

Medicaid in New Hampshire

**Presented to House Finance Committee
LOB Room 210
February 3, 2017**



- ▶ **Medicaid: The Basics**
- ▶ **Medicaid: Delivery Systems in New Hampshire**
- ▶ **Medicaid: Behavioral Health Care**
- ▶ **Medicaid: Enhancement Tax and Uncompensated Care**



The Basics

- ▶ Offering a Medicaid program is elective for states. All fifty states currently elect to offer a Medicaid program.
- ▶ Participating states must cover select groups of people and cover select groups of services that are known as **mandatory**.
- ▶ Participating states can elect coverage for additional services and populations that are known as **optional**.
- ▶ In return, the federal government pays a fixed percentage of the cost, known as FMAP. In New Hampshire it is always at least 50 percent of cost.



The Basics: New Hampshire's Covered Benefits

Mandatory Services

Inpatient Hospital Services	Outpatient Hospital Services	Family Planning
Rural Health Clinic	Physicians Services	X-Ray Services
Intermediate Care Facility Nursing Home	Dental Service (Children)	Laboratory (Pathology)
Home Health Services	I/P Hospital Swing Beds, SNF	Advanced RN Practitioner
Skilled Nursing Facility Nursing Home	I/P Hospital Swing Beds, ICF	
Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services for Persons < Age 21		

Optional Services

Home & Community Based Care Waivers:	Acquired Brain Disorder	Developmentally Disabled
	Choices for Independence	In Home Supports
Prescribed Drugs	Optometric Services Eyeglasses	Adult Medical Day Care
Mental Health Center	Wheelchair Van	Day Habilitation Center
Ambulance Service	Crisis Intervention	Physical Therapy
Podiatrist Services	Psychology	Audiology Services
Private Duty Nursing	Speech Therapy	Occupational Therapy
Home Based Therapy	Hospice	Personal Care Services
Outpatient Hospital, Mental Health	Inpatient Psychiatric Facility Services Under Age 22	
Durable medical equipment and supplies	Nursing Facilities Services for Children w/Severe disabilities	



Primary Eligibility Groups

- ▶ **Children**
- ▶ **Pregnant women**
- ▶ **Disabled adults and children**
- ▶ **Senior Citizens**
- ▶ **Foster care children**
- ▶ **Non-disabled low income adults**

