

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

..... April 22, 2015



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IN FOCUS

QUARTERLY MEDICAID MANAGED CARE ENROLLMENT UPDATE – Q1 2015

This week, our *In Focus* section reviews recent Medicaid enrollment trends in capitated risk-based managed care in 23 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 23 states have released monthly Medicaid managed care enrollment data through

¹ Arizona, California, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, New Mexico, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Washington, West Virginia, Wisconsin.

much of the first quarter (Q1) of 2015. This report reflects the most recent data posted.

Thirteen of the states in the table below - Arizona, California, Hawaii, Illinois, Kentucky, Maryland, Michigan, New Mexico, New York, Ohio, Pennsylvania, Washington, and West Virginia - expanded Medicaid and have seen increased Medicaid managed care enrollment throughout 2014 and into 2015.

- Across all states tracked in this report, Medicaid managed care enrollment is up nearly 30 percent for Q1 2015 over Q1 2014.
- For comparison, a tally of more than 200 Medicaid managed care plans in 34 states and DC that filed National Association of Insurance Commissioners (NAIC) financial documents shows enrollment rose 28 percent to 28.9 million in 2014, compared to 22.5 million in 2013.
- The thirteen expansion states listed above have seen Medicaid managed care enrollment increase by more than one-third in the past year, up to 27.6 million at the end of Q1 2015 from 20.6 million as of Q1 2014.
- The ten states that have not expanded Medicaid at this time have seen Medicaid managed care enrollment increase by more than 20 percent, up to nearly 13.1 million at the end of Q1 2015 from 10.8 million as of Q1 2014.

Monthly Enrollment by State - October 2014 through April 2015

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Arizona	1,394,350	1,384,484	1,390,253	1,387,172	1,374,178	1,388,356	1,407,861
+/- m/m	15,523	(9,866)	5,769	(3,081)	(12,994)	14,178	19,505
% y/y	25.1%	24.1%	26.3%	26.0%	23.1%	21.6%	16.9%
California	8,651,621	8,807,415	8,940,177	9,116,134	9,196,369	9,369,673	
+/- m/m	293,372	155,794	132,762	175,957	80,235	173,304	N/A
% y/y	46.5%	43.9%	48.4%	36.5%	33.4%	33.4%	
Florida	2,948,249	2,957,053	2,988,678	3,037,382	3,082,888	3,124,705	3,148,658
+/- m/m	23,497	8,804	31,625	48,704	45,506	41,817	23,953
% y/y	100.9%	99.1%	99.3%	95.1%	95.8%	97.3%	101.6%
Georgia	1,303,304	1,299,378	1,302,246	1,294,786	1,291,555		
+/- m/m	(2,873)	(3,926)	2,868	(7,460)	(3,231)	N/A	N/A
% y/y	17.9%	20.3%	16.6%	17.8%	14.3%		
Hawaii	313,077	320,741	328,373	329,211	334,965		
+/- m/m	(5,350)	7,664	7,632	838	5,754	N/A	N/A
% y/y	8.0%	7.8%	8.2%	3.3%	1.5%		
Illinois	645,934	876,879	1,167,205	1,527,762	1,731,349	1,885,243	
+/- m/m	112,344	230,945	290,326	360,557	203,587	153,894	N/A
% y/y	115.7%	188.8%	272.9%	384.3%	448.4%	492.0%	
Indiana	768,317	762,904	770,757	767,491	825,204		
+/- m/m	2,297	(5,413)	7,853	(3,266)	57,713	N/A	N/A
% y/y	0.5%	0.7%	2.3%	3.0%	9.2%		
Kentucky	1,026,029	1,050,616	1,064,902	1,087,098			
+/- m/m	24,318	24,587	14,286	22,196	N/A	N/A	N/A
% y/y	53.3%	58.2%	59.2%	47.2%			
Louisiana	919,811	923,254	924,140	918,758	935,769	945,107	957,531
+/- m/m	9,100	3,443	886	(5,382)	17,011	9,338	12,424
% y/y	4.1%	4.7%	4.7%	5.0%	6.4%	7.3%	8.2%
Maryland	1,020,665	1,039,305	1,060,153	1,091,851	1,097,770	1,097,809	
+/- m/m	(58,363)	18,640	20,848	31,698	5,919	39	N/A
% y/y	24.5%	26.3%	28.1%	17.5%	12.8%	9.1%	
Michigan	1,454,963	1,530,305	1,495,735	1,528,379	1,586,329	1,606,323	1,609,512
+/- m/m	(15,711)	75,342	(34,570)	32,644	57,950	19,994	3,189
% y/y	17.2%	23.3%	20.2%	21.8%	24.8%	26.3%	22.2%
Mississippi	159,158	160,000	185,307	188,079	190,345	206,137	209,172
+/- m/m	(655)	842	25,307	2,772	2,266	15,792	3,035
% y/y	0.0%	0.0%	0.0%	30.2%	31.6%	41.5%	42.9%

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Missouri	400,022	414,816	420,443	421,178	430,925	439,814	
+/- m/m	1,949	14,794	5,627	735	9,747	8,889	N/A
% y/y	-1.5%	2.4%	4.6%	5.5%	9.5%	12.7%	
New Mexico	581,299	586,349	595,345	602,334	611,307	617,057	
+/- m/m	3,389	5,050	8,996	6,989	8,973	5,750	N/A
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	
New York	4,490,142	4,515,401	4,573,359	4,602,985	4,640,371	4,672,049	4,712,412
+/- m/m	9,267	25,259	57,958	29,626	37,386	31,678	40,363
% y/y	10.7%	11.3%	12.8%	13.4%	14.1%	14.0%	12.2%
Ohio	2,289,952	2,339,918	2,386,692	2,420,635	2,446,389		
+/- m/m	46,704	49,966	46,774	33,943	25,754	N/A	N/A
% y/y	34.4%	37.3%	40.2%	42.2%	43.6%		
Pennsylvania	1,677,373	1,679,279	1,678,954	1,597,018	1,593,843		
+/- m/m	2,175	1,906	(325)	(81,936)	(3,175)	N/A	N/A
% y/y	4.8%	3.4%	3.3%	-2.0%	-2.4%		
South Carolina	755,238	762,503	767,608	744,408	726,974	722,604	722,337
+/- m/m	7,265	7,265	5,105	(23,200)	(17,434)	(4,370)	(267)
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	3.7%
Tennessee	1,313,987	1,324,208					
+/- m/m	10,865	10,221	N/A	N/A	N/A	N/A	N/A
% y/y	9.8%	10.9%					
Texas					3,415,260		
+/- m/m	N/A	N/A	N/A	N/A	456,890	N/A	N/A
% y/y					15.4%		
Washington	1,280,712	1,294,319	1,326,340	1,335,229	1,362,744		
+/- m/m	27,219	13,607	32,021	8,889	27,515	N/A	N/A
% y/y	58.6%	57.6%	62.1%	42.8%	33.4%		
West Virginia	200,132	201,815	196,954	200,095	202,614	202,899	205,287
+/- m/m	(1,799)	1,683	(4,861)	3,141	2,519	285	2,388
% y/y	17.2%	11.8%	6.5%	4.5%	2.7%	-0.2%	-0.3%
Wisconsin	709,808	724,377	732,747	735,789	751,917	764,742	
+/- m/m	16,318	14,569	8,370	3,042	16,128	12,825	N/A
% y/y	1.1%	3.1%	4.7%	6.4%	8.1%	10.6%	

