

HB 1793-FN-A - AS INTRODUCED

2018 SESSION

18-2233

01/10

HOUSE BILL ***1793-FN-A***

AN ACT establishing a New Hampshire single payer health care system.

SPONSORS: Rep. P. Schmidt, Straf. 19; Rep. Doherty, Merr. 20; Rep. Lisle, Hills. 35; Rep. Knirk, Carr. 3

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes a single payer health care system to provide health care for the citizens of New Hampshire.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough.]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT establishing a New Hampshire single payer health care system.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Statement of Purpose. It is the purpose of this act to create a New Hampshire health services
2 program. This program shall provide universal access to health care for all individuals residing
3 within New Hampshire, promote and improve the health of all its residents, stress the importance
4 of good public health through treatment and prevention of diseases, and contain costs of delivering
5 care within the financial means of the stakeholders in our state. If legislation of this kind is
6 enacted on a federal level, it is the intent of this act to become a part of a nationwide system.

7 2 New Chapter; New Hampshire Single Cure Act. Amend RSA by inserting after chapter 404-I
8 the following new chapter:

9 CHAPTER 404-J

10 NEW HAMPSHIRE SINGLE CURE ACT

11 404-J:1 This chapter may be cited as the New Hampshire Single Cure Act.

12 404-J:2 Program Established. There is hereby established the New Hampshire health services
13 program. This program shall provide universal access to health care for all individuals residing in
14 New Hampshire.

15 404-J:3 Definitions. In this chapter:

16 I. "Board" means the New Hampshire health services governing board, established in
17 RSA 404-J:12, responsible for the administration of the program.

18 II. "Program" means the New Hampshire health services program, established pursuant to
19 this chapter.

20 III. "Trust" means the New Hampshire health services trust (NHHST), established in
21 RSA 404-J:9, responsible for funding the program.

22 404-J:4 Eligibility. All individuals legally residing in New Hampshire shall be eligible to
23 receive approved benefits and have payments made to health care providers under the program. To
24 be eligible, individuals shall fill out an application form. An individual's social security number
25 shall not be used for the purposes of this section. After filling out the form, individuals shall receive
26 a program insurance card with a unique number in the mail. Individuals who present themselves
27 for covered services from a participating provider shall be presumed to be eligible under this
28 chapter but shall complete an application for benefits in order to receive a New Hampshire health
29 services card and have payments made for such benefits.

30 404-J:5 Benefits and Portability. The health coverage benefits under this chapter shall be
31 available through any licensed health care practitioner or facility anywhere in the state that is

1 legally qualified to provide such benefits and for emergency outpatient and inpatient care anywhere
2 in the United States. Out-of-state non-emergency services shall be covered if not available within
3 New Hampshire. No deductibles, co-payments, coinsurance, or other cost sharing shall be imposed
4 with respect to covered benefits except for those goods or services that exceed basic covered benefits
5 as defined by the board. Covered services include, but are not limited to:

6 I. Primary care and prevention.

7 II. Specialty care other than elective cosmetic.

8 III. Inpatient care.

9 IV. Outpatient care.

10 V. Emergency care.

11 VI. Prescription drugs.

12 VII. Durable medical equipment.

13 VIII. Long-term care.

14 IX. Mental health services.

15 X. The full scope of dental services, other than elective cosmetic dentistry.

16 XI. Substance abuse treatment services.

17 XII. Chiropractic services.

18 XIII. Basic vision care and vision correction.

19 XIV. Medical devices for appropriate clinical indication.

20 404-J:6 Qualification of Participating Practitioners or Facilities.

21 I. Health care delivery facilities shall meet regional and state quality and licensing
22 guidelines as a condition of participation under the program, including guidelines regarding safe
23 staffing and quality of care.

24 II. A participating health care practitioner shall be licensed by the state. No health care
25 practitioner or facility whose license is under suspension or has been revoked shall participate in
26 the program.

27 III. Patients shall have free choice of participating eligible practitioners or facilities
28 including, but not limited to, hospitals set up for acute inpatient and chronic care.

