

New Hampshire's Changing Medicaid Program: Enrollment and Expenditures

August 2017

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About this paper

One of the Center's projects recently has been to address issues regarding aging in New Hampshire. This paper is funded in part by a grant from the Endowment for Health. Andrew Chalsma, from the Department of Health and Human Services, provided great support in providing the data to the Center.

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Health Insurance Coverage in New Hampshire

Although the US Congress has made little progress in their quest to repeal, replace, and/or reform the Affordable Care Act (ACA), there is interest in changing current law in ways that will impact New Hampshire. Factions within both the House and Senate have argued for the end of federal participation in recent expansions in Medicaid coverage. Also, Congressional proposals created per capita block grants for Medicaid, designed to slow federal expenditure growth.

This piece attempts to put the Medicaid program within the context of other health insurance coverage, and provide an assessment of how coverage changes could impact the current financing of the state's Medicaid program. We review longitudinal data on caseload and claims from the Department of Health and Human Services, along with expenditure data from the Centers for Medicare and Medicaid Services (CMS) to shed light on current caseloads as well as the potential implications.

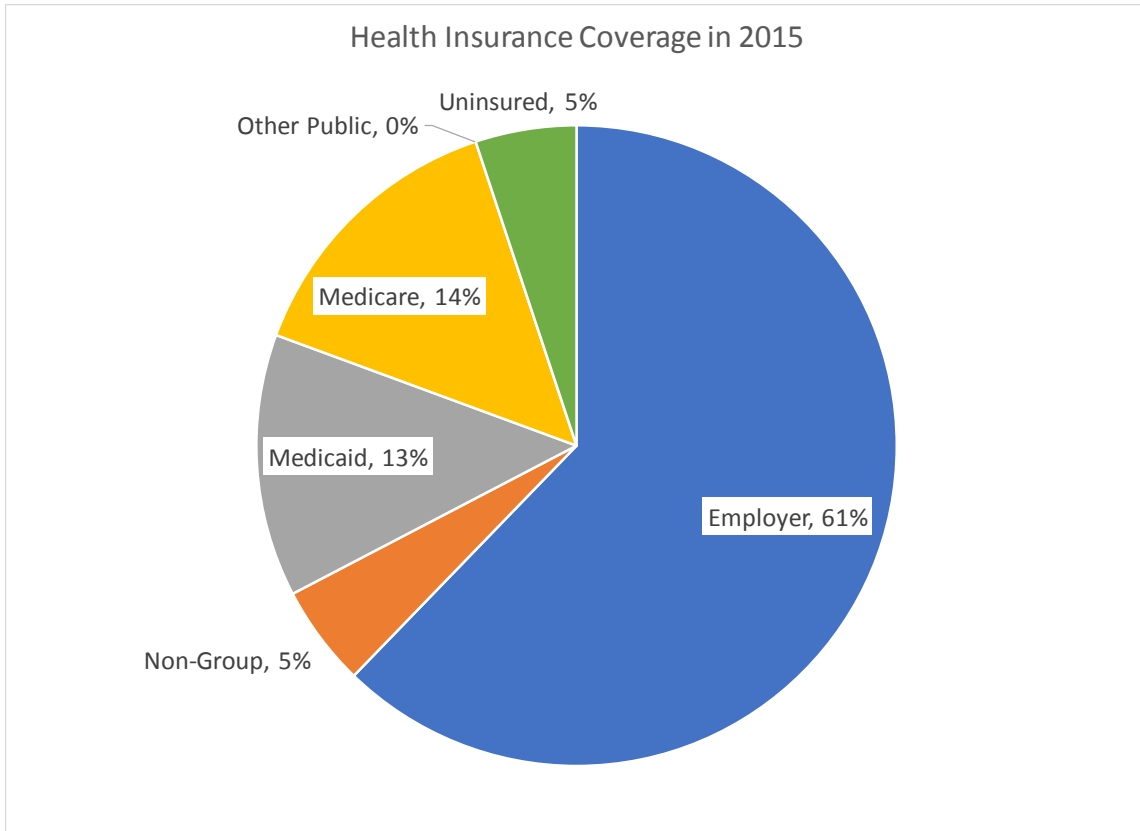
The findings are not surprising. The ACA resulted in significant increases in Medicaid coverage (33% increase). The vast majority (75%) of this uptick was a function of the expansion of Medicaid to adults (known as the NH Health Protection Plan), specifically those individuals between the ages of 19 and 64.

