

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in State Health Policy

..... January 14, 2015



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THIS WEEK

- **IN FOCUS: Q4 2014 MEDICAID MANAGED CARE ENROLLMENT UPDATE**
- ILLINOIS MANAGED CARE ENROLLMENT TOPS 1.4 MILLION
- NEW YORK DUALS DEMONSTRATION LAUNCHED JANUARY 1
- TENNESSEE GOV. CALLS SPECIAL SESSION ON MEDICAID EXPANSION
- MASSACHUSETTS HEALTH CONNECTOR DIRECTOR TO RESIGN
- KENTUCKY MEDICAID COMMISSIONER TO STEP DOWN
- NEW JERSEY LEGISLATION INTRODUCED TO PROVIDE NETWORK OVERSIGHT OF MEDICAID, COMMERCIAL HEALTH PLANS
- AETNA APPROVED TO SERVE NJ FAMILYCARE MANAGED CARE
- EPIC HEALTH SERVICES TO ACQUIRE LOVING CARE AGENCY
- HERITAGE PROVIDER NETWORK TO FORM JV WITH TRINITY HEALTH
- ANTHEM SELECTS GILEAD'S HARVONI AS PREFERRED HEP C DRUG
- HMA UPCOMING WEBINAR: "PLANNING INTEGRATED CARE FOR UNDERSERVED POPULATIONS"

IN FOCUS

QUARTERLY MEDICAID MANAGED CARE ENROLLMENT UPDATE - Q4 2014

This week, our *In Focus* section reviews recent Medicaid enrollment trends in capitated risk-based managed care in 21 states.¹ Many state Medicaid agencies elect to post monthly enrollment figures by health plan to their websites for their Medicaid managed care population. This data allows for the timeliest analysis of enrollment trends across states and managed care organizations. Many of the 21 states have released monthly Medicaid managed care enrollment data through

¹ Arizona, California, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Mississippi, New Mexico, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Washington, West Virginia, Wisconsin. *Note: Tennessee and Texas have not updated enrollment figures since Q2 2014.*

much of the fourth quarter (Q4) of 2014. This report reflects the most recent data posted.

Twelve of the states in the table below – Arizona, California, Hawaii, Illinois, Kentucky, Maryland, Michigan, New Mexico, New York, Ohio, Washington, and West Virginia – expanded Medicaid and have seen increased Medicaid managed care enrollment throughout 2014.²

- As of November 2014 enrollment data, ten of these twelve states have seen combined Medicaid managed care enrollment increase by more than 4.9 million beneficiaries since December 2013.
- Combined managed care enrollment in these ten states has increased more than 30 percent since November 2013.

Monthly Enrollment by State – July 2014 through December 2014

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Arizona	1,321,026	1,354,335	1,378,827	1,394,350	1,384,484	1,390,253
+/- m/m	39,495	33,309	24,492	15,523	(9,866)	5,769
% y/y	18.2%	21.4%	22.7%	25.1%	24.1%	26.3%
California	7,842,275	8,037,925	8,358,660	8,650,602	8,806,587	N/A
+/- m/m	116,901	195,650	320,735	291,942	155,985	N/A
% y/y	73.6%	76.6%	41.1%	46.5%	43.9%	N/A
Florida	2,629,459	2,950,812	2,947,189	2,952,320	2,996,295	3,011,655
+/- m/m	423,017	321,353	(3,623)	5,131	43,975	15,360
% y/y	78.6%	100.5%	100.2%	100.6%	103.5%	104.6%
Georgia	1,311,855	1,306,708	1,306,177	1,303,304	N/A	N/A
+/- m/m	14,117	(5,147)	(531)	(2,873)	N/A	N/A
% y/y	15.3%	16.3%	17.5%	17.9%	N/A	N/A
Hawaii	323,167	321,329	318,427	313,077	320,741	328,373
+/- m/m	(2,343)	(1,838)	(2,902)	(5,350)	7,664	7,632
% y/y	12.1%	11.0%	10.0%	8.0%	7.8%	8.2%
Illinois	385,672	502,310	533,590	645,934	881,876	N/A
+/- m/m	25,641	116,638	31,280	112,344	235,942	N/A
% y/y	36.1%	74.9%	80.6%	115.7%	190.5%	N/A
Indiana	759,265	759,820	766,020	768,317	762,904	N/A
+/- m/m	(13,364)	555	6,200	2,297	(5,413)	N/A
% y/y	-0.6%	-0.3%	0.1%	0.5%	0.7%	N/A
Kentucky	957,521	956,428	1,001,711	1,026,029	1,050,616	1,064,902
+/- m/m	30,310	(1,093)	45,283	24,318	24,587	14,286
% y/y	42.6%	42.9%	50.8%	53.4%	42.2%	32.3%
Louisiana	901,921	906,663	910,711	919,811	923,254	924,140
+/- m/m	5,659	4,742	4,048	9,100	3,443	886
% y/y	1.0%	1.5%	3.6%	4.1%	4.7%	4.7%
Maryland	1,084,737	1,076,371	1,079,412	1,021,211	1,031,309	N/A
+/- m/m	(19,097)	(8,366)	3,041	(58,201)	10,098	N/A
% y/y	33.8%	32.2%	32.3%	24.6%	25.3%	N/A
Michigan	1,548,764	1,479,675	1,470,674	1,454,963	1,530,305	1,495,735
+/- m/m	47,827	(69,089)	(9,001)	(15,711)	75,342	(34,570)
% y/y	23.8%	19.3%	17.9%	17.2%	23.3%	20.2%
Mississippi	155,124	156,897	159,813	159,158	160,000	N/A
+/- m/m	3,506	1,773	2,916	(655)	842	N/A
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Missouri	389,932	393,150	398,073	400,022	414,816	420,443
+/- m/m	1,075	3,218	4,923	1,949	14,794	5,627
% y/y	-5.4%	-4.3%	-2.5%	-1.5%	2.4%	4.6%
New Mexico	N/A	N/A	577,910	581,299	586,349	595,345
+/- m/m	N/A	N/A	N/A	3,389	5,050	8,996
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
New York	4,394,935	4,422,298	4,480,875	4,490,142	4,515,401	4,573,359
+/- m/m	29,749	27,363	58,577	9,267	25,259	57,958
% y/y	9.0%	9.4%	10.5%	10.7%	11.3%	12.8%

² Analysis of Medicaid expansion impact excludes Illinois and New Mexico. Illinois is in the midst of a significant managed care transition. HMA only began tracking enrollment in New Mexico in September 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Ohio	2,133,328	2,187,157	2,243,266	2,289,974	2,339,944	2,386,736
+/- m/m	111,504	53,829	56,109	46,708	49,970	46,792
% y/y	25.9%	28.4%	31.6%	34.5%	37.5%	40.1%
Pennsylvania	1,668,071	1,668,554	1,675,198	1,677,373	1,679,279	
+/- m/m	6,728	483	6,644	2,175	1,906	N/A
% y/y	2.9%	3.0%	3.6%	4.8%	3.4%	
South Carolina	727,002	736,663	747,973	755,238	762,503	767,608
+/- m/m	6,675	9,661	11,310	7,265	7,265	5,105
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee						
+/- m/m	N/A	N/A	N/A	N/A	N/A	N/A
% y/y						
Texas						
+/- m/m	N/A	N/A	N/A	N/A	N/A	N/A
% y/y						
Washington	1,223,543	1,237,231	1,250,571	1,277,567	1,291,112	
+/- m/m	18,642	13,688	13,340	26,996	13,545	N/A
% y/y	51.7%	53.1%	54.6%	58.2%	57.2%	
West Virginia	203,288	207,584	201,931	200,132	201,815	196,954
+/- m/m	131	4,296	(5,653)	(1,799)	1,683	(4,861)
% y/y	19.3%	21.7%	18.6%	17.2%	11.8%	6.5%
Wisconsin	695,694	711,605	722,771	740,345	754,853	763,239
+/- m/m	6,109	15,911	11,166	17,574	14,508	8,386
% y/y	-6.3%	-4.3%	-2.3%	0.3%	2.2%	3.8%

In the state specific analysis below, we describe recent enrollment trends in the states where we track data.

