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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

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October 6, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Re: INFORMATIONAL ITEM: *Granite Advantage Health Care Trust Fund, SFY 2022 Activities and Operations*

Background Information

In accordance with RSA 126-AA:3 (III) the Department of Health and Human Services (DHHS) hereby submits the following to report the activities and operation of the Granite Advantage Trust fund, as required annually within 90 days of the close of each state fiscal year.

Senate Bill 313, enacted on June 28, 2018, repealed the New Hampshire Health Protection Program (NHHPP) and established the NH Granite Advantage Health Care Program (referred to as GAHCP or Grant Advantage hereinafter), a five-year demonstration program beginning January 1, 2019, for coverage of those adults from age 19 up to and including age 64 and who are not enrolled in or eligible for another category of Medicaid or have Medicare. Granite Advantage members were then under the state's 1915 (b) waiver enrolled in one of New Hampshire's Medicaid Care Management plans; previously NHHPP coverage was largely through qualified health plans on the Federal Exchange. The Granite Advantage Health Care Program will terminate on December 31, 2023 unless extended by future legislation.

Subsequently, on November 30, 2018 New Hampshire received approval from the Centers for Medicare & Medicaid Services (CMS) to amend and extend its 1115 waiver to incorporate the Granite Advantage Health Care Program, including provisions to allow for the Granite Advantage Health Care Program to (1) eliminate 90-day retroactive coverage, and (2) implement a Community Engagement and Work Requirement for this eligibility group. The elimination of the 90-day retroactive coverage began January 1, 2019; the Community Engagement and Work Requirement began March 1, 2019. The work and community engagement requirement was initially suspended under the authority provided in Senate Bill 290, 2019 Legislative session, and was later terminated as a result of a decision by the US District Court of the District of Columbia on July 29, 2019, as was the elimination of retroactive coverage.

