THE HENRY J. KAISER FAMILY FOUNDATION

THE KAISER COMMISSION ON
Medicaid and the Uninsured

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March 2015 | Fact Sheet

# Medicaid Expansion in New Hampshire

On March 4, 2015, the Centers for Medicare and Medicaid Services (CMS) approved New Hampshire's Section 1115 waiver to convert its implementation of the Affordable Care Act's (ACA) Medicaid expansion to a Marketplace premium assistance model as of January 1, 2016. On August 15, 2014, New Hampshire implemented the ACA's Medicaid expansion through a state plan amendment with coverage through existing Medicaid managed care plans; however, authorizing legislation required the state to obtain waiver authority to mandatorily enroll newly eligible adults in Marketplace Qualified Health Plans (QHPs) using Medicaid as premium assistance for the expansion to continue. The expansion covers non-working parents from 38-138% of the federal poverty level (FPL, up to $16,242 per year for an individual in 2015), working parents from 47-138% FPL, and childless adults from 0-138% FPL.

As of January, 2016, New Hampshire's demonstration:

- Expands Medicaid by purchasing Marketplace QHP coverage for newly eligible adults.
- Requires newly eligible adults to enroll in Marketplace QHPs to receive Medicaid services.
- Provides services outside the QHP benefit package, such as Early Periodic Screening Diagnosis and Treatment for 19 and 20 year olds, free choice of family planning provider, non-emergency medical transportation, and limited adult dental and vision benefits, through the state's Medicaid fee-for-service delivery system.
- Conditionally waives retroactive coverage, to be implemented after CMS determines that there are no gaps in coverage prior to application and upon renewal for newly eligible adults, based on state data.

New Hampshire is among the 29 states (including DC) implementing the Medicaid expansion to date, most of which are doing so through a state plan amendment. To date, CMS has approved waivers in Arkansas, Iowa, Indiana, Michigan, and Pennsylvania to implement the ACA's Medicaid expansion (however, Pennsylvania will convert its waiver to a state plan amendment effective September 1, 2015).

Other states expanding Medicaid through Marketplace premium assistance include Arkansas (required for all newly eligible adults) and Iowa (optional for those from 101-138% FPL). Unlike other waivers approved to date, New Hampshire did not seek waiver authority to impose premiums or restrict mandatory benefits. Although not included in the waiver approval, New Hampshire's application indicated that the state will work with CMS to develop wellness programs as part of its premium assistance demonstration and will include a referral for job counselling services for applicants who are unemployed. Additional details about New Hampshire's demonstration are included in Table 1.

