

SB 236-FN - AS INTRODUCED

2017 SESSION

17-0799

01/03

SENATE BILL

236-FN

AN ACT

making the Medicaid expansion law permanent.

SPONSORS:

Sen. Fuller Clark, Dist 21; Sen. Hennessey, Dist 5; Sen. Kahn, Dist 10; Sen. Lasky, Dist 13; Sen. McGilvray, Dist 16; Sen. Soucy, Dist 18; Sen. Watters, Dist 4; Sen. Woodburn, Dist 1; Rep. Rosenwald, Hills. 30; Rep. Shurtleff, Merr. 11; Rep. Wallner, Merr. 10; Rep. J. MacKay, Merr. 14; Rep. Horrigan, Straf. 6

COMMITTEE:

Health and Human Services

ANALYSIS

This bill makes the Medicaid expansion law permanent. The program would currently expire December 31, 2018.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT making the Medicaid expansion law permanent.

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

1 1 Department of Health and Human Services; Premium Assistance Program. Amend RSA 126-
2 A:5, XXV(a) to read as follows:

3 (a) Consistent with the time frames in this paragraph, there is hereby established the
4 marketplace premium assistance program. This will be a premium assistance program for newly
5 eligible adults and their eligible spouse and dependents, if applicable~~[-until December 31, 2018]~~ and
6 shall be administered by the department of health and human services. In order to receive medical
7 assistance from the program, newly eligible adults who are ineligible for the HIPP program shall
8 choose from any qualified health plans (QHPs) offered on the federally-facilitated exchange if cost
9 effective; provided, however, that any newly eligible adult who had coverage under an alternative
10 benefit plan (ABP) offered by a managed care organization (MCO) under paragraph XIX during the
11 voluntary bridge to marketplace premium assistance program established under RSA 126-A:5,
12 XXIV shall be automatically enrolled at the beginning of open enrollment in a comparable QHP by
13 that same MCO if one is available, unless such newly eligible adult subsequently chooses a different
14 QHP during the enrollment period. If a comparable QHP is not offered by the newly eligible adult's
15 MCO then the newly eligible adult may choose from any QHPs, if cost effective. Provider payments
16 shall be in an amount which shall be no less than before the effective date of this paragraph.

17 2 Department of Health and Human Services; Premium Assistance Program. Amend RSA 126-
18 A:5, XXV(c) to read as follows:

19 (c) If the waiver to implement the marketplace premium assistance program is
20 approved on or before March 31, 2015 then, coverage under the voluntary bridge to marketplace
21 premium assistance program established in RSA 126-A:5, XXIV shall terminate on December 31,
22 2015. Enrollment in the marketplace premium assistance program shall begin on October 15, 2015
23 and coverage shall begin on January 1, 2016. ~~[Coverage shall end on December 31, 2018.]~~ The cost
24 of the medical assistance provided under the marketplace premium assistance program shall be
25 paid solely from non-general fund sources, including federal funds as provided under 42 U.S.C.
26 section 1396d(y).

27 3 Funding the State Share of the New Hampshire Health Protection Program. Amend
28 RSA 126-A:5-c, I(b) to read as follows:

29 (b) "Remainder amount" means the cost of the program for coverage effective between
30 January 1, 2017 and June 30, 2017 plus administrative costs attributable to the program, less all
31 federal reimbursement for the program and federal reimbursement for the related administrative

costs; and the cost of the program for coverage ~~[effective between]~~ **after** July 1, 2017 ~~[and December 31, 2018]~~, plus administrative costs attributable to the program, less all federal reimbursement for the program and federal reimbursement for administrative costs attributable to the program, and taxes attributable to premiums written for medical and other medical related services for the newly eligible Medicaid population as provided for under RSA 126-A:5, XXIV-XXVI, consistent with RSA 400-A:32, III(b).

4 Funding the State Share of the New Hampshire Health Protection Program. Amend the introductory paragraph of RSA 126-A:5-c, II to read as follows:

II. Funding for the program ~~[from January 1, 2017 until December 31, 2018]~~ shall not be funded from general funds. The program shall be funded as follows:

5 Voluntary Provider Contributions. Amend RSA 126-A:5-d to read as follows:

126-A:5-d Voluntary Provider Contributions. ~~[For the period of January 1, 2017 through December 31, 2018,]~~ Voluntary provider donations received from the Foundation for Healthy Communities or any other charitable foundation may be deposited into the New Hampshire health protection trust fund, established pursuant to RSA 126-A:5-b.

