

*Administrator*

Washington, DC 20201

MAY - 7 2018

Henry D. Lipman
Medicaid Director
New Hampshire Department of Health and Human Services
129 Pleasant Street, Brown Building
Concord, New Hampshire 03301-3857

Dear Mr. Lipman:

The Centers for Medicare & Medicaid Services (CMS) is approving New Hampshire's request for an amendment to its section 1115 demonstration project, entitled "New Hampshire Health Protection Program Premium Assistance" (Project Number 11-W-00298/1) in accordance with section 1115(a) of the Social Security Act (the Act).

This approval is effective May 7, 2018, through December 31, 2018, upon which date, unless extended or otherwise amended, all authorities granted to operate this demonstration will expire. CMS's approval is subject to the limitations specified in the attached expenditure authorities, waivers, and special terms and conditions (STCs). The state will begin implementation of the community engagement requirement added through this amendment no sooner than January 1, 2019, assuming the state fulfills the requirements outlined within the STCs to continue the demonstration beyond December 31, 2018, and contingent upon the reauthorization of the program by the New Hampshire legislature.

The state may deviate from Medicaid state plan requirements only to the extent those requirements have been listed as waived or as not applicable to expenditures.

Extent and Scope of Demonstration

The current section 1115 demonstration project, New Hampshire Health Protection Program (NHHPP) Premium Assistance, was implemented by the State of New Hampshire ("state") in March 2015. NHHPP Premium Assistance provides Medicaid beneficiaries eligible in the "new adult group" at section 1902(a)(10)(A)(i)(VIII) of the Act with assistance in covering premiums to purchase qualified health plan (QHP) coverage through the Health Insurance Exchange in New Hampshire. As originally approved, NHHPP Premium Assistance was designed to leverage the efficiencies and experience of the commercial market to test whether this premium assistance improves continuity, access, and quality of care for NHHPP Premium Assistance beneficiaries. The demonstration includes a conditional waiver of retroactive coverage, with implementation of the waiver conditioned upon receipt of data demonstrating that the state's coverage system provides a seamless eligibility determination experience for the beneficiary that ensures that the beneficiary will not have periods of uninsurance. With respect to the waiver of retroactive eligibility, should the state fulfill the conditions in the STCs, the state would be testing whether

eliminating retroactive coverage will encourage beneficiaries to obtain and maintain health coverage, even when they are healthy. This feature of the amendment is intended to increase continuity of care by reducing gaps in coverage when beneficiaries chum on and off of Medicaid or sign up for Medicaid only when sick with the ultimate objective of improving beneficiary health.

Approval of this demonstration amendment allows New Hampshire, no sooner than January 1, 2019, to require all NHHPP Premium Assistance beneficiaries in the “new adult group” ages 19 through 64, with certain exemptions¹, to participate in 100 hours per month of community engagement activities, such as employment, education, job skills training, or community service, as a condition of Medicaid eligibility.

Under the new community engagement program, the state will test whether requiring participation in 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. CMS is approving the community engagement program based on our determination that it is likely to assist in promoting the objectives of the Medicaid program.

Determination that the demonstration project is likely to assist in promoting Medicaid’s objectives

Demonstration projects under section 1115 of the Act offer a way to give states more freedom to test and evaluate innovative solutions to improve quality, accessibility, and health outcomes in a budget-neutral manner, provided that, in the judgment of the Secretary of Health and Human Services, the demonstrations are likely to assist in promoting the objectives of Medicaid.

While CMS believes that states are in the best position to design solutions that address the unique needs of their Medicaid-eligible populations, the agency has an obligation to ensure that proposed demonstration programs are likely to better enable states to serve their low-income populations, through measures designed to improve health and wellness, including measures to help individuals and families attain or retain capability for independence or self-care. Medicaid programs are complex and shaped by a diverse set of interconnected policies and components, including eligibility standards, benefit designs, reimbursement and payment policies, information technology (IT) systems, and more. Therefore, in making this determination, CMS considers the proposed demonstration as a whole.

In its consideration of the proposed changes to the NHHPP Premium Assistance program, CMS examined whether the demonstration as amended was likely to assist in improving health outcomes; whether it would address behavioral and social factors that influence health outcomes; and whether it would incentivize beneficiaries to engage in their own health care and thereby achieve better health outcomes. CMS has determined that the NHHPP Premium Assistance

¹ If a NHHPP Premium Assistance beneficiary meets one of the exemption criteria as described in the STCs, they are exempted from the community engagement requirements for the month(s) in which the exemption applies. Exemptions include but are not limited to: pregnant women, beneficiaries identified as medically frail, and certain parents and caretakers of dependents.

demonstration as amended is likely to promote Medicaid objectives, and that the waivers sought are necessary and appropriate to carry out the demonstration.

