SB 313-FN - AS AMENDED BY THE SENATE

03/08/2018 0984s
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SENATE BILL ***313-FN***

AN ACT reforming New Hampshire's Medicaid and Premium Assistance Program, establishing the granite workforce pilot program, and relative to certain liquor funds.

SPONSORS: Sen. Bradley, Dist 3; Sen. Morse, Dist 22; Rep. S. Schmidt, Carr. 6; Rep. Umberger, Carr. 2; Rep. Danielson, Hills. 7; Rep. Kotowski, Merr. 24

COMMITTEE: Finance

AMENDED ANALYSIS

This bill:

I. Establishes the New Hampshire granite advantage health care program which shall replace the current New Hampshire health protection program. Under this program, those individuals eligible to receive benefits under the Medicaid program and newly eligible adults shall choose coverage offered by one of the managed care organizations contracted as vendors under the Medicaid program.

II. Establishes the granite workforce pilot program.

III. Increases the amount of liquor revenues to be deposited into the alcohol abuse prevention and treatment fund and provides that moneys deposited into the fund shall be transferred to the New Hampshire granite advantage health care trust fund for substance use disorder prevention, treatment, and recovery.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT reforming New Hampshire's Medicaid and Premium Assistance Program, establishing the granite workforce pilot program, and relative to certain liquor funds.

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

1 New Chapter; New Hampshire Granite Advantage Health Care Program. Amend RSA by inserting after chapter 126-Z the following new chapter:

CHAPTER 126-AA

NEW HAMPSHIRE GRANITE ADVANTAGE HEALTH CARE PROGRAM

126-AA:1 Definitions. In this chapter:

I. "Commissioner" means the commissioner of the department of health and human services.

II. "Department" means the department of health and human services.

III. "Fund" means the New Hampshire granite advantage health care trust fund.

IV. "Program" means the New Hampshire granite advantage health care program.

V. “Remainder amount” means, for the 6-month period between January 1, 2019 and June 30, 2019 and for each single identified fiscal year thereafter for any authorized period of the granite advantage health care program, the cost of the program, including administrative costs attributable to the program, less the amount of revenue transferred from the alcohol abuse prevention and treatment fund pursuant to RSA 176-A:1, IV, less all federal reimbursement for the program that period or fiscal year, including federal reimbursement for administrative costs attributable to the program, and taxes attributable to premiums written for medical and other medical related services for the newly eligible Medicaid population as provided for under this chapter, consistent with RSA 400-A:32, III(b).

126-AA:2 New Hampshire Granite Advantage Health Care Program Established.

I.(a) The commissioner shall apply for any necessary waivers and state plan amendments to implement a 5-year demonstration program beginning on January 1, 2019 to create the New Hampshire granite advantage health care program which shall be funded exclusively from non-general fund sources, including federal funds. The commissioner shall include in an application for the necessary waivers submitted to the Centers for Medicare and Medicaid Services (CMS) a waiver of the requirement to provide 90-day retroactive coverage. To receive coverage under the program, those individuals in the new adult group who are eligible for benefits shall choose coverage offered by one of the managed care organizations (MCOs) awarded contracts as vendors under Medicaid managed care, pursuant to RSA 126-A:5, XIX(a). The program shall make coverage available in a

cost-effective manner and shall provide cost transparency measures, and ensure that patients are utilizing the most appropriate level of care. Cost effectiveness shall be achieved by offering cash incentives and other forms of incentives to be offered to the insured by choosing preferred lower cost medical providers. Loss of incentives shall also be employed. MCOs shall employ reference-based pricing, cost transparency, and the use of incentives and loss of incentives to the Medicaid and newly eligible population. For the purposes of this subparagraph, "reference-based pricing" means setting a maximum amount payable for certain medical procedures.

(b) The department shall ensure through managed care contracts that MCOs incorporate measures to promote continuity of coverage, including, but not limited to, assisting over income participants in applying for coverage on the federal marketplace in New Hampshire and maintaining care and case management during the pendency of such application.

(c) The MCOs shall promote personal responsibility through the use of incentives, loss of incentives, and case management to the greatest extent practicable.

(d) Prior to submitting the waiver or state plan amendment to CMS, the commissioner shall present the waiver or state plan amendment to the governor and the fiscal committee of the general court for approval. The program shall not commence operation until such waivers or state plan amendments have been approved by CMS. All necessary waivers and state plan amendments shall be submitted by June 30, 2018. If all waivers necessary for the program are not approved by December 1, 2018, the commissioner shall immediately notify all program participants that the program will be terminated in accordance with the federally required Special Terms and Conditions No. 11-W-003298/1.

(e) In order to combat the opioid and heroin crisis facing New Hampshire, the department shall establish behavioral health rates sufficient to ensure access to, and provider capacity for all behavioral health services including, as appropriate, establishing specific substance use disorder services rate cells for inclusion into capitated rates for managed care.

(f) Any person transitioning from the premium assistance program to the program shall not lose coverage due solely to the transition, which shall be for a period of at least 90 days. All MCOs shall honor all pre-existing authorizations for care plans and treatments for all program participants for a period of not less than 90 days after enrollment.

