

New Hampshire Department of Health and Human Services

Division of Medicaid Services

**Substance Use Disorder Treatment and Recovery Access Section 1115(a)
Demonstration (Project No. 11-W-00321/1)**

Amendment I

August 21, 2020

Summary

The State of New Hampshire's Department of Health and Human Services (DHHS), Division of Medicaid Services is requesting approval from the Centers for Medicare & Medicaid Services (CMS) for an amendment to the state's Section 1115(a) Substance Use Disorder Treatment and Recovery Access (SUD TRA) Demonstration to prospectively adjust its per member per month (PMPM) budget neutrality limits to account for unanticipated retroactive enrollment under Fee-For-Service (FFS). Since the FFS population is so small, the Institution for Mental Disease (IMD) costs incurred during the retroactive eligibility period and spread over such a small population distorted the PMPMs. In addition, the budget neutrality limits need to be adjusted to account for the actual enrollment mix for individuals in IMDs that are weighted in more expensive rate cells than originally assumed. Finally, adjustments are needed to account for rate increases to most Medicaid providers, including residential providers that were approved by the Legislature to ensure beneficiary access to SUD services and implemented after the original SUD TRA demonstration submission.

New Hampshire's 1115 SUD TRA Demonstration was originally approved effective July 10, 2018 through June 30, 2023. The demonstration authority permits the DHHS to receive Federal Financial Participation (FFP) for the coverage of SUD treatment-related IMD stays for Medicaid-eligible individuals age 21-64 for a statewide average length of stay of 30 days in residential treatment settings. The SUD TRA demonstration also expands the IMD exception for the provider type Comprehensive SUD treatment, as described in New Hampshire's administrative rule He-W 513.02(c)¹ to allow New Hampshire to claim FFP for individuals under age 21 receiving residential substance use disorder treatment in these facilities for a statewide average length of stay of 30 days in residential treatment settings.

Overview

Within the budget neutrality analysis provided for the initial 1115 SUD TRA demonstration application, New Hampshire developed the base year costs (SFY 2018) in the budget neutrality template separately for the three specific Medicaid eligibility groups (MEGs): Medicaid adult population, expansion adult population; and adolescent population. The modifications in this amendment reflect adjustments for items that were not originally anticipated during the initial budget neutrality development and later became known as claims were being reviewed during the quarterly monitoring report preparation. Attached as Appendix A to this amendment is a letter from our actuary, Milliman, detailing the adjustments to the original budget neutrality calculations. The amendment narrative provides a more general overview of the adjustments and notes that the proposed adjustments do not impact the services, eligibility, or service delivery system under the demonstration.

STC 64 of the demonstration approval requires the State to submit a corrective action plan (CAP) to CMS if the State exceeds the calculated cumulative target limit for any of the demonstration years by the percentage identified in the approval. As such, New Hampshire is requesting that CMS consider this amendment submission as addressing the CAP requirement in the STC.

¹ http://www.gencourt.state.nh.us/rules/state_agencies/he-w500.html

Demonstration Eligibility

New Hampshire does not seek to amend the eligibility groups in the budget neutrality calculation, but rather to adjust the DY03-DY05 budget neutrality limits prospectively to account for the issues as described in the letter and in the following sequence:

- Updated assumed rate cell enrollment distribution within each MEG
- SUD provider rate increases
- HB4 provider rate increases
- Hospital directed payment
- Inclusion of IMD payments during retroactive eligibility

Demonstration Area

The demonstration will continue to operate statewide and the proposed amendment does not alter that.

Demonstration Timeframe

The approved demonstration is currently for five years from July 10, 2018 through June 30, 2023 and the proposed amendment does not alter the timeframe. New Hampshire is requesting the amendment be approved with an effective date of September 1, 2020.

Demonstration Cost Sharing Requirements

There is no beneficiary cost sharing required under this demonstration and the proposed amendment does not alter that.

Demonstration Delivery System

The delivery system will continue to be fee-for-service and Medicaid Care Management. The Medicaid Care Management program utilizes capitated Medicaid managed care plans to provide Medicaid state plan services to beneficiaries. New Hampshire's Care Management will continue to operate as approved under New Hampshire's approved Medicaid State plan and 1915(b) waiver authority. The proposed amendment does not alter the demonstration delivery system.

Demonstration Benefits

New Hampshire's Medicaid beneficiaries are covered by the State's Medicaid state plan benefit and the Alternative Benefit Plan for the provision of SUD treatment services provided under this demonstration. The proposed amendment does not alter that.

Evaluation Design

New Hampshire's 1115 SUD TRA demonstration evaluation design was approved on May 22, 2019. New Hampshire does not anticipate additional modifications to the evaluation design as a result of

this amendment to the demonstration. The proposed amendment does not alter the demonstration program hypotheses or measures.

Estimated Impact Proposed Budget Neutrality Prospective Adjustments

By the end of the original demonstration period, (June 30, 2023) DHHS projects to be under the budget neutrality limit by approximately \$23 million cumulatively assuming the proposed prospective adjustments noted in this amendment are implemented. Further detail and supporting data are included in the attached Appendix A as noted above.

Table 1 below provides expected annual expenditures and caseloads by Medicaid Eligibility Group through the end of the demonstration.