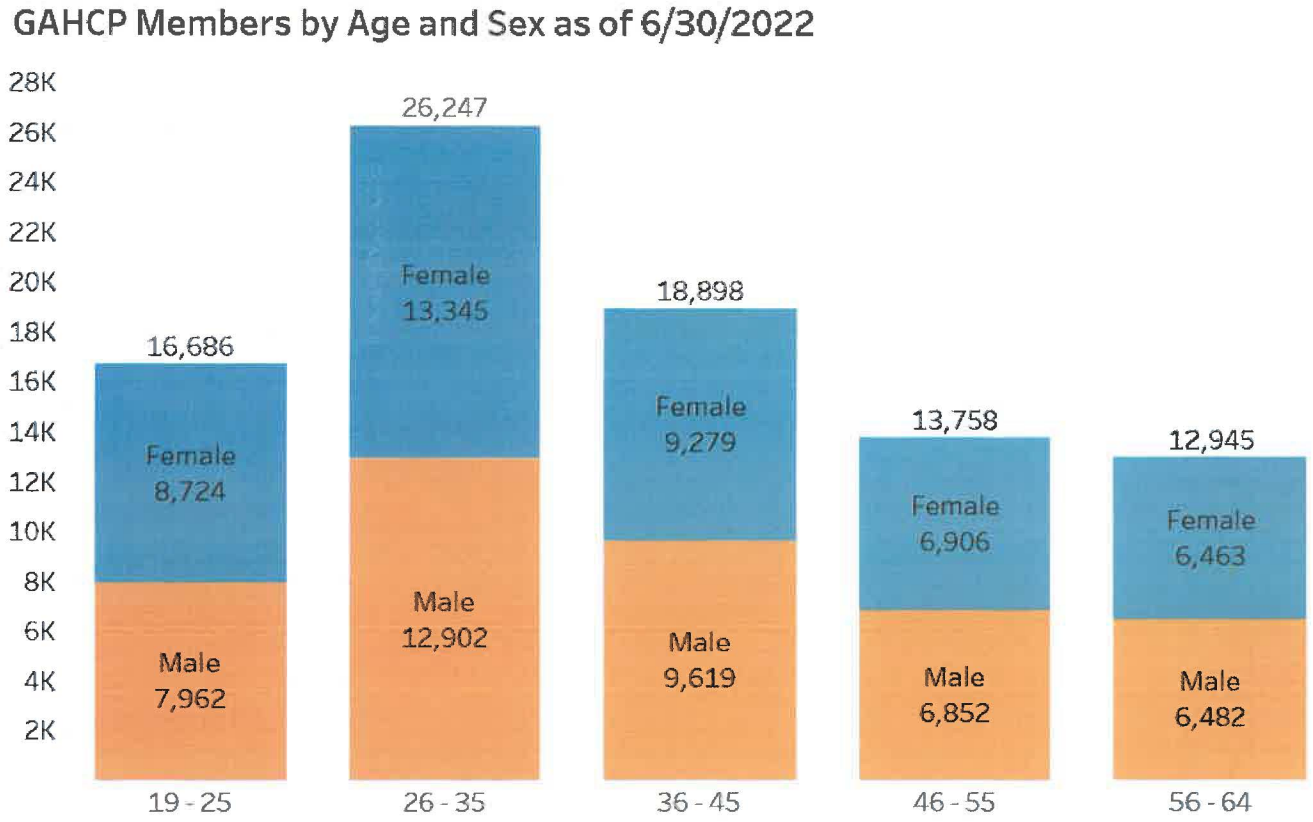
Activities and Operations

New Hampshire Granite Advantage Health Care Trust Fund provides coverage for the newly eligible Medicaid population as provided for under RSA 126-AA:2 covering adults from age 19 up to and including age 64 and who are not enrolled in or eligible for another eligibility group of Medicaid or have Medicare.

Profile of the Granite Advantage Population

The Granite Advantage Health Care Program population are adults age 19 up to and including age 64 who are not enrolled in, or eligible for, another full-benefit eligibility group of Medicaid or who have Medicare. Across all of SFY 2022 there were 100,980 unique people who were enrolled in Granite Advantage at some point during the year. As of the end of SFY 2022 there were 89,724 members in the program. Of those, 1,182 were age 65 or older who were being retained in the program due to the continuous enrollment during the federally declared Public Health Emergency described in more detail below.

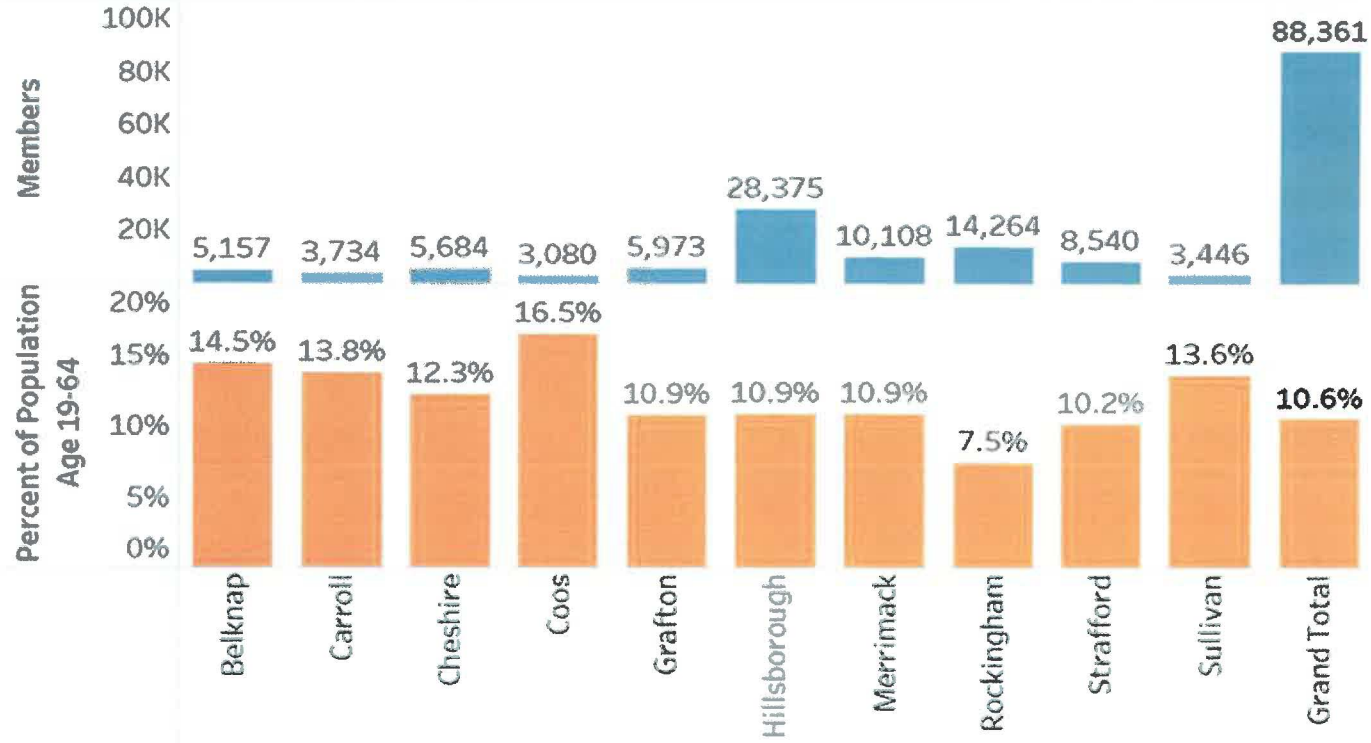
For the typical population of covered members age 19 to 64, people aged 26 to 35 is the largest age group the program is serving, with 30% of the total population. Across most age groups, roughly the same number of females and males are on the program (50.5% female overall). The population aged 19 to 25 enrolled is lower than the 26 to 35 age group in part because state and federal law requiring coverage of the under 26 population on parent family commercial insurance plans.



