

SPECIAL SESSION HB 1-FN-A – AS AMENDED BY THE HOUSE

21Nov2013... 2418h

2013 SESSION

13-1029
01/10

SPECIAL SESSION HOUSE BILL ***1-FN-A***

AN ACT relative to access to health insurance coverage.

SPONSORS: Rep. Sherman, Rock 24; Rep. Rosenwald, Hills 30; Sen. Gilmour, Dist 12

COMMITTEE: Finance

ANALYSIS

This bill establishes the New Hampshire access to health coverage act to provide health insurance to the newly eligible population as provided under Section 1905(y) of the Social Security Act of 1935. The bill also deletes the prohibition on a state-based health benefit marketplace. The bill grants the commissioner of the department of health and human services rulemaking authority for the purposes of the bill.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to access to health insurance coverage.

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

1 1 Statement of Findings, Purpose and Intent. The general court recognizes that:

2 I. Improving access to affordable health care for low-income New Hampshire citizens is
3 essential to improving the health of the state's population and strengthening the state's economy.
4 Health benefits for the newly eligible population should be provided in a manner that encourages
5 personal responsibility, relies to the greatest extent possible on insurance offered by employers and
6 private insurance companies, and improves the health outcomes and financial security of those
7 receiving benefits. In establishing this subdivision under section 2 of this act, the general court has
8 chosen to expand access to health coverage for individuals who are defined as newly eligible for
9 medical assistance, as specified in section 1905(y) of the Social Security Act, 42 U.S.C. 1396d(y), in a
10 manner that assures fiscal responsibility, safeguards the interests of New Hampshire taxpayers, and
11 provides accountability and oversight.

12 II. Through expanding access to health coverage for the newly eligible population as
13 provided in this law, the general court specifically intends to foster and promote the following:

14 (a) Access to affordable and quality health care coverage for the currently uninsured and
15 underinsured populations in New Hampshire, by relying on innovative private models of care.

16 (b) Increased quality, efficiency, and improved clinical outcomes of the health care
17 delivery system for low-income New Hampshire citizens, by strengthening the managed care system
18 established under RSA 126-A:5, XIX, and by establishing a new managed care health plan for the
19 newly eligible population offered by private managed care organizations under contract with the
20 state that accepts full risk in providing care.

21 (c) Continuity of coverage for vulnerable populations, by phasing in a premium
22 assistance coverage program that will substantially reduce the number of newly eligible persons who
23 would lose coverage as a result of income fluctuations that cause their eligibility to change year to
24 year, or multiple times throughout a year.

25 (d) Coordination of health care delivery for newly eligible individuals to address the
26 entire spectrum of physical and behavioral health, by focusing on prevention and wellness, health
27 promotion, chronic disease management, and long-term care.

28 (e) Competition and consumer choice by first increasing the number of insurance
29 companies offering coverage on the New Hampshire health insurance marketplace then by

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1 implementing a premium assistance model that will enable newly eligible persons between 0 and 133
2 percent of the federal poverty level to obtain coverage through the marketplace.

3 (f) Access to federal funding during the period that the federal government will pay for
4 100 percent of the cost of the benefits provided to the newly eligible population.

5 (g) Increased provider reimbursement rates as a means of assuring sufficient provider
6 capacity and equalizing reimbursement rates across health care payers in order to eliminate cost-
7 shifting and to substantially reduce the burden of uncompensated care for medical providers and the
8 state.

9 (h) Accountability of the program by providing effective oversight and audits.

10 2 New Subdivision; New Hampshire Access to Health Coverage Act. Amend RSA 126-A by
11 inserting after section 66 the following new subdivision:

New Hampshire Access to Health Coverage Act

12
13 126-A:67 Short Title. This subdivision shall be known as the “New Hampshire Access to Health
14 Coverage Act.”

15 126-A:68 Definitions. In this subdivision:

16 I. “Centers for Medicare and Medicaid Services” or “CMS” means the federal agency
17 responsible for overseeing the implementation of health coverage for the newly eligible population
18 across the United States and is responsible for approval of state plan amendments and waivers
19 under the Social Security Act of 1935, as amended.

20 II. “Commissioner” means the commissioner of the department of health and human
21 services.

22 III. “Department” means the department of health and human services.

23 IV. “Eligible,” “newly eligible,” or “newly eligible population” means individuals who:

24 (a) Are defined under section 1902(A)(10)(A)(i)(VIII) of the Social Security Act of 1935, as
25 amended (42 USC section 1902(A)(10)(A)(i)(VIII)), for whom increased FMAP is provided for under
26 section 1905(y)(2)(A) of the Social Security Act of 1935, as amended (42 USC section 1396d(y)(2)(A));

27 (b) Are residents of the state of New Hampshire; and

28 (c) Satisfy all applicable federal income, citizenship, and immigration requirements.