These coverage expansions have predictably resulted in notable rises in expenditures, in the form of payments to managed care companies. Between 2013 and 2015, total Medicaid expenditures grew by 43%, with federal dollars (extra \$407 million over the period), more so than state dollars (added \$109 million over the period), shouldering most of the burden. In state fiscal year (SFY) 2016, the NHHPP resulted in \$386 million in payments to provide coverage to enrollees of the program.

Health Insurance Coverage and Medicaid in New Hampshire

Across the country, states are watching Congress as they struggle with efforts to repeal and replace the ACA, or, as seems more likely now, to stabilize the individual health insurance exchange markets established by the ACA. And while significant changes to the federal-state financed Medicaid program seem less likely, it is still possible that a bi-partisan health reform effort will impact portions of the Medicaid program.

Figure 1: Health Insurance Coverage in New Hampshire



The implications of these changes will vary from state to state because of the variation in health insurance coverage. New Hampshire, for example, is an outlier in the structure of its health insurance coverage markets, as it has the highest rate of employer-sponsored coverage (61% of the state's population is covered through an employer) in the country (see Figure 1). For a complete list of states and coverage, see Appendix A.¹

In part because of the high penetration of employer coverage, both Medicaid and non-group insurance coverage – both of which could be profoundly affected by federal policy changes – have lower penetration in New Hampshire than in most other states. Nationally, Medicaid accounts for 20% of the nation's population (13% in NH), and the non-group market accounts for approximately 7% (5% in NH).

Even among the states of Massachusetts, Vermont and Maine, New Hampshire's healthcare insurance markets are markedly different.² As an example, Figure 2 below shows the share of the state's population covered by Medicaid. New Hampshire's rate of Medicaid coverage is

¹ A more detailed review of changes in insurance coverage in New Hampshire can be found here: http://chhs.unh.edu/sites/chhs.unh.edu/files/departments/institute_for_health_policy_and_practice/covering_the_care-health_care_coverage_in_nh_060717.pdf

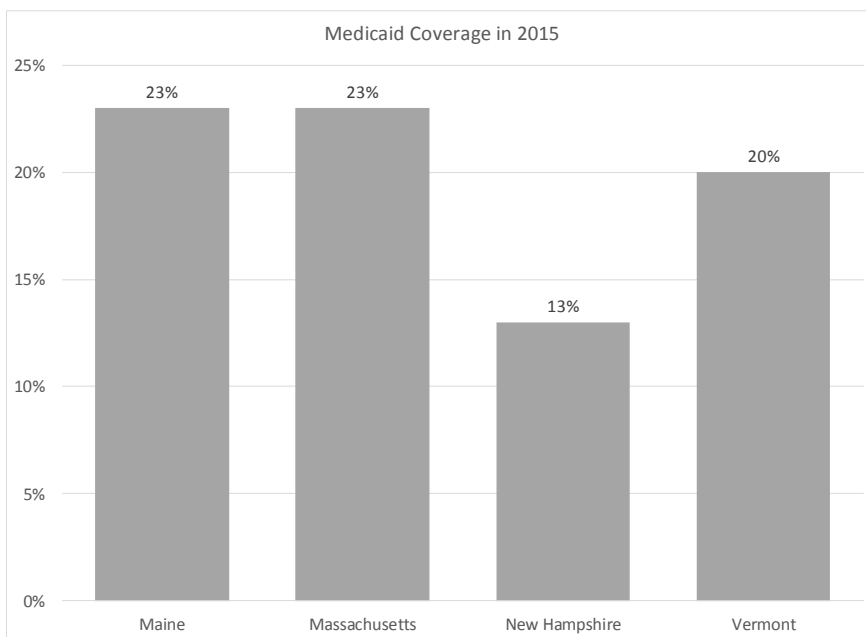
² The Institute for Health Policy & Practice has done extensive comparisons of state Medicaid programs in the Northeast. <http://chhs.unh.edu/ihpp/publications>

significantly different than the rest of the Northern New England states, due largely to underlying socio-economic conditions. New Hampshire is tied for 3rd lowest in the country in terms of the share of its population covered by Medicaid. Only North Dakota (10%) and Utah (12%) have lower rates of Medicaid coverage.

