



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HEALTH MANAGEMENT

6 HAZEN DRIVE, CONCORD, NH 03301-6527
 603-271-4501 1-800-852-3345, Ext. 4501 TDD Access: 1-800-735-2964

Terry L. Morton
 Commissioner

Dianne Luby
 Director

December 28, 1998

Ms. Diona Kristian
 Health Care Financing Administration
 7500 Security Boulevard, S2-01-16
 Baltimore, Maryland 21244-1850

Dear Ms. Kristian:

The State of New Hampshire is submitting a Title XXI Children's Health Insurance Plan amendment to the Health Care Financing Administration for review and approval. The changes we are proposing can be found in Section 6 "Coverage Requirements for Children's Health Insurance". The changes include:

- Section 6.2.6 Prescription Drugs: our current CHIP plan calls for "prescription drugs including all FDA approved contraceptive medicines and devices." We are proposing to modify this to "prescription drugs including all FDA approved oral contraceptives and Depoprovera."

Rationale: In order to maintain cost control on the prescription drug benefit the State looked at its experience through the Title X Family Planning Program to see what contraceptives were utilized most often by adolescents. The data indicated that oral contraceptives and Depoprovera, which is an injectable contraceptive, are the ones most used most often by teens. As such the State has made the decision to limit the coverage to oral contraceptives and Depoprovera. Of note, when the original actuarial analysis was done by Mercer and Company, oral contraceptives were not included in the analysis. This was an oversight of no consequence since our plan came in well above the BBA requirement. Consequently the revised Mercer actuarial analysis treats this change in our program as the addition of oral contraceptives to the CHIP benefits package.

- Section 6.2.18 and 6.2.19 Inpatient and Outpatient Substance Abuse Treatment: our current CHIP plan does not include these services. We are proposing adding 6.2.18 inpatient substance abuse treatment services for medically necessary detoxification stays. There will be no limit on the number of times a member is admitted for inpatient detoxification. Also we are proposing adding 6.2.19 Outpatient Substance Abuse Treatment Services. Specifically the substance abuse visits will be wrapped into the current 20 outpatient mental health visits. A member will have access to a total of 20 mental health or substance abuse counseling visits.

Rationale: the State has continued its public process as we began to implement our CHIP program. Health care providers, advocates and parents impressed upon the State the importance of access to substance abuse services. The addition of these services further enriches the actuarial value

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of our CHIP plan. Of note, Mercer and Company assumed a \$10 office co-pay in their analysis of this proposed change. The office co-pay is in fact \$5.

- Section 6.2.17 Dental Services: our current CHIP plan calls for “Diagnostic and preventive services including sealants covered at 100%. Covered at 50% will be endodontics, fillings, emergency treatment, oral surgery, periodontics and denture repair. Calendar year maximum of \$1,000 per child.” We are proposing to modify the benefit to: “Diagnostic and preventive services including sealants and fillings are covered 100% up to a maximum of \$500 per child per year.

Rationale: the State reviewed the NH Healthy Kids Corporation’s (NHHK) dental experience over the past 4 years. 80% of the claims filed through Northeast Delta Dental were for fillings. The average annual expenditure was \$250 per child per year for all preventive and restorative services. As mentioned in previous discussions with HCFA, the State is very concerned about access to dental services and the impact of the 50% co-pay for restorative services given the federal regulations on the 5% aggregate family cost sharing. The State looked at a variety of options for structuring the dental benefit such that the family would not have to pay any co-pays for services and dentists would not have to participate in maintaining federal regulations regarding family cost sharing. After a detailed analysis and discussion with providers, consumers and advocates, the State has chosen to modify the benefit. This change has no effect on the actuarial value of the CHIP benefits package as noted by Mercer and Company.

In addition to this letter summarizing the proposed changes, I have enclosed a copy of a letter from Tom Carlson, A.S.A. of William M. Mercer and Company outlining the actuarial analysis of our proposed changes and a revised Section 6. Please substitute these pages for ones previously submitted.

Thank you in advance for your assistance in facilitating the approval of these plan modifications, Please contact me directly at 603-271-5249 or email: kdunn@dhhs.state.nh.us, should you require any further information.

Sincerely,

Katie Dunn, MPH
Assistant Administrator

cc Dianne Luby, Director
Kathleen Sgambati, Deputy Commissioner
Karen Hicks, Office of the Governor
Tricia Brooks, NHHK

December 4, 1998

Ms. Kathleen Dunn
Assistant Administrator
State of New Hampshire
Department of Health and Human Services
Office of Health Management
6 Hazen Drive
Concord, NH 03301-6527

Dear Ms. Dunn:

The State of New Hampshire (State) has recently asked William M. Mercer, Incorporated (Mercer) to estimate the effect of recent changes to the State's Healthy Kids benefit. Mercer previously certified the Healthy Kids program to be in compliance with the Balanced Budget Act of 1997 (BBA 97), in a letter to Rob Werner dated March 24, 1998. The changes that have occurred since our original analysis, have made the overall coverage more valuable, therefore the program is still in compliance with BBA 97. Changes, which lower the benefit of the program, would require careful examination to ensure the value remained in compliance with BBA 97. The following letter explains our analysis on the changes in coverage since that certification.

The three changes to the existing Healthy Kids benefit are outlined below. None of the changes lowers the benefit, and the overall effect is a richer benefit. The redesigned plan is therefore in compliance with BBA 97 requirements.

