

Bill as Introduced

SB 375-FN – AS INTRODUCED

2012 SESSION

12-3004

01/05

SENATE BILL *375-FN*

AN ACT relative to a prepaid health plan for Medicaid services.

SPONSORS: Sen. Morse, Dist 22; Rep. Weyler, Rock 8

COMMITTEE: Finance

ANALYSIS

This bill repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

12-3004

01/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to a prepaid health plan for Medicaid services.

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

1 Repeal. 2011, 224:24, relative to requiring the department of health and human services to seek approval for a waiver to deliver and pay for Medicaid services to Medicaid-eligible person with severe mental disabilities through a prepaid health plan, is repealed.

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

LBAO

12-3004

12/21/11

SB 375-FN - FISCAL NOTE

AN ACT relative to a prepaid health plan for Medicaid services.

FISCAL IMPACT:

The Department of Health and Human Services states this bill will increase state general fund expenditures by \$3,000,000 in FY 2013 and in each year thereafter. There will be no fiscal impact on state, county or local revenues or on county or local expenditures.

METHODOLOGY:

The Department states the prepaid plan mandated by Chapter 224:24, Laws of 2011, will cover both Medicaid and non-Medicaid eligible clients. The Department assumes, without the prepaid plan, the Medicaid eligible clients would receive services under the Medicaid Managed Care program being implemented pursuant to Chapter 125, Laws of 2011. Without the prepaid plan, the people not eligible for Medicaid will not be covered by the managed care program and would receive emergency services on a fee for services basis. Based on information reported to the Department by the Community Mental Health Centers, these services would cost an additional \$3 million per year.

SB 375-FN – AS AMENDED BY THE SENATE

02/15/12 0711s

2012 SESSION

12-3004

01/05

SENATE BILL

375-FN

AN ACT

relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

SPONSORS:

Sen. Morse, Dist 22; Rep. Weyler, Rock 8

COMMITTEE:

Finance

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

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.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

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

- 1 1 Repeal. 2011, 224:24, relative to requiring the department of health and human services to
2 seek approval for a waiver to deliver and pay for Medicaid services to Medicaid-eligible person with
3 severe mental disabilities through a prepaid health plan, is repealed.
- 4 2 Repeal. RSA 2011, 224:365, I, relative to the requirement that the commissioner of
5 information technology shall engage the services of an information systems consultant for the
6 purposes of the Medicaid management information system, is repealed.
- 7 3 Effective Date. This act shall take effect upon its passage.

LBAO
12-3004
Amended 02/21/12

SB 375 FISCAL NOTE

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

FISCAL IMPACT:

The Department of Health and Human Services states this bill, as amended by the Senate (Amendment #2012-0711s), will have no fiscal impact on state, county, or local revenues and expenditures.

METHODOLOGY:

The Department states this bill is a necessary technical change to Chapter 224:24, Laws of 2011 in order to enable the Department to comply with Chapter 125, Laws of 2011. Chapter 125 requires the Department to provide managed care for all persons who receive Medicaid. To the extent there may be any additional costs, those costs can be absorbed by the Department without additional funding.

This bill also repeals Chapter 224:365, Laws of 2011 which requires the commissioner of the Department of Information Technology to engage a consultant to evaluate the state's Medicaid management information system project (MMIS). The cost of the consultant was to be borne by the company developing and implement the MMIS system, therefore there is no state, county, or local fiscal impact

SB 375-FN – VERSION ADOPTED BY BOTH BODIES

02/15/12 0711s

2012 SESSION

12-3004

01/05

SENATE BILL 375-FN

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

SPONSORS: Sen. Morse, Dist 22; Rep. Weyler, Rock 8.

COMMITTEE: Finance

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

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.

02/15/12 0711s

12-3004

01/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

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

1 Repeal. 2011, 224:24, relative to requiring the department of health and human services to seek approval for a waiver to deliver and pay for Medicaid services to Medicaid-eligible person with severe mental disabilities through a prepaid health plan, is repealed.

2 Repeal. RSA 2011, 224:365, I, relative to the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system, is repealed.

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

LBAO

12-3004

Amended 02/21/12

SB 375 FISCAL NOTE

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

FISCAL IMPACT:

The Department of Health and Human Services states this bill, **as amended by the Senate (Amendment #2012-0711s)**, will have no fiscal impact on state, county, or local revenues and expenditures.

METHODOLOGY:

The Department states this bill is a necessary technical change to Chapter 224:24, Laws of 2011 in order to enable the Department to comply with Chapter 125, Laws of 2011. Chapter 125 requires the Department to provide managed care for all persons who receive Medicaid. To the extent there may be any additional costs, those costs can be absorbed by the Department without additional funding.

This bill also repeals Chapter 224:365, Laws of 2011 which requires the commissioner of the Department of Information Technology to engage a consultant to evaluate the state's Medicaid management information system project (MMIS). The cost of the consultant was to be borne by the company developing and implement the MMIS system, therefore there is no state, county, or local fiscal impact

CHAPTER 191

SB 375-FN – FINAL VERSION

02/15/12 0711s

05/23/12 2343EBA

2012 SESSION

12-3004

01/05

SENATE BILL *375-FN*

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

SPONSORS: Sen. Morse, Dist 22; Rep. Weyler, Rock 8

COMMITTEE: Finance

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

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.