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 Q1 of 2015, Arizona's MCO enrollment stands at around 1.4 million, having added more than 33,000 members in March and April. Overall, enrollment is up more than 240,000, or 16.9 percent, year-over-year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Acute Care	1,338,237	1,328,203	1,333,714	1,330,610	1,317,624	1,331,649	1,350,978
ALTCS	56,113	56,281	56,539	56,562	56,554	56,707	56,883
Total Arizona	1,394,350	1,384,484	1,390,253	1,387,172	1,374,178	1,388,356	1,407,861
+/- m/m	15,523	(9,866)	5,769	(3,081)	(12,994)	14,178	19,505
% y/y	25.1%	24.1%	26.3%	26.0%	23.1%	21.6%	16.9%

California

Medicaid Expansion Status: Expanded January 1, 2014

Medi-Cal managed care enrollment data through March, 2015 shows significant enrollment increases due to the Medicaid expansion, with enrollment up more than 3.4 million since September 2013. As of March, 2015, enrollment in managed care neared 9.4 million, a 33 percent increase over the previous year. Additionally, California saw its first duals demonstration enrollments in the Cal MediConnect program in April 2014, with enrollments now at nearly 125,000 after twelve months.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Two-Plan Counties	5,534,716	5,642,599	5,681,216	5,733,437	5,757,717	5,869,937	
Imperial/San Benito	62,939	64,007	68,478	70,020	71,418	72,432	
Regional Model	229,852	232,377	255,997	260,044	264,339	268,048	
GMC Counties	890,939	917,229	942,642	962,402	965,538	984,922	
COHS Counties	1,884,199	1,899,676	1,932,899	1,967,323	2,014,278	2,050,095	
Duals Demonstration	48,976	51,527	58,945	122,908	123,079	124,239	
Total California	8,651,621	8,807,415	8,940,177	9,116,134	9,196,369	9,369,673	
+/- m/m	293,372	155,794	132,762	175,957	80,235	173,304	
% y/y	46.5%	43.9%	48.4%	36.5%	33.4%	33.4%	

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 more than 1.5 million new enrollees through the first 12 months of the program, and bringing final Q3 enrollment above 3.1 million, roughly double from a year ago. (As a note, the managed LTC enrollment figures listed below are a subset of the MMA enrollments and are excluded from the total).

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
MMA	2,612,123	2,632,838	2,674,722	2,733,591	2,768,854	2,805,460	2,824,677
LTC (Subset of MMA)	84,468	84,716	85,169	85,347	85,120	85,321	86,133
SMMC Specialty Plan	134,958	131,297	129,558	123,000	136,464	138,853	137,775
FL Healthy Kids	201,168	192,918	184,398	180,791	177,570	180,392	186,206
Total Florida	2,948,249	2,957,053	2,988,678	3,037,382	3,082,888	3,124,705	3,148,658
+/- m/m	23,497	8,804	31,625	48,704	45,506	41,817	23,953
% y/y	100.9%	99.1%	99.3%	95.1%	95.8%	97.3%	101.6%

Georgia

Medicaid Expansion Status: Not Expanded

As of publication, Georgia has not reported Medicaid managed care enrollment numbers beyond February 2015, when total managed care enrollment stood at just under 1.3 million, up more than 14 percent from the previous year. Despite not expanding Medicaid, more than 185,000 net new enrollees were added to Georgia's Managed care program during 2014.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Georgia	1,303,304	1,299,378	1,302,246	1,294,786	1,291,555		
+/- m/m	(2,873)	(3,926)	2,868	(7,460)	(3,231)		
% y/y	17.9%	20.3%	16.6%	17.8%	14.3%		

Hawaii

Medicaid Expansion Status: Expanded in 2014

On January 1, 2015, Hawaii implemented its integrated Medicaid managed care program, combining QUEST managed Medicaid and QUEST Expanded Access (QExA), which provides managed Medicaid to the aged, blind, and disabled (ABD) populations. Through February 2015, enrollment in the new program stands at 335,000, up 1.5 percent over February 2014.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total QUEST	261,279	268,166	274,979				
Total QExA	51,798	52,575	53,394				
Total Hawaii	313,077	320,741	328,373	329,211	334,965		
+/- m/m	(5,350)	7,664	7,632	838	5,754		
% y/y	8.0%	7.8%	8.2%	3.3%	1.5%		

Illinois

Medicaid Expansion Status: Expanded January 1, 2014

Illinois enrollment across the state's three managed care programs neared 1.9 million as of March 2015, nearly five times what it was a year prior, in one of the largest Medicaid managed care expansions in the last few years. Enrollment in the Integrated Care Program (ICP), which serves Medicaid aged, blind, and disabled (ABD) recipients, has largely leveled off, while enrollment in the state's dual eligible financial alignment demonstration stands at just over 60,000.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Family Health Program	484,863	710,236	992,200	1,346,924	1,547,403	1,703,899	
Integrated Care Program	112,011	117,390	117,038	117,107	119,747	120,660	
Duals Demonstration	49,060	49,253	57,967	63,731	64,199	60,684	
Total Illinois	645,934	876,879	1,167,205	1,527,762	1,731,349	1,885,243	
+/- m/m	112,344	230,945	290,326	360,557	203,587	153,894	
% y/y	115.7%	188.8%	272.9%	384.3%	448.4%	492.0%	

Indiana

Medicaid Expansion Status: Not Expanded, Waiver In Negotiations

As of February 2015, enrollment in Indiana’s three managed care programs (Hoosier Healthwise, Care Select, and Healthy Indiana Program (HIP)), stood at more than 825,000, up 9.2 percent from the prior year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Hoosier Healthwise	674,751	670,148	667,433	667,380	598,465		
Care Select	32,602	32,000	43,050	40,872	39,985		
HIP	60,964	60,756	60,274	59,239	186,754		
Indiana Total	768,317	762,904	770,757	767,491	825,204		
+/- m/m	2,297	(5,413)	7,853	(3,266)	57,713		
% y/y	0.5%	0.7%	2.3%	3.0%	9.2%		

Kentucky

Medicaid Expansion Status: Expanded January 1, 2014

As of January 2015, Kentucky enrolled close to 1.1 million beneficiaries in risk-based managed care. Kentucky has added nearly 420,000 new Medicaid enrollees to managed care in 2014, with total enrollment up 47.2 percent from January 2014. At the time of publication, Kentucky has not released enrollment figures beyond January 2015.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Kentucky	1,026,029	1,050,616	1,064,902	1,087,098			
+/- m/m	24,318	24,587	14,286	22,196			
% y/y	53.3%	58.2%	59.2%	47.2%			

