

THE WHITE HOUSE  
WASHINGTON

February 2, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Carol H. Rasco   
SUBJECT: New Hampshire Medicaid Waiver 

You had asked about an item in the weekly summary from Cabinet Affairs on a New Hampshire Medicaid waiver (attached).

Although the description in the report seemed to suggest that the waiver is ready for approval, in fact the state has revised its request a number of times, and at the moment there is no pending waiver request that HHS can approve or deny.

The state originally submitted a waiver request in June 1994, but dropped the plan a few months later when the Commissioner of Health and Human Services left. Since that time, the state has sent HHS three additional "concept papers" -- in June 1995, September 1995, and January 1996. HHS has provided the state with technical assistance along the way, and a formal waiver proposal is expected from the state within the next few weeks.

cc: Marcia Hale

(HHS) regarding an interpretation of the Multi-Ethnic Placement Act of 1994 (MEPA). Recent negotiations between MN and HHS have failed to resolve HHS's assertion that MN is not in compliance with MEPA and that Federal funds would be terminated under Title VI. During the coming week, the Civil Rights Division hopes to meet with HHS and the Office of Legal Counsel to discuss the matter.

- **Government will Refrain from filing Civil Forfeiture Actions Against Tribes Involved in New Mexico Gaming:** In *Pueblo of Santa Ana v. Kelly*, the parties signed a stipulation setting aside a hearing on a motion for preliminary injunction. The Tribes will withdraw their mandamus and injunctive relief motions. In exchange, the government agreed to refrain from filing civil forfeiture actions during the pendency of the action. The Tribes have also agreed not to block highways, and to voluntarily close down their operations if the judge ultimately finds that the gaming is unlawful.
- **Solicitor General To Defend Constitutionality of Statute Concerning Indecent Cable Programming:** On or before January 29, DOJ will file a brief on the merits in the Supreme Court in *Denver Area Educational, Inc. v. FCC*. The government is defending the constitutionality of Section 10 of the Cable Television Consumer Protection and Competition Act of 1992, which deals with indecent programming on cable television. The provision's constitutionality was upheld by the D.C. Circuit sitting *en banc*.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **CDC Report on Tobacco Use Released:** On January 25, the CDC released a new report summarizing data on tobacco use in all 50 states and the District of Columbia. This is the first compilation of state-based data on the prevalence of tobacco use, the health impact and costs associated with tobacco use, tobacco control laws, and tobacco use prevention and control programs. According to the CDC report, tobacco use remains the leading preventable cause of death in the United States, causing more than 400,000 deaths each year at an annual cost of more than \$50 billion.

Craig  
what's the  
deal here  
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good

• **New Hampshire Medicaid Waiver:** The *Granite State Partnership for Access and Affordability in Health Care*, a statewide section 1115 demonstration proposal, would expand the cutoff for Medicaid eligibility for pregnant women and children from 170 - 185% of the Federal poverty level, and extend Medicaid coverage to the uninsured up to 155% of the Federal poverty level. The plan would also eliminate categorical and asset requirements, create a public insurance product to provide health care coverage to low income workers, and provide a broader array of community services for the frail elderly and disabled. The State submitted a revised proposal June 20, 1995 and met with the Administrator on June 26 to discuss various options for health reform. Based on these discussions, the State has submitted a new concept paper for reform of its health care system. An issues letter was sent to the State by HCFA on October 20. HCFA is currently awaiting the State's response.



# FAX TRANSMISSION

U.S. Department of Health and Human Services  
Office of the Secretary

To: Anna Fortuna

Organization: White House Domestic Policy

From: Pat Gads  
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Date: 2/1/96

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Number of pages including this sheet: 4

Remarks:

*In FYI - Here's the scoop  
on New Hampshire. Let me  
know if you have questions.*

*New Hampshire Medicaid Waiver*

New Hampshire Section 1115 Demonstration Proposal  
Talking Points

- o Over the past 2 years, New Hampshire has submitted and revised its Medicaid demonstration concept, with a final application expected in the next few months.
- o Since last summer, (most recently on site on January 25, 1996) HCFA staff have been working cooperatively with the State to help it develop a concept paper which would better articulate its broad health reform goals.
- o Under the newly developed concept paper, the first phase of the State's program would require approximately 48,000 AFDC children and families to enroll in managed care for acute care services and coordination of specialty services.
- o We hope that the State's success in enrolling AFDC Medicaid beneficiaries into HMOs on a voluntary basis will lead to continued success in attracting additional HMOs under its new program.
- o The second phase, for which the State plans to submit a second section 1115 proposal, would enroll the rest of the Medicaid population into integrated health care systems for acute and long term care services.
- o We will remain willing and committed to providing the State with any additional assistance it may need such as HCFA staff provided on site last week.
- o We continue to review the draft information the State has provided to us and look forward to receiving its formal proposal.



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Health Care  
Financing Administration

## Memorandum

DATE FEB 1 1996

FROM Bruce C. Vladeck  
Administrator

SUBJECT New Hampshire Section 1115 Demonstration Proposal--ALERT

TO The Secretary

## ISSUE

New Hampshire has submitted a series of concept papers and proposals regarding their section 1115 demonstration:

- On June 14, 1994, the State submitted a proposal entitled "The Granite State Partnership for Access and Affordability in Health Care." HCFA sent comments and questions to the State about their proposal on September 28, 1994. The State did not pursue this proposal, due in part to the Commissioner of the Department of Health and Human Services leaving his position.
- On June 13, 1995, the State sent a revised concept paper. Under that proposal, New Hampshire set forth broad goals for restructuring the State's health and social services financing and delivery systems. Included in the discussion was an aggregate block grant approach with minimum Federal restrictions. The State has decided not to pursue these concepts.
- On September 20, 1995, the State submitted another concept paper. HCFA sent a major issues letter on October 20, 1995.
- Based on further evaluations of health care goals in New Hampshire, the State developed another draft concept paper in January 1996.

The current draft concept paper has the following components:

- Under Phase I, the State would require AFDC and AFDC-related children and families to enroll in managed care plans for acute care services, and the health plans will be required to make referrals and coordinate with specialty services. New Hampshire has had a somewhat successful experience enrolling AFDC and AFDC-related Medicaid beneficiaries in HMOs on a voluntary basis (approximately 25 percent), and we anticipate the State will be successful in their efforts to attract additional HMOs for this population.

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- Under Phase II of the initiative, which will be implemented pursuant to a second section 1115 application, New Hampshire will enroll the rest of the Medicaid population into integrated health care systems for acute and long term care services. Given sufficient savings from the demonstration project, the State will expand the project to include the uninsured into the integrated health care systems through a Medicaid buy-in program.

## CURRENT STATUS

We anticipate receiving New Hampshire's formal proposal within the next few weeks. Both HCFA central office and regional office staffs met with State officials on January 25 to provide technical assistance at their request. We intend to expedite the review process for Phase I of the process. Phase II, because of the complexities with long term care service integration and program expansion, will take more time. We continue to review draft information and will work closely with the State to meet their intended implementation date of October 1, 1996.