29 404-J:7 Practitioner, Facility, and Supplier Reimbursement.

30 I. The program shall pay all health care practitioners according to the following standards:

31 (a) Physicians and other practitioners can choose to be paid fee-for-service, salaried by
32 institutions receiving global budgets, or salaried by group practices.

33 (b) The program shall reimburse physicians choosing to be paid fee-for-service
34 according to a fee schedule negotiated between physician representatives and the program on an
35 annual basis.

36 II. The program shall pay each hospital and other licensed health care institutions,
37 including, but not limited to, nursing homes, community health rehabilitation centers, home health
38 care agencies, and such other qualifying institutional providers, according to the following

1 standards:

2 (a) A monthly lump sum payment to cover all operating expenses. The hospital and
3 program shall negotiate the amount of this payment annually based on past budgets, clinical
4 performance, and projected changes in demand for services and input costs and proposed new
5 programs. Hospitals shall not bill patients for services covered by the program and shall not use
6 any of their operating budgets for expansion, profit, excessive executive income, marketing, or
7 major capital purchases or leases.

8 (b) The program budget shall separately fund major capital expenditures including the
9 construction of new health facilities and the purchase of durable equipment.

10 III. The program shall pay for all covered prescription drugs, devices, and durable medical
11 supplies according to a fee schedule negotiated between the program and manufacturers, vendors
12 and suppliers on an annual basis. Where therapeutically equivalent drugs are available, the
13 formulary shall specify the use of the lowest-cost medication, with exceptions available in the case
14 of medical necessity.

15 404-J:8 Prohibition Against Duplicating Coverage. A private health insurer shall not sell
16 health insurance coverage that duplicates the benefits provided under this chapter. Nothing in this
17 chapter shall be construed as prohibiting the sale of health insurance coverage for any additional
18 benefits not covered by this chapter.

19 404-J:9 New Hampshire Health Services Trust.

20 I. There is hereby established the New Hampshire health services trust (NHHST) fund
21 which shall be accounted for distinctly and separately from all other funds and shall be non-interest
22 bearing. The trust fund shall be administered by the board and shall be used solely to provide
23 payment and reimbursement for the program under this chapter. All moneys in the trust fund
24 shall be nonlapsing and shall be continually appropriated to the board for the purposes of the trust
25 fund. The trust fund shall be authorized to pay and/or reimburse:

26 (a) The funds for the general operating budget of the program.

27 (b) Reimbursement for benefits outlined in RSA 404-J:5.

28 (c) Public health services.

29 (d) Capital expenditures for construction or renovation of health care facilities or major
30 equipment purchases deemed necessary throughout the state and approved by the board.

31 (e) Re-education and job placement of persons who have lost their jobs as a result of this
32 transition shall be limited to the first 5 years.

33 II. Funding of the NHHST shall include, but is not limited to, all of the following:

34 (a) Funds appropriated for health care as outlined by the state on a yearly basis.

35 (b) All federal funds that are designated for health care, including, but not limited to,
36 all funds designated for Medicaid. The trust shall be authorized to negotiate with the federal
37 government for funding of Medicare recipients.

38 (c) Public and private grants and contributions.

1 (d) Any other funds specifically ear-marked for health care or health care education
2 such as settlements from litigation.

3 III. The total overhead and administrative portion of the program budget shall not exceed
4 12 percent of the total operating budget of the program for the first 2 years that the program is in
5 operation; 8 percent for the following 2 years; and 5 percent for each year thereafter.

6 IV. The program shall establish and maintain regional districts for the purposes of local
7 administration and oversight of programs that are specific to each region's needs.

8 404-J:10 Long-Term Care Services. The board shall establish funding for long-term care
9 services, including in-home, nursing home, and community-based care. The program shall establish
10 in each community a mechanism to determine eligibility and coordinate home and nursing home
11 care and may contract with long-term care practitioners or facilities for the full range of needed
12 long-term care services.

