New Hampshire Department of Health and Human Services
Granite Advantage Program

Public Hearing

May 14, 2018, 2:00-4:30 PM
Department of Health and Human Services
29 Hazen Drive, Auditorium, Concord, NH 03301

Agenda

- Background
- Overview of Granite Advantage
- Demonstration Financing, Waiver Requests, and Evaluation

New Hampshire Health Protection Program (NHHPP)

- In 2014, New Hampshire expanded its Medicaid program for low income adults by establishing the New Hampshire Health Protection Program (NHHPP)
- Through the program, the State uses Medicaid funds to purchase private insurance for eligible individuals (*called "premium assistance"*)
- The State received federal approval for the NHHPP through a **Section 1115 Demonstration**
- The current Demonstration expires on December 31, 2018

What is a Section 1115 Demonstration?

- Section 1115 of the Social Security Act permits the federal government to approve demonstrations **(a.k.a. "waivers")** that waive requirements of federal Medicaid law.
- 1115 demonstrations:
  - Are designed to test policy innovations and further the objectives of the Medicaid program
  - Must be budget neutral to the federal government
  - Are subject to evaluation and initially approved for 3-5 years
- States must provide public process for notice and comment on proposed demonstration application.

Who is Covered Under NHHPP

NHHPP provides coverage to approximately 53,000 Granite Staters

Individuals Eligible for NHHPP Premium Assistance:

Adults with incomes up to 138% of the federal poverty level who are eligible for Medicaid under the Affordable Care Act—often referred to as "expansion adults"—and:

- ✓ 19-64 years old,
- ✓ Not pregnant at time of application,
- ✓ Not entitled to or enrolled in Medicare,
- ✓ Not in any other "mandatory Medicaid eligibility group," and
- ✓ Required to participate in the premium assistance program.

Individuals who are "medically frail" or have employer-sponsored insurance are excluded from participation. American Indian/Alaska Natives may opt out.

Recent Changes to NHHPP

On June 28, 2017, Governor Christopher Sununu signed legislation that required the State to pursue work and community engagement requirements in the NHHPP

Work and Community Engagement Requirements

In October 2017, New Hampshire submitted an amendment to its NHHPP waiver; on May 7, 2018, the federal government approved this waiver amendment

In order to be eligible for Medicaid, certain expansion adults must participate for ≥ 100 hours per calendar month in one or more work or community engagement activity:

- Employment
- Training
- Education
- Community service or public service
- Caregiving services
- Participation in substance use disorder treatment
- Participation in SNAP and/or TANF employment initiatives

Some individuals are exempt, including people who are:

- Pregnant
- Medically frail
- A parent or caretaker of a child in the home who is under 6 or has a developmental disability
- Temporarily unable to participate due to illness or incapacity
- Participating in a state-certified drug court program
- Disabled and unable to meet the requirement for reasons related to that disability
- 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 SNAP and/or TANF employment requirements
- Enrolled in employer-sponsored insurance

Transition from NHHPP to Granite Advantage

On May 3, 2018, the New Hampshire House of Representatives passed Senate Bill 313, which creates a new program called Granite Advantage; the Senate will consider the legislation this month

