

Senate Health and Human Services Committee

Sophie Walsh 271-3469

SB 134-FN, relative to work requirements under the state Medicaid program.

Hearing Date: February 5, 2025

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

Members of the Committee Absent : None

Bill Analysis: This bill directs the department of health and human services to resubmit the 1115 demonstration waiver to CMS regarding community engagement and work requirements under the state Medicaid program. The bill also directs the department to provide an annual report to the legislature regarding the status of implementation.

Sponsors:

Sen. Pearl

Sen. Lang

Sen. Murphy

Sen. Innis

Sen. McGough

Sen. Gannon

Rep. Osborne

Rep. Moffett

Rep. Edwards

Who supports the bill: 8 people signed in support of the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

Who opposes the bill: 270 people signed in opposed to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

Who is neutral on the bill: 3 people signed in neutral to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (Sophie.Walsh@gc.nh.gov).

Summary of testimony presented:

Senator Howard Pearl, Senate District 17

- Work requirements will help low income families by giving them a way out of poverty.
- Medicaid and other welfare programs should be a bridge for non-aged, non-disabled adults, not a destination.

- Currently, New Hampshire has work requirements built into the food stamps and temporary aid for needy families programs.
- Medicaid should be no different, as work helps families reach independence and is a core value in promoting health and wellness.
- The Heritage Foundation has done research which revealed the hidden costs of staying on the Medicaid program.
- For men, it could be up to \$323,000 in foregone lifetime wages, and for women it could be up to \$212,000.
- Encouraging low income families to work more could significantly improve living standards.
- SB 134 and the waiver applies to those that are capable of working and exemptions will be built into the waiver.
- Like New Hampshire has done in the past, the waiver will take into consideration exemptions that should apply, such as a single mom caring for an infant child.
- He provided an amendment to the committee that requires the waiver to go before the General Court for approval before it is submitted.
- Doing that will make sure that nothing that should be on the waiver is missed.
- Senator Prentiss asked if other states have implemented work requirements like this and is there data to show if the program is successful.
- Senator Pearl replied that Councilor Stephen will be speaking and he would be the person to answer that question.

Executive Councilor John Stephen - District 4

- He has been a consultant for many states over the years on how to handle Health and Human Services issues.
- He believes work is fundamental to escaping poverty.
- In 2006, New Hampshire revised and upgraded the TANIF (Temporary Assistance for Needy Families) program and caseloads went down more than 40%.
- They focused on work and community engagement and it has been successful and implemented ever since in New Hampshire.
- NH is one of the leaders nationally in the TANIF program.
- Currently, there is no lack of jobs in New Hampshire.
- This bill is only addressing able bodied individuals and does not impact the disabled.
- Those that are not able to work will have a number of exemptions built into the waiver.
- Senator Pearl wants the fiscal committee to review the waiver so that it has the protections needed.

- After they passed welfare reform, the first thing they did was travel across the state to speak with staff and individuals regarding the programs.
- It is important that policy makers know that the T in TANIF stands for temporary for a reason.
- He believes strongly that work is absolutely connected to health and quality of life.
- He read from a research report done by the Assistant Secretary of Planning and Evaluation of the Federal Government.
- In a study of societal health burdens and life expectancy, social and economic factors accounted for two of the three largest impacts on health and life expectancy.
- Poverty does affect health and they want to help people out of poverty and into self-sufficiency and independence.
- He believes this legislation is really important to the state and for helping individuals.
- There is already a roll out of a very well thought out plan by the Department of Employment Security and the Department of Health and Human Services.
- There does not need to be a lot of recreation but they will need to look at issues regarding the technology and the staff to implement the program.
- He believes this should be a bipartisan bill and we should all want to help people move from Medicaid to self-sufficiency.
- He has seen in other states that when this program is implemented, state agencies start working together very closely and collaborate to provide whatever benefits they have.
- Arkansas is the most recent state to submit the waiver, in January of 2025, and he left that waiver for the committee to review.
- System eligibility issues is something that they will have to watch closely.
- The waiver should be considered carefully to be sure that nobody falls through the cracks and doesn't get the services that they need.
- Senator Rochefort asked if it is the Department that defines the conditions and criteria for the work program.
- Councilor Stephen replied that is the way he has always seen it done. The Department submits the waiver and defines the criteria. Several years ago, Representative Neil Kirk wanted to make sure through state law that any waiver, before it was submitted to the federal government, would have to have the approval of the Fiscal Committee. It was for the purpose of having checks and balances on the Department's authority.

Rob Berry, General Counsel - Division of Medicaid, DHHS

David Chorney, Deputy Medicaid Director, DHHS

Karen Hebert, Director - Division of Economic Stability, DHHS

- The waiver requiring community engagement for the Granite Advantage Program was withdrawn back in 2021.
- As it stands, they are not sure what the federal government is going to be requiring for waivers going forward.
- They are having a difficult time estimating the fiscal impact given the uncertainty.
- Mr. Berry stated that they are not certain how much of the infrastructure they have already invested in can be reutilized going forward.
- They are estimating that this legislation will need a 2.5 million general fund expenditure.
- With waivers in place, there is an ongoing evaluation requirement which will cost some extra funds as well.
- This legislation has a July 1, 2025 submission date for the waiver which they will not be able to make if they have to go to the Fiscal Committee and comply with federal requirements.
- They have to have two public hearings and a 30 day comment period after the legislation is passed, so they believe July 1st is a little ambitious.
- Mr. Chorney stated that the waiver that was submitted previously cost 4.4 million in total funds.
- There was an additional 1.6 million spent for evaluation costs.
- Currently, only Georgia has work requirements, although Arkansas has submitted a waiver for approval.
- Other states had an approved waiver, but the Biden administration pulled it back or a court case held it up.
- Ms. Hebert added that if there is going to be a work requirement, they have to be sure there are sufficient resources to stand up a program similar to what TANIF has in place with the New Hampshire Employment Program.
- Senator Rochefort asked what date would work better than July 1st.
- Mr. Chorney replied that he is not certain because it depends on what happens at the federal level in terms of guidance from the Trump administration. He added that he will follow up with more information.