02/15/12 0711s

05/23/12 2343EBA

12-3004

01/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

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

191:1 Repeal. 2011, 224:24, relative to requiring the department of health and human services to seek approval for a waiver to deliver and pay for Medicaid services to Medicaid-eligible person with severe mental disabilities through a prepaid health plan, is repealed.

191:2 Repeal. 2011, 224:365, I, relative to the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system, is repealed.

191:3 Effective Date. This act shall take effect upon its passage.

Approved: June 11, 2012

Effective Date: June 11, 2012

SB 375 FISCAL NOTE

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

FISCAL IMPACT:

The Department of Health and Human Services states this bill, **as amended by the Senate (Amendment #2012-0711s)**, will have no fiscal impact on state, county, or local revenues and expenditures.

METHODOLOGY:

The Department states this bill is a necessary technical change to Chapter 224:24, Laws of 2011 in order to enable the Department to comply with Chapter 125, Laws of 2011. Chapter 125 requires the Department to provide managed care for all persons who receive Medicaid. To the extent there may be any additional costs, those costs can be absorbed by the Department without additional funding.

This bill also repeals Chapter 224:365, Laws of 2011 which requires the commissioner of the Department of Information Technology to engage a consultant to evaluate the state's Medicaid management information system project (MMIS). The cost of the consultant was to be borne by the company developing and implement the MMIS system, therefore there is no state, county, or local fiscal impact

Amendments

Sen. Morse, Dist. 22
January 26, 2012
2012-0407s
01/09

Draft Amendment to HB 375-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to a prepaid health plan for Medicaid services and relative to the
4 Medicaid management information system.
5

6 Amend the bill by inserting after section 1 the following and renumbering the original section 2 to
7 read as 3:

8

9 2 Repeal. RSA 2011, 224:365, I, relative to the requirement that the commissioner of
10 information technology shall engage the services of an information systems consultant for the
11 purposes of the Medicaid management information system, is repealed.

2012-0407s

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

Senate Finance

February 9, 2012

2012-0711s

01/09

Amendment to SB 375-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

Amend the bill by inserting after section 1 the following and renumbering the original section 2 to read as 3:

2 Repeal. RSA 2011, 224:365, I, relative to the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system, is repealed.

2012-0711s

AMENDED ANALYSIS

This bill:

- I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.
- II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

Rep. Kurk, Hills. 7
Rep. Keane, Merr. 13
April 17, 2012
2012-1690h
01/04

Amendment to SB 375-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to a prepaid health plan for Medicaid services, the Medicaid management information system, and the moratorium on nursing home beds and rehabilitation beds.

Amend the bill by replacing all after section 2 with the following:

3 New Paragraph; Moratorium. Amend RSA 151:2 by inserting after paragraph IV the following new paragraph:

V. Notwithstanding any other provision of law to the contrary, no license shall be granted that causes an increase in the number of licensed beds in this state in any category of facility license authorizing the provision of nursing home, skilled nursing, intermediate care, inpatient comprehensive rehabilitation, or long-term acute care services. However, a license shall be issued for replacement or renovation of existing beds as necessary to meet life safety code requirements or to remedy deficiencies noted in a licensing inspection pursuant to RSA 151 or state survey and certification process pursuant to titles XVIII and XIX of the Social Security Act. In addition, a license may be issued for construction or renovation as necessary to repair or refurbish an existing facility or to accommodate additional beds obtained by transfer to an existing facility.

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

2012-1690h

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

III. Extends the moratorium on nursing home beds and rehabilitation beds.

Rep. Kurk, Hills. 7
May 14, 2012
2012-2242h
01/09

Floor Amendment to SB 375-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to a prepaid health plan for Medicaid services, the Medicaid management information system, and the moratorium on nursing home beds and rehabilitation beds.

Amend the bill by replacing all after section 2 with the following:

3 New Paragraph; Moratorium. Amend RSA 151:2 by inserting after paragraph IV the following new paragraph:

V. Notwithstanding any other provision of law to the contrary, no license shall be granted that causes an increase in the number of licensed beds in this state in any category of facility license authorizing the provision of nursing home, skilled nursing, intermediate care, inpatient comprehensive rehabilitation, or long-term acute care services through the period ending June 30, 2014. However, a license shall be issued for replacement or renovation of existing beds as necessary to meet life safety code requirements or to remedy deficiencies noted in a licensing inspection pursuant to RSA 151 or state survey and certification process pursuant to titles XVIII and XIX of the Social Security Act. In addition, a license may be issued for construction or renovation as necessary to repair or refurbish an existing facility or to accommodate additional beds obtained by transfer to an existing facility.

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

2012-2242h

AMENDED ANALYSIS

This bill:

I. Repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

II. Repeals the requirement that the commissioner of information technology shall engage the services of an information systems consultant for the purposes of the Medicaid management information system.

III. Extends the moratorium on nursing home beds and rehabilitation beds.

Committee Minutes

**SENATE CALENDAR NOTICE
FINANCE**

Senator Chuck Morse Chairman
 Senator Bob Odell V Chairman
 Senator John Barnes, Jr.
 Senator Peter Bragdon
 Senator Lou D'Allesandro
 Senator Jeanie Forrester
 Senator John Gallus

For Use by Senate Clerk's Office ONLY	
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Proof: <input type="checkbox"/> Calendar	<input type="checkbox"/> Bill Status

Date: January 19, 2012

HEARINGS

Thursday 1/26/2012

FINANCE

SH 103

1:00 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

1:00 PM SB294-FN

relative to dedicated funds administered by the department of labor, department of environmental services, banking department, and secretary of state.

