HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

August 26, 2015

RFP CALENDAR

DUAL ELIGIBLES CALENDAR

HMA NEWS

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THIS WEEK

- IN FOCUS: CMS REPORTS ON MEDICAID EXPANSION POPULATION ENROLLMENT, SPENDING
- FLORIDA FINALIZES MCO RATES WITH AVERAGE 7.7 PERCENT INCREASE
- FLORIDA MARKETPLACE RATES SET TO INCREASE 9.5 PERCENT IN 2016
- FLORIDA GOVERNOR REQUESTS TO AUDIT 98 ADDITIONAL HOSPITALS
- NORTH CAROLINA HOUSE, SENATE TO PURSUE HYBRID MEDICAID MODEL
- TEXAS HHSC TO HOLD OFF ON THERAPY CUTS TO MEDICAID
- FEDERAL APPEALS COURT REINSTATES MINIMUM WAGE PROTECTION AND OVERTIME FOR HOME CARE WORKERS
- CENTENE WINS WASHINGTON FOSTER CARE CONTRACT
- HMS AWARDED TPL CONTRACTS IN OKLAHOMA, NEW YORK
- CARDINAL HEALTH TO ACQUIRE MAJORITY STAKE IN NAVIHEALTH
- INOVALON TO ACQUIRE AVALERE HEALTH
- HMA UPCOMING WEBINARS ADDRESS ASTHMA-RELATED HOME INTERVENTIONS, 21ST CENTURY LTSS

The HMA Weekly Roundup will not publish Wednesday, Sept. 2, 2015. We will resume publication the following Wednesday, Sept. 9, 2015.

IN FOCUS

CMS REPORTS ON MEDICAID EXPANSION POPULATION ENROLLMENT, SPENDING

This week, our *In Focus* section reviews the Centers for Medicare & Medicaid Services (CMS) reports on Medicaid expansion enrollment and spending, published on a quarterly basis. CMS issues two reports on a quarterly basis, the first of which provides monthly enrollment broken down by category of enrollment, and the second of which provides quarterly Medicaid expenditures

by category of enrollment. Although the data is not completed across all Medicaid expansion states, these reports allow for preliminary analysis of newly and previously eligible enrollments through the first quarter (Q1) of 2015, and of expenditures for these enrollment categories through Q3 2014.

About the Data

CMS reporting analyzed in this week's *In Focus* includes total Medicaid enrollment and expenditures, as well as enrollment and expenditures for the Group VIII population, also known as the "new adult group," created under the Affordable Care Act. Within Group VIII, there are many individuals who are previously eligible for Medicaid enrollment in states that extended Medicaid eligibility to these individuals prior to 2014.

It is important to note that availability of data by state varies from quarter to quarter and the data is preliminary and may be revised by CMS in future months. As such, the estimates presented below, particularly at the individual state level, are subject to revision.

The analysis below provides average quarterly enrollment, quarterly spending, and a per capita monthly spending estimate, across all states reporting for the newly eligible Group VIII category, the previously eligible Group VIII category, and the non-Group VIII Medicaid population.

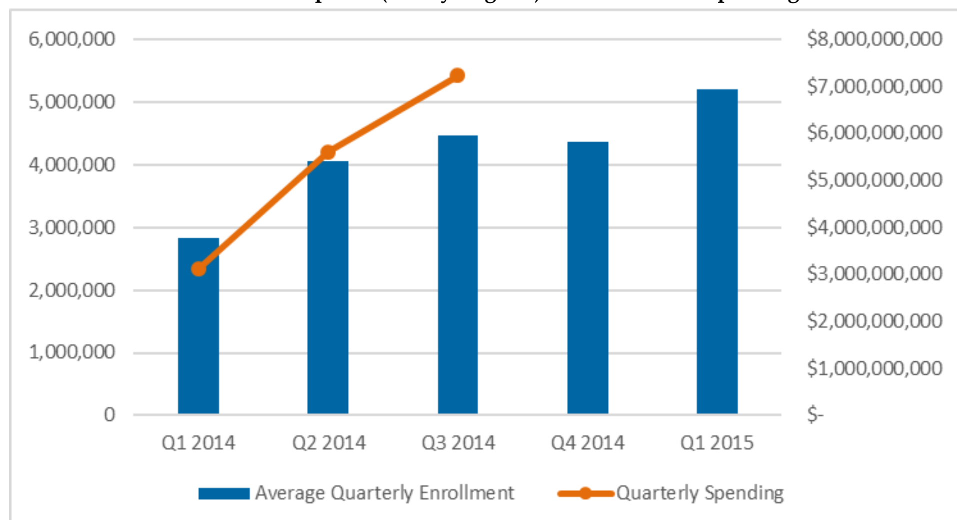
Group VIII (Newly Eligible)

As of Q3 2014, the newly eligible Group VIII Medicaid population across 20 states stood at nearly 4.5 million, accounting for more than $7.2 billion in Q3 expenditures and a total of nearly $16 billion since the beginning of the year. Per capita monthly spending rose consistently from quarter to quarter in 2014, rising 25 percent from Q1 to Q2, and 18 percent from Q2 to Q3. Q1 2015 average monthly enrollment across 20 states stood at nearly 5.2 million.