Figure 2: Medicaid Coverage in the Northern New England States

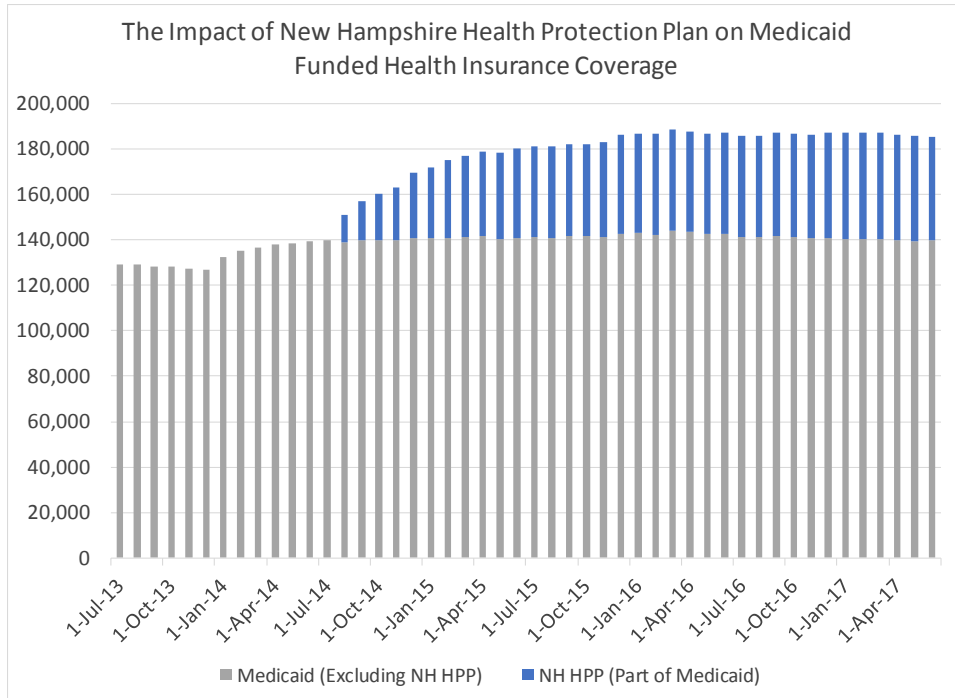
While New Hampshire's Medicaid penetration is quite low, there are approximately 190,000 individuals who currently have coverage in New Hampshire. And over time, the Medicaid program has taken on an increasingly larger role in coverage in New Hampshire.

These changes in Medicaid coverage were driven by two policies included in the ACA. The first was a change in the way the federal government required states to calculate income in the determination of eligibility.³ The second was the option to expand the Medicaid program to include individuals with incomes less than 138% of the federal poverty level that were not otherwise eligible for Medicaid. The state's Medicaid expansion program, the New Hampshire Health Protection Program (NHHPP), has had a significant impact on coverage, as shown in Figure 3. Initial coverage has grown from approximately 12,000 in the first month of implementation (August 2014) to over 45,000 enrollees (June 2017).