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 and into 2015, adding more than 75,000 total lives in the last 16 months. April 2015 data shows total managed care enrollment at more than 957,000, up 8.2 percent from the previous year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Louisiana	919,811	923,254	924,140	918,758	935,769	945,107	957,531
+/- m/m	9,100	3,443	886	(5,382)	17,011	9,338	12,424
% y/y	4.1%	4.7%	4.7%	5.0%	6.4%	7.3%	8.2%

Maryland

Medicaid Expansion Status: Expanded January 1, 2014

Since expanding Medicaid as of January 1, 2014, Maryland Medicaid managed care enrollment has increased by nearly 270,000 beneficiaries despite declining enrollment in Q3 and early Q4 2014. March 2015 enrollment of nearly 1.1 million is up 9.1 percent from the prior year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Maryland	1,020,665	1,039,305	1,060,153	1,091,851	1,097,770	1,097,809	
+/- m/m	(58,363)	18,640	20,848	31,698	5,919	39	
% y/y	24.5%	26.3%	28.1%	17.5%	12.8%	9.1%	

Michigan

Medicaid Expansion Status: Expanded April 1, 2014

Michigan Medicaid managed care enrollment has increased by more than 337,000 beneficiaries in 2014 and into 2015 since the April 1, 2014 launch of its Medicaid expansion, known as the Healthy Michigan Plan. As of April 2015, managed care enrollment was at just under 1.61 million, up 22.2 percent from the previous year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Michigan	1,454,963	1,530,305	1,495,735	1,528,379	1,586,329	1,606,323	1,609,512
+/- m/m	(15,711)	75,342	(34,570)	32,644	57,950	19,994	3,189
% y/y	17.2%	23.3%	20.2%	21.8%	24.8%	26.3%	22.2%

Mississippi

Medicaid Expansion Status: Not Expanded

Mississippi CAN, the state's Medicaid managed care program has grown significantly since November 2014. April 2015 enrollment stands at more than 209,000, up close to 50,000 members over the past five months. Year-over-year enrollment is up 42.9 percent. HMA does not have data prior to calendar year 2014.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Mississippi	159,158	160,000	185,307	188,079	190,345	206,137	209,172
+/- m/m	(655)	842	25,307	2,772	2,266	15,792	3,035
% y/y	N/A	N/A	N/A	30.2%	31.6%	41.5%	42.9%

Missouri

Medicaid Expansion Status: Not Expanded

Missouri managed care in both the Medicaid and CHIP programs neared 440,000 as of March 2015. Although not expanding Medicaid at this time, Missouri has added more than 37,000 net new managed care enrollees since the beginning of 2014, with March enrollment up 12.7 percent from the prior year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Medicaid	363,711	379,190	385,602	389,713	400,003	410,379	
Total CHIP	36,311	35,626	34,841	31,465	30,922	29,435	
Total Missouri	400,022	414,816	420,443	421,178	430,925	439,814	
+/- m/m	1,949	14,794	5,627	735	9,747	8,889	
% y/y	-1.5%	2.4%	4.6%	5.5%	9.5%	12.7%	

New Mexico

Medicaid Expansion Status: Expanded January 1, 2014

HMA began tracking Medicaid managed care enrollment in New Mexico in the second half of 2014. As of March 2015, the state's Centennial Care program enrolled more than 617,000 members, with steady enrollment growth in Q4 2014 and Q1 2015, adding nearly 40,000 lives to managed care.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total New Mexico	581,299	586,349	595,345	602,334	611,307	617,057	
+/- m/m	3,389	5,050	8,996	6,989	8,973	5,750	
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	

New York

Medicaid Expansion Status: Expanded January 1, 2014

New York’s Medicaid managed care programs collectively enrolled more than 4.7 million beneficiaries as of March 2015, up 12.2 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, which is no longer reported in 2015, likely due in part to outmigration to the state’s Exchange.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Mainstream MCOs	4,229,242	4,297,722	4,386,992	4,454,691	4,492,085	4,523,241	4,568,293
Family Health Plus	114,119	69,185	36,932				
Managed LTC	130,657	132,307	133,187	133,032	133,201	133,719	128,973
Medicaid Advantage	10,290	10,254	10,231	9,278	9,057	8,995	9,091
Medicaid Advantage Plus	5,834	5,933	6,017	5,984	6,028	6,094	6,055
Total New York	4,490,142	4,515,401	4,573,359	4,602,985	4,640,371	4,672,049	4,712,412
+/- m/m	9,267	25,259	57,958	29,626	37,386	31,678	40,363
% y/y	10.7%	11.3%	12.8%	13.4%	14.1%	14.0%	12.2%

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, the state’s dual eligible financial alignment demonstration. As of February 2015, enrollment in the state’s managed care programs is more than 2.4 million, up 43.6 percent from the previous year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
CFC Program	1,658,022	1,678,465	1,703,500	1,717,525	1,728,964		
ABD Program	173,997	172,696	171,805	170,374	168,863		
Group 8 (Expansion)	361,709	393,278	417,291	438,472	457,366		
MyCare Ohio (Duals)	96,224	95,479	94,096	94,264	91,196		
Total Ohio	2,289,952	2,339,918	2,386,692	2,420,635	2,446,389		
+/- m/m	46,704	49,966	46,774	33,943	25,754		
% y/y	34.4%	37.3%	40.2%	42.2%	43.6%		

Pennsylvania

Medicaid Expansion Status: Expanded as of 2015 (Transitioning from Waiver)

February 2015 enrollment sits at nearly 1.6 million, down 2.4 percent from the prior year. Pennsylvania’s Healthy PA expansion waiver was transitioned to a traditional Medicaid expansion model in 2015 by the new Governor’s administration. Expansion enrollments began in January 2015.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Pennsylvania	1,677,373	1,679,279	1,678,954	1,597,018	1,593,843		
+/- m/m	2,175	1,906	(325)	(81,936)	(3,175)		
% y/y	4.8%	3.4%	3.3%	-2.0%	-2.4%		

South Carolina

Medicaid Expansion Status: Not Expanded

South Carolina’s Medicaid managed care program saw moderate growth through much of 2014, before four consecutive months of declining enrollment to kick off 2015. As of April 2015, enrollment stood at 722,000, down more than 45,000 since December 2014, but still up 3.7 percent year-over-year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total South Carolina	755,238	762,503	767,608	744,408	726,974	722,604	722,337
+/- m/m	7,265	7,265	5,105	(23,200)	(17,434)	(4,370)	(267)
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	3.7%

Tennessee

Medicaid Expansion Status: Not Expanded

As of November 2014, TennCare managed care enrollment totaled more than 1.32 million, up 10.9 percent from 2013. The enrollment reporting lag of more than one full quarter is typical in Tennessee.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Tennessee	1,313,987	1,324,208					
+/- m/m	10,865	10,221					
% y/y	9.8%	10.9%					

