

Senate Health and Human Services Committee

Sophie Walsh 271-3469

SB 611-FN, relative to rate setting parity for Medicaid state plan case management services.

Hearing Date: January 8, 2026

Time Opened: 10:54 a.m.

Time Closed: 11:27 a.m.

Members of the Committee Present: Senators Rochefort, Avar, Birdsell, Prentiss and Long

Members of the Committee Absent: None

Bill Analysis: This bill directs the department of health and human services to annually establish rates for Medicaid state plan case management services to create rate parity for such services within the program.

Sponsors:
Sen. Avar

Who supports the bill: Sen. Avar, Heidi Kroll & Jebb Curelop (Life Coping), Periklis Karoutas & Carolyn A. Virtue (Granite Case Management), Kerry Pfrimmer (Granite Case Management), and Alyssa Virtue (Granite Case Management).

Who opposes the bill: No one.

Who is neutral on the bill: Henry Lipman & Melissa Hardy (DHHS).

Summary of testimony presented:

Senator Kevin Avar, Senate District 12

- Senator Avar explained this bill directs the Department of Health and Human Services (DHHS) to annually establish rates for Medicaid state plan case management services to create rate parity for such services within the program.
- The bill's intent is to correct the longstanding Medicaid rate disparity by requiring DHHS to apply a consistent, federally compliant rate setting methodology to two identical case management services: mental health case management and Choices for Independence (CFI) case management.
- Both services are defined identically under federal law and are billed under the same medical billing code.

- By directing DHHS to implement this requirement, it will align New Hampshire Medicaid policies with federal standards and past legislative recommendations.
- Senator Avar explained that in 2024, the CFI case management rate was benchmarked against its own existing rate, rather than the identical mental health case management services. He emphasized that this is contrary to accepted rate setting principles.
- This issue has been assessed by legislative study committees since 2018, and they have twice recommended achieving rate parity.
- Senator Avar explained that this bill does not expand services or benefits, but is rather a technical compliance correction. It will ensure fairness for providers, compliance with federal requirements, and integrity in rate setting.
- Senator Avar said that compliance was a major issue addressed by the One Big Beautiful Bill. If the state is not in compliance with those federal regulations, there is a risk of losing funding.

Henry Lipman and Melissa Hardy, Department of Health and Human Services

- Mr. Lipman agreed with Senator Avar that the One Big Beautiful Bill has compliance requirements that could expose the state to financial liabilities. He emphasized that the Department is focused on reducing and eliminating that exposure.
- Mr. Lipman explained that in the Senate phase of the budget last year, there was an appropriation to increase rates for CFI that the Department agreed to, but it was not included in the end.
- The Department is willing to use a cost-based methodology, such as what is used for the developmental disabilities (DD) population, but the challenge is not always having enough of an appropriation.
- Mr. Lipman explained that in terms of what is called for in this bill, the Department is left doing comparative rates for services that are similar, but not necessarily the same.
- Mr. Lipman said he thinks there could be an agreement if there is a basis of setting rates on costs.
- Mr. Lipman stated that CMS approval through a state plan amendment is needed to change rates.
- Mr. Lipman emphasized that he understands the concerns from stakeholders.
- A shorter-term solution would be to get an appropriation similar to what was approved last year.
- A longer-term solution would be to get rates to a cost-based methodology, making sure that appropriated funds are being used effectively and fairly.
- Senator Avar emphasized his concerns for compliance and confirmed that the state could still be liable if there are any ambiguities.

- Mr. Lipman confirmed and explained that the Department would be allowed to do something similar to what is done in the mental health space, with having the same rate for the same code regardless of who is using it, in terms of assessment.
- Senator Avard asked if the cost-based methodology would leave any ambiguities for compliance.
- Mr. Lipman explained that the Department has a cost report for facilities, such as Federally Qualified Health Centers and Certified Community Behavioral Health Clinics, that is used for rate setting methodology. He emphasized that this is the fairest way for transparency.
- Senator Rochefort confirmed that they are saying it would be a more reflective and modern way of reimbursing if case management reimbursement was moved to a cost-based basis, like the DD program.
- Mr. Lipman confirmed and noted this would also be similar to Federally Qualified Health Centers and other provider types where there is concern about access and reasonable rates.

Heidi Kroll and Jebb Curelop, Life Coping

- Ms. Kroll stated that she is speaking in support of the bill, which is mirrored after language adopted and put into House Bill 2 last year. She supports getting to a place where rates feel more in parity and is open to discussing the best way to get there with the Department.
- One of the populations that Life Coping serves is the CFI population. CFI services allow people to stay in their homes as long as they can and keeps nursing home beds available for those with the highest needs.
- Ms. Kroll explained that there was rate parity language included in HB 2 from 2023 and two prior study committees. She emphasized that this issue has been around for a while.
- Senator Avard confirmed that with all of these legislative efforts in the past, the legislature has repeatedly concluded that parity is needed.
- Ms. Kroll confirmed.

Carolyn Virtue, Granite Case Management

- Ms. Virtue explained that she is very familiar with the mental health system and mental health case management. She disagrees with the Department's position that these services are different from CFI case management.
- Ms. Virtue referenced the comparison to DD services and explained that, in addition to other differences, CFI is a state plan case management service and DD is a waiver case management service.

- There is a CMS-approved methodology that the Department is supposed to do rate setting in accordance with, and Ms. Virtue does not believe they have met that burden.
- Ms. Virtue referenced a DHHS rate study from July 2024, which included Medicaid state plan case management for CFI. She said the report stated that the rate was benchmarked against its own current rate, which does not meet good practice for benchmarking.
- Ms. Virtue noted that the Department randomly adds duties to case management through a memorandum process, such as home delivered meals. She referenced the New Hampshire Drafting and Procedure Manual for Administrative Rules and noted that memoranda are only applicable to department employees. She also noted that the Manual requires the Department to describe costs to citizens and describe costs or benefits to independently owned businesses.
- Ms. Virtue emphasized that if the Department wants to use a cost-based methodology for CFI services, that methodology should be based on or include behavioral health case management.
- Senator Avaré referenced Ms. Kröll's comments about past legislative efforts and asked if Ms. Virtue could get to the root of why this keeps failing.
- Ms. Virtue said she does not believe the Department wants to do this.
- She explained that last year in the Finance Committee, the Department only agreed to this with an appropriation. When that appropriation made it out of Finance, the DD components were added in during the Committee of Conference.
- Senator Avaré asked if the DD component was a poison pill, and Ms. Virtue said she believes it was. She emphasized that it was the Department who asked for the appropriation.
- Senator Rochefort noted that he does not want to assign motive.
- Senator Rochefort referenced the concept of a cost-based methodology and asked Ms. Virtue to speak to her comments on how it should be based on or include behavioral health services.
- Ms. Virtue emphasized that a cost-based methodology should be based on that service because it is the only one that is defined and coded the same. She emphasized that she would not have an issue with doing so.
- Ms. Virtue noted that written testimony provided to the Committee includes CMS approved definitions of behavioral health and case management.