Table 1 – Group VIII (Newly Eligible) Enrollment and Spending

Group VIII (Newly Eligible)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Average Quarterly Enrollment	2,825,737	4,059,638	4,455,939	4,354,953	5,196,635
Quarterly Spending	$ 3,129,949,763	$ 5,602,034,298	$ 7,232,364,150		
# States Reporting	*20*	*21*	*20*	*18*	*20*
Per Capita Monthly Spending	*$369.22*	*$459.98*	*$541.03*		

Chart 1 – Group VIII (Newly Eligible) Enrollment and Spending



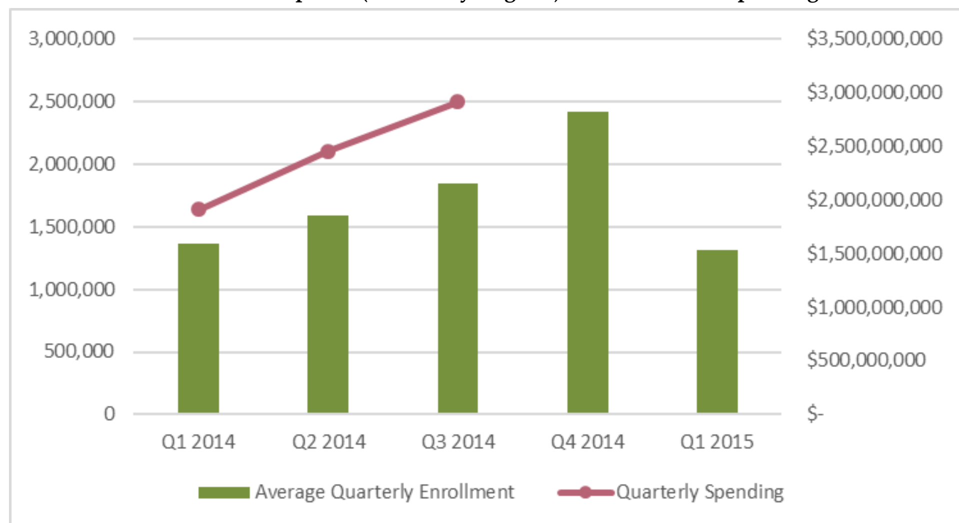
Group VIII (Previously Eligible)

As of Q3 2014, the previously eligible Group VIII Medicaid population across 13 states stood more than 1.8 million, accounting for more than $2.9 billion in Q3 expenditures and a total of close to $7.3 billion since the beginning of the year. Per capita monthly spending rose noticeably (11 percent) from Q1 to Q2, but only by 2 percent from Q2 to Q3. Q1 2015 average monthly enrollment across 18 states stood at more than 1.3 million.

Table 2 – Group VIII (Previously Eligible) Enrollment and Spending

Group VIII (Previously Eligible)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Average Quarterly Enrollment	1,367,554	1,584,979	1,846,908	2,419,012	1,313,973
Quarterly Spending	$ 1,909,928,753	$ 2,454,515,580	$ 2,911,486,874		
# States Reporting	*11*	*12*	*13*	*16*	*18*
Per Capita Monthly Spending	*$465.53*	*$516.20*	*$525.47*		

Chart 2 – Group VIII (Previously Eligible) Enrollment and Spending



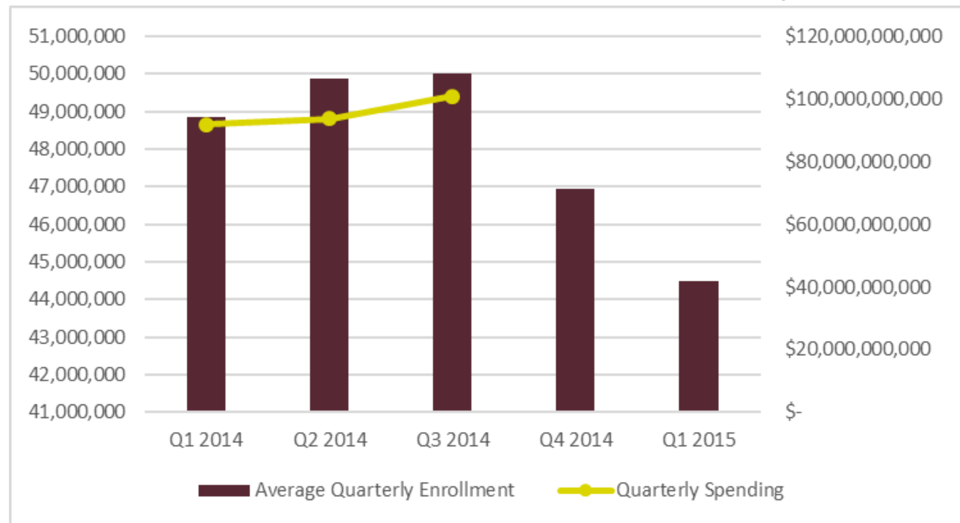
Non-Group VIII Medicaid

Note: "Non-Group VIII Medicaid" refers to all non-expansion Medicaid categories of eligibility. As of Q3 2014, the non-Group VIII Medicaid population across 47 states stood at nearly 50 million, accounting for nearly $101 billion in Q3 expenditures and a total more than $286 billion since the beginning of the year. Per capita monthly spending was effectively flat from Q1 to Q2, but rose by 7 percent from Q2 to Q3. Q1 2015 average monthly enrollment across 47 states stood at nearly 45 million.

Table 3 – Non-Group VIII Medicaid Enrollment and Spending

Non-Group VIII	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Average Quarterly Enrollment	48,848,940	49,858,622	49,992,401	46,956,239	44,490,241
Quarterly Spending	$ 91,776,096,320	$93,674,792,659	$100,863,202,153		
# States Reporting	*48*	*48*	*47*	*45*	*47*
Per Capita Monthly Spending	*$626.26*	*$626.27*	*$672.52*		

