HB 1811-FN-A - AS INTRODUCED

2018 SESSION

18-2004
01/03

HOUSE BILL ***1811-FN-A***

AN ACT relative to the New Hampshire health protection program.

SPONSORS: Rep. Rosenwald, Hills. 30; Rep. Richardson, Coos 4; Rep. Leishman, Hills. 24; Rep. Fothergill, Coos 1; Rep. J. MacKay, Merr. 14; Rep. Butler, Carr. 7; Rep. Elliott, Rock. 8; Rep. Weber, Ches. 1; Rep. Wallner, Merr. 10; Rep. Knirk, Carr. 3; Sen. Feltes, Dist 15; Sen. Soucy, Dist 18; Sen. Fuller Clark, Dist 21

COMMITTEE: Health, Human Services and Elderly Affairs

ANALYSIS

This bill:

I. Extends the New Hampshire health protection program.

II. Requires the commissioner of the department of health and human services to apply to the Centers for Medicare and Medicaid Services for a waiver to develop a screening process for medically complex persons who are enrolled in the New Hampshire health protection program.

III. Allows the use of general funds to fund the New Hampshire health protection program.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

18-2004
01/03

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT relative to the New Hampshire health protection program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Department of Health and Human Services; Premium Assistance Program. Amend RSA 126-A:5, XXV (a) and (b) to read as follows:

XXV.(a) Consistent with the time frames in this paragraph, there is hereby established the marketplace premium assistance program. This will be a premium assistance program for newly eligible adults and their eligible spouse and dependents, if applicable, [~~until December 31, 2018~~] and shall be administered by the department of health and human services. In order to receive medical assistance from the program, newly eligible adults who are ineligible for the HIPP program shall choose from any qualified health plans (QHPs) offered on the federally-facilitated exchange if cost effective; provided, however, that any newly eligible adult who had coverage under an alternative benefit plan (ABP) offered by a managed care organization (MCO) under paragraph XIX during the voluntary bridge to marketplace premium assistance program established under RSA 126-A:5, XXIV shall be automatically enrolled at the beginning of open enrollment in a comparable QHP by that same MCO if one is available, unless such newly eligible adult subsequently chooses a different QHP during the enrollment period. If a comparable QHP is not offered by the newly eligible adult's MCO then the newly eligible adult may choose from any QHPs, if cost effective. Provider payments shall be in an amount which shall be no less than before the effective date of this paragraph.

(b) On or before December 1, 2014, the commissioner shall submit to CMS any necessary waiver application to implement the provisions of this paragraph, including provisions to address individuals determined to be medically [~~frail~~] ***complex*** after completion of a health questionnaire screening process. To the greatest extent practicable the waiver shall incorporate measures to promote continuity of health insurance coverage and personal responsibility, including but not limited to: co-pays, deductibles, disincentives for inappropriate emergency room use, and mandatory wellness programs. Prior to submitting the waiver to CMS the commissioner shall present the waiver to the fiscal committee of the general court for approval. The program shall not begin until such waivers have been approved by CMS.

2 New Hampshire Health Protection Program. Amend RSA 126-A:5, XXIV(b) to read as follows:

(b) The commissioner shall seek any necessary waivers or state plan amendments to implement the provisions of this paragraph, including provisions to address individuals determined to be medically [~~frail~~] ***complex*** after completion of a health questionnaire screening process. To the greatest extent practicable the waiver or state plan amendments shall incorporate measures to

promote continuity of health insurance coverage and personal responsibility, including but not limited to: co-pays, deductibles, disincentives for inappropriate emergency room use, and mandatory wellness programs. Prior to submitting the waiver or state plan amendments to CMS, the commissioner shall present the waiver or state plan amendments to the fiscal committee of the general court for approval. The program shall not begin until such waivers or state plan amendments have been approved by CMS.

3 Department of Health and Human Services; Premium Assistance Program. Amend RSA 126-A:5, XXX(c) to read as follows:

(c) If the waiver to implement the marketplace premium assistance program is approved on or before March 31, 2015 then, coverage under the voluntary bridge to marketplace premium assistance program established in RSA 126-A:5, XXIV shall terminate on December 31, 2015. Enrollment in the marketplace premium assistance program shall begin on October 15, 2015 and coverage shall begin on January 1, 2016. [~~Coverage shall end on December 31, 2018. The cost of the medical assistance provided under the marketplace premium assistance program shall be paid solely from non-general fund sources, including federal funds as provided under 42 U.S.C. section 1396d(y).~~]