1:15 PM SB375-FN

relative to a prepaid health plan for Medicaid services.

Sponsors:

SB294-FN

Sen. Andy Sanborn
 Sen. Fenton Groen
 Rep. William O'Brien

Sen. Tom De Blois
 Sen. Gary Lambert
 Rep. David Bettencourt

Sen. James Forsythe
 Sen. Jim Luther

Sen. John Gallus
 Sen. Raymond White

SB375-FN

Sen. Chuck Morse

Rep. Kenneth Weyler

Finance Committee

Hearing Report

TO: Members of the Senate

FROM: Shannon Whitehead, Legislative Aide

RE: Hearing report on SB 375-FN – **relative to a prepaid health plan for Medicaid services.**

HEARING DATE: January 26, 2012

MEMBERS OF THE COMMITTEE PRESENT: Senators Morse, Bragdon, Odell, D'Allesandro, Gallus, Barnes and Forrester

MEMBERS OF THE COMMITTEE ABSENT: No one

Sponsor(s): Sen. Morse, Dist 22; Rep. Weyler, Rock 8

What the bill does: This bill repeals the requirement that the department of health and human services apply for a waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan.

Who supports the bill: Senator Morse, Raymond Perry (Administrator at DHHS) and Erik Riera (Administrator, Bureau of Behavioral Health at DHHS)

Who opposes the bill: No one appeared in opposition

No Position: Jay Couture (Executive Director, Seacoast Mental Health Center, Portsmouth, NH) (NHCBHA) Jim Monahan (NHCBHA)

Summary of testimony received:

Senator Morse-Prime Sponsor: SB 375 is a building block for fixing some problems we have in Health and Human Services budget. One of the issues has to do with mental health appropriation and the Managed Care product we put together already taking savings.

MMIS still sits in Fiscal committee as something that needs to have someone hired to track it down and find out what the end date is going to be. No one supports me in that issue. We need to get it off the Fiscal Committee agenda as something that needs to be done, because the law says it was supposed to be done to hire an outside consultant. That is an amendment I would offer to SB 375.

Jim Monahan: From the Governor's budget through the House and Senate last year worked on behavioral health, there was a mechanism built into the budget where the ten community mental health centers would go through what was referred to as payment reform or prepaid Health Care plan- the budget was built around that.

In the fall last year in October, the ten mental health centers got a letter from the department indicating that they were not going to go forward with that process but instead the Mental health centers would be rolled into the larger Managed Medicaid program and that the payment reform, the prepaid health Care reform, which was required in the budget (HB2) would not go forward. Mental health Centers have built their business planning around that. We are preparing to get ready to deal with Managed Medicaid and no longer working down the path of the prepaid health Care plans.

HB 2 had a requirement that the department pursue a waiver for the pre-paid Health Care plans. It's our understanding that the process is not going to move forward. So our suggestion, back in December when we started looking at planning, it would be clearer for us if this chapter law requirement in HB 2 were repealed.

*handed a document from HB 2 which directs the Department to pursue the waiver, second handout was the letter, indicating that they were not going to be pursuing this reimbursement method.

Mr. Monahan: Rough estimate between FY '13 and '14 the budget presumed a \$6 million reduction to the Mental Health Centers. \$3 million general, \$3 million Federal match. Our expectation is through Managed Medicaid. When the budget was written it was presumed that it was going to be achieved through the prepaid Health Care plans. It strikes me now that savings is going to be realized now through the Managed Medicaid not through this other mechanism.

Sen. Odell: How would the ten area agencies operate, now the behavioral health Agencies? You had one thing in the budget, a plan billing and now that has been changed. What is the day to day impact on what's going on?

Jay Couture: We don't know what's going to happen. We have been working over two years developing the prepaid ambulatory health plan and now we have no idea what it is going to look like.

The larger concern will be contracting other providers with the vendors for a portion of our population. About 20,000 of the 50,000 people that we see have Medicaid. Not all of them will be covered. But we have 30,000 people that are mandated to provide services, to that we have no idea how the state plans to work with us.

Raymond Perry: We see this bill as a necessary technical fix. For two years prior to the legislature deciding all Medicaid services for the department should come under Managed Care, the bureau has been working with the centers on a behavioral health specific Managed Care plan, that's the pre-paid ambulatory health plan. So once the legislature was going to wrap everything into one, we stopped work on the pre-paid health plan. We support the technical fix to HB 2 by removing that.

In regards to the fiscal note. There is a difference between how the prepaid ambulatory health plan would have worked and how Managed Care will be working. Work has been done on rates and structuring for this BBH Managed Care plan. We were going to be able to roll in to those rates emergency services for people who did not have Medicaid coverage. The new larger departmental plan will focus solely on Medicaid recipients, appearing we may need additional funding to cover folks who are not Medicaid who are still entitled to be served. A \$3 million figure is one that the centers have provided over time as their cost for providing services that is where the number came from.

Sen. Odell: The agencies came forward and said non-Medicaid emergency would roughly average \$300,000 per agency? (Ten agencies)

Erik Riera: It varies from agency. Some of the agencies receive more funding from local hospitals. For example; to support emergency services in their community. We also have a high percentage of people requiring services who don't have any type of insurance. Because both State and Federal requirement that the Community Mental Health Centers offer that program to all the residents in their area we felt that has to be reimbursed somehow, and if it can't by a larger Medicaid plan, then the state has to consider offsetting those losses in order to maintain access to the program.