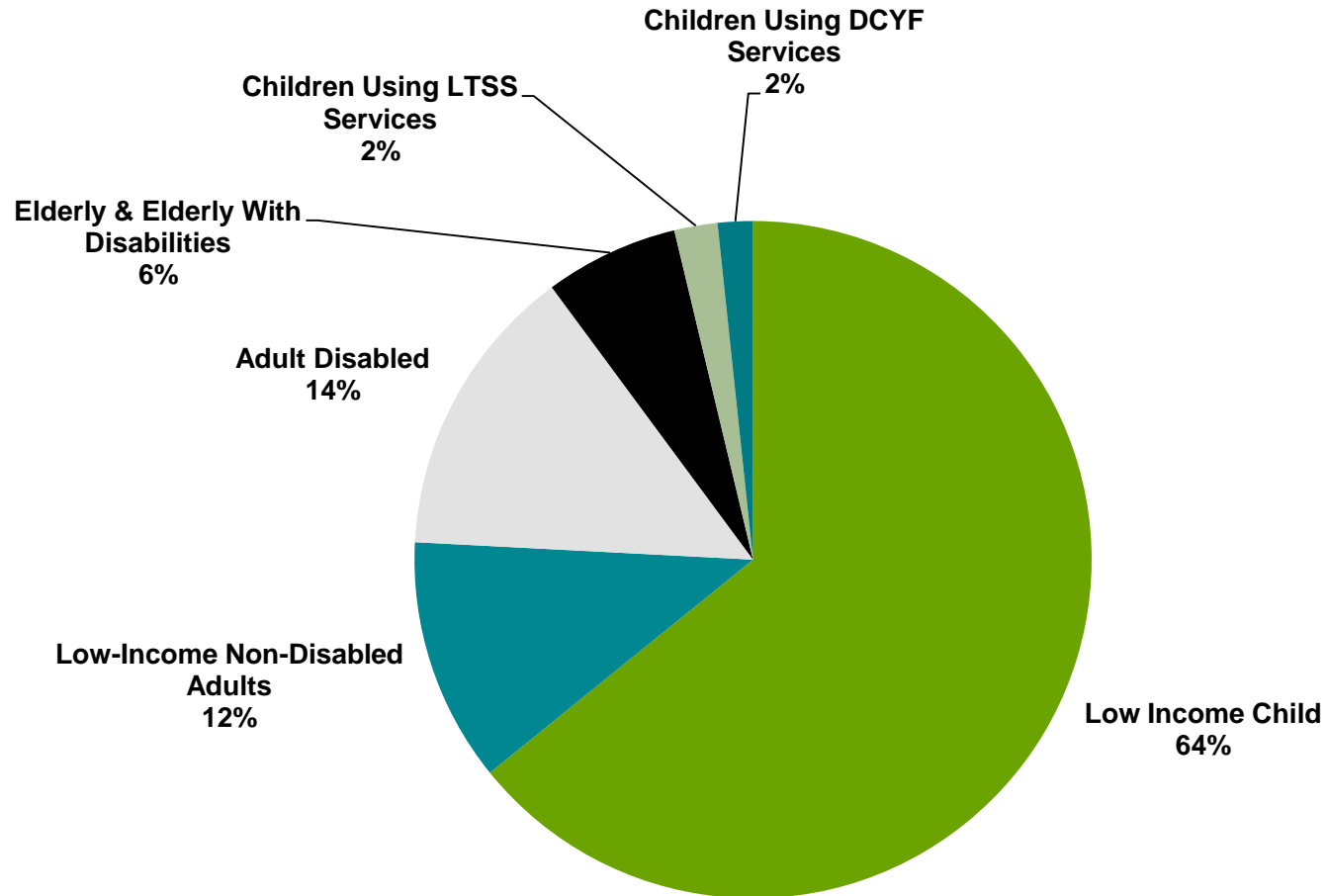


Medicaid Eligibility Income Limits Vary by Category

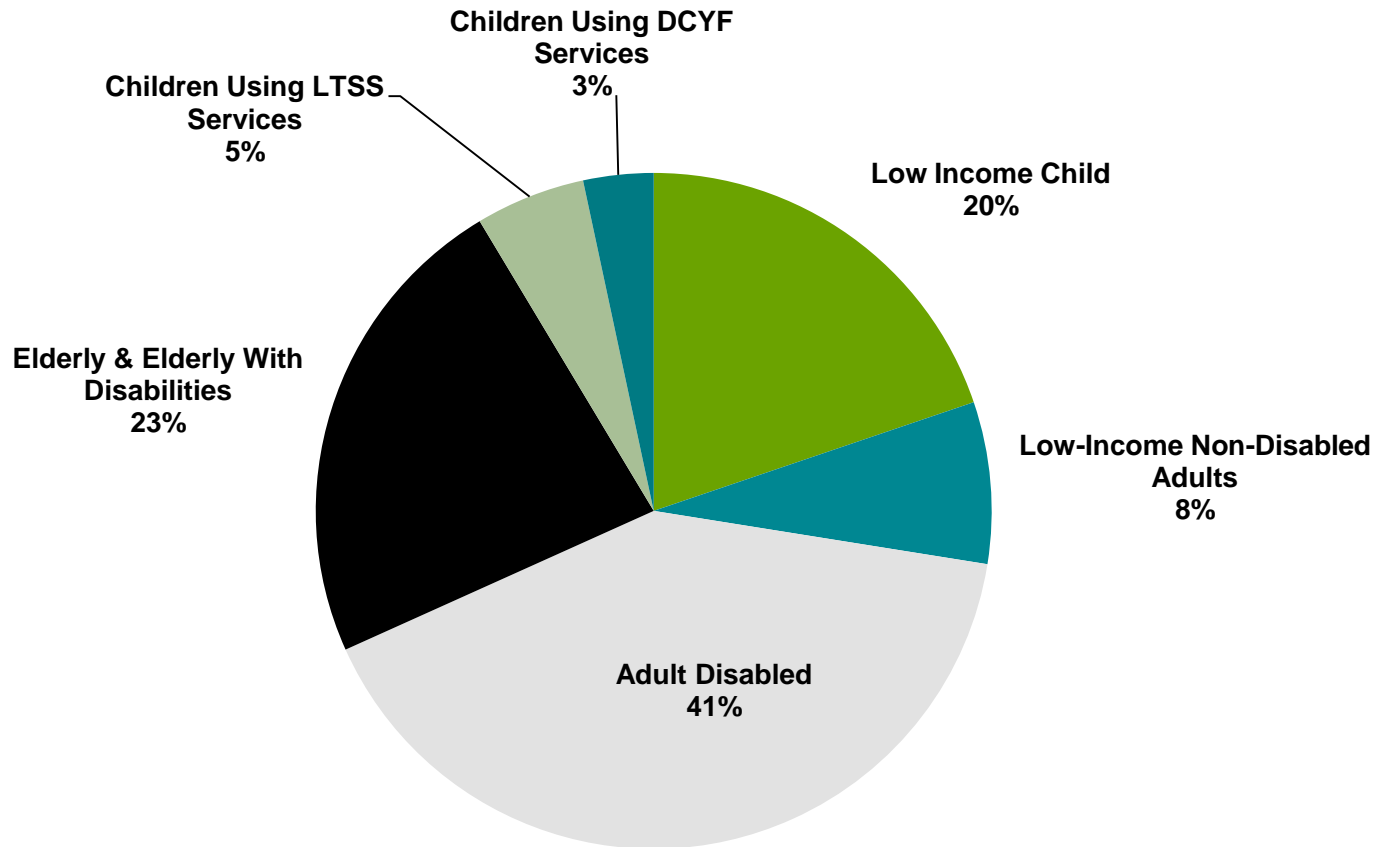
Eligibility Category	Income limit as percentage of federal poverty level	Annual income limit in dollar terms (2017)
Parents	40%	\$ 6,496
