

## Section I – Historical Narrative Summary of the Demonstration

*Include the objectives set forth at the time the demonstration was approved, evidence of how these objectives have or have not been met, and the future goals of the program.*

### Introduction

To continue New Hampshire's successful track record of extending coverage to low-income populations, New Hampshire seeks to amend and extend Demonstration Project #11-W-00298/1. Specifically, the State seeks authority to implement changes to the current New Hampshire Health Protection Program (NHHPP) demonstration waiver. These changes are currently being considered by the State Legislature as part of legislation to create the Granite Advantage Health Care Program.<sup>1</sup> (Hereinafter, we refer to Project #11-W-00298/1 as Granite Advantage.) Under the special terms and conditions (STCs) of the current demonstration, which expires on December 31, 2018, New Hampshire must submit its request for renewal no later than six months prior to the expiration of the current demonstration. Therefore, New Hampshire is crafting this amendment and extension to transition to Granite Advantage even as the State Legislature continues its work to refine the parameters of the program.

Granite Advantage would extend New Hampshire's Medicaid expansion program with the objective of improving beneficiary health, while better integrating cost control and personal responsibility into the State's Medicaid program. Per legislation currently being considered by the State Legislature, the New Hampshire Department of Health and Human Services (DHHS) must seek a five-year extension and amendment of its expansion demonstration, implementing the new Granite Advantage program effective January 1, 2019. The legislation further directs submission of any waivers and State Plan amendments necessary to implement Granite Advantage to the Centers for Medicare and Medicaid Services (CMS) by June 30, 2018 and requires the State to obtain approval of the waiver(s) no later than December 1, 2018. If waivers necessary for the program are not approved by that date, the State's Health Commissioner shall immediately notify all program participants that the program will be terminated in accordance with the current waiver STCs.

Under Granite Advantage, individuals who currently receive premium assistance—through the NHHPP Premium Assistance Program (PAP)—for Marketplace coverage offered through qualified health plans (QHPs) will transition to New Hampshire's Medicaid managed care delivery system. Granite Advantage also would extend through the waiver renewal period the authority that CMS recently granted to New Hampshire to implement work and community

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<sup>1</sup> New Hampshire State Legislature. *An act reforming New Hampshire's Medicaid and Premium Assistance Program, establishing the granite workforce pilot program, and relative to certain liquor funds*. Senate Bill 313. 2018 Reg. Sess. (May 3, 2018). New Hampshire State Senate. Web. Accessed 3 May 2018.  
[http://www.gencourt.state.nh.us/bill\\_Status/billText.aspx?sy=2018&id=1972&txtFormat=pdf&v=current](http://www.gencourt.state.nh.us/bill_Status/billText.aspx?sy=2018&id=1972&txtFormat=pdf&v=current)

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engagement requirements for Medicaid expansion adults.<sup>2</sup> By transitioning individuals from premium assistance to managed care, New Hampshire will be able to continue offering coverage to expansion adults, reduce uncompensated care, better combat the opioid and substance abuse crisis, and improve the State's workforce. Granite Advantage will also incentivize beneficiary engagement in wellness initiatives and appropriate levels of care and emphasize personal responsibility through work and community engagement requirements, as recently approved by CMS.

New Hampshire plans to implement the transition to managed care on January 1, 2019 by transitioning NHHPP PAP enrollees into currently contracted Medicaid managed care organizations (MCOs).<sup>3</sup> In conjunction, New Hampshire is also undertaking a Statewide re-procurement of its Medicaid managed care contracts to ensure that the vision described in this demonstration amendment and extension, as well as the State's broader delivery system and reform goals, can be fully and successfully realized. These new contracts will begin on July 1, 2019.

### History of New Hampshire's Expansion Demonstration

On March 27, 2014, the bipartisan Senate Bill 413, "an act relative to health insurance coverage," establishing the NHHPP to expand Medicaid coverage in New Hampshire to adults with incomes up to 133% of the federal poverty level was signed into law by then-Governor Maggie Hassan.<sup>4</sup>

The NHHPP instituted:

- (1) A mandatory Health Insurance Premium Payment (HIPP) Program for individuals with access to cost-effective employer-sponsored insurance;<sup>5</sup>
- (2) A temporary bridge to the premium assistance program to cover the expansion adult group in Medicaid managed care plans through December 31, 2015; and
- (3) A mandatory individual QHP premium assistance program beginning on January 1, 2016.

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<sup>2</sup> CMS, Amendment to NHHPP Demonstration, Project Number 11-W-00298/1. Accessed 7 May 2018. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nh/nh-health-protection-program-premium-assistance-ca.pdf>.

<sup>3</sup> New Hampshire's State Plan currently authorizes mandatory managed care enrollment for medically frail expansion adults who are exempt from PAP; the State will update its State Plan to mandatorily enroll all members of expansion adults in managed care. In addition, since its September 1, 2015 CMS approval, New Hampshire also uses a 1915(b) waiver as the vehicle for implementing mandatory managed care for other populations not reflected in the State Plan. The 1915(b) waiver was most recently extended in March 2018.

<sup>4</sup> 2014 New Hampshire Laws, Chapter 3. While the Patient Protection and Affordable Care Act expands coverage to 133% of the federal poverty level, it otherwise establishes a 5% disregard for program eligibility, which extends coverage to those persons up to 138% of the federal poverty level.

<sup>5</sup> 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.

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The PAP was designed to reduce coverage disruption for individuals moving between Medicaid and the Marketplace due to changes in income, offer comparable provider access, enable higher provider payments for covered services to support access, encourage plan participation in both the Medicaid and commercial markets, and achieve cost reductions as a result of greater competition.

On March 4, 2015, CMS approved New Hampshire’s application for a one-year Section 1115(a) Medicaid Research and Demonstration Waiver entitled, “New Hampshire Health Protection Program (NHHPP) Premium Assistance” (Project Number 11-W-00298/1), to implement the premium assistance program. The demonstration became effective on January 1, 2016 and its continuation was reauthorized by the New Hampshire Legislature on April 5, 2016. The program is authorized to continue coverage of expansion adults through December 31, 2018.

On June 28, 2017, Governor Christopher Sununu signed House Bill 517, the trailer bill to the State’s biennial budget for State Fiscal Year 2019-2020, effective July 1, 2017.<sup>6</sup> House Bill 517 included a provision that required the State to seek a waiver or State Plan amendment from CMS to establish certain work requirements as conditions of eligibility in the NHHPP. The legislation, as later amended, directed that any such waiver or State Plan amendment must be in place by June 30, 2018. Pursuant to this statute, on October 24, 2017, after soliciting statewide public comment, New Hampshire submitted an application to CMS to amend the NHHPP demonstration in order to promote work and community engagement opportunities for NHHPP participants. The amendment request sought CMS approval to condition Medicaid eligibility for certain expansion adults on their completion of a minimum number of hours of employment, training, education, or community service activities per month. CMS approved this amendment on May 7, 2018 and Granite Advantage will extend and continue the approved provisions.

### Overview of Preliminary Results of New Hampshire’s Expansion Demonstration

As of April 1, 2018, the NHHPP provided coverage to 52,910 Granite Staters—41,354 of whom were covered by the three commercial insurance carriers offering QHP coverage in New Hampshire’s federally facilitated Marketplace: Ambetter from NH Healthy Families, Anthem BlueCross BlueShield of New Hampshire, and Harvard Pilgrim Health Care.<sup>7</sup> Another 7,863 beneficiaries—those who are medically frail or who can otherwise opt out of PAP—were served by the State’s two Medicaid MCOs: NH Healthy Families and WellSense Health Plan. The remaining 3,693 beneficiaries were in fee-for-service Medicaid during their plan selection window. In all, the NHHPP eligibility group is overwhelming young, with 48% of beneficiaries under 35 years of age and 67% under 45 years of age. 51% of NHHPP beneficiaries are female and 49% are male.<sup>8</sup>

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<sup>6</sup> 2017 New Hampshire Laws, Chapter 156.