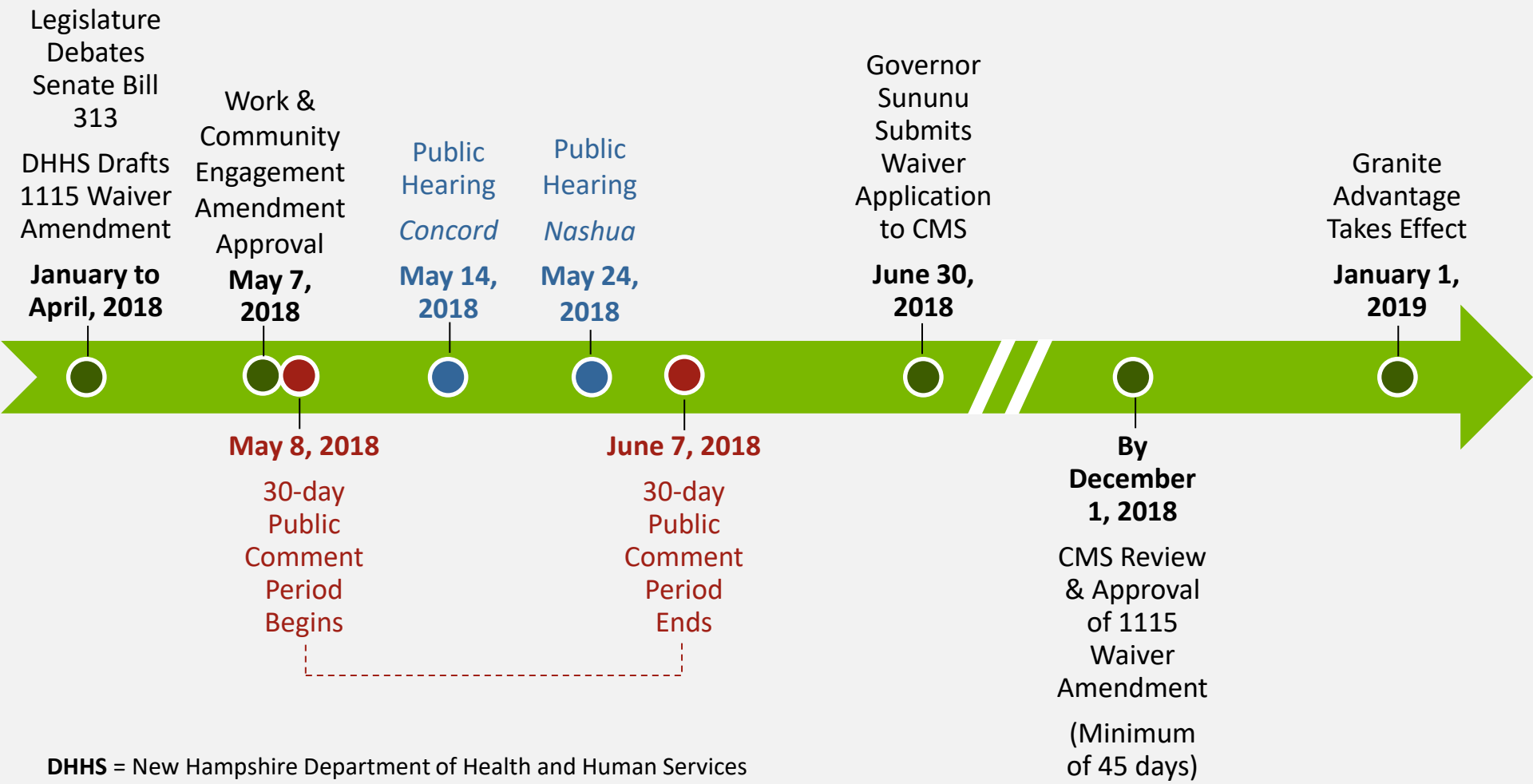
Transition to Granite Advantage

Senate Bill 313 directs New Hampshire to:

- ✓ Eliminate the NHHPP premium assistance program
- ✓ Enroll NHHPP participants in the State's Medicaid managed care program, beginning January 1, 2019
- ✓ Continue work and community engagement requirements, as approved by the federal government
- ✓ Incentivize beneficiary engagement in wellness initiatives and appropriate levels of care and continue to emphasize personal responsibility and program integrity
- ✓ Eliminate retroactive eligibility

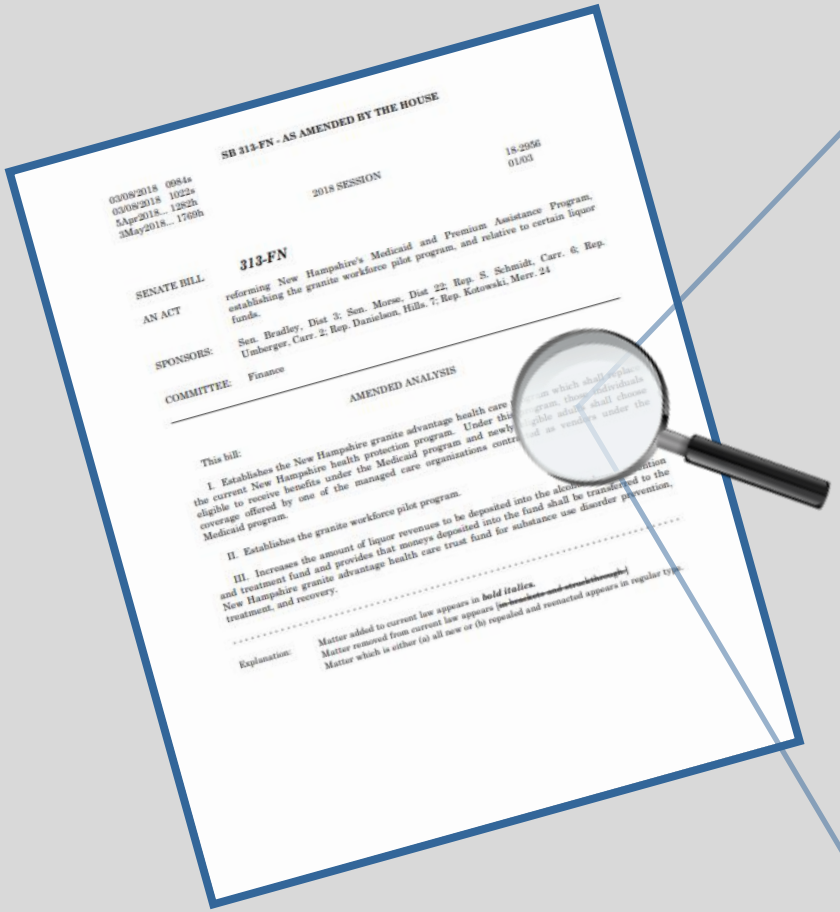
The Granite Advantage program will be implemented by *extending and amending the current NHHPP 1115 waiver* for 5 years, through December 31, 2023