Chart 3 – Non-Group VIII Medicaid Enrollment and Spending



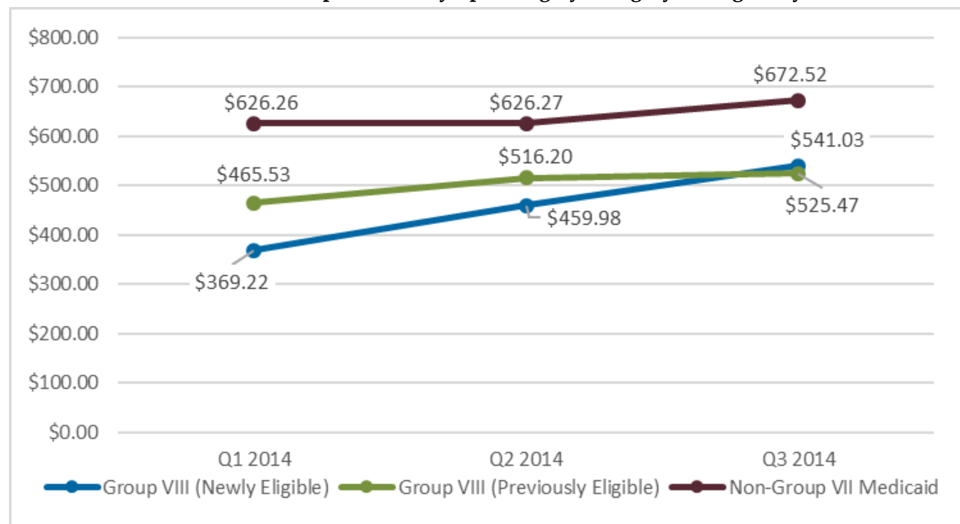
Comparing Per Capita Monthly Expenditures

Per capita monthly expenditures for the newly eligible population grew from around $370 in Q1 2014 to more than $540 in Q3 2014. This far outpaces the quarterly growth in per capita expenditures seen in the previously eligible and non-Group VIII Medicaid populations. As a note, the non-Group VIII category includes aged, blind, and disabled (ABD) and long-term care populations, thus accounting for the higher per capita expenditures. Future updates from CMS on enrollment and expenditures going forward should begin to reveal if this trend continued or if per capita expenditure growth will taper off, possibly due to the pent-up demand effect.

Table 4 – Per Capita Monthly Spending by Category of Eligibility

Per Capita Monthly Spending	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Group VIII (Newly Eligible)	$369.22	$459.98	$541.03	N/A	N/A
Group VIII (Previously Eligible)	$465.53	$516.20	$525.47	N/A	N/A
Non-Group VII Medicaid	$626.26	$626.27	$672.52	N/A	N/A

Chart 4 – Per Capita Monthly Spending by Category of Eligibility

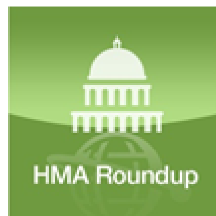


Summary of Enrollment, Expenditures through Q3 2014

	Q1-Q3 2014 Group VIII (New) Avg. Enrollment	Q1-Q3 2014 Group VIII (New) Total Spending	Q1-Q3 2014 Group VIII (Prev.) Avg. Enrollment	Q1-Q3 2014 Group VIII (Prev.) Total Spending	Q1-Q3 2014 Non-Group VIII Avg. Enrollment	Q1-Q3 2014 Non-Group VIII Total Spending
Alabama	N/A	$ -	N/A	$ -	1,029,115	$ 3,678,194,478
Alaska	N/A	$ -	N/A	$ -	114,269	$ 1,210,175,882
Arizona	32,748	$ 92,576,068	214,063	$ 1,106,849,404	1,311,284	$ 5,792,423,320
Arkansas	192,558	$ 641,348,999	37,553	$ -	646,175	$ 3,157,527,550
California	N/A	$ 7,919,004,043	N/A	$ -	N/A	$ 38,838,526,756
Colorado	225,791	$ 683,869,239	1,328	$ 16,551,546	787,643	$ 3,964,197,963
Connecticut	132,684	$ 859,810,982	0	$ -	366,959	$ 4,507,265,313
Delaware	5,818	$ 19,886,306	48,297	$ 258,525,167	142,972	$ 1,017,654,847
Dist. Of Columbia	N/A	$ 207,163,446	N/A	$ 11,107,834	N/A	$ 1,555,653,679
Florida	N/A	$ -	N/A	$ -	3,856,998	$ 15,384,436,473
Georgia	N/A	$ -	N/A	$ -	1,743,172	$ 7,347,823,298
Hawaii	42,344	$ 166,814,275	31,480	$ 102,613,466	224,233	$ 1,222,045,657
Idaho	N/A	$ -	N/A	$ -	278,607	$ 1,252,425,979
Illinois	416,905	$ 794,124,427	1,134	$ 362,394	2,462,185	$ 11,740,079,345
Indiana	N/A	$ -	N/A	$ -	1,080,507	$ 7,189,734,888
Iowa	91,996	$ 368,914,842	3,995	$ 15,340,437	437,383	$ 2,746,182,594
Kansas	N/A	$ -	N/A	$ -	365,557	$ 2,083,192,414
Kentucky	272,512	$ 1,487,572,455	0	$ -	808,483	$ 4,642,530,795
Louisiana	N/A	$ -	N/A	$ -	1,281,095	$ 4,977,873,325
Maine	N/A	$ -	N/A	$ -	295,283	$ 1,813,240,558
Maryland	180,826	$ 1,150,555,541	0	$ -	935,270	$ 6,109,679,685
Massachusetts	0	$ -	299,302	$ 1,134,221,420	1,483,731	$ 10,496,329,699
Michigan	309,169	$ 820,206,052	20,114	$ 32,039,471	1,781,615	$ 9,478,286,391
Minnesota	156,080	$ 922,038,858	738	$ 5,741,833	863,361	$ 6,586,507,760
Mississippi	N/A	$ -	N/A	$ -	678,513	$ 3,647,798,102
Missouri	N/A	$ -	N/A	$ -	785,989	$ 6,740,829,713
Montana	N/A	$ -	N/A	$ -	148,124	$ 848,484,052
Nebraska	N/A	$ -	N/A	$ -	234,746	$ 1,369,370,667
Nevada	97,989	$ 350,307,422	0	$ -	367,204	$ 1,491,139,231
New Hampshire	N/A	$ 6,732,079	N/A	$ 56,951	141,569	$ 993,719,226
New Jersey	415,007	$ 1,373,603,398	0	$ -	1,067,902	$ 8,199,412,076
New Mexico	134,080	$ 719,016,942	0	$ -	543,360	$ 2,682,854,460
New York	87,726	$ 255,229,658	911,612	$ 4,238,119,752	4,717,969	$ 36,847,792,229
North Carolina	N/A	$ -	N/A	$ -	1,836,509	$ 9,506,116,645
North Dakota	N/A	$ 80,437,919	N/A	$ 1,379,739	N/A	$ 649,528,157
Ohio	263,386	$ 1,084,067,909	18,131	$ 77,927,062	2,376,965	$ 13,366,288,497
Oklahoma	N/A	$ -	N/A	$ -	751,778	$ 3,716,027,699
Oregon	344,117	$ 1,482,573,285	83,472	$ -	506,651	$ 3,962,707,807
Pennsylvania	N/A	$ -	N/A	$ -	2,087,532	$ 18,403,264,864
Rhode Island	40,276	$ 344,257,710	0	$ -	212,144	$ 1,581,798,521
South Carolina	N/A	$ -	N/A	$ -	1,094,193	$ 4,270,409,226
South Dakota	N/A	$ -	N/A	$ -	107,544	$ 582,379,378
Tennessee	N/A	$ -	N/A	$ -	1,407,017	$ 6,669,575,666
Texas	N/A	$ -	N/A	$ -	4,060,187	$ 23,782,085,595
Utah	N/A	$ -	N/A	$ -	313,456	$ 1,565,578,957
Vermont	0	$ -	45,029	$ 151,293,069	136,708	$ 972,734,818
Virginia	N/A	$ -	N/A	$ -	897,103	$ 5,742,486,981
Washington	365,456	$ 2,391,215,451	17,136	$ 92,519,074	1,171,801	$ 5,954,542,260
West Virginia	120,255	$ 262,700,399	0	$ -	365,961	$ 2,333,707,205
Wisconsin	N/A	$ -	N/A	$ -	1,190,588	$ 5,729,352,769
Wyoming	N/A	$ -	N/A	$ -	69,247	$ 404,165,662
Puerto Rico	N/A	$ -	N/A	$ 440,467,573	N/A	$ 1,032,392,120

