HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

July 8, 2015

RFP CALENDAR

DUAL ELIGIBLES CALENDAR

HMA NEWS

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THIS WEEK

IN FOCUS

DUAL ELIGIBLE DEMONSTRATION ENROLLMENT UPDATE

This week, our *In Focus* section reviews publicly available data on enrollment in capitated financial and administrative alignment demonstrations (duals demonstrations) for beneficiaries dually eligible for Medicare and Medicaid benefits (duals) in nine states. California, Illinois, Massachusetts, Michigan, New York, Ohio, South Carolina, Texas, and Virginia have begun either voluntary or passive enrollment of duals for fully integrated Medicaid and Medicare benefits under a three-way contract with the Centers for Medicare & Medicaid Services (CMS) and health plans, known as Medicare-Medicaid Plans (MMPs). Rhode Island has also established a demonstration with CMS, but has not begun enrollment. As of June 2015, nearly 350,000 duals are enrolled in an MMP, based on state and CMS enrollment reporting.

Note on Enrollment Data

Five of the nine states – California, Illinois, Massachusetts, Michigan, and Virginia – are reporting monthly enrollment in their duals demonstration plans.

However, as with Medicaid managed care enrollment reporting, there is often a lag in published data. Of these five, only Illinois has not yet reported data for June, 2015.

Duals demonstration plan enrollment is also available through CMS Medicare Advantage monthly enrollment reports, which are published around the middle of each month. In the table below, we provide the most current state-reported data, with CMS data supplementing where needed. Historically, we have seen some inconsistencies between state-reported data and the CMS enrollment report, ranging from less than one percent in Massachusetts to more than 12 percent in California.

Duals Demonstration Enrollment Overview

In the past six months, enrollment in duals demonstrations has increased more than 15 percent, topping 345,000 as of June, 2015.

State	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
California	122,908	123,079	124,239	122,520	122,798	122,846
Illinois	63,731	64,199	60,684	58,338	55,672	53,328
Massachusetts	17,867	17,763	17,797	17,621	17,637	17,705
Michigan					9,216	14,867
New York	17	406	539	6,660	7,215	5,031
Ohio	68,262	66,892	65,657	63,625	63,446	62,958
South Carolina		83	1,205	1,398	1,366	1,317
Texas			58	15,335	27,589	37,805
Virginia	27,333	26,877	27,765	27,349	30,877	29,970
Total Duals Demo Enrollment	**300,118**	**299,299**	**297,944**	**312,846**	**335,816**	**345,827**

Sources: State Enrollment Data, CMS Enrollment Data

So far, enrollment in these nine states represents less than 30 percent of the potential enrollment of more than 1.2 million across all ten capitated demonstration states.

	Opt-In Enrollment Date	First Passive Enrollment Date	Current Enrollment	Potential Enrollment	% Enrolled (Full Potential)
California	4/1/2014	5/1/2014	122,846	350,000	35.1%
Illinois	4/1/2014	6/1/2014*	53,328	136,000	39.2%
Massachusetts	10/1/2013	1/1/2014	17,705	97,000	18.3%
Michigan	3/1/2015	5/1/2015	14,867	100,000	14.9%
New York	1/1/2015	4/1/2015	5,031	124,000	4.1%
Ohio	5/1/2014	1/1/2015	62,958	114,000	55.2%
Rhode Island				28,000	0.0%
South Carolina	2/1/2015	6/1/2015	1,317	53,600	2.5%
Texas	3/1/2015	4/1/2015	37,805	168,000	22.5%
Virginia	3/1/2014	5/1/2014	29,970	66,200	45.3%
Total (All States)			**345,827**	**1,236,800**	**28.0%**

**Illinois has halted passive enrollment due to an eligibility processing issue.*
Sources: State Enrollment Data, CMS Enrollment Data, HMA Estimates.

Enrollment should be expected to grow significantly in the coming months, with Michigan, New York, South Carolina, and Texas having just recently begun passive enrollment. Rhode Island is now the only state still finalizing an implementation timeline.