It is important to note the limitations of the data presented. First, not all states report the data at the same time during the month. Some of these figures reflect beginning-of-the-month totals, while others reflect an end-of-the-month snapshot. Second, in some cases the data is comprehensive in that it covers all of the state-sponsored health programs for which the state offers managed care; in other cases, the data reflects only a subset of the broader managed Medicaid population. This is the key limiting factor in drawing direct ties between the data described below and figures reported by publicly traded Medicaid MCOs. Consequently, the data we review in Table 1 and throughout the *In Focus* section should be viewed as a sampling of the enrollment trends across these states, as opposed to a comprehensive comparison, which cannot be developed based on publicly available monthly enrollment data.

State Specific Analysis

Arizona

Medicaid Expansion Status: Expanded January 1, 2014

Enrollment in Arizona's ALTCS (Arizona's Managed Long Term Care) program, has remained stable over the past year. However, the Medicaid expansion continues to drive increased enrollment in the state's Acute Care managed care program. Through Q4 of 2014, Arizona's MCO enrollment has increased by more than 26 percent since December 2013.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Acute Care	1,264,527	1,298,724	1,322,888	1,338,237	1,328,203	1,333,714
ALTCS	56,499	55,611	55,939	56,113	56,281	56,539
Total Arizona	1,321,026	1,354,335	1,378,827	1,394,350	1,384,484	1,390,253
+/- m/m	39,495	33,309	24,492	15,523	(9,866)	5,769
% y/y	18.2%	21.4%	22.7%	25.1%	24.1%	26.3%

California

Medicaid Expansion Status: Expanded January 1, 2014

Medi-Cal managed care enrollment data through November 2014 shows significant enrollment increases due to the Medicaid expansion, with enrollment up more than 4.2 million since September 2013. As of November 2014, enrollment in managed care topped 8.8 million, a 44 percent increase over the previous year. Additionally, California saw its first duals demonstration enrollments in the Cal MediConnect program in April 2014, with enrollments topping 51,000 in November 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Two-Plan Counties	4,979,152	5,126,798	5,326,511	5,534,716	5,642,599	
Imperial/San Benito	57,895	59,330	61,419	62,939	64,007	
Regional Model	207,898	215,092	223,281	229,852	232,377	
GMC Counties	791,552	817,870	847,747	890,939	917,229	
COHS Counties	1,766,047	1,776,362	1,854,487	1,884,199	1,899,676	
Duals Demonstration	39,731	42,473	44,804	48,976	51,527	
Total California	7,842,275	8,037,925	8,358,249	8,651,621	8,807,415	
+/- m/m	116,901	195,650	320,324	293,372	155,794	
% y/y	73.6%	76.6%	41.1%	46.5%	43.9%	

Florida

Medicaid Expansion Status: Not Expanded

Although not electing to expand Medicaid, Florida began to roll-out its statewide Medicaid managed care program (MMA) in Q2 2014, adding an estimated 1.5 million new enrollees through December 2014, and bringing final Q4 enrollment above 3 million, a 104.6 percent increase in managed care enrollment since December 2013.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
MMCP	312,444	0	0	0	0	0
Reform Pilot	0	0	0	0	0	0
MMA	1,961,957	2,599,992	2,653,393	2,683,454	2,701,856	2,742,088
SMMC LTC	83,391	83,304	84,074	84,468	84,716	85,169
FL Healthy Kids	271,667	267,516	209,722	201,168	192,918	184,398
Total Florida	2,629,459	2,950,812	2,947,189	2,969,090	2,979,490	3,011,655
+/- m/m	423,017	321,353	(3,623)	21,901	10,400	32,165
% y/y	78.6%	100.5%	100.2%	101.7%	102.4%	104.6%

Georgia

Medicaid Expansion Status: Not Expanded

As of publication, Georgia has not reported Medicaid managed care enrollment numbers beyond October 2014, when total managed care enrollment stood at more than 1.3 million, up nearly 18 percent from the previous year. Despite not expanding Medicaid, more than 186,000 net new enrollees were added to Georgia's Managed care program through ten months of 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Georgia	1,311,855	1,306,708	1,306,177	1,303,304		
+/- m/m	14,117	(5,147)	(531)	(2,873)		
% y/y	15.3%	16.3%	17.5%	17.9%		

Hawaii

Medicaid Expansion Status: Expanded in 2014

Hawaii's managed care enrollment in both the QUEST managed Medicaid and QUEST Expanded Access (QExA), which provides managed Medicaid to the aged, blind, and disabled (ABD) populations, is up 8.2 percent over December 2013, with more than 328,000 enrollees.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total QUEST	272,134	269,895	266,636	261,279	268,166	274,979
Total QExA	51,033	51,434	51,791	51,798	52,575	53,394
Total Hawaii	323,167	321,329	318,427	313,077	320,741	328,373
+/- m/m	(2,343)	(1,838)	(2,902)	(5,350)	7,664	7,632
% y/y	12.1%	11.0%	10.0%	8.0%	7.8%	8.2%

Illinois

Medicaid Expansion Status: Expanded January 1, 2014

Illinois enrollment across the state's three managed care programs topped 900,000 as of November 2014. Enrollment in the Integrated Care Program (ICP), which serves Medicaid aged, blind, and disabled (ABD) recipients, continues to increase as the phased-in geographic managed care expansion progresses. Additionally, enrollment in Illinois' duals demonstration, known as the Medicare-Medicaid Alignment Initiative (MMAI) surpassed 70,000 in November 2014. The significant expansion of the Family Health Program will continue through Q1 and into Q2 of 2015. Overall, managed care enrollment is up nearly 200 percent in the past year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Family Health Program	247,152	353,893	380,599	484,863	710,236	
Integrated Care Program	98,789	105,944	106,121	112,011	120,390	
Duals Demonstration	37,248	48,114	46,870	49,060	70,376	
Total Illinois	383,189	507,951	533,590	645,934	901,002	
+/- m/m	23,158	124,762	25,639	112,344	255,068	
% y/y	35.2%	76.9%	80.6%	115.7%	196.8%	

Indiana

Medicaid Expansion Status: Not Expanded, Waiver In Negotiations

As of November 2014, enrollment in Indiana's three managed care programs (Hoosier Healthwise, Care Select, and Healthy Indiana Program (HIP)), stood at more than 760,000, up less than 1 percent from the prior year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Hoosier Healthwise	671,431	669,002	671,651	674,751	670,148	
Care Select	35,892	34,785	34,429	32,602	32,000	
HIP	51,942	56,033	59,940	60,964	60,756	
Indiana Total	759,265	759,820	766,020	768,317	762,904	
+/- m/m	(13,364)	555	6,200	2,297	(5,413)	
% y/y	-0.6%	-0.3%	0.1%	0.5%	0.7%	