Note: Includes all available retroactive eligibility; Excludes records with missing data and people over age 64 retained in the program due to the Public Health Emergency.

The chart below shows the distribution of Granite Advantage membership by county. By far the county with the most members is Hillsborough County, with 32% of membership. However, adjusting for population, Coos County has the highest proportion of its age 19 to 64 population enrolled in Granite Advantage, 16.5%, as compared to 10.9% in Hillsborough County. Rockingham County has the lowest proportion of its population enrolled at 7.5%.

GAHCP Members and Percent of Population by County Distribution as of 6/30/2022



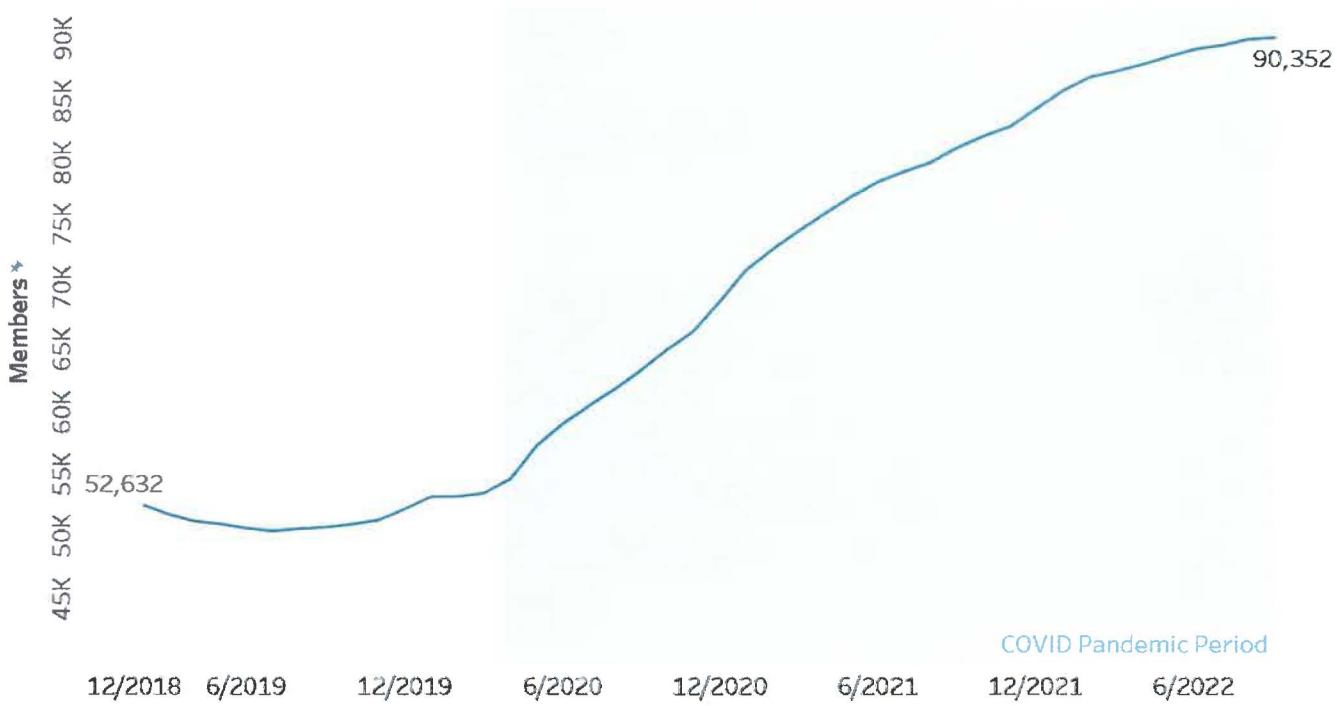
Note: Includes all available retroactive eligibility; Excludes records with missing data and people over age 64 retained in the program due to the Public Health Emergency. Source: EBI as of 9/7/2022 update