Duals Demonstration Enrollment by Health Plan

As of June 2015, a little over half (56.4 percent) of all duals in a demonstration are enrolled in a publicly-traded MCO. Molina and Anthem are the largest in terms of enrollment with 40,000 and 34,000 demonstration enrollees, respectively. Health Net, Aetna, and Centene each have more than 20,000 enrolled members, with Humana and United at around 18,500 each.

Health Plan	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Molina	34,267	34,040	33,634	35,709	38,221	40,116
Anthem	18,004	18,220	18,829	24,256	30,496	34,036
Health Net	29,093	27,735	27,460	26,946	26,957	27,409
Aetna	24,206	23,739	22,778	21,946	24,172	25,643
Centene	12,420	12,234	12,570	15,183	18,282	20,345
Humana	19,553	19,471	18,896	18,196	19,459	18,558
United	14,350	14,072	13,951	16,218	17,737	18,490
CIGNA/HealthSpring	9,899	10,120	9,411	9,755	9,842	10,256
WellCare					404	246
Total Publicly Traded Plans	**161,792**	**159,631**	**157,529**	**168,209**	**185,166**	**195,099**

Sources: State Enrollment Data, CMS Enrollment Data

Among non-publicly traded health plans, Inland Empire in California is the largest, with more than 22,000 members, making it the fifth largest MMP overall. LA Care (California), CareSource (Ohio), Meridian (Illinois and Michigan), BCBS of Illinois, Commonwealth Care Alliance (Massachusetts), Care1st (California), and Health Plan of San Mateo (California), all have more than 10,000 enrolled members as of June 2015. Enrollment by non-publicly traded health plans for the past six months is detailed below.

Health Plan	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Inland Empire	21,374	22,347	22,886	22,517	22,523	22,035
LA Care	14,744	15,038	15,556	15,755	16,172	16,633
CareSource	16,271	16,065	15,708	15,306	15,172	14,998
Meridian Health Plan	8,641	8,875	8,077	7,554	10,790	12,382
BCBS of Illinois (HCSC)	12,878	13,086	12,882	12,704	12,564	12,316
Commonwealth Care Alliance	10,135	10,200	10,287	10,226	10,305	10,430
Care 1st	12,214	11,669	11,291	10,745	10,479	10,069
Health Plan of San Mateo	10,226	10,157	10,100	10,113	10,087	10,030
Santa Clara Family Health Plan	5,487	5,747	6,048	6,375	6,690	7,043
Health Alliance	6,801	6,674	6,635	6,593	6,469	6,242
Virginia Premier	6,302	6,131	6,426	6,275	6,226	6,142
Community Health Group Partner	5,504	5,653	5,843	5,636	5,566	5,497
Fallon Total Care	5,740	5,636	5,615	5,535	5,500	5,474
Upper Peninsula Health Plan	0	0	0	0	2,776	4,466
Network Health	1,992	1,927	1,895	1,860	1,832	1,801
VNS Choice	0	0	0	0	2,094	1,748
GuildNet	0	0	0	0	921	717
Managed Health Inc.	0	0	0	0	812	548
Advicare Corp.	0	23	350	446	450	453
AmeriHealth Caritas	0	34	277	337	328	319
The New York State Catholic Health Plan	0	0	0	0	494	284
Independence Care System	0	0	0	0	358	245
Centerlight Healthcare	0	0	0	0	367	205
Elderplan	0	0	0	0	261	177
MetroPlus Health Plan	0	0	0	0	93	99
Integra MLTC	0	0	0	0	107	66
Senior Whole Health	0	0	0	0	105	62
Centers Plan for Healthy Living	0	0	0	0	86	51
AgeWell New York	0	0	0	0	92	44
AlphaCare of New York	0	0	0	0	57	41
Elderserve Health	0	0	0	0	212	38
Village Senior Services Corp.	0	0	0	0	129	36
Emblem Health	0	0	0	0	58	24
North Shore-LIJ	0	0	0	0	48	13
Catholic Managed Long Term Care	0	0	0	0	23	0
HAP Midwest Health Plan	0	0	0	0	0	0
Montefiore HMO	0	0	0	0	0	0
Total Local/Other Plans	**138,309**	**139,262**	**139,876**	**137,977**	**150,246**	**150,728**

