

EXAMINATION OF THE IMPACT OF H.R. 3200 (NATIONAL HEALTH CARE REFORM) ON NEW HAMPSHIRE'S BUDGET

National health care impact on NH budget:

<http://waysandmeans.house.gov/media/pdf/111/sbys3200.pdf>

See Page 26 (State impacts included after each section in bold and caps):

Sec. 1701. Eligibility for individuals with income below 133-1/3 percent of the Federal poverty level. (a) Requires State Medicaid programs to cover non-disabled, childless adults under age 65 with income at or below 133% of FPL (\$14,400 per year for an individual). The federal government would pay 100% of the costs of Medicaid coverage for this population. Effective in 2013.

(b) Requires State Medicaid programs to cover parents and individuals with disabilities under age 65 with income at or below 133% of FPL (\$29,300 per year for a family of 4). The federal government would pay 100% of the costs of Medicaid coverage for individuals in these categories with incomes between the levels in effect in the state as of June 16, 2009 and 133% of FPL. Effective in 2013.

(c) Requires State Medicaid programs to cover newborns up to the first 60 days of life who do not otherwise have acceptable coverage upon birth. The federal government will pay 100% of the costs of Medicaid coverage for these newborns. Effective in 2013.

[DUE TO CONGRESSIONAL RULES, THE FEDERAL BUDGET CAN ONLY COMMIT FUNDING FOR FIVE YEARS THROUGH RECONCILIATION. THAT MEANS THAT THE 100% FEDERAL FUNDING SUNSETS AFTER FFY 2014 (9/30/13). WITHOUT REAUTHORIZATION, THOSE NEWLY ELIGIBLE WOULD BE SPLIT BETWEEN STATE AND FEDERAL FUNDS (50%/50% FOR NH).]

Sec. 1702. Requirements and special rules for certain Medicaid eligible individuals. Requires State Medicaid programs to enter into a memorandum of understanding with the Health Choices Commissioner to coordinate enrollment of low-income individuals into the Exchange or Medicaid as appropriate.

[THIS WILL INCREASE ENROLLMENT IN MEDICAID IN THOSE AREAS THAT DO NOT HAVE 100% FEDERAL MEDICAID FUNDING BY BRINGING PEOPLE ALREADY ELIGIBLE FOR SERVICES BUT WHO ARE NOT USING THEM ONTO THE SYSTEM. CURRENTLY, THERE ARE THOUSANDS OF MEDICAID-ELIGIBLE INDIVIDUALS IN NH WHO HAVE NOT ENROLLED. THIS PROGRAM WOULD BRING MANY OF THEM INTO THE PROGRAM AND INCREASE MEDICAID SPENDING HERE COMMENSURATELY.]

Sec. 1703. CHIP and Medicaid maintenance of effort. (a) Prohibits States from adopting eligibility standards, methodologies, or procedures in their CHIP programs that are more restrictive than those in effect as of June 16, 2009. Maintenance of effort ends with the opening of the Health Insurance Exchange in 2013 or, if later, the date on which (1) the Health Choices Commissioner determines that the Exchange has the capacity to support CHIP enrollees

and (2) the Secretary of HHS determines that procedures are in effect to ensure timely transition without interruption of coverage.

(b) Prohibits States from adopting eligibility standards, methodologies, or procedures in their Medicaid programs more restrictive than those in effect as of June 16, 2009.

[THIS SECTION REMOVES ANY OPPORTUNITIES FOR STATES TO REDUCE ELIGIBILITY FOR COST CONTAINMENT PURPOSES. GIVEN THAT MEDICAID IS ALREADY THE LARGEST ITEM IN NH'S BUDGET, THIS WOULD SEVERELY RESTRICT THE STATE'S ABILITY TO MANAGE MEDICAID GROWTH PROSPECTIVELY.]

Sec. 1704. Reduction in Medicaid DSH. Requires the Secretary of HHS to report to Congress by January 1, 2016 on the continuing role of Medicaid DSH as health reform is implemented. Directs the Secretary to reduce Medicaid DSH payments to States by a total of \$10 billion (\$1.5 billion in FY 2017, \$2.5 billion in FY 2018, and \$6.0 billion in FY 2019) using a methodology that focuses on the uninsurance rate in each State and the amount of uncompensated care provided by hospitals.

[THIS SECTION WOULD ULTIMATELY BEGIN TO DISMANTLE NH'S MEDICAID DSH PROGRAM. FOR THE SFY2010-11 BUDGET, DSH IS SLATED TO BRING IN \$214 MILLION IN "MEDICAID ENHANCEMENT REVENUE."]

Sec . 1705. Expanded outstationing. Requires State Medicaid programs to allow adults to apply for Medicaid coverage at DSH hospitals, FQHCs, and other locations than welfare offices (requirement already applies to pregnant women and children). Effective July 1, 2010.

[THIS SECTION WOULD SIGNIFICANTLY INCREASE MEDICAID ENROLLMENT AS SECTION 1702 DOES ABOVE, BUT WOULD ALSO ADD SIGNIFICANT STAFFING AND IT COSTS, IN ORDER TO BEGIN MEDICAID ENROLLMENT AND SCREENING IN THESE NEW LOCATIONS.]