(g)(1) The commissioner shall include in MCO contracts with the state clinically and actuarially sound incentives designed to improve care quality and utilization and to lower the total cost of care within the Medicaid managed care program. The commissioner shall also include in the MCO contract provisions an obligation for the MCO to include provider alignment incentives to leverage the combined efforts of the parties to achieve the purposes of the incentives. Preferential auto-assignment of newly eligible members, shared incentive pools, and differential capitation rates are among the options for incentives the commissioner may employ to achieve improved performance. Initial areas to improve care quality and utilization and to lower the total cost of care may include, but are not limited to:

(A) Appropriate use of emergency departments relative to low acuity non-emergent visits.

(B) Reduction in preventable admissions and 30-day hospital readmission for all causes.

(C) Timeliness of prenatal care and reductions in neonatal abstinence births.

(D) Timeliness of follow-up after a mental illness or substance use disorder admission.

(E) Reduction of polypharmacy resulting in drug interaction harm.

(2) The commissioner shall include in MCO contracts actuarial appropriate rebate provisions for failure to implement contractually agreed upon incentive measures.

(h) Savings generated as a result of individuals disenrolled from the program for failing to meet the work and community engagement requirement shall not be included in any calculation submitted to CMS to establish federal budget neutrality of any waiver issued for the program.

(i) Consistent with the state plan amendment submitted by the department and approved by CMS, all contracts between a Medicaid managed care organization and a federally qualified health care center, as defined in section 1905(1)(2)(B) of the Social Security Act, 42 U.S.C. section 1396d(1)(2)(B), providing services in geographic areas served by the plan, shall reimburse each such center for such services as provided in 42 U.S.C. section 18022(g).

II.(a) To receive benefits under this section and to the extent allowed by federal law, the individual shall:

(1) Provide all necessary information regarding financial eligibility, assets, residency, citizenship or immigration status, and insurance coverage to the department in accordance with rules, or interim rules, including those adopted under RSA 541-A;

(2) Inform the department of any changes in financial eligibility, residency, citizenship or immigration status, and insurance coverage within 10 days of such change; and

(3) At the time of enrollment acknowledge that the program is subject to cancellation upon notice.

(b) If allowed by federal law, all resources which the individual and his or her family own shall be considered to determine eligibility under this paragraph, including cash, bank accounts, stocks, bonds, permanently unoccupied real estate, and trusts. The home in which the individual resides in, furniture, and one vehicle owned by the individual applying for benefits shall be excluded from the eligibility requirements for benefits under this paragraph. If, after counting or excluding the individual's household's resources, the total countable resources equal or fall below $25,000, he or she shall be considered asset eligible.

III.(a) Newly eligible adults who are unemployed shall be eligible to receive benefits under this paragraph if the commissioner finds that the individual is engaging in at least 100 hours per month based on an average of 25 hours per week in one or more work or other community engagement activities, as follows:

(1) Unsubsidized employment, including nonprofit organizations.

(2) Subsidized private sector employment.

(3) Subsidized public sector employment.

(4) On-the-job training.

(5) Job skills training related to employment, including credit hours earned from an accredited college or university in New Hampshire. Academic credit hours shall be credited against this requirement on an hourly basis.

(6) Job search and job readiness assistance, including, but not limited to, persons receiving unemployment benefits and other job training related services, such as job training workshops and time spent with employment counselors, offered by the department of employment security. Job search and job readiness assistance under this section shall be credited against this requirement on an hourly basis.

(7) Vocational educational training not to exceed 12 months with respect to any individual.

(8) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency.

(9) Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate.

(10) Community service or public service.

(11) Caregiver services for a nondependent relative or other person with a disabling medical or developmental condition.

(12) Participation in substance use disorder treatment.

(b) If an individual in a family receiving benefits under this paragraph refuses to engage in work or community engagement activities required in accordance with this subparagraph, the assistance shall be terminated. The commissioner shall adopt rules under RSA 541-A to determine good cause and other exceptions to termination. An individual may apply for good cause exemptions which shall include, at a minimum, the following verified circumstances:

(1) The beneficiary experiences the birth, or death, of a family member living with the beneficiary.

(2) The beneficiary experiences severe inclement weather, including a natural disaster, and therefore was unable to meet the requirement.

(3) The beneficiary has a family emergency or other life-changing event such as divorce.

(4) The beneficiary is a victim of domestic violence, dating violence, sexual assault, or stalking consistent with definitions and documentation required under the Violence Against Women Reauthorization Act of 2013 under 24 C.F.R. section 5.2005 and 24 C.F.R. section 5.2009, as determined by the commissioner pursuant to rulemaking under RSA 541-A.

(c) This subparagraph shall only apply to those considered, able-bodied adults as described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act of 1935, as amended, 42 U.S.C. section 1396a(a)(10)(A)(i). In this subparagraph, "childless" means an adult who does not live with a dependent child which includes a child under 19 years of age or under 20 years of age if the child is a full-time student in a secondary school or the equivalent.

(d) This subparagraph shall not apply to:

(1) A person who is temporarily unable to participate in the requirements under subparagraph (a) due to illness, incapacity, or treatment, including inpatient treatment, as certified by a licensed physician, an advanced practice registered nurse (APRN), a licensed behavioral health professional, a licensed physician assistant, a licensed drug and alcohol counselor (LADAC), or a board-certified psychologist. The physician, APRN, licensed behavioral health professional, licensed physician assistant, LADAC, or psychologist shall certify, on a form provided by the department, the duration and limitations of the disability.

(2) A person participating in a state-certified drug court program, as certified by the administrative office of the superior court.

(3) A parent or caretaker as identified in RSA 167:82, II(g) where the required care is considered necessary by a licensed physician, APRN, board-certified psychologist, physician assistant, or licensed behavioral health professional who shall certify the duration that such care is required.