Texas

Medicaid Expansion Status: Not Expanded

Texas has not publicly reported Medicaid managed care enrollment since June 2014. However, selected figures were released for February 2015, at which point enrollment in STAR, STAR+PLUS, and STAR HEALTH totaled more than 3.4 million (up nearly 457,000 for those three programs alone since June 2014). This represents a more than 15 percent spike in enrollment through the second half of 2014 and beginning of 2015. It is unknown at this time whether monthly enrollment figures will be made available going forward.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
STAR					2,867,103		
STAR+PLUS					517,135		
STAR HEALTH					31,022		
CHIP					N/A		
Total Texas					3,415,260		
+/- m/m					456,890		
% y/y					15.4%		

Washington

Medicaid Expansion Status: Expanded January 1, 2014

As of February 2015, Washington’s Medicaid managed care enrollment has increased by more than 544,000 since the start of 2014. Total enrollment stands at 1.36 million, a 33.4 percent increase over the previous year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total Washington	1,280,712	1,294,319	1,326,340	1,335,229	1,362,744		
+/- m/m	27,219	13,607	32,021	8,889	27,515		
% y/y	58.6%	57.6%	62.1%	42.8%	33.4%		

West Virginia

Medicaid Expansion Status: Expanded January 1, 2014

As of April 2015, West Virginia’s managed care program enrolls more than 205,000 members, a slight decrease of -0.3 percent over the prior year.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Total West Virginia	200,132	201,815	196,954	200,095	202,614	202,899	205,287
+/- m/m	(1,799)	1,683	(4,861)	3,141	2,519	285	2,388
% y/y	17.2%	11.8%	6.5%	4.5%	2.7%	-0.2%	-0.3%

Wisconsin

Medicaid Expansion Status: Not Expanded

Across the state’s three managed care programs, March 2015 enrollment totals more than 764,000, up 10.6 percent from the year before. Despite not expanding Medicaid at this time, Wisconsin’s Medicaid managed care enrollment increased by nearly 65,000 enrollees since the beginning of 2014.

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
BadgerCare+	634,725	649,294	657,673	660,875	676,862	689,778	
SSI	36,124	36,112	36,098	36,058	36,228	36,164	
LTC	38,959	38,971	38,976	38,856	38,827	38,800	
Total Wisconsin	709,808	724,377	732,747	735,789	751,917	764,742	
+/- m/m	16,318	14,569	8,370	3,042	16,128	12,825	
% y/y	1.1%	3.1%	4.7%	6.4%	8.1%	10.6%	

More Information Available from HMA Information Services

More detailed information on the Medicaid managed care landscape is available from HMA Information Services, which pulls together Medicaid enrollment data, health plan financials, and the latest on expansions, waivers, duals, aged, blind, and disabled (ABD) populations, long-term care, accountable care organizations, and patient-centered medical homes. There is also a public documents library with copies of Medicaid RFPs, responses, model contracts, and scoring sheets.

HMA enhances the publicly available information with an overview of the structure of Medicaid in each state, as well as a proprietary HMA Medicaid Managed Care Opportunity Assessment.

For additional information on how to subscribe to HMA Information Services, contact Carl Mercurio at 212-575-5929 or email him at cmercurio@healthmangaement.com.



HMA MEDICAID ROUNDUP

California

HMA Roundup - Warren Lyons ([Email Warren](#))

Committee Passes Bill to Raise Medi-Cal Rates. On April 15, 2015, the Assembly Committee on Health passed bill AB366, 16-0, to reverse the 10% provider rate cut from 2011. Current rates were so low, according to Assembly member Rob Bonta, that access to care was being affected. Assembly member Jim Wood stated that this was an even bigger issue in rural areas. The vote was unanimous. [Read More](#)

Colorado

HMA Roundup - Lee Repasch ([Email Lee](#))

Colorado strengthens vaccination rules, adding exemption requirements and making opting out of vaccines much harder in Colorado. The state Board of Health on Wednesday passed new immunization rules that officials say strengthen school policies and will improve the state's low vaccination rates. The new rules, effective July 2016, will require parents seeking non-medical exemptions from school and child-care vaccine requirements to submit them more than once. They will be required at each age when recommended vaccines are due for pre-kindergartners and annually from kindergarten through 12th grade. Currently, the state requires submission of an exemption request just once. Gov. John Hickenlooper said in a written statement that the new rules will strengthen immunization rates in the state, which are among the lowest in the nation. [Read More](#)

The legislative oversight committee for Colorado's state health insurance exchange - Connect for Health Colorado - advanced its plans to change the committee's name and expand its calendar for reviewing Connect for Health Colorado. Sen. Ellen Roberts, R-Durango, has promised greater scrutiny of the exchange by her committee. Paramount are fixes to the exchange's online enrollment system - its Shared Eligibility System with Medicaid. These changes "must be done quickly and right to avoid the bottleneck created during the most recent enrollment." [Read More](#)

Florida

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

Senate Submits Proposal for \$2.2 Billion LIP Funding. On April 21, 2015, *Health News Florida* reported that a new proposal was submitted to CMS which includes a Senate approved plan for \$2.2 billion LIP funding. However, the proposal is unlikely to quickly resolve the budget standoff, with many Lawmakers already claiming that they will miss the May 1 deadline for passing a budget. [Read More](#)

UF Health Hospital to Close Without LIP Funding. On April 21, 2015, *The Gainesville Sun* reported that UF Health Jacksonville CEO, Russell Armistead, said that he would be forced to close the hospital within a matter of months if it was to lose LIP funding. UF Health received \$95 million from the program this year. Armistead stated that the funding represents 20 percent of the hospital's total revenue. [Read More](#)

Responses to Enrollment Broker Recipient Support. On March 25, the Agency for Health Care Administration issued a Request for Information, RFI 005-14/15, for enrollment broker services for its Statewide Medicaid Managed Care (SMMC) program. Responses were due April 8. The following are the companies to respond.

1. CONNECTURE
2. FANEUIL AND GETINSURED
3. GENESYS
4. HP
5. MAXIMUS
6. MCCi

Medicaid HMOs and Provider-Service Networks Losing Money. On April 16, 2015, *Health News Florida* reported that the Agency for Health Care Administration found that nearly all HMOs and provider-service networks in the Medicaid program are losing money, totaling \$300 million between May and December. Some plans predict it could reach \$700 million by June 30. One of the largest reasons for the losses is spending on prescription drugs. Patients are using more drugs than expected and the cost per prescription is higher than expected. [Read More](#)

Governor Rick Scott to Sue Obama Administration Over Medicaid Expansion. On April 16, 2015, *The New York Times* reported that Governor Rick Scott said he is planning to sue the Obama administration for trying to pressure the state into expanding Medicaid using "coercion tactics." The White House called Scott's threat a political gesture. [Read More](#)

Georgia

HMA Roundup – Kathy Ryland ([Email Kathy](#))

CMS Want Georgia to Return \$100 Million Nursing Home Payments. On April 20, 2015, *Georgia Health News* reported that federal officials asked Georgia to return over \$100 million in payments made to nursing homes from 2010 and 2011, as well as any inappropriate payments from more recent years. [Read More](#)