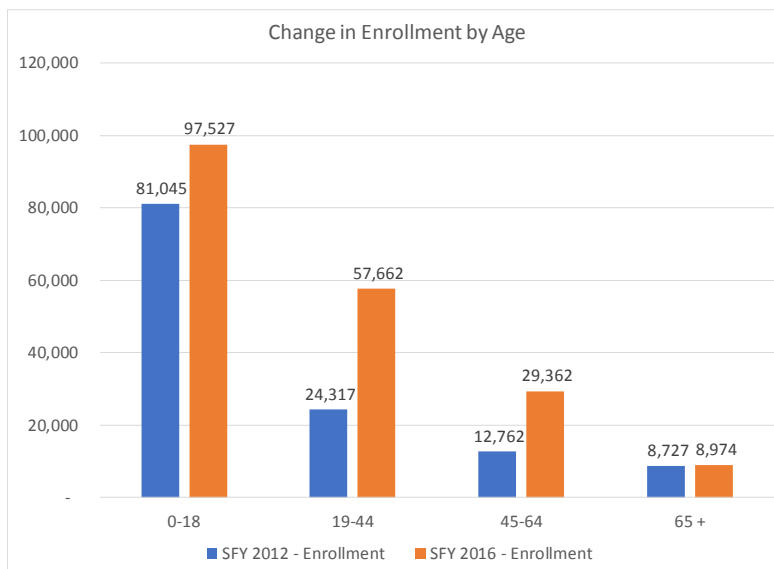
³ For a discussion of these changes, see http://laborcenter.berkeley.edu/pdf/2013/MAGI_summary13.pdf

Figure 3: Medicaid Coverage During the Period of Medicaid Expansion



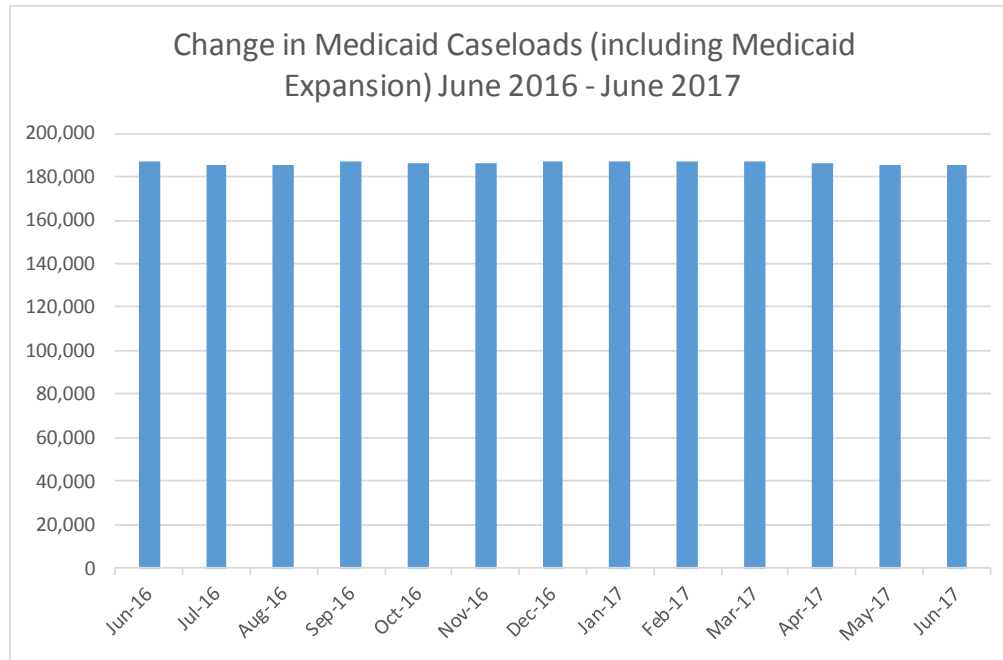
As shown in Figure 4, enrollment increased for all populations between SFY 2012 and SFY 2016. A roughly 20% enrollment increase for those under the age of 18 was driven by changes in socio-economic conditions and in the calculation of eligibility. Increases for the adult population were driven largely by the implementation of the NHHPP. Seventy five percent of enrollment jump over the period was attributable to those between the ages of 19 and 64.

Figure 4: Changes in Medicaid Enrollment by Age 2012 - 2016



Over the past fiscal year, Medicaid caseloads (Figure 5) have remained stable, even showing a slight dip.