People living with disabilities	76%	\$ 9,165
Senior Citizens	76%	\$ 9,165
Adults	133%	\$ 16,039
Children	185%	\$ 22,311
Pregnant women	185%	\$ 22,311
Working disabled	450%	\$ 54,270



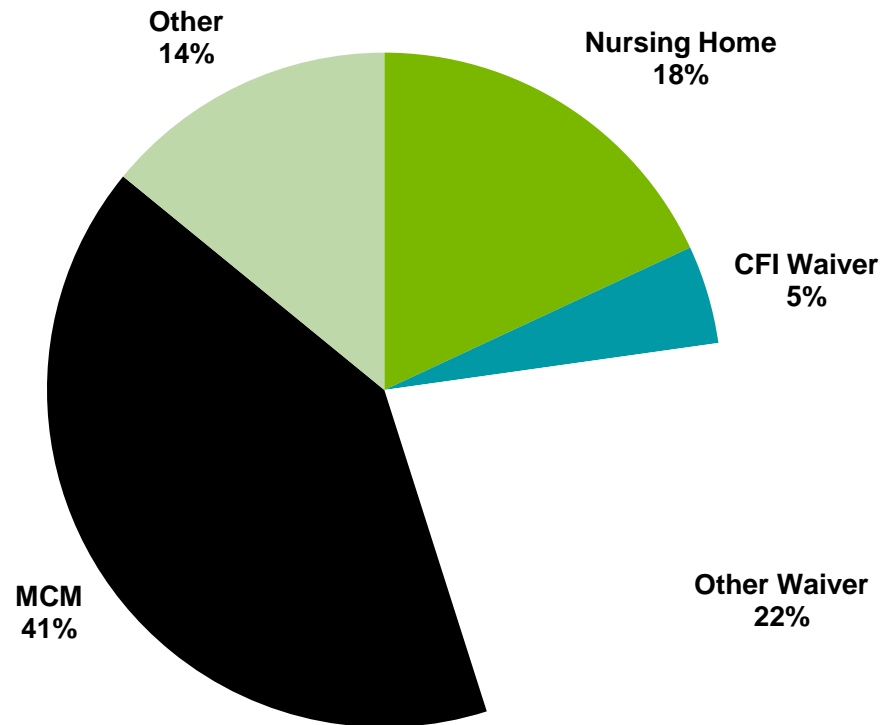
Children make up most of the Medicaid participants