Table 1					
New Hampshire Department of Health and Human Services					
Substance Use Disorder Treatment and Recovery Access 1115 Demonstration					
Projected Annual Expenditures and Caseload					
	DY 01	DY 02	DY 03	DY 04	DY 05
	Projected Caseload				
Medicaid Adults	695	665	665	665	665
Expansion Adults	3,812	4,871	4,871	4,871	4,871
Adolescents	74	67	67	67	67
	Projected Expenditures				
Medicaid Adults	\$931,834	\$807,802	\$831,061	\$872,614	\$916,245
Expansion Adults	\$5,533,064	\$5,472,453	\$5,638,020	\$5,919,921	\$6,215,917
Adolescents	\$64,157	\$78,881	\$66,304	\$69,620	\$73,101

Waiver and Expenditure Authorities

The demonstration program provides New Hampshire with the expenditure authority to receive FFP for the coverage of SUD treatment-related stays in IMDs for adults age 21-64. The demonstration also expanded the IMD exception for the provider type Comprehensive SUD treatment, as described in administrative rule He-W 513.02(c) to allow New Hampshire to claim FFP for individuals under age 21 receiving residential substance use disorder treatment in these facilities for a statewide average length of stay of 30 days in residential treatment settings.

The proposed amendment does not alter the above listed approved demonstration expenditure authorities.

Public Notice and Tribal Consultation

New Hampshire provided Public Notice on the 1115 SUD TRA demonstration amendment at the August 10, 2020 Medical Care Advisory Committee (MCAC) meeting and public comments were accepted at that time, per the 1994 Federal Register Public Notice Requirements (59 FR 49249) and STC #7 and #15 of the demonstration. The Department accepted public comments through Tuesday, August 11, 2020 until 4:30 pm (Eastern).

The Department posted a public notice for the 1115 demonstration amendment on the Department's website: <https://www.dhhs.nh.gov/sud-imd/>. A copy of the public notice is also attached in Appendix B.

At the August 10, 2020 MCAC meeting the amendment to the demonstration was presented. The MCAC supported the amendment to the demonstration. Included in Appendix B is the MCAC agenda and it can also be found on the Department's website.

<https://www.dhhs.nh.gov/ombp/documents/mcacagenda81020.pdf>

Also included in Appendix B is an excerpt from the August 10, 2020 MCAC meeting minutes where the amendment was discussed by the Medicaid Director and the MCAC voted to support the amendment.

On August 11, 2020 the Department received an email from New Futures, also supporting the amendment to the demonstration. A copy of the e-mail is included in Appendix B.

New Hampshire does not have any federally recognized tribes.

New Hampshire SUD 1115 Demonstration Budget Neutrality

Current regulations at 42 CFR 438.3 permit MCOs to cover enrollees, services or settings that are in lieu of services or settings when: (i) the service or setting is a medically appropriate and cost effective substitute for the covered service or setting under the state plan; (2) the enrollee is not required by the MCO to use the alternative service or setting; (iii) the approved in lieu of services are authorized and identified in the MCO contract and will be offered to enrollees at the option of the MCO; and (iv) the utilization and actual cost of in lieu of services is taken into account in developing the component of the capitation rates that represents the covered State plan services, unless a statute or regulation explicitly requires otherwise. On July 10, 2018, New Hampshire DHHS received expenditure authority of the 15 day in lieu of period.

Milliman assisted DHHS in modeling the initial estimates of SUD IMD utilization changes and the resulting budget neutrality calculations that were submitted to CMS in April 2018. As noted previously, DHHS and Milliman recognized that adjustments were needed to the budget neutrality PMPM limits to account for items that were not originally anticipated, and were not realized until substantive review of the CMS 64 claims summary as part of the quarterly monitoring report preparations. Modifications to the budget neutrality limits also need to be made to account for provider rate increases implemented after the demonstration was implemented, and to account for the impact of a recently implemented hospital directed payment. The remainder of this section

provides the general description of the adjustments that were outlined in the amendment overview. As stated previously, the attached Appendix A provides additional detail and supporting data tables.

Updated rate cell enrollment distribution within each MEG

The original budget neutrality development included an assumed distribution of demonstration enrollment by MCM rate cell, which allowed for the calculation of the budget neutrality limits to reflect the average capitation rate and fee-for-services (FFS) expenditures (i.e., LTSS services) at a granular level. We developed this original enrollment distribution by reviewing individuals with a SUD diagnosis as those individuals would most likely be included in the demonstration reporting. At this time, we now have actual enrollment patterns and find the actual demonstration recipients represent rate cells with higher capitation rates and higher FFS expenditures.

SUD provider rate increase

Effective January 1, 2019, DHHS increased reimbursement for high intensity residential treatment services for adults (H0018) to \$247.82 per day. Additionally, effective July 1, 2019, DHHS increased reimbursement for residential sub-acute detoxification (H0010) to \$340.32 per day to address member access issues to these services.

HB4 provider rate increases

New Hampshire House Bill 4 (HB4) implements a 3.1% provider rate increase applicable to nearly all Medicaid services. This rate increase went into effect January 1, 2020 and rates will increase again on January 1, 2021 by another 3.1%. This fee schedule increase was approved by the Legislature to help maintain beneficiary access by helping to support the cost increases that Medicaid providers have experienced over recent years.

Hospital directed payment

Effective July 1, 2020, the MCM capitation rates include a hospital directed payment to promote access to high-quality acute care services provided by critical access and non-critical access hospitals across New Hampshire.

Inclusion of IMD payments during retroactive eligibility

The original budget neutrality development included three categories of expenses: MCM capitation rates, FFS costs for services not covered by MCM (e.g., LTSS), and the newly covered SUD IMD services. The specific cost estimates for IMD stays were allocated to all MCM enrollees as these services would be covered as part of the MCM program. However, this approach did not take into account individuals with FFS SUD IMD costs during a retroactive eligibility period. As a result, the reporting during DY 01 and DY 02 showed a significant amount of FFS SUD IMD costs not included in the original budget neutrality limits. Therefore, we propose updating the budget neutrality limits to capture these costs. Since these individuals would essentially be in an IMD for every day of their eligibility, the effective cost or Medicaid per diem rate is the daily IMD rate.