Figure 5: Change in Medicaid Enrollment SFY 2017

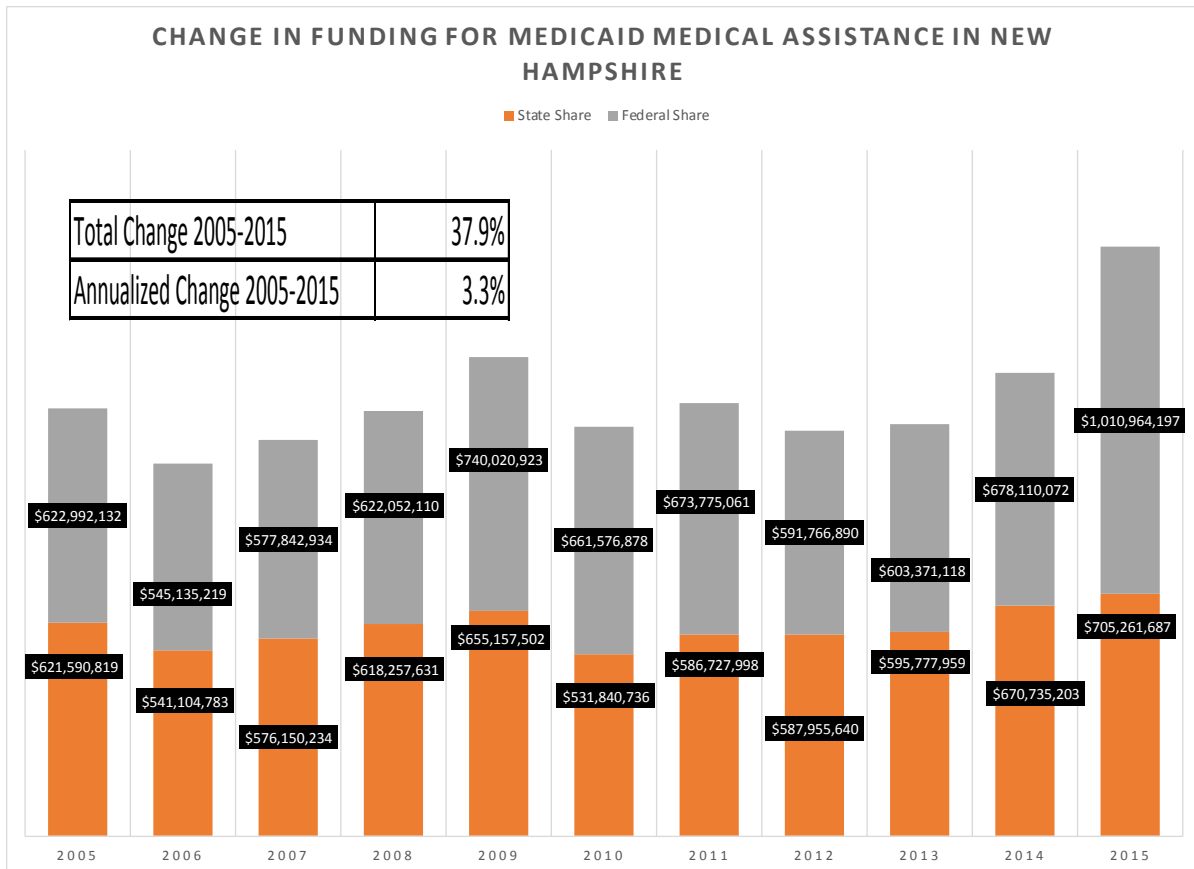


Financing Changes in Medicaid Coverage

The Medicaid program is jointly financed by New Hampshire and the federal government. Under this agreement, the federal government guarantees matching funds for Medicaid expenditures. New Hampshire is guaranteed a 50% match, which ensures that New Hampshire receives at least \$1 in federal funds for every \$1 in state spending on the program. In many instances, Medicaid provides a higher matching rate for select services or populations. The most notable, and one directly linked to the coverage changes in New Hampshire was the Affordable Care Act's enhanced match rate for states expanding Medicaid. When New Hampshire implemented the NHHPP, it did so knowing that the federal government will pay 100 percent of the costs of those newly eligible from 2014 to 2016. Federal participation gradually phases down to 90 percent in 2020 and under current law, will remain at that level.