Link to CMS Data Reports

Enrollment reports (available here) have been published through Q1 2015. Expenditure reports (available here) have been published through Q3 2014.



HMA Medicaid Roundup

Alabama

State Health Officer States That to Improve Health, Expand Medicaid. On August 20, 2015, *Montgomery Advertiser* reported that at the Alabama Health Improvement Task Force meeting, state health officer, Dr. Don Williamson, said he would expand Medicaid when asked how to improve the state's health. However, after the meeting, Williamson pointed out that the state's health care politics are not that simple – you need money, legislative support, rule revisions from the Legislative Council, and consensus from the executive and legislative branches. Alabama Republicans continue to oppose Medicaid expansion. Williamson announced earlier this month that he will be stepping down as head of the Alabama Department of Public Health later this year. Read More

Arkansas

Private Option Reduced Uninsured, Uncompensated Care Costs, Study Finds. On August 26, 2015, the *Kaiser Family Foundation* issued a brief on Arkansas' "private option" Medicaid expansion, finding that the program has reduced the rate of uninsured individuals, brought down uncompensated care costs, and strengthened the state's insurance Marketplace. The private option helped reduce the rate of uninsured non-elderly adults from 27.5 percent to 15.6 percent, while state hospitals reported a 55 percent drop in uncompensated care costs. Further, the brief finds that the private option more than tripled Marketplace enrollments. Read More

Governor Hutchinson Wants to Keep Medicaid Expansion if Federal Government Approves Changes. On August 19, 2015, *The New York Times* reported that Governor Asa Hutchinson stated to an advisory group he favors keeping Medicaid expansion, but only if the federal government approves changes intended to appeal to conservative legislators. Hutchinson recommended requiring enrollees above the federal poverty level to pay premiums equal to 2 percent of their household income, shifting people below certain income to traditional Medicaid, and require enrollees with access to employer-sponsored insurance to receive coverage through employers, not Medicaid. The advisory group will recommend whether to change or replace the state's "private option" version of Medicaid expansion. Ultimately, expansion will be decided by the Republican-controlled legislature. Read More

California

HMA Roundup – Varsha Chauhan (Email Varsha)

Setback in Efforts to Regain Control of Prison Health Care. According to *California Healthline* on 25th August, the Office of the Inspector General report finds that medical services at the California Correctional Center are "inadequate," marking a setback in the state's efforts to regain control of its prison health care system. Read More

Home health workers entitled to the right to receive overtime pay and minimum wage rates. *California Healthline* reported on 24th August that the U.S. Court of Appeals in Washington, D.C., last week ruled that home health workers were entitled to the right to receive overtime pay and minimum wage rates. The decision allows California officials to implement a law passed last year granting overtime pay to In-Home Supportive Services workers. The California law has been on hold pending court review. Read More

Florida

HMA Roundup – Elaine Peters (Email Elaine)

AHCA Finalizes MCO Rates with Average 7.7 Percent Increase. On August 25, 2015, *Politico Florida* reported that the Agency for Health Care Administration (AHCA) has informed 13 Florida health plans of rates for the upcoming year, with a 7.7 percent average increase statewide. Rate increases vary significantly by region – as low as 1.8 percent in Region 6 and as high as 18.2 percent in Region 1. Plans had previously petitioned the Agency for rate increases for 2015 due to higher-than-expected costs. An actuarial study found that the main drivers of the rate increase include prescription drug trends and specialty drug growth as well as increases to inpatient hospital rates made by the legislature. Read More

Florida Marketplace Rates Set to Increase 9.5 Percent in 2016. On August 26, 2015, the Florida Office of Insurance Regulation announced that premiums for qualified health plans on the Marketplace for 2016 are set to increase an average of 9.5 percent over 2015 rates. The average approved rate changes for the 19 health insurance companies serving the Marketplace range from a low of -9.7 percent to a high of 16.4 percent. Federal review of the rate filing information has not yet been completed by HHS. Read More

