

**DRAFT Section 1115 Demonstration
Amendment**

**New Hampshire Health Protection Program
Premium Assistance
Project #11-W-00298/1**

**State of New Hampshire
Department of Human Services**

June 24, 2016

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Section I – Introduction

New Hampshire is submitting this application for the Premium Assistance Waiver amendment in accordance with the reauthorization of the New Hampshire Health Protection Program as enacted on April 5, 2016.

On March 27, 2014, Governor Maggie Hassan signed into law the bi-partisan Senate Bill 413, an Act relative to health insurance coverage (the “Act”), (2014 NH Laws Chap. 3) establishing the New Hampshire Health Protection Program to expand health coverage in New Hampshire for adults with incomes up to 133 percent of the Federal Poverty Level.¹

Among other things, the New Hampshire Health Protection Program instituted : (1) a mandatory Health Insurance Premium Payment Program (HIPP) for individuals with access to cost-effective employer-sponsored insurance²; (2) a bridge program to cover the new adult group in Medicaid managed care plans through December 31, 2015; and (3) a mandatory individual qualified health plan (QHP) premium assistance program (the “Premium Assistance Program”) beginning on January 1, 2016.

The Premium Assistance Program was designed to reduce coverage disruptions for individuals moving between Medicaid and the Marketplace due to changes in income, offer comparable provider access, enable higher provider payments for covered services in order to ensure access, encourage more cross-participation by plans in Medicaid and the Marketplace, and achieve cost reductions due to greater competition.

On March 4, 2015, the Centers for Medicare and Medicaid Services (CMS) approved New Hampshire’s application for a one-year Section 1115(a) Medicaid Research and Demonstration Waiver entitled, “New Hampshire Health Protection Program (NHPPP) Premium Assistance” (Project Number 11-W-100298/1), in accordance with section 1115(a) of the Social Security Act (the Act). The demonstration became effective on January 1, 2016. Its continuation beyond December 31, 2016 and through December 31, 2018 was contingent upon the reauthorization of the program by the New Hampshire legislature. Pursuant to N.H. RSA 126-A:5, XXIII-XXV, the demonstration was scheduled to sunset on December 31, 2016, unless the New Hampshire legislature authorized the program to continue.

As of June 24, 2016, the New Hampshire Health Protection Program provided coverage to 48,853 Granite Staters - 40,963 of whom were covered by the five commercial insurance carriers offering Qualified Health Plans (QHPs) in New Hampshire’s federally facilitated Marketplace.³ Another 5,637 members – those that are medically frail or can otherwise opt-out of the Premium Assistance program -- were served by the state’s two

¹ While the Patient Protection and Affordable Care Act expands coverage to 133 percent of the federal poverty level, the ACA otherwise establishes a 5 percent disregard for program eligibility, which extends coverage to those persons up to 138 percent of the federal poverty level.

² The mandatory nature of applying for HIPP was repealed through a budget bill in September of 2015. Voluntary HIPP participants continue to be excluded from the demonstration.

³ The five carriers are: Ambetter by NH Healthy Families, Anthem BlueCross BlueShield of New Hampshire, Community Health Options, Harvard Pilgrim Health Care, and Minuteman Health Incorporated.

Medicaid managed care organizations (MCOs), WellSense Health Plan and NH Healthy Families. The remaining 2,253 participants were in fee-for-service during their plan selection window. Approximately 75 percent of NHHPP participants have income below the federal poverty level and 25 percent have income greater than the federal poverty level. Those participants with income above the federal poverty level are subject to cost-sharing for a range of services, consistent with the cost-sharing requirements at 42 CFR 447.56. The NH Health Protection Program eligibility group is overwhelming young, with 48 percent of members under 35 years of age and 66 percent of members under 45 years of age. A majority of participants are female (52 percent); 48 percent are male.

New Hampshire Health Protection Program participants have access to local providers and the State's Alternative Benefit Plan (ABP) which includes the ten Essential Health Benefits, pursuant to the Affordable Care Act. Covered Benefits are based on the Secretary Approved Base benchmark Matthew Thornton Blue Health Plan. Enrollees in the Premium Assistance Program receive the following wraparound services through New Hampshire Medicaid's fee-for-service delivery system: EPSDT services to 19 and 20 year olds; out-of-network family planning providers; limited dental and vision benefits; and non-emergency medical transportation. Medically-frail NHHPP members are excluded from the Premium Assistance Program and instead enroll in the state's Medicaid managed care delivery system. All participants in the NHHPP, regardless of which delivery system provides their benefits, receive the ABP.