Michelle Lawrence

- Fifteen years ago, she was diagnosed with a rare form of cancer.
- Most of her income went to pay medical bills and her private health insurance.
- Copays, deductibles and out of pocket costs added up quickly for her.
- Over the years she delayed treatment, skipped doctors' appointments, and ignored doctors recommendations due to costs.
- Sometimes she had to choose between going to the doctors, paying rent, or purchasing groceries.

- Two years ago, she got laid off, could not afford COBRA and her only, best option was to apply for Medicaid.
- With Medicaid she has had full access to all the medical care she needs, including home health therapy and medication.
- For the first time in her cancer journey, her primary focus is on her care and not on insurance and insurance costs.
- She can seek the care she needs without worrying about debt collectors.
- Stress kills and having Medicaid has alleviated so much stress.
- She has not been able to return to work full-time with her type of cancer.
- Looking for work has been a full time job as a cancer patient.
- She missed interviews and calls because she would fall asleep with extreme fatigue and brain fog.
- The doctor made it clear that the stress of a job would kill me.
- She is concerned that this legislation will dictate whether or not she has to work.
- She believes if she did not have Medicaid she would die.
- Putting work requirements in place would create another barrier to healthcare.
- Sick people can't work and sicker people die without healthcare.

Raymond Burke, Attorney - NH Legal Assistance

- He came to testify in opposition to SB 134.
- NHLA is a statewide non-profit Law Firm helping low-income clients regarding various civil legal issues.
- They are concerned that adding a work requirement to the program will cause many people to lose access to critical health services.
- In Arkansas, during the time they had the waiver, 18,000 people lost coverage.
- They did not see any impact on the ability to encourage employment or increase employment.
- A large majority of people on Medicaid who can work already do.
- Prior to the pandemic, 62% of adult Medicaid beneficiaries across the country were either working or in school.
- They agree with the Department of Health and Human Services that this bill is premature given the potential changes that might happen at the national level.
- They do not believe that work requirements can be implemented under current law.
- Georgia projected in the first year that they would enroll 100,000 people and they only enrolled approximately 4,200 people.
- Georgia spent about 26 million dollars and about 90% of that went to program administrative costs.
- Another difference with Georgia is that they had not expanded Medicaid and that was a key factual difference for the court in that case.

- NHLA suggests that NH wait and respond to the changes that will happen at the national level.

Jay Couture, NH Community Behavioral Health Association

- They serve 54,000 individuals each year.
- One of the services they provide their patients is assisting them in finding employment.
- Not everyone that they care for has the ability to work depending on the status of their illness.
- Many people in Arkansas with mental illness thought they could get an exemption from the work requirement and found that they could not.
- She worries about people losing their Medicaid benefits inappropriately.
- Following the Medicaid unwind last year, the Community Mental Health Centers lost a total of 19 million dollars.
- They are mandated to care for people without factoring in their ability to pay.
- When patients are already in treatment and lose Medicaid benefits, the Mental Health Centers are still obligated to treat.
- She believes this bill is a mistake and people would be harmed.
- The Community Mental Health System would not be able to continue to absorb the loss of compensation for care they provide to people in NH living with severe and persistent mental illness.

Jake Berry, New Futures

- New Futures believes that this bill would result in the loss of coverage for many of the most vulnerable individuals and families in New Hampshire.
- They agree that work is critical to the physical, social and financial health of individuals.
- The program is intended to provide short-term health insurance coverage to individuals when their life is in transition.
- The data on the program shows that it is working and meeting its goals of providing individuals the coverage they need to regain stability, get back to work and move off of the program.
- Over the lifetime of the Medicaid Expansion Program there have been about 252,000 enrolled and currently there are about 59,000 on the program.
- This shows that the vast majority of people move on.
- Work requirements have been shown throughout the country to be incredibly costly and detrimental to efforts to get people back to work.

Sam Hawkins, NAMI New Hampshire

- Medicaid is the largest payer of mental health and substance use services in the country.

- Medicaid provides coverage to one in four American adults who have a serious mental illness.
- Granite Advantage provides crucial coverage for tens of thousands of Granite Staters.
- They have serious concerns that implementing these work requirements will have a grave impact on access to care.
- Medicaid already goes a long way in providing access to treatment that enables people to work.

Jules Good, Autistic Self Advocacy Network

- She believes any requirement that makes it harder for people to access services is a cut to Medicaid.
- It is a common misconception that Medicaid recipients do not work but a 2023 study showed that 2 out of 3 Medicaid recipients do have jobs.
- Adding work requirements will add a burden to people who need health care services.
- She believes there will be a negative ripple effect for caregivers on Medicaid who now have to work and cannot care for their loved one.
- Another study showed that nationwide, work requirements would put 36 million people at risk of losing healthcare.