Hospitals Concerned Over Proposed Limit on Low Income Pool Payment Disparity. On August 24, 2015, *Politico Florida* reported that a proposal from CMS to limit the disparity in LIP payments to hospitals to 30 percent may begin another battle between federal officials and hospitals. Hospital lobbyists state the proposal does not take into consideration the health care landscape, which includes health care systems both in urban and rural areas. Medicaid director Justin Senior recently sent a letter to CMS, asking what sort of flexibility may exist. A spokesman for the Agency for the Healthcare Administration stated that the agency was "in active negotiations." Read More

Judge to Consider CMSN Eligibility Dispute Case. On August 25, 2015, The News Service of Florida reported that an administrative law judge will consider a case brought against the Florida Department of Health regarding eligibility restrictions for children with special needs under the state's transition to

managed care. The plaintiffs contend that the state's new eligibility screening tool cause nearly 6,000 children to lose coverage through the Children's Medical Services Network (CMSN) program. Read More

Governor Requests to Audit 98 Additional Hospitals. On August 24, 2015, *Tampa Bay Times* reported that after the Agency for Health Care Administration conducted initial reviews of 31 hospitals, Governor Rick Scott has asked to audit an additional 98 hospitals, bringing the total to 129. He stated that the hospitals "warrant an audit to verify compliance with state law because of the nature of the explanations they provided in their responses." Read More

AHCA Approves Requests for Nearly 1,000 New Nursing Home Beds. On August 24, 2015, *Health News Florida* reported that the state Agency for Health Care Administration approved requests for approximately 1,000 new nursing home beds, largely in North Florida and Central Florida. It has been nearly a decade since new nursing home bed certificates were issued. Read More

Behavior Analysis Utilization Management Program. On August 24, 2015, the Florida Agency for Health Care Administration issued an Invitation to Negotiate (ITN) to provide Behavior Analysis Utilization Management Program services. The Agency is seeking to enter into a contract with a federally designated Quality Improvement Organization (QIO) or QIO-like entity for the development and implementation of a statewide comprehensive utilization management program for Medicaid Behavioral Analysis services for recipients under the age of twenty-one (21) years. Behavior analysis services are reimbursed on a fee-for-service (FFS) basis and are not included in Medicaid health plans' capitation rates. The deadline for receipt of responses is October 23, 2015. The Agency anticipates posting the contract award on January 4, 2016. The anticipated term of the contract is three (3) years, February 1, 2016 through January 31, 2019. Read More

Georgia

HMA Roundup – Kathy Ryland (Email Kathy)

Over 1,100 Pediatricians Form Children's Care Network. On August 24, 2015, *Georgia Health News* reported that approximately 1,100 pediatricians joined a new physician-led network called Children's Care Network, representing one-third of the total number of pediatricians practicing in the state. The network will share national practices of medical care and data on how the provided care compares to that of their peers. Initially, the network will seek a payment bonus from insurers if members meet quality-of-care standards. Then the network may provide medical services to children for a fixed fee. Chairman Robert Wiskind stated that once the network is clinically integrated, it will begin to take on financial risk as it gears up to become a value-based provider. Read More

Illinois

Cook County Health to Offer More Outpatient Services. On August 24, 2015, *Crain's* reported that Cook County Health and Hospitals System will focus on additional outpatient services to better adapt to the changes brought by the Affordable Care Act and remain competitive. On December 1, Cook County aims to open two new regional clinics: Oak Forest Health Center and Provident Hospitals. The system also plans to add more exam rooms for physicians and

expand behavioral health services. Additionally, it is considering replacing IlliniCare Health Plan, which manages benefits for CountyCare members. Cook County has proposed a $1.71 billion budget for fiscal year 2016. Enrollment is expected to slightly rise to 180,000. Read More

Iowa

Local Health Care Providers Say Medicaid Privatization Deadline Too Fast and Aggressive. On August 23, 2015, *Telegraph Herald* reported that Dubuque health care providers stated that the Iowa's deadline of January 1, 2016 to privatize Medicaid is too fast and aggressive for a competent transition. Privatization will shift approximately 560,000 Medicaid beneficiaries to managed care coverage provided by the winning bidders - Amerigroup, AmeriHealth Caritas, UnitedHealthcare, and WellCare. Local providers and health care officials stated that four months is not enough time to learn the services and how to manage them. Read More

Medicaid Managed Care Companies to Create Hundreds of Jobs. On August 20, 2015, *The Des Moines Register* reported that the Iowa Department of Human Services released documents detailing staffing plans of the winning bidders of the Medicaid managed care program – Amerigroup, AmeriHealth Caritas, UnitedHealthcare, and WellCare. Contracts are expected to start Jan. 1. Within the staffing documents, it was revealed United will add 250 employees, WellCare will open several offices, Amerigroup will open a West Des Moines headquarters, and AmeriHealth Caritas will open three community wellness centers. Read More

Minnesota

Lawmakers Question UCare Decision. On August 23, 2015, *StarTribune* reported that lawmakers were not pleased over the decision to end UCare's contract, which will force 369,000 enrollees to find a new health plan by January. Lawmakers stated the state should consider disruption and churning when scoring future bids. Additionally, lawmakers are concerned with the burdens that certain counties will carry and the lack of competition in the market. The state's decision was based on putting greater weight to the quality of service provided by health plans, following concerns that HMOs were making too much money off of state public programs. Read More

Nevada

HealthCare Partners of Nevada to Withdraw from Amerigroup Network. On August 21, 2015, *Las Vegas Review-Journal* reported that Amerigroup Community Care will lose a large network of primary care physicians and specialists. HealthCare Partners of Nevada will withdraw from Amerigroup on November 30. Approximately 12,000 patients will be affected. Under Amerigroup's contract, effective until June 30, 2017, the plan must maintain a sufficient network of providers. The company claims that despite this, it still has a "robust primary care provider network in Clark County." The only other managed care organization to contract with the state to manage Medicaid is Health Plan of Nevada, owned by UnitedHealthcare. Read More

