



October 31, 2014

Mr. Jeffrey A. Meyers
Director of Intergovernmental Affairs
New Hampshire Department of Health and Human Services
129 Pleasant Street
Thayer Building
Concord, NH 03301

Dear Mr. Meyers:

I write to offer the comments of the New Hampshire Fiscal Policy Institute (NHFPI) on the Department of Health and Human Services proposed *New Hampshire Health Protection Program Premium Assistance Section 1115 Research and Demonstration Waiver* and to request that the Department respond to the following questions concerning the waiver:

- Could you please confirm that, as detailed in the Department's presentations on October 8 and October 20, 2014, no premium assistance enrollee will be required to pay either a premium or deductible for such coverage? Similarly, could you please confirm that only those enrollees with incomes between 100 and 133 percent of the federal poverty level (FPL) will be required to make copayments for certain services?
- Could you please explain how the proposed schedule of copayments, detailed in the Department's presentations on October 8 and October 20, was determined and whether such copayments were set in a manner that not only allows enrollees to access the care they need, but also will not lead to an increase total expenditures under the Health Protection Program?

As you know, a significant body of research on the effect of premiums and copayments on low-income people suggests that even modest cost sharing may increase the barriers they encounter in accessing care and prevent them from enrolling or remaining enrolled. Moreover, such research makes clear that, while cost sharing reduces utilization of health care, it does not do so in an efficient or effective way. Rather, it reduces the utilization of both essential and non-essential health care in roughly equal proportions. Finally, research on this topic suggests that higher copayments do not effectively reduce health care expenditures, as they instead lead to decreased utilization of outpatient services and concurrent increased utilization of hospital care or hospital days. In other words, those

affected by copayments rationed needed health care and such rationing ultimately resulted in more expensive health care interventions.

- Could you please detail the procedures and systems the Department will employ to ensure that enrollees will neither make aggregate copayments in excess of the federally mandated limit of 5 percent of their quarterly household income nor face copayments should their household incomes fall below 100 percent of FPL? Similarly, could you please explain the responsibilities of various parties (e.g. enrollees, medical providers, the Department) for reporting and monitoring enrollees' income levels and copayments? Finally, can you please elaborate on the remedies that will be available to enrollees should they make a copayment or copayments in excess of the 5 percent of income limit?
- Could you please explain in greater detail how the Department will evaluate the various hypotheses listed in its waiver application, particularly those that could potentially be affected by the imposition of copayments?

NHFPI greatly appreciates the opportunity to raise these questions and concerns and looks forward to working with the Department of Health and Human Services, elected officials, and other stakeholders to ensure the successful implementation of the New Hampshire Health Protection Program.

Sincerely,



Jeff McLynch
Executive Director