Sen. Odell: A person would be indigent and yet not qualify for Medicaid, yet they need emergency services and federal and state law required that the agencies provide that?

Mr. Riera: Correct

Mr. Riera: All of the hospitals have a relationship with our community Mental health Centers. There are different levels of support on a local level. Some hospitals contribute towards that cost more than others.

Sen. Gallus: The fiscal note for your \$3 million appears to be a quick estimate.

Mr. Riera: Correct

Sen. Gallus: Is that enough money or a low ball estimate?

Mr. Riera: It's a conservative estimate at this point. We are collecting data from CMHCs to take a closer look at that and begin discussion within the department and our provider network in terms of how we might look to reimburse them for maintaining that infrastructure in the community.

Sen. Gallus: Are these area agencies currently on the ground, fiscally sound?

Mr. Riera: The local community mental health centers are, they have a small profit margin. We are sensitive to any kind of changes in funding level for that network. This is an area where they are required to provide a program to the community that's costs a lot of money to provide causing some significant financial losses for many of our state agencies.

Sen. Gallus: Are they healthy enough to operate at this time?

Mr. Riera: We have a couple of agencies that are struggling, they are getting by.

Sen. D'Allesandro: What about the southern area- where the activity, the service is at high level. Some in their area couldn't be serviced, so they came to the southern part of the state. That is a cost factor.

Mr. Riera: If a person lives in one region and travels to another and do not have insurance that expense would be borne by the organization.

Sen. D'Allesandro: What percentage of these clients don't have insurance?

Mr. Riera: That's part of the data that we are collecting right now, it's about in the 30-40% range.

Sen. Morse: This is going to increase savings on Managed Care mental health. It was being pushed out of the savings from mental health and put into a savings on Managed Care, which will need an amendment to make that work.

Hearing closed at 2:06pm

Funding:

FISCAL IMPACT:

The Department of Health and Human Services states this bill will increase state general fund expenditures by \$3,000,000 in FY 2013 and in each year thereafter. There will be no fiscal impact on state, county or local revenues or on county or local expenditures.

METHODOLOGY:

The Department states the prepaid plan mandated by Chapter 224:24, Laws of 2011, will cover both Medicaid and non-Medicaid eligible clients. The Department assumes, without the prepaid plan, the Medicaid eligible clients would receive services under the Medicaid Managed Care program being implemented pursuant to Chapter 125, Laws of 2011. Without the prepaid plan, the people not eligible for Medicaid will not be covered by the Managed Care program and would receive emergency services on a fee for services basis. Based on information reported to the Department by the Community Mental Health Centers, these services would cost an additional \$3 million per year.

Future Action: OTP-A 7-0. Senator Morse for the committee.

Sgw

[file: SB 375-FN report]
Date: January 27, 2012

SENATE FINANCE COMMITTEE
State House, Room 103
Concord, NH
Thursday, January 26, 2012

SENATE BILL 375-FN, AN ACT relative to a prepaid health plan for Medicaid services.

TESTIMONY OF:

Sen. Chuck Morse.	Pg. 1
Jim Monahan	Pg. 2
Jay Couture	Pg. 4
Raymond Perry	Pg. 5
Erik Riera.	Pg. 6

(The hearing convened at 1:45 p.m.)

VICE-CHAIRMAN ODELL: I'll go ahead and open the public hearing on Senate Bill 375 and invite the prime sponsor, Senator Morse, to introduce his bill.

CHUCK MORSE, State Senator, Senate District #22:
Thank you, Mr. Chairman.

VICE-CHAIRMAN ODELL: Good afternoon.

SEN. MORSE: The Senate Bill 375 I'm going to suggest is going to be a building block for fixing some problems we have in Health and Human Services' budget. And one of the issues has to do with mental health appropriation and the managed care product we put together already on taking savings. The people behind me can explain that much better than I can, and the Department is here to speak to that, also.

I have other things that I think are going to have to be fixed in the budget. MMIS still sits in Fiscal Committee as something that needs to have someone hired to

track it down and find out when the end date is going to be. No one supports me in that issue. So we need to get it off the Fiscal Committee agenda as something that needs to be done, because the law says it was supposed to be done to hire an outside consultant. So that would be an amendment I'd offer to 375. I suggest today we listen to the people in the audience speak to 375. I will offer this Amendment that I've drafted already on MMIS, and we'd be putting it on there. If anyone else has things in Health and Human Services that need to be fixed, this is probably a good piece of legislation to do that. Thank you.

VICE-CHAIRMAN ODELL: Any questions for Senator Morse? Seeing none -- hearing none, thank you very much.

(Senator Morse retakes his position as Chairman.)

CHAIRMAN MORSE: Jay. Jimmy coming up, too?

JAY COUTURE, Executive Director, Seacoast Mental Health Center, Portsmouth, NH: Yeah.

CHAIRMAN MORSE: Before you get started, is Health and Human Services here?

JIM MONAHAN, Dupont Group, Concord, NH: Thank you, Mr. Chairman. My name is Jim Monahan. I'm with the Dupont Group and I'm here today with Jay Couture who's the Executive Director of the Seacoast Mental Health and the President of the Behavioral Health Association of New Hampshire, which is the ten Mental Health Centers. I'll kind of lay out the issues and if there's any questions arise, Jay can speak to them. I hesitate to use the word housekeeping because it's overused; but hopefully, I won't use Christmas tree on this bill either but we'll see where it goes.