<sup>7</sup> DHHS, New Hampshire Health Protection Program Demographic Profile, 4/1/18. Accessible at <https://www.dhhs.nh.gov/ombp/pap/documents/nhhpp-enroll-demo-040118.pdf>.

<sup>8</sup> Ibid.

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To evaluate enrollment and quality under the demonstration, New Hampshire conducts PAP waiver monitoring in accordance with the demonstration STCs with CMS and agreements with the QHPs. This monitoring involves regular reviews of beneficiary enrollment data, appeals data, QHP encounter data, and utilization trends for beneficiaries accessing services for substance use disorders. To date, New Hampshire's PAP waiver monitoring has found steady enrollment growth under the demonstration and strong access to a variety of substance use disorder services.

New Hampshire also prepared and submitted an Interim Evaluation Report to CMS on March 30, 2018 for the demonstration. The evaluation found that PAP has demonstrated that the public marketplace approach can achieve health outcomes at least as good as the State's Medicaid Care Management program, but that it has not demonstrated that the same quality of care can be achieved at an equal or lower cost.

### **Demonstration Features**

The following section provides an overview of features of the existing demonstration and notes how the State will approach each of these features under the new Granite Advantage program.

#### ***Demonstration Eligibility***

##### a) Eligibility Criteria

Individuals in the expansion adult group are eligible for Medicaid coverage through New Hampshire's State Plan, which adopts coverage of the eligibility group described in Social Security Act §1902(a)(10)(A)(i)(VIII). The current demonstration defines the delivery system for most—but not all—expansion adults, including individuals eligible through the ACA who are:

- 19-64 years old;
- Not entitled to or enrolled in Medicare;
- Not in any other mandatory Medicaid eligibility group;
- Not pregnant at time of eligibility determination; and
- Required to participate in PAP.

Individuals who are medically frail or are enrolled in cost-effective employer-sponsored insurance (ESI) are excluded from PAP participation. American Indian/Alaska Natives may opt out of PAP.

Granite Advantage will not alter State Plan eligibility. The key difference with Granite Advantage, compared to the NHHPP, is that *all* individuals in the expansion adult group—including medically frail individuals—will now receive services through Granite Advantage unless they have access to affordable employer coverage and participate in HIPP. Individuals who are medically frail and currently receive coverage through the State's managed care program will no longer be exempted from the demonstration, but will continue to be exempted from work and community engagement requirements, as noted below. American Indian/Alaska

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Natives are included in the demonstration population and will be mandatorily enrolled in managed care, in accordance with the State's 1915(b) waiver terms.

Granite Advantage also will include eligibility and enrollment policies that are unique to the expansion population. For example, New Hampshire seeks to extend its waiver of retroactive coverage for expansion adults and, to assure that the retroactive waiver does not result in gaps in coverage, also directs the State to seek authority to allow state and county correctional facilities to conduct presumptive eligibility determinations for inmates.

The current legislation also directs the State to undertake several other strategies, to the extent allowed by federal law, to ensure that only individuals eligible for the waiver are enrolled in the program. Granite Advantage applicants will be required to:

- (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.

Finally, if allowed by federal law, the State legislation currently under consideration directs New Hampshire to apply an asset test to individuals in the expansion population. Individuals with countable assets in excess of \$25,000 would not be eligible for the program, if the federal government permits the State to implement this policy change. In addition, per State legislation, 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.

### b) Demonstration Enrollment Data

As noted above, the NHHPP demonstration currently provides coverage to nearly 53,000 individuals. The State estimates that enrollment in Granite Advantage will not change materially over the course of the five-year extension period, with enrollment remaining near current levels. Precise enrollment estimates are difficult to predict as features of the waiver change.

The Granite Advantage-eligible population is expected grow over the course of the five-year extension due to population growth, but enrollment in the program could be impacted by several other features. First, the delivery system transformation from the PAP to Medicaid managed care could have an impact on enrollment. Second, enrollment could decline as more beneficiaries seek and find employment and leave the program as their earnings increase. As the State implements newly approved work and community engagement requirements, it will

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undertake active outreach to beneficiaries and partner with community stakeholders to ensure that beneficiaries understand program requirements and do not lose coverage as a result of noncompliance. Another factor influencing enrollment projections is the extent to which the retroactive coverage waiver that New Hampshire is seeking could help reduce churn and encourage beneficiaries to maintain coverage so that they do not face uncompensated care costs during gaps in coverage. The magnitude of these changes is uncertain; New Hampshire will actively monitor enrollment over the course of the demonstration.

### ***Delivery System***

The NHHPP demonstration delivery system involves individuals receiving premium assistance from the State to enroll in QHP coverage from the Marketplace, with some services provided through fee-for-service Medicaid. Eligible individuals have a choice between at least two QHPs on the Marketplace and must receive services from providers in their QHP's network. For Medicaid benefits not covered in the QHP, the State provides wrap-around services through its fee-for-service delivery system. (Individuals also receive fee-for-service coverage between their Medicaid eligibility start date and their QHP coverage effectuation date.) In addition, the State offers premium assistance to expansion adults with access to employer-sponsored insurance through the State's HIPP program, which is not part of the NHHPP waiver.

In the future, the Granite Advantage demonstration will provide coverage through Medicaid MCOs and expansion adults will be mandatorily enrolled in MCOs pursuant to authority in the State Plan and, for relevant populations, the State's recently renewed 1915(b) waiver. There will not be any changes to the voluntary employer-sponsored insurance premium assistance program.

New Hampshire will transition beneficiaries to managed care through a two-phased process. In phase one, starting January 1, 2019 (the legislatively mandated start date of the demonstration), the State will auto-assign beneficiaries to its current MCOs and allow beneficiaries to change their MCO without cause within 90 days of auto-assignment. In Phase 2, starting July 1, 2019, when the State's new MCO contracts begin, the State will transition beneficiaries to its new MCO contractors—again, using auto-assignment with opportunity for MCO selection within 90 days.

### ***Benefits***

Beneficiaries receiving services through the current demonstration receive an Alternative Benefit Plan (ABP) that is provided by a QHP, with fee-for-service Medicaid covering wrap-around benefits not covered by the QHP. These wrap-around benefits include non-emergency medical transportation (NEMT), Early and Periodic Screening, Diagnostic, and Treatment (EPSDT), family planning services and supplies, limited adult dental services, and limited adult vision services. While the ABP aligns fairly closely with the State Plan benefits, it does not include long-term care services and supports as the State Plan does. The ABP includes the ten Essential Health Benefits (ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance use disorder services, including

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behavioral health treatment, prescription drugs, rehabilitative services and devices, laboratory services, preventive and wellness services and chronic disease management, and pediatric services, including oral and vision care), some of which are not included in the State Plan.

In conjunction with implementing Granite Advantage, the State will align its ABP for the expansion adult group to the State Plan so that all Medicaid adults will receive the same set of benefits. Expansion adults therefore will be eligible for long-term care services and supports if they meet functional assessment requirements; additional services will be added to the State Plan to the extent that the State Plan does not currently reflect all Essential Health Benefits. Such alignment will reduce administrative burden by streamlining benefit administration for the State's Medicaid MCOs.

### ***Premiums and Cost Sharing***

NHHPP beneficiaries are not currently subject to premiums but NHHPP enrollees with income greater than 100% of the federal poverty level are subject to cost sharing requirements at the maximum permitted Medicaid cost sharing levels. NHHPP beneficiaries are also subject to limited pharmaceutical cost-sharing that is equivalent to pharmaceutical cost-sharing outside the demonstration.