WellStar, Emory Merger to Form Largest Health Care Entity in Southeast. On April 15, 2015, *The Marietta Daily Journal* reported that the proposed merger of WellStar Health System and Emory Healthcare would create the largest health care entity in the Southeast, worth \$4.3 billion, according to Leo Reichert, WellStar's executive vice president. The final vote on the merger is expected March 2016. [Read More](#)

Illinois

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

Illinois Hospital Association and Metropolitan Chicago Healthcare Council Announce Merger. On April 22, 2015, *Crain's Chicago Business* announced that the Illinois Hospital Association (IHA) and the Metropolitan Chicago Healthcare Council (MCHC) announced they are merging effective January 1. IHA has around 200 hospital members, while MCHC has around 150 hospital members. Details remain to be resolved on a new name and location for the organization, as well as how member hospital dues will change. [Read More](#)

Advocate ACE Amends Contract to Begin MCCN Transition. On April 16, 2015, the *Associated Press/Peoria Public Radio* reported Advocate Health Care has amended its contract with Illinois Medicaid as an Accountable Care Entity (ACE) to begin transitioning to a Managed Care Community Network (MCCN). Advocate initially formed as one of several ACEs, which receive a care coordination fee for serving Medicaid members, but do not take on risk and receive fee-for-service reimbursement. As a MCCN, Advocate will eventually transition to a full-risk arrangement with the state. The move is expected to save the state \$5.1 million. Advocate's ACE has a little over 83,000 members as of March 2015. [Read More](#)

Former Medicaid Director Resumes Position in Interim Role. At the April 17, 2014 Medicaid Advisory Committee (MAC) meeting, Illinois Department of Healthcare and Family Services (HFS) Secretary Felicia Norwood announced that former Medicaid Director Theresa Eagleson would be resuming her post on an interim basis. Eagleson currently works with the University of Illinois' health policy division, which is on contract with the state. HFS will conduct a formal search for a permanent Medicaid director in the coming months.

Iowa

Advocacy Community Wary of Medicaid Shift to Managed Care. On April 19, 2015, the *Des Moines Register* reported that as the state transitions Medicaid to managed care beginning January 1, 2016, advocates for Iowans with serious disabilities are worried Medicaid MCOs will not cover the wide array of services Medicaid currently does. In addition to limiting services, Iowans fear their providers may not all be included in the same network. However, supporters of the shift say managed care companies could provide more flexibility for people with disabilities. Disabled people make up 20 percent of those enrolled in Medicaid but use over half the program's spending. [Read More](#)

Louisiana

Nursing Home Industry Objecting to Privatization; Stalls LTC RFP. On April 22, 2015, *The Advocate* reported that Louisiana's nursing home industry is hoping to be exempt from Medicaid privatization. As a result, the RFP release has been stalled. Governor Bobby Jindal's administration has already contracted with companies for the medical and behavioral health components of Medicaid. [Read More](#)

Minnesota

Senate Releases Health Funding Bill. On April 20, 2015, MPR News reported that the Minnesota Senate released a bill to increase spending by \$341 million to fund programs including child protective services, nursing homes, and mental health services. A House Republican bill, however, hopes to cut \$1 billion from the Health and Human Services budget. The two bills only overlap in nursing home funding. [Read More](#)

New Jersey

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

Department of Human Services submits Home and Community Based Settings Statewide Transition Plan (STP) to CMS. On April 20, 2015 the Acting Commissioner of the Department of Human Services sent a letter to the Division of Developmental Disability stakeholders to notify them that the Home and Community Based Settings STP was sent to CMS with the following changes:

- **Day activities** - will require that individuals in day programs spend the majority of their time engaging in integrated activities with the broader community of non-HCBS recipients inside and/or outside of the day facility;
- **Congregate residential setting** -- clarify that the development of any new congregate housing settings will need to comply with the guidelines on group home size contained in the federal Money Follows the Person Demonstration Program;
- **Non-congregate residential setting capacity** -- clarify that all new non-congregate residential settings will comply with the standards of integrated housing 2 of 2 NJ DHS: April 17, 2015 as defined in the federal U.S. Department of Housing & Urban Development (HUD) 811 Project-Based Rental Assistance Demonstration program.
- **Assisted living lease arrangements** -- provide further clarity on eviction processes and appeals as required by the HCBS Final Rule.

A copy of the Statewide Transition Plan can be found [here](#).

Department of Health prepares to fund Autism Health Needs Medical Home Pilot Projects. On April 20, 2015 NJSpotlight reported that DOH will encourage coordination between the pediatrician, behavioral health providers and other specialists for children diagnosed with autism. Applicants for funding will be notified of their selection to participate in the pilot on June 15, 2015 and receive

up to \$200,000 in funding for each of two years. Successful projects will have an opportunity for an additional three years of funding. [Read more.](#)

New CARE (Caregiver Advise, Record, Enable) Act will go into effect in New Jersey in May. The CARE Act, which was signed into law in New Jersey on November 13, 2014 will go into effect beginning May 12, 2015. The law recognizes the critical role of caregivers in performing health maintenance tasks and enables them to provide competent post-hospital care to their family and other loved ones. It will provide caregivers an opportunity to participate in discharge planning, enable the release of medical information to a designated caregiver, maintain the name and contact information of a designated caregiver in a patient's medical record, and provide notification to caregivers of a patient's upcoming discharge or transfer to another facility. A copy of the Act may be found [here](#).

New York

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

CMS New York Medicaid & Medicaid Managed Care Advocates Meeting. CMS hosted its quarterly Medicaid and Medicaid Managed Care Advocates Meeting on April 17. The following information was shared:

Renewal of the Partnership Plan: The NYS Partnership Plan, NY's 1115 Medicaid waiver, expired on December 31, 2014, and has been operating on short-term extensions since the beginning of the year. The current extension runs through April 30, but CMS indicated it was likely to be extended another month as negotiations continue on amendments related to two issues: the behavioral health carve-in, including the establishment of Health and Recovery Plans (HARPs) for beneficiaries with serious mental illness; and the transition of the nursing home population and benefit into Medicaid managed care, which began in NYC on February 1, 2015. Upon implementation of the nursing home carve-in, all beneficiaries in need of long stay/custodial placement are required to enroll in care management, either through a mainstream Medicaid managed care plan, or through an MLTC.

Behavioral Health Transition: NYS has been developing plans for outreach to individuals who are HARP-eligible to inform them of the change in benefits. For HARP-eligible individuals currently enrolled in plans that will be offering a HARP product, notices will indicate that beneficiaries will be moved to the HARP plan, where they will be eligible for enhanced benefits, but with the option of opting to remain in the mainstream plan. For HARP-eligible individuals enrolled in a plan that will not be offering a HARP product (Affinity and WellCare), the notice will include information about HARPs and the benefits available through a HARP plan that they cannot receive if they stay in their mainstream plan. As the state's enrollment broker, Maximus will be prepared to work with these beneficiaries in understanding the implications of the choice to remain in a mainstream plan vs. changing plans in order to enroll in a HARP. The Office of Mental Health and the Office of Alcohol and Substance Abuse Services is working with Maximus to develop scripts and training materials designed to effectively communicate complex information to individuals with serious behavioral health conditions. The Department of Health indicated that they would be

relying on health homes and behavioral health providers to communicate to beneficiaries the benefits of enrolling in a HARP. The state also indicated that they would be developing transition policies to assure continuity of care, and to allow time to transition HARP-eligible individuals into HARPs. The state said they would not begin implementation until they had sufficient assurances that people will not go without the care they are currently receiving during the transition.