But costs are concentrated among the elderly, disabled



Long-term care services are slight majority of service costs



Medicaid's Delivery Systems



Medicaid Delivery Systems

Medicaid has three delivery systems:

- ▶ **Medicaid Managed Care**
- ▶ **Premium Assistance and NHHPP**
- ▶ **Fee-for-Service**



New Hampshire has a full-risk, capitated style of managed care

- ▶ 2 Managed Care Organizations (MCOS) WellSense and NH Healthy Families
- ▶ The state pays a per-member, per month rate to the vendors for each participant
- ▶ Approximately 134,000 Medicaid members receive short-term medical services through these two vendors
- ▶ Currently, no long-term services and supports (neither Nursing Facility nor Waivered services) are delivered through this system)



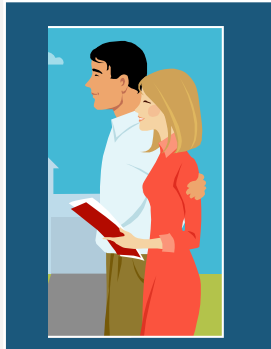
Premium Assistance & NHHPP – private public partnership

- ▶ Medicaid funds are used to purchase commercial insurance policies known as Qualified Health Plans (QHPs) certified for sale on the individual market.
- ▶ The commercial carriers are Anthem, Harvard Pilgrim, Minuteman and Ambetter.
- ▶ Approximately 42,000 participants receive short-term medical services through these four carriers. The state, through fee-for-service, covers required benefits not offered by the commercial plans, known as wrap benefits, such as limited dental and vision and transportation services.
- ▶ Another 6,000 members are medically frail and are excluded from the Premium Assistance Demonstration. They are served through the Medicaid managed care system. 3,000 more are in fee-for-service while they select.



PAP Eligible Population

Expansion Adults



Ages 19 up until 65

Income below 138% FPL

Not pregnant at time of eligibility determination

Not entitled to or enrolled in Medicare

Not in any other mandatory Medicaid eligibility group



Excluded from PAP adults:

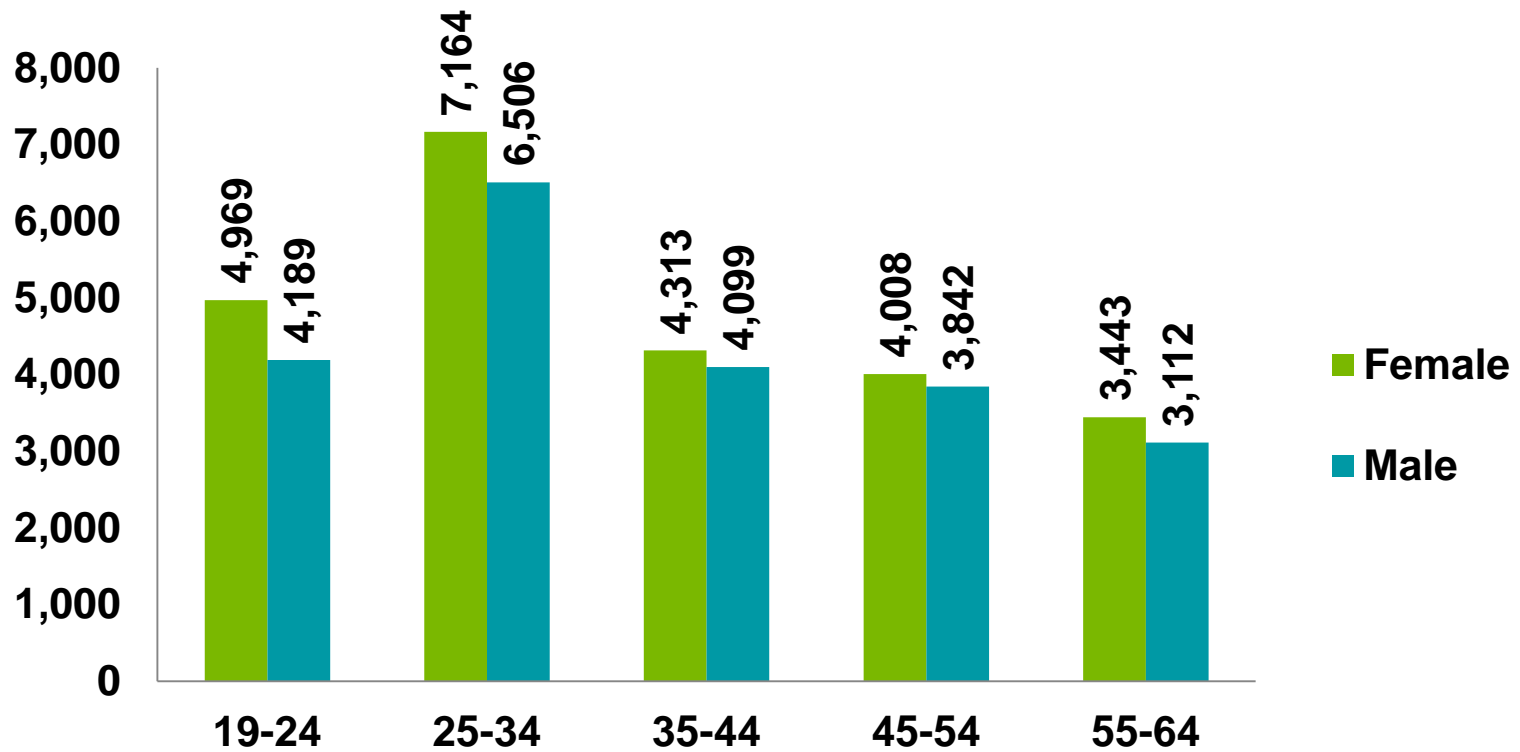
- ❖ Those who are identified as medically frail

Voluntary for PAP

- ❖ Those who become pregnant after application
- ❖ Those who are identified as Alaska Native/American Indian



Age and Gender



Fee-for-Service

- ▶ For every Medicaid covered service, Medicaid pays a fee.
- ▶ Provides wrap benefits for Premium Assistance enrollees and all Medicaid services to members during their selection windows.
- ▶ Provides coverage to roughly 1,000 participants excluded from the other delivery systems, who are:
 - ▶ Family Planning Only participants
 - ▶ Spend Down participants
 - ▶ Participants who receive Veterans Benefits



New Hampshire's 7 Medicaid Waivers

- ▶ **1 waiver provides legal authority to mandate enrollment for managed care waiver under the 1915(b) authority**
 - ▶ Two-year (or five-year, if serving dual eligibles), renewable waiver authority for mandatory enrollment in managed care on a statewide basis or in limited geographic areas.
- ▶ **4 waivers are Home and Community Based Care waivers under the 1915(c) authority**
 - ▶ Renewable waiver authority that allows states to provide long-term care services delivered in community settings as an alternative to institutional settings. The state must select the specific target population and/or sub-population the waiver will serve.

Developmentally Disabled Waiver

In-Home Supports Waiver,

Acquired Brain Disorder Waiver

Choices for Independence Waiver



Medicaid Waivers (cont.)