1. The demonstration is likely to assist in improving health outcomes through strategies that promote community engagement and address certain health determinants.

NHHPP Premium Assistance supports coordinated strategies to address certain health determinants, as well as promote health and wellness through increased upward mobility, greater independence, and improved quality of life. Specifically, the NHHPP Premium Assistance community engagement requirement is designed to encourage beneficiaries to obtain and maintain employment or undertake other community engagement activities that research has shown to be correlated with improved health and wellness.^{2,3,4,5} As noted in CMS's state Medicaid director (SMD) letter 18-002, Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries (January 11, 2018), these activities have been positively correlated with improvements in individuals' health.

Given the significant potential benefits of community engagement in promoting health and wellness, we believe that state Medicaid programs should be able to design and test incentives for beneficiary compliance with community engagement requirements. Under New Hampshire's demonstration, the state will encourage compliance by making participation in community engagement activities a condition of eligibility. As described in the STCs, the state will suspend a beneficiary's eligibility only if the beneficiary fails to meet the required community engagement hours for a month, after being provided an opportunity to cure the hours missing. Beneficiaries who are in an eligibility suspension for failure to meet the requirement on their redetermination date will have their eligibility terminated for beneficiaries who are not in compliance with the community engagement requirement.

New Hampshire has tailored its community engagement incentive structure to include beneficiary protections, such as an opportunity to maintain eligibility for beneficiaries who report that they failed to meet the community engagement hours due to circumstances that give rise to good cause. NHHPP Premium Assistance beneficiaries will have the opportunity to reactivate their suspended eligibility for NHHPP Premium Assistance at any time prior to the beneficiary's redetermination date, by meeting certain criteria described in the STCs, including by completing the missing hours of community engagement activities for the month for which hours were deficient. This also is likely to further incentivize beneficiaries who have had their eligibility suspended to quickly satisfy the community engagement requirement and regain coverage. Individuals whose eligibility is terminated at redetermination for failure to meet the requirement can re-apply at any time, and their prior failure to meet the requirement will not be

² Waddell, G. and Burton, AK. Is Work Good For Your Health And Well-Being? (2006) EurErg Centre for Health and Social Care Research, University of Huddersfield, UK.

³ Van der Noordt, M, Jzelenberg, H, Droomers, M, and Proper, K. Health effects of employment: a systemic review of prospective studies. *BMJournals. Occupational and Environmental Medicine.* 2014: 71 (10).

⁴ United Health Group. Doing good is good for you. 2013 Health and Volunteering Study.

⁵ Jenkins, C. Dickens, A. Jones, K. Thompson-Coon, J. Taylor, R. and Rogers, M. Is volunteering a public health intervention? A systematic review and meta-analysis of the health and survival of volunteers *BMC Public Health* 2013. 13 (773).

factored into the state's determination of their eligibility for re-enrollment. The impact of this incentive, as well as other aspects of the demonstration, will be assessed through an evaluation designed to measure how the demonstration affects eligibility and health outcomes over time for persons subject to the demonstration's policies. We anticipate that the incentives provided under the demonstration for community engagement will promote Medicaid's objective of improving beneficiary health.

Consideration of Public Comments

Both New Hampshire and CMS received comments during the state and federal public comment periods. Consistent with federal transparency requirements, CMS reviewed all of the materials submitted by the state, as well as all the public comments it received, when evaluating whether the demonstration project as a whole was likely to assist in promoting the objectives of the Medicaid program, and whether the waiver authorities sought were necessary and appropriate to implement the demonstration. In addition, CMS took public comments submitted during the federal comment period into account as it worked with New Hampshire to develop the STCs that accompany this approval and that will bolster beneficiary protections, including specific state assurances around these protections to further support beneficiaries.

Opposing commenters expressed general disagreement with efforts to modify the current NHHPP Premium Assistance program. Some commenters were concerned that New Hampshire's proposal lacked sufficient detail to permit informed public comments. To ensure meaningful public input at the federal level, and so that the public, including those with disabilities, and CMS can meaningfully assess states' applications, states must follow the requirements set forth in STCs. Upon receipt of New Hampshire's proposal, CMS followed its standard protocols for evaluating the completeness of the application and determined that the application was complete. We continue to believe that New Hampshire submitted sufficient detail to permit meaningful public input. Other commenters expressed the desire to see greater detail regarding how the program would implement the community engagement requirements. In development of the STCs, CMS has included additional detail around community engagement requirements, including qualifying activities, exempt populations, how the state will handle non-compliance, and how beneficiaries might demonstrate good cause to excuse failure to meet the requirement. Many such aspects of the STCs were informed by comments received, including those described below.