Granite Advantage Waiver Timeline



DHHS = New Hampshire Department of Health and Human Services
CMS = Federal Centers for Medicare & Medicaid Services

Key Features of Granite Advantage



SB 313-FN - AS AMENDED BY THE HOUSE

03/08/2018 0084s
03/08/2018 1022s
5Apr2018... 1282h
3May2018... 1760h

2018 SESSION

18-2956
01/03

SENATE BILL: 313-FN

AN ACT: reforming New Hampshire's Medicaid and Premium Assistance Program, establishing the granite workforce pilot program, and relative to certain liquor funds.

SPONSORS: Sen. Bradley, Dist 3; Sen. Morse, Dist 22; Rep. S. Schmidt, Carr. 6; Rep. Umberger, Carr. 2; Rep. Danielson, Hills. 7; Rep. Katowski, Merr. 24

COMMITTEE: Finance

AMENDED ANALYSIS

This bill:

I. Establishes the New Hampshire granite advantage health care ... the current New Hampshire health protection program. Under this ... eligible to receive benefits under the Medicaid program and newly ... coverage offered by one of the managed care organizations contr... Medicaid program.

II. Establishes the granite workforce pilot program.

III. Increases the amount of liquor revenues to be deposited into the alcohol abuse prevention and treatment fund and provides that moneys deposited into the fund shall be transferred to the New Hampshire granite advantage health care trust fund for substance use disorder prevention, treatment, and recovery.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~bracketed and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

- Eligibility
- Delivery System
- Benefits
- Premiums and Cost Sharing
- Healthy Behaviors/ Cost Effectiveness
- Work and Community Engagement

Eligibility for Granite Advantage

- ✓ **Continue Medicaid expansion for adults, aged 19 up to and including 64 years, with incomes up to and including 138% of the federal poverty level who are not enrolled in (or eligible for) Medicare, not in any other mandatory Medicaid eligibility group, and not pregnant at time of application**

- ✓ **All individuals in this expansion group—plus American Indians/Alaska Natives (AI/AN) and individuals who are pregnant or medically frail—will receive services *through Granite Advantage***
  - Previously, AI/AN were able to *opt out* of premium assistance and pregnant and medically frail individuals were *exempt* from premium assistance; these populations will be included in Granite Advantage
    - *Note: Pregnant and medically frail individuals will be exempt from work and community engagement requirements, however*
  - Individuals in the Medicaid expansion group who have access to affordable employer-sponsored coverage and participate in the State's Health Insurance Premium Payment (HIPP) Program will continue to be excluded from the demonstration

Additional Eligibility Waiver Features

Senate Bill 313 directs DHHS to make several eligibility-related requests:

Waive Retroactive Eligibility

- To better align with commercial health insurance coverage policies—and in light of the availability of subsidized coverage options in the State following the implementation of the Affordable Care Act—waive the requirement to provide three months retroactive coverage to Medicaid expansion adults
- *If granted*, eligibility will be effective no earlier than the date of application, if all eligibility requirements are met on that date

Require Citizenship and New Hampshire Residency Documentation

- *If allowed by federal law,* to improve the accuracy of the current Medicaid eligibility determination system, make enrollment contingent on the applicant verifying:
  - Citizenship with two forms of paper identification; and
  - New Hampshire residency with either a New Hampshire driver's license or a New Hampshire non-driver's picture identification card