- ▶ **2 waivers are Research and Demonstration waivers under the Section 1115(a) authority**
 - ▶ Broad waiver authority at the discretion of the Secretary to approve projects that test policy innovations likely to further the objectives of the Medicaid program. Permits states to provide the demonstration population(s) with different health benefits, or have different service limitations than are specified in the state plan. Granted for up to 5 years, and then must be renewed.
 - ▶ **Premium Assistance Demonstration Waiver**
 - ▶ **Building Capacity for Transformation DSRIP Waiver**



Medicaid: Behavioral Health Care



Two main initiatives

- ▶ **Substance Use Disorder benefit**
- ▶ **Building Capacity for Transformation Delivery System Reform Incentive Program (DSRIP) Demonstration**



Substance Use Disorder Services in Medicaid

- ▶ Substance use disorder (SUD) benefit is a required benefit for the New Hampshire Health Protection population. It was first offered in August, 2014
- ▶ SUD benefit was offered to the non-NHHPP Medicaid populations beginning July, 2016
- ▶ Since the initiation of SUD benefit provision, nearly 7,000 unique participants have received SUD services.
- ▶ The overwhelming majority of SUD services - 82% - that have been provided have been related to opioids and/or opioid addiction.



Overview of New Hampshire's DSRIP Waiver Program: *Building Capacity For Transformation*

The waiver represents an unprecedented opportunity for New Hampshire to strengthen community-based mental health services, combat the opiate crisis, and drive delivery system reform.

Key Driver of Transformation



Integrated Delivery Networks : Transformation will be driven by regionally-based networks of physical and behavioral health providers as well as social service organizations that can address social determinants of health

