision, network adequacy, wait times, and compliance with contract terms and reporting requirements.

IV. The extent to which children served by a care management entity are also enrolled in Medicaid managed care, and whether the per-member-per-month capitation paid to Medicaid managed care organizations includes coverage for services simultaneously paid for through care management entity contracts or general funds, including the dollar value of any duplicate payment identified.

V. How each care management entity coordinates with each Medicaid managed care organization and with each community mental health center designated under RSA 135-C, including data sharing, care plan integration, prior authorization, claims submission, and resolution of payment responsibility for overlapping services.

VI. Whether children currently receiving care management entity services are covered by private health insurance, and when and to what extent the department of health and human services attaches third party liability and recovers costs from third party payers consistent with 42 U.S.C. section 1396a(a)(25) and RSA 167:14-a, including the dollar value of recoverable third party liability that has not been pursued or recovered.

VII. Whether services and capacity already funded through the community mental health system under RSA 135-C are sufficient to cover services currently delivered by the care management entities, and the cost differential between delivering those services through community mental health centers versus through care management entities.

VIII. Whether any fraud, waste, or abuse exists in the operation of the system of care or in the contracts with the care management entities, including services billed below the clinical approval thresholds applied by Medicaid or commercial insurers, services not rendered, services not medically necessary, conflicts of interest, and inadequate internal controls.

IX. How the department of health and human services oversees and administers the system of care, including contract management, the plan required under RSA 135-F:4, II, the interagency agreement required under RSA 135-F:7, the family support clearinghouse required under RSA 135-F:8, and the system of care advisory committee under RSA 135-F:9.

X. Whether the system of care has enhanced system efficiencies, controlled costs, and reduced unnecessary use of costly services related to out-of-home placements and lengths of stay, including year over year trends in the number of New Hampshire children placed in residential treatment, group homes, psychiatric residential treatment facilities, and out of state placements.

5 Cooperation; Access to Records. The department of health and human services, the department of insurance, the department of education, each contracted care management entity, each Medicaid managed care organization, and each community mental health center shall cooperate with the office of legislative budget assistant and shall provide all records, contracts, payment files, claims data, encounter data, clinical outcome data, and other information requested for purposes of the audit. Records produced shall remain subject to applicable confidentiality requirements under

state and federal law. The legislative budget assistant may engage independent actuarial, clinical, and forensic accounting expertise as needed.

6 Report. The legislative budget assistant shall submit the completed performance audit, with findings, conclusions, and recommendations, to the joint legislative performance audit and oversight committee, the speaker of the house of representatives, the president of the senate, the chairs of the house and senate committees with jurisdiction over health and human services, the chairs of the house and senate finance committees, the governor, and the state library, no later than December 1, 2027. An interim status report shall be delivered no later than June 1, 2027.

7 Effective Date.

I. Sections 1 - 3 of this act shall take effect 60 days after its passage.

II. The remainder of this act shall take effect upon its passage.

2026-1957h

AMENDED ANALYSIS

This bill:

I. Establishes the New Hampshire children's behavioral health association for the purpose of collecting assessments to fund payments to care management entities for the provision of childhood behavioral health services. The association is authorized to collect assessments from insurance carriers, stop loss carriers, and third-party administrators for fully insured and self-funded health plans. The assessment base would include covered lives in the state employee health plan, as well as pooled risk management programs under RSA 5-b. The funds provided for this purpose would be deposited in a dedicated fund administered by the insurance commissioner.

II. Directs the legislative budget assistant to conduct a performance audit of the system of care for children's mental health.