New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

Seven New Jersey FQHCs and two other organizations receive federally funded ACA-related awards to increase access to health care services. The New Jersey Primary Care Association announced that seven of the state's federally qualified health centers and two new organizations in New Jersey were awarded funds by the Department of Health and Human Services for health care services. These sites are among 266 sites funded across 46 states. A total of $3,697,689 in funds will be distributed across nine locations, and will benefit a projected 30,073 additional individuals. The awardees include:

HEALTH CENTER	CITY	AWARD
CompleteCare Health Network	Bridgeton	$270,833
Henry J. Austin Health Center, Inc.	Trenton	$477,072
The Jewish Renaissance Foundation, Inc.	Perth Amboy	$566,667
City of Newark, New Jersey	Newark	$358,333
Ocean Health Initiatives	Lakewood	$358,333
Rutgers, The State University of New Jersey	Newark	$299,784
Saint James Health, Inc.	Newark	$566,667
Southern Jersey Family Medical Centers, Inc.	Hammonton	$400,000
Zufall Health Center	Dover	$400,000

New York

HMA Roundup – Denise Soffel (Email Denise)

Nursing Home Transition and Diversion and Traumatic Brian Injury Waiver Transition Workgroup. The Nursing Home Transition and Diversion (NHTD) and Traumatic Brian Injury (TBI) Waiver Transition Workgroup held its first meeting. The workgroup was established in response to concerns about developing policies and procedures that will assure a smooth transition into Medicaid managed care for individuals currently served by those two waiver programs. The transition, originally scheduled for 2016, has been delayed one year. Currently 3,083 individuals are enrolled in the TBI waiver program; 2,257 are enrolled in the NHTD waiver program.

Nursing Home Transition and Diversion Lawsuit. Four people with disabilities filed a class action lawsuit in federal court against the New York State Department of Health (DOH), DOH Commissioner Howard Zucker, and Visiting Nurse Association Health Care, Inc. to challenge the illegal administration of a program that was designed to facilitate the plaintiffs' transition from nursing homes to their own homes. MFY Legal Services, Inc. and Patterson Belknap Webb & Tyler LLP, who are representing the plaintiffs, found that due to the poor and unconstitutional administration of the Nursing Home Transition and Diversion Medicaid Waiver Program, thousands of senior citizens and individuals with disabilities remain in nursing home facilities instead of receiving the care that they need in their own homes. *Crains Health Pulse*, which reported the lawsuit, included a link to the complaint that was filed.

North Shore-LIJ - Maimonides Medical Center Strategic Partnership. The North Shore-LIJ Health System and Maimonides Medical Center announced

they are forming a strategic partnership. North Shore-LIJ and Maimonides have decided to pursue a full integration in a phased approach that will begin immediately with a comprehensive strategic partnership, with both institutions maintaining their independence and separate governance structures. Maimonides will continue to operate as a full-service, tertiary and teaching hospital and be a critical component of a growing network of services that the North Shore-LIJ Health System and Maimonides will establish in Brooklyn. The strategic partnership will include joint ventures. North Shore-LIJ will work with Maimonides in enlarging its ambulatory network of clinical services to position the hospital for continued success as lead entity of one of the state's Delivery System Reform Incentive Payment (DSRIP) Performing Provider Systems. In addition, North Shore-LIJ will provide Maimonides with capital resources and access to its extensive shared services infrastructure and expertise, enabling the hospital management to make needed investments. An article in *Politico* describes it as a "as a lease with an option to buy, an arrangement that gives both sides a chance to benefit from what the other offers." The arrangement gives North Shore-LIJ entrée to the Brooklyn health care market, as well as provide additional opportunity to promote its health insurance product, CareConnect.

Insurance Enrollment by County. Politico New York has created a map that displays health insurance enrollment by county among plans that participate in New York's health exchange, New York State of Health. Over 415,000 individuals have enrolled in Qualified Health Plans established by the Affordable Care Act. The interactive map indicates the number of enrollees by health plan for each county in New York. Read More

North Carolina

House, Senate to Pursue Hybrid Medicaid Model. On August 19, 2015, *WRAL.com* reported that House Republicans have tentatively agreed to a hybrid model of the Medicaid system. The latest Senate plan would allow Medicaid patients to choose to have their care managed by a large insurer or by a local group acting as both health care provider and insurer. Officially, the House has voted to not concur with the Senate version of the bill, however, during a closed-door caucus meeting, House Republicans voted to back a hybrid plan, like the one put forth by the Senate. The House and Senate will still need to agree on a timeline to move away from the fee-for-service model and whether to create a new department to oversee Medicaid. Read More

State Auditor Report Shows Medicaid Care Management Program Saved State Hundreds of Millions Over a Decade. On August 21, 2015, *North Carolina Health News* reported that a new report released by the state auditor showed that Community Care of North Carolina showed significant savings. Between 2003 and 2012, CCNC saved $312 annually for each Medicaid recipient and hundreds of millions for the state over the decade. Savings were $122 million in 2009 and spending reduced by 9 percent over the entire time period. The program focuses on patient-centered medical homes and keeping people healthy through the use of care managers in physician offices and networks of doctors who work to develop best practices for patient care and consultation. Lawmakers are currently resolving issues in the state budget, including Medicaid. Read More

Ohio

HMA Roundup – Mel Borkan (Email Mel)

Ohio Medicaid Enrollment Up, Spending Down. JD Supra, for *Manatt on Health Reform,* reports that Ohio now covers 3 million Medicaid beneficiaries, in part due to Ohio's Medicaid expansion exceeding enrollment estimates by 150,000 people. However, due to several new cost cutting initiatives, Medicaid spending growth actually decreased from 4.6% in FY 2014 to 3% in FY 2015. Read More