29 V. “Employer-sponsored insurance” or “ESI” means group health care coverage that is offered
30 by a private employer to its employees.

31 VI. “Enhanced FMAP” means the federal medical assistance percentage for the newly
32 eligible population as provided under section 1905(y)(1) of the Social Security Act of 1935, which is
33 100 percent reimbursement for calendar years 2014, 2015, and 2016.

34 VII. “Essential health benefits” means essential health benefits as defined in 42 USC section
35 18022(b).

36 VIII. “Federal funding” or “FMAP” means the federal medical assistance percentage for a
37 state, including for the newly eligible population as provided under section 1905(y)(1) of the Social

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1 Security Act of 1935.

2 IX. “Health benefit marketplace” means the health benefit marketplace established for the
3 state under 42 USC section 13031.

4 X. “Health insurance premium program” or “HIPPP” means the program established by the
5 department pursuant to section 1906 of the Social Security Act of 1935, as amended, (42 USC,
6 section 1396e), to purchase employer-sponsored group health care coverage.

7 XI. “Insurance commissioner” means the commissioner of the department of insurance.

8 XII. “Managed care organization” means a managed care organization defined under
9 RSA 126-A:5, XIX,(c)(3) that is under contract with the department.

10 XIII. “New Hampshire access to health coverage program” means the program established to
11 provide health benefits to newly eligible through the health insurance premium program, qualified
12 health plans on the New Hampshire health benefit marketplace, and the New Hampshire access to
13 health plan as provided for in this subdivision.

14 XIV. “New Hampshire access to health plan” means a health insurance plan that is provided
15 to the newly eligible population by a managed care organization under contract with the department
16 in accordance with the terms and conditions of this subdivision.

17 XV. “Qualified health plan” or “QHP” means a health plan that meets the requirements of 42
18 USC section 18021 and is available for purchase on the New Hampshire health benefit marketplace.

19 XVI. “Wrap around benefits” means benefits that are required to be provided by the
20 New Hampshire Medicaid program under the terms of a state plan amendment or waiver, but are
21 not covered by a qualified health plan or private employer sponsored insurance.

22 126-A:69 New Hampshire Access to Health Coverage Program; Eligibility; Provision and
23 Funding of Health Benefits.

24 I. The newly eligible may enroll and receive health benefits under the New Hampshire
25 access to health coverage program provided that the individual:

26 (a) Provides all information regarding residency, financial eligibility, citizenship or
27 immigration status, and insurance coverage to the department of health and human services in
28 accordance with rules adopted under RSA 541-A; and

29 (b) Is determined to be eligible for participation in the program.

30 II. Newly eligible individuals who enroll in the program shall obtain health benefits in
31 accordance with the following:

32 (a) Those newly eligible who have access to private employer-sponsored insurance on or
33 after the effective date of this subdivision, either directly as an employee or through another
34 individual such as a spouse, dependent, or parent who is eligible for employer sponsored coverage,
35 shall be eligible for premium payments for the continued purchase of ESI through the employer, plus
36 any required cost-sharing and wrap around benefits, if the department determines the ESI is cost
37 effective in accordance with any waiver or state plan amendment approved by CMS. The newly

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1 eligible who have access to ESI that is determined to be cost effective shall not be eligible to receive
2 benefits through a New Hampshire access to health plan offered by a managed care organization.

3 (b) Those newly eligible who do not have access to ESI or for whom ESI is not
4 determined to be cost effective, shall be eligible to receive health benefits by selecting one of the
5 private managed care organizations which contract with the department under the New Hampshire
6 access to health plan. Covered services which shall consist of the health benefits provided under the
7 Medicaid state plan plus any essential health benefits that are not included in the approved New
8 Hampshire Medicaid state plan, as of the effective date of this subdivision.

9 (c) Those newly eligible who are determined to be medically frail in accordance with 42
10 CFR section 440.315(f) as determined through completion of a health questionnaire in the enrollment
11 process may elect to receive health benefits directly from the department through its managed care
12 program.

13 (d) Every newly eligible person who applies for health care coverage under this
14 subdivision shall at the time of enrollment acknowledge that the New Hampshire access to health
15 coverage program is subject to cancellation upon notice.

16 III. The health benefits provided to the newly eligible under the New Hampshire access to
17 health coverage program shall be paid for by enhanced FMAP for calendar years 2014, 2015 and
18 2016, and with the maximum available amount of federal funding in any subsequent year for as long
19 as the program is in effect.