13 404-J:11 Mental Health Services. The program shall provide coverage for all medically
14 necessary mental health care on the same basis as the coverage for other conditions. The program
15 shall cover supportive residences, occupational therapy, and ongoing mental health and counseling
16 services outside the hospital for patients with serious mental illness. In all cases the highest
17 quality and most effective care shall be delivered, including institutional care.

18 404-J:12 New Hampshire Health Services Governing Board.

19 I. There is hereby established the New Hampshire health services governing board
20 composed of the following 15 members:

21 (a) One third of whom shall be appointed by the speaker of the house of representatives.

22 (b) One third of whom shall be appointed by the president of the senate.

23 (c) One third of whom shall be appointed by the governor.

24 II. At least 1/3 of the members of the board shall consist of non-provider representatives
25 drawn from the public at large.

26 III. The members of the board shall serve 3-year terms, provided that the initial appointees
27 shall serve staggered terms. Members of the board shall not serve more than 2 full consecutive
28 terms.

29 IV. The governor shall appoint a chairman of the board, who shall serve at the pleasure of
30 the governor, from among its members.

31 V. Members of the board shall be reimbursed for reasonable expenses incurred in carrying
32 out their duties under this chapter. If there are legislative members of the board, they shall receive
33 mileage at the legislative rate when attending to the duties of the board.

34 VI. The board shall administer the program including:

35 (a) Implementing eligibility standards and program enrollment.

36 (b) Adopting the benefits package.

37 (c) Establishing formulas for setting health expenditure budgets.

38 (d) Administrating global budgets, capital expenditure budgets, and prompt

1 reimbursement to licensed facilities.

2 (e) Creating a committee to negotiate the cost of pharmaceuticals, supplies, and durable
3 medical goods and devices.

4 (f) Implementing changes to benefits, per evidence-based medicine.

5 (g) Establishing quality and planning functions including criteria for capital expansion
6 and infrastructure development, measurement and evaluation of health quality indicators, and the
7 mechanisms for long-term care integration.

8 404-J:13 Payment for Prescription Medications, Medical Supplies, and Durable Medical
9 Equipment; Committee.

10 I. The program shall establish a uniform prescription drug formulary and list of approved
11 durable medical goods and supplies.

12 II. The board shall establish a pharmaceuticals, devices, and durable medical goods
13 committee. The members of the board shall appoint the members of the committee which shall
14 include health professionals and related individuals. The committee shall to meet on a quarterly
15 basis, to discuss, reverse, add to, or remove items from the formulary according to sound medical
16 practice. The committee shall negotiate the prices of pharmaceuticals, devices, and durable medical
17 goods with suppliers, vendors, or manufacturers on an open bid, statewide competitive basis. Prices
18 shall be reviewed, negotiated, or re-negotiated on no less than an annual basis. The committee
19 shall establish a process of open forum to the public for the purposes of grievance and petition from
20 suppliers, provider groups, and the public regarding the formulary no less than 2 times a year.

21 III. All pharmacy, devices, and durable medical goods vendors shall be licensed to distribute
22 medical goods through the regulations outlined by the board.

23 IV. All decisions and determinations of the committee shall be presented to and approved
24 by the board on an annual basis.

25 V. The board, in conjunction with the committee, shall provide a mechanism for making
26 available to patients prescription drugs and durable medical supplies not on the formulary or list if
27 medically deemed necessary on a case-by-case basis.

28 404-J:14 Patients' Rights and Medical Liability.

29 I. The program shall protect the rights and privacy of the patients that it serves in
30 accordance with all current state and federal statutes. Patients shall have the right to access their
31 medical records upon demand.

32 II. The board shall initiate steps for transition to a no fault system for medical liability
33 matters and away from the current tort-based approach.

34 404-J:15 Innovation Waiver. The insurance commissioner shall apply to the federal
35 government for state innovation waivers as appropriate and as provided for by the Patient
36 Protection and Affordable Care Act of 2009, Public Law 111-148, as amended.