I'm going to hand out two pieces of paper to Members of the Committee to take a look at. We don't necessarily have to read them now. As the Legislature, you know, from

the Governor's Budget through the House and Senate last year worked on behavioral health, there was a mechanism built into the budget where the ten community Mental Health Centers would go through what was referred to as payment reform or prepaid healthcare plan and the budget was built around that.

In the fall last year in October, the ten mental health centers got a letter from the Department indicating that they were not going to go forward with that process but instead the Mental Health Centers would be rolled into the larger Managed Medicaid Program, and that the payment reform, the prepaid healthcare reform which was required in the budget or House Bill 2 would not go forward. So the Mental Health Centers have built their business planning around that. We're preparing to get ready to deal with managed Medicaid and no longer working down the path of the prepaid healthcare plans.

House Bill 2 had a requirement that the Department pursue a waiver for the prepaid healthcare plans. It's our understanding that that process is not going to move forward. So our suggestion to Senator Morse back in December when we started looking at planning for the future it would be clearer for us if this chapter law requirement in House Bill 2 were repealed. So that's what we have asked in with Senate Bill 375. The pieces of paper I handed to you, one is the section from House Bill 2 which directs the Department to pursue the waiver, and then the other is the letter that we received indicating that they were not going to be pursuing this reimbursement method.

CHAIRMAN MORSE: Questions? I think the only issue between Jim and the Department is going to be the Fiscal Note which is suggesting there's an expense involved here. When I talked to Commissioner when Jim talked to me originally, I asked them if we needed to clean this up and he suggested they did, and I have moved forward with this. No one said anything about a \$3 million Fiscal Note. And so we need to get an explanation for that. I don't know if

Senate Finance Committee

January 26, 2012

Senate Bill 375-FN

you've gotten one, Jim, since we talked.

MR. MONAHAN: No. I spoke with Mike Hoffman at the LBA. I don't have the House Bill number. House Bill 1 number is in front of me now, but the rough estimate is that between Fiscal Year '13 and '14 the budget presumed a \$6 million reduction to the Mental Health Centers. It's total funds, 3 million general, 3 million federal match. Our expectation is that will be achieved through managed Medicaid. When you wrote the budget, you presumed that that was going to be achieved through the prepaid healthcare plans. So it strikes me as that savings is going to be realized now through the managed Medicaid and not through this other mechanism. So my take on it was that the budget would be -- there'd be no impact on the budget. The Fiscal Note suggests otherwise. I talked to Mike about it. I suspect that the folks from BBA that worked on it if there's a need for some clarity can offer that today.

CHAIRMAN MORSE: I think that's exactly how Nick and I talked about it after Jim got done explaining it to me so we'll see how it goes out today. Go ahead.

SEN. ODELL: Thank you. Just on a practical basis, how would the ten Area Agencies operate, now the Behavioral Health Agencies? In other words, you had one thing in the budget, a plan of billing in a sense and now that's been changed. What's the day-to-day impact on what's going on?

MS. COUTURE: We are living in like a black cloud at this point where we don't know what's going to happen. We have been working for over two years developing the prepaid ambulatory health plan and now we have no idea what it's going to look like. The larger concern for me will be contracting like other providers with the vendors for a portion of our population. About 20,000 of the 50,000 people that we see have Medicaid. Not all of them will be covered. But that we have 30,000 people that we are mandated to provide services to that we have no idea how the State plans to work with us on. And this is the time of

year that we are normally actively working on budget preparation and working with the State. We'd be getting our RFP packets. But as we understand it, that's not yet been developed. So as a provider and thinking about the consumers that we serve, it's really frightening. I don't know what my staffing pattern should be. I don't know what the services are that the State will choose to purchase. I can tell you that in the Fiscal Note when they refer to \$3 million would cover emergency services that that's not an accurate number. We were just asked to submit a survey to the State that's due tomorrow to talk about what our losses were for emergency services and intake services for Fiscal Year '11. But there will also be people who are clinically eligible for a full range of services who won't have Medicaid and may not have any other source of payment, and we don't know what the intent is of the Department to cover the cost of those services.

SEN. ODELL: Non-Medicaid.

MS. COUTURE: Non-Medicaid, right.

CHAIRMAN MORSE: Further question? I'm sure we'll have questions for the Department so thank you.

MR. MONAHAN: Great.

MS. COUTURE: Thank you.

MR. MONAHAN: If any questions arise over the balance of the hearing this afternoon, Jay is very happy to help out. Well, I can, too. I'm just saying, we're not leaving.

CHAIRMAN MORSE: Someone from the Department help us out?

RAYMOND PERRY, Administrator, Department of Health and Human Services: Good afternoon. I'm Raymond Perry from the Department of Health and Human Services, and with me is

Senate Finance Committee

January 26, 2012

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Erik Riera, the Administrator of the Bureau of Behavioral Health.

We do not oppose this bill. We see it as a necessary technical fix. For approximately two years prior to the Legislature deciding all Medicaid services for the Department should come under managed care, the Bureau had been working with the Centers on a behavioral health-specific managed care plan, and that's the prepaid ambulatory health plan. So once the Legislature decided everything was going to be wrapped up into one, we stopped work on the prepaid health plan; and therefore, we support the technical fix to HB2 by removing that.

