

SCOPE for NEW HAMPSHIRE AFFORDABLE CARE ACT MEDICAID EXPANSION ANALYSIS

The New Hampshire Department of Health and Human Services (DHHS), will secure consultant services for the purpose of producing a report that projects and quantifies the costs, benefits, opportunities or lost opportunities to the State as a whole from the now optional Affordable Care Act (ACA) expansion of Medicaid. The report must include expenditure and revenue projections along with detailed methodologies that contextualize the findings. Impacts should be stated for both expanding Medicaid and not expanding Medicaid across the domains identified in the table below.

Background: In the spring of 2010, DHHS calculated an estimated cost of implementation of the Affordable Care Act, which included the number of newly eligible Medicaid adults, woodwork effect of eligible but unenrolled Medicaid eligibles, take-up rate among newly eligible, as well as increases in primary care rates and increased match for the Children's Health Insurance Program (CHIP). This analysis made numerous assumptions including but not limited to a) any currently eligible Medicaid members with income >138% Federal Poverty Level (FPL) would use the Health Insurance Exchange; b) Primary Care Physician (PCP) rates would remain equivalent to Medicare after the 100% federal funding expired; c) a fee-for-service platform; d) identical benefits plan for newly eligible individuals as currently eligible; 3) no Basic Health Plan (BHP) in New Hampshire. Additionally, this analysis utilized the American Community Survey to estimate number of uninsured individuals at or below 133% FPL. The analysis did not calculate costs or benefits of the gradual elimination of the Disproportionate Share Hospital (DSH) payments program, as there was insufficient guidance available at that time.

Statement of Need: Following the United State Supreme Court Decision, New Hampshire like many states is faced with a decision on whether or not to expand Medicaid as contemplated in the ACA, and if so, when. There are many complex policy and financial considerations for states to factor into such a decision. DHHS wants to

provide factual analysis for policy makers in NH to support an informed decision of whether the Medicaid expansion is in the best interests of NH citizens. This analysis must consider not just the short and long term financial impact to DHHS as the state Medicaid agency, but also health system and economic impacts across the state as a whole. A thorough analysis would be fact based and not provide recommendations yet would:

Domain	Consideration
NH DHHS	<ul style="list-style-type: none"> - Confirm the estimate of newly eligible individuals and currently eligible but unenrolled who can be expected to enroll after 2014 either due to expansion or individual mandate including take-up rate; - Estimate the short and long term cost of covering the newly eligible individuals in both a FFS and managed care environment; - Explore the impact of the BHP and the Medicaid benchmark options on the above; - Examine the impact of the above with currently eligible individuals with income >138% FPL remaining on Medicaid or moving into the Health Insurance Exchange (HIX); - Explore impact to the financial analyses from later implementation of an expansion of Medicaid; - Explanation of opportunity and/or administrative costs to DHHS associated with implementing the Medicaid expansion such as but not limited to internal IT modification, connectivity to the HIX, staffing, and the like; - Quantify the currently eligible >138% FPL who will become 'newly eligible' and the increase in federal revenue associated therewith;
NH Healthcare Continuum	<ul style="list-style-type: none"> - Explore the systemic costs of uncompensated care and whether and to what degree the Medicaid expansion would impact expenditures in this regard;

	<ul style="list-style-type: none"> - Explore the ability to stratify the current uncompensated care pool by FPL and conduct such analysis if possible; - Explore impact on the sustainability of community healthcare institutions large and small, such as but not limited to community mental health centers, community health centers and federally qualified health centers; - Explore impact to Institutions for Mental Disease from the reduction in DSH;
<p style="text-align: center;">State Economy</p>	<ul style="list-style-type: none"> - Examine the impact to the state budget and economy, both short and long term, from the timed reduction and eventual elimination of DSH; - Explore potential impacts to hospital health systems as economic engines and job creators with and without the Medicaid expansion; - Quantify how or if the percent of state general fund dollars in health care could be replaced by federal fund dollars as certain currently eligible populations become ‘newly eligible’; -Discuss potential impacts and quantify if possible, of a Medicaid expansion on other segments of the state budget such as corrections; - Explore the prevalence and trend of bankruptcy filings in NH based in whole or in part by unpaid healthcare claims and whether the Medicaid expansion would impact the trend; - Explore potential sources of new revenue such as new premium taxes paid by MCOs covering new Medicaid members or increased pharmacy rebates;
<p style="text-align: center;">Commercial Market</p>	<ul style="list-style-type: none"> - Explore the potential impact to commercial premiums from the timed reduction and eventual elimination of the DSH program with and without the Medicaid expansion; - Explore the potential impact to commercial premiums from

	<p>non-hospital uncompensated care, such as but not limited to Community Mental Health Centers, with and without the Medicaid expansion;</p> <p>-Explore potential impact to employer commitment to offer health insurance with and without the Medicaid expansion;</p>
<p>Include where applicable, the impact of other ACA related provisions such as but not limited to, increased CHIP match rate. All analyses should reflect and harmonize with available federal guidance. Analyses in each domain should project increases and decreases in expenditures and revenues with detailed methodologies explaining the findings.</p>	

Deliverable: 1) A written analytic and actuarial report incorporating New Hampshire based financial data and Medicaid policy inclusive of available federal guidance, which will be published and distributed to policy makers in the state. 2) A PowerPoint slide deck for purposes of a public briefing on the findings and content of the report referenced in (1) above.

Timeline: DHHS would like for the final report to be available for distribution in October 2012. Draft versions shall be shared with DHHS for comment in advance of final delivery and distribution.

Response: Vendors should respond within one week of receipt of this proposed scope of work and price each domain segment separately.