Kentucky

Medicaid Expansion Status: Expanded January 1, 2014

As of December 2014, Kentucky enrolled more than 1.06 million beneficiaries in risk-based managed care. Kentucky has added nearly 400,000 new Medicaid enrollees to managed care in 2014, with total enrollment up 32.3 percent from December 2013.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Kentucky	957,521	956,428	1,001,711	1,026,029	1,050,616	1,064,902
+/- m/m	30,310	(1,093)	45,283	24,318	24,587	14,286
% y/y	42.6%	42.9%	50.8%	53.4%	42.2%	32.3%

Louisiana

Medicaid Expansion Status: Not Expanded

Despite not expanding Medicaid at this time, Medicaid managed care enrollment in the state's Bayou Health program has steadily increased in 2014, adding more than 40,000 total lives. December 2014 data shows total managed care enrollment at more than 924,000, up 4.7 percent from the previous year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Louisiana	901,921	906,663	910,711	919,811	923,254	924,140
+/- m/m	5,659	4,742	4,048	9,100	3,443	886
% y/y	1.0%	1.5%	3.6%	4.1%	4.7%	4.7%

Maryland

Medicaid Expansion Status: Expanded January 1, 2014

Since expanding Medicaid as of January 1, 2014, Maryland Medicaid managed care enrollment has increased by more than 203,000 beneficiaries despite declining enrollment in Q3 and early Q4 2014. November 2014 enrollment of 1.03 million is up 25.3 percent over the previous year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Maryland	1,084,737	1,076,371	1,079,412	1,021,211	1,031,309	
+/- m/m	(19,097)	(8,366)	3,041	(58,201)	10,098	
% y/y	33.8%	32.2%	32.3%	24.6%	25.3%	

Michigan

Medicaid Expansion Status: Expanded April 1, 2014

Michigan Medicaid managed care enrollment has increased by more than 251,000 beneficiaries in 2014, despite the delay until April 1, 2014 in the launch of its Medicaid expansion, known as the Healthy Michigan Plan. As of December 2014, managed care enrollment was at just under 1.5 million, up 20.2 percent from the previous year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Michigan	1,548,764	1,479,675	1,470,674	1,454,963	1,530,305	1,495,735
+/- m/m	47,827	(69,089)	(9,001)	(15,711)	75,342	(34,570)
% y/y	23.8%	19.3%	17.9%	17.2%	23.3%	20.2%

Mississippi

Medicaid Expansion Status: Not Expanded

Mississippi Medicaid enrollment stood at 160,000 as of November 2014. HMA does not have data prior to calendar year 2014, but during the year, Mississippi added more than 15,000 net new enrollees to managed care, despite not expanding Medicaid at this time.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Mississippi	155,124	156,897	159,813	159,158	160,000	
+/- m/m	3,506	1,773	2,916	(655)	842	
% y/y	N/A	N/A	N/A	N/A	N/A	

Missouri

Medicaid Expansion Status: Not Expanded

Missouri managed care in both the Medicaid and CHIP programs topped 420,000 as of December 2014. Although not expanding Medicaid at this time, Missouri has added more than 18,000 net new enrollees in 2014, up 4.6 percent.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Medicaid	349,382	354,180	360,072	363,711	379,190	385,602
Total CHIP	40,550	38,970	38,001	36,311	35,626	34,841
Total Missouri	389,932	393,150	398,073	400,022	414,816	420,443
+/- m/m	1,075	3,218	4,923	1,949	14,794	5,627
% y/y	-5.4%	-4.3%	-2.5%	-1.5%	2.4%	4.6%

New York

Medicaid Expansion Status: Expanded January 1, 2014

New York's Medicaid managed care programs collectively enrolled more than 4.57 million beneficiaries as of December 2014, up 12.8 percent over the previous year. Enrollment gains in the mainstream MCO program have been partially offset by continued declining enrollment in the Family Health Plus program, likely due in part to outmigration to the state's Exchange.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Mainstream MCOs	4,022,935	4,080,173	4,178,416	4,229,242	4,297,722	4,386,992
Family Health Plus	228,700	197,916	156,954	114,119	69,185	36,932
Managed LTC	126,819	127,840	129,203	130,657	132,307	133,187
Medicaid Advantage	10,921	10,724	10,512	10,290	10,254	10,231
Medicaid Advantage Plus	5,560	5,645	5,790	5,834	5,933	6,017
Total New York	4,394,935	4,422,298	4,480,875	4,490,142	4,515,401	4,573,359
+/- m/m	29,749	27,363	58,577	9,267	25,259	57,958
% y/y	9.0%	9.4%	10.5%	10.7%	11.3%	12.8%

Ohio

Medicaid Expansion Status: Expanded January 1, 2014

Ohio's Medicaid managed care enrollment has seen significant growth, due to the Medicaid expansion and the launch of MyCare Ohio (Medicaid-only benefits in 2014). As of December 2014, enrollment in the state's managed care programs is more than 2.384 million, up 40.1 percent from December 2013.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
CFC Program	1,614,862	1,625,047	1,635,559	1,658,027	1,678,471	1,703,507
ABD Program	176,667	176,494	176,367	174,002	172,702	171,812
Group 8 (Expansion)	244,337	287,327	332,327	361,719	393,290	417,319
MyCare Ohio (Duals)	97,462	98,289	99,013	96,226	95,481	94,098
Total Ohio	2,133,328	2,187,157	2,243,266	2,289,974	2,339,944	2,386,736
+/- m/m	111,504	53,829	56,109	46,708	49,970	46,792
% y/y	25.9%	28.4%	31.6%	34.5%	37.5%	40.1%

Pennsylvania

Medicaid Expansion Status: Approved Expansion Waiver Future Uncertain

November 2014 enrollment sits at nearly 1.68 million, up 3.4 percent from the prior year. Pennsylvania's Healthy PA expansion waiver faces an uncertain future with incoming Governor Tom Wolf favoring a traditional Medicaid expansion approach. Despite not expanding Medicaid, Pennsylvania added more than 53,000 net new enrollees in 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Pennsylvania	1,668,071	1,668,554	1,675,198	1,677,373	1,679,279	
+/- m/m	6,728	483	6,644	2,175	1,906	
% y/y	2.9%	3.0%	3.6%	4.8%	3.4%	

Washington

Medicaid Expansion Status: Expanded January 1, 2014

Over eleven months of 2014, Washington's Medicaid managed care enrollment has increased by more than 472,000, bringing November 2014 total enrollment up to nearly 1.3 million, a 57.2 percent increase over the previous year.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Washington	1,223,543	1,237,231	1,250,571	1,277,567	1,291,112	
+/- m/m	18,642	13,688	13,340	26,996	13,545	
% y/y	51.7%	53.1%	54.6%	58.2%	57.2%	

West Virginia

Medicaid Expansion Status: Expanded January 1, 2014

As of December 2014, West Virginia's managed care enrollment is nearly 197,000, an increase of 6.5 percent over the prior year, with roughly 12,000 net new enrollees added in 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total West Virginia	203,288	207,584	201,931	200,132	201,815	196,954
+/- m/m	131	4,296	(5,653)	(1,799)	1,683	(4,861)
% y/y	19.3%	21.7%	18.6%	17.2%	11.8%	6.5%

Wisconsin

Medicaid Expansion Status: Not Expanded

Across the state's three managed care programs, December 2014 enrollment totals more than 763,000, up 3.8 percent from the year before. Despite not expanding Medicaid at this time, Wisconsin's Medicaid managed care enrollment increased by a net 28,000 enrollees in 2014.