Individuals enrolled in a Medicaid managed care plan that has a HARP product will be given 30 days to choose to opt out of enrollment, and an additional 15 days to change their mind once they have been transitioned to the HARP. Should an individual opt out of HARP enrollment, they can opt in at any time. Once enrolled in a HARP, a beneficiary has 90 days to disenroll; then they are locked in for the rest of the year. The state estimates there are 60,000 Medicaid beneficiaries in NYC that meet HARP eligibility criteria (a combination of diagnosis and utilization), and has shared information with health homes and Medicaid managed care plans about which beneficiaries have been identified as HARP-eligible so plans and health homes can together begin the outreach process. Health homes will be conducting the conflict-free assessment that will determine the individual HCBS services a HARP member will receive. The state estimates that currently fifteen percent of HARP-eligible beneficiaries are engaged with a health home.

Nursing Home Transition: As part of the carve-in of the nursing home benefit, NY has established a rate cell within the mainstream Medicaid managed care benefit for nursing home care, but not for home care. In contrast, in the MLTC program NY established a blended rate as a way to remove financial incentives for institutional care. The state argued that the number of individuals likely to require nursing home care is small, and that they needed time and experience to better understand how individual plan experience affected regional rate-setting. CMS will include requirements in the terms and conditions that the state monitor and evaluate the impact of having a separate rate cell for nursing home care, possibly requiring a move to a blended rate once the state has gained experience with the nursing home carve-in.

NY State of Health Announces the Expansion of Private Health Insurance Coverage through a Basic Health Program; Issues Invitation and Requirements for Participation in 2016. NY State of Health (NYSOH) the state's official health plan Marketplace, announced the launching of Basic Health Program (BHP). New York is one of only two states nationwide to receive federal approval under the Affordable Care Act to operate a BHP. The BHP will offer qualified individuals and families a choice of plans from private health insurers through NYSOH. All plans under the BHP will cover essential health benefits, including inpatient and outpatient care, physician services, diagnostic services and prescription drugs among others, with no annual deductible and low out-of-pocket costs. Preventive care, such as routine office visits and recommended screenings will be free. Consumers with income at or below 150 percent of the federal poverty level will have no monthly premium. Those with incomes up to 200 percent of the federal poverty level will have a monthly premium of \$20. New Yorkers will have the ability to enroll in the BHP during the 2015 NYSOH open enrollment period which begins on November 1; the BHP will start on January 1, 2016.

The NYSOH [plan invitation](#), including requirements for insurer certification and recertification for Qualified Health Plans and Stand-Alone Dental Plans, as well as for the new Basic Health Program, has been posted on the NYSOH web site. Proposals are due on May 22, 2015; certification of plans is expected mid-September. BHP applicants may also participate in both the individual and small business marketplaces, but are not required to participate in either. They may also participate in Medicaid of Child Health Plus programs, but again are not required to participate in either program.

MMIS System Contract Approved. The NYS Comptroller's office has approved the Department of Health contract with Xerox State Healthcare for a five-year, \$550 million Medicaid management system. The award had been challenged by two competitors, Hewlett-Packard and Computer Sciences Corporation, alleging the contract had been improperly awarded. Complaints were filed with the state comptroller's office, which has to approve the contract. In an [April 17 letter](#) the Comptroller's office indicated that it had denied the bid protests challenging the award. The letter indicated that DOH "has taken precautionary measures, including its proposed governance and oversight structure, to help prevent and/or manage the types of occurrences that gave rise to the performance issues with Xerox's contracts in other states." It goes on to say that the Comptroller's office expects DoH will closely monitor the quality of Xerox's performance, particularly around data security, staffing, and project milestone achievement.

Private Equity Pilot Program. NYS Senator Kemp Hannon introduced legislation that would allow for a private equity pilot program, as proposed in the Governor's Executive Budget. The demonstration would allow up to ten pilots for private equity to invest capital in hospitals for the purpose of capital improvements, upgrades and expansion. A similar demonstration has been proposed by Governor Cuomo for the last 3 years, but resistance from the Assembly has defeated the Governor's efforts. Business corporations that are publicly traded are prohibited from operating hospitals in NYS.

Ohio

HMA Roundup - Mel Borkan ([Email Mel](#))

The Ohio House Expected to Wrap Up Work on This Phase of Biennial Budget. A variety of initiatives in the Governor's As-Introduced budget have been vetted, changed or dropped since he announced his budget in early February and HB 64 traveled through the Ohio House. That phase of the work is expected to conclude this week as the House finishes up reviewing and revising, including revising some of the controversial changes added in House Finance Committee. Gongwer News Service, Inc. reports that some Medicaid changes in the House include requiring all Department of Developmental Disabilities decisions on sheltered workshops to come before the legislature, changes to nursing facility reimbursement, elimination of the phase out of Independent Providers, requiring the Department of Medicaid to obtain waiver for health savings accounts and work requirements, requiring that the General Assembly determine eligibility categories for Medicaid and expansion of a drug addiction treatment program to an additional 15 counties.

Independent Provider Changes May Be In Separate Bill. The Telegraph-Forum reports that the Administration wants to make sure that self-direction in waivers is where the state is headed with more clarity about the employers of record.

The State also wants to make the stakeholder input process on next steps clearer. The State would use the public input process to help determine by waiver, who is eligible to self-direct their care and choose to use Independent Providers and for what services. [Read More](#)

An Amendment to Kill Ohio's Medicaid Expansion May Be Included in Budget Bill. Concerns began to surface on April 21 and were reported on April 22 in the *Dispatch* that an amendment to remove money for the expansion from the budget may be offered today as the House reviews and votes on the bill. It is uncertain if the House will conclude debate today and vote on the bill, but once that occurs, the budget moves to the Senate which began hearings on it April 21.