Sources: State Enrollment Data, CMS Enrollment Data

HMA Medicaid Roundup

California

HMA Roundup – Warren Lyons (Email Warren)

Special Session on Health Care Funding Opens. On July 6, 2015, *California Healthline* reported that a special session opened for Senate leaders to discuss new funding for Medi-Cal, focusing on the looming loss of the managed care organization tax. Loss of this tax will result in a shortfall of $1.1 billion. Since the federal government will not approve the MCO tax as it is, the session hopes to find a replacement for a stable source of funding. Read More

Los Angeles Police Department's Mental Evaluation Unit Works to Get Treatment, Not Jail Time, for Mentally Ill. On July 6, 2015, *Kaiser Health News* reported that an L.A. police unit works with county mental health employees to provide crisis intervention when people with mental illnesses come into contact with police. They say in other departments, the person would normally be taken to jail, but now in L.A., officers are required to phone for assistance in evaluating the person's condition. The triage officers who are called decide whether the person warrants an in-person visit from one of the cop-clinician teams. Read More

Audit Finds Blue Shield of California with Over $4 Billion in Surpluses. On July 5, 2015, *Los Angeles Times* reported that Blue Shield of California's tax exempt status was revoked due to $4.15 billion in surpluses and for failing to offer more affordable coverage or other public benefits. The audit findings and related records were previously not released to the public. Blue Shield continues to appeal the state's revocation and stated that after the acquisition of Care1st, its reserves would be reduced to $3 billion. Read More

Medi-Cal Plans Struggle to Provide Mental Health Services. On July 4, 2015, *Modern Healthcare* reported how California Medicaid plans are struggling to provide mental health services. Medi-Cal took over management of mental health services in 2014, leaving plans responsible for behavioral health of all their members. California, however, has one of the lowest provider rates of all the states, making it challenging to find providers. The state, plans, and other stakeholders must work together to come up with ways to ensure access to care. Read More

California Issues New Policy Guidelines On Treating Hepatitis C. The California Department of Health Care Services has released a new treatment policy for the management of chronic Hepatitis C, effective July 1, 2015. The department estimates that 3,000 to 4,000 Medi-Cal members will seek treatment next year and says that decisions about who gets the new medications will be based upon medical necessity rather than cost. The guidelines can be found here.

Connecticut

Hartford HealthCare to Cut Jobs. On July 1, 2015, *The Bristol Press* reported that Hartford HealthCare is still going to reduce jobs after state Legislature restored Medicaid money into the budget after initially passing reimbursement cuts. HHC stated that the job reductions "are necessary to create long-term sustainability." The company says it will still lose $88.1 million after the $11.9 million in reinstated funds. Read More

Florida

HMA Roundup – Elaine Peters (Email Elaine)

15 Florida HMOs Post Losses in 2014. On July 6, 2015, *Sunshine State News* reported that 15 of Florida's 34 HMOs reported losses in 2014, ranging from $14.6 million to $165.1 million. The combined net income of all 34 HMOs was $66.5 million, down 90 percent from 2013. Analysts say the losses are the result of the Affordable Care Act and the addition of new members. AvMed Health Plan stated that its losses were largely due to the rising cost of Medicare and the changing nature of the health care industry. Read More

Commission on Healthcare and Hospital Funding Holds Meeting on Executive Compensation and Quality of Care. On July 2, 2015, *Health News Florida* reported that the Commission on Healthcare and Hospital Funding, a panel formed by Governor Rick Scott, held its first meeting since the end of the special sessions. The meeting focused on executive compensation and quality of care, after Scott questioned why UF Health Jacksonville hospital appeared "to be more reliant on supplemental payments through the LIP program than any other hospital in Florida." Hospital CEO, Russell Armistead, defended the hospital, stating that the state's return on investment from the facility may be the best in Florida. Read More

