

SB 134-FN - VERSION ADOPTED BY BOTH BODIES

03/06/2025 0401s
8Jan2026... 3093h

2025 SESSION

25-1122
05/09

SENATE BILL ***134-FN***

AN ACT relative to work requirements under the state Medicaid program.

SPONSORS: Sen. Pearl, Dist 17; Sen. Lang, Dist 2; Sen. Murphy, Dist 16; Sen. Innis, Dist 7;
Sen. McGough, Dist 11; Sen. Gannon, Dist 23; Rep. Osborne, Rock. 2; Rep.
Moffett, Merr. 4; Rep. Edwards, Rock. 31

COMMITTEE: Health and Human Services

AMENDED ANALYSIS

This bill establishes community engagement and work requirements under the New Hampshire granite advantage health care program, or the state's expanded Medicaid program, pursuant to authorization for such requirements established in Section 71119, Public Law 119-21. This bill also directs the department of health and human services to file documentation with the Center for Medicare and Medicaid Services relative to implementing community engagement and work requirements as a condition of granite advantage eligibility.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to work requirements under the state Medicaid program.

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

1 1 New Sections; New Hampshire Granite Advantage Health Care Program; Work
2 Requirements. Amend RSA 126-AA by inserting after section 5 the following new sections:

3 126-AA:6 Work Requirements.

4 I. In this section:

5 (a) "Applicable individual" means an individual described in 42 U.S.C. section
6 1396a(xx)(9)(A) who is eligible for the granite advantage health care program, and who is subject to
7 work requirements.

8 (b) "Work requirements" mean the Medicaid community engagement and work
9 requirements established under Section 71119 of Public Law No. 119-21.

10 II. No applicable individual shall be enrolled in Medicaid unless, at the time of application,
11 the individual demonstrates compliance with the work requirements for the one month immediately
12 preceding the month during which the individual applies. The department of health and human
13 services shall require documentary evidence and shall not accept self-attestation at the time of
14 application.

15 III. The department of health and human services shall verify an applicable individual's
16 compliance with documentary evidence. Verification shall occur on an ongoing basis, at least
17 quarterly between redetermination periods. Self-attestation shall not be accepted.

18 IV. The department of health and human services may rely on ex parte records and or
19 documentary evidence provided by the applicable individual to verify exemption from work
20 requirements. The department of health and human services shall verify all exemptions and shall
21 not accept self-attestation from individuals seeking exemptions.

22 V. The department of health and human services shall not seek or implement any additional
23 optional exemptions under 42 U.S.C. section 1396a(xx)(3)(B) or other program waivers without
24 obtaining express approval of the oversight committee on health and human services established in
25 RSA 126-A:13.

26 VI. The department of health and human services shall only approve an exemption for an
27 individual based on the status of medically frailty or otherwise an individual with special needs if
28 the individual has been medically certified per a statement from a physician, physician associate,
29 nurse, nurse practitioner, designated representative of the physician's office, a licensed or certified
30 psychologist, or a social worker, as having disabling mental disorders, having a physical,

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1 intellectual, or developmental disability that significantly impairs their ability to perform activities
2 of daily living, including eating, dressing, bathing, grooming, getting in and out of bed and chairs,
3 walking, going outdoors, using the toilet, or is in treatment for a chronic substance use disorder. In
4 no case may the department of health and human services expand the definition of an individual
5 who is medically frail or otherwise an individual with special needs beyond the scope of the
6 definition established under 42 C.F.R. section 440.315 unless as otherwise modified in Public Law
7 119-21, Section 71119 (2025).

8 VII. Any applicable individual who fails to comply with the work requirements shall be
9 provided notice and an additional 30 days to supply verification of compliance or exemption. After
10 the 30-day notice period, the department of health and human services shall disenroll any applicable
11 individual who does not demonstrate compliance with the work requirements or qualify for an
12 exemption.

13 VIII. In the event of a conflict between this section and the requirements of Public Law 119-
14 21, Section 71119 (2025), the requirements of the federal statute or regulation shall control.