II. NHHPP Reauthorization

On April 5, 2016, the New Hampshire Legislature reauthorized the New Hampshire Health Protection Program through December 31, 2018 conditioned on the Centers for Medicare and Medicaid approving any necessary state plan amendment or waiver to this operating Demonstration no later than November 1, 2016. The New Hampshire Legislature enacted this legislation to continue coverage of newly eligible adults - those eligible for coverage under Section 1902(a)(10)(A)(I)(VIII). As previously noted, the medically frail newly eligible adults are not covered by the Demonstration and will continue to enroll in New Hampshire's Medicaid managed care delivery system; most of the other newly eligible adults are eligible to be served through Qualified Health Plans (QHPs)⁴.

Pursuant to the reauthorization of the New Hampshire Health Protection Program and the state's health policy goals, New Hampshire is seeking to amend its Demonstration to:

- 1.) Promote work opportunities for the Health Protection Population who are not working by aligning existing federal work programs provided under Temporary Assistance for Needy Families (TANF) Program, 42 U.S.C. section 607 (d) with coverage under the Health Protection Program. New Hampshire is the first state to

⁴ NHHPP members who become pregnant after application can choose to opt-out of the demonstration, as can those who identify as American Indian/Alaskan Native. NHHPP members who enroll in the Health Insurance Premium Payment Program are excluded from the demonstration and obtain their coverage through employer sponsored insurance available.

seek CMS approval to promote coverage for unemployed childless, able-bodied newly eligible adults on their engaging in at least 30 hours per week of one or a combination of specific employment and training activities detailed in section X of the waiver amendment, consistent with the TANF program.

- 2.) Require newly eligible adults to verify United States citizenship by two (2) forms of identification and proof of New Hampshire residency by either a New Hampshire driver's license or a non-driver's picture identification card.
- 3.) Require newly eligible adults who visit the emergency room for non-emergency purposes to make a payment of \$8 for the first visit and \$25 for each and every subsequent non-emergent use of a hospital emergency department.
- 4.) Provide that all veterans who are current New Hampshire residents shall receive medical and medical-related services from any hospital in the state providing services to the newly eligible Medicaid population.
- 5.) Waive cost-sharing comparability under Section 1902(a)(17) to allow different levels of cost-sharing for NHHPP participants with incomes above 100 percent of the federal poverty level who participate in the Premium Assistance Program.

The Plan's newest proposed design features seek to increase personal responsibility, improve accuracy and accountability of the Medicaid eligibility system, and ultimately lower costs by implementing principles of value based insurance design by using financial disincentives to dissuade participants from using low-value care. The key premises of the Premium Assistance Demonstration at initial implementation were to construct a delivery system that ensured participants had: 1.) continuity of coverage, 2.) plan variety, 3.) cost-effective coverage and 4.) uniform provider access. The State continues to focus on these key goals, as well as foster appropriate health care consumer behavior for a population that remains relatively new to health care coverage.

There are no proposed changes to enrollment, benefits, enrollee rights, or other comparable program elements. The requested effective date of this amendment is January 1, 2017.

Section II – Public Process

Pursuant to the New Hampshire Health Protection Program Premium Assistance (11-W-00298/1) special terms and conditions (STCs), the following provides an explanation of the public process used by the State to reach a decision regarding the requested amendment.

Per STC 16, regarding public notice, tribal consultation, and consultation with interested parties, the State must comply with the State Notice Procedures set forth in 59 Fed. Reg. 49249 (September 27, 1994). New Hampshire is *not* required to comply with the tribal consultation requirements in Section 1902(a)(73) of the Act as there are no federally recognized Indian tribes in New Hampshire.

Public Notice

On June 30th, 2016, the Department of Health and Human Services released a draft waiver amendment for the New Hampshire Health Protection Program Premium Assistance (11-W -00298/1). This release was preceded by the development of a publicly accessible web page, an email address for public input, and an announcement of one

public hearing, along with a United States Postal Service address, to provide for remote and in-person public comment to the proposed amendment.

Please see web page at <http://www.dhhs.state.nh.us/pap-1115-waiver/index/htm>. Email address is deborah.fournier@dhhs.nh.gov. The United States Postal Services address is Department of Health and Human Services, Office of Medicaid and Business Policy, 129 Pleasant Street, Brown Building, Concord, NH 03301, Attn: Deborah Fournier, Deputy Medicaid Director.