Enrollment in Granite Advantage has been approximately 50,000 over the past few years prior to the COVID-19 pandemic, with some variation throughout each year (when looked at on a point-in-time basis). However, as shown in the chart on the following page, due to the COVID-19 pandemic, enrollment has been steadily increasing since March 2020 to 90,352 members as of the end of August 2022, a 75% increase over the 2019 average of 51,519 members.

Most of the net growth has been due to the Federal Families First Coronavirus Response Act, which requires states, as a condition of receiving an enhanced federal match for Medicaid (except for adult expansion) to suspend termination of eligibility for Medicaid except for members who die, move out of state, or request ending Medicaid coverage.

Because the Granite Advantage program typically sees many members leaving the program each month (who are replaced by new members) a requirement to retain members who would otherwise have left the program leads to steady growth (see chart below which shows end of month enrollment in Granite Advantage since the start of the program). Please note the chart that follows the shaded area growth in GAHCP enrollment is likely to be significantly reduced when the maintenance of effort (continuous enrollment) provisions expire at the end of the Public Health Emergency. As of the 6th of September, 43,566 GAHCP individuals are in a protected status related to continuous enrollment. A significant percentage upon redetermination will not remain enrolled due to a change in their circumstances or qualifying eligibility.

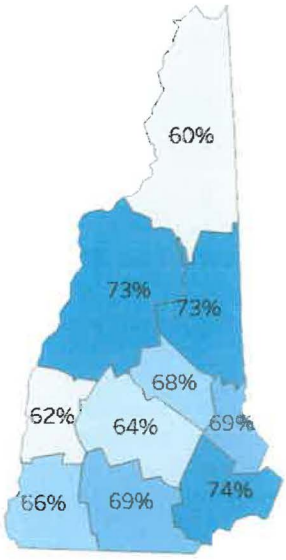
GAHCP Member Eligibility Trend, 1/2019 to 8/2022



Note: Includes all available retroactive eligibility; Point in time data for the end of each month. Source: EBI as of 9/7/2022 update.

The map below shows the increase during the pandemic and is evident across all counties in the state with increases ranging from 60% in Coos County to 74% in Rockingham County.

Percent Change in GAHCP Enrollment by County Since the Start of the COVID-19 Pandemic from 2/29/2020 to 8/31/2022



Note: Includes all available retroactive eligibility; Excludes records with missing data. Source: EBI as of 9/7/2022 update.

Granite Advantage members use a broad range of services. Below are two tables, the first showing unique service users and payments to providers at a high-level and the second showing some key services provided to members (note: payments are duplicated between the two tables and the same service users can be in multiple rows in each table). Important in understanding the tables below is that the unique service users across the whole year are included. Because members enter and exit the program throughout the year, these numbers can't be compared directly to the point in time membership shown above. As stated earlier, across all of SFY 2022 there were 100,980 unique people who were enrolled in Granite Advantage at some point during the year.

The first table shows at a high-level that pharmacy and professional (e.g., primary care, psychotherapy) services delivered to members account for nearly double the amount of payments relative to facility payments. About 30% of the covered dental services noted were delivered to 19 and 20 year olds who have full dental benefits, for those age 21 and over the benefit only covers emergency dental services.

GAHCP Payments to Providers for Main Service Groups, SFY2022, Data Available Through 8/31/22

	Unique Service Users	Payments
Inpatient Hospital	6,228	$50.1M
Outpatient Facility	54,172	$109.9M
Professional	71,165	$167.4M
Pharmacy	63,734	$152.9M
Dental	6,000	$2.0M
Nursing Facility	58	$2.2M

Note: Data does not have complete claims information for the final months in the period. Data represents service payments to providers or fee-for-service equivalent payments in cases where the plan pays providers through sub-capitated arrangements. Does not include payments for non-emergency transportation or administrative costs. Dental payments don't include plan based value added dental services. Source: EBI as of 9/8/22 update.

In terms of specific types of services delivered to the population, a significant proportion of the Granite Advantage program population makes use of mental health services (mostly in medication and outpatient services) and to a lesser extent substance use disorder (SUD) services. COVID services are mostly related to screenings.