In regard to the Fiscal Note, and Erik can certainly help me out on this, we certainly struggled with it, let me say; but there are differences between how the prepaid ambulatory health plan would have worked and how managed care will be working. For over two years, as I said, there was work done on rates and structuring for this BBH managed care plan. We were going to be able to roll into those rates emergency services for people who did not have Medicaid coverage. The new larger departmental plan will focus solely on Medicaid recipients. And therefore, it appears to us there will be a need for additional funding to cover folks who are not on Medicaid who are still entitled to be served. A \$3 million figure is one that the Centers have provided over time as their -- their cost for providing that service. And so that's where the number came from, but we certainly support the bill.

CHAIRMAN MORSE: Questions. Senator Odell.

SEN. ODELL: So you're saying that the Agencies came forward and said non-Medicaid, am I correct, emergency would roughly average \$300,000 per Agency?

ERIK RIERA, Bureau of Behavioral Health, Department of Health and Human Services: It varies from Agency to Agency.

Senate Finance Committee

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SEN. ODELL: Ten Agencies and divide it into 3 million, 300,000.

MR. RIERA: Some of the Agencies actually receive more funding from local hospitals, for example, to support emergency services in their community, whereas others do not. So there's significant variations by Agency in terms of what those losses are to run that program in their local community. We also have a pretty high percentage of people who require the service who don't have any type of insurance. And because it's both a state and federal requirement that the Community Mental Health Centers offer that program to all the residents in their area, we felt that it has to be reimbursed somehow. And if it can't be covered by a larger managed care plan, then perhaps the State has to consider offsetting those losses in order to maintain access to the program.

SEN. ODELL: So a person would be indigent and yet not qualify for Medicaid; and yet, they need emergency services and federal and state law requires that the Agencies provide that.

MR. RIERA: That's correct.

SEN. ODELL: Thank you.

MR. RIERA: Or the alternative might be that that individual at that point in time is not on the Medicaid Program, and they might be first entering treatment through the emergency services system without any type of insurance. And it's a significant expense to the provider network to provide the service. And they may or may not get reimbursed for that a year or two down the road either, so.

CHAIRMAN MORSE: Senator Barnes.

SEN. BARNES: Thank you, Mr. Chairman. Some of this hospital care, is that for folks that perhaps have

attempted suicide but are brought to the hospital? Is that the kind of --

MR. RIERA: Yes. Most often it's the services provided to people who are in a crisis situation. So they may be suicidal. They may have attempted suicide. They may be threatening to harm another person. So our local emergency services team see them at the local hospital, at the local police department, or even in the community to determine if they need hospitalization or connect them with mental health treatment to stabilize that condition.

SEN. BARNES: Follow-up.

CHAIRMAN MORSE: Follow-up.

SEN. BARNES: Do every one of the hospitals have a setup for folks that come in that have attempted suicide?

MR. RIERA: All of the hospitals have a relationship with our Community Mental Health Centers.

SEN. BARNES: Someone could be brought into --

MR. RIERA: -- to contact them to do an evaluation and that's the type of relationship that they have. There are different levels of support on a local level. Some hospitals contribute towards that cost more than others.

SEN. BARNES: Thank you very much.

CHAIRMAN MORSE: Senator.

SEN. GALLUS: Mr. Chairman, thank you. The Fiscal Note for your \$3 million appears to be a quick estimate.

MR. RIERA: Yes, that's correct.

SEN. GALLUS: Is that enough money or is that really just a low-ball estimate?

MR. RIERA: It's probably a conservative estimate at this point. But we are collecting data from the CMHCs to take a closer look at that and also begin some discussions within the Department and within our provider network in terms of how we might look to reimburse them for maintaining that infrastructure in the community. There are other national models, too, that we are looking at in terms of how we might potentially partner with the managed care organizations that New Hampshire works with to perhaps look at some alternative, more cost effective models as well.

SEN. GALLUS: Follow-up.

CHAIRMAN MORSE: Follow-up.

SEN. GALLUS: And if we have been implementing some of these changes and went from game plan A to game plan B back to A or wherever we have gone, what real -- I mean, are these Area Agencies currently on the ground fiscally sound? How are they operating?

MR. RIERA: The local Community Mental Health Centers are, you know, they have very small profit margins. You're generally looking at a 1 to 2% range per year. Some operate with negative profit margins. So we're very sensitive to any kind of changes in funding level for that network. And clearly, this is an area where they're required to provide a program to the community that costs a lot of money to provide; and, therefore, causes some significant financial losses for many of our Agencies right now.

CHAIRMAN MORSE: Further question?

SEN. GALLUS: Are they just -- are they still healthy enough to operate at this time?

MR. RIERA: I think, you know, we have a couple of Agencies that are struggling right now. But I think as a whole they're -- they're limping by, so to speak.

SEN. GALLUS: My main concern is that, you know, these Agencies are, you know, the people of last resort for a lot of my constituents and people. And, you know, I get calls all the time. And, you know, we need that stopgap measure there.

MR. RIERA: Yeah. And I agree. And clearly, the Department has a very strong investment in ensuring that services are available across the state to individuals who need them.

SEN. GALLUS: Thank you. Thank you, Mr. Chairman.

CHAIRMAN MORSE: Senator D'Allesandro.

SEN. D'ALLESANDRO: Thank you, Mr. Chair. With the population distribution in this state varying quite dramatically, seems to me that this -- Senator Odell pointed out you can divide the three million by ten and say 300,000 each. My question is what about in the southern area where the activity, the service, is at a high level? And I've had situations where people from other parts of the state couldn't be serviced in their area and came -- came to the southern part of the state. There's a significant increase in cost factor there.

MR. RIERA: Hm-hum.