20 IV. The New Hampshire access to health plan shall provide for reimbursement that is
21 sufficient to ensure improved access to and quality of care. Payment incentives for providers may be
22 based on such metrics as reduction of preventable readmissions, reduction of unnecessary emergency
23 room visits, and other preventable health care events. Capitation rates to managed care plans shall
24 be set at levels that enable plans to reimburse providers at rates sufficient to achieve
25 New Hampshire's access and quality goals.

26 126-A:70 Mandatory Health Insurance Premium Program.

27 I. As part of the New Hampshire access to health coverage program, the department shall
28 implement a mandatory health insurance premium program pursuant to 42 U.S.C. section 1396e
29 upon approval by CMS.

30 II. Each applicant for the New Hampshire access to health coverage program shall provide
31 to the department all information regarding eligibility for and access to employer sponsored health
32 insurance and any other private health insurance in accordance with rules adopted under RSA 541-A
33 by the department.

34 III. All newly eligible who have access to employer-sponsored coverage, either directly as an
35 employee or through another individual such as a spouse, dependent, or parent who is eligible, which
36 meets the definition of minimum essential coverage under the Internal Revenue Code, 26 USC
37 section 5000(A)(f), and any regulation adopted thereunder, and for which the employer pays no less

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1 than 50 percent of the total cost of the employee's coverage, shall be required to participate in the
2 health insurance premium program; provided that the department determines such participation to
3 be cost effective.

4 IV. A determination of eligibility for the New Hampshire access to health coverage program
5 is a qualifying event under the federal Health Insurance Portability and Accountability Act of 1996,
6 Pub. L. No. 104-191.

7 V. If the department determines that it is cost-effective, the department shall pay the cost of
8 premiums, co-payments, co-insurance and deductibles for the newly eligible and any spouse,
9 dependent and parent, if applicable, with access to employer-sponsored insurance.

10 VI. A newly eligible individual is eligible for coverage under the expanded health insurance
11 premium payment program effective the first day of the month following the month of application for
12 enrollment; provided that enrollment is completed in time for enrollment in that month.

13 VII. Any newly eligible individual who receives health benefits from the HIPP program shall
14 inform the department of any change in access or eligibility for ESI within 10 days of such change.

15 126-A:71 Department Administration; Waivers; State Plan Amendments.

16 I. The department shall submit and apply for such waivers and state plan amendments as
17 are necessary to implement the requirements of this subdivision, including without limitation, a
18 waiver and/or state plan amendment for the implementation of a health insurance premium program
19 that requires participation of those newly eligible with access to employer-sponsored insurance that
20 is determined to be cost effective. The department shall apply for and obtain the waiver for
21 mandatory HIPP by January 1, 2014, or as soon thereafter as practicable.

22 II. The full cost of the purchase of a newly eligible employee's share of an ESI premium
23 under HIPP, if determined to be cost effective, and the full cost of the purchase of the
24 New Hampshire access to health plan, plus any additional required wrap around benefits,
25 copayments, co-insurance and deductible shall be paid by the department.

26 III. The department shall negotiate and conclude an amendment to one or more of its
27 existing contracts with managed care organizations to provide a new private managed care
28 insurance plan known as the New Hampshire access to health plan for all newly eligible consistent
29 with this subdivision. The following shall apply:

30 (a) Any private managed care organization that provides health benefits under this
31 subdivision shall ensure that all newly eligible in a New Hampshire access to health plan have
32 access to a qualified licensed primary care provider and are linked to a medical home.

33 (b) The department shall require by terms of the contract amendment that all newly
34 eligible who enroll in a New Hampshire access to health plan be scheduled for an initial appointment
35 with a qualified licensed primary care provider within 60 days of enrollment.

36 (c) The department shall work with contracted managed care organizations to create
37 financial incentives for managed care plans that meet specified population health improvement goals

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1 for the newly eligible population.

2 126-A:72 Implementation of Individual Premium Assistance Program in the Marketplace.

3 I. Subject to the provisions of paragraph IV, the department shall implement a premium
4 assistance program with coverage beginning January 1, 2017 to require all newly eligible between 0
5 and 133 percent of the federal poverty level who do not have access to cost effective ESI, and who are
6 not determined to be medically frail in accordance with 42 C.F.R. section 440.315(f), to enroll in a
7 qualified health plan offered on the New Hampshire health benefit marketplace in order to receive
8 health benefits under the New Hampshire access to health coverage program.