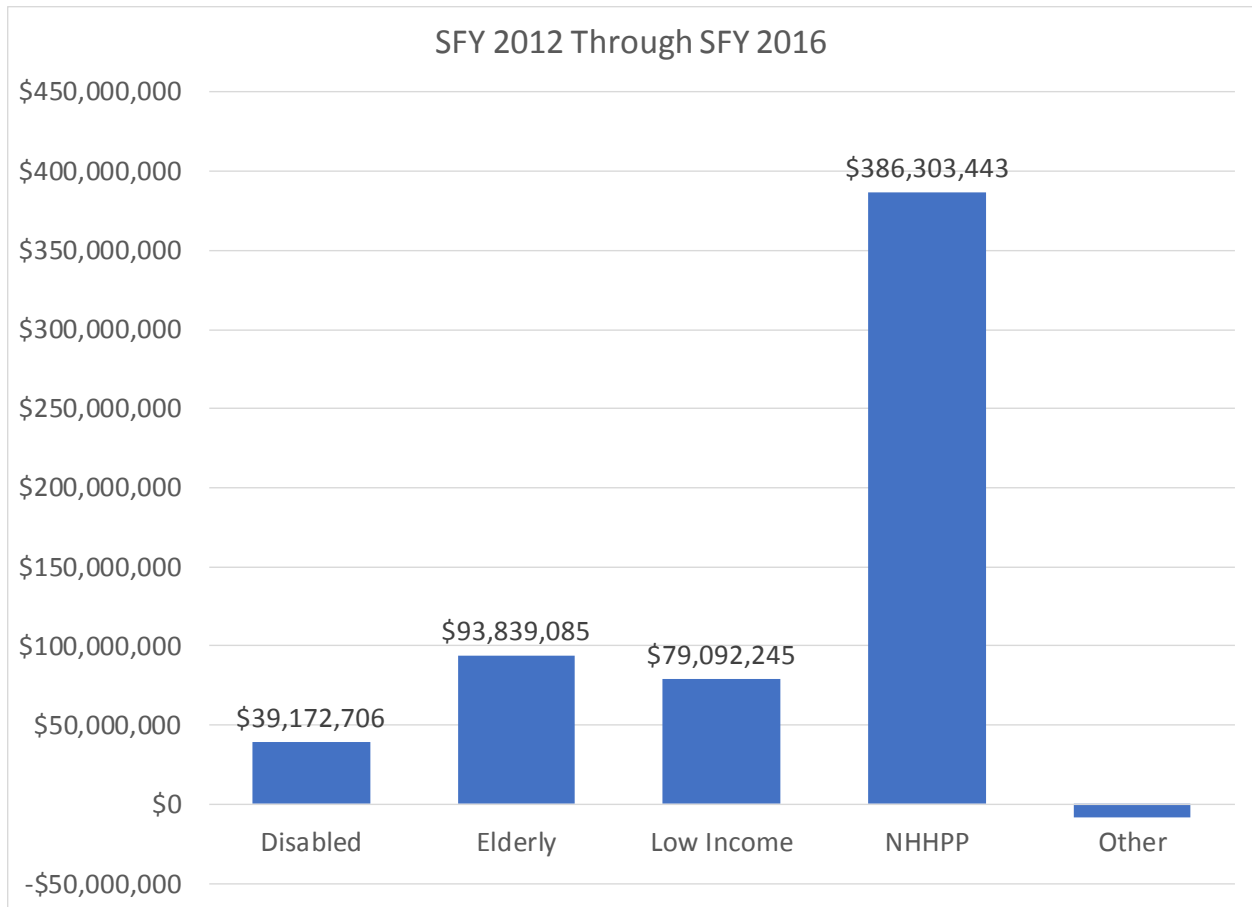
What has this meant for Medicaid financing in New Hampshire? Between 2005 and 2015, federal and state Medicaid expenditures increased by almost 40%, or 3.3% per year. Yet, much of this occurred since the implementation of the NHHPP in 2014. Total expenditures for the Medicaid program grew by 43% between 2013 and 2015, with the federal government picking up the lion's share of the bill. Between 2013 and 2015, federal dollars flowing into New Hampshire increased by \$407 million. State dollars increased by \$109 million.