| Table 1:<br>New Hampshire's § 1115 Medicaid Expansion Demonstration Waiver | |
|---|---|
| **Element** | **New Hampshire Waiver Provision** |
| **Overview:** | Uses Medicaid funds to pay Marketplace QHP premiums for all newly eligible adults (estimated 50,000) statewide under the ACA's Medicaid expansion as of January 2016. |
| **Duration:** | 3/4/15 to 12/31/16.<br>Demonstration may continue for up to 2 more years, through 12/31/18, if state legislature authorizes and state submits letter of intent to CMS at least 6 months before the end of the demonstration year. |
| **Demonstration Goals:** | Cites promoting continuity of coverage, encouraging Medicaid managed care carriers to also offer Marketplace QHPs, improving economies of scale and competition among QHPs by increasing enrollment, and offering uniform provider access. |
| **Coverage Groups Subject to QHP Premium Assistance:** | Newly eligible parents with incomes between 38-138% FPL (non-working) and 47-138% FPL (working) and childless adults ages 19-64 between 0-138% FPL. |
| **Populations Exempt from QHP Premium Assistance:** | Dual eligible beneficiaries, adults with access to cost-effective employer sponsored coverage, and those who are medically frail are exempt from QHP enrollment.<br>The process to identify medically frail beneficiaries will be described in state's new adult ABP SPA.<br>Beneficiaries enrolled in QHP premium assistance who are subsequently determined medically frail can disenroll from the demonstration.<br>American Indian/Alaska Natives can opt out of the demonstration and receive state plan benefits. |
| **Enrollment:** | Premium assistance enrollment will begin on November 1, 2015, with coverage effective on January 1, 2016. QHP enrollment is mandatory for demonstration beneficiaries.<br>State provides FFS coverage until QHP enrollment is effective (either the first or second month following QHP selection, depending on application date). |
| **QHP Choice and Auto- Assignment:** | Beneficiaries will choose between at least 2 silver level QHPs. The state Medicaid agency will determine which QHPs are available for demonstration beneficiaries.<br>Beneficiaries transitioning to QHP premium assistance from a Medicaid managed care plan will be auto-assigned to the QHP offered by their current Medicaid MCO, if their MCO elects to offer a QHP, and may change QHPs within 30 days; other beneficiaries transitioning to QHP premium assistance can select a QHP.<br>Beneficiaries who do not select a QHP within 30 days of their Medicaid eligibility determination will be auto-assigned to a plan. The year 1 auto-assignment methodology will take into account factors such as family affiliation, primary care provider affiliation, and premium costs. |
| **Retroactive Coverage:** | The demonstration conditionally waives retroactive coverage, to be implemented after CMS determines that retroactive coverage is unnecessary, based on state data showing no gaps in coverage for newly eligible adults prior to their Medicaid application date and upon renewal.<br>Once implemented, coverage for newly eligible adults will begin on their application date. |
| **Premiums:** | State pays monthly premiums directly to QHPs.<br>Beneficiaries are not responsible for any premium costs. |
| **Co- payments:** | State pays monthly cost-sharing reduction payments to QHPs.<br>Beneficiaries with incomes below 100% FPL will be enrolled in 100% actuarial value silver plans and have no co-payments.<br>Beneficiaries from 100-138% FPL will be enrolled in 94% actuarial value silver plans and have co-payments at state plan amounts. |
| **Benefits:** | QHPs provide services in the state's Medicaid Alternative Benefits Package (ABP) for newly eligible adults. |

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| ***Federally qualified and rural health centers:*** | Beneficiaries will have access to at least 1 QHP that contracts with at least 1 FQHC or RHC. |
| ***Prescription drugs:*** | Limited to QHP formulary. Prior authorization within 72 hours instead of 24 hours. |
| ***Family planning providers:*** | State covers out-of-network family planning providers on FFS basis. |
| ***Wrap- around benefits:*** | Provided on FFS basis (non-emergency medical transportation, EPSDT for 19 and 20 year olds, family planning services and supplies, and certain limited adult dental and vision services). |
| **Appeals:** | No waivers relating to appeals. New Hampshire's waiver application proposed changes to the Medicaid appeals process for beneficiaries receiving premium assistance, although it did not seek waiver authority to do so. For appeals related to decisions about benefits provided by a QHP, beneficiaries would have access to an internal plan level review and an external review by a state insurance department qualified independent review organization, instead of a Medicaid fair hearing. Beneficiaries would continue to use the Medicaid fair hearing process for appeals of wrap-around benefits. |
| **Oversight:** | State Medicaid agency will enter into MOU with QHPs regarding enrollment, payment of premiums and cost-sharing reductions, reporting and data requirements, notices, and audits. |
| **Financing:** | State is at risk for the per capita cost for demonstration beneficiaries but not for the number of demonstration enrollees. The budget neutrality determination for year 1 will use a trend rate of 3.7% and a PMPM cost estimate of $701.53. |
| **Cost-Effectiveness:** | May use state-developed tests of cost-effectiveness for premium assistance that differ from those otherwise permissible. |
| **Evaluation:** | State shall submit draft evaluation design within 90 days of demonstration award. Evaluation shall be conducted by independent entity. Evaluation design and interim and summative reports shall be posted on the state Medicaid agency's website within 30 days of CMS approval.<br><br>State shall specify for CMS approval a set of performance and outcome metrics and network characteristics to support rapid cycle assessment of trends under premium assistance and Medicaid FFS. |
| **Cost-Effectiveness:** | The demonstration evaluation will assess the cost-effectiveness of Medicaid premium assistance, taking into account initial and longer term costs and other impacts such as improvements in service delivery and health outcomes. |
| **Reporting:** | State must submit quarterly and annual reports to CMS. |
| **Next Steps:** | QHP enrollment begins November 1, 2015 with coverage effective January 1, 2106.<br><br>Within 6 months of implementation and annually thereafter, state must hold forum for public comment. |