HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

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Edited by:
Greg Nersessian, CFA
Email

Andrew Fairgrieve
Email

Alona Nenko
Email

THIS WEEK

IN FOCUS

QUARTERLY MEDICAID MANAGED CARE ENROLLMENT UPDATE – Q2 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 to their websites monthly enrollment figures by health plan 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 second quarter (Q2) of 2015. This report reflects the most recent data posted.

Fourteen of the states in the table below – Arizona, California, Hawaii, Illinois, Indiana, 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.

- The 23 states in this report total more than 42 million Medicaid managed care enrollees as of the end of Q2 2015. Based on HMA estimates of MCO enrollment in states not covered in this report, we believe that nationwide Medicaid MCO enrollment has surpassed 50 million on the 50th anniversary of Medicaid.
- Across the 23 states tracked in this report, Medicaid managed care enrollment is up more than 20 percent year-over-year, adding a net 7.4 million enrollees from Q2 2014 to Q2 2015.
- The fourteen expansion states listed above have seen Medicaid managed care enrollment increase by more than 25 percent (nearly 6 million enrollees) in the past year, up to 29.3 million at the end of Q2 2015 from 23.3 million as of Q2 2014.
- The nine states that have not expanded Medicaid at this time have seen Medicaid managed care enrollment increase by more than 12 percent, up to nearly 13.1 million at the end of Q2 2015 from 11.6 million as of Q2 2014.

Monthly Medicaid Managed Care Enrollment by State – January 2015 through July 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Arizona	**1,387,172**	**1,374,178**	**1,388,356**	**1,407,861**	**1,422,527**	**1,445,390**	**1,474,301**
+/- m/m	(3,081)	(12,994)	14,178	19,505	14,666	22,863	28,911
% change y/y	26.0%	23.1%	21.6%	16.9%	14.3%	12.8%	11.6%
California	**9,116,134**	**9,196,369**	**9,369,673**	**9,518,622**	**9,674,659**	**9,748,560**	
+/- m/m	175,957	80,235	173,304	148,949	156,037	73,901	N/A
% change y/y	36.5%	33.4%	33.4%	32.5%	30.9%	25.9%	
Florida	**3,037,382**	**3,082,888**	**3,124,705**	**3,148,658**	**3,163,400**	**3,187,093**	**3,189,488**
+/- m/m	48,704	45,506	41,817	23,953	14,742	23,693	2,395
% change y/y	95.1%	95.8%	97.3%	101.6%	76.5%	50.1%	25.3%
Georgia	**1,294,786**	**1,291,555**	**1,293,766**	**1,295,261**	**1,300,604**	**1,309,410**	
+/- m/m	(7,460)	(3,231)	2,211	1,495	5,343	8,806	N/A
% change y/y	17.8%	14.3%	12.2%	9.4%	4.2%	0.9%	
Hawaii	**329,211**	**334,965**	**335,007**	**336,680**			
+/- m/m	838	5,754	42	1,673	N/A	N/A	N/A
% change y/y	3.3%	1.5%	0.8%	-1.1%			
Illinois	**1,527,762**	**1,731,349**	**1,885,243**	**2,003,650**	**2,089,516**	**2,092,225**	
+/- m/m	360,557	203,587	153,894	118,407	85,866	2,709	N/A
% change y/y	384.3%	448.4%	492.0%	515.9%	513.8%	478.5%	
Indiana	**767,491**	**825,204**	**825,233**	**880,495**			
+/- m/m	(3,266)	57,713	29	55,262	N/A	N/A	N/A
% change y/y	3.0%	9.2%	7.4%	16.6%			
Kentucky	**1,087,098**	**1,125,141**	**1,141,577**	**1,164,252**	**1,175,215**	**1,098,879**	
+/- m/m	22,196	38,043	16,436	22,675	10,963	(76,336)	N/A
% change y/y	47.2%	39.8%	33.2%	23.4%	26.7%	18.5%	
Louisiana	**918,758**	**935,769**	**945,107**	**957,531**	**958,698**	**964,188**	**965,955**
+/- m/m	(5,382)	17,011	9,338	12,424	1,167	5,490	1,767
% change y/y	5.0%	6.4%	7.3%	8.2%	7.6%	7.6%	7.1%
Maryland	**1,091,816**	**1,097,750**	**1,104,804**	**1,029,505**	**1,026,144**	**1,008,400**	
+/- m/m	31,663	5,934	7,054	(75,299)	(3,361)	(17,744)	N/A
% change y/y	17.5%	12.8%	9.8%	-1.3%	-5.7%	-8.6%	

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Michigan	**1,528,379**	**1,586,329**	**1,606,323**	**1,609,646**	**1,653,907**	**1,674,538**	**1,674,610**
+/- m/m	32,644	57,950	19,994	3,323	44,261	20,631	72
% change y/y	21.8%	24.8%	26.3%	22.2%	21.3%	11.6%	8.1%
Mississippi	**188,079**	**190,345**	**206,137**	**209,172**	**319,743**	**425,692**	**505,038**
+/- m/m	2,772	2,266	15,792	3,035	110,571	105,949	79,346
% change y/y	30.2%	31.6%	41.5%	42.9%	115.7%	180.8%	225.6%
Missouri	**421,178**	**430,925**	**439,814**	**448,167**	**458,338**	**462,963**	
+/- m/m	735	9,747	8,889	8,353	10,171	4,625	N/A
% change y/y	5.5%	9.5%	12.7%	17.1%	18.4%	19.1%	
New Mexico	**602,334**	**611,307**	**617,057**	**618,881**	**623,938**	**628,531**	
+/- m/m	6,989	8,973	5,750	1,824	5,057	4,593	N/A
% change y/y	N/A	N/A	N/A	N/A	N/A	N/A	
New York	**4,603,002**	**4,640,777**	**4,672,588**	**4,719,072**	**4,765,018**	**4,779,783**	**4,795,831**
+/- m/m	29,643	37,775	31,811	46,484	45,946	14,765	16,048
% change y/y	13.4%	14.1%	14.0%	12.3%	10.6%	9.5%	9.1%
Ohio	**2,420,635**	**2,446,389**	**2,428,977**	**2,318,745**	**2,344,442**	**2,336,517**	
+/- m/m	33,943	25,754	(17,412)	(110,232)	25,697	(7,925)	N/A
% change y/y	42.2%	43.6%	41.9%	29.5%	24.6%	15.6%	
Pennsylvania	**1,597,018**	**1,593,843**	**1,595,547**				
+/- m/m	(81,936)	(3,175)	1,704	N/A	N/A	N/A	N/A
% change y/y	-2.0%	-2.4%	-3.0%				
South Carolina	**744,408**	**727,057**	**723,809**	**726,022**	**743,317**	**766,169**	
+/- m/m	(23,200)	(17,351)	(3,248)	2,213	17,295	22,852	N/A
% change y/y	N/A	N/A	N/A	4.3%	4.8%	6.4%	
Tennessee	**1,314,798**	**1,374,278**	**1,387,830**	**1,398,702**	**1,408,295**	**1,421,829**	
+/- m/m	(5,868)	59,480	13,552	10,872	9,593	13,534	N/A
% change y/y	10.4%	13.8%	13.5%	12.7%	12.6%	12.8%	
Texas	**3,739,485**	**3,775,389**	**3,726,349**	**3,766,657**	**3,774,184**		
+/- m/m	(80,352)	35,904	(49,040)	40,308	7,527	N/A	N/A
% change y/y	13.3%	13.0%	12.8%	12.2%	11.1%		
Washington	**1,335,229**	**1,362,744**	**1,393,100**	**1,417,411**	**1,427,061**	**1,439,135**	
+/- m/m	8,889	27,515	30,356	24,311	9,650	12,074	N/A
% change y/y	42.8%	33.4%	31.1%	27.3%	20.6%	19.2%	
West Virginia	**200,095**	**202,614**	**202,899**	**205,287**	**207,718**		
+/- m/m	3,141	2,519	285	2,388	2,431	N/A	N/A
% change y/y	4.5%	2.7%	-0.2%	-0.3%	2.8%		
Wisconsin	**735,789**	**751,917**	**764,742**	**793,074**	**792,993**	**788,232**	
+/- m/m	3,042	16,128	12,825	28,332	(81)	(4,761)	N/A
% change y/y	6.4%	8.1%	10.6%	22.2%	21.3%	19.6%	