(4) A parent or caretaker of a dependent child under 13 years of age or a child with developmental disabilities who is residing with the parent or caretaker.

(5) Pregnant women.

(6) A beneficiary who has a disability as defined by the Americans with Disabilities Act (ADA), section 504 of the Rehabilitation Act, or section 1557 of the Patient Protection and Affordable Care Act and is unable to meet the requirement for reasons related to that disability; or who has an immediate family member in the home with a disability under federal disability rights laws and who is unable to meet the requirement for reasons related to the disability of that family member, or the beneficiary or an immediate family member who is living in the home or the beneficiary experiences a hospitalization or serious illness.

(7) Beneficiaries who are identified as medically frail, under 42 C.F.R section 440.315(f), and as defined in the alternative benefit plan in the state plan.

(8) Any beneficiary who is in compliance with the requirement of the Supplemental Nutritional Assistance Program (SNAP) and/or Temporary Assistance to Needy Families (TANF) employment initiatives.

(e) The commissioner shall adopt rules under RSA 541-A pertaining to the community engagement requirement. Those rules shall be consistent with the terms and conditions of any waiver issued by the Centers for Medicare and Medicaid Services for the program and shall address, at a minimum, the following:

(1) Enrollment, suspension, and disenrollment procedures in the program.

(2) Verification of compliance with community engagement activities.

(3) Verification of exemptions from participation.

(4) Opportunity to cure and re-activation following noncompliance, including not being barred from re-enrollment.

(5) Good cause exemptions.

(6) Education and training of enrollees.

IV. The commissioner shall implement the work and community engagement requirement under paragraph III beginning January 1, 2019 in accordance with the terms and conditions of any waiver approved by CMS. Verification of qualifying activities, exemptions, and enrollee status shall be accomplished in the following manner:

(a) MCOs under contract with the department shall share enrollee reported information regarding the work and community engagement requirement status obtained through standard contract activities including enrollment, outreach activities, and enrollee care management.

(b) For the period of January 1, 2019 through June 30, 2020 only, the department shall verify enrollee status to the greatest extent practicable through the verification of enrollee and MCO reported status and information, including information from the eligibility file. Enrollees shall be required to report information regarding their qualifying activities, exemptions, enrollee status, and changes in their status to the department in accordance with the department's rules.

(c) No later than January 1, 2019, the commissioner shall submit to the governor, president of the senate, and speaker of the house of representatives a plan for the implementation of a fully automated verification system that utilizes state and commercial data sources to assess compliance with all work and community engagement activities beginning on July 1, 2020. The plan shall provide an option to hire a third party vendor to manage the automated verification system.

V. A person shall not be eligible to enroll or participate in the program, unless such person verifies his or her United States citizenship by 2 forms of identification and proof of New Hampshire residency by either a New Hampshire driver's license or a nondriver's picture identification card issued pursuant to RSA 260:21.

VI. No person, organization, department, or agency shall submit the name of any person to the National Instant Criminal Background Check System (NICS) on the basis that the person has been adjudicated a "mental defective" or has been committed to a mental institution, except pursuant to a court order issued following a hearing in which the person participated and was represented by an attorney.

VII. For any person determined to be eligible and who is enrolled in the program, the MCO shall support the individual to arrange a wellness visit with his or her primary care provider, either previously identified or selected by the individual from a list of available primary care physicians. The wellness visit shall include appropriate assessments of both physical and mental health,

including screening for depression, mood, suicidality, and unhealthy substance use, for the purpose of developing a health wellness and care plan.

VIII. Any person receiving benefits from the program shall be responsible for providing information regarding his or her change in status or eligibility, including current contact information. The commissioner shall adopt rules, under RSA 541-A, pertaining to the opportunity to cure and for re-activation following noncompliance.

126-AA:3 The New Hampshire Granite Advantage Health Care Trust Fund.

I. There is hereby established the New Hampshire granite advantage health care trust fund which shall be accounted for distinctly and separately from all other funds and shall be non-interest bearing. The fund shall be administered by the commissioner and shall be used solely to provide coverage for the newly eligible Medicaid population as provided for under RSA 126-AA:2, and to pay for the administrative costs for the program. The commissioner may accept any gifts, grants, donations, or other funding from any source and shall deposit all such revenue received into the fund. No state general fund appropriations shall be deposited into the fund. All moneys in the fund shall be nonlapsing and shall be continually appropriated to the commissioner for the purposes of the fund. The fund shall be authorized to pay and/or reimburse the cost of medical services and cost-effective related services, including without limitation, capitation payments to managed care organizations.

II. The commissioner, as the administrator of the fund, shall have the sole authority to:

(a) Apply for federal funds to support the program.

(b) Notwithstanding any provision of law to the contrary, accept and expend federal funds as may be available for the program and the commissioner shall notify the bureau of accounting services, by letter, with a copy to the fiscal committee of the general court and the legislative budget assistant.

(c) Make payments and reimbursements from the fund as outlined in this section.

III. The commissioner shall submit a report to the governor and the fiscal committee of the general court detailing the activities and operation of the trust fund annually within 90 days of the close of each state fiscal year.