4 Department of Health and Human Services; New Hampshire Health Protection Program. Amend RSA 126-A:5, XXX(a)(5) to read as follows:

(5) [~~Any waivers or amendments pursuant to this subparagraph shall be in place by April 30, 2018.~~] ***The commissioner shall include in a waiver submitted pursuant to this subparagraph a requirement that any work requirement under subparagraph (a) which requires a waiver shall be equivalent to TANF, 42 U.S.C. section 607(d).*** Prior to submitting the waiver or state plan amendments to the CMS, the commissioner shall present the waiver or state plan amendments to the governor and the fiscal committee of the general court for approval. [~~The program shall not be reauthorized until such waivers or state plan amendments have been approved by CMS. If the waiver or state plan is not approved, the commissioner shall immediately, no later than April 30, 2018, notify all program participants that the program has not been reauthorized beyond December 31, 2018.~~]

5 Department of Health and Human Services; New Hampshire Health Protection Program. Amend RSA 126-A:5, XXX(f) to read as follows:

(f) The commissioner shall seek any new waiver or state plan amendments to implement the provisions of this paragraph. [~~Any such waivers or amendments necessary shall be in place by November 1, 2016.~~] Prior to submitting the waiver or state plan amendments to the CMS, the commissioner shall present the waiver or state plan amendments to the fiscal committee of the general court for approval. [~~The program shall not be reauthorized until such waivers or state plan amendments have been approved by CMS. If the waiver or state plan is not approved, the commissioner shall immediately, no later than November 1, 2016, notify all program participants that the program has not been reauthorized beyond December 31, 2016.~~]

6 New Hampshire Health Protection Trust Fund. Amend the introductory paragraph of RSA 126-A:5-b, I to read as follows:

I. There is hereby established the New Hampshire health protection trust fund which shall be accounted for distinctly and separately from all other funds and shall be non-interest bearing. The trust fund shall be administered by the commissioner of the department of health and human services and shall be used solely to provide coverage for the newly eligible Medicaid population as provided for under RSA 126-A:5, XXIV-XXVI and RSA 126-A:67 in qualified health plans on the federal marketplace and pay for the administrative costs for the program. The commissioner may accept any gifts, grants, donations, or other funding from any source and shall deposit all such revenue received into the fund. [~~No state general fund appropriations shall be deposited into the fund.~~] All moneys in the trust fund shall be nonlapsing and shall be continually appropriated to the commissioner of the department of health and human services for the purposes of the trust fund. The trust fund shall be authorized to pay and/or reimburse:

7 Funding the State Share of the New Hampshire Health Protection Program. Amend RSA 126-A:5-c, I-II to read as follows:

I. In this section:

(a) "Program" means the New Hampshire health protection program under RSA 126-A:5, XXIV-XXV***, and XXX***.

(b) "Remainder amount" means the cost of the program for coverage effective between January 1, 2017 and June 30, 2017 plus administrative costs attributable to the program, less all federal reimbursement for the program and federal reimbursement for the related administrative costs; and the cost of the program for coverage effective between July 1, 2017 and December 31, 2018, plus administrative costs attributable to the program, less all federal reimbursement for the program and federal reimbursement for administrative costs attributable to the program, and taxes attributable to premiums written for medical and other medical related services for the newly eligible Medicaid population as provided for under RSA 126-A:5, XXIV-XXVI, ***and XXX,*** consistent with RSA 400-A:32, III(b).

II. Funding for the program from January 1, 2017 until December 31, 2018 shall not be funded from general funds.

(***a***) ***After December 31, 2018,*** the program shall be funded as follows:

[~~(a)~~] ***(1)*** Federal funds as made available by 42 U.S.C. section 1396d(y)(1).

[~~(b)~~] ***(2)*** Revenue generated under RSA 400-A:32, III(b).

[~~(c)~~] ***(3)*** Other non-general ***and g****eneral* fund revenues.

(b) The governor is authorized to draw a warrant sufficient to cover the remaining state share of program costs out of any money in the treasury not otherwise appropriated.

8 New Paragraph; Department of Health and Human Services; New Hampshire Health Protection Program. Amend RSA 126-A:5 by inserting after paragraph XXVI the following new

paragraph:

XXVI-a. The commissioner shall seek a waiver or state plan amendment relative to developing a screening process to screen enrollees in the New Hampshire health protection program established under paragraphs XXIV, XXV, and XXX who are medically complex. Such enrollees shall participate in the program through the managed care program. The waiver shall seek to allow the commissioner to amend or re-procure managed care contracts if necessary. Prior to submitting the waiver or state plan amendments to the CMS, the commissioner shall present the waiver or state plan amendments to the fiscal committee of the general court for approval.