Section III – Data Analysis

A. Comparative Analysis - Still in Development

Pursuant to the New Hampshire Health Protection Program Premium Assistance (11-W-00298/1) special terms and conditions (STCs number 7 entitled Amendment Process), the following will provide a data analysis which identifies the specific “with waiver” impact of the proposed amendment on the current budget neutrality agreement. The analysis will include total computable “with waiver” and “without waiver” status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detail projections of the change in the “with waiver” expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment.

	Trend	DY 1	DY 2	DY 3

B. CHIP Allotment

Pursuant to the New Hampshire Health Protection Program Premium Assistance (11-W-00298/1) special terms and conditions (STCs), the following provides an up-to-date CHIP allotment neutrality worksheet.

Not applicable as the CHIP population is not covered under the New Hampshire Health Protection Program Premium Assistance.

Section IV – Description of Amendment

Pursuant to the New Hampshire Health Protection Program Premium Assistance (11-W-00298/1) special terms and conditions (STCs), the following provides a detailed description of the amendment including impact on beneficiaries, with sufficient supporting documentation and data supporting the evaluation hypothesis as detailed in

the evaluation design.

Demonstration Enhancement -- The State seeks to amend the demonstration relative to eligibility and cost sharing as follows.

- *New Hampshire Health Protection Work Promotion and Personal Responsibility*

Consistent with the existing federal TANF program, newly eligible adults who are unemployed shall be eligible to receive benefits, under RSA 126A:5 XXIV-XXV, if the State finds the individual is engaging in at least 30 hours per week of one or a combination of the following activities: a.) unsubsidized employment, b.) subsidized private sector employment, c.) subsidized private sector employment, d.) work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available, e.) on the job training, f.) job search and readiness assistance, g.) community programs, h.) vocational educational training not to exceed 12 months with respect to any individual, i.) job skills training directly related to employment, j.) 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, k.) satisfactory attendance at a 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, and l.) the provision of child care services to an individual who is participating in a community service program. Grounds for disqualification of benefits are consistent with the federal Temporary Assistance for Needy Families (TANF) Program, 42 U.S.C. Section 607 (e).

These requirements will apply only to those considered childless, able-bodied adults as defined 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 18 years of age or under 20 years of age if the child is a full-time student in secondary school or the equivalent.

These requirements will not apply to a person that is temporarily unable to participate due to illness or incapacity as certified by a licensed physician, and advanced practice registered nurse (APRN), a licensed behavioral health professional, a licensed physician assistant, or board certified psychologist. The physician, APRN, licensed behavioral health professional, licensed physician assistant, or board certified psychologist shall certify, on a form provided by the department, the duration and limitations of the disability. In addition, this requirement shall not apply to (i.) a person participating in a state-certified drug court program, as certified by the administrative office of the superior court or (ii.) 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.

New Hampshire seeks to encourage unemployed and underemployed adults to proceed to full employment by requiring them to become connected with job training or other work-related activities while they look for full-time employment or to obtain full-time employment. Waivers are intended to grant states flexibility to expand Medicaid in a way that recognizes local considerations and conditions. The poverty facing these residents is an important state issue. It is in New Hampshire's economic and financial interest to facilitate sustained employment or a return to sustained employment for as many participants as possible. Gaining financial stability will enable some participants to mitigate negative environmental and economic factors that can contribute to poor health. Putting participants on the path to attaining financial stability and moving out of poverty is a component of a long-term investment New Hampshire seeks to make in its vulnerable citizens. Ultimately, New Hampshire hopes to help citizens graduate from safety net programs and attain or return to a financially stable life. This trajectory provides flexibility to the state in future years to focus taxpayer dollars on other vitally needed services and to promote prosperity and well-being among its citizens.

- *Veteran medical services*

The state seeks to permit all veterans who are New Hampshire residents to receive medical and medical related services from any New Hampshire hospital currently providing services to the New Hampshire Health Protection Program population.

New Hampshire residents who are veterans deserve access to the same medical services that all current participants in the New Hampshire Health Protection Program enjoy. Their service on behalf of their country entitles them to nothing less. In order to better ensure that veterans are able to reliably and promptly obtain health care, with timely access to medical and medical-related services, through both Veteran Health Administration (VA) hospitals and other hospitals already serving newly eligible adults in the NHHPP, the state seeks to ensure timely and generous health insurance coverage for these New Hampshire veterans. Comprehensive health care services are especially important for veterans. Many veterans suffer from unique, ongoing and frequently acute or complicated health issues as a result of their time serving in combat zones on behalf of the nation. Access to health care that veterans will gain through a statewide network of hospitals outside the VA system will help increase access to care, reduce unmet needs, and improve outcomes. This specific group of Granite Staters, regardless of their income level or their proximity to a VA hospital, should enjoy the continuity of care, uniform access to providers, variety of carriers and cost-effective coverage that the current participants in the NHHPP experience. By providing this comprehensive health insurance coverage, New Hampshire will be facilitating for veterans the successful re-entry or integration within their communities that are central to addressing the ongoing and complex needs veterans may have subsequent to their experiences in combat.