Georgia

HMA Roundup – Kathy Ryland (Email Kathy)

Ohio Medicaid Study May Have Significant Impact on Georgia. On July 7, 2015, *Georgia Health News* reported that a recent study published in Health may have a significant impact for Georgia's Medicaid waiver plan. The study analyzed the impacts of the Care Plus program, which provided insurance to low-income patients for 11 months in 2013. They found that patients improved on health measures and the program produced unexpectedly low costs. The study found savings of 28.7 percent, or $41 million. In Georgia, one of the goals was to test different policy models. The study shows that it is on the right track in considering this approach. The waiver focuses on using federal matching Medicaid dollars to help set up pilot sites. Gov. Nathan Deal and state legislative leaders have been firmly rejecting Medicaid expansion. Read More

Indiana

Healthy Indiana Plan May Show Glimpse to Where Health Law is Headed in Conservative States. . On July 4, 2015, *Los Angeles Times* wrote about the conservative approach Indiana is taking to Medicaid expansion. Low-income

patients must contribute monthly to a special health account in order to receive Medicaid coverage, ranging from $1 to $27. The idea is attracting new interest as GOP governors seek ways to put a conservative stamp on expanding coverage. Read More

Kansas

Disability Advocates Raise Problems with KanCare. On July 7, 2015, *Kansas Health Institute* reported that disability advocates stated concerns that KanCare is struggling to provide long-term support in homes and communities to patients with disabilities at the National Disability Council forum. The council, an independent federal agency that makes recommendations to Congress and the executive branch, is compiling information to submit to CMS regarding managed care and long-term support for people with disabilities.. Read More

Kentucky

Kentucky Awards Five Medicaid Managed Care Contracts. On July 1, 2015, *The Courier-Journal* reported that the state awarded new Medicaid MCO contracts to Passport Health Plan, Anthem, Coventry Cares, Humana and WellCare. The new contracts were designed to "limit potential profits and address complaints about slow payments and excessively complicated forms and procedures." In 2014, insurer profits ranged from 7 percent to 18 percent. The new contracts will limit profit to 6 percent and will include an incentive pool that rewards plans that show improved health outcomes of members. Read More

Montana

Montana Medicaid Expansion Waiver Released for Public Comment. On July 7, 2015, *Helena Independent Record* reported that Montana released key documents of the HELP Act needing federal approval. The public will have 60 days to comment before the paperwork is mailed to CMS in September. Under the plan, Medicaid coverage would be offered to adults earning up to 138 percent of the federal poverty level. Participants will need to pay premiums equal to two percent of their income. Additionally, a third party contractor will administer the program. Montana largest concern is having the program ready in time for the enrollment period, beginning November 1. The state put out a bid for a private contractor on July 1, with an October 1 deadline for awarding a contract. Read More

Nebraska

Judge Orders DHHS to Provide Medicaid Coverage of Certain Behavioral Treatments for Children with Developmental Disabilities. On July 1, 2015, *SunHerald* reported that in a lawsuit filed on behalf of two children suffering from severe behavioral disorders who were denied behavioral treatment by Medicaid, a judge found that the regulation violates a federal law requiring Medicaid to cover services medically necessary. Judge John Colburn ordered the Nebraska Department of Health and Human Services to stop excluding Medicaid coverage of certain behavioral treatment for children with developmental disabilities. Read More

New Hampshire

DHHS Schedules Three Sessions on Medicaid Expansion Plan. On July 7, 2015, *The Daily Journal* reported that the state's Department of Health and Human Services scheduled three public sessions on New Hampshire's transition to Medicaid care management from fee-for-service. The sessions will address the move of additional Medicaid eligible people into the care management system. They are scheduled for July 14, July 16, and July 22. Read More