9 II. The department shall submit and apply to CMS for any waivers and/or state plan
10 amendments necessary to implement a mandatory premium assistance program that allows the use
11 of federal funds to purchase individual health coverage on the health benefit marketplace to the
12 extent determined to be cost effective.

13 III. The full cost of the premium for purchase of a qualified health plan on the health benefit
14 marketplace, plus any co-payments, co-insurance, deductible and wrap around coverage, as
15 necessary, shall be paid by the department.

16 IV. The individual premium assistance program shall not commence until such time as the
17 requirements of RSA 420-N:11 are satisfied and no fewer than 3 health insurance companies offer
18 QHPs, at least one of which is a managed care organization.

19 126-A:73 Report Required.

20 I. The department shall apply its care management quality strategy program to the newly
21 eligible population.

22 II. The department shall also report bi-annually, commencing June 1, 2014, to the oversight
23 committee on health and human services, established in RSA 126-A:13, on the impact and
24 effectiveness of the New Hampshire access to coverage program established in this subdivision.

25 126-A:74 Interim Rulemaking.

26 I. The commissioner of the department of health and human services shall be authorized to
27 adopt interim rules, following a public hearing before the joint legislative committee on
28 administrative rules, for the implementation of the New Hampshire access to health coverage
29 program established in this subdivision, including without limitation, pertaining to:

30 (a) Eligibility and enrollment of newly eligible individuals.

31 (b) Implementation of an expanded health insurance premium program.

32 (c) Benefit and benefit design, including implementation of substance use disorder
33 benefit.

34 II. The interim rules shall be effective for a period of one year, within which period the
35 commissioner shall adopt rules pursuant to RSA 541-A.

36 126-A:75 Waivers; State Plan Amendments. Notwithstanding any provision of law to the
37 contrary, the department is authorized to apply for and submit any waiver or state plan amendment

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1 to the Centers for Medicare and Medicaid relative to the implementation of this subdivision without
2 prior review of the general court or by any committee, joint committee, oversight committee, or
3 similar body of the general court.

4 126-A:76 Grants and Funds. Notwithstanding any law to the contrary, the department and the
5 department of insurance may apply for, accept, and expend any grants and/or funds necessary to
6 implement the provisions of this subdivision.

7 126-A:77 Health and Human Services Waiver Advisory Commission Established; Report.

8 I.(a) There is established the health and human services waiver advisory commission to
9 advise the commissioner of the department of health and human services on the preparation of any
10 Medicaid demonstration waiver under section 1115 of the Social Security Act of 1935, as amended,
11 42 U.S.C. section 1315, submitted by the department during the year 2014 to the CMS to improve
12 population health, reduce health risks for the Medicaid and CHIP population, and enhance the
13 sustainability of the state's Medicaid financing system. The members of the commission shall be as
14 follows:

15 (1) One public member appointed by the governor.

16 (2) One public member appointed by president of the senate.

17 (3) One public member appointed by the speaker of the house of representatives.

18 (4) The commissioner of the department of health and human services, or designee.

19 (5) A representative of a critical access hospital, nominated by the New Hampshire
20 Hospital Association and appointed by governor and council.

21 (6) A representative of a non-critical access hospital that is not a member of the New
22 Hampshire Hospital Association, nominated by joint agreement of the president of the senate and
23 the speaker of the house of representatives and appointed by governor and council.

24 (7) One member who is an executive director of a community mental health center,
25 nominated by New Hampshire Community Behavioral Health Association and appointed by
26 governor and council.

27 (8) A representative of the community health centers, nominated by the Bi-State
28 Primary Care Association and appointed by the governor and council.

29 (9) One member who is an executive director of an area agency, appointed by the
30 governor and council.

31 (b) The commission shall:

32 (1) Advise the department relative to how an 1115 Medicaid demonstration waiver
33 could serve to integrate and align New Hampshire's Medicaid care management program, the
34 provision of coverage to the newly eligible under this chapter, existing Medicaid waived programs,
35 and other department initiatives in a manner that improves public health, and improves the quality
36 of care and access to care for all Medicaid and CHIP beneficiaries.

37 (2) Advise the department relative to the manner in which a demonstration waiver

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1 could improve the sustainability of the state's Medicaid financing system, including through federal
2 investment in service delivery and payment reform transformation initiatives.

3 (3) Serve as a forum for the formal hearing and public comment on an 1115 Medicaid
4 demonstration.

5 (4) Create any subcommittees it deems necessary, which may include members of
6 the public appointed by the chairperson, to assist with the research, analysis, or other work
7 necessary to support its recommendations for a waiver application.

8 (5) Provide recommendations to the commissioner on the implementation of any
9 section 1115 waiver approved.