IV. On or before August 15, 2018, the commissioner, in consultation with the insurance commissioner, shall estimate the remainder amounts for the period of January 1, 2019 to June 30, 2019 and for state fiscal year 2020. The commissioner shall report the estimated annual remainder amount to the insurance commissioner, the New Hampshire Health Plan, the governor, the speaker of the house of representatives, and the president of the senate. Thereafter, on or before August 15 of each fiscal year, the commissioner, in consultation with the insurance commissioner, shall estimate the remainder amounts for both the current and next fiscal year. The commissioner shall report the estimated remainder amount to the insurance commissioner, the New Hampshire Health Plan, the governor, the speaker of the house of representatives, and the president of the senate.

V. On or before September 30, the commissioner shall calculate the estimated final

remainder amount for the 6-month period between January 1, 2019 and June 30, 2019. On or before September 30 of each subsequent year, the commissioner shall calculate the estimated final remainder amount for the prior fiscal year. If the actual remainder amount is greater than the prior calculated estimated remainder for any fiscal year, the difference shall be retained in the trust fund and shall be used in the calculation of future estimated remainder amounts.

VI. The commissioner of the department of health and human services, in accordance with the most current available information, shall be responsible for determining, every 6 months commencing no later than December 31, 2018, whether there is sufficient funding in the fund, to cover projected program costs for the nonfederal share for the next 6-month period. If at any time the commissioner determines that a projected shortfall exists, he or she shall terminate the program in accordance with the federally approved terms and conditions issued by CMS.

126-AA:4 Commission to Evaluate the Effectiveness and Future of the New Hampshire Granite Advantage Health Care Program.

I. There is hereby established a commission to evaluate the effectiveness and future of the New Hampshire granite advantage health care program.

(a) The members of the commission shall be as follows:

(1) Three members of the senate, appointed by the president of the senate, one of whom shall be a member of the minority party.

(2) Three members of the house of representatives, appointed by the speaker of the house of representatives, one of whom shall be a member of the minority party.

(3) The commissioner of the department of health and human services, or designee.

(4) The commissioner of the department of insurance, or designee.

(5) A representative of each managed care organization awarded contracts as vendors under the Medicaid managed care program, appointed by the governor.

(6) A representative of a hospital that operates in New Hampshire, appointed by the speaker of the house of representatives.

(7) A public member, who has health care expertise, appointed by the senate president.

(8) A public member, who currently receives coverage through the program, appointed by the speaker of the house of representatives.

(9) A public member representing the interests of taxpayers in New Hampshire, appointed by the president of the senate.

(10) A representative of the medical care advisory committee, department of health and human services, appointed by the chairperson of the committee.

(11) A licensed physician, appointed by the governor.

(12) A licensed mental health professional, appointed by the governor.

(13) A licensed substance use disorder professional, appointed by the governor.

(14) An advanced practice registered nurse (APRN), appointed by the New

Hampshire Nurse Practitioner Association.

(15) The chairperson of the governor's commission on alcohol and drug abuse prevention, treatment, and recovery, or designee.

(b) Legislative members of the commission shall receive mileage at the legislative rate when attending to the duties of the commission.

II.(a) The commission shall evaluate the effectiveness and future of the program. Specifically the commission shall:

(1) Review the program's financial metrics.

(2) Review the program's product offerings.

(3) Review the program's impact on insurance premiums for individuals and small businesses.

(4) Make recommendations for future program modifications, including, but not limited to whether the program is the most cost-effective model for the long term versus a return to private market managed care.

(5) Evaluate non-general fund funding options for longer term continuation of the program, including options to accept funding from the federal government allowing a self-administered program.

(6) Review up-to-date information regarding changes in the level of uncompensated care through shared information from the department, the department of revenue administration, the insurance department, and provider organizations and the program's impact on insurance premium tax revenues and Medicaid enhancement tax revenue.

(7) Review the granite workforce pilot program.

(8) Evaluate reimbursement rates to determine if they are sufficient to ensure access to and provider capacity for all behavioral health services.

(9) Review the number of people who are found ineligible or who are dropped from the rolls of the program because of the work requirement.

(10) Review the program’s provider reimbursement rates and overall financing structure to ensure it is able to provide a stable provider network and sustainable funding mechanism that serves patients, communities, and the state of New Hampshire.

(b) Any funding solutions recommended by the commission shall not include the use of new general funds.

(c) The commission shall solicit information from any person or entity the commission deems relevant to its study.

(d) The commission shall make a recommendation on or by February 1, 2019 to the commissioner concerning recommended monitoring and evaluation requirements for work and community engagement requirements, including a draft of proposed metrics for quarterly and annual reporting, including suggested costs and benefits evaluations.

III. The members of the commission shall elect a chairperson from among the members.

The first meeting of the commission shall be called by the first-named senate member. The first meeting of the commission shall be held within 45 days of the effective date of this section. Ten members of the commission shall constitute a quorum.

IV. The commission shall make an interim report on or before December 1, 2020 and a final report together with its findings and any recommendations for proposed legislation to the president of the senate, the speaker of the house of representatives, the senate clerk, the house clerk, the governor, and the state library on or before December 1, 2022.

126-AA:5 Evaluation Report Required.

I. The program shall employ an outcome-based evaluation of its Medicaid program annually to:

(a) Provide accountability to patients and the overall program.

(b) Ensure that patients are making informed decisions in carrying out health care choices and utilizing the most appropriate level of care.

(c) Ensure that the use of incentives, the loss of incentives, cost transparency, and reference based pricing have been effective in lowering costs.

II. The results of the evaluation conducted under this section shall be in the form of a report to be provided to CMS, the president of the senate, the speaker of the house of representatives, the governor, and the fiscal committee of the general court by December 31 of each year beginning in 2019.