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 Q2 of 2015, Arizona's MCO enrollment stands at around 1.47 million, having added more than 56,000 members in Q2. Overall, July 2015 enrollment is up more than 160,000, or 11.6 percent, year-over-year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Acute Care	1,330,610	1,317,624	1,331,649	1,350,978	1,365,491	1,388,300	1,417,178
ALTCS	56,562	56,554	56,707	56,883	57,036	57,090	57,123
Total Arizona	**1,387,172**	**1,374,178**	**1,388,356**	**1,407,861**	**1,422,527**	**1,445,390**	**1,474,301**
+/- m/m	*(3,081)*	*(12,994)*	*14,178*	*19,505*	*14,666*	*22,863*	*28,911*
% y/y	*26.0%*	*23.1%*	*21.6%*	*16.9%*	*14.3%*	*12.8%*	*11.6%*

California

Medicaid Expansion Status: Expanded January 1, 2014

Medi-Cal managed care enrollment data through June 2015 shows significant enrollment increases due to the Medicaid expansion, with enrollment up more than 3.7 million since September 2013. As of June 2015, enrollment in managed care neared 9.75 million, a 26 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 123,000 after twelve months.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Two-Plan Counties	5,733,437	5,757,717	5,869,937	5,985,254	6,108,785	6,168,443	
Imperial/San Benito	70,020	71,418	72,432	73,945	76,078	76,579	
Regional Model	260,044	264,339	268,048	272,952	278,749	278,800	
GMC Counties	962,402	965,538	984,922	997,076	1,007,350	1,017,252	
COHS Counties	1,967,323	2,014,278	2,050,095	2,066,875	2,080,899	2,084,640	
Duals Demonstration	122,908	123,079	124,239	122,520	122,798	122,846	
Total California	**9,116,134**	**9,196,369**	**9,369,673**	**9,518,622**	**9,674,659**	**9,748,560**	
+/- m/m	*175,957*	*80,235*	*173,304*	*148,949*	*156,037*	*73,901*	
% y/y	*36.5%*	*33.4%*	*33.4%*	*32.5%*	*30.9%*	*25.9%*	

Florida

Medicaid Expansion Status: Not Expanded

Although not electing to expand Medicaid, Florida began to roll-out its statewide Medicaid managed care program (MMA) in Q2 2014, adding more than 1.5 million new enrollees and bringing July 2015 enrollment to nearly 3.2 million, up 25 percent from a year ago. (As a note, LTC enrollment figures listed below are a subset of the MMA enrollments and are excluded from the total).

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
MMA	2,733,591	2,768,854	2,805,460	2,824,677	2,840,851	2,864,172	2,873,077
LTC (Subset of MMA)	85,347	85,120	85,321	86,133	86,636	86,930	87,591
SMMC Specialty Plan	123,000	136,464	138,853	137,775	137,680	137,345	132,909
FL Healthy Kids	180,791	177,570	180,392	186,206	184,869	185,576	183,502
Total Florida	**3,037,382**	**3,082,888**	**3,124,705**	**3,148,658**	**3,163,400**	**3,187,093**	**3,189,488**
+/- m/m	*48,704*	*45,506*	*41,817*	*23,953*	*14,742*	*23,693*	*2,395*
% y/y	*95.1%*	*95.8%*	*97.3%*	*101.6%*	*76.5%*	*50.1%*	*25.3%*

Georgia

Medicaid Expansion Status: Not Expanded

As of June 2015, Georgia Medicaid managed care enrollment stands at more than 1.3 million, roughly flat from a year prior. Despite not expanding Medicaid, nearly 230,000 net new enrollees were added to Georgia's Managed care program in 2014 and the first half of 2015.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Georgia	**1,294,786**	**1,291,555**	**1,293,766**	**1,295,261**	**1,300,604**	**1,309,410**	
+/- m/m	*(7,460)*	*(3,231)*	*2,211*	*1,495*	*5,343*	*8,806*	
% y/y	*17.8%*	*14.3%*	*12.2%*	*9.4%*	*4.2%*	*0.9%*	

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 April 2015, enrollment in the new program stands at 336,000, down slightly from the prior year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Hawaii	**329,211**	**334,965**	**335,007**	**336,680**			
+/- m/m	*838*	*5,754*	*42*	*1,673*			
% y/y	*3.3%*	*1.5%*	*0.8%*	*-1.1%*			

Illinois

Medicaid Expansion Status: Expanded January 1, 2014

Illinois enrollment across the state's three managed care programs neared 2.1 million as of June 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 has been declining over the first half of the year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Family Health Program	1,346,924	1,547,403	1,703,899	1,825,522	1,914,438	1,920,952	
Integrated Care Program	117,107	119,747	120,660	119,790	119,406	118,510	
Duals Demonstration	63,731	64,199	60,684	58,338	55,672	52,763	
Total Illinois	**1,527,762**	**1,731,349**	**1,885,243**	**2,003,650**	**2,089,516**	**2,092,225**	
+/- m/m	*360,557*	*203,587*	*153,894*	*118,407*	*85,866*	*2,709*	
% y/y	*384.3%*	*448.4%*	*492.0%*	*515.9%*	*513.8%*	*478.5%*	

Indiana

Medicaid Expansion Status: Expanded in 2015 through HIP 2.0

As of April 2015, enrollment in Indiana's managed care programs (Hoosier Healthwise, Hoosier Care Connect, Care Select, and Healthy Indiana Program (HIP)) stood at more than 880,000, up 16.6 percent from the prior year. In the first half of the year, Indiana launched the Hoosier Care Connect program for ABD Medicaid recipients and also began Medicaid expansion enrollment into the HIP 2.0 waiver program.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Hoosier Healthwise	667,380	598,465	600,245	604,336			
Hoosier Care Connect				7,535			
Care Select	40,872	39,985	38,778	34,731			
HIP	59,239	186,754	186,210	233,893			
Indiana Total	**767,491**	**825,204**	**825,233**	**880,495**			
+/- m/m	*(3,266)*	*57,713*	*29*	*55,262*			
% y/y	*3.0%*	*9.2%*	*7.4%*	*16.6%*			

Kentucky

Medicaid Expansion Status: Expanded January 1, 2014

As of June 2015, Kentucky enrolled close to 1.1 million beneficiaries in risk-based managed care. Total enrollment is up 18.4 percent from June of 2014.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Kentucky	**1,087,098**	**1,125,141**	**1,141,577**	**1,164,252**	**1,175,215**	**1,098,879**	
+/- m/m	*22,196*	*38,043*	*16,436*	*22,675*	*10,963*	*(76,336)*	
% y/y	*47.2%*	*39.8%*	*33.2%*	*23.4%*	*26.7%*	*18.5%*	

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 42,000 enrollees in 2015 alone. July 2015 data shows total managed care enrollment at more than 965,000, up 7.1 percent from the previous year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Louisiana	**918,758**	**935,769**	**945,107**	**957,531**	**958,698**	**964,188**	**965,955**
+/- m/m	*(5,382)*	*17,011*	*9,338*	*12,424*	*1,167*	*5,490*	*1,767*
% y/y	*5.0%*	*6.4%*	*7.3%*	*8.2%*	*7.6%*	*7.6%*	*7.1%*