10 (c) The members of the commission shall elect a chairperson from among the members.
11 The first meeting of the commission shall be called by the commissioner, or designee, and shall be
12 held within 20 days of the effective date of this section. Five members of the commission shall
13 constitute a quorum.

14 (d) The department shall provide administrative support to the commission and provide
15 such information, data, testimony, and other assistance as requested by the commission.

16 (e) The department of health and human services shall regularly update and consult
17 with the commission throughout the process of preparing and submitting a waiver application and
18 shall provide timely and detailed reports to the commission on the department's communications
19 with the CMS during all phases of the waiver application and approval process.

20 II. On or before January 15, 2014, the commissioner shall make an initial report on the
21 status of the department's work on an 1115 Medicaid demonstration waiver application to the fiscal
22 committee of the general court, and shall report on the waiver application and approval process at
23 each meeting of the fiscal committee thereafter until the waiver application is acted upon by CMS.

24 3 Audit Required. The commissioner of the department of health and human services shall
25 select a qualified independent auditor to audit and evaluate the New Hampshire access to health
26 coverage program established in section 2 of this act. The qualified independent auditor shall
27 evaluate the program's costs, its impact to state revenue, the state general fund, the New Hampshire
28 economy, the level of uncompensated care, the population health of the newly eligible population,
29 and such other economic, financial, and health indicators that would meaningfully inform the
30 governor and the general court regarding the impact of the program. The independent audit shall
31 evaluate at least 2 years of operation of the program and shall be submitted to the governor,
32 president of the senate, and speaker of the house of representatives no later than January 1, 2017.

33 4 Commencement of New Hampshire Access to Health Coverage Program; Termination for
34 Reduction in Federal Medical Assistance.

35 I. Coverage for the newly eligible population under the New Hampshire access to health
36 coverage program established in section 2 of this act shall commence on January 1, 2014 or as soon
37 thereafter as practicable.

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1 II. The New Hampshire access to health coverage program shall terminate no later than 180
2 days following a change in federal law to reduce the enhanced FMAP in any year as enacted under
3 section 1905(y) of the Social Security Act of 1925, as amended (42 USC section 1396d(y)). The
4 commissioner of the department of health and human services shall notify the secretary of state, the
5 governor, the speaker of the house of representatives, the president of the senate, and the director of
6 legislative services of any termination of the program under this paragraph. For the purposes of this
7 paragraph, “enhanced FMAP” means the federal medical assistance percentage for the newly eligible
8 population as provided under Section 1905(y)(1) of the Social Security Act of 1935, which is 100
9 percent reimbursement for calendar years 2014, 2015, and 2016.

10 5 Study of Potential Innovations Required. No later than January 1, 2015, the department of
11 health and human services and the department of insurance shall submit to the general court a
12 detailed study of potential innovations that would support the goals of this chapter and further
13 integrate coverage for the newly eligible population with that available on the marketplace and in
14 private health insurance markets generally. The study shall address topics including, but not
15 limited to:

16 I. Incentives for managed care organizations to participate in the health insurance
17 marketplace.

18 II. Incentives for employers to continue offering coverage to newly eligible individuals.

19 III. The potential to develop a program that utilizes private market forces to address churn
20 in the population above 133 percent of the federal poverty level.

21 IV. The potential to develop payment reform initiatives that are linked to improvements in
22 health care delivery systems and improved efficiencies.

23 V. Options for implementing any recommended innovations, including potentially seeking an
24 innovation waiver under 42 USC section 18052 for implementation of innovations that would begin
25 on or after January 1, 2017.

26 6 Appropriation; Department of Health and Human Services.

27 I. A sum equal to 5 percent of premium tax revenue collected in accordance with RSA 400-
28 A:32 is hereby appropriated to the department of health and human services in state fiscal years
29 2014 and 2015 to fund the costs of implementing and administering the New Hampshire access to
30 health coverage program established in section 2 of this act. The governor is authorized to draw a
31 warrant for said sums out of any money in the treasury not otherwise appropriated.

32 II. Any balance of the funds appropriated to the commissioner pursuant to 2013, 144:130
33 that were not used by the commission to study the expansion of Medicaid eligibility in New
34 Hampshire may be used by department of health and human services in obtaining consulting
35 services to implement the New Hampshire access to health care coverage established in section 2 of
36 this act under the same terms and conditions as originally appropriated.

37 7 Department of Health and Human Services; Medicaid Breast and Cervical Cancer Program.