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
BadgerCare+	622,379	638,225	649,570	667,001	681,670	690,209
SSI	34,815	34,781	34,660	34,444	34,376	34,279
LTC	38,500	38,599	38,541	38,900	38,807	38,751
Total Wisconsin	695,694	711,605	722,771	740,345	754,853	763,239
+/- m/m	6,109	15,911	11,166	17,574	14,508	8,386
% y/y	-6.3%	-4.3%	-2.3%	0.3%	2.2%	3.8%



HMA MEDICAID ROUNDUP

Arizona

Governor Ducey to Retain Current AZHCCCS Director. On January 8, 2015, *The Republic/AZCentral* reported that newly sworn-in Governor Doug Ducey has retained Tom Betlach as the director of the Arizona Health Care Cost Containment System (AZHCCCS), which is the state's Medicaid program. Governor Ducey also appointed a critic of Medicaid expansions, Christina Corieri, to his staff. Corieri argued against Medicaid expansion in Arizona as an analyst for the Goldwater Institute. Governor Ducey has said he opposes Medicaid expansion, but may be reluctant to undo the state's expansion program. The state is currently facing a lawsuit challenging the expansion in a Maricopa County court. [Read more](#)

California

HMA Roundup – Pat Dennehy ([Email Pat](#))

Covered California reports 217,000 new sign-ups in open enrollment period. On January 13, 2015, the *Los Angeles Times* reported that Covered California, California's state-based health insurance Marketplace, has seen more than 217,000 new enrollments in the first two months of open enrollment for 2015. Additionally, it was reported that nearly 467,000 new Medi-Cal enrollees have signed up for the state's Medicaid program since November 15, 2014. [Read more](#)

L.A. County supervisors vote moves toward health department consolidation. The *Los Angeles Times* reported that on January 13, 2015, the Los Angeles County supervisors voted to move toward consolidating the county's departments of public health, mental health, and the Department of Health Services. Health Services director Mitch Katz, who is likely to oversee the consolidated departments, sees the consolidation as providing better services and efficiency with less bureaucracy. The move is opposed largely by mental health advocates, concerned over the impact on individuals with mental illness in the county. [Read more](#)

California Audits Parental Fee Program for Disabled Child Care. On January 13, 2015, *The Sacramento Bee*, reported that a state audit of the parental fee program of the Department of Developmental Services found "unnecessary delays, lack of documentation, incorrect calculations, and inconsistent staff interpretations." The program failed to bill for fees ranging from \$740,000 to \$1.1 million annually. There was no documentation for over 40% of fee assessments and of those with documentation, many were inaccurately documented. The department serves over 250,000 disabled children and adults. [Read More](#)

Florida

HMA Roundup – Elaine Peters ([Email Elaine](#))

Funding to End for Florida Safety-Net Hospitals. On January 14, 2015, *Health News Florida* reported that according to reports from Florida Legal Services, the state's providers for the poor can face a loss of \$2 billion annually when funding ends on June 30th. The Low-Income Pool program currently receives \$1.8 billion in federal funding and the Disproportionate Hospital Fun program receives \$240 million. However, losses can be averted if Florida expands Medicaid under the ACA. The newest report, focusing on Brevard County, states that without funding, it will cost the county \$15 million a year. Under expansion, the county would gain \$114 million. A previous report stated it would cost the Miami-Dade County \$600 million. [Read More](#)

Florida Chamber of Commerce Backs Medicaid Expansion in Report. On January 12, 2015, The Florida Times-Union reported that a Florida Chamber of Commerce report strongly supports expanding Medicaid in the state, but does not fully align with the "A Healthy Florida Works" expansion proposal released in late 2014. The report states that any Medicaid expansion should guarantee that cost savings are passed on to Florida workers and business, additionally calling for other areas of focus, including tort reform, workers' compensation improvements, and broader scope of practice for nurse practitioners. [Read more](#)

Georgia

Georgia Hospital Association prepares Medicaid expansion proposal, but support uncertain. On January 11, 2015, *Georgia Health News* reported that it obtained a copy of a Medicaid expansion proposal prepared by the Georgia Hospital Association (GHA). The proposal calls on the state to expand Medicaid to take advantage of the 100 percent federal matching funds through 2017 and would include a sunset provision. The proposal also details how the economic benefits to the state, through job creation and new tax revenues, would more than offset any additional state costs. However, it is unknown how strongly the GHA membership will support the proposal. A GHA spokesperson indicated that the association would not be discussing the proposal publicly at this time. [Read more](#)

Illinois

HMA Roundup – Andrew Fairgrieve ([Email Andrew](#))

Illinois Care Coordination Enrollment Top 1.4 Million. At the Illinois Medicaid Advisory Committee (MAC) Care Coordination Subcommittee meeting on January 6, 2014, Healthcare and Family Services (HFS) officials announced that the state has enrolled more than 1.4 million Medicaid beneficiaries in a care coordination plans. This includes risk-based MCOs, as well as non-risk Care Coordination Entities (CCEs) and Accountable Care Entities (ACEs). HFS stated that most of the enrollments outside of Cook County have concluded as of January, and that an additional 700,000 should be enrolled by April or May of 2015.

Additional Managed Care Sanctions Announced, FHN Drops Legal Challenge. On January 13, 2015, *Crain's Chicago Business* reported that HFS has

brought sanctions in the form of an enrollment freeze on newly formed Accountable Care Entity (ACE) HealthCura, led by Access Community Health Network. HealthCura joins Illinois Partnership for Health (another ACE), as well as MCOs Family Health Network (FHN) and Harmony (WellCare), as plans that have been sanctioned by HFS in recent months. The *Crain's* article also indicates that FHN has dropped its legal challenge of the HFS sanctions in the hope that a non-legal resolution can be reached with the incoming administration of Governor Bruce Rauner. [Read more](#)

Kansas

KDADS files Medicaid waiver proposal. On January 13, 2015, the *Kansas Health Institute* reported that the Kansas Department for Aging and Disability Services (KDADS) has filed several changes to the state's Medicaid waivers pertaining to the elderly and persons with disabilities. The most significant change included is the elimination of a plan to automatically transition individuals from the physical disability waiver program to the frail elderly waiver when they turn 65. This change was met with praise from frail elder and nursing home resident advocacy groups. [Read more](#)

Kentucky

Kentucky Medicaid Commissioner resigns, Deputy Commissioner appointed as successor. On January 9, 2015, *Louisville Business First* reported that Kentucky Department for Medicaid Services Commissioner Lawrence Kissner is resigning as of February 1. Deputy Commissioner Lisa Lee has been selected to succeed Kissner as Commissioner. [Read more](#)

Kentucky Releases RFP for Medicaid Management System (MEMS). On January 8, 2015, Kentucky released a request for proposals for the Medicaid Enterprise Management System and Fiscal Agent Replacement. The Commonwealth of Kentucky is seeking vendors to provide software to replace the current Medicaid Management Information System (MMIS). Proposals are due April 6, 2015 and implementation will begin December 1, 2018. [Read More](#)