New Hampshire proposes to discontinue the current cost sharing schedule for expansion adults with incomes over 100% of the federal poverty level. Instead, Granite Advantage will adopt the State Plan co-payment schedule, as amended by the State, which currently applies only to pharmaceuticals, aligning nominal cost sharing requirements across the Medicaid population (except for those exempted from any cost sharing). American Indians/Alaska Natives receiving services from an Indian health care provider will remain exempt from co-payments.

### ***Healthy Behaviors and Cost Effectiveness***

As directed by legislation currently being considered by the State Legislature, New Hampshire will include new healthy behavior and cost effectiveness provisions in its Medicaid managed care program to promote personal responsibility among Medicaid beneficiaries. Through its new MCO contracts, the State will implement both MCO-level and member-level incentives to promote personal responsibility, reduce inappropriate use of care, and lower managed care health care costs. No waivers are being requested to effectuate these changes.

### ***Work and Community Engagement Requirements***

On May 7, 2018 CMS approved New Hampshire's request to amend its NHHPP waiver to implement work and community engagement requirements for Medicaid expansion adults, with a start date of January 1, 2019. New Hampshire proposes to continue and extend these requirements through Granite Advantage throughout the renewal period.

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In accordance with the approved STCs, New Hampshire's work and community engagement requirements will apply to certain expansion adults under §1902(a)(10)(A)(i)(VIII).<sup>9</sup> Per the approved STCs, key features of the State's newly approved work and community engagement requirements include:

- **Hours Requirement.** Individuals not excluded or exempt from the requirements must participate for at least 100 hours per calendar month in one or more community engagement activities and attest compliance using any of the options by which individuals may apply for Medicaid (e.g., by internet, telephone, mail, in person, or through other commonly available electronic means). Individuals may also be required to provide appropriate supporting documentation when requested by the State.
- **Exemptions.** Exempt individuals include beneficiaries who are: medically frail; pregnant or 60 days or less post-partum; parents or caretakers where care is considered necessary by a licensed provider; parents or caretakers of a dependent child under six years of age or of a child of any age with developmental disabilities, who is residing with the parent or caretaker;<sup>10</sup> temporarily unable to participate due to illness or incapacity, certified by a licensed provider; participating in a state-certified drug court program; disabled and unable to meet the requirement for reasons related to that disability or unable to meet the requirement due to the disability of an immediate family member in the home; experiencing hospitalization or serious illness or have an immediate family member in the home who is experiencing hospitalization or serious illness; exempt from Supplemental Nutrition Assistance Program (SNAP) and/or Temporary Assistance for Needy Families (TANF) employment requirements; or enrolled in New Hampshire's voluntary HIPP program.
- **Qualifying Activities.** As described in more detail in the approved STCs, qualifying activities include, but are not limited to: employment (unsubsidized or subsidized); training (on-the-job training, job skills training related to employment, job search and readiness assistance, or vocational educational training); education (enrollment at an accredited community college, college or university in New Hampshire, or—for beneficiaries who have not received a high school diploma or certificate of high school equivalency—education directly related to employment or attendance at a secondary school or in a course of study leading to a certificate of general equivalence); community service and public service; participation in substance use disorder treatment; caregiving services for a non-dependent relative or other person with a disabling health, mental health, or developmental condition; and participation in SNAP and/or TANF employment initiatives.

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<sup>9</sup> CMS, Amendment to NHHPP Demonstration, Project Number 11-W-00298/1. Accessed 7 May 2018. <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nh/nh-health-protection-program-premium-assistance-ca.pdf>.

<sup>10</sup> This parent/caretaker exemption shall only apply to one parent or caretaker in the case of a two-parent household.



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- **Penalties for Non-Compliance and Opportunities to Cure.** Non-exempt beneficiaries who fail to complete at least 100 hours of these activities per month will have their eligibility suspended, unless the beneficiary obtains a “good cause exemption” within an allotted time period or appeals the suspension prior to its effective date.<sup>11</sup> Beneficiaries who are identified as non-compliant will be given 30 days to “cure” their non-compliance (through satisfying the work and community engagement requirement, demonstrating an exemption, or obtaining a good cause exemption). If non-compliance is not “cured” during the 30-day cure period, the State will suspend the beneficiaries’ eligibility.
- **Reactivation of Coverage.** Beneficiaries whose eligibility is suspended as a result of non-compliance with work and community engagement requirements may re-enroll at any time prior to their termination date and will not need to complete another application. The State will reactivate eligibility if beneficiaries demonstrate that they have cured the deficient hours for the one month that caused the suspension.

The State will work collaboratively with its contracted MCOs to monitor work and community engagement qualifying activities, exemptions, and enrollee status, including through MCO collection of enrollee-reported information, State verification of enrollee- and MCO-reported information, and over time, a State-developed automated verification system.

The State will also establish a pilot program, called Granite Workforce, to provide subsidies to employers in high-need areas, as determined by the State Department of Employment Security based upon workforce shortages, and to create a network of assistance to remove barriers to work for Granite Advantage participants. This initial implementation period for this program will be January 1, 2019 to June 30, 2019—the first six months of implementation of work and community engagement requirements.

As requested by this amendment and extension, New Hampshire’s approved work and community engagement STCs will continue to apply to the Granite Advantage expansion adults throughout the requested waiver extension period, through 2023.

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<sup>11</sup> According to the legislation, good cause exemptions include, but are not limited to: the birth or death of a family member living with the beneficiary; severe inclement weather (e.g., a natural disaster) causing the beneficiary to be unable to meet the requirement; a family emergency or other life-changing event (e.g., divorce); domestic violence, dating violence, sexual assault, or stalking; for a parent or caretaker of a child 6 to 12 years of age, the inability to secure child care due to a lack of child care scholarship or due to capacity, distance, or another related factor, as determined by the commissioner on a monthly basis; disability-related reasons (having a disability as defined by the ADA, Section 504 of the Rehabilitation Act, or Section 1557 of the ACA and being unable to meet the requirement for reasons related to that disability, having an immediate family member in the home with a disability and being unable to meet the requirement for reasons related to that disability, or being hospitalized or having a serious illness, or having an immediate family member living in the home who is hospitalized or has a serious illness); and other good cause exemptions defined or approved by the State.

## Section II – Changes Requested to the Demonstration

*If changes are requested, include a narrative of the changes being requested along with the objective of the change and the desired outcomes.*

New Hampshire is seeking to implement the following changes to its demonstration, which standardize services and delivery systems across the State's Medicaid program, reduce administrative costs, ensure good stewardship of public resources, and incentivize beneficiary personal responsibility in improving health outcomes.

### ***Change from a Premium Assistance Program to a Managed Care Delivery System***

Starting on January 1, 2019, New Hampshire will discontinue its NHHPP premium assistance program; expansion adults who had previously received coverage from QHPs will be transitioned to Medicaid MCOs. As a result, New Hampshire is not requesting the extension of various authorities included in its current waiver that were necessary to operate NHHPP (e.g., expenditure authority for premium assistance and cost-sharing reduction payments, inapplicability of cost effectiveness requirements, and waiver of freedom of choice and provider payment rules needed to provide coverage through QHPs).

New Hampshire currently procures services for its non-expansion Medicaid beneficiaries and for medically frail expansion adults through its managed care program, called New Hampshire Medicaid Care Management (MCM). New Hampshire's State Plan currently authorizes mandatory managed care enrollment for medically frail members of the expansion population who are exempt from the Demonstration; the State will update its State Plan to mandatorily enroll all expansion adults in managed care. In addition, since its September 1, 2015 CMS approval, New Hampshire also uses a 1915(b) waiver as the vehicle for implementing mandatory managed care for other populations not reflected in the State Plan. CMS approved the latest 1915(b) extension in March, 2018. Granite Advantage will expand and build on this mandatory managed care infrastructure.

The State will use auto-assignment methodologies to enroll current PAP beneficiaries in one of the existing MCOs for coverage effective January 1, 2019. Affected individuals will receive a notice indicating that they have a 90-day period to select a different plan following auto-assignment, if they choose. The State will work to ensure that any person transitioning from PAP to Granite Advantage shall not lose coverage due solely to the transition. MCOs shall honor all pre-existing authorizations for care plans and treatments for all program participants for a period of no less than 90 days after enrollment in the MCO.