- *Payment for non-emergent use of the emergency department*

The State seeks to require newly eligible adults participating in the Demonstration who visit the emergency room for non-emergency purposes to pay a copayment of \$8 for the first use of the non-covered service and \$25 for each and every non-emergency visit thereafter in instances where the QHP determines to pay the hospital for the service. The State seeks to utilize value-based insurance design principles to encourage all members to seek care in the most medically appropriate and cost effective setting, as well as take personal responsibility for making informed decisions about where to seek care. The initial co-payment will give the participant an opportunity to receive education about the availability of, and advantages of, utilizing the most appropriate and cost effective setting for medical treatment, without placing an excessive financial burden on them. If the recipient continues to access the emergency room for non-emergent care, the co-payment amount will be higher in order to discourage use of low-value care, such as non-emergent care provided in an Emergency Department.

By requiring a co-payment, the State expects that more members will seek care in the most appropriate setting and deter utilization of the emergency department. There is some evidence that co-payments decrease inappropriate emergency department use and the State seeks approval to adopt a co-payment approach.

The waiver evaluation will analyze whether this use of co-payments encourages participants to seek non-emergency services from appropriate providers, thereby improving quality of care. The State's intent is to encourage members to seek high-value service at the right place, at the right time, in the right setting. Ultimately, through this value-driven effort along with patient education, the State hopes to drive appropriate care utilization, higher quality of care, and better outcomes for demonstration beneficiaries.

- *Citizenship Verification*

A person shall not be eligible to enroll or participate in the New Hampshire health protection program unless such person verifies his or her United States citizenship by two (2) forms of identification and proof of New Hampshire residency by either a New Hampshire driver's license or a non-driver's picture identification card.

The State seeks to amend its demonstration authority to incorporate the additional eligibility verification processes noted above to improve the accuracy of the current Medicaid eligibility determination system. The state seeks to ensure that all citizenship and immigration eligibility requirements are robustly monitored and enforced at the state level. New Hampshire prides itself on being a good steward of the public dollars funding this coverage and as such is compelled to ensure that only those whose citizenship and immigration status are truly consistent with federal requirements are deemed eligible. The State's infrastructure and approach to implementation will be monitored so as not to cause excessive burden to applicants or unreasonable delays in eligibility determinations. The State will monitor eligibility determination timeframes to ensure that there is minimal inappropriate impact on

participants and will also analyze data to report out any significant delays in eligibility processing or declines in enrollment after the enactment of this requirement.

- *Waive cost-sharing comparability between NHHPP medically frail participants in Medicaid managed care and NHHPP Premium Assistance demonstration participants.*

The State is requesting to waive comparability requirements for cost-sharing among the adults newly eligible at Section 1902(a)(10)(A)(i)(VIII) so that the copayments charged to NHHPP medically-frail participants who remain in Medicaid managed care will differ from the co-payments charged to the NHHPP participants in the Premium Assistance Program demonstration. The cost-sharing schedule in the Premium Assistance Program is a commercial design. The benefit of exposing NHHPP members to this schedule of payments is to introduce them to the features of commercial coverage to prepare them for their eventual graduation from the NHHPP and into commercial coverage that they will eventually have the financial stability to obtain on their own. The waiver of comparability allows the state to target this commercial cost-sharing to only those NHHPP members who are in the Premium Assistance demonstration.

Section V – Evaluation Design

Pursuant to the New Hampshire Health Protection Program Premium Assistance (11-W-00298/1) special terms and conditions (STCs), the following provides a description of how the evaluation design will be modified to incorporate the amendment provisions.

The additional waiver provisions for citizenship, veterans, and comparability will affect the current evaluation design. The State will include a PAP waiver goal to evaluate whether changing citizenship verification requirements had any negative impact on participants and will also analyze data to report out any significant delays in eligibility processing or declines in enrollment after the enactment of this requirement.

The State will also include a PAP waiver goal to evaluate the number and rate of veterans who took advantage of the health care services made available and whether the health care provided was comprehensive and timely.