15 126-AA:7 Severability. If any portion of this chapter or the application thereof to any person or
16 circumstances is held invalid, such invalidity shall not affect other provisions or applications of the
17 chapter which can be given effect without the invalid provisions or applications, and to this end the
18 provisions of this chapter are severable.

19 2 New Hampshire Granite Advantage Health Care Program; Community Engagement and
20 Work Requirements. Amend 2025, 141:412 to read as follows:

21 141:412 New Hampshire Granite Advantage Health Care Program, [~~1115 Demonstration;~~
22 ~~Renewed Application to CMS~~] **Community Engagement and Work Requirements.**

23 I. On or before [~~January~~] **December 1, 2026, or on an earlier date within 30 calendar**
24 **days after publication of the federal application template,** the department of health and
25 human services shall [~~resubmit~~] **submit** to the Center for Medicare and Medicaid Services (CMS) [~~a~~
26 ~~Section 1115 demonstration waiver to the state Medicaid plan relative to enforcing~~] **required**
27 **documentation relative to implementing** community engagement and work requirements as a
28 condition of Granite Advantage eligibility **in accordance with the One Big Beautiful Bill Act of**
29 **2025, Public Law 119-21, Section 71119 (2025).** Prior to submitting the [~~Section 1115 waiver~~]
30 **required documentation** to CMS, the department shall submit the proposed [~~waiver~~] **plan to**
31 **implement community engagement and work requirements** to the fiscal committee of the
32 general court for [~~approval~~] **review.**

33 II. Beginning November 1, 2025 and [~~annually~~] **quarterly** thereafter **through December**
34 **31, 2026, and then annually thereafter,** the department shall provide a report regarding the
35 status of the [~~waiver application~~] **plan under review by CMS** and implementation of the
36 community engagement **and work** requirements [~~in RSA 126-AA:2, III~~] **eligibility in accordance**

1 *with Public Law 119-21, Section 71119 (2025)*, to the senate president, the speaker of the house
2 of representatives, the senate clerk, the house clerk, and the governor.

3 3 New Hampshire Granite Advantage Health Care Program Established; Community
4 Engagement and Work Requirements; Suspended. The provisions of RSA 126-AA:2, directly related
5 to the community engagement and work requirements, shall be suspended for the duration of the
6 federal community engagement and work requirements under Public Law 119-21, Section 71119
7 (2025), as amended. If the federal community engagement and work requirements are subsequently
8 eliminated, the commissioner of the department of health and human services shall immediately
9 certify in writing the removal of the suspension to the director of the office of legislative services, the
10 secretary of state, the senate president, the speaker of the house of representatives, the senate clerk,
11 the house clerk, and the governor.

12 4 New Hampshire Granite Advantage Health Care Program Established. Amend RSA 126-
13 AA:2, I(a) to read as follows:

14 I.(a) The commissioner shall apply for any necessary waivers and state plan amendments to
15 implement ~~[a 5-year demonstration program beginning on January 1, 2019 to create]~~ **and**
16 **administer** the New Hampshire granite advantage health care program which shall be funded
17 exclusively from non-general fund sources, including federal funds. The commissioner shall include
18 in an application for the necessary waivers submitted to the Centers for Medicare and Medicaid
19 Services (CMS) a waiver of the requirement to provide 90-day retroactive coverage and a state plan
20 amendment allowing state and county correctional facilities to conduct presumptive eligibility
21 determinations for incarcerated inmates to the extent provided under federal law. To receive
22 coverage under the program, those individuals in the new adult group who are eligible for benefits
23 shall choose coverage offered by one of the managed care organizations (MCOs) awarded contracts as
24 vendors under Medicaid managed care, pursuant to RSA 126-A:5, XIX(a). The program shall make
25 coverage available in a cost-effective manner and shall provide cost transparency measures, and
26 ensure that patients are utilizing the most appropriate level of care. Cost effectiveness shall be
27 achieved by offering cash incentives and other forms of incentives to the insured by choosing
28 preferred lower cost medical providers. Loss of incentives shall also be employed. MCOs shall
29 employ reference-based pricing, cost transparency, and the use of incentives and loss of incentives to
30 the Medicaid and newly eligible population. For the purposes of this subparagraph, "reference-based
31 pricing" means setting a maximum amount payable for certain medical procedures.