Expenditure Estimate

The proposed changes will impact the per member per month budget neutrality calculations, and as a result, the aggregate expenditures by a proportional amount in DY 03 through DY 05. However, the adjustments do not impact program services, eligibility or service delivery.

Budget Neutrality Workbook

Attachment A of the Milliman letter provides the proposed updated budget neutrality workbook that reflects these adjustments going forward. As these are prospective adjustments, calculations for DY3, DY4, and DY5 will vary from the calculations in the workbooks we have already submitted to CMS as part of the quarterly reporting requirement of the demonstration. The workbooks submitted to-date reflect our original assumptions and understanding of the budget neutrality methodology.

Appendix A: Milliman Letter



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August 7, 2020

Mr. Henry Lipman, FACHE
Medicaid Director
New Hampshire Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

[Sent via email: henry.lipman@dhhs.nh.gov]

Re: APPENDIX A - Budget Neutrality Limit Analysis – SUD IMD 1115 Demonstration

Dear Henry:

At your request, we are working with the New Hampshire Department of Health and Human Services (DHHS) to review the budget neutrality limits in New Hampshire's Substance Use Disorder Treatment and Recovery Access (SUD TRA) 1115 Demonstration. Based on prior discussions with DHHS and CMS, this letter provides the detail and calculations supporting revised budget neutrality limits effective July 1, 2020. In conversations with CMS, we understand retro-active changes to the budget neutrality limits are not allowed.

This letter includes preliminary estimates of the additional modifications to the original budget neutrality methodology. These modifications are consistent with previous conversations with CMS and reflect adjustments for items that were not originally anticipated during the budget neutrality development and later became known during monitoring report preparation. We are happy to provide additional details to CMS to help them understand our proposed adjustments and methodology.

Please note, we understand there are ongoing reporting issues related to this demonstration. We relied on the enrollment and cost information provided by DHHS for this review rather than the populated demonstration monitoring document. It is our understanding that the provided data does include all IMD providers and their clients.

Table 1 below shows the projected five year demonstration results using the current limits, as well as the proposed limits, which include adjustments for the following items:

- Updated rate cell enrollment distribution within each MEG
- SUD provider rate increase
- HB4 provider rate increase
- Hospital directed payment
- Inclusion of IMD payments during retroactive eligibility

Table 1
 New Hampshire Department of Health and Human Services
 Substance Use Disorder Treatment and Recovery Access 1115 Demonstration
 Summary of SUD IMD Budget Neutrality Estimates

	DY 01	DY 02	DY 03	DY 04	DY 05
Projected Member Months	4,581	5,603	5,603	5,603	5,603
Estimated Actual Costs (PMPM)	\$1,425	\$1,135	\$1,166	\$1,225	\$1,286
Budget Neutrality Limit - Current (PMPM)	\$661	\$679	\$711	\$744	\$778
Budget Neutrality Limit - Proposed (PMPM)	\$661	\$679	\$2,813	\$2,958	\$3,096
Cumulative Over / (Under) - Current (millions)	\$3.5	\$6.1	\$8.6	\$11.3	\$14.1
Cumulative Over / (Under) - Proposed (millions)	\$3.5	\$6.1	-\$3.2	-\$12.9	-\$23.0

In this table, the estimated actual costs represent the reported costs during DY 01 (SFY 2019) and DY 02 (SFY 2020), and the SFY 2020 PMPM costs trended to subsequent years using a 5% annual trend. As shown, the proposed adjustments result in estimated costs below the budget neutrality limits. Exhibit 1 contains the member months, estimated costs, and budget neutrality limits by year for each MEG.

We performed sensitivity testing to ensure the revised budget neutrality limits would produce a budget neutral cost under the demonstration, consistent with CMS instructions.

METHODOLOGY

As noted above, we include five proposed adjustments to the existing budget neutrality limits. Table 2 below identifies the proposed PMPM change for each MEG. The adjustments for all subsequent years reflect the existing demonstration trend rates approved by CMS applied to these amounts. We show the HB4 provider increase for DY 03 and DY 04 to specifically account for the January 1, 2020 and January 1, 2021 rate increases that is not fully captured in DY 03 and DY 04, respectively.

Table 2
 New Hampshire Department of Health and Human Services
 Substance Use Disorder Treatment and Recovery Access 1115 Demonstration
 Proposed Adjustments by MEG

	Medicaid Adult	Expansion Adults	Adolescent
Enrollment Distribution Change (DY 03)	\$382.42	\$368.58	\$103.66
SUD Provider Rate Increase (DY 03)	13.07	13.22	1.19
HB4 Provider Rate Increase (DY 03)	54.90	37.05	27.92
HB4 Provider Rate Increase (DY 04)	77.02	52.13	38.90
Hospital Directed Payment (DY 03)	20.62	26.60	7.56
Inclusion of Retroactive Payments (DY 03)	635.07	1,800.97	1,312.59

Enrollment Distribution Change

The original budget neutrality development included an assumed distribution of demonstration enrollment by MCM rate cell, which allowed for the calculation of the limits to reflect the average capitation rate and fee-for-services (FFS) expenditures (i.e., LTSS services) at a granular level. We developed this original enrollment distribution by reviewing individuals with a SUD diagnosis as those individuals would most likely be included in the demonstration reporting. At this time, we now have the actual enrollment patterns and

find the actual demonstration enrollees represent rate cells with higher capitation rates and higher FFS expenditures. The adjustment shown in Table 2 results from updating the underlying enrollment distribution to align with the July 2018 to June 2020 reporting period.