SEN. D'ALLESANDRO: And is the entity absorbing that at this point in time?

MR. RIERA: Yes. In the case of somebody who might live in one region and they travel to another, and they don't have insurance, that expense would be borne by the organization seeing that individual. That's correct.

SEN. D'ALLESANDRO: Further question?

CHAIRMAN MORSE: Further question.

SEN. D'ALLESANDRO: I mean, what percentage of these clients don't have insurance? I mean, to me, that -- that seems to be fairly significant from the people I represent.

MR. RIERA: That's part of the data that we are collecting right now. But I think, you know, based on a couple of responses I've seen so far, it's in the 30 to 40% range.

CHAIRMAN MORSE: Further question.

SEN. D'ALLESANDRO: And what if -- what if the person can't get this service? What's the alternative that's presented -- presented now? You know, you don't have room. You can't do it. I don't have this. I don't have that. What happens to that individual?

MR. RIERA: Well, fortunately, I don't think we've had that circumstance happen. Both our provider network, as well as our local hospitals, have ensured that people get access to crisis response services. And that's a priority for our system. So I can tell you that I don't hear about cases of individuals who can't access crisis response services because those have been prioritized by our Community Mental Health System.

CHAIRMAN MORSE: Any further questions? Thank you very much.

MR. RIERA: Thank you, Senator.

CHAIRMAN MORSE: The way I see this, we make a correction in mental health. And Mike Hoffman, if you can just contact the Commissioner's Office because I tried to talk to him today. Basically, this is going to increase the savings on managed care. Because the only way the bubble is going to stick together is mental health is going to stay whole and somebody else has to save it. Because we are not spending \$3 million today. So that's the way this

is going to have to work and that's the way I thought it was working. Basically, it was being pushed out of the savings from mental health and put into a savings on managed care. So it probably needs an Amendment to make this bill work. But that's probably where we're going. If you could just contact the Department and ask them how they are going to make this Fiscal Note work. It needs to be zero.

MIKE HOFFMAN, Senior Budget Analyst, Office of Legislative Budget Assistant: Jim Monahan shared this letter with me this morning. It created a little doubt in my mind about the Fiscal Note. So we need to do some more work with the Department.

CHAIRMAN MORSE: Okay. Great.

SEN. ODELL: When they do that can we also get the appropriation lines brought backup for mental health? If I can just have that identification. I think we say it's roughly \$10 million.

MR. HOFFMAN: Okay.

SEN. ODELL: So we can see that line.

MR. HOFFMAN: The date on the budget.

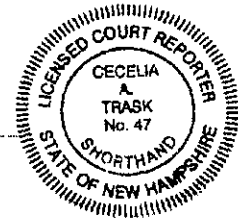
CHAIRMAN MORSE: Let me close the hearing on Senate Bill 375.

(The hearing concluded at 2:06 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask
Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47



Speakers

SENATE FINANCE COMMITTEE

Date 1/26/12

Time 1:15 p.m.

Public Hearing on

SB 375-FN

(AN ACT relative to a prepaid health plan for Medicaid services.)

Please check box(es) that apply.

SPEAKING FAVOR OPPOSED

NAME (Please print)

REPRESENTING

Jay Cowhale

NACBHA

Jim Meneke

NACBHA

Testimony

SB 375



State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857

603-271-4688 FAX: 603-271-4912 TDD ACCESS: 1-800-735-2964

NICHOLAS A. TOUMPAS
COMMISSIONER

October 6, 2011

Ms. Jay Couture
Executive Director
Seacoast Mental Health Center
1145 Sagamore Avenue
Portsmouth, NH 03801

Dear Ms. Couture:

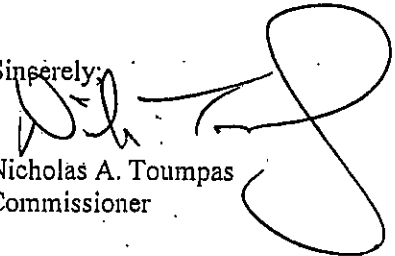
This letter is to inform you of a decision that has been made regarding the implementation of the Medicaid Managed Care Program in New Hampshire and the impact this will have on the BBH proposed Prepaid Ambulatory Health Plan for community mental health services. After significant deliberation and consultation with the DHHS Policy Team, I have made the decision to stop work on the Prepaid Ambulatory Health Plan (PAHP) and instead bring all community mental health services under the current Medicaid Managed Care RFP, which will be released this month.

I am appreciative of the significant work that has gone into formulating a proposal for the PAHP that has been led by the Bureau of Behavioral Health over the last 2 ½ years. I am also appreciative of the commitment of time from the community mental health centers in helping formulate a proposal and model tailored specifically to the needs of adults and children with mental illness. This decision is not based on the merits of the proposal, or the quality of work that has gone into developing the proposed PAHP model for New Hampshire.

We are, however, faced with a number of significant constraints, each of which has led to this decision. SB 147 envisions a Managed Care Program that covers all Medicaid recipients in New Hampshire, and in developing an RFP, there needs to be assurances within the process that we are able to move a proposal forward that meets all of the objectives outlined in legislation, including an ability to attract several highly qualified Managed Care Organizations who will ultimately be held at full risk for not only the health and performance outcomes, but the mandated savings that are tied to this initiative. I have also heard from the community mental health centers that despite our best efforts to provide information and foster an open dialogue about the PAHP proposal, many of the CMHCs are not ready to move this initiative forward, and continued requests have been made to postpone implementation of the proposed PAHP model.