2 Purpose Statement. The purpose of sections 3-9 of this act is to establish a pilot program by using allowable federal funds available from the Temporary Assistance to Needy Families (TANF) program to end the dependence of needy parents and low income childless adults ages 18 through 24 on governmental programs by promoting job and work preparation and placing them into high labor need jobs based on the goals set forth in 45 C.F.R. section 260.20. The long-term goal of this program is to place low-income individuals into unsubsidized jobs in high labor need areas, transition them to self-sufficiency through providing career pathways with specific skills, and assist in eliminating barriers to work such as transportation and childcare. Taken together, these measures are designed to help low-income participants break the cycle of poverty and move them from living on the margin to the middle class and beyond.

3 Granite Workforce; Pilot Program Established.

I. The commissioner of the department of health and human services shall use allowable funds from the Temporary Assistance to Needy Families (TANF) program to provide subsidies to employers in high need areas, as determined by the department of employment security based upon workforce shortages, and to create a network of assistance to remove barriers to work for low-income families. The funds shall be used to establish a pilot program, referred to as Granite Workforce, a TANF nonassistance program, which shall accept enrollments by applicants for an initial period of 6 months. The program shall be jointly administered by the department of health and human services and the department of employment security. No cash assistance shall be

provided to eligible participants through Granite Workforce. The total cost of the pilot program shall not exceed $3,000,000 in federal TANF funds for the biennium ending June 30, 2019.

II. To be eligible for Granite Workforce, applicants shall be:

(a) In a household with an income up to 138 percent of the federal poverty level; and

(b) Parents aged 18 through 64 with a child under age 18 in the household;

(c) Noncustodial parents aged 18 through 64 with a child under the age of 18; or

(d) Childless adults between 18 and less than 25 years of age.

III. The department of employment security shall determine eligibility and entry into the program, using nationally recognized assessment tools for vocational and job readiness assessments. Vocational assessments shall include educational needs, vocational interest, personal values, and aptitude. The department shall use the assessment results to work with the participant to produce a long-term career plan for moving into the middle class and beyond.

IV. Except as otherwise provided in paragraph II regarding program eligibility, administrative rules governing the New Hampshire employment program, adopted under RSA 541-A as chapter He-W 600, shall apply to the Granite Workforce pilot program.

4 Granite Workforce; Subsidies for Employers.

I. Upon placement of a participant into a paying job and receiving verification of employment and wages from the employer, the department of employment security shall pay the employer a subsidy of $2,000.

II. After at least 3 full months of the continued employment of the participant and receiving verification of the continued employment and wages from the employer, the department of employment security shall pay the employer a second subsidy of $2,000.

III. If an overpayment is made, the employer shall reimburse the department that amount upon being notified by the department.

5 Referral for Barriers to Employment. The department of health and human services, in consultation with the department of employment security, shall issue a request for applications (RFAs) for community providers interested in offering case management services to participants with barriers to employment. Participants shall be identified by the department of employment security using an assessment process that screens for barriers to employment including, but not limited to, transportation, child care, substance use, mental health, and domestic violence. Thereafter, the department of employment security shall refer to community providers those individuals deemed needing assistance with removing barriers to employment. When child care is identified as a barrier to employment, the department of employment security or the community provider shall refer the individual to available child care service programs, including, specifically the child care scholarship program administered by the department of health and human services. In addition to employer subsidies authorized under this section, TANF funds allocated to the Granite Workforce program shall be used to pay for other services that eliminate barriers to work in accordance with all TANF guidelines.

6 Network of Education and Training.

I. If after the assessment conducted by the department of employment security additional job training, education, or skills development is necessary prior to job placement, the department of employment security shall address those needs by:

(a) Referring individuals to training and apprenticeship opportunities offered by the community college system of New Hampshire;

(b) Referring individuals to the department of business and economic affairs to utilize available training funds and support services;

(c) Referring individuals to education and employment programs for youth available through the department of education; or

(d) Referring individuals to training available through other colleges and training programs.

II. All industry specific skills and training will be provided for jobs in high need areas, as determined by the department of employment security based upon workforce shortages.

7 Job Placement. Upon determining the participant is job ready, the department of employment security shall place individuals into jobs with employers in high need areas, as determined by the department of employment security based upon workforce shortages. This includes, but is not limited to, high labor need jobs in the fields of healthcare, advanced manufacturing, construction/building trades, information technology, and hospitality. Training and job placement shall focus on:

I. Supporting health care/safety issues: training/jobs to combat the opioid crisis, including nurses, nursing assistants, clinicians, social workers, and treatment providers at the licensed alcohol and drug addictions counselor and licensed mental health counselor levels. Additionally, jobs to address long-term care needs, home healthcare services, and expanding mental/behavioral health services.

II. Advanced manufacturing to meet employer needs: training/jobs that include computer-aided drafting and design, electronic and mechanical engineering, precision welding, computer numerical controlled precision machining, robotics, and automation.

III. Construction/building trades to address critical infrastructure needs: training/jobs for building roads, bridges, municipality infrastructure, and ensuring safe drinking water.

IV. Information technology: training/jobs to allow businesses to excel in an ever-increasing network dependent business environment.

V. Hospitality-training/jobs to address the workforce shortage and support New Hampshire's tourism industry, to include but not be limited to hotel workers, restaurant workers, campground workers, lift operators, state park workers, and amusement park workers.