Senate Passes Bill to Help Veterans Receive Medical Benefits. On April 15, 2015, The Ohio Senate announced that they have passed Senate Bill 10, which requires the Ohio Department of Veterans Services to help veterans determine what healthcare benefits they are eligible for and help them enroll. The bill will move to the House for further consideration. [Read More](#)

Pennsylvania

HMA Roundup - Julie George ([Email Julie](#))

Nursing Home Workers Seek Higher Wage. According to a report by the labor-affiliated Keystone Research Center, minimum hourly wages for nursing home workers in Pennsylvania should be raised to \$15 so those employees do not have to resort to using public assistance to make ends meet. The report, "Double Trouble: Taxpayer-Subsidized Low-Wage Jobs in Pennsylvania Nursing Homes" notes that some of those employees could be eligible for public assistance programs for health care, child care and food stamps. The report also suggests the nursing home industry is in a different position than other private employers because it benefits from what are described as public subsidies. The subsidies, the report states, are federal Medicare and Medicaid payments which account for nearly 70 percent of nursing home revenue. Gov. Tom Wolf has called for legislation to increase Pennsylvania's minimum wage from \$7.25 to \$10.10 an hour and then tying future increases to inflation. [Read More](#)

Pennsylvania's Long Term Care Grant Program. Under a Long Term Care Grant program, licensed nursing care facilities in Pennsylvania are eligible for grant awards for activities that support, protect and benefit residents living in nursing facilities. Pennsylvania's Long Term Care Grant program is funded through Civil Money Penalties (CMPs). CMPs are imposed by the federal Center for Medicare and Medicaid Services (CMS) and the Pennsylvania Department of Human Services as recommended by the Pennsylvania Department of Health when the department finds long term care facilities to be in violation of CMS Conditions of Participation. Licensed nursing care facilities must be the applicants and the primary recipients of the grant funds. There will be a maximum of five awards for up to \$50,000 apiece. The upcoming submission deadline is September 30, 2015. [Read More](#)

Rhode Island

Hepatitis C Drugs Too Expensive to Treat Inmates. On April 20, 2015, *Providence Journal* reported that a new study by Brown University found that treating chronically ill inmates would double the prison's health budget. The

study concluded that it is unlikely correctional facilities can treat all those afflicted. Medical director of the Department of Corrections was not surprised by the study. He stated that he has already used up the \$2.7 million budget for pharmaceuticals. Nine patients have been treated with new hepatitis C medication, which costs \$1,400 a day per person. [Read More](#)

Tennessee

Senate Urges Federal Government to Provide Funds for Medicaid Expansion.

On April 15, 2015, *Nashville Business Journal* reported that the State Senate passed resolution SJR 103, which urges the Department of Health and Human Services to approve a block grant to fund the state's Medicaid expansion. This comes weeks after a Senate committee defeated Governor Bill Haslam's Insure Tennessee proposal for the second time this year. However, approval of a federal block grant by the federal government is highly unlikely. [Read More](#)

Texas

Governor Greg Abbott Stands Firm against Medicaid Expansion. On April 20, 2015, *The Texas Tribune* reported that Governor Greg Abbott is still refusing to expand Medicaid, despite \$29 billion of federal funding for uncompensated care for hospitals on the line. Like Florida's Governor Rick Scott, Abbott claims the federal government is using coercive tactics against the states to expand Medicaid. He stated that expansion is wrong for the state and calls Obamacare a "massive expansion of an already broken and bloated Medicaid program." [Read More](#)

Federal Government Urges Texas to Expand or Lose Risk Hospital Funds. On April 17, 2015, *The Texas Tribune* reported that federal officials contacted the state's health agency to notify them that the state's decision not to expand Medicaid will affect whether federal funds covering uninsured patients at hospitals will be renewed. A similar letter was sent to Florida regarding the LIP program. CMS stated they will use the same principles to evaluate uncompensated care funding pools in all states. The Texas hospitals waiver for uncompensated care runs through September 2016. The 2015 legislative session is the last chance for a renewal. [Read More](#)

Fraud Closure of Hospitals in Rural Texas Restricts Access to Medical Care.

On April 16, 2015, *The Baltimore Sun* reported that the closure of a chain of rural medical centers due to a Medicaid and Medicare fraud scheme leaves a gaping void in medical care access, with no providers within hundreds of miles in rural Texas. The four hospitals closed after over \$1 million in false reimbursements claims were discovered. In the last two years, 10 rural medical centers have closed, causing a great shortage of access to medical care. [Read More](#)

National

Waiver Allows States to Use Federal Dollars to Redesign Own Health Care Systems Beginning 2017.

On April 19, 2015, *The New York Times* reported that a law signed by President Barack Obama includes a waiver allowing states to use federal dollars now invested in the overhaul to redesign their own health care systems in 2017. Although the states cannot repeal certain items, such as

requiring insurer to cover people with health problems, they can change other things such as:

- Eliminate or change the penalties the federal law imposes on people who remain uninsured, and on larger businesses that don't offer coverage.
- Modify benefits and subsidies. For example, states could figure out different ways to subsidize premiums for their residents. The federal health insurance tax credit has been difficult for the government to administer, and for consumers to understand.
- Do away with or change online health insurance markets, also called exchanges. [Read More](#)

Tennessee, Kansas among States Receiving Federal Warning to Expand Medicaid or Risk Hospital Funding Arrangements. On April 21, 2015, *Kaiser Health News* reported that Tennessee and Kansas have both received warnings from CMS that unless they expand Medicaid, special federal funding for uncompensated care pools will be at risk. CMS has warned all nine states that receive similar funding. [Read More](#)

Dual-Eligible Demonstrations May Not Yield Projected Cost Savings. On April 21, 2015, *Modern Healthcare* reported that state officials and health plan leaders are concerned that the dual-eligible demonstrations in 11 states will not reach their cost savings goals. This concern is largely due to opt-out enrollment decisions. Out of the 1.7 million eligible, less than 350,000 have enrolled as of April 1, 2015. [Read More](#)

Vikki Wachino Formally Confirmed as CMS Director. Vikki Wachino was appointed as the Director for Center for Medicaid and CHIP Services (CMS). She became acting federal Medicaid director January 1, 2015 in place of Cindy Mann.

Expansion States Enroll Newly Eligible Inmates in Medicaid. On April 21, 2015, *National Journal* reported that under the ACA, a large number of prison inmates have become newly eligible for Medicaid in expansion states. States are working to ensure these inmates are enrolled immediately upon release from incarceration. New Mexico and Illinois have similar bills that begin a formal enrollment process for inmates. Other states are also looking at ways to expedite enrollment to potentially save money. [Read More](#)

Fifteen States Pay Doctors More to Treat Medicaid Patients. On April 17, 2015, *The Pew Charitable Trusts* reported that after the ACA stopped paying primary care providers higher Medicaid reimbursement rates on January 1, when the temporary increase expired, 15 states continued to pay doctors more using their own funds. Indiana is spending \$40 million a year to keep the higher rates and has had an additional 335 physicians begin to accept Medicaid patients since the beginning of the year. Colorado is increasing the number of providers by 100 a month. However, in the 23 states that won't continue the higher rates, according to an analysis by the Urban Institute, payments will fall 47 percent this year. [Read More](#)

Uninsured Rate Drops by Half in Expansion States. On April 16, 2015, *The Hill* reported that according to new figures from the Urban Institute's Health Reform Monitoring [Survey](#), the number of uninsured dropped by half in 29 expansion states. The uninsurance rate in these states is now 7.5 percent compared to non-

expansion states with 14.4 percent, as of March 2015. The national uninsurance rate is now 10.1 percent. [Read More](#)

CMS Could Save Billions if Medicaid Waiver Review Process Improved. On April 15, 2015, *Modern Healthcare* reported that a report by the Government Accountability Office states that a better review process of Medicaid demonstration waiver applications could save CMS billions of dollars. Reports published by the GAO between 2002 and 2014 show that HHS approved demonstrations without ensuring they will be budget-neutral. Last year, the GAO found that CMS could spend \$778 million more on Arkansas' Medicaid expansion program over three years than it would have if the federal spending on the program was in line with the state's actual payment rates for services under traditional Medicaid. GAO suggests Congress require CMS to improve the review criteria, ensure that valid methods are used to demonstrate budget neutrality and provide a clear basis for the approved spending limits. [Read More](#)

Proposed Rule to Provide States Additional Time to Seek Medicaid Computer System Funds. A proposed rule could remove a December 31 deadline for states to get an enhanced federal matching grant payment of 90 percent of costs for designing and developing updated eligibility computer systems. It would also let states continue to get a matching rate of 75 percent of costs for maintaining and operating modernized systems. The proposed rule would cost the federal government \$3 billion from 2016 through 2025.