Maryland

Medicaid Expansion Status: Expanded January 1, 2014

After enrollment growth of more than 44,000 in Q1 2015, Medicaid managed care enrollment has declined steadily in Q2 2014, shedding more than 96,000 enrollees. June 2015 enrollment of just over 1 million is down 8.6 percent from the prior year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Maryland	**1,091,816**	**1,097,750**	**1,104,804**	**1,029,505**	**1,026,144**	**1,008,400**	
+/- m/m	*31,663*	*5,934*	*7,054*	*(75,299)*	*(3,361)*	*(17,744)*	
% y/y	*17.5%*	*12.8%*	*9.8%*	*-1.3%*	*-5.7%*	*-8.6%*	

Michigan

Medicaid Expansion Status: Expanded April 1, 2014

Michigan Medicaid managed care enrollment has increased by more than 175,000 in the first half of 2015 due to the Medicaid expansion and implementation of the state's duals demonstration, known as MI Health Link. As of July 2015, managed care enrollment was at just under 1.675 million, up 8.1 percent from the previous year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Medicaid	1,528,379	1,586,329	1,606,323	1,609,512	1,645,820	1,659,671	1,646,439
Total MI Health Link				134	8,087	14,867	28,171
Total Michigan	**1,528,379**	**1,586,329**	**1,606,323**	**1,609,646**	**1,653,907**	**1,674,538**	**1,674,610**
+/- m/m	*32,644*	*57,950*	*19,994*	*3,323*	*44,261*	*20,631*	*72*
% y/y	*21.8%*	*24.8%*	*26.3%*	*22.2%*	*21.3%*	*11.6%*	*8.1%*

Mississippi

Medicaid Expansion Status: Not Expanded

MississippiCAN, the state's Medicaid managed care program is continuing to grow significantly in 2015. An expansion of the program began in May, with nearly 300,000 new enrollees added in May, June, and July, more than doubling enrollment in just three months. July 2015 enrollment of 505,000 is up more than 225 percent from the prior year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Mississippi	**188,079**	**190,345**	**206,137**	**209,172**	**319,743**	**425,692**	**505,038**
+/- m/m	*2,772*	*2,266*	*15,792*	*3,035*	*110,571*	*105,949*	*79,346*
% y/y	*30.2%*	*31.6%*	*41.5%*	*42.9%*	*115.7%*	*180.8%*	*225.6%*

Missouri

Medicaid Expansion Status: Not Expanded

Missouri managed care in both the Medicaid and CHIP programs topped 460,000 as of June 2015. Although not expanding Medicaid at this time, Missouri has seen nearly 20 percent growth in managed care enrollees since June 2014.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Medicaid	389,713	400,003	410,379	420,135	431,775	437,649	
Total CHIP	31,465	30,922	29,435	28,032	26,563	25,314	
Total Missouri	**421,178**	**430,925**	**439,814**	**448,167**	**458,338**	**462,963**	
+/- m/m	*735*	*9,747*	*8,889*	*8,353*	*10,171*	*4,625*	
% y/y	*5.5%*	*9.5%*	*12.7%*	*17.1%*	*18.4%*	*19.1%*	

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 June 2015, the state's Centennial Care program enrolled more than 628,000 members, with steady enrollment growth in the first half of 2015, adding more than 33,000 lives to managed care.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total New Mexico	**602,334**	**611,307**	**617,057**	**618,881**	**623,938**	**628,531**	
+/- m/m	*6,989*	*8,973*	*5,750*	*1,824*	*5,057*	*4,593*	
% 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 nearly 4.8 million beneficiaries as of July 2015, up 9.1 percent over the previous year. More than 222,000 net new lives have been enrolled in 2015 so far, including more than 6,000 duals demonstration enrollees in the FIDA program.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Mainstream MCOs	4,454,691	4,492,085	4,523,241	4,568,293	4,612,140	4,625,458	4,640,322
Managed LTC	133,032	133,201	133,719	128,973	130,405	133,888	133,638
Medicaid Advantage	9,278	9,057	8,995	9,091	9,184	9,254	9,355
Medicaid Advantage Plus	5,984	6,028	6,094	6,055	6,074	6,152	6,148
FIDA (Duals Demo)	17	406	539	6,660	7,215	5,031	6,368
Total New York	**4,603,002**	**4,640,777**	**4,672,588**	**4,719,072**	**4,765,018**	**4,779,783**	**4,795,831**
+/- m/m	*29,643*	*37,775*	*31,811*	*46,484*	*45,946*	*14,765*	*16,048*
% y/y	*13.4%*	*14.1%*	*14.0%*	*12.3%*	*10.6%*	*9.5%*	*9.1%*

Ohio

Medicaid Expansion Status: Expanded January 1, 2014

Ohio's Medicaid managed care enrollment has seen significant growth, due to Medicaid expansion and the launch of MyCare Ohio, the state's dual eligible financial alignment demonstration. Despite a few months of declining enrollment in 2015 so far, enrollment stands at more than 2.3 million as of June 2015, up more than 15 percent from the prior year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
CFC Program	1,717,525	1,728,964	1,705,043	1,626,289	1,626,775	1,607,620	
ABD Program	170,374	168,863	166,515	163,720	160,673	154,586	
Group 8 (Expansion)	438,472	457,366	462,625	434,561	462,719	481,259	
MyCare Ohio (Duals)	94,264	91,196	94,794	94,175	94,275	93,052	
Total Ohio	**2,420,635**	**2,446,389**	**2,428,977**	**2,318,745**	**2,344,442**	**2,336,517**	
+/- m/m	*33,943*	*25,754*	*(17,412)*	*(110,232)*	*25,697*	*(7,925)*	
% y/y	*42.2%*	*43.6%*	*41.9%*	*29.5%*	*24.6%*	*15.6%*	

Pennsylvania

Medicaid Expansion Status: Expanded as of 2015

At the time of publication, Pennsylvania has not made enrollment data available past March 2015. End of Q1 2015 enrollment sits at nearly 1.6 million, down 3.0 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.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Pennsylvania	**1,597,018**	**1,593,843**	**1,595,547**				
+/- m/m	*(81,936)*	*(3,175)*	*1,704*				
% y/y	*-2.0%*	*-2.4%*	*-3.0%*				

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. However, Q2 2015 posted three consecutive months of enrollment growth, bringing June 2015 enrollment to more than 766,000, up 6.4

percent from the prior year. South Carolina has so far seen only limited enrollment in the state's duals demonstration program.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Medicaid	744,408	726,974	722,604	724,624	741,951	764,852	
Total Duals Demo		83	1,205	1,398	1,366	1,317	
Total South Carolina	**744,408**	**727,057**	**723,809**	**726,022**	**743,317**	**766,169**	
+/- m/m	*(23,200)*	*(17,351)*	*(3,248)*	*2,213*	*17,295*	*22,852*	
% y/y	*N/A*	*N/A*	*N/A*	*4.3%*	*4.8%*	*6.4%*	

Tennessee

Medicaid Expansion Status: Not Expanded

As of June 2015, TennCare managed care enrollment totaled more than 1.4 million, up 12.8 percent from the prior year. Also of note, Tennessee no longer appears to be reporting enrollment with a lag of three or more months.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Tennessee	**1,314,798**	**1,374,278**	**1,387,830**	**1,398,702**	**1,408,295**	**1,421,829**	
+/- m/m	*(5,868)*	*59,480*	*13,552*	*10,872*	*9,593*	*13,534*	
% y/y	*10.4%*	*13.8%*	*13.5%*	*12.7%*	*12.6%*	*12.8%*	