The movement of approximately 41,000 beneficiaries from QHP coverage to MCO coverage will streamline the administration of beneficiary services and reduce administrative costs for the State. Given that medically frail individuals and other beneficiaries who can opt out of premium assistance currently receive services through managed care, transitioning all expansion adults to MCOs will allow the State to use one primary delivery system for its

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Medicaid beneficiaries (managed care, with fee-for-service for a small minority permitted to opt out of managed care). Adding 41,000 covered lives to managed care will also help attract additional plans to serve the State's Medicaid program and help MCO contractors build scale to achieve administrative savings, particularly as they implement State healthy behavior and cost effectiveness initiatives.

### ***Align ABP with State Plan Benefits***

To achieve further standardization across Medicaid beneficiaries, the State will align its ABP benefits with its State Plan benefits. The expansion population currently receives benefits under the State's ABP, which are similar, though not identical, to the State Plan benefit package. Aligning the ABP with the State Plan will reduce the administrative complexity of having slightly different sets of benefits for populations served by the same delivery system. In addition, the State is currently re-procuring its managed care program, so the timing for such a change is appropriate.

### ***Align Cost Sharing Requirements***

New Hampshire's current waiver enables the State to vary cost sharing requirements for individuals with incomes above 100% of the federal poverty level who participate in the NHHPP Premium Assistance demonstration and are not determined to be medically frail and exempt from cost sharing to which they would otherwise be subject under the State Plan. New Hampshire is not requesting an extension of this comparability waiver.

Instead, New Hampshire will update its State Plan cost sharing authority to align cost sharing for individuals in the expansion group over 100% of federal poverty level with that of the rest of the Medicaid population (which includes co-payments for pharmaceuticals). Since the expansion and non-expansion populations will be in the same delivery system, standardizing cost sharing requirements across beneficiary groups will increase administrative efficiency in the program. Absent different cost sharing schedules to administer, MCO administrative costs should also decrease.

### ***Incentivize Healthy Behaviors and Cost Effectiveness Policies for MCOs and Individuals***

As legislatively directed, the Granite Advantage program will promote personal responsibility and make coverage available in a cost-effective manner. To promote personal responsibility, MCO contracts will include 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. Initial areas may include but are not limited to:

- Appropriate use of emergency departments relative to low acuity non-emergent visits;
- Reduction in preventable admissions and 30-day hospital readmission for all causes;
- Timeliness of prenatal care and reductions in neonatal abstinence births;
- Timeliness of follow-up after a mental illness or substance use disorders admissions; and
- Reduction of polypharmacy resulting in drug interaction harm.

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In addition, MCOs will provide case management to the greatest extent practicable and make wellness visits available to beneficiaries. For eligible beneficiaries, the MCO will support the individual in arranging 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 will 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.

Cost effectiveness will be achieved by MCOs deploying reference-based pricing and cost transparency initiatives, as well as offering incentives (cash or other types of incentives) to beneficiaries choosing high-value, lower cost medical care. To improve performance in cost effectiveness, the State may also implement preferential auto-assignment of expansion adults, shared incentive pools, and/or differential capitation rates. In addition, the State's managed care contracts will require MCOs to implement provider alignment incentives so that the combined efforts of MCOs and their network providers can help increase cost effectiveness. MCOs that fail to implement contractually agreed upon incentive programs may be subject to rebate requirements, as directed by State legislation.

### ***Waive Retroactive Coverage Requirement***

To better align with commercial health insurance coverage policies, and in light of the broad availability of subsidized coverage options in the State following the implementation of the Affordable Care Act (ACA), New Hampshire seeks to amend and extend its current, limited waiver of the requirement to provide three months retroactive coverage to expansion adults. CMS previously granted New Hampshire permission to conditionally waive retroactive coverage; the State is now seeking to remove the conditionality to support its ongoing efforts to align Medicaid and private market coverage. Expansion adults will become eligible for coverage under Title XIX at the time of application; eligibility will be effective no earlier than the day all eligibility requirements are met (i.e., usually the date of application). In addition, the Granite Advantage demonstration will enable the State to test whether eliminating retroactive coverage will encourage beneficiaries to obtain and maintain health coverage, even when they are healthy, without negatively impacting churn in and out of the program. This feature of the amendment is intended to increase continuity of care by reducing gaps in coverage when beneficiaries churn on and off of Medicaid or sign up for Medicaid only when sick, with the ultimate objective of improving beneficiary health.

Recognizing that a retroactive coverage waiver could lead to coverage disruptions and increased costs for the State, New Hampshire also will seek authority to allow state and county correctional facilities to conduct presumptive eligibility determinations for inmates.

### ***Extend Approved Work and Community Engagement Requirements Waivers and Authorities***

On May 7, 2018, CMS granted New Hampshire authority to implement a work and community engagement requirement as a condition of Medicaid eligibility for expansion adults who are not otherwise subject to an exemption, per State legislation and federal requirements. This

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authority allows New Hampshire to suspend or terminate the coverage of non-exempt beneficiaries who do not complete 100 hours of work and community engagement activities per calendar month. Under the new work and community engagement program, the State will test whether requiring participation in work and community engagement activities as a condition of eligibility, as detailed below, will lead to improved health outcomes and greater independence through improved health and wellness.

As part of the Granite Advantage amendment and extension, the State is requesting approval to extend the work and community engagement authority through December 31, 2023, so that it can test and evaluate the impact of these requirements, as described in the recently approved amendment. The State is not requesting any changes to the waivers of statutory authority granted as part of the May 7, 2018 amendment.

### ***Standardize Prior Authorization Across the Medicaid Program***

The State currently has authority to waive §1902(a)(54) of the Social Security Act to permit New Hampshire to respond to prior authorization requests within 72—rather than 24—hours. This request was granted in recognition of standard practices by the QHPs delivering services to the NHHPP population. As the State migrates the expansion adults back to the Medicaid managed care delivery system that serves the majority of the State’s Medicaid population, eliminating this waiver will standardize program delivery and administration.

### ***Require Documentation of Citizenship to Determine Eligibility***

To improve the accuracy of the current Medicaid eligibility determination system, the Granite Advantage enabling legislation specifies that an individual shall not be eligible to enroll or participate in Granite Advantage unless he or she verifies: (1) his or her United States citizenship with *two forms* of paper identification, and (2) his or her New Hampshire residency with either a New Hampshire driver’s license or a non-driver’s picture identification card. 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 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.

### ***Apply an Asset Test to the Expansion Population***

Under current federal law, individuals eligible for Medicaid as expansion adults described in §1902(a)(10)(A)(i)(VIII) have their income determined using Modified Adjusted Gross Income

**GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION**

(MAGI) income methodologies, which explicitly prohibit resource or asset tests. New Hampshire seeks authority to consider applicant or beneficiary assets in determining eligibility for the Granite Advantage program in accordance with State legislation, though the State understands that this provision currently is not waivable under federal law.