8 Reporting Requirement; Measurement of Outcomes.

I. The department of health and human services shall prepare a report on the outcomes of the Granite Workforce program using appropriate standard common performance measures.

Program partners, as a condition of participation, shall be required to provide the department with the relevant data. Metrics to be measured shall include, but are not limited to:

(a) Degree of participation.

(b) Progress with overcoming barriers.

(c) Entry into employment.

(d) Job retention.

(e) Earnings gain.

(f) Movement within established federal poverty level measurements, including the Supplemental Nutrition Assistance Program (SNAP) and the New Hampshire granite advantage health care program under RSA 126-AA.

(g) Health insurance coverage provider.

(h) Attainment of education or training, including credentials.

II. The report shall be issued to the speaker of the house of representatives, president of the senate, the governor, the commission to evaluate the effectiveness and future of the New Hampshire granite advantage health care program established under RSA 126-AA:4, and the state library on or before December 1, 2019.

9 Insurance Premium Tax; New Hampshire Granite Advantage Health Care Program. Amend RSA 400-A:32, III to read as follows:

III.(a) Except as provided in subparagraph (b), the taxes imposed in paragraphs I and II of this section shall be promptly forwarded by the commissioner to the state treasurer for deposit to the general fund.

(b) Taxes imposed attributable to premiums written for medical and other medical related services for the newly eligible Medicaid population as provided for under RSA [~~126-A:5, XXIV-XXVI~~] ***126-AA*** shall be deposited into the New Hampshire [~~health protection trust fund, established in RSA 126-A:5-b~~] ***granite advantage health care trust fund established in RSA 126-AA:3***. The commissioner shall notify the state treasurer of sums for deposit into the New Hampshire [~~health protection~~] ***granite advantage health care*** trust fund no later than 30 days after receipt of said taxes***. The moneys in the trust fund may be used for the administration of the New Hampshire granite advantage health care program, established in RSA 126-AA***.

10 Plan of Operation for the High Risk Pool. Amend RSA 404-G:5-a, IV(d) to read as follows:

(d) [~~For the period of January 1, 2017 through December 31, 2018,~~] An amount not to exceed [~~50 percent of the remainder amount, as defined in RSA 126-A:5-c, I(b), less the amount made available to the program pursuant to RSA 404-G:11, VI. The association shall transfer all amounts collected pursuant to this subparagraph and the amount made available to the program pursuant to RSA 404-G:11, VI to the New Hampshire health protection trust fund, established pursuant to RSA 126-A:5-b~~] ***the lesser of the remainder amount or the amount of revenue transferred from the alcohol abuse prevention and treatment fund pursuant to RSA 176-***

A:1, IV and taxes attributable to premiums written for medical and other medical-related services for the newly eligible Medicaid population, as defined in RSA 126-AA:1, V. The association shall transfer all amounts collected pursuant to this subparagraph to the New Hampshire granite advantage health care trust fund established pursuant to RSA 126-AA:3.

11 New Hampshire Granite Advantage Health Care Program; Federal Match. Amend 2014, 3:10, I as amended by 2016,13:13 to read as follows:

I. If at any time the federal match rate applied to medical assistance for newly eligible adults under [~~RSA 126-A:5, XXIV-XXV between July 1, 2014 – December 31, 2016 is less than 100 percent, less than 95 percent in 2017 and less than 94 percent in 2018, of the amount as set forth in 42 U.S.C. section 1396d(y)(1), then RSA 126-A:5, XXIV and XXV shall be~~] ***RSA 126-AA is less than 94 percent in 2018, less than 93 percent in 2019, and less than 90 percent in 2020 and any year thereafter in which the program is authorized, then the program is hereby*** repealed 180 days after the event under this [~~subparagraph~~] ***paragraph*** occurs upon notification by the commissioner of the department of health and human services to the secretary of state and the director of legislative services. The commissioner shall immediately issue notice to program participants of the program's pending repeal ***consistent with the terms and conditions of any waiver approved by the Centers for Medicare and Medicaid Services for the program***.

12 Liquor Commission; Funds. Amend RSA 176:16, III to read as follows:

III. [~~3.4~~] ***Five*** percent of the previous fiscal year gross profits derived by the commission from the sale of liquor shall be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1. For the purpose of this section, gross profit shall be defined as total operating revenue minus the cost of sales and services as presented in the state of New Hampshire comprehensive annual financial report, statement of revenues, expenses, and changes in net position for proprietary funds.

III-a. In order to facilitate the initial funding of the granite advantage health care trust fund, established under RSA 126-AA:3, for the period of January 1 to June 30, 2019, an amount no less than 1/2 of the 5 percent of such gross profits based on the state comprehensive annual financial report for the state fiscal year 2017 shall be deposited into the alcohol abuse prevention and treatment fund no later than November 30, 2018.

13 Alcohol Abuse Prevention and Treatment Fund. Amend RSA 176-A:1, II and III to read as follows:

II. The fund shall be nonlapsing and continually appropriated for the purposes of funding alcohol education and abuse prevention and treatment programs. ***The commissioner of the department of health and human services may accept gifts, grants, donations, or other funding from any source and shall deposit all such revenue received into the fund.*** The state treasurer shall invest the moneys deposited in the fund as provided by law. Interest earned on moneys deposited in the fund shall be deposited into the fund.

III. Moneys ***received from all other sources other than the liquor commission pursuant to RSA 176:16, III*** shall be disbursed from the fund upon the authorization of the governor's commission on alcohol and drug abuse prevention, treatment, and recovery established pursuant to RSA 12-J:1. Funds disbursed shall be used for alcohol and other drug abuse prevention, treatment, and recovery services, and other purposes related to the duties of the commission under RSA 12-J:3.