Texas

Medicaid Expansion Status: Not Expanded

After a period of unavailable enrollment data in late 2014 and into 2015, enrollment figures for the first five months of 2015 are now available. As of May 2015, enrollment stands at more than 3.77 million, up 11.1 percent from the previous year. Texas began to see its first significant enrollments in the duals demonstration in Q2 2015.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
STAR	2,867,103	2,837,202	2,800,660	2,808,033	2,807,700		
STAR+PLUS	517,135	575,104	562,064	553,836	544,647		
STAR HEALTH	31,022	30,996	30,818	30,847	30,938		
CHIP	324,225	332,087	332,749	358,606	363,310		
Duals Demo			58	15,335	27,589		
Total Texas	**3,739,485**	**3,775,389**	**3,726,349**	**3,766,657**	**3,774,184**		
+/- m/m	*(80,352)*	*35,904*	*(49,040)*	*40,308*	*7,527*		
% y/y	*13.3%*	*13.0%*	*12.8%*	*12.2%*	*11.1%*		

Washington

Medicaid Expansion Status: Expanded January 1, 2014

Washington's Medicaid managed care enrollment has continued to increase on a month-to-month basis, with June 2015 enrollment totaling nearly 1.44 million, up 19.2 percent from the prior year.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Washington	**1,335,229**	**1,362,744**	**1,393,100**	**1,417,411**	**1,427,061**	**1,439,135**	
+/- m/m	*8,889*	*27,515*	*30,356*	*24,311*	*9,650*	*12,074*	
% y/y	*42.8%*	*33.4%*	*31.1%*	*27.3%*	*20.6%*	*19.2%*	

West Virginia

Medicaid Expansion Status: Expanded January 1, 2014

As of May 2015, West Virginia's managed care program enrolled more than 207,000 members, an increase of 2.8 percent over the prior year. It is unclear if enrollment data will be made available by the state going forward; however, an

expansion of the program is expected in the coming months after a court ruling allowed the state to continue with plans to expand managed care enrollment.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total West Virginia	**200,095**	**202,614**	**202,899**	**205,287**	**207,718**		
+/- m/m	*3,141*	*2,519*	*285*	*2,388*	*2,431*		
% y/y	*4.5%*	*2.7%*	*-0.2%*	*-0.3%*	*2.8%*		

Wisconsin

Medicaid Expansion Status: Not Expanded

Across the state's three managed care programs, June 2015 enrollment totals more than 788,000, up 19.6 percent from the year before. Despite not expanding Medicaid at this time, Wisconsin's Medicaid managed care enrollment increased by 88,000 enrollees since the beginning of 2014.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
BadgerCare+	660,875	676,862	689,778	716,427	716,288	711,181	
SSI	36,058	36,228	36,164	33,907	33,922	33,995	
LTC	38,856	38,827	38,800	42,740	42,783	43,056	
Total Wisconsin	**735,789**	**751,917**	**764,742**	**793,074**	**792,993**	**788,232**	
+/- m/m	*3,042*	*16,128*	*12,825*	*28,332*	*(81)*	*(4,761)*	
% y/y	*6.4%*	*8.1%*	*10.6%*	*22.2%*	*21.3%*	*19.6%*	

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 cmercurio@healthmangaement.com.

HMA Medicaid Roundup

Arizona

Hearing on Hospital Fee to Fund State's Medicaid Expansion Postponed. On July 23, 2015, *Tucson News Now* reported that a hearing on the constitutionality of a hospital fee to fund expansion has been postponed to July 30 after a judge disqualified herself. The lawsuit was filed by Republican legislators who lost a 2013 legislative battle over expansion of coverage provided by the Arizona Health Care Cost Containment System. Read More

Arkansas

47,000 Medicaid Recipients Could Lose Coverage from Income Check. On July 28, 2015, *KY3* reported that over 47,000 Medicaid recipients may lose their coverage as a result of the annual income check, according to the Arkansas Department of Human Services. This includes residents enrolled in the state's "private option" Medicaid expansion. Read More

California

HMA Roundup – Varsha Chauhan (Email Varsha)

Covered California Rates to Rise an Average of 4 Percent. On July 28, 2015, *Kaiser Health News* reported that Covered California premiums are set to rise an average of 4 percent, compared to an increase of 4.2 percent last year. Southern California will see an average rate increase of 1.8 percent while Northern California will see an average rate increase of 7 percent. In Santa Cruz premiums will rise 13 percent. Read More

UnitedHealth and Oscar to Join Covered California in Select Markets. On July 24, 2015, *Los Angeles Times* reported that UnitedHealth and New York-based, Oscar Insurance will join Covered California. Consumers hope added competition will drive down premiums. Rate increases next year are reportedly likely to be in the double digits for some of the 1.4 million Californians enrolled. A recent survey found that 44 percent of Exchange enrollees already find it difficult to pay premiums. UnitedHealth will offer products in rural counties in Northern California, while Oscar will offer products in Southern California. Read More

San Francisco to Offer Health Insurance Subsidies for 3,000 Residents. On July 17, 2015, *SF Gate* reported that San Francisco will begin to offer subsidies next year for low-to-moderate income residents in the City Option program. The

program allows companies with at least 20 employees to pay a fee instead of offering health insurance. The city then provides the workers with reimbursements for medical expenses. Approximately 900 companies participate in the program. Read More

Florida

HMA Roundup – Elaine Peters (Email Elaine)

Florida Medicaid MCOs Seek Rate Increase. On July 24, 2015, *WPTB* reported that Florida insurers participating in the Medicaid managed care program are seeking rate increases after losing $542 million through 2014. They are currently locked in intense negotiations with Governor Rick Scott. However, after losing federal funding for hospitals, Scott does not want to use more state money for the Medicaid program. Meanwhile, insurers are asking for an additional $400 million and a 12 percent increase for rates going into effect September 1, 2015. Read More

Ban Extended on Home Health Agencies in South Florida. On July 28, 2015, the *Miami Herald* reported that a moratorium on licensing of new home health agencies in Miami-Dade, Monroe, and Broward counties will be extended through January 2016 because of potential fraud, waste, and abuse of Medicare and Medicaid. The ban was initiated in Miami-Dade and Monroe in July 2013 and Broward in January 2014. Abuses in the county include billing Medicare and Medicaid for medically unnecessary services and filing claims for services that were never rendered. Read More

Georgia

HMA Roundup – Kathy Ryland (Email Kathy)

WellStar to Begin Negotiations with Tenet to Acquire Five Hospitals in Georgia. On July 23, 2015, *Georgia Health News* reported that WellStar Health System is beginning nonbinding negotiations with Tenet Healthcare to acquire five hospitals located in greater metro Atlanta. If a deal is reached, the five hospitals are expected to become nonprofit facilities under WellStar. WellStar recently abandoned a deal to merge with Emory Healthcare. Piedmont Healthcare and Northside Hospital are also interested in the Tenet hospitals located in Georgia. Read More

Mark Trail Appointed to Board of Community Health. After retiring from Health Management Associates, Mark D. Trail was appointed to Georgia's Board of Community Health. Trail was previously chief of Medical Assistance Plans with the Georgia Department of Community Health. Currently, he is also an associate clinical professor in the School of Public Health at Georgia State University.

