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**State/Territory Name: New Hampshire**

**State Plan Amendment (SPA) #:17-0004**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Additional Companion letter (delete if not applicable)
- 3) CMS 179 Form/Summary Form (with 179-like data)
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
JFK Federal Building, Government Center  
Room 2275  
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

September 22, 2017

Jeffrey A. Meyers, Commissioner  
Department of Health and Human Services  
State of New Hampshire  
129 Pleasant Street  
Concord, NH 03301

Dear Commissioner Meyers,

Enclosed is an approved copy of New Hampshire's (NH) State Plan Amendment (SPA) 17-0004, received on June 27, 2017 and entitled "*Health Insurance Premium Payment (HIPP) Cost Effectiveness Methodology*" transmitted clarifying language regarding calculations utilized for determining cost effectiveness of employer-based group health plans.

Transmittal # 17-0004      Health Insurance Premium Payment (HIPP) Cost  
Effectiveness Methodology  
Effective April 1, 2017

Please note there is a separate companion letter included with this SPA that serves to memorialize agreement with the state that it will work with the provider community to enroll non-participating providers into Medicaid for purposes of limiting cost-sharing to the Medicaid limits for individuals enrolled in HIPP.

If there are questions, please contact Joyce Butterworth at (617) 565-1220 or by e-mail at [Joyce.Butterworth@cms.hhs.gov](mailto:Joyce.Butterworth@cms.hhs.gov).

Sincerely,

/s/

Richard R. McGreal *fer*  
Associate Regional Administrator

Enclosure/s

cc: Deborah Fournier, State Medicaid Director  
Diane Peterson, Medicaid Business and Policy  
Tasha Blanchard, NH HIPP Program

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**Division of Medicaid and Children's Health Operations / Boston Regional Office**

September 22, 2017

Jeffrey Meyers, Commissioner  
Department of Health and Human Services  
State of New Hampshire  
129 Pleasant Street  
Concord, NH 03301

Dear Commissioner Meyers,

This letter is being sent regarding the implementation of state plan amendment (SPA) #17-0004 which was approved on September 22, 2017, and outlines the state's cost effectiveness test of its voluntary premium assistance program, Health Insurance Premium Payment (HIPP). As part of the review of the SPA, the Centers for Medicare & Medicaid Services (CMS) and the state discussed the statutory requirements to protect beneficiaries from incurring any out of pocket costs that exceed the limits described in the state plan. This letter serves to memorialize agreement that the state will work with the provider community to enroll non-participating providers into Medicaid for purposes of limiting cost-sharing to individuals enrolled in HIPP.

Individuals enrolled in premium assistance programs must be afforded the same benefits and cost sharing limits provided to all other Medicaid enrollees. New Hampshire indicated it will provide a wrap-around benefit for any Medicaid service not included in the employer-sponsored insurance plans. For the cost sharing wrap, the state will implement a provider enrollment strategy, which utilizes an approach to outreach to non-participating providers. For example, the state has initiatives to enroll providers, such as behavioral and mental providers, in underrepresented specialties. The state may also choose to create a shortened provider application for providers who are already known to the state, and who have already undergone screening, because they accept Medicare and have a National Provider Identifier, similar to the way that states implement an abbreviated provider enrollment application for Medicare cross-over claims. Upon enrollment, the provider will be able to bill the state for any out of pocket expenses that exceed the cost sharing limits in the Medicaid state plan. The state will also inform beneficiaries regarding options available when the beneficiary obtains care from a non-participating Medicaid provider.

During a call on September 15, 2017, the state agreed to work with CMS to identify metrics and collect data in order to evaluate the extent to which plan providers are enrolled in Medicaid, as well as the effectiveness of the state's strategies for enrolling additional plan providers.

CMS is available to provide ongoing technical assistance to the state on these issues as the state moves forward in implementing its premium assistance program. If there are questions, please contact Joyce Butterworth at (617) 565-1220 or by e-mail at [Joyce.Butterworth@cms.hhs.gov](mailto:Joyce.Butterworth@cms.hhs.gov).