Massachusetts

HMA Roundup - Rob Buchanan ([Email Rob](#))

Massachusetts Health Connector head to step down. On January 6, 2015, *The Boston Globe* reported that Jean Yang, the executive director of the Massachusetts Health Connector would be stepping down from her post as of January 16, 2015. The Health Connector is the state's insurance marketplace, for which Yang has served as the executive director for the last two years. Outgoing Governor Deval Patrick's office announced that Maydad Cohen, previously Special Assistant to the Governor on the Health Connector, Mass Health, and MassIT, would serve as the interim executive director. [Read more](#)

Health Policy Commission to consider mandated ICU staffing levels. On January 7, 2015, the *Sentinel & Enterprise* reported that the Massachusetts Health Policy Commission will consider a proposal to mandate that hospitals provide constant patient-to-nurse ratios in intensive-care units (ICUs) and publicly report these ratios on their websites. Massachusetts is the second state, after

California, to consider mandated nurse staffing ratios. The Health Policy Commission meets next on January 20, 2015. [Read more](#)

New Jersey

HMA Roundup - Karen Brodsky ([Email Karen](#))

New legislation would increase provider network oversight of Medicaid and commercial health plans. According to the January 13, 2015 issue of NJSpotlight, New Jersey legislators are reviewing a bill introduced by Assemblyman Herb Conaway, Jr. and Assemblywoman Valerie Vainieri Huttle that would require health plan carriers to engage a private auditing firm to conduct an annual audit of their provider networks ([A-1922/S-1211](#)). This would be in addition to provider network reviews currently performed by both the Department of Banking and Insurance (DOBI), and the Division of Medical Assistance and Health Services (DMAHS). The bill also calls for the state auditor to conduct post-audits of all provider network reviews performed by state agencies and by the carriers' auditors. Further, the bill would require that the state auditor conduct a separate annual independent audit of the Medicaid managed care organization (MCO) provider networks under contract with the Department of Human Services, DMAHS. In effect, Medicaid MCOs would be subject to four separate reviews of their provider networks each year. The New Jersey Health Plan Association objects to the bill, and maintains that it would duplicate the existing reviews performed by state agencies. Provider associations support the bill, and assert that emergency room utilization is higher due to inadequate networks. [Read more.](#)

Backlogs continue for NJFamilyCare applicants. New Jersey's 21 county welfare agencies are struggling to overcome a backlog of more than 11,000 applicants to New Jersey's Medicaid program. The backlog has been attributed to staffing shortages and limitations with the state's computer systems. The state intended to implement a new eligibility and enrollment system under a contract with Hewlett Packard, but terminated the HP contract after it missed deadlines and experienced high staff turnover, leading to failed efforts to launch the new system. The new eligibility system was critical to the state's readiness for implementing components of the Affordable Care Act. [Read more.](#)

New Jersey experiences an increase in the percentage of subsidized Marketplace enrollees in 2015. The December 30, 2014 edition of NJBIZ reports that as of December 15th over 105,000 New Jersey residents signed up for a Marketplace health plan through HealthCare.gov and 87 percent qualified for a financial subsidy. That represents an increase from 2014 when 80 percent of Marketplace enrollees in New Jersey qualified for the federal subsidy. Roughly 45,000 of these individuals are new enrollees and were not in the Marketplace in 2014. More than 161,000 New Jersey residents bought health insurance through HealthCare.gov in 2014. Open enrollment continues through February 15, 2015. [Read more.](#)

New Jersey Dual Special Needs Plans (D-SNP) changes go into effect on January 1, 2015. The Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) released a newsletter on January 1, 2015 to announce changes to the D-SNP options available for dual eligible enrollees in calendar year 2015. D-SNPs are a type of Medicare Advantage (Part

C) plan for individuals who have both Medicare and Medicaid coverage. In 2015, just two health plans will operate D-SNPs in New Jersey:

NJ D-SNP PLANS AND SERVICE AREAS AVAILABLE IN CALENDAR YEAR 2015*

NJ D-SNP Plan	Service Areas by County
Amerivantage Specialty + Rx	Bergen, Burlington, Essex, Hudson, Middlesex, Monmouth, Ocean, Passaic, Somerset & Union Counties
UnitedHealthcare Dual Complete	Essex, Monmouth, Ocean & Union Counties

Healthfirst NJ Maximum Plan and Horizon Medicare Blue TotalCare Plan will discontinue operating in 2015. In addition, Aetna Better Health and WellCare, two additional Medicaid plans under contract in New Jersey will not operate D-SNP plans in 2015. [Read more.](#)

Medicaid ACO Demonstration Review Committee requests additional information of all ACO applicants. On December 5, 2014, the seven Medicaid ACO applicants received requests for additional information from the Division of Medical Assistance and Health Services (DMAHS) following a review of their ACO application submissions. All of the ACO applicants failed to meet the P.L. 2011, Ch. 114 requirement whereby “no fewer than 75% of the qualified primary care providers [are] located in the designated area.” In addition to the state’s Medicaid provider list, DMAHS used the most recent Medicaid managed care organization provider network files to assess ACO compliance with the minimum PCP requirement. Given that all seven ACO applicants failed to meet the PCP requirement, questions have been raised about the integrity of the state’s provider data as the source for assessing ACO network compliance, and whether alternative methods may be used to review ACO compliance with the PCP network requirement.

Medical Assistance Advisory Council (MAAC) meeting set for February 2, 2015. The MAAC meeting that was originally scheduled for January 12, 2015 has been rescheduled for Monday, February 2, 2015 from 10:00 am to 1:00 pm. The agenda includes informational updates on: 1) the Supports Program, 2) NJFamilyCare Expansion enrollment, 3) home care regulation revisions, 4) managed long term services and supports activities, 5) the personal care assessment tool, 6) ACO developments, 7) provider credentialing, 8) the behavioral health home state plan amendment, and 9) ASO/MBHO status. The MAAC will also receive an overview of the Comprehensive Medicaid Waiver evaluation strategy and the External Quality Review Organization’s transportation study. The meeting is held at the NJ State Police Headquarters Complex, Public Health, Environmental and Agricultural Laboratory Building (3 Schwarzkopf Drive - Ewing Township, NJ 08628.)

New York

HMA Roundup – Denise Soffel ([Email Denise](#))

Hospital Mergers Continue. The University of Rochester Medical Center and Jones Memorial Hospital are exploring a "formal affiliation" the hospitals' leaders say could help strengthen the quality of health care services for people in the Southern Tier.

Crains reports that the Westchester Medical Center in Valhalla is in talks to explore a joint venture with Bon Secours Charity Health System, a Catholic health care system with operations in the Hudson Valley, New Jersey and Pennsylvania. The two institutions are already collaborating on several projects in their application for funds under the state's Medicaid reform program. Bon Secours Health System runs three community hospitals and several nursing homes and assisted-living facilities across downstate New York.

Stony Brook University Hospital (operated by the State University of NY) and Southampton Hospital are moving forward with an affiliation agreement. The two hospitals have been formally affiliated since 2008, working collaboratively to provide care on Eastern Long Island. Under the agreement Southampton will provide care under the Stony Brook license. Stony Brook will also expand clinical training sites for Stony Brook's medical, nursing and health technology training programs. The planned affiliation is seen as a precursor to forming an ACO with a network of hospitals, community physicians, shared best practices and electronic medical records.