32 5 Effective Date. This act shall take effect upon its passage.

SB 134-FN- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2025-0401s)

AN ACT relative to work requirements under the state Medicaid program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	Indeterminable (See below)	Indeterminable (See below)	Indeterminable (See below)
<i>Funding Source(s)</i>	General and Other Funds			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill directs the Department of Health and Human Services to resubmit the 1115 demonstration waiver to the federal Centers for Medicare and Medicaid Services (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.

The Department indicates that community engagement and work requirements are not currently a condition of Granite Advantage eligibility. In 2021, CMS withdrew approval of the 1115 waiver establishing the community engagement requirement and implementing the community engagement requirements would be contingent on CMS approval. The Department states that due to the change in administration at the federal level and a new Congress working on budget reconciliation in which work requirements are part of the conversation, there is a level of uncertainty relative to what Congress or CMS may require through regulations and guidance for implementing work requirements. The number of individuals under the NH Granite Advantage Health Care Program who would be subject to the community engagement work requirement would depend on the number of individuals qualifying for exemptions and what portion of the estimated 65% of working individuals would meet the requirements. The Department provided the following fiscal information regarding implementation of SB 134 as amended:

Estimated Costs (Total Funds)	FY 2026	FY 2027	FY 2028
Systems Upgrades, Modifications and Maintenance	\$1,700,000	\$340,000	\$340,000
Personnel Costs	1,798,000	\$1,903,000	\$1,952,000
Call Center Costs	4,800,000	\$4,800,000	\$4,800,000
Memorandum of Understanding with New Hampshire Employment Security	\$357,800	\$357,800	\$357,800
1115 Waiver Evaluation	\$100,000	\$300,000	\$300,000
Community Outreach Efforts	\$100,000	\$0	\$0
Total Funds:	\$8,855,800	\$7,700,800	\$7,749,800
Federal Funds*:	\$4,858,302	\$3,940,268	\$3,965,340
State/Other Funds:	\$3,997,498	\$3,760,532	\$3,784,460

*Assumes current federal match rates will remain in effect.

- System Upgrades, Modifications and Maintenance. The Department does not believe it will be able to utilize the previous Eligibility (New HEIGHTS) and Medicaid Management Information System (MMIS) configurations that were designed to address the work requirement when originally introduced. This will result in additional expenditures that cannot be estimated until the Department has obtained approval from CMS or other federal law and guidance is promulgated. However, the Department anticipates the cost to modify systems would be approximately \$1,700,000 in total funds in FY 2026 with an additional \$340,000 per year beginning in FY 2027 for ongoing maintenance and operations (75% federal funds; 25% state or other funds).
- Personnel Costs. To monitor and enforce the provisions of community engagement work requirements, the Department states 21 new positions will be required:
 - o 15 Family Service Specialist II (FSS) positions would be needed and would specialize in this aspect of the Medicaid program. Responsibilities would include determining exemptions, monitoring beneficiary activities, enforcing community engagement requirements, and auditing for compliance. The Department would need to maintain a level of effort of managing 3,692 cases per month.
 - o Supervisor V and Supervisor III. Two additional supervisory positions would supervise and direct the work of the FSS positions above and oversee the day-to-day operations of the program area responsible for managing community engagement work requirements.
 - o Administrator IV. The Department anticipates it would need an administrator to administer the community engagement work requirement program, collaborate the FSS workers, and engage with external stakeholders.
 - o Training Coordinator. Specializing in community engagement work requirements, this position would be needed to train FSS workers on the program and work

with Administrator IV to provide external stakeholders with assistance and communication about community engagement requirements.