GAHCP Payments to Providers for Selected Key Service Groups, SFY2022, Data Available Through 8/31/22

	Unique Service Users	Payments
Preventive/Well Care Visits	17,849	$2.1M
Evaluation and Management Visits	60,109	$36.9M
Maternity Care	792	$2.5M
Mental Health Inpatient Hospital Treatment	864	$7.6M
Mental Health Medication Treatment	29,941	$17.4M
Mental Health Outpatient Services	11,456	$26.6M
SUD Residential or Inpatient Hospital Treatment	2,303	$14.4M
SUD Medication Assisted Treatment	8,057	$21.6M
SUD Outpatient Services	8,645	$24.8M
Emergency Department Visits	25,606	$35.5M
COVID Services	29,073	$19.6M

Note: Data does not have complete claims information for the final months in the period. Data represents service payments to providers or fee-for-service equivalent payments in cases where the plan pays providers through sub-capitated arrangements. Data may be duplicated between categories. Source: EBI as of 9/8/22 update.

Operational Cost of Granite Advantage Coverage SFY 2022:

All moneys in the Granite Advantage Health Care Program Trust fund are non-lapsing and are continually appropriated to the Commissioner for the purposes of the fund. As authorized by RSA 126-AA: 3, the fund covers the cost of medical services and cost-effective related services. As provided in the statute, no state general funds can be used to fund the non-federal share of the program.

House Bill 4 of the 2019 Regular Legislative Session changed the funding of the non-federal share to include profits from the Liquor Commission through the Alcohol, Prevention & Treatment Fund and limited the NH Health Plan Assessment to no more than the funding needed to cover the Remainder Amount not to exceed the monies from Insurance Premium Tax Revenue and Alcohol, Prevention & Treatment Fund, as well as Other Funds Returnable.

House Bill 4 of the 2019 Regular Legislative Session also amended RSA 126-AA:3 VI to read:

> *The Commissioner, in accordance with the most current available information, shall be responsible for determining, quarterly commencing no later than December 31, 2018, whether there is sufficient funding in the fund to cover projected program costs for the non-federal share for the next 6-month period. If at any time the Commissioner determines that a projected shortfall exists, then the sum necessary to cover such shortfall shall be transferred to the fund from the Liquor Commission Fund established in RSA 176:16.*

Statutory Calculation of the Granite Advantage Health Care Program Finances

	SFY 2020	SFY 2021	SFY 2022
Cost of Coverage for the Program	$380,112,773	$540,381,295	$556,650,586
Administrative Costs	$2,271,172	$1,417,237	$1,546,454
Total Program Costs	**$382,383,945**	**$541,798,532**	**$558,197,039**
Less:			
Federal Reimbursement: Program & Admin (b)	$348,686,800	$487,219,024	$502,010,942
Actual/Est. Insurance Premium Tax Revenue (d)	$5,883,982	$8,603,891	$10,206,253
Alcohol Abuse, Prevention & Treatment Fund (a)	$10,037,800	$10,024,300	$10,328,200
Total Reimbursement & Tax Contributions	**$364,608,582**	**$505,847,215**	**$522,545,395**
Remainder Amount	**$17,775,363**	**$35,951,317**	**$35,651,644**
Add'l liquor funding (Ch346 Laws of 2019 Sec 351)		**$8,499,999**	**$8,736,916**

The higher costs in SFY 2021 and SFY 2022 compared to SFY 2020 is primarily due to the 76% increase of the Granite Advantage caseload resulting from the COVID-19 pandemic and the maintenance of effort requirements by CMS to provide continuous enrollment during the federally declared Public Health Emergency for states to receive enhanced federal medical assistance percentage. Costs associated with the federal share are drawn and reimbursed by CMS immediately after the payment is made by the State.

The per-person cost increase was less than 3%. The composite rate for all individuals covered by the Medicaid Care Management Program for SFY 2022 Amendment #8 was $480.41 compared to the SFY 2021 Amendment #6 composite rate of $478.73.

In addition, the provisions in the Managed Care Contract to protect against overfunding the MCOs is addressed in a Risk Settlement mechanism. The non-federal funds returned to the Granite Advantage Health Care Program Trust fund in SFY 2021 were $941,110 and $3,855,211 in SFY 2022; those funds are then returned to the Trust fund to reduce funding needs in a subsequent period.

Sincerely,

Lori Shibinette

Lori A. Shibinette
Commissioner