Overall Rate of State's Uninsured Cut in Half, Medicaid Assessment Survey Provides Surprising Insight. *The Dispatch* is reporting on some surprising findings in survey conducted by the Ohio Colleges of Medicine Government Resource Center, a partnership of seven Ohio medical schools. (Link to the Ohio Medicaid Assessment Survey: http://grc.osu.edu/omas/). The 2015 Medicaid Assessment Survey was released at a conference August 19. While many state legislators had expressed concerns that employers might stop offering health coverage and that Ohioans would have more difficulty getting health care if Ohio moved forward with the expansion, but the survey shows that these things didn't happen. Survey results, based on thousands of telephone interviews around the state, included that less than 25 percent of adults on Medicaid reported difficulty accessing care, down from about 30 percent two years ago. State Medicaid Director John McCarthy says that, according to the survey, employer sponsored insurance did not drop. Other finding included that, among Medicaid recipients, half worked or had spouses with jobs; that the smoking rate among women was down to 25 percent and that the obesity rate has continued to rise. Read More

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Pennsylvania's Medicaid expansion simplifies enrollment. Healthy PA — the Medicaid alternative that had been implemented under former Republican Governor Tom Corbett — began accepting applications in December, with coverage first available in January. Some applicants waited up to four months to hear whether they qualified, in part because the process required health screenings and there was pent-up demand. Democratic Governor Tom Wolf replaced Healthy PA in April with the expansion of conventional Medicaid called HealthChoices, which Mr. Wolf said would streamline the low-cost public health insurance and make it easier to enroll. Now about 2 percent of typical aid applicants wait longer than 30 days for a coverage decision, down from roughly 13 percent when Healthy PA policies began taking effect in January, the state's Department of Human Services said. Most have an answer within 22 days. Read More

Pennsylvania expands CHIP coverage so families avoid penalties. Pennsylvania families that faced penalties for Children's Health Insurance Program coverage that did not meet minimum requirements set by the Affordable Care Act are in the clear after Governor Tom Wolf announced the state expanded its CHIP program. Under the new rules, CHIP plans are barred from setting dollar limits on essential health benefits. Those include hearing

aids, pediatric vision, dental and orthodontic services and durable medical equipment. Read More

Texas

HHSC to Hold Off on Therapy Cuts to Medicaid. On August 26, 2015, the *Associated Press* reported that Texas Health and Human Services Commission (HHSC) officials have informed a judge that the $350 million cut scheduled to kick in next week will be postponed. The cuts, estimated to impact service access for more than 240,000 Texans on Medicaid, were targeted at rates for speech, physical, and occupational therapists. Read More

National

Federal Appeals Court Reinstates Minimum Wage Protection and Overtime for Home Care Workers. On August 21, 2015, *The New York Times* reported that a federal appeals court ruled to reinstate regulations guaranteeing minimum wage protection and overtime for home health care workers. The rule was originally proposed four years ago by the Obama administration. Judge Sri Srinivasan stated the home care industry has undergone a dramatic transformation. Caregivers are now vastly employed by staffing companies that service hundreds or thousands of customers. Additionally, there has been a major shift to home care from nursing homes, requiring workers to offer more advanced medical care. The ruling was unanimous and is set to take effect once the lawsuit is fully resolved. Read More

Five Health Plan Priorities for Improving Services for Dual Eligibles. On August 19, 2015, Center for Health Care Strategies discussed priority areas for improving strategies that enhance and integrate care for Medicare-Medicaid enrollees. Through a program called Promoting Integrated Care for Dual Eligibles (PRIDE), CHCS found the top five strategies:

1. Contacting hard to locate members
2. Building relationships with members
3. Enhancing electronic care management systems
4. Refining the Star Rating System for Medicare-Medicaid enrollees
5. Advancing value-based purchasing

Read More

White House Hears Call for Increased Access to Costly Hep C Drugs. On August 25, 2015, the *New York Times* reported that the White House received recommendations from the Public Health Service and the President's Advisory Council on HIV/AIDS to increase access to hepatitis C drugs. The recommendations call on federal and state Medicaid officials to increase access, but also recommends that manufacturers should be made to disclose development and production costs for high-cost drugs, like Sovaldi and Harvoni. The President's Council criticized restrictions such as limiting access to those with advanced liver disease, requiring drug and alcohol testing, or requiring specialists to prescribe the drugs. Read More

Industry News

Inovalon to Acquire Avalere Health for $140 Million. On August 24, 2015, Inovalon announced that it has entered a definitive agreement to acquire Avalere Health Inc. for $140 million. The deal is expected to close September 1. Avalere is a provider of data-driven advisory services and business solutions serving pharmaceutical and life science companies, contract research organizations, managed care companies, provider organizations, and other healthcare-related organizations. Read More

Centene Wins Washington Foster Care Contract. On August 20, 2015, Centene announced that its subsidiary, Coordinated Care of Washington, has been awarded the Apple Health Foster Care contract, set to begin November 2015, pending regulatory approvals. The contract will add up to 25,000 foster care members statewide. Read More

Civitas Solutions Executive Chairman to Retire. On August 20, 2015, Civitas Solutions announced that its Executive Chairman, Edward M. Murphy, has elected to retire at the end of the calendar year. Director Gregory T. Torres will also resign from the board, effective September 30, and will be replaced by Mary Ann Tocio, effective October 1. Furthermore, following the increase of the board to ten members, Gregory S. Smith will be appointed as a Director, effective September 11. Read More

HMS Awarded Contract to Provide Cost Containment Services for the Oklahoma Medicaid Program. HMS announced that it has won the competitive bid to provide cost containment services for the SoonerCare program, covering 825,000 members. The contract extends through June 30, 2021.

HMS Awarded New York Medicaid Third Party Liability Match and Recovery Services Contract. On August 24, 2015, the New York State Office of the Medicaid Inspector General announced that it awarded the Medicaid Third Party Liability Match and Recovery Services contract to HMS. The contract is effective from January 7, 2016 through January 6, 2021, with an option to extend for two additional one-year periods.

Cardinal Health to Acquire Majority Stake in NaviHealth. Cardinal Health, Inc. announced it has agreed to acquire a majority stake in NaviHealth, a Nashville, Tennessee-based post-acute care benefit manager. Welsh, Carson, Anderson & Stowe, NaviHealth's principal shareholder, will retain an ownership position. No financial terms have been disclosed at this time.