Nurse Practitioner Modernization Act. The Nurse Practitioner Modernization Act took effect January 1. The act allows nurse practitioners to operate independently of physicians, eliminating the requirement for a written practice agreement. The act is meant to expand the availability of primary care across the state by allowing nurse practitioners with more than 3,600 hours of experience to open an independent practice.

Nursing Home Phase-In. As part of Care management for All, New York is planning to carve in both the nursing home population and the nursing home benefit. The phase-in has been delayed, and is not expected to begin in NYC on February 1, with the rest of the state rolling out implementation over the subsequent 6 months. The carve-in has not yet received CMS approval.

Duals Demonstration - Fully Integrated Duals Advantage (FIDA). The FIDA demonstration began operating in NYC and Nassau County as of January 1, 2015. Approximately 100,000 individuals were sent letters informing them that they would be passively enrolled in a FIDA plan effective April 1, and providing information about the program and the ability to opt-out. The mailing also includes information about the participant ombudsman program, known as the Independent Consumer Advocacy Network (ICAN).

Behavioral Health Carve-In. The carve-in of behavioral health benefits, and the launching of Health and Recovery Plans (HARPs) for individuals with serious mental illness, has been delayed an additional 3 months. The state anticipates CMS approval by March 2015, and expects that Medicaid managed care plans in New York City will begin managing the full behavioral health benefit as of July 1, with the rest of the state following in approximately 6 months. HARPs will rely on passive enrollment with an opt-out. Individuals enrolled in Medicaid managed care who have been identified as HARP-eligible (based on a combination of diagnosis and utilization patterns) will be passively enrolled in the HARP that is operated by the managed care plan in which they are enrolled, and they will be informed of their ability to opt-out. An RFQ to qualify plans in the rest of the state is expected early this year.

Gubernatorial Appointments. Howard Zucker, M.D., who was named Acting Commissioner of Health in 2014, has been formally appointed as Commissioner. Zucker is a pediatrician, anesthesiologist, intensive care specialist and pediatric

cardiologist. He also has a JD and a Masters of Law, as well as a postgraduate diploma in global health policy.

Sally Dreslin, formerly Assistant Secretary for Health to Governor Cuomo, has been appointed Executive Deputy Commissioner of the Department of Health. She replaces Sue Kelly, who recently retired.

Tracie Gardner has been name Assistant Secretary for Health. Gardner will be responsible for overseeing the Office of Mental Health, the Office of Alcoholism and Substance Abuse Services, and the Office for People with Developmental Disabilities.

Dennis Rosen has been named Medicaid Inspector General.

North Carolina

DHHS Secretary calls for Medicaid ACO push in legislature. On January 14, 2015, *North Carolina Health News* reported that North Carolina Department of Health and Human Services (DHHS) Secretary Aldona Vos called on providers to advocate that the legislature pass a Medicaid reform plan that implements accountable care organizations in the upcoming legislative session. Secretary Vos' push is likely to see some opposition from lawmakers who approved a subcommittee report in December that provided for a traditional managed care option. [Read more](#)

Pennsylvania

HMA Roundup - Matt McGeorge ([Email Matt](#))

Outgoing Pennsylvania Governor Corbett Accepts Long-Term Care Commission Report. Outgoing Governor Tom Corbett announced through a press release on his website that he is accepting the Long Term Care Commission's (the Commission) recommendations for a strategic approach to improve the Commonwealth's long term services and support (LTSS) system. The Commission was created through an executive order that was signed on January 31, 2014. The final report identified its recommendations and goals related to improving care coordination, service delivery and quality outcomes as well as making the LTSS more fiscally sustainable by gathering comments from stakeholders and subject matter experts. [Read more](#)

Medicaid Changes Delayed. Through a court filing, the Pennsylvania Department of Human Services (DHS), formerly known as the Department of Public Welfare, indicated that it is implementing only benefit package reforms approved by the federal government, which are the "Healthy Plus" and "Healthy PA (Private Coverage Option)" benefit packages. The Pennsylvania Health Law Project (PHLP) reports in its December 2014 newsletter, that the majority of Pennsylvania's 1.1 million adult Medicaid recipients will not be adversely affected by the Healthy PA benefit changes that started on January 1, 2015. A third benefit package, the proposed "Healthy" benefit package, is still under review by the federal government and is not being implemented effective January 1, 2015 as planned. This benefit package may not be approved before the inauguration of Governor-Elect Tom Wolf, who has publicly opposed the Healthy PA initiative. [Read more](#)

Several Thousand Immigrants to Keep Medicaid Coverage. The Pennsylvania Health Law Project (PHLP) explains in its December 2014 newsletter, that Pennsylvania's General Assistance (GA) Medicaid program scheduled to end in 2014, will continue to operate in 2015 for approximately 3,000 immigrants who are not eligible under the new adult category created by Healthy PA. All other individuals who had previously been enrolled in this program were moved to the Private Coverage Option for coverage starting January 1, 2015 unless determined medically frail, in which case they should remain in the HealthChoices managed care plan they had in 2014. The GA program will continue for immigrants (those currently on the program as well as new applicants) who are unable to qualify under the new adult category because they have not been in the US in a qualified status for at least five years. However, as of January 1st, these individuals are no longer enrolled in a managed care plan but instead will get their coverage through the fee-for-service system (ACCESS card). [Read more](#)

Governor-elect Wolf announces choice to lead Insurance Department. Ahead of his January 20th inauguration, Governor-elect Tom Wolf announced appointments for three more cabinet positions including the Pennsylvania Insurance Department. Teresa Miller, who was previously an administrator for the Oregon Division of Insurance, will lead the Pennsylvania Insurance Department. In the Governor-elect's press release on his transition website, it is noted that Miller also served as acting director of the State Exchanges Group, the Oversight Group, and the Insurance Programs Group at the Center for Consumer Information and Insurance Oversight, Centers for Medicare and Medicaid Services (CMS). In these roles Miller helped CMS roll out the regulations and guided the implementation of key provisions of the Affordable Care Act. With this announcement the Governor-elect has identified seven members of his cabinet. [Read more](#)

Pennsylvania Health Care Quality Alliance, Health Care Improvement Foundation Complete Merger. The Pennsylvania Health Care Quality Alliance (PHCQA) and the Health Care Improvement Foundation (HCIF) announced that their organizations have merged effective January 1, 2015. The merger, as explained in a press release found on the HCIF website, will allow each organization to build off of the other's strengths. PHCQA has focused on statewide data collection and analytics, while HCIF has experience with quality improvement and program management. Both organizations are aligned with the Hospital and Healthcare System Association of Pennsylvania (HAP) as well as the Blue Cross and Blue Shield Health Insurance Plans in Pennsylvania. Although PHCQA will merge into HCIF they will continue to maintain their website www.phcqa.org, which reports healthcare performance data related to hospitals, patient-centered medical homes and cancer centers. One of the first collaborative projects, for the merged organizations and Capital Blue Cross, will highlight the benefits of palliative care and raise awareness of the Pennsylvania Orders for Life-Sustaining Treatment (POLST) form. [Read more](#)