We will continue to ensure that the principles that were such an integral part of the development of the PAHP model are incorporated into the managed care RFP, and ultimately the contracts that are signed with the Managed Care Organizations.

Sincerely,


Nicholas A. Toumpas
Commissioner

cc: Nancy L. Rollins, DHHS Associate Commissioner
Erik G. Riera, Administrator, Bureau of Behavioral Health

HB 2 BBH/CMHC payment reform waiver:

224:24 Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, 1915(b) Prepaid Health Plan. The department of health and human services shall seek approval from the federal Centers for Medicare and Medicaid Services (CMS) for a 1915(b) waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan. Upon receipt of approval, the department shall promptly implement the prepaid health plan by entering into contracts with community mental health service providers, subject to approval by the governor and executive council.

acquired for construction of an above ground transmission line, the owner of the property shall have the option to choose a real estate appraiser licensed or certified pursuant to RSA 310-B to appraise the property for the value of the view which will be impacted due to such transmission lines. The owner of the transmission lines shall be responsible for compensating the owner of the real property for the difference in value. If the owner of the transmission lines does not comply with this section within 6 months of the request for compensation, the party aggrieved may bring a civil action.

2 Effective Date. This act shall take effect 60 days after its passage.

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: 02/09/2012

THE COMMITTEE ON Finance

to which was referred Senate Bill 375-FN

AN ACT relative to a prepaid health plan for Medicaid services.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 7-0

AMENDMENT # 0711s

Senator Chuck Morse
For the Committee

Shannon Whitehead 271-4980

New Hampshire General Court - Bill Status System

Docket of SB375

Docket Abbreviations

Bill Title: (New Title) relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

Official Docket of SB375:

Date	Body	Description
1/1/2012	S	Introduced 1/4/2012 and Referred to Finance; SJ 1 , Pg.14
1/19/2012	S	Hearing: 1/26/12, Room 103, SH, 1:15 p.m.; SC4
2/9/2012	S	Committee Report: Ought to Pass with Amendment #2012-0711s , NT, 2/15/12; SC7
2/15/2012	S	Chair Ruled Non-Germane Amendment; SJ 5 , Pg.135
2/15/2012	S	Without Objection Sen. Bragdon Moved to Suspend Rule 3-7 to Allow Non-Germane Amendment 0711s, NT, 2/3 necessary; SJ 5 , Pg.135
2/15/2012	S	Committee Amendment 0711s; NT, AA, VV; SJ 5 , Pg.135
2/15/2012	S	Ought to Pass with Amendment 0711s, NT, MA, VV; OT3rdg; SJ 5 , Pg.135
2/22/2012	H	Introduced and Referred to Finance; HJ 20 , PG.1251
3/21/2012	H	Public Hearing: 3/27/2012 2:00 PM LOB 210-211
5/1/2012	H	Public Hearing on Proposed Non-Germane Amendment #2012-1690h (NT): 5/8/2012 11:00 AM LOB 209
5/1/2012	H	Division III Work Session: 5/8/2012 11:30 AM LOB 209
5/1/2012	H	Executive Session: 5/10/2012 9:00 AM LOB 210-211
5/10/2012	H	Committee Report: Ought to Pass for May 15 (Vote 26-0; RC); HC 37 , PG.2043
5/16/2012	H	Floor Amendment #2012-2242h (NT) (Rep Kurk): MF RC 157-162; HJ 44 , PG.2349-2351
5/16/2012	H	Ought to Pass: MA VV; HJ 44 , PG.2349-2351
5/17/2012	H	Enrolled Bill Amendment #2343e Adopted; HJ 46 , PG.2492
5/23/2012	S	Enrolled Bill Amendment #2012-2343e Adopted
5/30/2012	H	Enrolled; HJ 47 , PG.2508
6/5/2012	S	Enrolled (05/23/12)
6/11/2012	S	Signed by the Governor on 06/11/2012; Chapter 0191; Effective 06/11/2012

NH House

NH Senate

Other Referrals

May 21, 2012
2012-2343-EBA
09/04

Enrolled Bill Amendment to SB 375-FN

The Committee on Enrolled Bills to which was referred SB 375-FN

AN ACT relative to a prepaid health plan for Medicaid services and relative to the Medicaid management information system.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 375-FN

This enrolled bill amendment makes a technical correction.

Enrolled Bill Amendment to SB 375-FN

Amend section 2 of the bill by replacing line 1 with the following:

2 Repeal. 2011, 224:365, I, relative to the requirement that the commissioner of

SB375

COMMITTEE REPORT FILE INVENTORY

ORIGINAL REFERRAL RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

- DOCKET (Submit only the latest docket found in Bill Status)
- COMMITTEE REPORT
- CALENDAR NOTICE
- HEARING REPORT
- HANDOUTS FROM THE PUBLIC HEARING
- PREPARED TESTIMONY AND OTHER SUBMISSIONS
- SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- AMENDMENT # 04075 - AMENDMENT # 0711S
- AMENDMENT # 1690h - AMENDMENT # 2242h

ALL AVAILABLE VERSIONS OF THE BILL:

- AS INTRODUCED AS AMENDED BY THE HOUSE
- FINAL VERSION AS AMENDED BY THE SENATE

OTHER (Anything else deemed important but not listed above, such as amended fiscal notes): transcript, FN, enrolled bill amendment

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK 6-25-12 Shannon Whitehead
BY COMMITTEE AIDE