SUD Provider Rate Increase

Effective January 1, 2019, DHHS increased reimbursement for high intensity residential treatment services for adults (H0018) to \$247.82 per day. The new fee was set to align with the Massachusetts fee schedule for the same service. Additionally, effective July 1, 2019, DHHS increased reimbursement for residential sub-acute detoxification (H0010) to \$340.32 per day to align with the Massachusetts fee schedule for the same service.

HB4 Provider Rate Increase

New Hampshire House Bill 4 (HB4) implements a 3.1% provider rate increase applicable to nearly all Medicaid services. This rate increase went into effect January 1, 2020 and will again increase rates on January 1, 2021 by another 3.1%. The adjustment in Table 2 accounts for the inclusion of these rate increases.

Hospital Directed Payment

Effective July 1, 2020, the MCM capitation rates include a hospital directed payment to promote access to high-quality acute care services provided by critical access and non-critical access hospitals across New Hampshire. The adjustment in Table 2 accounts for the inclusion of this new directed payment.

Inclusion of Retroactive Payments

The original budget neutrality development included three categories of expenses: MCM capitation rates, FFS costs for services not covered by MCM (e.g., LTSS), and the newly covered SUD IMD services. The specific cost estimates for IMD stays were allocated to all MCM enrollees as these services would be covered as part of the MCM program. However, this approach did not take into account individuals with FFS SUD IMD costs during a retroactive eligibility period. As a result, the reporting during DY 01 and DY 02 showed a significant amount of FFS SUD IMD costs not included in the original budget neutrality limits.

As a result, we propose updating the budget neutrality limits to capture these costs. Since these individuals would essentially be in an IMD for every day of their eligibility, the effective cost is the daily IMD rate. Table 3 below shows the development of the proposed adjustment, calculated as the daily rate applicable to the percent of demonstration individuals expected to have retroactive eligibility. We developed the percentage estimate by reviewing the average and range of this percentage by month during DY 01 and DY 02.

Table 3 New Hampshire Department of Health and Human Services Substance Use Disorder Treatment and Recovery Access 1115 Demonstration Development of Retroactivity PMPM Adjustment			
	Daily Rate	% of MMs	PMPM
Medicaid Adult	\$264.63	7.9%	\$635.07
Expansion Adults	\$281.17	21.0%	\$1,800.97
Adolescent	\$282.34	15.3%	\$1,312.59



BUDGET NEUTRALITY WORKSHEET

Attachment A includes an updated budget neutrality worksheet in the CMS format. This worksheet includes the specific breakout of the items described in this letter.

CAVEATS AND LIMITATIONS ON USE

This letter is designed to assist DHHS with adjusting the budget neutrality limits for the SUD TRA 1115 Demonstration. This information may not be appropriate, and should not be used, for other purposes.

The information contained in this letter has been prepared for DHHS. To the extent that the information contained in this letter is provided to third parties, this letter should be distributed in its entirety. Any user of this information must possess a certain level of expertise in actuarial science and healthcare modeling, so as not to misinterpret the information presented.

Actual results will vary from estimates due to actual experience under the demonstration being higher or lower than expected. DHHS should monitor emerging results and take corrective action when necessary.

In preparing this information, we relied on information from DHHS regarding historical expenditures, historical enrollment, projected costs under the demonstration, and the expected return on investment for certain initiatives. We accepted this information without audit, but reviewed the information for general reasonableness. Our results and conclusions may not be appropriate if this information is not accurate.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and I meet the qualification standards for performing the analyses in this letter.

The terms of Milliman's contract with the New Hampshire Department of Health and Human Services effective July 1, 2017, apply to this letter and its use.



Please call us at 262 784 2250 if you have any questions.

Sincerely,



Greg J. Herrle, FSA, MAAA
Consulting Actuary

GJH/jf

Attachments



EXHIBIT 1

Exhibit 1
New Hampshire Department of Health and Human Services
Substance Use Disorder Treatment and Recovery Access 1115 Demonstration
Summary of SUD IMD Budget Neutrality Limit

	DY 01	DY 02	DY 03	DY 04	DY 05
Member Months					
Medicaid Adults	695	665	665	665	665
Expansion Adults	3,812	4,871	4,871	4,871	4,871
Adolescent	74	67	67	67	67
Total	4,581	5,603	5,603	5,603	5,603
PMPM - Actual					
Medicaid Adults	\$1,341	\$1,214	\$1,249	\$1,312	\$1,377
Expansion Adults	1,451	1,124	1,158	1,215	1,276
Adolescent	867	1,183	995	1,044	1,097
Total	\$1,425	\$1,135	\$1,166	\$1,225	\$1,286
Budget Neutrality Limit - Current					
Medicaid Adults	\$961	\$1,004	\$1,048	\$1,094	\$1,142
Expansion Adults	608	636	666	698	730
Adolescent	573	595	617	639	663
Total	\$661	\$679	\$711	\$744	\$778
Incremental Over / (Under)	\$3,501,063	\$2,553,731	\$2,553,119	\$2,691,955	\$2,845,666
Cumulative Over / (Under)	\$3,501,063	\$6,054,793	\$8,607,913	\$11,299,868	\$14,145,533
Budget Neutrality Limit - Proposed					
Medicaid Adults	\$961	\$1,004	\$2,154	\$2,268	\$2,368
Expansion Adults	608	636	2,913	3,063	3,207
Adolescent	573	595	2,070	2,156	2,236
Total	\$661	\$679	\$2,813	\$2,958	\$3,096
Incremental Over / (Under)	\$3,501,063	\$2,553,731	-\$9,222,481	-\$9,709,350	-\$10,139,177
Cumulative Over / (Under)	\$3,501,063	\$6,054,793	-\$3,167,688	-\$12,877,038	-\$23,016,215