Highmark and UPMC Continue to Disagree on Continuity of Care. A Pennsylvania Department of Health (DOH) issued deadline for UPMC and Highmark to come to agreement about continuity of care for Highmark members to see UPMC providers has lapsed. UPMC maintains that its providers are able to see Highmark members for non-serious illness and preventive care at in-network rates due to a consent decree signed in July 2014. Highmark believes only those members who are seeing UPMC providers for on-going medical care

would be able to continue as in-network. DOH stated that mediation is the next step but will not initiate that process until it has an opportunity to evaluate the positions of both parties. [Read more](#)

Academic hospitals vie for new resources. Allegheny Health Network and Highmark announced that they have established a 10-year clinical and research partnership with Johns Hopkins Medicine. Allegheny will benefit from the association with the Johns Hopkins' reputation and Johns Hopkins benefits by being able to support its mission as an Academic Medical Center, which has become more challenging given the movement away from in-patient care. As noted in the Pittsburgh Post-Gazette article, this type of collaboration is not unique to Johns Hopkins and Allegheny and represents a trend that might continue as more academic centers try to remain viable in the evolving healthcare system. [Read more](#)

Deal aims to end solitary confinement for seriously mentally ill prisoners in Pennsylvania. In response to a settlement with the Disability Rights Network of Pennsylvania, the Pennsylvania Department of Corrections (DOC) is implementing a number of reforms including not allowing solitary confinement for prisoners with serious mental illness (SMI). The Philadelphia inquirer reports that the settlement also requires that the DOC screen prisoners and those with SMI will be housed in two new types of housing (14 short-term diversionary treatment units or 6 longer term secure units). The DOC has requested more \$30 million dollars to increase staffing and to create a new central office for administering mental health care, suicide-prevention committees at each prison, and revised its contracts with mental-health-care providers. [Read more](#)

Tennessee

Governor Haslam calls special session on Medicaid expansion. On January 9, 2015, *The Tennessean* reported that Governor Bill Haslam is calling a special session of the legislature to address his Medicaid expansion proposal, known as Insure Tennessee. Governor Haslam reportedly has a verbal agreement with federal HHS officials on the proposal, but it will require legislative approval. Despite strong support from state business leaders, it is unsure how the legislature will support the Governor's proposal. [Read more](#)

Washington

HMA Roundup - Doug Porter ([Email Doug](#))

Key Medicaid and legislative issues to watch in Washington in 2015. Following is a summary of the key Medicaid, legislative, and other health related issues that may figure prominently in 2015 in Washington.

WA HealthPlanFinder

- The state's insurance exchange has identified a funding shortfall (related to the volume of Medicaid enrollments) of \$26M.
- Governor Inslee's proposed budget does not fund this shortfall.
- There have been minor yet persistent operational "glitches" involving the calculation of subsidies and accurate premium payments to carriers

that have contributed to concerns with the exchange, as well as some criticism of the salary structure for this “public private partnership”.

Behavioral Health

- The state is trying to resolve lawsuits brought by hospitals over the practice of “boarding” patients in emergency rooms and single certified beds in community hospitals.
- Governor Inslee’s proposed budget funds several units at the state’s two large psychiatric hospitals – following years of trying to downsize the facilities.
- The Washington State Hospital Association (whose members are facing significant budget cuts for outpatient services) has made adequate funding of behavioral health its number one legislative priority.
- The state was awarded \$65M by CMS in a model testing (SIM) grant that will place an emphasis on better integration of behavioral and physical health.
- The state is still calling out the year 2020 as the date when full integration will take place.

Managed Care

- The 2013 session of the legislature directed the Health Care Authority (HCA) to enroll foster children into managed care effective 1 January, 2014. The RFP release was delayed for over a year. The state has recently announced that the RFP was rescinded and that a new RFP for foster children enrolled in managed care will be released on January 12th.
- 2014 saw the end of a carve-out of mental health drugs from the capitation payments to Healthy Options plans, putting those plans at risk for prescriptions issued by mental health providers in the separately capitated Regional Support Networks. There have been complaints from advocates and drug manufacturers that the plans are placing greater prior authorization requirements on prescribers.
- The state has yet to fully implement their financial alignment duals demonstration model. The new go-live date is July 1, 2015.

General

- The Legislature convened on January 12, 2015 under a ruling from the State Supreme Court holding the legislature in contempt for failure to abide by a constitutional requirement to adequately fund K-12 education (*McCleary*).
- Estimates of the cost of compliance vary widely with the most common figure cited being \$2B.
- In addition to this significant budget challenge, the legislature is also under pressure to pass a transportation package to address significant infrastructure needs, fix policy conflicts between medical control issues stemming from a ballot initiative – with a Senate now in Republican control and a House in Democrat control.

Foster Care Managed Care RFP Cancelled, Rescheduled. On December 31, 2014, the State of Washington Health Care Authority (HCA) announced that it

was cancelling the RFP for managed care for the foster care and young adult foster care alumni populations. The RFP will be reissued in January 2015.

National

Supreme Court to Hear Medicaid Reimbursement Fee Case Later this Month.

Kaiser Health News reports that on January 20, 2015, the U.S. Supreme Court will hear a case from Idaho challenging a lower court order to increase Medicaid reimbursement rates to providers serving Medicaid enrollees with developmental disabilities. The case argues that private parties, including both patients and providers, should not be able to use the court system to alter reimbursement rates. The Idaho appeal has the support of 27 states, the National Governors Association, and the Obama administration. Provider and patient advocacy groups argue that reimbursement rates are often cut under budgetary pressures, creating issues of access and provider participation in Medicaid. [Read more](#)

New Treasury Rules Limit Nonprofit Hospital Collections Tactics.

On January 11, 2015, the *New York Times* reported on rules issued by the Treasury Department at the end of 2014, changing the ways that nonprofit hospitals, or those seeking nonprofit status, can collect on payments from low-income patients. Under the rules, hospitals must determine if a patient is eligible for financial assistance (through Medicaid, Medicare, or other forms of assistance) before taking action on a collection. Additionally, patients eligible for financial assistance may not be charged more than “the amounts generally billed” to people who have insurance through a government program or private carrier. The rules will apply to an estimated 60 percent of hospitals nationwide. [Read more](#)

Congress to Consider Bill on Improved Care Coordination for Medicaid Children with Complex Conditions.

On January 8, 2015, Stateline reported on a bill introduced to congress that would allow for Medicaid health care providers in different states to better coordinate care for children on Medicaid with complex or rare health conditions. The bill would direct HHS to allow states to opt into regional provider networks, with the eventual goal of forming formal business relationship and taking on financial risk for the care of complex children in the Medicaid program. [Read more](#)



INDUSTRY NEWS

Aetna Better Health approved to serve NJ FamilyCare as of December 2014.