**Section III – Requested Waivers and Expenditure Authorities**

*A list and programmatic description of the waivers and expenditure authorities that are being requested for the extension period, or a statement that the State is requesting the same waiver and expenditure authorities as those approved in the current demonstration.*

**Table 1. New Hampshire Waiver and Expenditure Authority Requests**

| <b>Waiver/<br/>Expenditure<br/>Authority</b>   | <b>Use for Waiver/Expenditure<br/>Authority</b>   | <b>Reason for<br/>Waiver/Expenditure<br/>Authority Request</b>   | <b>Currently<br/>Approved<br/>Waiver<br/>Request?</b> |
|--|---|--|---|
| <p><b>§1902(a)(34)</b><br/>Retroactive<br/>eligibility</p>                                 | <p>To permit the State to provide coverage to Granite Advantage applicants beginning on the date of the application; coverage would be effective no earlier than the date of application, if all eligibility requirements are met on that date.</p>   | <p>The waiver authority will allow the State to align the beginning of Medicaid coverage with the date of application, if all eligibility requirements are met on that date.</p>                       | <p>Modified</p>                                       |
| <p><b>§1902(a)(8) and<br/>§1902(a)(10)</b><br/>Provision of<br/>Medical<br/>Assistance</p> | <p>To the extent necessary to enable New Hampshire to suspend or terminate eligibility for, and not make medical assistance available to, Granite Advantage beneficiaries who fail to comply with community engagement requirements, as described in STCs approved by CMS, unless the beneficiary is exempted or demonstrates good cause, as described in STCs approved by CMS.</p> | <p>The waiver authority will allow the State to condition eligibility on work and community engagement activities and to suspend or terminate eligibility for failure to comply with requirements.</p> | <p>Approved</p>                                       |
| <p><b>§1902(a)(10)</b><br/>Eligibility</p>   | <p>To the extent necessary to enable New Hampshire to require community engagement as a condition of eligibility, as described in STCs approved by CMS.</p>   | <p>The waiver authority will allow the State to condition eligibility on work and community engagement activities.</p>   | <p>Approved</p>                                       |

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| <b>Waiver/<br/>Expenditure<br/>Authority</b>   | <b>Use for Waiver/Expenditure<br/>Authority</b>   | <b>Reason for<br/>Waiver/Expenditure<br/>Authority Request</b>  | <b>Currently<br/>Approved<br/>Waiver<br/>Request?</b> |
|--|---|---|---|
| <p><b><u>§1902(a)(46)(B)</u></b><br/> <b><u>insofar as it</u></b><br/> <b><u>incorporates 42</u></b><br/> <b><u>CFR 435.407</u></b><br/> <b><u>and 435.956</u></b><br/>                     Citizenship<br/>                     Documentation</p> | <p>To permit the State to require paper forms of identification rather than rely on electronic database matching to establish citizenship or residency.</p> | <p>The waiver authority will allow the State to deny eligibility to applicants who are unable to verify their United States citizenship through two forms of identification or unable to prove New Hampshire residency through either a New Hampshire driver’s license or a non-driver’s picture identification card.</p> | <p>Requested</p>                                      |
| <p><b><u>§1902(e)(14)</u></b><br/>                     Asset Test</p>  | <p>To permit the State to consider assets when determining Medicaid eligibility.</p>  | <p>The waiver authority will enable the state to consider assets when determining eligibility of Granite Advantage members</p>  | <p>Requested</p>                                      |

**Section IV – Summaries of External Quality Review Organization (EQRO) Reports, Managed Care Organization (MCO) and State Quality Assurance Monitoring**

*Summaries of External Quality Review Organization (EQRO) reports, managed care organization (MCO) and State quality assurance monitoring, and any other documentation of the quality of and access to care provided under the demonstration, such as the CMS Form 416 EPSDT/CHIP report.*

**1115 Premium Assistance Program Waiver Monitoring**

To date, PAP waiver monitoring has aligned with requirements outlined in waiver STCs as well as specific monitoring requirements outlined in the QHP’s agreements with New Hampshire DHHS. High-level findings from PAP waiver monitoring follow.

## GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION

- *Steady enrollment growth:* Enrollment in NHHPP grew continuously in calendar year 2016 through February 2017, when enrollment began to stabilize.
- *Strong access to care:* In the first year of PAP, enrollees accessed a wide breadth of substance use disorder services. The most frequently accessed services were Medication Assisted Treatment (MAT) followed by Physician/Clinic Visits, Outpatient Counseling and Opioid Treatment Services. Other substance use disorder services accessed include: screening, assessment and intervention; withdrawal management; residential services; recovery support services; intensive outpatient and partial hospitalization and inpatient acute care hospital services.

### *CMS 1115 PAP Waiver STCs*

New Hampshire has conducted quarterly monitoring of the QHPs through various mechanisms outlined in the waiver STCs. These have included the evaluation of beneficiary enrollment trends and appeals reviews conducted by the New Hampshire Insurance Department. These two performance measures serve as early indicators of potential performance issues associated with each QHP.

In addition to the aforementioned indicators, New Hampshire monitors targeted behavioral health populations associated with the PAP waiver. First, New Hampshire monitors trends in medically frail beneficiaries who transition from PAP to the MCM program as a result of their medical frail designation. New Hampshire also monitors beneficiaries' utilization of services for the treatment of substance use disorder.

### *QHP Memorandum of Understanding (MOU)*

The QHP MOU requires each plan to submit encounter data directly to DHHS. Encounter data can be used in a variety of ad hoc and ongoing applications for evaluation of the PAP program as well as individual QHP performance. Encounter data from the QHPs is used by New Hampshire's evaluation contractor to calculate a variety of quality and performance measures such as emergency department visits, cervical cancer screenings, and timeliness of prenatal care.

## Section V – Financial Data

***Financial data demonstrating the State's historical and projected expenditures for the requested period of the extension, as well as cumulatively over the lifetime of the demonstration. This section includes a financial analysis of changes to the demonstration requested by the State.***

Historically, New Hampshire spent \$394 million in calendar year (CY) 2016 and \$434 million in CY 2017 on the NHHPP population receiving services through the demonstration. CY 2018 spending is projected to be \$535 million. Over time, costs have increased as enrollment in the



## GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION

program has grown and as the cost of providing premium assistance through QHPs increased. See Table 2.

**Table 2. Enrollment and Expenditure**

| <b>Enrollment and Expenditure Data by Demonstration Year (DY)</b> |  |  |   |
|---|--|--|---|
|   | <b>DY01 – Actual<br/>(1/1/16-12/31/16)</b> | <b>DY02 – Actual<br/>(1/1/17-12/31/17)</b> | <b>DY03 – Projected<br/>(1/1/18-12/31/18)</b> |
| <b>Member Months</b>  | 548,987                                    | 587,426                                    | 594,332                                       |
| <b>Aggregate Expenditures</b>                                     | \$393,919,404                              | \$433,995,406                              | \$534,892,729                                 |

During negotiation over Senate Bill 313—the legislation that authorizes Granite Advantage—New Hampshire estimated that program spending would be \$171 million over the first six months of the demonstration period. New Hampshire anticipates that spending growth in the future will be consistent with standard growth rates experienced in the past, ranging from the 3.7% trend rate described above to the 4.9% President’s budget trend rate. Therefore, New Hampshire estimates that annual program spending will range from \$354.8 million to \$398.1 million over the demonstration period.

These changes reflect savings from enrolling the demonstration population in Medicaid managed care as well as other features of Granite Advantage that will incentivize beneficiary engagement in wellness initiatives and appropriate levels of care and continue to emphasize personal responsibility. Projected spending account for the Medicaid expansion adults currently enrolled in the PAP as well as medically frail expansion adults. Spending estimates also account for other features of Granite Advantage, including new work and community engagement requirements as well as the requested waiver of retroactive coverage, which is predicted to reduce churn in and out of the program. DHHS is continuing to analyze the anticipated budgetary impact of such changes.

Eligibility for the Granite Advantage population is based on the Medicaid State Plan, which also provides authority to enroll Medicaid beneficiaries in the state’s Medicaid managed care program. All expenditures for the program are therefore authorized by the State Plan and State Plan spending is not subject to budget neutrality requirements. New Hampshire will continue to monitor program spending in accordance with Senate Bill 313 to assure alignment with the Granite Advantage budget.