Implement an Asset Test

- *If allowed by federal law*, apply an asset test to Granite Advantage individuals:
  - Individuals with countable assets in excess of $25,000 would not be eligible for the program

Delivery System

- ✓ **Discontinue the NHHPP premium assistance program that pays for individuals to purchase private Qualified Health Plan (QHP) coverage on the Marketplace**
- ✓ **Enroll expansion adults in Medicaid managed care organizations (MCOs)**
  - **January 1, 2019:** Transition NHHPP participants to one of two current MCOs that serve Medicaid beneficiaries
  - **July 1, 2019:** Transition these members to the State's newly procured MCOs

    Note: NH Department of Health and Human Services is currently re-procuring its MCO contracts

Benefits

- ✓ Align benefits so that all adult Medicaid beneficiaries receive the same set of benefits
  - NHHPP Premium Assistance beneficiaries currently receive benefits that are *similar* to other Medicaid beneficiaries, but they do not have access to Medicaid Long Term Services and Supports (LTSS)
  - Under Granite Advantage, everyone will have access to the same benefit package
- ✓ Beneficiaries will continue to receive adult dental and LTSS through the State's fee-for-service Medicaid program

DHHS is currently taking comment on its State Plan Amendment to update benefits for the expansion population

Premiums and Cost Sharing

- ✓ **Streamline program administration by aligning premium and cost sharing requirements *across the Medicaid population*** (except for those who are exempted from paying cost sharing)
  - Granite Advantage population—like other Medicaid populations—will pay nominal copayments for pharmaceuticals; there are no premiums or deductibles
  - American Indians/Alaska Natives receiving services from an Indian health care provider will remain exempt from co-payments

Incentivizing Healthy Behaviors

- ✓ **MCOs will implement *healthy behavior incentives* and *cost effectiveness programs*, as legislatively directed**
- ✓ **New Hampshire will implement MCO-level and member-level incentives. Initial focus areas may include:**
  - Appropriate use of emergency departments, to reduce 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 disorder admission
  - Reduction in the simultaneous use of multiple drugs by a single individual for one or more conditions, resulting in drug interaction harm
- ✓ **MCOs will:**
  - Provide case management to the greatest extent practicable
  - Make wellness visits available to beneficiaries
  - Deploy reference-based pricing and cost transparency initiatives

Work and Community Engagement

✓ **Extend authority to condition Medicaid eligibility for certain expansion adults on meeting work and community engagement requirements, per approved waiver terms and conditions, through December 31, 2023**

Extend for five years, through course of Granite Advantage demonstration

Recent Changes to NHHPP

On June 28, 2017, Governor Christopher Sununu signed legislation that required the State to pursue work and community engagement requirements in the NHHPP

Work and Community Engagement Requirements

In October 2017, New Hampshire submitted an amendment to its NHHPP waiver; on May 7, 2018, the federal government approved this waiver amendment

In order to be eligible for Medicaid, certain expansion adults must participate for ≥ 100 hours per calendar month in one or more work or community engagement activity:

- Employment
- Training
- Education
- Community service or public service
- Caregiving services
- Participation in substance use disorder treatment
- Participation in SNAP and/or TANF employment initiatives

Some individuals are exempt, including people who are:

- Pregnant
- Medically frail
- A parent or caretaker of a child in the home who is under 6 or has a developmental disability
- Temporarily unable to participate due to illness or incapacity
- Participating in a state-certified drug court program
- Disabled and unable to meet the requirement for reasons related to that disability
- 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 SNAP and/or TANF employment requirements
- Enrolled in employer-sponsored insurance

Summary of Granite Advantage Program Features

Waiver Features	Current State	Future State
Eligibility	• Medically frail, AI/AN and pregnant women exempt from premium assistance program • Conditional waiver of retroactive eligibility	• *All* expansion adults (including medically frail, pregnant women, American Indian/Alaskan Native) to receive services through Granite Advantage • Waive retroactive eligibility • Include citizenship verification and asset test
Delivery System	• Premium assistance for eligible individuals to enroll in QHP coverage through the Marketplace • Some services provided through fee-for-service Medicaid	• Discontinue PAP • Transition all expansion adults to Medicaid MCOs
Benefits	Benefits for expansion adults differ slightly from other Medicaid beneficiaries	• Align benefit package so that all Medicaid adults will have access to same benefit package
Premiums and Cost Sharing	No premiums; variable cost sharing for expansion individuals with incomes above 100% of the federal poverty level	• No premiums • Align cost sharing requirements for ease of administration (nominal copayments for pharmaceuticals only)
Healthy Behaviors/ Cost Effectiveness	Cost effectiveness efforts by QHPs	• Implement new healthy behavior and cost effectiveness provisions in managed care to promote personal responsibility
Work & Community Engagement	Work and community engagement waiver approved by CMS on May 7, 2018	• Extend work and community engagement waiver approval