1. Oral Contraceptives will be covered under the same conditions as prescription drugs. The copayment for prescription drugs is \$5 for generic, and \$10 for brand drugs. Since this is an enhancement of the program, it won't jeopardize compliance with BBA 97.
2. Substance abuse services are added to the plan. These services cover outpatient substance abuse visits and inpatient detoxification stays. The previous benefit covered mental health only, excluding substance abuse. The new substance abuse outpatient visits are wrapped into the current mental health 20 visits per year, and require the same \$10 copayment. Therefore, a member could have a total of 20 outpatient visits for mental health and substance abuse counseling, not 20 visits each. The inpatient detoxification stays are covered without any cost sharing, and are for medically necessary stays only. Other inpatient substance abuse treatments are not covered by the Healthy Kids program. The state is paying \$0.17 PMPM for this additional coverage.

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Phone 602 955 9682
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3. The dental Coverage B has had some shifts in the benefit. Dropped from coverage are oral surgery, endodontics, periodontics, and denture repair (these were previously covered at 50%). Sealants, fillings and emergency treatment are now covered at 100% (these services were previously covered at 50%). The \$1000 annual maximum has also been lowered to \$500 per calendar year. We have computed the value of these changes to be neutral, even with the lower annual maximum, since the most used services are all now covered at 100%.

Please call me at 602-667-1303 when you have had a chance to review this letter so that we can discuss these issues.

Sincerely,

Thomas P. Carlson, A.S.A.

TPC/JS/jlt

cc: Jeff Smith

6.2.18.[X] Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))

Inpatient detoxification for medically necessary stays. No limit on the number of times a member may be admitted for inpatient detoxification.

6.2.19.[X] Outpatient substance abuse treatment services (Section 2110(a)(19))

Outpatient substance abuse visits wrapped into the 20 outpatient mental health benefit. Therefore a member will have a total of 20 outpatient visits for mental health and substance abuse counseling. Not 20 visits for each.

6.2.20. Case management services (Section 2110(a)(20))

6.2.21.[X] Care coordination services (Section 2110(a)(21))

To be provided as part of the role of the Primary Care Provider.

6.2.22.[X] Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))

24 visits for speech therapy; 24 visits for occupational therapy or 24 visits for physical therapy or a combination of occupational and physical therapies.

6.2.23.[X] Hospice care (Section 2110(a)(23))

6.2.24.[X] Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (Section 2110(a)(24))

Chiropractic services

6.2.25. Premiums for private health care insurance coverage (Section 2110(a)(25))

6.2.26.[X] Medical transportation (Section 2110(a)(26))

Emergency transportation by ambulance

6.2.27.[X] Enabling services (such as transportation, translation, and outreach services) (Section 2110(a)(27))

Non-emergent transportation will be available through the State's Medicaid Administration Bureau's transportation program. Enrollees must meet the program's requirements for reimbursement of transportation related expenses.

6.2.28. Any other health care services or items specified by the Secretary and not included under this section (Section 2110(a)(28))

Skilled nursing and rehabilitation facility services as deemed medically necessary and pre-authorized by the health plan.

Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)

6.1. The state elects to provide the following forms of coverage to children:
(Check all that apply.)

- 6.1.1. Benchmark coverage; (Section 2103(a)(1))
 - 6.1.1.1. FEHBP-equivalent coverage; (Section 2103(b)(1)) (If checked, attach copy of the plan.)
 - 6.1.1.2. State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)
 - 6.1.1.3. HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)
- 6.1.2. Benchmark-equivalent coverage; (Section 2103(a)(2)) Specify the coverage, including the amount, scope and duration of each service, as well as any exclusions or limitations. Please attach signed actuarial report that meets the requirements specified in Section 2103(c)(4). See instructions.
- 6.1.3. Existing Comprehensive State-Based Coverage; (Section 2103(a)(3)) [Only applicable to New York; Florida; Pennsylvania] Please attach a description of the benefits package, administration, date of enactment. If "existing comprehensive state-based coverage" is modified, please provide an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of 8/5/97 or one of the benchmark plans. Describe the fiscal year 1996 state expenditures for "existing comprehensive state-based coverage."
- 6.1.4. Secretary-Approved Coverage. (Section 2103(a)(4))

6.2. The state elects to provide the following forms of coverage to children:
(Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations)
(Section 2110(a))

- 6.2.1. Inpatient services (Section 2110(a)(1))
- 6.2.2. Outpatient services (Section 2110(a)(2))
- 6.2.3. Physician services (Section 2110(a)(3))

Including primary care providers such as Advanced Registered Nurse Practitioners and Physician Assistants.

- 6.2.4. Surgical services (Section 2110(a)(4))
- 6.2.5. Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))

- 6.2.6. [X] Prescription drugs (Section 2110(a)(6))
Including all FDA approved oral contraceptives and Depoprovera.
- 6.2.7. Over-the-counter medications (Section 2110(a)(7))
- 6.2.8. [X] Laboratory and radiological services (Section 2110(a)(8))
- 6.2.9. [X] Prenatal care and prepregnancy family services and supplies (Section 2110(a)(9))
- 6.2.10. [X] Inpatient mental health services, other than services described in 6.2.18., but including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10))
Maximum of 15 days per year
- 6.2.11. [X] Outpatient mental health services, other than services described in 6.2.19, but including services furnished in a state-operated mental hospital and including community-based services (Section 2110(a)(11))
Maximum of 20 visits per year
- 6.2.12. [X] Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12))
Eyeglasses and hearing aids plus other DME as determined to be medically necessary and consistent with diagnosis.
- 6.2.13. [X] Disposable medical supplies (Section 2110(a)(13))
Disposable medical supplies as medically necessary and consistent with diagnosis, are covered.
- 6.2.14. [X] Home and community-based health care services (See instructions) (Section 2110(a)(14))
20 home health visits a year.
- 6.2.15. Nursing care services (Section 2110(a)(15))
- 6.2.16. Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))
- 6.2.17. [X] Dental services (Section 2110(a)(17))
Diagnostic and preventive services including sealants and fillings are covered 100% up to a maximum \$500 per child per year.