ATTACHMENT A

How To Use This Spreadsheet:

Consult the tables below for a high level overview of the IMD Cost Limit and SUD Hypothetical CNOM Services Limit in Scenario 1 and Scenario 2. The tables provide basic concepts for establishment of the budget neutrality limits, and reporting requirements for monitoring. The notes below the table provide additional information related to allowable SUD IMD medical assistance services, estimation of the various budget neutrality limits, trend rates and other details of estimation. (see glossary below table for definition of all abbreviations)

Scenario 1		
Situation: Demonstration CNOM is limited to expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are residents in facilities that meet the definition of an IMD (i.e., IMD exclusion (d)aged MA).	IMD Cost Limit	SUD IMD Hypothetical CNOM Services Limit
Without Waiver (i.e., budget neutrality limit)	<p>PMPM Cost</p> <ul style="list-style-type: none"> Estimated average of all MA costs incurred during IMD MMs. Est. total MA cost in IMD MMs + est. IMD MMs <p>Member Months</p> <ul style="list-style-type: none"> IMD MM: Any whole month during which a Medicaid eligible is inpatient in an IMD at least 1 day <p>BN Expenditure Limit</p> <p>PMPM cost x IMD MMs</p>	
With Waiver	<p>Expenditures Subject to Limit</p> <ul style="list-style-type: none"> All MA costs with dates of service during IMD MMs <p>Reporting Requirements</p> <p>State must be able to identify and report:</p> <ul style="list-style-type: none"> IMD MMs separate from other Medicaid months of eligibility MA costs during IMD MMs separate from other MA costs 	

Scenario 2		
Situation: Demonstration CNOM include both CNOM for IMD exclusion related MA to and CNOM for additional hypothetical services that can be provided outside the IMD.	IMD Cost Limit	SUD IMD Hypothetical CNOM Services Limit
Without Waiver (i.e., budget neutrality limit)	<p>PMPM Cost</p> <ul style="list-style-type: none"> Estimated average of all MA costs incurred during IMD MMs. Est. total MA cost in IMD MMs + est. IMD MMs <p>Member Months</p> <ul style="list-style-type: none"> IMD MM: Any whole month during which a Medicaid eligible is inpatient in an IMD at least 1 day Can exclude months with ≤ 15 IMD inpatient days under managed care <p>BN Expenditure Limit</p> <p>PMPM cost x IMD MMs</p>	<p>PMPM Cost</p> <ul style="list-style-type: none"> Estimate of average SUD CNOM service cost during Non-IMD MMs Est. total SUD CNOM service cost + est. Non-IMD MMs SUD CNOM service cost can include capitated cost of IMD services <p>Member Months</p> <ul style="list-style-type: none"> Non-IMD MM: Any month of Medicaid eligibility in which a person could receive a SUD CNOM service that is not an IMD MM <p>BN Expenditure Limit</p> <p>PMPM cost x Non-IMD MMs</p>
With Waiver	<p>Expenditures Subject to Limit</p> <ul style="list-style-type: none"> All MA costs with dates of service during IMD MMs <p>Reporting Requirements</p> <p>State must be able to identify and report:</p> <ul style="list-style-type: none"> IMD MMs separate from other Medicaid months of eligibility MA costs during IMD MMs separate from other MA costs 	<p>Expenditures Subject to Limit</p> <ul style="list-style-type: none"> All SUD CNOM service costs with dates of service during Non-IMD MMs <p>Reporting Requirements</p> <p>State must be able to identify and report:</p> <ul style="list-style-type: none"> Non-IMD MMs separate from IMD MMs SUD CNOM costs separate from other MA costs

SUD Historical Spending Data - 5 Years

Member Adults	Historical Years Data/Notes					5-YEAR
	2012	2013	2014	2015	2016	
TOTAL EXPENDITURES						
ELIGIBLE MEMBER MONTHS						
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TREND RATES						
TOTAL EXPENDITURE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
ELIGIBLE MEMBER MONTHS	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Expansion Adults						
TOTAL EXPENDITURES						
ELIGIBLE MEMBER MONTHS						
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TREND RATES						
TOTAL EXPENDITURE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
ELIGIBLE MEMBER MONTHS	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Adolescents						
TOTAL EXPENDITURES						
ELIGIBLE MEMBER MONTHS						
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TREND RATES						
TOTAL EXPENDITURE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
ELIGIBLE MEMBER MONTHS	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
PMPM COST	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