## **Section VI – Evaluation**

***An evaluation report of the demonstration, inclusive of evaluation activities and findings to date, plans for evaluation activities during the extension period, and if changes are requested, identification of research hypotheses related to the changes and an evaluation design for addressing the proposed revisions.***

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### *1115 PAP Waiver Evaluation*

On March 30, 2018, New Hampshire submitted to CMS its Interim Evaluation Report on the NHHPP demonstration waiver.<sup>12</sup> The report, which is attached to this waiver application, follows the CMS approved PAP Waiver Evaluation Plan that focused on the following goals:

- Continuity of coverage;
- Plan variety,
- Cost-effective coverage,
- Uniform provider access, and
- Cost neutrality.

The report concluded that the New Hampshire PAP has demonstrated that the public marketplace approach can achieve health outcomes at least as good as traditional Medicaid Care Management. The waiver had five goals and 14 hypotheses relating to these goals, which included: continuity of coverage; plan variety; cost effective coverage; uniform provider access; and cost neutrality. While most of the waiver hypotheses were supported, the State's analysis has not validated that the same quality of care can be achieved at an equal or lower cost. DHHS will update and finalize the evaluation in response to CMS comments.

### *Granite Advantage Monitoring and Evaluation*

Per State legislation, the Granite Advantage program will be evaluated on an annual basis, using an outcome-based evaluation methodology, with the following goals in mind: providing accountability to beneficiaries and the overall program; determining whether beneficiaries are making informed decisions in carrying out health care choices and utilizing the most appropriate level of care; and analyzing whether the use of incentives and cost transparency efforts is effective at lowering costs while maintaining quality and access. The evaluation results will be included in a report that is submitted to CMS, the president of the State senate, the speaker of the State house, the governor, and the legislative fiscal committee by December 31 each year, beginning in 2019.

### *1115 Granite Advantage Work and Community Engagement Waiver Monitoring*

In accordance with the recently approved work and community engagement waiver amendment, over the course of the extension period the State will monitor and evaluate the implementation of the new requirements to determine if requiring participation in specified community engagement activities as a condition of eligibility improves health outcomes and promotes independence for Granite Advantage beneficiaries. In consultation with CMS, DHHS will operationalize an eligibility and enrollment monitoring plan to address how the State will comply with the assurances described in the STCs. This monitoring plan will continue through

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<sup>12</sup> The State has received feedback from CMS on this Interim Evaluation Report and is currently revising the Report based on this feedback.

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the extension period and will inform the waiver evaluation. Where possible, metrics baselines will be informed by State data, and targets will be benchmarked against performance in best practice settings. Performance measures could include but are not limited to:

- Send timely and accurate notices to beneficiaries, including sufficient ability for beneficiaries to respond to notices.
- Assure application assistance is available to beneficiaries (in person and by phone).
- Assure processes are in place to accurately identify including but not limited to the following data points:
  - Number and percentage of individuals required to report work and community engagement compliance each month
  - Number and percentage of beneficiaries who are exempt from the community engagement requirement
  - Number and percentage of beneficiaries requesting good cause exemptions from reporting requirements
  - Number and percentage of beneficiaries granted good cause exemption from reporting requirements
  - Number and percentage of beneficiaries who requested reasonable accommodations
  - Number and percentage and type of reasonable accommodations provided to beneficiaries
  - Number and percentage of beneficiaries disenrolled for failing to comply with community engagement requirements
  - Number and percentage of beneficiaries disenrolled for failing to report
  - Number and percentage of beneficiaries disenrolled for not meeting community engagement and reporting requirements
  - Number and percentage of community engagement appeal requests from beneficiaries
  - Number, percentage and type of community engagement good cause exemptions requested
  - Number, percentage and type of community engagement good cause exemptions granted
  - Number, percentage and type of reporting good cause exemptions requested
  - Number, percentage and type of reporting good cause exemptions granted
  - Number and percentage of applications made in-person, via phone, via mail and electronically.
- Maintain an annual renewal process, including systems to complete ex parte renewals and use of notices that contain prepopulated information known to the State, consistent with all applicable Medicaid requirements.
- Maintain ability to report on and process applications in-person, via phone, via mail and electronically.
- Maintain compliance with coordinated agency responsibilities under 42 CFR 435.1200, including the community engagement online portal under 42 CFR 435.1200(f)(2).

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**Table 3. Evaluation Hypotheses under Consideration**

| <b>Hypothesis</b>   | <b>Evaluation Approach</b>   | <b>Data Sources</b>  |
|---|--|--|
| 1. Members enrolled in the demonstration who are subject to community engagement requirements will have positive health outcomes.   | Analyze Medicaid disease prevalence and Medicaid and former Medicaid self-reported health status | Encounter data (Medicaid covered), Evaluation survey (both Medicaid covered and former Medicaid) |
| 2. Members enrolled in the demonstration who are subject to community engagement requirements will obtain sustained part-time and full-time employment.                                     | Analyze Medicaid reported employment and Medicaid closure reasons                                | Medicaid enrollment system data  |
| 3. Members enrolled in the demonstration who are subject to community engagement requirements will gain access to employer-sponsored and individual market coverage.                        | Analyze Medicaid and former Medicaid member self-reported insurance coverage                     | Evaluation survey (both Medicaid covered and former Medicaid)                                    |
| 4. Eliminating retroactive coverage will encourage beneficiaries to obtain and maintain coverage, even when they are healthy, without negatively impacting churn in and out of the program. | Analyze Medicaid months of gaps in coverage  | Medicaid enrollment system data  |

Upon approval of this amendment and extension, the State will work with CMS to develop an evaluation design plan consistent with the STCs and CMS policy.

**Section VII – Compliance with Public Notice Process**

***Upon completion of the public comment period, the State will submit documentation of the State's compliance with the public notice process set forth in 42 CFR §431.408, including the post-award public input process described in §431.420(c), with a report of the issues raised by the public during the comment period and how the State considered the comments when developing the demonstration extension application. The State will be submitting the following to CMS:***

- 1) Start and end dates of the State’s public comment period.
- 2) Certification that the State provided public notice of the application, along with a link to the State’s web site and a notice in the State’s Administrative Record or newspaper of widest circulation 30 days prior to submitting the application to CMS.

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- 3) Certification that the State convened at least 2 public hearings, of which one hearing included teleconferencing and/or web capability, 20 days prior to submitting the application to CMS, including dates and a brief description of the hearings conducted.
- 4) Certification that the State used an electronic mailing list or similar mechanism to notify the public. (If not an electronic mailing list, please describe the mechanism that was used.)
- 5) Comments received by the State during the 30-day public notice period.
- 6) Summary of the State's responses to submitted comments, and whether or how the State incorporated them into the final application.
- 7) Certification that the State conducted tribal consultation in accordance with the consultation process outlined in the State's approved Medicaid State plan, or at least 60 days prior to submitting this Demonstration application if the Demonstration has or would have a direct effect on Indians, tribes, on Indian health programs, or on urban Indian health organizations, including dates and method of consultation.
- 8) Certification that the State will comply with the post-award public input process described in §431.420(c).

## Section VIII – Public Notice

### **Granite Advantage Health Care Program Section 1115(a) Demonstration Waiver Public Notice -- Updated May 30, 2018**

The Department of Health and Human Services is extending the Granite Advantage Health Care Section 1115(a) Demonstration Waiver state public comment period to 5 pm on June 29, 2018. The public notice below contains updated information about the proposed amendment and extension and the Department of Health and Human Services to inform public comments during the extended comment period.