- o Part-time Hearings Examiner and part-time Program Specialist II. With the potential for a number of individuals losing Medicaid coverage through the Granite Advantage program, the Department anticipates it may see a significant number of additional fair hearing requests. The part-time Hearings Examiner would assist with increased fair hearing demand and the part-time Program Specialist II would assist the Administrative Appeals Unit with processing cases.
- Call Center Costs. The Department would need to contract with an outside vendor to assist Granite Advantage recipients with completing and filing forms to comply with community engagement requirements. The Department estimates that it would pay approximately \$4.8 million in total funds annually for the vendor to implement the work requirements. (50% federal; 50% state or other funds)
- Memorandum of Understanding with the NH Department of Employment Security. During the previous community engagement work requirements implementation in 2019, the Department partnered with Employment Security to assist Granite Advantage enrollees with obtaining employment. The previous agreement allowed for up to \$357,800 (50% federal; 50% state or other funds) in reimbursement to Employment Security for costs incurred. The Department expects it would implement a similar agreement for this purpose.
- 1115 Waiver Evaluation. The Department states that all 1115 demonstration waivers will require an independent evaluation over a five-year period; as reported by a GAO study it was estimated that this cost would amount to approximately \$1.5 million or \$300,000 per year. (50% federal funds; 50% state or other funds).
- Community Outreach Efforts. Community engagement work requirements will be a significant change to the conditions of receiving coverage through Granite Advantage. The Department anticipates that it will need to spend approximately \$100,000 (50% federal; 50% state or other funds) to inform individuals of this requirement. Costs will primarily consist of advertising and mailers to affected individuals.

Potential Cost Offsets. The Department expects the community engagement work requirement will result in currently eligible individuals losing coverage through the Granite Advantage program for some period of time. In 2019, before CMS withdrew approval of the 1115 waiver establishing the community engagement requirement, it was estimated that up to 16,000 individuals were at risk of not meeting the requirement. The potential reduction in expenditures due to lower enrollment and

capitation payments cannot be estimated with precision. This will depend on the number of individuals who do not comply with the work requirements and if there will be a curing period included in the federal criteria. The Department offers the following additional information:

- Approximately 65% of Medicaid beneficiaries in New Hampshire are working, compared to a national rate of 60%. The Department is not certain how many individuals who are working would meet the 100 hour community engagement requirements. Also it is not known how many individuals who are not working would qualify for an exemption.
- The Department anticipates, based on current enrollment, approximately 44,310 individuals would be subject to community engagement requirements while 14,903 would be exempt under the existing statute.
- The Department estimates that approximately 20,000 existing Granite Advantage members considered non-medically frail would be at risk for losing coverage under the existing RSA 126-AA:2, III. New Hampshire currently pays a per member per month capitation rate of \$712.67 for members in the non-medically frail group. If all 20,000 were to lose coverage, total expenditures would be reduced by approximately \$171,040,800 per year. The federal matching percentage for the Granite Advantage program is 90% federal funds and 10% state and other funds. One quarter of the state and other funds (\$4.3 million) would be state general funds. Under this scenario, considering the estimated costs above, the Department calculated a net cost savings of \$352,671 in state or other funds in FY 2026 and \$743,158 in state or other funds in FY 2027.
- The Department states that any potential savings noted above would be reduced if individuals newly ineligible for the Granite Advantage program transition to another Medicaid eligibility group such as the Aid to the Permanently and Totally Disabled (APTD). The Federal match for APTD is approximately 50% federal funds and 50% state general funds and the Department would expend more general funds for Medicaid coverage to the individuals previously covered through Granite Advantage. The Department estimates 6,500 individuals who may be at risk of losing coverage, would be eligible for other Medicaid coverage through a different eligibility group. The current per member per month capitation rate for these eligibility groups averages \$549.08. The total annual cost to cover these individuals could be as high as \$42.8 million 50% of which would be paid for by general funds (\$21.4 million).

The Department has noted it may face challenges implementing this bill due to the following:

- The requirement to resubmit the Section 1115 demonstration waiver to CMS by January 1, 2026 may not be feasible based upon the availability of federal criteria, guidance and possible legislation. In addition, the Department is required by federal law to hold two public hearings and a 30-day public comment period prior to submission to CMS for approval. The Department is not able to start process until the federal criteria are known; and this legislation becomes effective.
- The bill does not include authority to establish new positions or an appropriation to the Department of Health and Human Services. The Department indicates it would require the additional positions and funding to administer the provisions of this bill.

AGENCIES CONTACTED:

Department of Health and Human Services