SUD BMD Services	Estimated Total Expenditures for SUD Medical Assistance Provided in an BMD	Non-SUD BMD, This XE PMPM	Estimated Total Expenditures for All Other non-SUD/BMD This XE State Plan Medical Assistance	Estimated Eligible Member Months for All Medical Assistance Provided in an BMD	Estimated PMPM Cost	Cross "Included" from Drug-Covered to LRS Services with MBE (CUMM) State Plan Services				
						Medical Adults	Expansion Adults	Adolescents	SUD BMD Hypothetical Services CUMM MBE	SUD BMD Non-Hypothetical Services CUMM MBE
Medical Adults all inclusive per day	\$11,897,131	\$481.51	\$292,503,168	443,563	\$659.86	Included				
Expansion Adults all inclusive per day	\$7,718,917	\$247.04	\$617,803,180	558,354	\$1,088.32		Included			
Adolescents all inclusive per day	\$2,503,148	\$252.93	\$273,562,188	1,040,058	\$262.98			Included		
Service 4					#DIV/0!					
Service 5					#DIV/0!					
Service 6					#DIV/0!					
Service 7					#DIV/0!					
Service 8					#DIV/0!					
Service 9					#DIV/0!					
Service 10					#DIV/0!					
Service 11					#DIV/0!					
Service 12					#DIV/0!					
Other additional services, as necessary					#DIV/0!					
Total						\$69,86	\$482.12	\$272.98	\$0.00	\$0.00

ELIGIBILITY GROUP	TREND RATE 1	MONTHS OF AGING	PB Trend:		DEMONSTRATION YEARS (DY)					TOTAL WOW
			BASE YEAR	TREND RATE 2	DY 01	DY 02	DY 03	DY 04	DY 05	
			DY 00		SPY19	SPY20	SPY21	SPY22	SPY23	
Medicaid Adults										
Eligible Member Months	n.a.	n.a.	0	n.a.	4,608	4,700	4,794	4,890	4,988	
PMPM Cost	n.a.	0	\$920.90	4.4%	\$961.42	\$1,009.72	\$1,047.98	\$1,093.99	\$1,142.13	
Enrollment Distribution Change			n/a	4.4%	\$0.00	\$0.00	\$382.42	\$399.25	\$416.83	
SUD Provider Rate Increases			n/a	4.4%	\$0.00	\$0.00	\$11.07	\$13.85	\$14.25	
HB4 Provider Rate Increase			n/a	4.4%	\$0.00	\$0.00	\$54.90	\$77.07	\$80.41	
Hospital Directed Payment			n/a	4.4%	\$0.00	\$0.00	\$20.67	\$21.53	\$22.48	
Inclusion of Retroactive Payments			n/a	4.4%	\$0.00	\$0.00	\$635.07	\$663.01	\$692.18	
Total Expenditure					\$4,430,223	\$4,717,645	\$10,326,457	\$11,092,820	\$11,812,569	\$42,379,714
Dispanon Adults										
Eligible Member Months	n.a.	n.a.	0	n.a.	7,498	5,092	3,194	3,798	5,404	
PMPM Cost	n.a.	0	\$580.57	4.7%	\$607.80	\$636.37	\$666.78	\$697.60	\$730.39	
Enrollment Distribution Change			n/a	4.7%	\$0.00	\$0.00	\$368.58	\$385.90	\$404.04	
SUD Provider Rate Increases			n/a	4.7%	\$0.00	\$0.00	\$13.22	\$17.84	\$14.49	
HB4 Provider Rate Increase			n/a	4.7%	\$0.00	\$0.00	\$37.05	\$52.13	\$54.58	
Hospital Directed Payment			n/a	4.7%	\$0.00	\$0.00	\$26.60	\$37.85	\$39.16	
Inclusion of Retroactive Payments			n/a	4.7%	\$0.00	\$0.00	\$1,800.97	\$1,885.61	\$1,974.23	
Total Expenditure					\$1,517,089	\$3,240,194	\$15,127,623	\$16,276,004	\$17,328,434	\$51,439,424
Adolescents										
Eligible Member Months	n.a.	n.a.	0	n.a.	48	49	50	51	52	
PMPM Cost	n.a.	0	\$552.98	3.7%	\$573.44	\$594.66	\$616.66	\$639.48	\$663.14	
Enrollment Distribution Change			n/a	3.7%	\$0.00	\$0.00	\$103.66	\$107.50	\$111.48	
SUD Provider Rate Increases			n/a	3.7%	\$0.00	\$0.00	\$1.19	\$1.23	\$1.28	
HB4 Provider Rate Increase			n/a	3.7%	\$0.00	\$0.00	\$27.92	\$38.90	\$40.14	
Hospital Directed Payment			n/a	3.7%	\$0.00	\$0.00	\$7.56	\$7.84	\$8.13	
Inclusion of Retroactive Payments			n/a	3.7%	\$0.00	\$0.00	\$1,112.99	\$1,361.15	\$1,431.51	
Total Expenditure					\$27,525	\$29,115	\$103,393	\$109,827	\$116,169	\$385,989
SUD IMD Hypothetical Services CNOM MEG										
Eligible Member Months	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	
PMPM Cost	n.a.		\$0.00	4.9%	\$0	\$0	\$0	\$0	\$0	
Total Expenditure					\$0	\$0	\$0	\$0	\$0	\$0

SUD IMD Supplemental BH Tests

IMD Cost Limit

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Medicaid Adults	\$4,430,223	\$4,717,645	\$10,326,457	\$11,092,820	\$11,812,969	\$42,379,714
Expansion Adults	\$1,517,069	\$3,240,294	\$15,127,623	\$16,226,004	\$17,308,434	\$53,439,424
Adolescents	\$27,525	\$29,115	\$103,353	\$109,827	\$116,169	\$385,989
TOTAL	\$5,974,817	\$7,987,053	\$25,557,432	\$27,428,652	\$29,237,572	\$96,205,127