Some commenters expressed concerns that community engagement requirements would be burdensome on families and caretakers and create barriers to coverage. To mitigate some of those concerns, New Hampshire has exempted certain beneficiaries who are parents or caretakers, including parents or caretakers where care of a dependent is considered necessary by a licensed provider, and parents or caretakers of a dependent child of any age with a disability. CMS also intends to monitor state-reported data on how the new requirements are impacting enrollment.

Many commenters raised concerns about Medicaid beneficiaries with disabilities. To mitigate these concerns, New Hampshire has exempted beneficiaries with a disability as defined by the Americans with Disabilities Act of 1990 (ADA), section 504 of the Rehabilitation Act of 1973

(section 504), or section 1557 of the Patient Protection and Affordable Care Act (section 1557) from the community engagement requirements, if they are unable to comply with the requirements due to disability-related reasons. New Hampshire must provide reasonable accommodations related to meeting the community engagement requirement for beneficiaries with disabilities as defined by the ADA, section 504 or section 1557, when necessary, to enable them to have an equal opportunity to participate in, and benefit from, the program. This is a condition of approval, as provided in the STCs.

Other commenters were concerned about areas of high unemployment acting as a barrier to meeting the community engagement requirements. Through this demonstration amendment, New Hampshire seeks to incentivize beneficiaries to obtain employment or undertake other community engagement activities through an array of qualifying activities, including training, education, caregiving, and community service, to allow beneficiaries multiple ways to meet this requirement. Additionally, the state assures that it will assess areas within the state that experience high rates of unemployment, areas with limited economies and/or educational opportunities, and areas with lack of public transportation to determine whether there should be further exemptions from the community engagement requirements and/or additional mitigation strategies, so that the community engagement requirements will not be unreasonably burdensome for beneficiaries to meet.

Some commenters raised concerns about whether this proposal is likely to meet the objectives of Medicaid. CMS believes that because community engagement can be positively correlated with health outcomes, it furthers the purposes of the Medicaid statute to test and evaluate whether these requirements improve beneficiaries' health and promote beneficiary independence. However, CMS has included provisions in these STCs to ensure that CMS may withdraw waivers or expenditure authorities at any time if federal monitoring of data indicates that continuing the waivers or expenditure authorities would no longer be in the public interest or promote the objectives of Title XIX, including if data indicates that the community engagement features of this demonstration may not adequately incentivize beneficiary participation or are unlikely to result in improved health outcomes, or that other demonstration features are not operating as intended. To additionally support beneficiaries, CMS will require New Hampshire to provide written notices to beneficiaries that include information such as how to ensure that they are in compliance with the community engagement requirements and how to appeal an eligibility suspension or termination.

Finally, some commenters expressed concern that beneficiaries with chronic or acute health conditions may not be able to meet the community engagement requirement and characterized the proposal to suspend eligibility for failure to participate in community engagement activities as having a "potentially detrimental impact on Medicaid beneficiaries' access to coverage and care." CMS and New Hampshire acknowledged these concerns and New Hampshire will be exempting from the requirement those individuals who are medically frail, as well as those individuals whom a licensed provider has documented to be temporarily unable to participate in community engagement activities due to illness or incapacity. Additionally, New Hampshire will also provide multiple ways for beneficiaries to reactivate eligibility or re-enroll in Medicaid, to appropriately support individuals who have experienced a suspension or lapse of eligibility in regaining access to the program's benefits and resources.

Other Information

CMS's approval of this demonstration is conditioned upon compliance with the enclosed list of waiver and expenditure authorities and the STCs defining the nature, character and extent of anticipated federal involvement in the project. The award is subject to our receiving your written acknowledgement of the award and acceptance of these STCs within 30 days of the date of this letter.

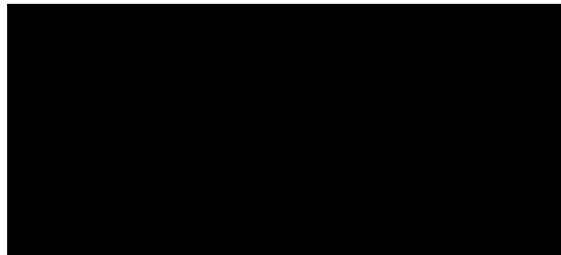
Your project officer for this demonstration is Ms. Jessica Woodard. She is available to answer any questions concerning your section 1115 demonstration. Ms. Woodard's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop: S2-03-17
7500 Security Boulevard
Baltimore, MD 21244-1850
Email: Jessica.Woodard@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Woodard and Mr. Richard McGreal, Associate Regional Administrator (ARA), in our Boston Regional Office. Mr. McGreal's contact information is as follows:

Mr. Richard McGreal
Associate Regional Administrator
Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
15 Sudbury Street, JFK Federal Building
Boston, Massachusetts 02203

If you have questions regarding this approval, please contact Mrs. Judith Cash, Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-9686. Thank you for all your work with us, as well as stakeholders in New Hampshire, over the past months to reach approval.



Enclosures