Sincerely,



Richard R. McGreal  
Associate Regional Administrator

Enclosure/s

cc: Deborah Fournier, State Medicaid Director  
Diane Peterson, Medicaid Business and Policy  
Tasha Blanchard, HIPP Program

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
17-0004

2. STATE  
NH

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
April 1, 2017

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN                       AMENDMENT TO BE CONSIDERED AS NEW PLAN                       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

USC 1396c, ~~42 CFR 433.138~~, ~~42 CFR 433.139~~  
Section 1906 of the Social Security Act

7. FEDERAL BUDGET IMPACT:

Remainder of FFY 2017: none  
FFY 2018: none

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.22-C, page 1  
Attachment 4.22-C, pages 2-4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.22-C, page 1, TN 91-25  
None, new pages

10. SUBJECT OF AMENDMENT:

Health Insurance Premium Payment (I-IPPP) Cost Effectiveness Methodology

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED: comments, if any, will follow  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*/s/ Jeffrey A. Meyers*

14 TITLE: Commissioner

15. DATE SUBMITTED: 6/27/2017

16. RETURN TO:

Dawn Landry  
Office of Medicaid Business and Policy/Brown Building  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: April 1, 2017

18. DATE APPROVED:  
September 22, 2017

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
April 1, 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

21 TYPED NAME:  
Richard R. McGreal

*/s/*  
22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

23. REMARKS: 08/30/2017 NH requested a pen & ink change in box #6 to accurately reflect the federal statute, i. e. delete the CFRs listed and replace with "Section 1906 of the SSA."

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Hampshire

Citation	Condition or Requirement
1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans

The Health Insurance Premium Payment (HIPP) Program, a program through which NH Medicaid pays health insurance premiums of employer group health plans for Medicaid individuals if cost effective, is a voluntary program for qualified Medicaid members. In accordance with Section 1906 of the Social Security Act (the Act), a group health plan is defined under Section 5000(b)(1) of the Internal Revenue Code as a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, or others associated or formerly associated with the employer in a business relationship, or their families. The employer must contribute to the employee premium in order for the Medicaid member to qualify for the NH HIPP program.

Cost Effectiveness Methodology

Purchasing or paying for employer group health insurance is deemed *not* cost-effective when:

- The member is enrolled or eligible for Medicare, Medicare Advantage Plans (Medicare Part C), or Medicare supplement policy plans;
- Insurance is a school-based plan for students while at school only;
- Insurance is an indemnity or catastrophic insurance plan that does not cover standard medical benefits;
- The insurance plan is through the Health Insurance Exchange (marketplace);
- The insurance is dental only, unless the dental is included in the employer group health insurance plan offered by the employer and the dental is not offered separately;
- A member is only eligible for Medicaid through in and out medical assistance.

TN No: 17-0004  
Supersedes  
TN No: 91-25

Approval Date 09/22/2017

Effective Date: 04/01/2017

HCFA ID: 7985E

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Hampshire

## State Method on Cost Effectiveness of Employer-Based Group Health Plans

An individual's enrollment in an employer group health plan (ESI) is considered cost effective when the amount you pay for premiums, coinsurance, deductibles, other cost sharing obligations, and additional administrative costs is likely to be less than the Medicaid expenditures for an equivalent set of services. The methodology used by NH for determining cost-effectiveness authorized under Section 1906 of the Act is as follows:

(a) The cost-effective calculation elements are as follows:

1. Average Medicaid Cost: The average Medicaid cost is the rate associated with the Medicaid eligibility group for which the individual would be determined eligible, which will either be the managed care capitation payment or premiums associated with the New Hampshire Health Protection Program Premium Assistance at the time the HIPP application is received for the category of assistance, age, and gender of the Medicaid members in the employer group health plan.

Additional costs are added for specific conditions (see Table 1) for which NH Medicaid pays additional costs under fee for service or through additional managed care rates. These additional costs are updated when the managed care rates are adjusted, and fee for service is adjusted annually based on cost of services. The condition must be valid at the time of the HIPP application review.

2. Medicaid Cost for Included Services: The Medicaid cost for included services is the percent of the managed care capitation payment or premiums associated with the New Hampshire Health Protection Program Premium Assistance noted in (a) 1 above that is for Medicaid covered services that are included in the employer group health plan. A percentage of services not covered by the employer health plan will be determined by the actuarial company that determines the managed care rates.