IV. Moneys received from the liquor commission pursuant to RSA 176:16, III and deposited into the fund shall be transferred to the New Hampshire granite advantage health care trust fund, established under RSA 126-AA:3, for use in ensuring the delivery of substance use disorder prevention, treatment, and recovery and other behavioral health services for persons enrolled in the New Hampshire granite advantage health care program; provided, however, that any program or service approved by the governor's commission on alcohol and drug abuse prevention, treatment, and recovery that would have been funded from moneys transferred from the fund shall be paid for with federal or other funds available from within the department of health and human services. For this purpose and no later than December 1, 2018, the sum of $5,100,000 from the alcohol abuse and prevention treatment fund shall be transferred to the granite advantage health care trust fund for use in the period of January 1 to June 30, 2019. Beginning July 1, 2019 the funds deposited into the fund shall be transferred to the granite advantage health care trust fund established under RSA 126-AA:3 annually no later than June 1 for use during the forthcoming fiscal year based upon the most recently issued comprehensive annual financial report of the state.

14 Individual Health Insurance Market; Purpose. Amend RSA 404-G:1, II to read as follows:

II. Create a nonprofit, voluntary organization to facilitate the availability of affordable individual nongroup health insurance by establishing an assessment mechanism and an individual health insurance market mandatory risk sharing plan as a mechanism to distribute the risks associated within the individual nongroup market and to support the [~~marketplace premium assistance program established in RSA 126-A:5, XXV~~] ***New Hampshire granite advantage health care program established in RSA 126-AA***.

15 Individual Health Insurance Market; Definitions. Amend RSA 404-G:2, X-a to read as follows:

X-a. "Plan of operation" means the plan of operation of the risk sharing mechanism, the high risk pool, support for the program established in RSA [~~126-A:5, XXV~~] ***126-AA***, and the federally qualified high risk pool, including articles, bylaws and operating rules, procedures and policies adopted by the association.

16 Managed Care Law; Right to External Review. Amend RSA 420-J:5-a, II(a) to read as follows:

(a) Health care services provided through Medicaid, the state Children's Health

Insurance Program (Title XXI of the Social Security Act), Medicare or services provided under these programs but through a contracted health carrier, except where those services are provided through private insurance coverage pursuant to the [~~marketplace premium assistance program under RSA 126-A:5, XXV~~] ***New Hampshire granite advantage health care program under RSA 126-AA*** in which case all provisions of this chapter shall apply.

17 Insurance Department; Administration Fund. Amend RSA 400-A:39, VI(a) to read as follows:

(a) Based on the annual statement filed in such year by each insurer under RSA 400-A:31, RSA 420-A:20, RSA 420-B:9, RSA 420-F:9, or other financial statement filed under RSA 415-E:11, the commissioner shall ascertain each insurer's amount of gross direct premiums written, including policy, membership and other fees, service charges, policy dividends applied in payment for insurance, and all other considerations for insurance originating from policies covering property, subjects, or risks located, resident or to be performed in New Hampshire after deducting return premiums and dividends actually returned or credited to policyholders. The premium for Medicaid managed care coverage provided by a health carrier contracting with the department of health and human services under RSA 126-A:5, XIX shall not be included in an insurer's assessable premium, except where that coverage is provided through the purchase of insurance coverage pursuant to the [~~marketplace premium assistance program under RSA 126-A:5, XXV, or through the health insurance premium payment program under RSA 126-A:5, XXIII~~] ***New Hampshire granite advantage health care program under RSA 126-AA***. If any such insurer does not otherwise timely provide the commissioner with the information necessary for such ascertainment, it shall do so on or before May 1 of each year.

18 New Subparagraph; Application of Receipts; New Hampshire Advantage Health Care Program. Amend RSA 6:12, I(b) by inserting after subparagraph (339) the following new subparagraph:

(340) Moneys deposited in the New Hampshire granite advantage health care trust fund under RSA 126-AA:3.

19 Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

20 Contingency. RSA 126-AA:2, II(b) as inserted by section 1 of this act shall take effect on the date of certification by the commissioner of the department of health and human services to the director of legislative services and the secretary of state that 42 U.S.C. section 1396a(e)(14)(c) has been repealed or amended to permit the application of an asset test.

21 Funding; New Hampshire Granite Advantage Health Care Program. If the federal government amends 42 U.S.C. section 1396d (y)(1) to eliminate the state's share of funding for the New Hampshire granite advantage health care program, or if the federal government allows the use

of savings within the Medicaid program to apply to the state's share of funding the program, or if any other state is permitted to receive funds from the federal government to allow a solely federally funded program, the commissioner of health and human services shall send a letter of notification regarding this change to the governor, the president of the senate, the speaker of the house of representatives, the commission to evaluate the effectiveness and future of the New Hampshire granite advantage health care program established in RSA 126-AA, and the chairperson of the appropriate standing committee of the house and senate. The commissioner shall apply for the necessary waivers to similarly fund the New Hampshire granite advantage health care program.

22 Repeals. The following are repealed:

I. RSA 404-G:2, X-c, relative to the marketplace premium assistance program.

II. RSA 126-AA:4, relative to the commission to evaluate the effectiveness and future of the New Hampshire granite advantage health care program.