Three Pathways

Improve care transitions

Promote integration of physical and behavioral health

Build mental health and substance use disorder treatment capacity

Funding Features



Menu of mandatory and optional community-driven projects



\$150 million in incentive payments over 5 years



Support for transition to alternative payment models



Funding for project planning and capacity building

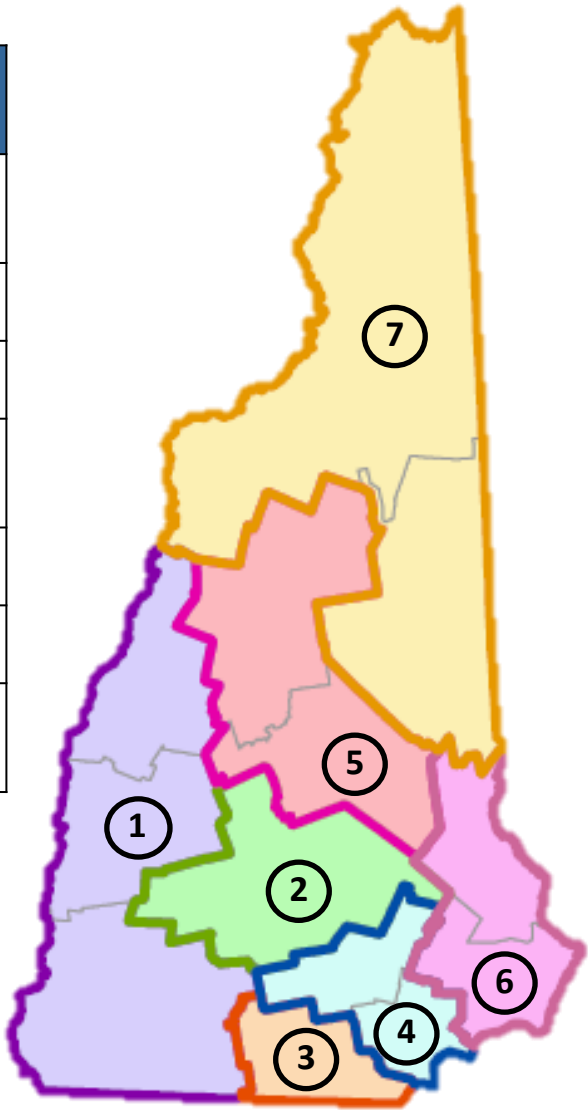


Performance-based funding distribution



IDNs Are Organized into 7 Regions

Illustrative IDN	Regional Public Health Networks (RPHN) Included	# of Medicaid members
1. Monadnock, Sullivan, Upper Valley	Greater Monadnock, Greater Sullivan County, Upper Valley	21,550
2. Capital	Capital Area	15,520
3. Nashua	Greater Nashua	19,110
4. Derry & Manchester	Greater Derry, Greater Manchester	34,900
5. Central, Winnipesaukee	Central NH, Winnipesaukee	15,230
6. Seacoast & Strafford	Strafford County, Seacoast	25,440
7. North Country & Carroll	North Country RHPN, Carroll County RHPN	15,300



Providers in each IDN region are encouraged to work together to form one IDN, particularly in less populated parts of the State.

Note: pending final approval by CMS and subject to change



Funding for the Transformation Waiver

Key Funding Features:

- The transformation waiver provides access up to \$150 million over 5 years.
 - State must meet statewide metrics in order to secure full funding beginning in 2018
 - State must keep per capita spending on Medicaid beneficiaries below projected levels over the five-year course of the waiver
- Up to 65% of Year 1 funding will be available for capacity building and planning.
- In Years 2-5, IDNs must earn payments by meeting metrics defined by DHHS and approved by CMS to secure full funding. Under the terms of New Hampshire’s agreement with the federal government, this is not a grant program.
- A share of the \$150 million will be used for administration, learning collaboratives, and other State-wide initiatives.

	2016 (Year 1)	2017 (Year 2)	2018 (Year 3)	2019 (Year 4)	2020 (Year 5)	Total Funding
Capacity Building (Up To 65% of Year 1 Funding)	\$19,500,000	n/a	n/a	n/a	n/a	\$19,500,000
Other Funding (IDN payments, administrative expenses, etc.)	\$10,500,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$130,500,000
Percent at Risk for Performance	0%	0%	5%	10%	15%	
Dollar Amount at Risk for Performance	(\$0)	(\$0)	(\$1,500,000)	(\$3,000,000)	(\$4,500,000)	

TOTAL \$150,000,000



Progress To Date

DSRIP Implementation Has Required Months of Ongoing Preparation

January 5:	Waiver Approval Issued
March 1:	NH Submits Draft Protocols to CMS
April 4:	14 Letters of Interest Received
May 31:	IDN Applications Submitted to the State
June 30:	7 IDN Applications Approved by DHHS
July 29:	CMS issues Approval of Last Protocol
August 24:	G&C Approves 7 contracts between DHHS and IDNs to permit disbursement of capacity building funds
Sept. 20:	Initial \$19.5M DSRIP funds are received by IDNs for capacity building
January, 2017	\$5.4M in DSRIP funds received by IDNS for building out projects



Medicaid: Uncompensated Care



- ▶ **Disproportionate Share Program (DSH) payments are required to be paid to New Hampshire hospitals to reimburse for care for which they have not been paid, known as “Uncompensated Care Costs (UCC)”**
- ▶ **DSH payments are funded 50% from New Hampshire’s Medicaid Enhancement Tax (MET) revenues and matched with federal Medicaid funds.**
- ▶ **Both New Hampshire’s Critical and Non Critical Access Hospitals annually file their MET and self-report Uncompensated Care Costs, in April and May respectively New Hampshire**
- ▶ **DSH payments are distributed in the following priority order (subject to certain caps at both the ceiling and floor level): Critical Access Hospitals 75% of UCC; Non-Critical Access Hospitals 50% of UCC; Remaining goes to Medicaid Provider payments**



Target DSH Timetable

- ▶ February 17 - DHHS to email Annual UCC Form to hospitals
- ▶ March 3 – Annual Medicaid UCC Form due to DHHS
- ▶ April 17 - MET filing and payment due to DRA
- ▶ May 25 - State makes DSH payments