3. Employer Group Health Plan Cost for Included Services: Employer group health plan cost is the adjustment factor to equalize Medicaid costs to employer group health plan costs. This is necessary because Medicaid typically pays less for services than employer group health plans do. The adjustment factor for HIPP is 1 times the figure calculated in step 2. This factor is used because NH Medicaid is using managed care or New Hampshire Health Protection Program Premium Assistance rates.

4. Adjustment for Coinsurance and Deductible Amounts: Adjustment of coinsurance and deductible is 30% of the figure derived in step 3.

5. Administrative Cost: Application of the administrative cost for administering the HIPP program.

(b) An employer group health plan will be considered cost effective when the cost of the employer group health plan is lower than the cost under Medicaid managed care or the New Hampshire Health Protection Program Premium Assistance program.

1. The employer group health plan cost is the employer's share of the premium plus the coinsurance and deductible amount calculated in (a)(4), plus the administrative cost in (a)(5).



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Hampshire

State Method on Cost Effectiveness of Employer-Based Group Health Plans

2. The Medicaid cost is determined by the managed care capitation payment or New Hampshire Health Protection Program Premium Assistance payment in (a)(2).

(c) A cost effectiveness redetermination is carried out as follows:

1. Cost effectiveness shall be redetermined annually concurrent with the member's policyholder's annual open enrollment in the employer group health plan, or any time there is a change in the employer group health plan or family status.

(d) ESI enrollment will be voluntary. Individuals enrolled in the state's Health Insurance Premium Payment (HIPP) program are afforded the same member protections provided to all other Medicaid enrollees.

1. The state will provide a benefits wrap to all services and benefits available under the Medicaid State Plan that are not provided through the ESI plan.

2. The state will provide a cost sharing wrap to any cost sharing amounts of a NH Medicaid covered service that exceeds the cost sharing limits described in the state plan, regardless of whether individuals enrolled in a Health Insurance Premium Payment (HIPP) program receive care from a Medicaid participating provider or a non-participating provider.

The state has a provider enrollment process for non-participating providers to ensure that providers that service Medicaid members can be enrolled and paid through the state Medicaid program for any and all cost sharing amounts that exceed the Medicaid permissible limits.

To effectuate the cost sharing wrap, the state will encourage non-participating providers to enroll by conducting targeted outreach to inform non-participating Medicaid providers on how to enroll in Medicaid for the purposes of receiving payment from the state for cost sharing amounts that exceed the Medicaid permissible limits.

3. The state will inform members regarding options available when the member obtains care from a non-participating provider, including, as applicable, reimbursement for out of pocket cost sharing costs from this provider.

TN No: 17-0004  
Supersedes  
TN No: new page

Approval Date 09/22/2017

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Hampshire

State Method on Cost Effectiveness of Employer-Based Group Health Plans

Cost Effectiveness Methodology (continued)

TABLE 1

NH MEDICAID HIPP SPECIAL CONDITIONS  
ADD-ON LIST

The Special Conditions list contains those costs to be added to the average Medicaid cost under the NH Medicaid HIPP cost effectiveness calculation in (a) 1.

These costs are added because they are additional payments for managed care services or because costs are covered by fee for service Medicaid and not included in the managed care or New Hampshire Health Protection Program Premium Assistance program. The amount of each special condition will be based on the managed care additional cost at the time of the HIPP application or the past fiscal year annualized cost for the condition. These additional Medicaid costs must be covered by the employer group health plan and are valid at the time of the HIPP application review. These are the only additional costs that can be added to the average Medicaid cost for the HIPP cost effectiveness calculation.

CODE IDENTIFIER	DESCRIPTION
D57/D66-68	Blood disorder (sickle cell, hemophilia)
B19.2	Hepatitis C
E72.2	Disorder of Urea Cycle Metabolism
T2025	Maternity Kick Payment
T2026	Newborn Kick Payment

TN No: 17-0004  
Supersedes  
TN No: new page

Approval Date 09/22/2017

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