SB 134-FN - AS AMENDED BY THE SENATE

03/06/2025 0401s

2025 SESSION

25-1122
05/09

SENATE BILL ***134-FN***

AN ACT relative to work requirements under the state Medicaid program.

SPONSORS: Sen. Pearl, Dist 17; Sen. Lang, Dist 2; Sen. Murphy, Dist 16; Sen. Innis, Dist 7; Sen. McGough, Dist 11; Sen. Gannon, Dist 23; Rep. Osborne, Rock. 2; Rep. Moffett, Merr. 4; Rep. Edwards, Rock. 31

COMMITTEE: Health and Human Services

ANALYSIS

This bill directs the department of health and human services to resubmit the 1115 demonstration waiver to CMS regarding community engagement and work requirements under the state Medicaid program. The bill also directs the department to provide an annual report to the legislature regarding the status of implementation.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to work requirements under the state Medicaid program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Hampshire Granite Advantage Health Care Program 1115 Demonstration; Renewed Application to CMS.
I. On or before January 1, 2026, the department of health and human services shall resubmit to the Center for Medicare and Medicaid Services (CMS) a Section 1115 demonstration waiver to the state Medicaid plan relative to enforcing community engagement and work requirements as a condition of Granite Advantage eligibility. Prior to submitting the Section 1115 waiver to CMS, the department shall submit the proposed waiver to the fiscal committee of the general court for approval.
II. Beginning November 1, 2025 and annually thereafter, the department shall provide a report regarding the status of the waiver application and implementation of the community engagement requirements in RSA 126-AA:2, III, to the senate president, the speaker of the house of representatives, the senate clerk, the house clerk, and the governor
2 Effective Date. This act shall take effect upon its passage.

LBA
25-1122
Revised 2/17/25

SB 134-FN- FISCAL NOTE

AS INTRODUCED

AN ACT relative to work requirements under the state Medicaid program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures*	$0	Indeterminable > $2.5 million	Indeterminable > $2.5 million	$0
Funding Source(s)	General and Other Funds			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	None			

***Expenditure = Cost of bill** ***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill directs the Department of Health and Human Services to resubmit the 1115 demonstration waiver to CMS regarding community engagement and work requirements under the state Medicaid program. The bill also directs the Department to provide an annual report to the Legislature regarding the status of implementation.

The Department of Health and Human Services indicates community engagement and work requirements are not currently a condition of Granite Advantage eligibility. In 2021, CMS withdrew approval of the 1115 waiver establishing the community engagement requirement and implementing the community engagement requirements would be contingent on CMS approval. The Department states that, due to the change in administration at the federal level, there is uncertainty relative to what CMS may require through regulations and guidance for implementing work requirements. This is further complicated by potential Congressional action. In FY 2019 the Department expended approximately $4.4 million in total funds in its efforts to implement community engagement requirements, and would have spent another $1.6 million in future costs had approval not been withdrawn. It is not clear to what extent the Department may be able to re-utilize previous Eligibility (New HEIGHTS) and Medicaid Management Information System (MMIS) configurations for this bill. The Department currently has a vacancy rate of approximately 23% in its Bureau of Family Assistance which manages eligibility. This bill would likely require the Department to utilize overtime to assist Granite Advantage recipients with completing and filing forms relative to compliance with community engagement requirements.

The Department understands the new federal administration is in favor of a work requirement and Congress is considering language to require work as a condition of eligibility for adults. Any estimates are indeterminable until the criteria and federal match level are known relative to the costs to implement changes to the New HEIGHTS and MMIS systems, training staff, complying with CMS requirements related to demonstration waivers and whether there will be future costs for the required program evaluation. The Department estimates there will be an indeterminable increase in total expenditures in excess of $2.5 million in FY 2026 and $2.5 million in FY 2027.

The Department states approximately 65% of Medicaid beneficiaries in NH are working, compared to a national rate of 60%. Until federal guidance is released on work requirements, the Department will not know how many individuals may be considered “employed” or “working” or how many may qualify for an exemption from work requirements. The potential cost reduction associated with lower enrollment and reduced payments due to the number of individuals who do not comply with the work requirements cannot yet be estimated. It is not known if

there will be a curing period requirement in the federal criteria or whether any potential savings would be in general or other funds.

The Department notes the July 1, 2025 submission date for the waiver may not be feasible based upon the availability of federal criteria, guidance and possible federal legislation. In addition, federal law requires two public hearings and a 30-day public comment period prior to submission of a waiver to CMS for approval. The Department could not begin the process until the federal criteria are known this bill becomes effective. The Department believes it may be necessary to amend language of the bill to ensure compliance with any federal criteria.

Given the uncertainty at the federal level relative to work requirements, the Department anticipates updating this fiscal information when the federal criteria and federal funds match rate are known.

AGENCIES CONTACTED:

Department of Health and Human Services