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1 I. Enrollment in the Medicaid breast and cervical cancer program, under 42 U.S.C. section
2 1396a(aa), shall be suspended 90 days following the commencement of the New Hampshire access to
3 health coverage program, established in section 2 of this act. Any individual covered under the
4 Medicaid breast and cervical cancer program prior to such date for suspension shall continue to be
5 covered for the program unless his or her medical treatment has concluded, or until the next
6 redetermination of his or her eligibility by the department, whichever event occurs later; whereas
7 after, the individual's eligibility for the Medicaid expansion group shall be determined by the
8 department pursuant to RSA 126-A:5, XXII. Commencing January 1, 2014, administrative rule He-
9 W 641.09 shall be limited in its application to only those individuals enrolled in the Medicaid breast
10 and cervical cancer program receiving treatment prior to the date of suspension of the program as
11 provided herein.

12 II. If a termination of the New Hampshire access to health coverage program occurs
13 pursuant to paragraph II of section 4 of this act, the Medicaid breast and cervical cancer program
14 shall be reinstated under the current Medicaid program.

15 8 New Sections; New Hampshire Health Benefit Marketplace. Amend RSA 420-N by inserting
16 after section 10 the following new sections:

17 420-N:11 New Hampshire Health Benefit Marketplace. The health benefit marketplace
18 established in New Hampshire under section 1311 of the Act shall have the functional capacity
19 necessary to implement the provisions of RSA 126-A:67 through 126-A:76, including, but not limited
20 to facilitating the sale of qualified health plans to qualified individuals and qualified employers in
21 the state beginning with effective dates on or after January 1, 2016. New Hampshire state agencies
22 and departments may plan for and take all actions necessary to establish the marketplace, including
23 applying for, receiving, and expending grants, and contracting with any public or private entities.
24 The commissioner shall adopt rules, under RSA 541-A, to implement this section.

25 420-N:12 Ambulatory Services. Each health plan offered on a federally-facilitated or state based
26 exchange shall, as a condition of participation in such exchange, offer to each federally-qualified
27 health center, as defined in section 1905(I)(2)(B) of the Social Security Act 42 U.S.C. section
28 1396d(l)(2)(B), providing services in geographic areas served by the plan, the opportunity to contract
29 with such plan to provide to the plan's enrollees all ambulatory services that are covered by the plan
30 that the center offers to provide and shall reimburse each such center for such services as provided in
31 the act. Provider payments, under this section shall be no less than before the effective date of this
32 section.

33 9 Federal Health Care Reform; Purpose and Scope. Amend RSA 420-N:1 to read as follows:

34 420-N:1 Purpose and Scope. The intent of this chapter is to preserve the state's status as the
35 primary regulator of the business of insurance within New Hampshire and the constitutional
36 integrity and sovereignty of the state of New Hampshire under the Tenth Amendment to the United
37 States Constitution and part I, article 7 of the New Hampshire constitution [~~and to create a~~

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1 ~~legislative oversight committee to supervise the insurance commissioner's administration of the~~
2 ~~insurance reforms required under the Patient Protection and Affordable Care Act of 2009, Public~~
3 ~~Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law~~
4 ~~111-152, including any federal regulations, interpretations, standards, or guidance issued~~
5 ~~thereunder (hereinafter "the Act").~~

6 10 Federal Health Care Reform; Authority of Commissioner. Amend the introductory
7 paragraph of RSA 420-N:5 to read as follows:

8 ~~[Only with such prior approvals from the oversight committee as are required under RSA 420-N:4.]~~

9 The commissioner shall have authority to:

10 11 Federal Health Care Reform; Reference Deletion. Amend RSA 420-N:8, V to read as follows:

11 V. The commissioner may adopt rules, pursuant to RSA 541-A ~~[and in accordance with~~
12 ~~RSA 420-N:4, II,]~~ as necessary to perform the duties specified in this section and to protect against
13 adverse selection by creating a level playing field between a federally-facilitated exchange and the
14 commercial health insurance market.

15 12 Repeal. The following are repealed:

16 I. RSA 420-N:2, III, relative to an oversight committee.

17 II. RSA 420-N:3, relative to the joint health care reform oversight committee.

18 III. RSA 420-N:4, relative to implementation of the Act.

19 IV. RSA 420-N:7, I and IV, relative to prohibition on a state exchange.

20 V. RSA 161:11, relative to requiring the commissioner of health and human services to seek
21 certain approval from the joint health care reform oversight committee.

22 VI. RSA 126-A:77, relative to the health and human services waiver advisory commission.

23 13 Effective Date.

24 I. Paragraph VI of section 12 of this act shall take effect December 31, 2014.

25 II. The remainder of this act shall take effect upon its passage.

SS HB 1-FN-A FISCAL NOTE

AN ACT relative to access to health insurance coverage.