INDUSTRY NEWS

Humana Acquires Your Home Advantage. On April 21, 2015, Humana announced that it has acquired Your Home Advantage, a Florida-based provider of nurse practitioner in-home visits. Financial terms were not disclosed. [Read More](#)

Partners No Longer Selling Neighborhood Health Plan. On April 17, 2015, *The Boston Globe* reported that Partners HealthCare will not sell Neighborhood Health Plan because the plan's financial condition has improved. A few months ago, Partners was considering selling the insurer due to record-high losses. Neighborhood Health Plan, a Medicaid insurer, lost over \$100 million in FY 2014 from an influx of sick patients, high use of hepatitis C medication, and low reimbursement rates. In addition to its operating loss, the plan also saw an additional \$92 million accounting loss. [Read More](#)

Oscar Health Insurance Startup Valued at \$1.5 Billion. On April 20, 2015, *Fortune.com* reported that Oscar, a New York health insurance startup, has been valued at \$1.5 billion. Oscar raised a new round of funding of \$145 million. Enrollment for the company has tripled this year to 40,000 members, approximately \$200 million in annual premiums. It has a market share of 12 to 15 percent of the New York individual market. [Read More](#)

Ensign Group Acquires Three Idaho Assisted Living Facilities. On April 16, 2015, The Ensign Group, Inc. announced that it acquired the operations and real estate of Heritage Assisted Living of Boise, a 100-unit assisted living facility in Boise, Idaho; Heritage Assisted Living of Twin Falls, a 70-unit assisted living facility in Twin Falls, Idaho; and Woodstone Assisted Living, an 85-unit assisted living facility also located in Twin Falls, effective April 16, 2015. The Ensign Group operates 147 healthcare facilities, 12 hospice agencies, 13 home health agencies, 16 urgent care clinics, and two home care businesses. [Read More](#)

Centene Recommended to Provide Correctional Health Care Services in Mississippi. On April 22, 2015, Centene announced that Centurion of Mississippi was recommended to provide medical and behavioral health services to over 17,000 inmates across the state. The Personal Service Contract Review Board must still approve the award. Centurion currently provides correctional healthcare services in Massachusetts, Minnesota, Tennessee, and Vermont. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
April 24, 2015	Mississippi CHIP	Contract Awards	50,300
April 27, 2015	Florida Healthy Kids	Contract Awards	185,000
Spring, 2015	Louisiana MLTSS - Frail Elderly	RFP Release	50,000
Spring, 2015	Louisiana MLTSS - DD	RFP Release	15,000
May 1, 2015	Michigan	RFP Release	1,500,000
May 12, 2015	Kentucky	Proposals Due	1,100,000
May 14, 2015	Georgia	Proposals Due	1,300,000
May 19, 2015	Iowa	Proposals Due	550,000
July 1, 2015	Missouri	Implementation	398,000
July 1, 2015	Kentucky	Implementation	1,100,000
July 1, 2015	Mississippi CHIP	Implementation	50,300
July, 2015	Georgia	Contract Awards	1,300,000
July 31, 2015	Iowa	Contract Awards	550,000
August, 2015	Michigan	Contract Awards	1,500,000
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	Michigan	Implementation	1,500,000
January 1, 2016	Iowa	Implementation	550,000
Early 2016	Louisiana MLTSS - DD	Implementation	15,000
July, 2016	Georgia	Implementation	1,300,000
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		Contract Award Date	Signed MOU with CMS	Opt-in Enrollment Date	Passive Enrollment Date	Health Plans
				Response Due 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; Anthem (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 (Aetna); Fidelis SecureCare; Meridian Health Plan; Midwest Health Plan; Molina Healthcare; Upper Peninsula Health Plan
New York	Capitated	124,000	Application				8/26/2013	1/1/2015 (Phase 2 Delayed)	4/1/2015 (Phase 2 Delayed)	There are 22 FIDA plans selected to serve the demonstration. A full list is available on the MRT FIDA website.
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			11/1/2013	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	N/A		N/A	5/23/2014	3/1/2015	4/1/2015	Anthem (Amerigroup), Health Spring, Molina, Superior (Centene), United
Virginia	Capitated	78,596	X	5/15/2013		12/9/2013	5/21/2013	3/1/2014	5/1/2014	Humana; Anthem (HealthKeepers); VA Premier Health
Washington	Capitated	48,500					<i>Cancelled Capitated Financial Alignment Model</i>			
	MFFS	66,500	X				10/24/2012		7/1/2013; 10/1/2013	
Totals	10 Capitated 5 MFFS	1.3M 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 states with active dual eligible demonstration enrollments in a capitated model as of this week's publication.

State	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
California	48,976	51,527	58,945	122,908	123,079	124,239	122,520
Illinois	49,060	49,253	57,967	63,731	64,199	60,684	58,594
Massachusetts	17,465	18,104	17,918	17,867	17,763	17,797	17,474
New York				17	406	539	6,660
Ohio				68,262	66,892	65,657	63,625
South Carolina					83	1,205	1,398
Texas						20	15,141
Virginia	28,642	29,648	27,701	27,333	26,877	27,765	25,563
Total Duals Demo Enrollment	144,143	148,532	162,531	300,118	299,299	297,906	310,975

Source: State enrollment data and CMS enrollment data, compiled by HMA

HMA NEWS

HMA's Accountable Care Institute Releases Paper on Health Care Providers and Value-Based Reimbursement

To access this document, as well as other ACI resources, please [click here](#).

HMA's Accountable Care Institute (ACI) released a paper this week for health care providers on the topic of value-based reimbursement. Movement of patients into managed care is a significant part of health care transformation currently underway in the United States. Managed Care Organizations are increasingly offering value-based payment models as a way to help the provider community achieve high-quality care, cost containment, and patient satisfaction. This paper serves as a starting point for health care providers who are exploring value-based payment models. It is designed to help providers understand the reimbursement continuum, potential risks and rewards, and the flow of money.

HMA's Deborah Gracey is the primary author on the paper, with contributions from HMA's Art Jones, MD, Margaret Kirkegaard, MD, and Meghan Kirkpatrick.

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