With-Waiver Total Expenditures						
	DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL
Medicaid Adults	\$4,430,223	\$4,717,645	\$10,326,457	\$11,092,820	\$11,812,969	\$42,379,714
Expansion Adults	\$1,517,069	\$3,240,294	\$15,127,623	\$16,226,004	\$17,328,434	\$53,439,424
Adolescents	\$27,525	\$29,115	\$103,353	\$109,827	\$116,169	\$385,989
TOTAL	\$5,974,817	\$7,987,053	\$25,557,432	\$27,428,652	\$29,257,173	\$96,205,127

Net Over/pend	\$0	\$0	\$0	\$0	\$0	\$0
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SUD IMD Hypothetical CNOM Services Limit

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
SUD IMD Hypothetical Services CNOM MEG	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0

With-Waiver Total Expenditures						
	DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL
SUD IMD Hypothetical Services CNOM MEG	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0

Net Over/pend	\$0	\$0	\$0	\$0	\$0	\$0
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SUD IMD Non-Hypothetical Services Limit

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
SUD IMD Non-Hypothetical Services CNOM MEG	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0

Add Trend Rates & PMPMs from Table Below to 'SUD IMD Supplemental Budget Neutrality Test(s)' STC

SUD MEG(s)	Trend Rate	DY 01	DY 02	DY 03	DY 04	DY 05
Medicaid Adults	4.4%	\$961	\$1,004	\$2,154	\$2,268	\$1,368
Expansion Adults	4.7%	\$608	\$636	\$2,913	\$3,063	\$3,207
Adolescents	3.7%	\$573	\$595	\$2,070	\$2,156	\$2,246
SUD IMD Hypothetical Services CNOM MEG	4.9%	\$0	\$0	\$0	\$0	\$0

Projected SUD IMD Member Months/Caseloads

	Trend Rate	DEMONSTRATION YEARS (DY)				
		DY 01	DY 02	DY 03	DY 04	DY 05
Medicaid Adults	2.0%	4,608	4,700	4,794	4,890	4,988
Expansion Adults	2.0%	2,496	5,092	5,194	5,298	5,404
Adolescents	2.0%	48	49	50	51	52
SUD IMD Hypothetical Services CNOM MEG			0	0	0	0
SUD IMD Non-Hypothetical Services CNOM MEG			0	0	0	0

Appendix B: Public Noticing

New Hampshire Department of Health and Human Services
Public Notice for Substance Use Disorder Treatment and Recovery Access Section 1115(a)
Research and Demonstration (Project No. 11-W-00321/1) Amendment I
Web Posting Date August 7, 2020

August 7, 2020

Notice is hereby given that the New Hampshire Department of Health and Human Services (DHHS) is seeking an amendment to its Substance Use Disorder Treatment and Recovery Access (SUD-TRA) 1115(a) demonstration (Project No. 11-W-00321/1) to prospectively adjust its per member per month (PMPM) budget neutrality limits. The prospective adjustments account for expenditures that were not originally anticipated, and were not realized during the initial budget neutrality development and later became known as claims were being reviewed as part of the quarterly monitoring report preparations.

Consistent with the notice requirements in the Special Terms and Conditions #15 and the procedure set forth in 59 Fed. Reg 49249 (September 27, 1994), DHHS will convene one public hearing to seek public input on the demonstration amendment. Specifically, New Hampshire is requesting:

- To account for unanticipated retroactive enrollment under Fee-For-Service (FFS). Since the FFS population is so small, the Institution for Mental Disease (IMD) costs incurred during the retroactive eligibility period and spread over such a small population distorted the per member per month (PMPM);
- The budget neutrality targets be adjusted to account for the actual enrollment mix for individuals in IMD's that are weighted in more expensive rate cells than originally assumed; and
- Adjustments are needed to account for rating actions that were approved by the Legislature to ensure beneficiary access to SUD services and implemented after the original demonstration submission.

The complete amendment of the *Substance Use Disorder Treatment and Recovery Access Section 1115(a) Research and Demonstration (Project No. 11-W-00321/1)* is available for public review at: <https://www.dhhs.nh.gov/sud-imd/>

Due to the COVID-19 public health emergency, in-lieu of in-person public hearings, DHHS will use alternative formats, ZOOM or telephone, which permit the public to participate and permit submission of public input. **DHHS will host a public hearing at the monthly Medical Care Advisory Committee meeting on Monday, August 10, 2020 from 10:00 – 12:00 during which time DHHS will accept public comment.** All Medical Care Advisory Committee Meetings are open to the public.

To join by zoom:

Join Zoom Meeting

<https://nh-dhhs.zoom.us/j/92124210541?pwd=aVc1MnVzREZYUmRHS3MOS2dBYjE1QT09>

Meeting ID: 921 2421 0541

Passcode: 704376

One tap mobile

+16465588656,,92124210541#,,,,,0#,,704376# US (New York)

+13017158592,,92124210541#,,,,,0#,,704376# US (Germantown)

To participate by phone, call in at 10:00 am to:

Dial by your location

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 921 2421 0541

Passcode: 704376

Find your local number: <https://nh-dhhs.zoom.us/j/ab1FZAVnVw>

At the public hearing, you can give verbal or written comments to DHHS. Additional information about providing comments is noted below.

Public Comment

DHHS will accept public comments for the *Substance Use Disorder Treatment and Recovery Access Section 1115(a) Research and Demonstration amendment through Tuesday, August 11, 2020*. All comments must be received by **4:30 pm (Eastern)**.

Email comments to Dawn Landry at dawn.landry@dhhs.nh.gov or mail written comments to:

Dawn Landry

New Hampshire Department of Health and Human Services

129 Pleasant Street

Concord, NH 03301

When mailing or emailing please specify the *Substance Use Disorder Treatment and Recovery Access Section 1115(a) Research and Demonstration Amendment*.