Medicaid Expansion Uncertainty Puts Hold on Substance Abuse Treatment Center Expansion. On July 6, 2015, *Concord Monitor* reported that the uncertainty about the future of the state's Medicaid expansion is putting a pause on substance abuse treatment centers expanding services. Providers are not expanding services because there is no guaranteed mechanism to pay for care. Centers are also struggling to meet costly new requirements needed to bill insurance. The expanded Medicaid program will expire next year unless lawmakers vote to reauthorize it. However, they have yet to do so but promise a debate in January. Read More

New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

Department of Health Awards 8 Grants on Autism Research. On July 1, 2015 NJ Spotlight reported that Rutgers and Rowan Universities have received over $4 million in grants to fund research on autism treatment in New Jersey. Grants of up to $400,000 each will "fund research ranging from analyzing interventions in communication in preschool children with autism spectrum disorder to identifying early signs that a child has the disorder – which includes trying to detect "micro movements," or tiny differences in how children move, to diagnose autism more quickly." In addition, Children's Specialized Hospital in Mountainside, Hackensack University Medical Center and Jersey Shore University Medical Center in Neptune have been designated as autism medical homes with funds to facilitate treatment programs. Read More

Department of Health Names Acting Commissioner with Departure of Mary O'Dowd. Cathleen Bennett has been appointed by Governor Christie to serve as acting commissioner for the Department of Health. She served as former CIO and Director of Policy and Strategic Planning for the Department of Health since August 2010.

New York

HMA Roundup – Denise Soffel (Email Denise)

Behavioral Health Request for Qualifications. New York released the RFQ for the adult behavioral health benefit carve-in for plans that operate outside New York City (NYC plans responded to an RFQ in June 2014, and are currently undergoing readiness review to begin operations in October 2015). Eight Medicaid managed care plans must respond to the RFQ, demonstrating their capacity to provide comprehensive behavioral health services, either independently or in partnership with a behavioral health organization. An additional seven plans that operate in NYC and have therefore already

responded to the RFQ will undergo an expedited review before being allowed to expand their operations in other parts of the state.

The RFQ outlines stringent performance standards, including demonstrated success in implementing complex behavioral health programs, experience with waiver services and peer support, experience coordinating non-Medicaid-funded care including local, state and federal grant programs, cultural competence, experience and demonstrated success in implementing behavioral health-medical integration as evidenced by documented improvements in clinical and financial outcomes. Plans will also have to articulate leadership goals that "support a partnership among plan providers, government, members and advocates," and "embraces a vision of a system that is person-centered, recovery-oriented, integrated, and outcomes-driven."

The RFQ also lays out requirements for becoming a Health and Recovery Plan (HARP), a managed care product that will be offered to individuals with serious mental illness or substance use disorder. Medicaid managed care plans are not required to operate a HARP, but should they choose to apply they must offer HARP services in every county that the plan does business. In addition to comprehensive physical and behavioral health services, HARPS will provide a range of 1915(i) home and community-based services, including rehabilitation and habilitation, peer supports, respite, family support, employment support, education support and support for self-directed care.

Applications are due on September 18, 2015. Conditional designation will occur in October, and readiness review will be conducted November – February. Implementation is planned for July 2016. The RFQ can be found on the Department of Health website.

Measuring Performance of New York's Health Exchange. A recent article in *JAMA* reported on the relative performance of health exchanges across the country established as a result of the Affordable Care Act. New York is one of 14 states that chose to operate its own marketplace, rather than relying on the federal marketplace. When comparing the amount of federal grant money received relative to the number of individuals enrolled, New York's marketplace, New York State of Health, was one of the least costly exchanges, ranking fourth in federal grant dollars per enrollee. Spending per enrollee totaled $1,250, well below the $2,921 average across all the state-based marketplaces. Enrollment through New York State of Health grew by 38,000 people this year, an increase of 10 percent over 2014 enrollment. That was among the lowest percentage increases in member enrollment across the states.