Illinois

Budget Impasse Forces Court to Make Illinois Pay Bills. On July 25, 2015, *WBEZ* reported that the courts have stepped in to force the state to pay certain bills regardless of the budget impasse. As a result, the state is following the budget from the previous fiscal year. Most recently, the Sargent Shriver National Center on Poverty Law went to court to force the state to continue funds for

Medicaid in Cook County. They stated that if funds did not come through, hospitals would close and people would not be able to get treatment. Read More

Michigan

Appointment Availability Increases Six Percent for New Medicaid Patients After Expansion. A July report by *Health Affairs* found that primary care appointment availability increased by six percent for new Medicaid patients and decreased two percent for new privately insured patients after Michigan expanded Medicaid. Wait times remained stable, at 1 to 2 weeks for both groups. Read More

New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

Close to 500 New Jersey UnitedHealth providers receive bonuses for excellence in treating Medicare Advantage members. On July 27, 2015 NJBIZ reported that UnitedHealth providers qualified for bonus payments through the plan's PATH Excellence in Patient Service awards, receiving about $2.5 million overall. These providers met the goals in 17 health care effectiveness measures under the program with four main components:

1. Patient support and communication, including mailings, emails and phone calls.
2. Actionable patient data and reporting, such as provider reports with detailed statistics.
3. Financial compensation for doctors, which include the bonus payments.
4. Practice-based support, in the form of tools and customized support.

Read More

Medical parole bill passes in the Assembly and Senate. On July 23, 2015, *PolitickerNJ* reported that a bill to expand eligibility for inmates who are physically incapacitated, require 24-hour care, and do not pose a public threat for medical parole has gone to the governor's desk for signature. This would expand the current law whereby an inmate must have a terminal condition to be eligible for medical parole. The bill, A-4337 is considered cost effective and humane according to Assemblyman Gary Schaer (D-Bergen/Passaic), the bill sponsor. Inmate applicants for medical parole would receive assistance in their application for Medicaid to cover the costs of their care upon release.

National Study Reports on New Jersey's Medicaid LTSS Expenditures Experience Compared to All States. A new report by Truven Health Analytics for the Centers for Medicare and Medicaid Services (CMS) on Medicaid expenditures for long term services and supports (LTSS) offered insights on New Jersey's progress with its LTSS spending from 2011 to 2013. It attributes an increase in home- and community-based expenditures of 4.6 percent over the two year period to New Jersey's participation in the Balancing Incentive Program. This is an important step toward rebalancing, given that New Jersey's HCBS expenditures totaled 33.5 percent of LTSS while HCBS expenditures nationally were 51.3 percent. Truven reports that 2013 marked the first year in which HCBS represented a majority of Medicaid LTSS expenditures nationally. The study ranked states for 2013 expenditures per state resident across LTSS

categories of service. New Jersey's results are summarized in Exhibit 1. Read more.

Exhibit 1. Medicaid LTSS Expenditures Per State Resident and National Ranking by LTSS Service Category, 2013

SERVICE	FY '13 EXPENDITURES PER NJ RESIDENT	FY '13 AVG NATIONAL EXPENDITURES PER RESIDENT	RANK 2013	RANK 2012
Total Medicaid Expenditures	$ 1,194.07	$ 1,368.76	31	28
Total LTSS	$ 503.13	$ 464.35	20	22
Total Institutional LTSS	$ 334.49	$ 226.13	9	9
Nursing Facilities	$ 205.20	$ 169.28	15	14
ICF/IID	$ 78.23	$ 37.89	8	8
Mental Health Facilities	$ 10.70	$ 10.19	20	21
Mental Health Facilities DSH Payments	$ 40.10	$ 8.46	1	1
Total HCBS	$ 168.64	$ 238.22	33	45
Section 1915c waivers	$ 82.35	$ 130.85	40	33
Personal Care	$ 7.28	$ 38.00	24	23
Home Health	$ 0.27	$ 15.51	49	47
Case Management	$ 2.66	$ 7.84	34	34
Rehab Services (non-school based)	$ 1.85	$ 9.78	25	24
HCBS authorized under managed care	$ 64.31	$ 10.62	4	not applicable
PACE	$ 4.41	$ 3.76	10	11
Private Duty Nursing	$ 0.11	$ 2.45	24	24
Money Follows the Person	$ 1.21	$ 1.15	19	24
1915c waivers for people with DD	$ 79.50	$ 93.76	30	29
1915c waiver for older people, people with physical disabilities	$ 2.30	$ 34.03	45	29
HCBS authorized under managed care for people with DD	$ 0.74	$ 3.47	4	not applicable
HCBS authorized under managed care for older people, people with physical disabilities	$ 22.29	$ 4.75	7	not applicable
HCBS authorized under managed care for other populations	$ 41.29	$ 2.40	1	not applicable
ICF/IID public	$ 77.04	$ 20.63	1	3
ICF/IDD private	$ 1.19	$ 17.10	35	36

New Jersey home health agencies receive star ratings for the first time. On July 20, 2015 NJ.com reported that The Centers for Medicare and Medicaid Services (CMS) released the first star ratings for over 9,000 home health agencies nationally, which included the rating of 46 home health agencies in New Jersey. Thirty-nine percent of the 46 agencies received a strong star rating of 4 or 5, 59 percent received 3 to 3.5 starts, and just 2 percent received a low star rating of 2.5 stars or lower. New Jersey compared favorably to the national average star ratings overall, exceeding the national average for home health agencies receiving the highest star ratings by 13 percentage points. In addition, New Jersey had the smallest representation of low star ratings of all states at just 2 percent. See Exhibit A:

Exhibit A. New Jersey Home Health Star Ratings Compared to National Average Star Ratings

State Comparison to Nation	4 or 5 stars	3 or 3.5 stars	2.5 stars or less
New Jersey	39%	59%	2%
National average	26%	46%	28%
Difference	13%	13%	-26%

Kaiser Health News released a summary of states' star ratings on July 16, 2015 which can be found here.

New York

HMA Roundup – Denise Soffel (Email Denise)

Medicaid Update: Behavioral Health Transition to Managed Care. The Department of Health has posted a Special Edition of the Medicaid Update that addresses the up-coming carve-in of behavioral health services into the Medicaid managed care benefit. The transition of behavioral health from fee-for-service to a managed care environment, an initiative of the Medicaid Redesign Team, is intended to improve care, reduce costs through reductions in unnecessary emergency and inpatient care, and increase community-based recovery-oriented services and supports. The Update reviews the program design, including the role of mainstream plans as well as Health and Recovery Plans (HARPs) for individuals with serious mental illness and/or substance use disorders. It describes the role that health homes will play, completing assessments for Home and Community Based Services for HARP enrollees and developing the care plan. Managed care plans will be required to reimburse services delivered by licensed providers at the Medicaid fee-for-service rate for 24 months. In addition, HCBS services available through the HARP will be reimbursed on a fee-for-service basis for the first year of the program. In addition, the state has established a Medical Loss Ratio for HARPs of 89 percent. The carve-in will begin on October 1, 2015 in NYC, with HCBS services available to HARP members as of January 2016. The Update can be found here.

Medicaid Redesign Team Update. NYS Medicaid Director Jason Helgerson provided an update on the work of the Medicaid Redesign Team (MRT) at the annual United Hospital Fund conference on Medicaid in NYS. Over 6 million individuals are now enrolled in Medicaid, up 1.5 million since 2011, when the MRT was founded. The MRT recommended a series of reforms that included the following key components: a global spending cap that limits Medicaid spending to the medical component of the Consumer Price Index; care management for all, moving virtually all Medicaid enrollees and Medicaid benefits into managed care; investment in patient-centered medical homes and health homes; and a focus on social determinants of health. Helgerson noted two key successes of the MRT process: a significant reduction in Medicaid spending, and a change in the political discourse that has greatly diminished the fighting between government and the health care industry. With a consensus on the general direction of the Medicaid program, per beneficiary spending has declined to 2003 levels, from a high of $9,574 in 2009 to the current $8,223. Despite reduced spending, quality has improved, and the performance gap between Medicaid and commercial plans has been reduced.