Due to technical difficulties with the call-in telephone capability at the May 24th public hearing, the Department of Health and Human Services is hosting a third public hearing on the Granite Advantage Health Care Program on:

- **Tuesday, June 5, 2018, 5:00 - 7:00 PM**  
Department of Health and Human Services  
Brown Building Auditorium

## GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION

129 Pleasant Street  
Concord, New Hampshire





If unable to attend, you may call in to the June 5th hearing:

- Toll Free Number: 1-866-470-8024
- When prompted, dial: 965 412 0884

[Presentation: Granite Advantage Program](#) 

### Updated May 30, 2018

Notice is hereby given that the New Hampshire Department of Health and Human Services (DHHS) is seeking to amend and extend for five years its Medicaid Section 1115(a) Research and Demonstration Waiver, #11-W-00298/W, to continue the State's efforts to integrate cost control and personal responsibility into the State's Medicaid program. As described below, during the public comment period New Hampshire is convening three public hearings and providing additional opportunities for public input on a Granite Advantage Health Care Program Section 1115(a) Demonstration Waiver that will enable New Hampshire to extend its Medicaid expansion program, effective January 1, 2019. The updated public comment period will close at 5 PM on Friday, June 29, 2018.

- [Granite Advantage Abbreviated Public Notice 2](#) 
  - [Granite Advantage Public Notice 2 – Revised 5/30](#) 
- [Granite Advantage Abbreviated Public Notice 1](#) 
  - [Granite Advantage Public Notice 1](#)
- Read the [DHHS Press Release](#)
- Read the [Draft Waiver Application](#) 

### Summary of Current Demonstration




To date, New Hampshire's Health Protection Program (NHHPP) Premium Assistance demonstration has used premium assistance to support the purchase of health insurance coverage offered by qualified health plans (QHPs) participating in the Marketplace's individual market, for beneficiaries eligible under the new Medicaid adult group. The demonstration

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affects individuals in the Medicaid new adult, or expansion group, covered under Title XIX of the Social Security Act who are adults, aged 19 up to and including 64 years, with incomes up to and including 133 percent of the federal poverty level (FPL) who are neither enrolled in nor eligible for Medicare nor enrolled in the State's Health Insurance Premium Payment (HIPP) program. Authority for the current Medicaid expansion expires on December 31, 2018.

On October 24, 2017, New Hampshire submitted an application to the Centers for Medicare & Medicaid Services (CMS) to amend the NHHPP demonstration in order to promote work and community engagement opportunities for Premium Assistance Program (PAP) participants. That request was approved by CMS on May 7, 2018. The new Granite Advantage Health Care Program (described below) would extend these work and community engagement requirements, with modifications, throughout the demonstration renewal period.

On May 7, 2018, the Centers for Medicare & Medicaid Services (CMS) approved New Hampshire's request for an amendment to its section 1115 demonstration project, entitled "[New Hampshire Health Protection Program Premium Assistance](#)" (Project Number I I-W-00298/1) in accordance with section 1115(a) of the Social Security Act (the Act).

- [CMS Approval Letter](#)  (05/07/2018)
- [CMS Special Terms and Conditions for NH Health Protection Program Premium Assistance Program Section 1115\(a\) Demonstration Waiver](#)  (05/07/2018)
- [October 24, 2017 Application](#) 

For more information about CMS and 1115 waivers, please see the CMS waiver page: [www.medicaid.gov/medicaid/section-1115-demo/](http://www.medicaid.gov/medicaid/section-1115-demo/)

For more information about New Hampshire's current 1115 waiver, which the State is seeking to amend and extend, see: [www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=29927](http://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=29927)

### Summary of Proposed Amendment and Extension

To continue to provide coverage for the Medicaid expansion population, and in accordance with legislation passed by the State Legislature, New Hampshire is seeking to amend and extend its current expansion waiver. The legislation, SB 313, is available here:

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[http://gencourt.state.nh.us/bill\\_status/billText.aspx?sy=2018&id=1972&txtFormat=pdf&v=current](http://gencourt.state.nh.us/bill_status/billText.aspx?sy=2018&id=1972&txtFormat=pdf&v=current)

This amendment and extension will create the new Granite Advantage Health Care Program. Granite Advantage Health Care Program will: (1) sunset the NHHPP premium assistance program and instead provide Medicaid to expansion individuals through the State's Medicaid managed care network, streamlining Medicaid program administration; (2) continue to apply work and community engagement requirements to the expansion population; (3) provide Medicaid eligibility to expansion individuals on the date all Medicaid eligibility requirements are met (i.e., usually the date of application), rather than three months of retroactive eligibility, without condition; and (4) incentivize beneficiary engagement in wellness activities and appropriate use of care.

In addition, in accordance with legislative direction, the State is seeking to implement the following features as part of Granite Advantage Health Care Program, to the extent permitted by federal law:

- Modify eligibility such that a participant cannot be eligible for coverage unless such person verifies his or her United States citizenship by two 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.
- If allowed by federal law, apply an asset test when determining eligibility for members of the Medicaid expansion population.

Historically, New Hampshire spent \$394 million in calendar year (CY) 2016 and \$434 million in CY 2017 on the NHHPP population receiving services through the demonstration. CY 2018 spending is projected to be \$535 million. Over time, costs have increased as enrollment in the program has grown and as the cost of providing premium assistance through QHPs increased. During negotiation over Senate Bill 313—the legislation that authorizes Granite Advantage—New Hampshire estimated that program spending would be \$171 million over the first six months of the demonstration period. New Hampshire anticipates that spending growth in the future will be consistent with standard growth rates experienced in the past, ranging from the 3.7% trend rate described above to the 4.9% President's budget trend rate. Therefore, New Hampshire estimates that annual program spending will range from \$354.8 million to \$398.1 million over the extended 5-year demonstration period.



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These changes reflect savings from enrolling the demonstration population in Medicaid managed care as well as other features of Granite Advantage that will incentivize beneficiary engagement in wellness initiatives and appropriate levels of care and continue to emphasize personal responsibility. Projected spending accounts for the Medicaid expansion adults currently enrolled in the PAP as well as medically frail expansion adults. Spending estimates also account for other features of Granite Advantage, including new work and community engagement requirements as well as the requested waiver of retroactive coverage, which is predicted to reduce churn in and out of the program. DHHS is continuing to analyze the anticipated budgetary impact of such changes.


Eligibility for the Granite Advantage population is based on the Medicaid State Plan, which also provides authority to enroll Medicaid beneficiaries in the state's Medicaid managed care program. All expenditures for the program are therefore authorized by the State Plan and State Plan spending is not subject to budget neutrality requirements. New Hampshire will continue to monitor program spending in accordance with Senate Bill 313 to assure alignment with the Granite Advantage budget.

### **Demonstration Objectives, Hypotheses and Evaluation Plan**

The extended and amended demonstration will further the objectives of Title XIX of the Social Security Act by making a number of changes to improve beneficiary health. By promoting efficiencies that ensure Medicaid's sustainability for beneficiaries over the long term, by strengthening beneficiary engagement in their health care coverage, care and outcomes, and by aligning Medicaid and commercial plan policies relating to retroactive coverage, the demonstration will promote the health of the Granite Advantage demonstration population. In addition, by transitioning individuals from premium assistance for Marketplace coverage to the State's Medicaid managed care delivery system will enable New Hampshire to realize program administration efficiencies and continue offering expanded coverage to low-income residents, reduce uncompensated care, better combat the opioid and substance use disorder crisis, and improve the State's workforce. Granite Advantage will incentivize beneficiary engagement in wellness initiatives and appropriate levels of care and continue to emphasize personal responsibility through CMS-approved work and community engagement requirements. All of these changes will support the State's ultimate objective of improving beneficiary health.

An interim evaluation of the New Hampshire Premium Assistance Program is available here:

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- [Premium Assistance Program \(PAP\) Evaluation Plan Implementation Interim Evaluation Report March 2018](#) 

Over the course of the Demonstration extension period, New Hampshire will continue to evaluate the Granite Advantage Health Care Program. Per recently enacted State legislation, the Granite Advantage program will be evaluated on an annual basis, using an outcome-based evaluation methodology, with the following goals in mind: providing accountability to beneficiaries and the overall program; determining whether beneficiaries are making informed decisions in carrying out health care choices and utilizing the most appropriate level of care; and analyzing whether the use of incentives and cost transparency efforts is effective at lowering costs while maintaining quality and access. The evaluation results will be included in a report that is submitted to CMS, the president of the State senate, the speaker of the State house, the governor, and the legislative fiscal committee by December 31 each year, beginning in 2019.