9 New Hampshire Health Protection Program; Federal Match. Amend 2014, 3:10, I as amended by 2016:13:13 to read as follows:

I. If at any time the federal match rate applied to medical assistance for newly eligible adults under RSA 126-A:5, XXIV-XXV***, and XXX*** [~~between July 1, 2014 – December 31, 2016~~] is less than [~~100~~] ***90*** percent[~~, less than 95 percent in 2017 and less than 94 percent in 2018,~~] of the amount as set forth in 42 U.S.C. section 1396d(y)(1), then RSA 126-A:5, XXIV [~~and~~] XXV***, and XXX*** shall be repealed 180 days after the event under this subparagraph occurs upon notification by the commissioner of the department of health and human services to the secretary of state and the director of legislative services. The commissioner shall immediately issue notice to program participants of the program's pending repeal.

10 Repeal. The following are repealed:

I. RSA 126-A:5-d, relative to voluntary hospital donations.

II. 2014, 3:12, II, III, IV, V, VI, VII, relative to repeals of the New Hampshire health protection program.

11 Effective Date. This act shall take effect upon its passage.

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HB 1811-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the New Hampshire health protection program.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Appropriation*	$0	$0	$0	$0
Revenue	($3,200,000)	($1,700,000)	($1,700,000)	($1,800,000)
Expenditures	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	[X] General [ ] Education [ ] Highway [X] Other - Federal funds, insurance premium tax revenue, insurer assessment under RSA 404-G:5-a.			

*The governor is authorized to draw a warrant for state general funds sufficient to cover the remaining state share of program costs

LOCAL:

Revenue	$0	$0	$0	$0
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

METHODOLOGY:

This bill extends the New Hampshire Health Protection Program (NHHPP) beyond its current end date of December 31, 2018. In addition, the bill requires the Department of Health and Human Services to seek a waiver to develop a screening process for medically complex individuals enrolled in the NHHPP. Finally, the bill repeals the prohibition on using general funds to fund the program.

Currently, the NHHPP is funded via: (1) federal funds, which cover 95% of program costs (dropping to 94% on January 1, 2018), (2) insurance premium tax revenue attributable to premiums purchased under the NHHPP, and (3) other non-general fund revenues. These other non-general fund revenues consist of an assessment on insurers under RSA 404-G:5-a, as well as voluntary contributions accepted under RSA 126-A:5, d. This bill repeals the provision relative to the acceptance of voluntary contributions, but leaves the other funding sources intact, while amending RSA 126-A:5-c, II to state that General Fund revenues may be used to fund the program. While the bill does not contain a General Fund appropriation, it does state that the governor is authorized to draw a warrant for State General Funds sufficient to cover the remaining state share of program costs.

The Department of Health and Human Services did not provide cost projections for continuing the NHHPP beyond December 31, 2018. For informational purposes, total program costs in FY 2017 were $453.3 million, of which $441.5 million was paid for with federal funds. The federal share of program costs will decline to 93% on January 1, 2019 and 90% on January 1, 2020, where it will remain under current federal law. The Department is unable to determine the fiscal impact of the provision requiring a waiver to identify individuals deemed medically complex, as this is a new category distinct from the "medically frail" category in current law.

The Insurance Department states the bill will reduce general fund revenues by $3.2 million in FY 2019, $1.7 million in FY 2020, $1.7 million in FY 2021, and $1.8 million in FY 2022. This revenue reduction is due to the fact that insurance premium tax revenues attributable to policies purchased under the NHHPP will be deposited into the NHHPP trust fund rather than into the State General Fund. (The use of a portion of insurance premium tax revenues to fund the program represents a continuation of the current funding mechanism; it is not a new funding mechanism introduced by this bill.) The Department's contracted actuary determined in 2016 that some individuals participating in the NHHPP might otherwise purchase insurance policies that generate insurance premium tax revenue for the State General Fund. Consequently, the Department projects General Fund revenues will be lower than they would be in the absence of the NHHPP's extension.

The New Hampshire Municipal Association assumes the bill will reduce local expenditures by an indeterminable amount due to a decrease in costs for local welfare assistance.

The Department of Corrections is unable to determine the bill's fiscal impact, while the New Hampshire Association of Counties assumes the bill will have no impact on county finances.

AGENCIES CONTACTED:

Department of Health and Human Services, Insurance Department, Department of Corrections, New Hampshire Municipal Association, and New Hampshire Association of Counties