The MRT Waiver Amendment that is financing the Delivery System Reform Incentive Payment program (DSRIP) is a reflection of cost savings generated by MRT initiatives. CMS has agreed to provide $7 billion in waiver funds to continue investment in health care delivery system redesign and to create a financially sustainable delivery system into the future. Currently in year 1, Performing Provider Systems across the state are launching a series of projects meant to reduce avoidable hospital use and build up the community-based health care infrastructure. As part of DSRIP, the state is committed to significant payment reform. Helgerson posits that the transformation of the delivery system can only become and remain successful when the payment system is transformed as well. DSRIP commits NYS to move away from fee-for-service reimbursement, with as much as 90 percent of all payments being value-based

by the end of the 5-year period. Helgerson considers fee-for-service reimbursement immoral, as it means that safety net facilities rely on people being sicker than they should be because that keeps inpatient beds filled. Improving the health and well-being of the population is not in the financial interest of providers, and so financial incentives must be changed.

NYS has submitted a 5-year Roadmap to Value-Based Payment to CMS for approval. The Roadmap provides a menu of options that managed care plans and Performing Provider Systems can choose, that offer different shared savings and risk arrangements. Helgerson noted the important role that managed care plans will continue to play, as most providers are interested in taking on performance risk but not financial risk, and managed care plans have greater flexibility in tailoring payment arrangements. In all contracting options, the intent is that providers are jointly responsible for the total cost of care and for the health outcomes for a specific population. Helgerson's presentation is available on the United Hospital Fund website.

Home and Community Based Services for Health and Recovery Plans. As the state moves to expand the behavioral health carve-in beyond NYC and to the rest of the state, they are now accepting applications for agencies interested in providing Home and Community Based Services in all non-NYC counties. HCBS services will be available to individuals that enroll in Health and Recovery Plans (HARPs) for individuals with serious mental illness and/or substance use disorders. The application can be found on the Office of Mental Health website. Applications are due by August 10.

Mount St. Mary's Hospital Joins the Catholic Health System of Buffalo. Catholic Health in Buffalo, NY is a non-profit healthcare system that provides care to Western New Yorkers across a network of hospitals, primary care centers, imaging centers, and several other community ministries. Mount St. Mary's is the fifth hospital to join Catholic Health. Catholic Health and Mount St. Mary's have been working together under a collaborative services agreement the two groups signed in 2012. Additionally, Mount St. Mary's Hospital and its physicians are also members of Catholic Medical Partners, a clinically integrated physician network that also includes Catholic Health and its physicians. As reported by Buffalo Business First, Catholic Health reported total revenue of $953 million for 2014, an increase of nearly 3.4 percent year-over-year. The health system, the second largest in Western New York, has operated in the black for more than 10 years. Adding Mount St. Mary's brings another $90 million in revenue.

Value Based Payment Roadmap Approved. NY received approval from CMS for its Value Based Payment Roadmap. The final Roadmap along with CMS's approval letter is now available on the DSRIP website. The Roadmap, which went through multiple iterations, was required by CMS as one component of NY's DSRIP program, with the intent of encouraging changes in payment that will sustain delivery system reform after DSRIP incentive payments have ended.

Report Reflects Health Workforce Challenges. *"Who's Going to Care? Analysis and Recommendations for Building New York's Care Coordination and Care Management Workforce,"* a new report by 1199SEIU United Healthcare Workers East and the Primary Care Development, finds significant challenges that threaten to undermine the care coordination and care management workforce as healthcare transformation gets underway. The report is based on results from a survey of 49 Health Homes (which manage care of Medicaid enrollees with

costly and complex chronic conditions) about their care management and care coordination workforce. The study revealed that recruitment and retention challenges are prevalent, driven by insufficient salary, high caseload and lack of appropriate skills and competencies. Salaries reported by organizations surveyed, the majority of which are community-based, are on average 27% - 50% lower than those for the similar titles in the hospital workforce. A diverse and broad set of skills and competencies are needed by the care coordination and care management workforce. There is a strong consensus about what skills staff need to be effective in care coordination and care management roles, and ongoing training and supervision are needed.

DSRIP Performing Provider System Network Lists. NYS has posted Performing Provider Network lists on the DSRIP website. The network list is a combination of the providers and entities that are partnering with each PPS in the DSRIP program. The PPS provider networks cover the entire New York State to reach approximately 6 million Medicaid recipients. PPS networks vary greatly in size, with 5 networks including fewer than 1,000 participants; the largest 5 networks have over 5,000 participants, which may create challenges in achieving the collaboration and care transformation required of DSRIP. PPSs are in the process of determining the fund flow model that will guide distribution of incentive payments to network partners. The lists can be seen here.

Doctors Across New York. Doctors Across New York is a state-funded initiative enacted in 2008 to help train and place physicians in underserved communities in a variety of settings and specialties to care for New York's diverse population. Physician Practice Support provides up to $100,000 in funding over a two-year period to applicants who can identify a licensed physician that has completed training and will commit to a two-year service obligation in an underserved region within New York State. Physician Loan Repayment provides up to $150,000 in funding over a five-year period for physicians who commit to a five-year service obligation in an underserved region. The Department of Health has made revisions to the Cycle IV DANY Funding Opportunity, and the application submission deadline has been extended to Monday, August 31, 2015. Information about the current funding cycle is available on the DoH website.

Ohio

HMA Roundup – Mel Borkan (Email Mel)

Three State Agencies Push to Enroll Inmates in Medicaid. On July 28, 2015, *The Columbus Dispatch* reported that three state agencies are pushing to enroll inmates in Medicaid up to 90 days before they are released, with services beginning immediately upon release. Having coverage would prevent delays in getting medication and treatment. Previously, released inmates had to go to county agencies to apply for health care, which can take 45 days or longer. Officials plan to complete preliminary sign-ups at all state prisons by the end of 2016. Read More

Budget Impact of Ohio's Medicaid Expansion. *Toledo News NOW* is reporting on how well estimates of Ohio's Medicaid expansion are playing out and what the impact may be on Ohio's upcoming budget. Citing Ohio Department of Medicaid information, they report that Ohio has exceeded its enrollment projection by 171,394 people as of May. T*oledo News NOW* reports that about $55.5 million was projected (before taxes) for the state share of Medicaid

expansion cost in fiscal year 2017 and that now the state share cost for 2017 for the expansion population is now expected to be $130 million. Still unknown is the impact of a provision of the recently passed Ohio budget that directs the Administration to seek a federal waiver so that Ohio can require certain adults (pregnant women are an exception) to pay into a health savings account. Read More

Dublin Ohio's HealthSpot, Inc., is Pilot Testing Telemedicine Kiosks in 25 Ohio Rite Aid Pharmacies. According to bizjournals.com, 25 Rite Aid stores in Akron, Canton, Cleveland, Dayton, and Springfield opened booths at the end of May, and customer feedback has been positive. The booths are served by doctors from Cleveland Clinic, Kettering Health Network and University Hospitals of Cleveland, including pediatricians from UH Rainbow Babies and Children's Hospital. Read More

Potential Rate Changes Ahead for Ohio's Healthcare Marketplace Plans. According to *healthinsurance.org* just three carriers in Ohio's Exchange have proposed rate increases of 10 percent or more for 2016, and none has been approved yet. Aetna is reported to have proposed an average 13.2 percent rate increase, HealthSpan has proposed an average 17.5 percent, and MedMutual has proposed an average rate increase of 14.5 percent. Ohio regulators will review the proposed rate changes, and final rates will be published before the next open enrollment period in November. Read More

