

Medicaid Reform in New Hampshire: Policy and Process

Steve Norton, Medicaid Director
State Coverage Initiatives
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The Starting Position: An 1115 with a global budget.

- "Granite Care" → Block Grant 'with a twist'
 - New Hampshire will accept a block grant
 - Request up front money to 'invest in reform.'
 - Counter-cyclical federal fund growth rate to protect against recession
 - Critical outcomes required to be met (aka welfare reform) or impacts federal funding
 - Refocus on home and community based care (reduction in nursing home beds)
 - Movement towards private sector model of defined contribution for acute care (health service account); creation of incentives to promote desired behavior.
 - Enhanced care management (private sector models)
 - Consumer choice (Cash and Counsel)

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Rebalancing Long Term Care

- Primary goal is providing care in the most appropriate cost effective site
 - Aggressive reduction in nursing home bed supply.
 - Significant, but capped, expansion in home and community based care infrastructure.
 - Aggressive assessment and counseling process to ensure appropriate nursing home use.
- Enhanced support of wellness programs for the elderly.
- Anti-improverishment waiver
- Implications
 - \$337 million in cumulative savings over 5 years.

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Health Services Accounts for Optional Populations

- Model 1 → Defined contribution capped
 - Guidance and support in decision-making
 - Incentives for compliance with pediatric or prenatal guidelines
- Model 2 → Defined contribution for non-emergent acute care only
 - Average costs for non-emergent acute care
 - Catastrophic coverage for emergent care
 - Incentives for compliance
- Model 3 → Premium based system
 - Incentives provided (reduction in premium amounts) for compliance with pediatric or prenatal guidelines.

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Enhanced Care Management

- All 3 'health service account' models include disease state management, predictive modeling, high cost/complexity care management
- To save costs
 - Focus on methods that use Medicaid's existing FFS fee schedule
 - Apply care management broadly where administratively feasible (statewide, all groups, all services)
 - Integrate/coordinate with existing care management efforts – PBM, disease mgt, LTC and mental health care management

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New Hampshire Reform: Political Situation Evolves

- Governor Benson loses election in part due to 'Granite Care' initiatives.
- New Governor convenes a series of public meetings following his election.
- Reform efforts put on hold.
- Health and Human Services Secretary does not serve at the will of Governor.
 - Conflict between HHS Secretary and Governor over direction of Medicaid reform.

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New Hampshire Reform: The Legislature

- Part 1: Legislation introduced
 - Health Service Accounts – HB690 → Significant evolution of the 'health savings account'
 - Rebalancing the long term care system – HB690
 - Entitlement to HCBC
 - Anti-Impoverishment
 - Incenting long term care insurance

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New Hampshire Reform: The Legislature

- Part 2: Budget requires implementation of the original principals laid out in the Granite Care proposals.
 - Pilot model of a PCCM approach with a (Health Services Account?)
 - Enhanced care management, including positive incentives for desired behaviors
 - Look-back provisions in long term care
 - Global caps on critical services with broad freedom from state regulatory structure (but no relief from Feds!)

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Current Resting Place 1115 including all populations

- 1115 Waiver for Long Term Care
- New Programs → Preventive Focus
 - Family planning waiver
 - Expansion of care management, including "health service account-like" incentives; pay-for-prevention
- Change in benefit package (wrap/around) for non-mandatory populations
- Expansion of Cash and Counsel Models
 - DD independence plus
 - Elderly and adult services model

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The Future

- Budget process has been used to force change.
- Conversations with Governor's office on future approach.
- Ongoing federal initiatives/ conversations will obviously impact direction.

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