6 Individual Health Insurance Market; Definitions. Amend RSA 404-G:5-a, IV(d) to read as follows:

(d) ~~[For the period of January 1, 2017 through December 31, 2018,]~~ An amount not to exceed 50 percent of the remainder amount, as defined in RSA 126-A:5-c, I(b), less the amount made available to the program pursuant to RSA 404-G:11, VI. The association shall transfer all amounts collected pursuant to this subparagraph and the amount made available to the program pursuant to RSA 404-G:11, VI to the New Hampshire health protection trust fund, established pursuant to RSA 126-A:5-b.

7 New Hampshire Health Protection Program. Amend RSA 2014, 3:10, I, as amended by 2016, 13:13, to read as follows:

I. If at any time the federal match rate applied to medical assistance for newly eligible adults under RSA 126-A:5, XXIV-XXV between July 1, 2014–December 31, 2016 is less than 100 percent, less than 95 percent in 2017 ~~[and]~~, less than 94 percent in 2018, **less than 93 percent in 2019, and less than 90 percent in 2020**, of the amount as set forth in 42 U.S.C. section 1396d(y)(1), then RSA 126-A:5, XXIV and XXV shall be repealed 180 days after the event under this subparagraph occurs upon notification by the commissioner of the department of health and human services to the secretary of state and the director of legislative services. The commissioner shall immediately issue notice to program participants of the program's pending repeal.

8 Repeal. 2014, 3:12, II-VII, relative to the prospective repeal of the New Hampshire health protection program, is repealed.

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

**SB 236-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT making the Medicaid expansion law permanent.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Federal Funds, Charitable Contributions, Insurance Premium Tax, Insurance Provider Assessment			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease

The Department of Health and Human Services was originally contacted on January 6, 2017, with followup contact on January 17, 2017 for a fiscal note worksheet, which the Department has not provided as of January 31, 2017.

METHODOLOGY:

The Office of Legislative Budget Assistant is awaiting information from the Department of Health and Human Services relative to the projected costs of extending the program. The bill makes permanent the New Hampshire Health Protection Program (NHHPP). Under current law, the program is effective through December 31, 2018, and is funded primarily with federal funds, supplemented by three state revenue sources: (1) insurance premium tax revenue derived from qualified health plans purchased under the program, (2) voluntary contributions from charitable organizations, and (3) an assessment on insurance providers under RSA 404-G. During calendar year (CY) 2017, federal reimbursement will cover 95 percent of program costs, decreasing to 94 percent in CY 2018. If the program is extended, federal reimbursement will continue to drop to 93 percent in CY 2019 and 90 percent in CY 2020, where it will remain

under current federal law. Costs not covered by the federal government are paid for first with insurance premium tax revenue as noted in (1) above, with the remaining costs split evenly between funding sources (2) and (3). This bill does not alter the existing funding mechanism. Consequently, the bill will result in increased state revenue and expenditures in FY 2019 and each year thereafter. In FY 2016, total program expenditures were \$406.3 million, which at the time were paid for entirely with federal funds.

The Department of Corrections states the NHHPP has resulted in a cost savings, in that inpatient stays paid for by Medicaid would otherwise need to be paid for by the state general fund. The Department notes that in FY 2016, the cost of such stays was \$2,337,594. The New Hampshire Association of Counties likewise notes the NHHPP has had a positive impact on the cost of medical care for individuals incarcerated in counties jails, but is unable to estimate the precise impact.

The New Hampshire Municipal Association states municipalities have reported a decrease in costs for local welfare assistance as a result of the NHHPP. The Association therefore projects the bill may reduce municipal expenditures in FY 2019 and each year thereafter.

The Insurance Department projects that as a result of this bill, insurance premium tax revenue will increase by \$12 million in FY 2020, \$6.1 million in FY 2021, and by an indeterminable amount in each year thereafter. The Department of Revenue Administration notes that since businesses are able to take a credit against their business profits taxes for insurance premium taxes paid, a reduction in insurance premium tax revenue collected may yield an associated increase in business profits tax revenue. The Department does not have sufficient information to estimate the extent of this revenue impact.

AGENCIES CONTACTED:

Departments of Health and Human Services, Insurance, Revenue Administration, Corrections, and Administrative Services, New Hampshire Municipal Association, and New Hampshire Association of Counties