State Health Data Exchange Begins Testing. The State Information Network for New York, SHIN-NY, has begun testing its data-sharing system. A report in Capital New York indicates that the system will begin testing connections between three of the Regional Health Information Organizations and the central SHIN-NY hub. The state-funded data exchange is meant to share patient data among providers across the state. Assuming security works in the production environment and that data exchange works correctly, an additional 3 RHIOs will begin testing in August, and the final 3 in September. The state has committed $100 million to the development of the data-sharing system over the last three years.

VNSNY Choice Opts not to Sell. On July 8, 2015, Crain's New York's HealthPulse reported that the Visiting Nurse Service of New York (VNSNY) has opted not to seek financial partners for or sale of the VNSNY Choice Health

Plans. In the wake of restructuring, VNSNY began considering sale of its Medicaid health plan business last year. Earlier this year, VNSNY solicited bids from eight health plans for acquisition or partnership options. Read More *(Subscription Required)*

Ohio

Molina Names Ami Cole President of Ohio Division. On July 7, 2015, *Columbia Business First* reported that Molina Healthcare Inc. has named Ami Cole as President of the Ohio division. Cole was previously the chief operating officer of Molina Healthcare of Ohio. Virginia Fuentes-Rivera, who had been associate vice president of health plan operations in Ohio, has been promoted to replace Cole as COO. Read More

Oregon

HMA Roundup – Nora Leibowitz (Email Nora)

Health Premiums to Increase for Over 220,000 Oregonians in 2016. On July 1, 2015, *The Oregonian* reported that insurers proposed premium rate hikes, affecting over 220,000 residents not on Medicare or employer-based plans. For instance, the average percentage change for a 40-year-old on a silver plan in Portland ranged from 8.3 percent to 37.8 percent from 2015 to 2016. A Kaiser Family Foundation study found that silver plan premiums in Portland would increase an average of 16.2 percent. According to the state, medical expenses and other costs outweighed premiums by approximately $127 million in 2014. Read More

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Pennsylvania AG Sues Operator of 14 Nursing Homes. The Pennsylvania attorney general's office on Wednesday sued Golden Living, the operator of 36 nursing homes in the state, saying the staff at some of the facilities failed to meet residents' most basic human needs, falsified records about care and willfully deceived state inspectors. The number of certified nursing assistants at some Golden Living facilities was inadequate to care for residents, many of whom are Medicaid enrollees paid for by taxpayers, AG Kathleen Kane's office said in the complaint. The complaint comes two weeks after a Philadelphia-based legal aid organization, Community Legal Services, accused the Pennsylvania Department of Health of failing to properly investigate complaints about nursing homes or enforce regulations that are designed to protect residents' safety. Read More

Pennsylvania Backs Off Plan to Change Nursing Home Payments. The Wolf administration is backing off a proposal to restructure Medicaid payments to nursing homes that a trade association found would have rewarded 13 homes accused by Pennsylvania state prosecutors of failing to meet residents' most basic needs. LeadingAge PA, a trade association of not-for-profit providers of services for the elderly, says the plan would have hurt higher-rated nursing homes and helped lower-rated nursing homes, as well as 13 of the homes cited by prosecutors. Read More

Rhode Island

State Stands by Medicaid Reimbursement Rate Cut for Incontinence Items. On July 4, 2015, *Providence Journal* reported that Rhode Island stands by its decision to cut Medicaid reimbursement rates for incontinence items that was effective April 2015. The rates apply to approximately 1,500 Medicaid fee-for-service members. The cuts are estimated to save taxpayers $300,000. Read More

Utah

Utah Pushes Medicaid Expansion Deadline. On July 7, 2015, *The Salt Lake Tribune* reported that Utah will miss its self-imposed July 31 deadline to reach a deal on Medicaid expansion. Governor Harry Herbert and GOP legislative leaders, who are concerned with long-term implications for state and federal budgets, hope to pitch a compromise during the January 2016 legislative session. Read More