Over the course of the demonstration extension period, New Hampshire will test the following hypotheses and evaluate the Granite Advantage Health Care Program accordingly. Details about the hypotheses and evaluation parameters follow:

| Hypothesis   | Evaluation Approach  | Data Sources   |
|--|--|--|
| 1. Members enrolled in the demonstration who are subject to community engagement requirements will have positive health outcomes.                                    | Analyze Medicaid disease prevalence and Medicaid and former Medicaid self-reported health status | Encounter data (Medicaid covered), Evaluation survey (both Medicaid covered and former Medicaid) |
| 2. Members enrolled in the demonstration who are subject to community engagement requirements will obtain sustained part-time and full-time employment.              | Analyze Medicaid reported employment and Medicaid closure reasons                                | Medicaid enrollment system data  |
| 3. Members enrolled in the demonstration who are subject to community engagement requirements will gain access to employer-sponsored and individual market coverage. | Analyze Medicaid and former Medicaid member self-reported insurance coverage                     | Evaluation survey (both Medicaid covered and former Medicaid)                                    |
| 4. Eliminating retroactive coverage will   | Analyze Medicaid   | Medicaid enrollment  |

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| Hypothesis   | Evaluation Approach        | Data Sources |
|--|----------------------------|--------------|
| encourage beneficiaries to obtain and maintain coverage, even when they are healthy, without negatively impacting churn in and out of the program. | months of gaps in coverage | system data  |

Upon approval of this amendment and extension, the State will work with CMS to develop an evaluation design plan consistent with the approved demonstration and CMS policy.

### Waiver Authorities

As part of this amendment and extension, New Hampshire is requesting the following federal waivers:


- That CMS waive Section 1902(a)(34) of the Social Security Act to permit the State to provide coverage to Granite Advantage applicants beginning on the date of the application; coverage would be effective no earlier than the day all eligibility requirements are met, if all eligibility requirements are met on that date.
- That CMS continue, for the upcoming five-year demonstration period, to grant the State authority to condition Medicaid eligibility on completion of work and community engagement activities. The State is therefore seeking to extend waivers of Sections 1902(a)(8) and 1902(a)(10) to the extent necessary to enable New Hampshire to suspend or terminate eligibility for, and not make medical assistance available to, Granite Advantage beneficiaries who fail to comply with work and community engagement requirements, as described in the approved demonstration [Special Terms and Conditions](#) (STCs), unless the beneficiary is exempted or obtains a good cause exemption, as described in the STCs. The State is also seek to extend its waiver of Section 1902(a)(10) to the extent necessary to enable New Hampshire to require community engagement as a condition of eligibility as described in the approved STCs.
- To the extent permissible by federal law, that CMS waive Section 1902(a)(46)(B) insofar as it incorporates 42 CFR 435.407 and 435.956 to permit the State to require paper forms of identification rather than rely on electronic database matching to establish citizenship or residency. The waiver authority will allow the State to deny eligibility to applicants who are unable to verify their United States citizenship through two forms of identification or unable to prove New Hampshire residency through either a New Hampshire driver's license or a non- driver's picture identification card, as required by State legislation.
- To the extent permissible by federal law, that CMS waive Section 1902(e)(14) to permit the State to consider assets when determining Medicaid eligibility. The waiver authority will

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enable the State to consider assets when determining eligibility of Granite Advantage members.

In addition, New Hampshire will work with CMS to eliminate authorities that were unique to the premium assistance program and are no longer required to operate the Granite Advantage Health Care Program. For example, authority to vary cost-sharing for the premium assistance population will be eliminated.

### State Plan Amendment Public Comment

The State will also seek comment on its draft Alternative Benefit Plan (ABP) State Plan Amendment (SPA), pursuant to 42 CFR 440.386, during the waiver public comment period. The Department plans to amend the State Plan to provide the same benefits to the Granite Advantage Medicaid new adult group as is currently being provided to individuals enrolled in other eligibility categories. The cost sharing State Plan will also be amended to align copayments for the expansion population with those for other Medicaid categories. To learn more, view the [ABP-SPA Public Notice](#) .

### Public Hearings

DHHS will host three public hearings during the public comment period. The next hearing date is:

- **Tuesday, June 5, 2018, 5:00 - 7:00 PM**  
Department of Health and Human Services  
Brown Building Auditorium  
129 Pleasant Street  
Concord, New Hampshire

**If you are unable to attend in person, you may call in to the June 5th hearing:**



- **Toll Free Number: 1-866-470-8024**
- **When prompted, dial: 965 412 0884**

[Presentation: Granite Advantage Program](#) 

## GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION

If accommodations are needed for communication access such as interpreters, CART (captioning), assistive listening devices, or other auxiliary aids and/or services, please contact Leslie Melby at [Leslie.Melby@dhhs.nh.gov](mailto:Leslie.Melby@dhhs.nh.gov) or 603-271-9074 no later than June 4, 2018 for the June 5th hearing, in order to assure availability. Requests made later than these two dates will attempt to be accommodated but cannot be guaranteed.

DHHS previously hosted hearings at the following dates and locations:

- **Monday, May 14, 2018 2:00-4:30 PM**  
Department of Health and Human Services  
29 Hazen Drive, Auditorium  
Concord, NH  
[Presentation](#) 
- **Thursday, May 24, 2018 5:30-8:00 PM**  
Harbor Homes  
77 Northeastern Blvd  
Nashua, NH  
[Presentation](#) 

Comments were also considered at the Monday, May 14, 2018 Medical Care Advisory Committee Meeting, from 10-12 p.m. All Medical Care Advisory Committee Meetings are open to the public.

Medical Care Advisory Committee Meeting location:

NH Hospital Association  
125 Airport Rd, Conference Room 1  
Concord NH 03301

### Public Comment

The public comment period for the Granite Advantage Health Care Program Section 1115(a) Demonstration Waiver is from May 8, 2018 until June 29, 2018. All comments must be received by 5:00 PM (Eastern Time) on June 29, 2018.

DHHS would like to hear your comments about the changes it is proposing. After hearing the public's ideas and comments about the proposed changes, DHHS will make final decisions about what changes to make to the Granite Advantage Health Care Program Section 1115(a)

## GRANITE ADVANTAGE 1115 WAIVER EXTENSION APPLICATION

Demonstration Waiver and then submit a revised application to CMS. The summary of comments will be posted for public viewing on this web page along with the waiver renewal application when it is submitted to CMS.

There are several ways to give your comments to DHHS. One way is to attend the public hearings held at the dates/locations noted above, or the Medical Care Advisory Committee Meeting, also noted above. At the public hearings, you can give verbal or written comments to DHHS. Additional information about providing comments is noted below.

### **Additional Information**

Requests for a hard copy of the Granite Advantage Health Care Program 1115(a) Demonstration Waiver application should be submitted by mail to:

Leslie Melby

New Hampshire Department of Health and Human Services

Attn: Granite Advantage Health Care Program Section 1115(a) Demonstration Waiver

129 Pleasant Street

Concord, NH 03301

A hard copy of the Granite Advantage Health Care Program 1115(a) Demonstration Waiver application can also be picked up at DHHS, which is located at:

New Hampshire Department of Health and Human Services

Fred H. Brown Building

129 Pleasant Street

Concord, NH 03301

Another way to provide your comments is by emailing comments to

[nhmedicaidcaremanagement@dhhs.nh.gov](mailto:nhmedicaidcaremanagement@dhhs.nh.gov) or mailing written comments to the address above.

When mailing or emailing please specify the Granite Advantage Health Care Program Section 1115(a) Demonstration Waiver.

**All information regarding the Granite Advantage Health Care Program Waiver can be found on this web page. DHHS will update this website throughout the public comment and application process.**