Additional Information

Requests for a hard copy of the demonstration amendment may be submitted by mail to:

Dawn Landry

New Hampshire Department of Health and Human Services

Attn: *Substance Use Disorder Treatment and Recovery Access Section 1115(a) Research and Demonstration Amendment*

129 Pleasant Street

Concord, NH 03301

All information regarding the IMD/SUD demonstration amendment can be found on the DHHS web site at <https://www.dhhs.nh.gov/> under "Quick Links." DHHS will update this website.


Medical Care Advisory Committee (MCAC)

Monday, August 10, 2020

10:00 am – 12:00 pm

Meeting will be held via Zoom
See email for instructions

MEETING AGENDA

Introductions/Announcements	Carolyn Virtue, Chair	5 min
Review/Approval: July 13, 2020 Minutes	Carolyn Virtue, Chair	5 min
DHHS Legislative Update	John Williams, Esq. Director of Legislative Affairs	15 min
SUD Waiver Amendment of Budget Neutrality Target	Henry Lipman, Medicaid Director	15 min
DRAFT New Hampshire State Triage Committee Crisis Standards of Care Clinical Guidelines dated June 23, 2020	Carolyn Virtue, Chair	15 min
<ul style="list-style-type: none">• DRAFT New Hampshire State Long Term Care Crisis Standards of Care  (June 21, 2020)• DRAFT New Hampshire State Triage Committee Crisis Standards of Care Clinical Guidelines  (June 23, 2020)• DRAFT New Hampshire State Triage Committee Crisis Standards of Care Clinical Guidelines  (May 27, 2020)		
Managed Care Open Enrollment	Shirley Iacopino, Laura Ringelberg Medicaid Managed Care Operations	10 min
Department Updates MCO DME coverage Clarification on managed care entity 1135 Waivers/COVID-19 Department Website Improvement Fee for Service NEMT Contract Award	Henry Lipman, Medicaid Director	10 min
Membership	Jonathan Routhier, Vice Chair	10 min
Agenda Items - September 14, 2020	Members	5 min

Materials Sent to MCAC: Minutes 7/13/20, Agenda 8/10/20; Legislative Update; 1135 Waivers/COVID-19 handout

August 7, 2020 MCAC Meeting Minutes re: Substance Use Disorder Treatment and Recovery Access Section 1115(a) Research and Demonstration (Project No.11-W-00321/1)Amendment I

SUD Waiver Amendment of Budget Neutrality Target

Background: In July 2018, the State applied to CMS for the SUD waiver to go beyond the standard limit of 15 days of coverage for purposes of federal match. The goal was to provide SUD care in the least restrictive environment. The State will submit a future amendment to provide more flexibility and resources to deal with the psychiatric crisis.

The SUD waiver benefit and benchmark neutrality target that was approved and implemented was hypothetical as it had not previously existed. The original benchmark neutrality assumptions have not played out as projected. Therefore, the purpose of the amendment is to revise the benchmark budget neutrality limit to reflect actual utilization of the SUD benefit, legislatively mandated rate increases, increased residential facility rates, and retroactive coverage previously not available in 2019. It includes the fee-for-service component and retroactive coverage. It addresses the higher rate cells due to the distribution of those individuals accessing the benefit. The State is seeking this amendment to calibrate targets to actual expense.

A motion was made, seconded and approved to support the SUD waiver amendment of the benchmark neutrality target.

E-mail from New Futures to the Department in support of the Substance Use Disorder Treatment and Recovery Access (SUD TRA) Section 1115 Demonstration Amendment

From: Landry, Dawn
Sent: Thursday, August 13, 2020 11:52 AM
To: 'Holly Stevens' <hstevens@new-futures.org>
Subject: RE: New Futures' support of SUD 1115a waiver amendment request

Dear Ms. Stevens,

The Department thanks you for your support of our proposed amendment to our SUD 1115 demonstration.

[REDACTED], *Policy Administrator*
Division of Medicaid Services
New Hampshire Department of Health & Human Services
129 Pleasant Street, Concord, NH 03301
Phone: 603-271-9315
Email: dawn.landry@dhhs.nh.gov

From: Holly Stevens <hstevens@new-futures.org>
Sent: Tuesday, August 11, 2020 4:27 PM
To: Landry, Dawn <Dawn.Landry@dhhs.nh.gov>
Subject: New Futures' support of SUD 1115a waiver amendment request

EXTERNAL: Do not open attachments or click on links unless you recognize and trust the sender.

Dear Ms. Landry:

New Futures' strongly supports the amendment to the SUD 1115 waiver that allowed individuals to utilize 28 day treatment programs by waiving the IMD prohibition. It is our understanding that there were many unknown circumstances including a Medicaid rate increase, an increase in SUD provider rates, retroactive eligibility, along with the population with higher PMPMs are utilizing this benefit at a greater rate than originally anticipated. Therefore, the waiver is no longer budget neutral. Since it is extremely important that this waiver remain in place so that our state can continue to combat the addiction crisis using all the tools available. Because of that, New Futures supports this amendment to the SUD 1115 waiver so that it will have budget neutrality.

Thank you for the opportunity to comment on this amendment.

Holly

[REDACTED]
Health Policy Coordinator
[New Futures](#)
100 North Main Street, Suite 400 | Concord, NH
603-225-9540 Ext. 127
[NewFuturesNH](#) | [@NewFuturesNH](#)