West Virginia

State to Move Forward with Expanding Medicaid under Certain Contracts. On July 1, 2015, *Charleston Daily Mail* reported that the Supreme Court ruling has allowed the state to move forward with expanding Medicaid contracts that have not been competitively bid. Expansion could provide over 150,000 eligible people Medicaid coverage. A lawsuit claims the no-bid contracts with Coventry Cares, the Health Plan of the Upper Ohio Valley, UniCare Health Plan, and West Virginia Family Health Plan are illegal and void. Read More

National

CMS Announces Efforts to Ease Physician Transition to ICD-10 Codes. CMS and the American Medical Association announced that it will help ease doctors' transition to the new ICD-10 diagnosis and procedure codes, effective October 1. The agency may provide advance payments if Medicare contractors are unable to process claims due to administrative issues connected to the transition. It will also offer flexibility on billing, allowing practice to navigate the system. Additionally, doctors won't be penalized for unintentional errors as they become accustomed to the ICD-10 coding.

Study Finds Primary Care Providers Order Fewer Preventative Services for Women with Medicaid Coverage. On July 2, 2015, *Kaiser Health News* reported that a study by the Urban Institute found that Medicaid-insured visits were less likely than privately insured visits to include preventive services (of clinical breast exams, pelvic exams, mammograms, Pap tests and depression screening). The study looked at 12,444 visits to primary care practitioners by privately insured women and 1,519 visits by women who were covered by Medicaid between 2006 and 2010. Of the visits by women with Medicaid, 26 percent included one of the five services, compared to 31 percent of visits by privately-insured women. For instance, 20.5 percent of visits by privately insured women included a clinical breast exam, and 16.5 percent of visits included a Pap test, while the percentage of Medicaid-insured visits was only 12 percent and 9.5 percent, respectively. Read More

Industry News

Aetna to Acquire Humana for $34.1 Billion. On July 3, 2015, Aetna announced plans to acquire Humana for $34.1 billion, creating the second largest health-insurance company by revenue. Aetna's and Humana's chief executives expressed that the ACA, which pushed the industry toward individual coverage and value-based payments to providers, set the stage for the deal. They are also confident that the transaction will be approved. If the deal is blocked on antitrust grounds, Aetna would owe Humana a $1 billion fee. Read More

Centene to Acquire Health Net for $6.8 Billion. On July 2, 2015, Centene announced that it entered a definitive agreement to acquire Health Net for $6.8 billion. The combined company will have over ten million members and estimated 2015 premium and service revenues of $37 billion. The transaction is expected to close by early 2016. Read More

Emdeon to Acquire Altegra Health for $910 Million. On July 6, 2015, Emdeon announced that it entered a definitive agreement to acquire Altegra Health for approximately $910 million in cash. The deal is expected to close in the third quarter of 2015. Altegra Health is a national provider of technology and intervention platforms that combine data aggregation and analytics with unique member engagement and reporting capabilities. Read More

AztraZeneca and Teva Pharmaceutical Settle Allegations of Underpaying Medicaid Prescription Drug Rebates. On July 6, 2015, *The Wall Street Journal* reported that AztraZeneca and Teva Pharmaceutical have agreed to settle allegations of underpaying Medicaid drug rebates. AztraZeneca will pay $46.5 million to the U.S. government and 24 states while Teva Pharmaceutical will pay $7.5 million. The lawsuit, filed in 2008, claimed drug makers lowered rebates in a scheme that reduced prices reported to the government. AstraZeneca and Cephalon, owned by Teva, underreported average manufacturer prices (AMPs) for a number of drugs by improperly treating fees to wholesalers as price reductions in calculation and reporting quarterly AMPs. Read More

Vertex's Cystic Fibrosis Drug, Orkambi, Approved. On July 2, 2015, *The Wall Street Journal* reported that Vertex Pharmaceutical's cystic fibrosis drug, Orkambi, was approved by the FDA at a wholesale cost of $259,000 per patient. Wall Street analysts estimate that 35 to 40 percent of eligible patients in the U.S. will be on Medicaid. J.P. Morgan Chase estimates global drug sales could reach $1.6 billion next year and $4.2 billion by 2020. Read More