III. RSA 126-AA, relative to the New Hampshire granite advantage health care program.

IV. RSA 126-A:5-c, relative to funding the state share of the New Hampshire health protection program.

V. RSA 126-A:5-d, relative to voluntary contribution.

VI. RSA 126-A:5, XXX, relative to the New Hampshire health protection program.

VII. RSA 6:12, I(b)(340), relative to the moneys deposited in the New Hampshire granite advantage health care trust fund.

23 Effective Date.

I. Paragraph II of section 22 of this act shall take effect December 1, 2022.

II. Paragraphs III and VII of section 22 of this act shall take effect December 31, 2023.

III. Section 1 of this act shall take effect upon its passage.

IV. RSA 126-AA:2, II(b) as inserted by section 1 of this act shall take effect as provided in section 20 of this act.

V. Section 3-8 of this act shall take effect January 1, 2019.

VI. The remainder of this act shall take effect December 31, 2018.

LBAO
18-2956
Revised 1/25/18

SB 313-FN- FISCAL NOTE
AS INTRODUCED

AN ACT reforming New Hampshire's Medicaid and Premium Assistance Program.

FISCAL IMPACT: [X] State [ ] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Appropriation	$0	$0	$0	$0
Revenue	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[ ] General [ ] Education [ ] Highway [X] Other - Insurance premium tax, voluntary contributions, insurer assessment, federal funding.			

LOCAL:

Revenue	$0	$0	$0	$0
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill creates a new chapter, RSA 126-AA, establishing the New Hampshire Granite Advantage Health Care Program (Granite Advantage Program), which will become effective on December 31, 2018 and replace the New Hampshire Health Protection Program (NHHPP), scheduled by law to terminate on that date. The Granite Advantage Program will differ from the NHHPP in that, rather than making coverage available by purchasing health plans certified for sale on the federally facilitated marketplace, it will offer coverage via Medicaid managed care organizations (MCO). As with the NHHPP, the Granite Advantage Program will make coverage available to individuals with incomes up to 138% of the federal poverty level.

The existing NHHPP is funded via: (1) federal funds, which as of January 1, 2018 cover 94% of program costs, declining to 90% on January 1, 2020, (2) insurance premium tax revenue attributable to premiums purchased under the NHHPP, and (3) other non-general fund revenue sources. These other non-general fund revenue sources consist of an assessment on insurers under RSA 404-G, as well as voluntary contributions accepted under RSA 126-A:5, d. This bill retains funding source (1), since federal funds will remain available regardless of delivery type, as well as funding source (2), since MCO coverage will remain subject to the state's insurance premium tax. The bill modifies funding source (3) by removing the requirement that a

"remainder amount" (i.e., costs remaining after funding sources (1) and (2) have been exhausted) be calculated and split evenly between the insurance assessment and voluntary contributions. While the bill allows for the possibility of using gifts, grants, and donations to fund the Granite Advantage Program, it does not specify that they be used to fund any particular share of program costs. Likewise, the bill allows for an insurer assessment under RSA 404-G, but, as noted by the Insurance Department, does not specify what level of financial support the assessment is expected to provide. Given this, it is unclear how remaining program costs will be funded if federal revenue and State Insurance Premium Tax Revenues are not sufficient. The bill does, however, make clear that State General Funds shall not be used to support the program.

The Department of Health and Human Services states that, due to limited detail about the design and operation of the Granite Advantage Program, it is unable to provide a detailed analysis of the bill's fiscal impact. For informational purposes, the Department's contracted actuary prepared a report in October 2017 on the cost effectiveness of an MCO model versus that of the existing model, and concluded reimbursement rates to providers would, on average, be lower under an MCO model, resulting in lower overall program costs. Using assumed expenditures of $378 million for the non-medically frail population served by the NHHPP in FY 2018, the analysis projected that expenditures for the same period under an MCO model would be approximately $167 million. Since the State's share of program costs in FY 2018 is 6% of the total, the actuary projected that State expenditures under the MCO model would be approximately $10 million versus $22.7 million under the existing NHHPP. These numbers do not include the cost of the medically frail population, which is currently served by MCOs and would continue to be served by MCOs under this bill. The report did not address such factors as the impact on uncompensated care claims, disproportionate share payments to hospitals, Medicaid Enhancement Tax revenue, or Insurance Premium Tax Revenue.

The Insurance Department projects that, once federal funding drops to 90% in calendar year 2020, federal funds plus Insurance Premium Tax Revenue will collectively fund 92% of program costs. The Department based this projection on an estimated enrollment of 46,000 and an estimated per member per month cost of $350, as well as assumed Insurance Premium Tax revenues attributable to the program of $2.6 million in FY20, $2.7 million in FY21, and $2.8 million in each of FY22 and FY23. The Department estimates that if the insurer assessment under RSA 404-G is expected to fully fund the remaining State share of program costs (which, as noted above, is not specified by the bill itself), the assessment will need to raise approximately $15 million per year. The assessment needed to raise this amount will be approximately $2.75 per member per month on the base of approximately 475,000 covered lives.

The New Hampshire Municipal Association assumes the bill will reduce expenditures by an indeterminable amount due to a decrease in costs for local welfare assistance.

The Department of Corrections is unable to determine the bill's fiscal impact.

The New Hampshire Association of Counties assumes the bill will have no impact on county finances.

AGENCIES CONTACTED:

Departments of Health and Human Services, Administrative Services, Corrections, and Revenue Administration, Insurance Department, New Hampshire Municipal Association, and New Hampshire Association of Counties