Demonstration Financial Information

Enrollment and Aggregate Costs

- ✓ **Currently, coverage provided to approximately 53,000 individuals**
- ✓ **Material enrollment changes are not expected in the next 5 years**
- ✓ **Annual program spending projections range from $354.8 million to $398.1 million over the 5-year demonstration period**
  - ***Expenditures reflect savings from transitioning from QHP premium assistance to managed care, including medically frail adults in the demonstration, incorporating work and community engagement requirements, and eliminating retroactive coverage***

Authorities

Waiver	Use for Waiver	Waiver Status
§1902(a)(34) – *Retroactive Eligibility*	To permit New Hampshire 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.	Modified
§1902(a)(8) and §1902(a)(10) – *Provision of Medical Assistance*	To the extent necessary, to enable New Hampshire to suspend or terminate eligibility for, and not make medical assistance available to, Granite Advantage individuals who fail to comply with work and community engagement requirements, as described in terms and conditions approved by CMS, unless the individual is exempted or demonstrates good cause for exemption.	Approved
§1902(a)(10) – *Eligibility*	To the extent necessary, to enable New Hampshire to require work and community engagement as a condition of eligibility, as described in terms and conditions approved by CMS.	Approved
§1902(a)(46)(B) insofar as it incorporates 42 CFR 435.407 and 435.956 – *Citizenship Documentation*	To permit New Hampshire to require paper forms of identification rather than rely on electronic database matching to establish citizenship or residency.	Requested
§1902(e)(14)	To permit New Hampshire to consider assets when determining Medicaid eligibility.	Requested

New Hampshire is <u>not</u> requesting the extension of certain authorities in its current waiver that were necessary to operate NHHPP but are not needed for Granite Advantage:

- Expenditure authority for premium assistance and cost-sharing reduction payments
- Inapplicability of cost effectiveness requirements
- Waiver of freedom of choice and provider payment rules needed to provide coverage through QHPs
- Prior authorization waiver to permit New Hampshire to respond to prior authorization requests within 72 hours (rather than 24 hours)

Evaluation Approach

Evaluation Requirements

- ✓ New Hampshire will conduct an annual outcome-based evaluation of Granite Advantage, as directed by State legislation (Senate Bill 313)
- ✓ Upon approval of this amendment and extension, New Hampshire will work with CMS to develop an evaluation design plan

Waiver Evaluation Hypotheses

Members enrolled in the demonstration who are subject to work and community engagement requirements will have positive health outcomes

Members enrolled in the demonstration who are subject to work and community engagement requirements will obtain sustained part-time and full-time employment

Members enrolled in the demonstration who are subject to work and community engagement requirements will gain access to employer-sponsored coverage or individual market coverage

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

Other Changes

Senate Bill 313 also requires New Hampshire to submit *State Plan Amendments* necessary to implement Granite Advantage to CMS by June 30, 2018

- ✓ Alternative Benefit Plan Changes (to align Medicaid benefits)
- ✓ Cost Sharing Changes (to reduce cost sharing for expansion adults over 100% federal poverty level)
- ✓ Managed Care Changes (to require all expansion adults to enroll in Medicaid Managed Care)
  - New Hampshire's recently extended 1915(b) waiver provides authority to enroll populations in managed care who cannot be mandatorily enrolled through the State Plan
- ✓ Presumptive Eligibility (to conduct presumptive eligibility determinations for incarcerated inmates to the extent provided under federal law)

Submission of Public Comments

Public comments may be submitted by email or regular mail until **5:00 PM ET** on **June 7, 2018**.

By Email	nhmedicaidcaremanagement@dhhs.nh.gov
By Regular Mail	NH Department of Health and Human Services *Attn: Granite Advantage Section 1115(a) Demonstration Waiver* 129 Pleasant Street Concord, NH 03301
In Person	NH Department of Health and Human Services Fred H. Brown Building 129 Pleasant Street Concord, NH 03301