Assurant in Talks to Sell Employee Benefits Business. *Bloomberg* is reporting that Assurance, Inc. is in talks with Sun Life Financial regarding the acquisition of Assurant's employee benefits business. The deal could be worth upwards of $900 million. Read more

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
October 1, 2015	Montana Expansion (TPA)	Proposals Due	70,000
September 1, 2015	Texas NorthSTAR (Behavioral)	Implementation	840,000
September 1, 2015	Texas STAR Health (Foster Care)	Implementation	32,000
September 30, 2015	Washington (SW - Fully Integrated)	Proposals Due	100,000
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
November, 2015	Pennsylvania MLTSS/Duals	RFP Release	450,000
November 17, 2015	Washington (SW - Fully Integrated)	Contract Awards	100,000
January 1, 2016	Michigan	Implementation	1,600,000
January 1, 2016	Iowa	Implementation	550,000
April 1, 2016	Washington (SW - Fully Integrated)	Implementation	100,000
July, 2016	Georgia	Implementation	1,300,000
September 1, 2016	Texas STAR Kids	Implementation	200,000
January 1, 2017	Pennsylvania HealthChoices	Implementation	1,700,000
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	30,000	X	5/12/2014	9/1/2014	7/30/2015	12/1/2015	2/1/2016	Neighborhood INTEGRITY
South Carolina	Capitated	53,600	X		11/1/2013	10/25/2013	2/1/2015	4/1/2016	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***			***12***			

** 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	Jul-15
California	122,908	123,079	124,239	122,520	122,798	122,846	120,452
Illinois	63,731	64,199	60,684	58,338	55,672	52,763	52,170
Massachusetts	17,867	17,763	17,797	17,621	17,637	17,705	17,671
Michigan					9,216	14,867	28,171
New York	17	406	539	6,660	7,215	5,031	7,122
Ohio	68,262	66,892	65,657	63,625	63,446	62,958	61,871
South Carolina		83	1,205	1,398	1,366	1,317	1,388
Texas			58	15,335	27,589	37,805	44,931
Virginia	27,333	26,877	27,765	27,349	30,877	29,970	29,507
Total Duals Demo Enrollment	**300,118**	**299,299**	**297,944**	**312,846**	**335,816**	**345,262**	**363,283**

HMA NEWS

New this week on the HMA Information Services website:

- **Washington** Begins Behavioral Health Integration with Release of Southwest Region RFP
- **Texas** Duals Demo Enrollment at 37,800, Jun-15 Data
- Public documents including the **Iowa** 2015 Medicaid Managed Care Proposals and the **Indiana** 2010 Hoosier Healthwise/HIP Proposals

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 Upcoming Webinar: *"Sustainable Funding for Asthma-Related Home Interventions"*

Tuesday, Sept. 15, 2015
1 to 3 p.m. EDT

Jack Meyer, Managing Principal, Health Management Associates
Mike Nardone, Managing Principal, Health Management Associates
Ruth Ann Norton, President and CEO, Green & Healthy Homes Initiative

There is a growing understanding that the environment in which people live can have a profound effect on their health, wellness and utilization of the healthcare system. The quality and safety of the home environment are part of the social determinants of health. Including home assessments and repairs in a care plan for asthma patients clearly demonstrates the importance of transcending the walls of the traditional health care delivery system to obtain better health outcomes and lower total spending.

Home interventions aimed at eliminating key drivers of asthma attacks like mold, dust, pests and tobacco smoke can improve the lives of those with asthma and dramatically reduce the cost of this chronic disease. Unfortunately, not all asthma-related home interventions are reimbursed by payers, despite the well-documented return on investment.

During this webinar, you'll learn how to make the business case for asthma-related home interventions and build a sustainable stream of funding for these initiatives.

Register here for this free event.

HMA Upcoming Webinar: ***"21st Century LTSS: A Roadmap to Improved Outcomes, Lower Costs and Better Lives for Individuals with Complex Healthcare Needs"***

Wednesday, September 23, 2015
1 to 2 p.m. EDT

Ellen Breslin, MPP, Senior Consultant, Health Management Associates
Dennis Heaphy, MDiv, MEd, MPH, Policy Expert, Disability Policy Consortium; Chairman, Massachusetts One Care Implementation Council

It's time to take Long-Term Services and Supports (LTSS) to the next level. There is an urgent need for health plans, accountable care organizations, and providers to integrate LTSS into their overall concept of person-centered care for individuals with complex needs. Being responsive to the needs of consumers in an effective manner requires a fresh conceptualization of LTSS, one that will provide the flexibility needed to deliver person-centered care in a manner that improves overall quality of life while bending the cost curve through reduction of unnecessary hospital use. This means leveraging LTSS touch points at the community level, proactively identifying member needs, and linking individuals to appropriate community-based care before an emergency room visit or hospitalization is necessary.

During this webinar, you'll find out how payers and providers can work together to create financial incentives and protocols that drive 21st Century LTSS – linking payments to patient-defined metrics and offering real potential to improve the delivery of LTSS around the needs of patients.

Register here for this free event.

Health Management Associates (HMA) is an independent health care research and consulting firm, specializing in the fields of health system restructuring, health care program development, health economics and finance, program evaluation, and data analysis. HMA is widely regarded as a leader in providing technical and analytical services to health care purchasers, payers, and providers, with a special concentration on those who address the needs of the medically indigent and underserved. Founded in 1985, Health Management Associates has offices in Atlanta, Georgia; Austin, Texas; Boston, Massachusetts; Chicago, Illinois; Columbus, Ohio; Denver, Colorado; Harrisburg, Pennsylvania; Indianapolis, Indiana; Lansing, Michigan; New York, New York; Pacific Northwest; Sacramento, San Francisco, and Southern California; Tallahassee, Florida; and Washington, DC. http://healthmanagement.com/about-us/

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