Xerox's MMIS Platform Receives Federal Certification in New Hampshire. On June 30, 2105, *Business Wire* reported that Xerox's Health Enterprise platform, a Medicaid Management Information System, was granted full federal certification in New Hampshire by CMS. New Hampshire is now eligible to receive the maximum amount of federal funding for its Medicaid program, retroactive to March 31, 2013. Read More

RFP Calendar

Date	State/Program	Event	Beneficiaries
July 31, 2015	Iowa	Contract Awards	550,000
August 3, 2015	Michigan	Proposals Due	1,600,000
September 1, 2015	Texas NorthSTAR (Behavioral)	Implementation	840,000
September 1, 2015	Texas STAR Health (Foster Care)	Implementation	32,000
September, 2015	Georgia	Contract Awards	1,300,000
September, 2015	Pennsylvania HealthChoices	RFP Release	1,700,000
October 1, 2015	Montana Expansion (TPA)	Contract Awards	70,000
October 1, 2015	Florida Healthy Kids	Implementation	185,000
October 1, 2015	Arizona (Behavioral)	Implementation	23,000
October, 2015	Pennsylvania MLTSS/Duals	RFP Release	450,000
January 1, 2016	Michigan	Implementation	1,600,000
January 1, 2016	Iowa	Implementation	550,000
July, 2016	Georgia	Implementation	1,300,000
September 1, 2016	Texas STAR Kids	Implementation	200,000
January 1, 2017	Pennsylvania MLTSS/Duals	Implementation (Phase I)	450,000

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 Response Due Date	Contract Award Date	Signed MOU with CMS	Opt- in Enrollment Date	Passive Enrollment Date	Health Plans
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; Cigna-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 (*exiting demo*); 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), Cigna-HealthSpring, 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	*Cancelled Capitated Financial Alignment Model*						
	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 Progress

The table below details state and CMS-reported enrollment data for the dual eligible financial alignment demonstrations in the nine states with active demonstration enrollment.

State	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
California	122,908	123,079	124,239	122,520	122,798	122,846
Illinois	63,731	64,199	60,684	58,338	55,672	53,328
Massachusetts	17,867	17,763	17,797	17,621	17,637	17,705
Michigan					9,216	14,867
New York	17	406	539	6,660	7,215	5,031
Ohio	68,262	66,892	65,657	63,625	63,446	62,958
South Carolina		83	1,205	1,398	1,366	1,317
Texas			58	15,335	27,589	37,805
Virginia	27,333	26,877	27,765	27,349	30,877	29,970
Total Duals Demo Enrollment	**300,118**	**299,299**	**297,944**	**312,846**	**335,816**	**345,827**

HMA News

New this week on the HMA Information Services website:

- OK Releases SoonerCare ABD RFI, Jul-15 Opportunity Assessment
- Market Share for TX Medicaid MCOs, May-15 Data
- MLR at MI Medicare Advantage Plans Averages 88.3%, 2014 Data
- Plus public documents including the PA Accelerating Health Care Innovation RFQ, OH FY 2016-27 enacted budget, and the NJ ACO Demonstration press release

If you would like to subscribe to this online service, which describes the Medicaid programs in 50 states and DC, please contact Carl Mercurio at cmercurio@healthmanagement.com or 212-575-5929.

HMA's Linda Follenweider and Donna Strugar-Fritsch to Present at Annual Correctional Health Leadership Institutes

July 10-11, 2015
Long Beach, California

HMA's Linda Follenweider (Chicago, Illinois) and Donna Strugar-Fritsch (San Francisco, California) will present at the National Commission on Correctional Health Care's annual Correctional Health Leadership Institutes. Their session, titled "A Call for New Paradigms in Correctional Health" will highlight the challenges and leverage points in bringing innovations in primary care from the community into correctional settings. Read More