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Next Steps Announced in Governor Wolf's Managed Long-Term Services and Supports Plan. On July 22, the Departments of Human Services (DHS) and Aging (PDA) announced the next steps to Governor Wolf's plan to improve care coordination and to move to Medicaid Managed Long-Term Services and Supports (MLTSS). Along with feedback on how MLTSS should be implemented in the commonwealth, the Departments heard feedback on changes that can be made today to improve the current system. The Departments will take the following steps:

- Doubling the number of staff who work on Nursing Home Transition (NHT)
- Creating an advisory committee with at least 50 percent representation by participants and caregivers and conducting monthly webinars
- Restructuring existing contracts to provide more choice for participants

For more information and to view the discussion document, visit www.dhs.state.pa.us/foradults and click on Managed Long-Term Services and Supports. Read More

New Medicaid Enrollees Outnumber Affordable Care Act Sign-Ups. About 439,000 residents have signed up for Medicaid since Pennsylvania officially expanded the program under the Affordable Care Act on Jan. 1, the state reported this week. By contrast, the number of active Pennsylvania enrollees on healthcare.gov — the federal marketplace that constitutes the other major arm of the ACA's coverage expansion — totaled 427,454 at last report. The expansion makes Medicaid available to Pennsylvanians ages 19 to 64 with incomes up to

138 percent of the federal poverty level. People can enroll in Medicaid at any time; on healthcare.gov, by contrast, they are limited to open enrollment periods unless they experience a qualifying life event. Read More

150,000 Additional Pennsylvanians Enrolled in Governor Wolf's Medicaid Expansion Plan. The Department of Human Services (DHS) today announced 150,000 new Pennsylvanians have enrolled in HealthChoices, since Governor Tom Wolf's Medicaid expansion plan launched on April 27, 2015. Medicaid expansion also allowed the state to access millions in federal funds for health care. In fiscal year 2015-16, those federal funds saved the state approximately $626 million in state funds. Based on current enrollment trends, state savings are projected to grow to $645 million in state fiscal year 2016-17. Read More

No Budget Yet. The Pennsylvania state budget by law was due on June 30. The $30.1 billion GOP-crafted budget sent to Governor Tom Wolf included 274 line-item expenditures equal to or greater than Wolf's proposed $30 billion plus spending plan, said House Appropriations Chairman Bill Adolph, R-Delaware County. Wolf vetoed the entire budget — 401 line items — marking the first time a governor in modern history has done so. In the longest budget negotiation during a 21-day stalemate, Wolf, a Democrat, and legislative GOP leaders met earlier this week and claimed they made progress. But they reported no breakthroughs and acknowledged they focused only on expenditures. Read More

Pittsburgh, UPMC Aim to Get Insurance for 2,000 Children in City. Pittsburgh Mayor Bill Peduto on Thursday joined Councilwoman Darlene Harris, UPMC Health Plan, and the River City Brass Band at the Northview Heights housing complex, urging parents to sign their children up for Medicaid or Pennsylvania's Children's Health Insurance Program. The event, dubbed March Pittsburgh, was intended to draw attention to the city's program to insure 2,000 children who do not have health insurance. Pittsburgh has scheduled similar events in eight other neighborhoods through mid-September. Betty Cruz, Pittsburgh's nonprofit and faith-based manager, said it has been difficult to find kids to insure in low-income neighborhoods. She said the city started March Pittsburgh — funded with a $40,000 grant from UPMC — as part of its Healthy Together program to find more children. The National League of Cities is funding Healthy Together with a $200,000 grant. Since last year, the city has signed up 104 children in Medicaid and CHIP and renewed insurance for 26 others. Read More

South Carolina

Democrats to Push for Medicaid Expansion Next Year. On July 25, 2015, *The Baltimore Sun* reported that although Republican opposition to Medicaid expansion has stayed strong since 2012, Democrats plan to renew efforts to expand next year. After a decision to remove the Confederate flag from Statehouse grounds, Democrats say this indicates opinions can change. They hope Governor Nikki Haley will make a reversal on Medicaid. However, a spokesperson for the governor indicated that Haley's position has not changed. Read More

Texas

HHSC Issues RFI for IDD Managed Care Pilot Program. On July 20, 2015, the Texas Health and Human Services Commission (HHSC) issued a request for information (RFI) for responses from private service providers and MCOs interested in creating a managed LTSS pilot program for individuals with intellectual and developmental disabilities (IDD). RFI responses are due to HHSC on August 20, 2015. Read More

Customer Relationship Management (CRM) System RFP Awarded to CharityLogic. On July 24, 2015, the Texas Health and Human Services Commission announced that CharityLogic Corporation (iCarol) was awarded the Customer Relationship Management (CRM) System RFP. The RFP was released on March 3, 2015, and had an anticipated implementation date of July 1, 2015. Read More

Utah

Governor Herbert to Propose Medicaid Expansion in Special Session. On July 28, 2015, *KSL.com* reported that Governor Gary Herbert is less than a month away from presenting a Medicaid expansion proposal in a special session of the Utah Legislature. The plan will require legislative and federal approval. Read More

Vermont

Medicaid Expenditures to Raise Spending in FY 2016. On July 28, 2015, *VT Digger* reported that the Joint Fiscal Office projected that Medicaid and human services programs will be over budget in fiscal year 2016. The additional costs can be reconciled in the annual budget adjustment act, which is passed in January, halfway through the fiscal year. The budget will be impacted by the "53rd week" of Medicaid payments, a decrease in the amount of federal funding for the low income home energy assistance program (LIHEAP), Medicare Part D, and lower federal funding for Medicaid expenditures. Read More

Virginia

Virginia Not Compliant with Court-Ordered Reforms for Disability Program. On July 25, 2015, *The Washington Post* reported that the Justice Department sent a letter to a federal judge claiming the state has used proceeds from the sale of state-run institutions that treated people with disabilities for covering budget reductions. This money is meant to go toward providing more services for that population. Advocates fear that future funds will also not go back into expanding services. They say the whole purpose of the settlement is to expand community services for people with disabilities. Read More

National

Medicaid and CHIP Enrollment Rises to 71.6 Million. CMS reported that Medicaid and CHIP enrollment rose to 71.6 million people in May, up 12.8 million people from when expansion was first enacted through the health care law.

CMS to Work with States on Two-Year Duals Demonstration Extensions. In a July 10, 2015 letter to states, the CMS Medicare-Medicaid Coordination Office offered an opportunity for states to extend their dual eligible financial alignment demonstrations by two years. The letter cites the need for more time to evaluate outcomes including improvements in quality and overall cost savings. Under the current schedule, the first major analyses will be published around one year before the demonstrations are scheduled to end. States are asked to submit a letter of intent to extend their demonstration by September 1, 2015.