FISCAL IMPACT:

The Department of Health and Human Services and the Insurance Department state this bill, **as introduced**, will increase state expenditures by an indeterminable amount in FY 2014 and each year thereafter, and increase state revenue by an indeterminable amount in FY 2015 and each year thereafter. This bill may have an indeterminable fiscal impact on county and local revenue and expenditures.

This bill appropriates 5% of insurance premium tax revenue collected pursuant to RSA 400-A to the Department of Health and Human Services in FY 2014 and FY 2015 for the purposes of this act. Insurance premium tax revenue is currently deposited as state general fund unrestricted revenue.

METHODOLOGY:

The Department of Health and Human Services (DHHS) states this bill establishes the New Hampshire access to health coverage act to provide health insurance to the newly eligible population as provided under the Affordable Care Act (ACA), deletes the prohibition on a State-based health benefit marketplace, and grants the commissioner of DHHS rulemaking authority for the purposes of the bill. DHHS based their estimates upon the Lewin Group, Phase I, II, and III reports issued, respectively, in November 2012, January 2013, and September 2013. These impacts have been summarized below, along with estimated operating costs estimated by DHHS –

EXPENDITURES

Medicaid Expenditures

The table below summarizes the Department's estimates of the impact on Medicaid expenditures as a result of the proposed bill. (*SUD = Substance Abuse Disorder/ HIPP = Health Insurance Premium Program/ BCCP = Breast and Cervical Cancer Program*) -

**Medicaid - State General Fund Impact
(In Millions)**

Population	FY14	FY15	FY16	FY17	FY18
Uninsured (<=138%)	\$0	\$0	\$0	\$5.49	\$14.15

Insured (<=138%)	\$0	\$0	\$0	\$2.04	\$5.25
SUD Benefits	\$0	\$0	\$0	\$(0.04)	\$(0.15)
HIPP Expansion	\$0	\$0	\$0	\$(0.55)	\$(1.42)
BCCP (<=138%)	\$(0.37)	\$(0.74)	\$(0.74)	\$(0.70)	\$(0.63)
BCCP (>138%)	\$(0.15)	\$(0.34)	\$(0.56)	\$(0.82)	\$(1.08)
Total – State	\$(0.52)	\$(1.08)	\$(1.30)	\$5.42	\$16.12

Medicaid - Federal Fund Impact

(In Millions)

Population	FY14	FY15	FY16	FY17	FY18
Uninsured (<=138%)	\$66.12	\$206.39	\$255.91	\$269.23	\$268.86
Insured (<=138%)	\$36.76	\$96.01	\$98.98	\$99.88	\$99.76
SUD Benefits	\$4.93	\$12.33	\$9.56	\$(2.09)	\$(2.85)
HIPP Expansion	\$(10.11)	\$(25.25)	\$(26.72)	\$(26.97)	\$(26.93)
BCCP (<=138%)	\$0.37	\$0.74	\$0.74	\$0.70	\$0.63
BCCP (>138%)	\$(0.28)	\$(0.63)	\$(1.03)	\$(1.51)	\$(2.01)
Total – Federal	\$97.79	\$289.59	\$337.44	\$339.25	\$337.46

Start-Up/Implementation Costs

DHHS states the proposed bill will result in start-up/implementation costs (including first year IT system changes), and the need for 75 additional full-time equivalent employees (FTEs). Employees will be assigned to eligibility determination (60); training and supervision (5); client services unit (3); HIPP and Third Party Liability (3); appeals unit (2); and special investigations (2). Personnel and consulting costs will be ongoing, but indeterminable at this time, for purposes of this fiscal note FY 2015 costs were rolled forward to subsequent fiscal years. The table below provides high range estimates from DHHS-

DHHS Start-Up/Implementation Costs - State General Fund Impact

(In Millions)

	FY14	FY15	FY16	FY17	FY18
Personnel	\$1.15	\$3.43	\$3.43	\$3.43	\$3.43
IT/Systems Changes	\$0.67	\$0.03	\$0	\$0	\$0
Equipment	\$0.45	\$0.35	\$0	\$0	\$0
Consulting	\$0.87	\$0.71	\$0.71	\$0.71	\$0.71
Total – State	\$3.14	\$4.52	\$4.14	\$4.14	\$4.14

DHHS Start-Up/Implementation Costs - Federal Fund Impact

(In Millions)