37 3 New Subparagraph; New Hampshire Health Services Trust Fund. Amend RSA 6:12, I(b) by
38 inserting after subparagraph (339) the following new subparagraph:

HB 1793-FN-A - AS INTRODUCED
- Page 6 -

1 (340) Moneys deposited in the New Hampshire health services trust fund
2 established under RSA 404-J:9.

3 4 Appropriation; New Hampshire Health Services Program. There is hereby appropriated to
4 the New Hampshire health services governing board, established in RSA 404-J:12 as inserted by
5 section 2 of this act, the sum of \$ 1 for the biennium ending June 30, 2019. Such funds shall be in
6 addition to any other funds appropriated to the board. The governor is authorized to draw a
7 warrant for said sum out of any money in the treasury not otherwise appropriated.

8 5 Effective Date. This act shall take effect 60 days after its passage.

**HB 1793-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing a New Hampshire single payor health care system.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2019	FY 2020	FY 2021	FY 2022
Appropriation	\$1	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various Government Funds, Health Services Trust Fund			

COUNTY:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

LOCAL:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill establishes a single payer health care system to provide health care for the citizens of New Hampshire. It creates a non-lapsing continually appropriated Health Services Trust Fund to provide payment and reimbursement for the program.

The Department of Health and Human Services (DHHS) assumes the bill would eliminate all current forms of health coverage in the state, both publicly and privately funded. The Department administers the Medicaid program which provides health coverage for low income citizens pursuant to federal regulations. In FY 2017, total expenditures for the Medicaid program were approximately \$2.2 billion funded with a combination of federal and state funds. The Department assumes the type of reform contemplated in the bill would require a global demonstration style waiver authorized under section 1115 of the Social Security Act, to be submitted by the Commissioner of DHHS. The Department does not have information on how public and private funds would be calculated and contributed to the trust fund, when the program would commence, or how the program would be administered. The Department assumes there would be a fiscal impact to state, county and local government, but does not have

information on which to base estimates, therefore the fiscal impact is indeterminable.

The Insurance Department states the full extent of the bill's impact on private insurance is unclear, but it is likely there would be a substantial reduction in premium tax revenue, given the bill's prohibition on the sale of private insurance that would duplicate the single payer coverage pursuant to RSA 404-J:8. The Department assumes there would be no changes to its operating budget due to the bill, but indicates it is likely there would be increased costs in 2019 associated with filing an innovation waiver application under RSA 404-J:15.

The Office of Professional Licensure indicates the bill will have no fiscal impact on OPLC or the Board of Medicine if the New Hampshire Health Services Board does not fall under the administrative support of the OPLC.

The Department of Administrative Services administers the self-funded State Employee and Retiree Health Benefit Plan. The Department assumes, even with a single payer system, the state would remain responsible for financing those health benefits and cannot determine whether its costs would increase or decrease under a single payer plan. Therefore the fiscal impact is indeterminable.

The New Hampshire Association of Counties indicates the bill would have an indeterminable impact on county revenues and expenditures. The Association, in consultation with its Nursing Home Affiliate and the County / State Finance Committee, believes there would be a significant fiscal impact to the counties. Proposed RSA 404-J:10 provides for funding of long-term care services. The Association states the majority of county nursing homes are currently underfunded, but it is not clear how this funding would compare to the current county cap on long-term care expenditures in RSA 167:18-a. In addition, proposed RSA 404-J:7, II (b) provides for funding of capital expenditures. The Association assumes this provision may impact the current moratorium on additional nursing home beds.

The New Hampshire Municipal Association states it does not have the capacity to estimate the impacts on municipal revenues or expenditures.

The Treasury Department states this bill would establish the non-interest bearing New Hampshire Health Services Trust Fund to be accounted for separately and distinctly from all other funds. The trust fund is to be administered by the newly established New Hampshire Health Services Governing Board to provide payments and reimbursement for the program. The Treasury Department indicates the bill would have no fiscal impact on its revenues or expenditures.

AGENCIES CONTACTED:

Departments of Health and Human Services, Treasury and Administrative Services, Insurance Department, Office of Professional Licensure and Certification, New Hampshire Association of Counties and New Hampshire Municipal Association