Figure 6: Changes in Federal and State Expenditures on Medicaid 2005 - 2015



Some of this was a result of natural caseload growth, or changes in the calculation of eligibility as mentioned above. To disentangle these changes from the impact of the NHHPP on the financing of Medicaid, we analyzed expenditure data based on services provided from SFY 2012 through 2016. As shown in Figure 7, expenditures increased for all the major eligibility categories for the state’s Medicaid program. However, changes for the disabled, the elderly, and low-income individuals were dwarfed by the NHHPP, as the state made payments of almost \$400 million dollars for those eligible under the NHHPP.

Figure 7: Changes in Medicaid Expenditures from SFY 2012 Through SFY 2016



Appendix 1: Health Insurance Coverage by State (2015)

Location	Employer	Non-Group	Medicaid	Medicare	Other Public	Uninsured
United States	49%	7%	20%	14%	2%	9%
Alabama	46%	6%	19%	15%	4%	11%
Alaska	50%	3%	18%	9%	7%	13%
Arizona	41%	4%	25%	14%	3%	13%
Arkansas	44%	7%	22%	16%	2%	9%
California	45%	9%	26%	10%	2%	8%
Colorado	50%	6%	19%	13%	3%	9%
Connecticut	52%	8%	19%	13%	N/A	6%
Delaware	53%	5%	18%	14%	3%	7%
District of Columbia	52%	8%	26%	10%	N/A	4%
Florida	39%	10%	18%	18%	3%	13%
Georgia	46%	6%	19%	13%	3%	14%
Hawaii	52%	3%	18%	15%	8%	5%
Idaho	48%	8%	18%	14%	1%	11%
Illinois	54%	6%	19%	14%	1%	6%
Indiana	52%	5%	19%	14%	1%	9%
Iowa	53%	8%	17%	15%	1%	5%
Kansas	54%	7%	13%	13%	2%	10%
Kentucky	45%	9%	22%	16%	N/A	6%
Louisiana	46%	7%	20%	13%	N/A	11%
Maine	47%	5%	23%	18%	2%	5%
Maryland	58%	6%	15%	12%	2%	7%
Massachusetts	54%	5%	23%	12%	1%	4%
Michigan	53%	6%	19%	16%	N/A	6%
Minnesota	56%	8%	14%	15%	1%	6%
Mississippi	41%	5%	23%	15%	3%	13%
Missouri	56%	7%	13%	15%	1%	9%
Montana	46%	6%	16%	17%	4%	10%
Nebraska	55%	7%	13%	13%	N/A	8%
Nevada	46%	7%	17%	13%	5%	11%
New Hampshire	61%	5%	13%	14%	0%	5%
New Jersey	55%	6%	18%	13%	N/A	8%
New Mexico	37%	5%	27%	15%	3%	12%
New York	49%	7%	24%	13%	N/A	6%
North Carolina	48%	7%	18%	13%	N/A	11%
North Dakota	57%	8%	10%	14%	3%	8%
Ohio	52%	5%	21%	15%	1%	6%
Oklahoma	46%	7%	17%	14%	3%	13%
Oregon	46%	7%	24%	14%	2%	7%
Pennsylvania	55%	5%	18%	16%	1%	6%
Rhode Island	57%	7%	17%	13%	N/A	5%
South Carolina	46%	6%	19%	16%	2%	11%
South Dakota	53%	9%	14%	14%	N/A	9%
Tennessee	45%	6%	19%	16%	N/A	11%
Texas	48%	7%	16%	11%	3%	16%
Utah	59%	7%	12%	10%	N/A	10%
Vermont	51%	7%	20%	14%	3%	5%
Virginia	53%	8%	11%	14%	5%	9%
Washington	50%	6%	22%	14%	2%	7%
West Virginia	40%	4%	29%	19%	1%	6%
Wisconsin	55%	6%	17%	14%	1%	7%
Wyoming	56%	7%	10%	14%	4%	9%

Source: Health Insurance Coverage of the Total Population | The Henry J. Kaiser Family Foundation