	FY14	FY15	FY16	FY17	FY18
Personnel	\$1.12	\$3.31	\$3.31	\$3.31	\$3.31
IT/Systems Changes	\$5.98	\$0.24	\$0	\$0	\$0
Equipment	\$0.37	\$0.30	\$0	\$0	\$0
Consulting	\$1.00	\$0.84	\$0.84	\$0.84	\$0.84
Total – Federal	\$8.47	\$4.69	\$4.15	\$4.15	\$4.15

SUMMARY OF TOTAL COSTS

Medicaid Expenditures and DHHS Start-Up Implementation Costs

(In Millions)

	FY14	FY15	FY16	FY17	FY18
State	\$2.62	\$3.44	\$2.84	\$9.56	\$20.26
Federal	\$106.26	\$294.28	\$341.59	\$343.40	\$341.61
Total	\$108.88	\$297.72	\$344.43	\$352.96	\$361.87

Appropriation

The proposed bill appropriates a sum equal to 5% of insurance premium tax revenue collected in accordance with RSA 400-A to DHHS in FY 2014 and FY 2015 for the purposes of this act. The Insurance Department estimates 5% of insurance premium tax revenue will total approximately \$3,765,000 in FY 2014, and \$4,155,000 in FY 2015.

State Corrections

DHHS further assumes there will be state savings relative to coverage of inmates housed in state corrections who will be newly covered under Medicaid. These inmates will therefore be eligible for certain out of prison treatment costs to be paid entirely with federal funds. As a result of the federal fund offset, DHHS estimates state general fund savings of approximately \$338,000 in FY 2014, and \$675,000 in FY 2015 and each year thereafter.

The Department of Corrections (DOC) estimates these savings would be offset by the need for 3 additional staff to process an additional 904 applications. DOC estimated this cost at approximately \$270,000.

Innovation Study

The Insurance Department states the bill calls for a study of potential innovations to be completed by DHHS and the Department. Study costs are estimated at approximately \$200,000, and the bill allows for the application for federal funds to be used to pay for the study.

Consulting Services

The proposed bill also allows any balance of funds appropriated to DHHS for the Commission to Study the Expansion of Medicaid Eligibility in New Hampshire (2013, 144:130) to be used by DHHS in obtaining consulting services to implement the New Hampshire access to health coverage program, and extends the appropriation. This section will have no fiscal impact as it will utilize the balance of an existing appropriation.

County/Local Impact

The Department of Health and Human Services did not provide an estimate of any potential impact on county and local revenue or expenditures as a result of this bill.

Early Termination

In the event the federal medical assistance percentage (FMAP) for the New Hampshire access to health coverage falls below amounts stipulated in the ACA, the bill would terminate the program in six months. The Department states ACA FMAP percentages are assumed at 100% in FY 2014 through FY 2016, 98% in FY 2017, 95% in FY 2018, 94% in FY 2019, 92% in FY 2020, and 90% in FY 2021 and each year thereafter.

REVENUE

Insurance Premium Tax

DHHS estimates state insurance premium tax collections will increase by approximately \$5,450,000 in FY 2015, \$5,118,110 in FY 2016, \$5,494,497 in FY 2017, and \$5,660,192 in FY 2018. This information is based on data provided in the Lewin report.

The New Hampshire Insurance Department estimates premium tax collections will increase by approximately \$6,000,000 in FY 2015, and \$3,000,000 in FY 2016 and each year thereafter. The Department assumes premium tax returns reflecting the bills impact on insurance premium tax revenue will first be filed in March 2015 (FY 2015). These returns will include a true-up for CY 2014 premium tax payments (not received) and an estimated payment for the CY 2015 premium tax. As a result, FY 2015 premium tax collections will reflect a \$3,000,000 payment relative to additional CY 2014 premiums plus a \$3,000,000 payment relative to estimated additional CY 2015 premiums, for a total of \$6,000,000. There will be no credit for CY 2014 premium tax payments received since they will not have been made. In FY 2016 and each year thereafter, premium tax collections will reflect a \$3,000,000 payment relative to additional CY 2015

premiums, a \$(3,000,000) credit for tax payments received in FY 2015, plus a \$3,000,000 payment relative to estimated additional CY 2016 premiums, for a net tax payment of \$3,000,000. The Department estimates an increase in premium tax revenue at \$3,000,000 in FY 2017 and each year thereafter.

Medicaid Enhancement Tax

The Department of Health and Human Services estimates Medicaid Enhancement Tax (MET) revenue will be impacted as a result of increased Medicaid and Marketplace enrollments. DHHS estimates MET revenue will decrease by approximately \$1,510,000 in FY 2016, and increase by \$4,140,000 in FY 2017, and \$4,190,000 in FY 2018.