On January 8, 2015, NJBIZ reported that Aetna Better Health of New Jersey has been approved to serve as a Medicaid managed care plan in the NJ FamilyCare program, effective December 1, 2014. Aetna will initially serve eight counties, with plans to expand to all 21 counties by 2016. Aetna additionally announced the appointment of Barry Volin as the CEO of Aetna Better Health of New Jersey. [Read more](#)

Epic Health Services to acquire Loving Care Agency. Epic Health Services, Inc. has agreed to buy the parent company of Loving Care Agency, one of the largest providers of pediatric home care. After the acquisition, the combined company will provide pediatric home care in 10 states, including Texas, Pennsylvania, Massachusetts, New Jersey, Missouri, Indiana, Delaware, Arizona, Illinois, and Colorado. Epic Health Services is a portfolio company of private equity firm Webster Capital. The deal is expected to close in February 2015. [Read more](#)

Heritage Provider Network to form JV with Trinity Health. On January 12, 2015, the *Los Angeles Times* reported that California-based Heritage Provider Network is forming a joint venture with Trinity Health, the nation's second-largest nonprofit hospital system. The JV seeks to build integrated care networks in several markets around the country. [Read more](#)

Anthem selects Gilead's Harvoni as preferred hepatitis C drug. On January 8, 2015, Reuters reported that Anthem (formerly WellPoint) has reached an agreement with Gilead Sciences, under which Harvoni is the preferred hepatitis C drug for Anthem members. [Read more](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
Mid/Late January, 2015	Louisiana MLTSS - Frail Elderly	RFP Release	50,000
January 30, 2015	Florida Healthy Kids	RFP Release	185,000
Late January, 2015	Georgia	RFP Release	1,300,000
January/February, 2015	Michigan	RFP Release	1,500,000
February 1, 2015	South Carolina Duals	Implementation	68,000
February 1, 2015	Louisiana	Implementation	900,000
March 1, 2015	Michigan Duals	Implementation	70,000
March 2, 2015	Florida Healthy Kids	Proposals Due	185,000
April 1, 2015	Rhode Island (Duals)	Implementation	28,000
April 1, 2015	Puerto Rico	Implementation	1,600,000
April 15, 2015	Florida Healthy Kids	Contract Awards	185,000
April, 2015	Louisiana MLTSS - DD	RFP Release	15,000
June, 2015	Georgia	Contract Awards	1,300,000
July 1, 2015	Washington Duals	Implementation	48,500
July 1, 2015	Missouri	Implementation	398,000
September 1, 2015	Texas NorthSTAR (Behavioral)	Implementation	840,000
September 1, 2015	Texas STAR Health (Foster Care)	Implementation	32,000
October 1, 2015	Arizona (Behavioral)	Implementation	23,000
October 1, 2015	Florida Healthy Kids	Implementation	185,000
Fall 2015	Louisiana MLTSS - Frail Elderly	Implementation	50,000
January 1, 2016	Georgia	Implementation	1,300,000
Early 2016	Louisiana MLTSS - DD	Implementation	15,000
September 1, 2016	Texas STAR Kids	Implementation	200,000

DUAL ELIGIBLE FINANCIAL ALIGNMENT DEMONSTRATION CALENDAR

Below is a summary table of the progression of states toward implementing dual eligible financial alignment demonstrations in 2014 and 2015.

State	Model	Duals eligible for demo	RFP Released	RFP		Signed MOU with CMS	Opt- in Enrollment Date	Passive Enrollment Date	Health Plans
				Response Due Date	Contract Award Date				
California	Capitated	350,000	X	3/1/2012	4/4/2012	3/27/2013	4/1/2014	5/1/2014 7/1/2014 1/1/2015	CalOptima; Care 1st Partner Plan, LLC; Community Health Group Partner; Health Net; Health Plan of San Mateo; Inland Empire Health Plan; LA Care; Molina; Santa Clara Family Health Plan; WellPoint/Amerigroup (CareMore)
Colorado	MFFS	62,982				2/28/2014		9/1/2014	
Connecticut	MFFS	57,569						TBD	
Illinois	Capitated	136,000	X	6/18/2012	11/9/2012	2/22/2013	4/1/2014	6/1/2014	Aetna; Centene; Health Alliance; Blue Cross Blue Shield of IL; Health Spring; Humana; Meridian Health Plan; Molina
Massachusetts	Capitated	90,000	X	8/20/2012	11/5/2012	8/22/2013	10/1/2013	1/1/2014	Commonwealth Care Alliance; Fallon Total Care; Network Health
Michigan	Capitated	105,000	X	9/10/2013	11/6/2013	4/3/2014	3/1/2015	5/1/2015	AmeriHealth Michigan; Coventry; Fidelis SecureCare; Meridian Health Plan; Midwest Health Plan; Molina Healthcare; Upper Peninsula Health Plan
New York	Capitated	178,000	Application			8/26/2013	1/1/2015 4/1/2015	4/1/2015 7/1/2015	
North Carolina	MFFS	222,151						TBD	
Ohio	Capitated	114,000	X	5/25/2012	6/28/2012	12/11/2012	5/1/2014	1/1/2015	Aetna; CareSource; Centene; Molina; UnitedHealth
Oklahoma	MFFS	104,258						TBD	
Rhode Island*	Capitated	28,000	X	5/12/2014	9/1/2014		4/1/2015		
South Carolina	Capitated	53,600	X			10/25/2013	2/1/2015	6/1/2015	Absolute Total Care (Centene); Advicare; Molina Healthcare of South Carolina; Select Health of South Carolina (AmeriHealth)
Texas	Capitated	168,000	N/A			5/23/2014	3/1/2015	4/1/2015	Amerigroup, Health Spring, Molina, Superior, United
Virginia	Capitated	78,596	X	5/15/2013	TBD	5/21/2013	3/1/2014	5/1/2014	Humana; Health Keepers; VA Premier Health
Washington	Capitated	48,500	X	5/15/2013	6/6/2013	11/25/2013	7/1/2015	9/1/2015 11/1/2015	UnitedHealthcare
	MFFS	66,500	X			10/24/2012		1/1/2016 7/1/2013; 10/1/2013	
Totals	11 Capitated 5 MFFS	1.35M Capitated 513K FFS	10				11		

* Phase I enrollment of duals only includes Medicaid benefits. Medicare-Medicare integration to occur within 12 months.

DUAL ELIGIBLE FINANCIAL ALIGNMENT DEMONSTRATION ENROLLMENT UPDATE

Below are enrollment totals in the four states with active dual eligible demonstration enrollments in a capitated model as of this week's publication.

State	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
California	3,445	15,322	17,846	39,731	42,473	44,804	48,976	51,527	58,945
Illinois	455	2,831	19,461	37,248	48,114	46,870	49,060	70,376	
Massachusetts	13,191	13,274	13,409	18,836	18,067	17,739	17,465	18,104	
Virginia				11,169	11,983	21,958	28,642	29,648	27,701
Total	17,091	31,427	50,716	106,984	120,637	131,371	144,143	169,655	N/A

Source: State enrollment reporting compiled by HMA

HMA NEWS

Webinar Explores Planning Integrated Care for Underserved Populations

Wednesday, January 28, 2015

3:30 to 5:00 p.m. EST

[Link to Registration](#)

Just in time for those planning to apply for SAMHSA's \$1.6 million Primary and Behavioral Health Care Integration (PBHCI) opportunity, HMA's integration experts will discuss key factors for successfully planning, coordinating, and delivering integrated healthcare to high need, vulnerable populations in any setting.

HMA's panel of experts will explore critical considerations for successful outreach, engagement, and treatment, including:

- Key considerations for culturally responsive health care based on federally mandated CLAS standards
- Effectively hiring, training, and managing integrated teams—the “who, what, and how” of delivering integrated care
- Strategies for incorporating effective health promotion and chronic disease management practices, and
- Critical factors related to compliance with treatment protocols and practice standards

Confirmed HMA Speakers

Heidi Arthur, Principal

Terry Conway, M.D., Managing Principal

Pat Dennehy, Principal

Gina Lasky, HMA Community Services Project Manager

Jeffrey Ring, Principal

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