Health Care Spending to Outpace Economic Growth over Next Decade. On July 29, 2015, *the Associated Press* reported that health care costs are beginning to accelerate. According to a government forecast, health care spending will outpace the nation's overall economic growth in the next decade. By 2019, healthcare spending will be increasing at approximately 6 percent a year. The growth is a result of expansion under the health law, an aging population, and rising demand. Additionally, expensive Hepatitis C drugs are significantly increasing prescription drug spending. Medicaid spending is estimated to have grown by 12 percent in 2014, up from 6.1 percent the previous year. Read More

Proposed Legislation to Establish New Community-Based Institutional Special Needs Plan Demonstration Program. On July 29, 2015, *The Hill* reported that H.R. 2704, proposed by Representatives Linda Sanchez (D-Calif.) and Patrick Meehan (R-Pa.), would establish a new Community-Based Institutional Special Needs Plan (CBI-SNP) demonstration program to help chronically ill Medicare beneficiaries remain in their homes. The program targets home- and community-based services for low-income Medicare-only beneficiaries who need assistance with basic activities of daily living. The demonstration will operate initially in up to five states. Read More

CMS To Bring Transparency and Ease Administrative Hurdles for Medicaid Waiver Renewal Process. On July 27, 2015, *Modern Healthcare* reported that CMS will be improving the process for renewing Medicaid waivers. The new "fast track" process will streamline the extension process, bring more transparency, and reduce the administrative burden on states and the federal government. Waivers need to be already established — one full extension cycle without substantial program changes — to qualify. CMS will notify the state within 15 days if the waiver is qualified. It will then get a decision back to the state within 90 days and award a five-year extension rather than a traditional three-year extension. Read More

House Judiciary Committee to Hold Two Hearings on Competition in the Healthcare Industry. On July 27, 2015, *Reuters* reported that after Aetna announced its intent to buy Humana and Anthem announced its plan to buy Cigna, the U.S. House of Representatives Judiciary Committee decided to hold two hearings regarding concerns about reduced competition in the healthcare industry. The hearings will be held in September. Read More

State-Run Exchanges Struggle with High Costs and Low Enrollment. On July 26, 2015, *The Baltimore Sun* reported that of the twelve states and the District of Columbia running their own health insurance market under the health law, half are facing financial difficulties, according to experts. High costs and low enrollment could lead to states turning over their operations to the federal government. Hawaii, for instance, unable to sustain itself, will be turning over its state marketplace to HealthCare.gov for 2016. Exchange experts say states are talking about shared services; most still want to control marketing, consumer education, and oversight of insurance plans. Read More

HHS Announces Additional $133 Million for Substance Abuse Treatment. On July 25, 2015, *The Baltimore Sun* reported that Health and Human Services Secretary Sylvia Burwell announced an additional $133 million in funding for substance abuse treatment. The money will focus on addressing medication-assisted treatment for opioid use. The Substance Abuse and Mental Health Services Administration will also award up to $11 million in annual grants to 11 states for medication-assisted treatment. Read More

Industry News

Anthem Announces Definitive Agreement to Acquire Cigna for $54.2 Billion. On July 24, 2015, Anthem, Inc., announced that it is entering a definitive agreement to acquire Cigna Corp., valued at $54.2 billion. After the acquisition, it is estimated Anthem will have over $115 billion pro forma revenues and will provide coverage to approximately 53 million medical members. Joseph Swedish will serve as Chairman and Chief Executive Officer, and David Cordani will be President and Chief Operating Officer. The transaction is expected to close in the second half of 2016. Read More

Molina to Acquire MyCare Chicago's Medicaid Assets. On July 15, 2015, Molina Healthcare announced it has entered a definitive agreement with Accountable Care Chicago (MyCare Chicago) to acquire certain assets of MyCare's Medicaid business. Molina Healthcare of Illinois will assume MyCare Chicago's Medicaid members in Cook County in addition to assets related to the operation of the Medicaid business. The transaction is expected to close during the fourth quarter of 2015. Read More

Theranos and AmeriHealth Caritas Partnership to Provide Lab Services to Medicaid Managed Care Members. On July 15, 2015, Theranos, Inc. and AmeriHealth Caritas announced a national strategic partnership to provide greater access to less invasive, more efficient diagnostic tests to Medicaid managed care members. Theranos is a consumer health technology company, working to facilitate early detection and prevention of disease. AmeriHealth Caritas members will have access to more convenient, high quality, less invasive clinician-directed laboratory testing.

WellCare Names Kathy Warner State President, South Carolina. On July 27, 2015, WellCare Health Plans announced that Kathy Warner has been named state president, South Carolina, effective July 26, 2015. She was previously the chief operating officer in South Carolina since March 2013. Warner will be responsible for WellCare's Medicaid and Medicare business across the state and lead statewide quality and growth initiatives. Read More

Medical Properties Trusts to Acquire Capella Healthcare for $900 Million. On July 27, 2015, Medical Properties Trust announced that it has signed a definitive agreement to acquire Capella Healthcare for $900 million. The deal will add seven acute care hospitals in five states. The transaction is expected to close in the second half of 2015. Read More

RFP Calendar

Date	State/Program	Event	Beneficiaries
August 3, 2015	Michigan	Proposals Due	1,600,000
August 17, 2015	Iowa	Contract Awards	550,000
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:

- **Kansas** Medicaid MCO Market Share, June, 2015
- **New Mexico** Medicaid/CHIP Enrollment up 53.1 percent
- **Utah** Medicaid Managed Care Enrollment Up 20 Percent
- Plus public documents including the **Pennsylvania** Healthy PA RFA and Responses (2014) and **Hawaii** Health Connector Transition and Decommission RFP (2015)

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 Welcomes…

Varsha Chauhan, Principal — San Francisco, California

Varsha comes to HMA most recently from Alameda Health System, where she served as the Executive Director of System Transformation-Operations Process Improvement, LEAN, Innovation, DSRIP, and Patient Experience. In this role Varsha was responsible for the oversight of efforts to lead the organization in reaching best-in-class quality and service objectives required under the CMS incentive program; improving operational processes, patient flow, access, developing and deploying strategic plans by using LEAN philosophy and methodology; patient experience enhancement, clinical integration, and other system-wide initiatives such as ICD-10 and population health management program; and bridging the gap between administration and physicians by developing strong and trusting physician relationships.

Prior to her role with Alameda, Varsha served as the Chief Operating Officer for Tri-City Health Center. Here she was responsible for all operations of the physician division including responsibility for financial performance, operating efficiency, quality, patient satisfaction, physician relations, and employee engagement; effectively managing the organization's resources to achieve high quality outcomes and strong financial performance; and monitoring grants and government contracts to ensure compliance.

Additional roles that Varsha has served in include Project Director, NextGen EPM and EHR Implementation; Quality Director, Tri-City Health Center; Clinic Administrator — St. Anthony Free Medical Clinic; Health Information Management Associate, Stanford Hospital; and Physician/Manager, Punarjeevan Hospital (India).

Varsha received her Master of Science in Health Care Administration from California State University, East Bay. She has a Doctor of Medicine degree from Mangalore University in India. Varsha is a LEAN and Six Sigma Master Black Belt through Villanova University and has a Compliance Officer Certification from the Health Care Compliance Association. She is fluent in Hindi, Punjabi, Gujarati, and German.

Robyn Colby, Senior Consultant – Columbus, Ohio

Robyn comes to HMA most recently from the State of Ohio, where she served in a multitude of roles over the past 30+ years. Her most recent role was Project Manager for Ohio's participation in the Center for Medicare and Medicaid Innovation's Comprehensive Primary Care Initiative. In this role, Robyn was responsible for responding to the initial request for participation; development of the attribution methodology for the Ohio fee-for-service population; and participating on the multi-payer data aggregation subcommittee. She also served as the Medicaid project manager for the CMMI State Innovation Model design grant as well as the SIM test grant application.

Prior to her Project Manager roles, Robyn worked on several special projects for the state to include the implementation of the Medicaid Information Technology System and the business knowledge transfer for Benefits Service Administration (claims adjudication, benefit plan administration, EPSDT, and prior authorizations).

Additional roles that Robyn has served in for the State of Ohio include Chief, Bureau of Health Plan Policy; Section Chief, Health Services Policy and Analysis; Manager, Bureau of Medicaid Policy; and Program Developer. She also provided part-time post-graduate services for Compass Consulting and was a dental hygienist in a private practice.

Robyn received her Master in Public Administration degree (area of concentration – Hospital and Health Services Administration) from Ohio State University. She received her Bachelor of Science in Health Education and her Dental Hygiene Certificate from Ohio State University, as well.