The State is amending “PAP Waiver Goal” number five (5) titled “Improve Health Outcomes and Increase Personal Accountability and Responsibility.” The demonstration will, with this amendment, evaluate if employment, along with other designated activities, and emergency department payments for non-emergent use will encourage appropriate utilization and improve health outcomes. The State will work closely with the evaluation vendor to determine specific design evaluation modifications which will be inclusive of an analysis of 1.) beneficiaries who pay for emergency department utilization and their patterns of use and 2.) the correlation between the named activities and improved mental and physical health.

APPENDIX A

Notice of Amendment to Demonstration Authority

Notice is hereby given that the New Hampshire Department of Health and Human Services (DHHS) seeks to amend its Section 1115(a) Research and Demonstration Waiver, #11-W-100298/1 entitled, the New Hampshire Health Protection Program (NHHPP) Premium Assistance, with such amendment to be effective January 1, 2017.

Summary of Demonstration

Under the NHHPP Premium Assistance demonstration, New Hampshire uses premium assistance to support the purchase of health insurance coverage for beneficiaries eligible under the new adult group provided via certain qualified health plans (QHPs) doing business in the individual market through the Marketplace. The demonstration affects individuals in the new adult group covered under Title XIX of the Social Security Act who are adults from age 19 up to and including age 64 with incomes up to and including 133 percent of the federal poverty level (FPL) who are neither enrolled in (nor eligible for) Medicare or enrolled in the state's Health Insurance Premium Payment (HIPP) program.

Proposed Amendment

The proposed amendment seeks to effect the following modifications:

- Modify eligibility to be inclusive and consistent with the federal Temporary Assistance for Needy Families (TANF) Program, 42 U.S.C. section 607 (d), as well as require that newly eligible adults who are unemployed be eligible to receive benefits if the Department of Health and Human Services finds that the individual is engaging in at least 30 hours per week of one or a combination of other clearly outlined activities.
- Modify eligibility such that a participant cannot be eligible for coverage 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 non-driver's picture identification card.
- Modify cost-sharing requirements such that newly eligible adults who participate in the demonstration who visit the emergency room for non-emergency purposes shall be required to make a co-payment of \$8 for the first visit and \$25 for each and every non-emergency visit thereafter.
- Provide that all veterans who are current New Hampshire residents shall receive medical and medical-related services from any hospital in the state providing services to the newly eligible Medicaid population.
- Waive comparability in cost-sharing requirements for the medically frail NHHPP participants under managed care and NHHPP participants who are in the Premium Assistance Program demonstration.

WAIVER & EXPENDITURE AUTHORITIES

Existing waiver and expenditure authorities will be not modified. However, the following will be added:

- Section 1902(a)(17) comparability of cost sharing in order to allow for different co-payments between NHHPP medically frail and the NHHPP PAP demonstration participants.

- Section 1902(a)(10)(A)(i)(VIII) requirements related to eligibility to add as a condition of eligibility individuals who are veterans may be eligible and those who are unemployed must engage in at least 30 hours per week in one or a combination of the activities defined in 42 U.S.C. Section 607 (d).
- Sections 1137, 1902(a)(46)(B), 1902(ee), and 1903(x) of the Act which governs verification of citizenship and immigration status.

Opportunity for Public Input

The complete version of the current draft of the Demonstration application is available for public review at <http://www.dhhs.nh.gov/pap-1115-waiver/index.htm>. Public comments may be submitted until midnight on July 24, 2016. Comments may be submitted by email to deborah.fournier@dhhs.nh.gov or by regular mail to Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301-3857. Comments should be addressed to Deborah Fournier, Deputy Medicaid Director.

REVIEW OF DOCUMENTS & SUBMISSION OF DOCUMENTS

This notice, waiver documents, and information about the New Hampshire Health Protection Program (NHHPP) Premium Assistance Demonstration are available at: <http://www.dhhs.nh.gov/pap-1115-waiver/index.htm>. To reach all stakeholders, non-electronic copies of all the aforementioned documents are available by contacting the Department of Health and Human Services, Deborah Fournier, Deputy Medicaid Director at 603-271-9434.

The State will host one public hearing during the public comment period.

Tuesday, July 12, 2016

1:00PM-3:00 PM
New Hampshire Department of Health and Human Services
Brown Auditorium
129 Pleasant St,
Concord, NH 03301

APPENDIX B

TRIBAL IMPACT

Not applicable to the State of New Hampshire.