HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

January 20, 2016

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THIS WEEK

IN FOCUS

QUARTERLY MEDICAID MANAGED CARE ENROLLMENT UPDATE – Q4 2015

This week, our *In Focus* section reviews recent Medicaid enrollment trends in capitated risk-based managed care in 24 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. Most of the 24 states have released monthly Medicaid managed care enrollment data through

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

much of the fourth quarter (Q4) of 2015. This report reflects the most recent data posted.

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

- The 24 states in this report account for an estimated 45.2 million Medicaid managed care enrollees as of the end of Q4 2015. Based on HMA estimates of MCO enrollment in states not covered in this report, we believe that nationwide Medicaid MCO enrollment has surpassed 51.2 million at the end of 2015.
- Across the 24 states tracked in this report, Medicaid managed care enrollment is up more than 13 percent year-over-year, adding a net 5.4 million enrollees from Q4 2014 to Q4 2015, with more than 535,000 new enrollees in Q4 2015 alone.
- The fifteen expansion states listed above have seen Medicaid managed care enrollment increase by nearly 16 percent in the past year, up to 31.7 million at the end of Q4 2015 from 27.4 million as of Q4 2014.
- The nine states that have not expanded Medicaid at this time have seen Medicaid managed care enrollment increase by nearly 9 percent, up to 13.5 million at the end of Q4 2015 from 12.4 million as of Q4 2014.

Table 1 - Monthly MCO Enrollment by State – July 2015 through December 2015

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Arizona	**1,474,301**	**1,479,567**	**1,518,761**	**1,530,640**	**1,543,765**	**1,560,644**
+/- m/m	28,911	5,266	39,194	11,879	13,125	16,879
% y/y	11.6%	9.2%	10.1%	9.8%	11.5%	12.3%
California	**9,847,538**	**9,875,072**	**9,983,620**	**10,173,533**	**10,248,560**	
+/- m/m	98,978	27,534	108,548	189,913	75,027	N/A
% y/y	25.6%	22.9%	19.4%	17.6%	16.4%	
Florida	**3,189,488**	**3,226,374**	**3,247,648**	**3,232,029**	**3,248,760**	**3,252,942**
+/- m/m	2,395	36,886	21,274	(15,619)	16,731	4,182
% y/y	25.3%	10.3%	11.0%	9.6%	9.9%	8.8%
Georgia	**1,320,281**	**1,318,410**	**1,311,864**	**1,301,208**	**1,302,835**	**1,307,161**
+/- m/m	10,871	(1,871)	(6,546)	(10,656)	1,627	4,326
% y/y	0.6%	0.9%	0.4%	-0.2%	0.3%	0.4%
Hawaii	**336,551**	**337,520**	**338,477**	**338,010**	**329,463**	
+/- m/m	2,853	969	957	(467)	(8,547)	N/A
% y/y	4.1%	5.0%	6.3%	8.0%	2.7%	
Illinois	**2,126,215**	**2,122,161**	**2,114,039**	**2,109,973**	**2,091,457**	**2,078,379**
+/- m/m	33,990	(4,054)	(8,122)	(4,066)	(18,516)	(13,078)
% y/y	454.9%	317.8%	296.2%	226.7%	138.5%	78.1%
Indiana	**1,000,824**	**1,009,934**	**1,020,762**	**1,033,205**		
+/- m/m	62,376	9,110	10,828	12,443	N/A	N/A
% y/y	31.8%	32.9%	33.3%	34.5%		
Kentucky	**1,103,728**	**1,153,063**				
+/- m/m	4,849	49,335	N/A	N/A	N/A	N/A
% y/y	15.3%	20.6%				
Louisiana	**965,955**	**968,644**	**975,289**	**978,195**	**978,022**	**1,092,468**
+/- m/m	1,767	2,689	6,645	2,906	(173)	114,446
% y/y	7.1%	6.8%	7.1%	6.3%	5.9%	18.2%

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Maryland	**1,009,313**	**1,006,274**	**985,836**	**1,009,966**	**999,694**	**983,228**
+/- m/m	913	(3,039)	(20,438)	24,130	(10,272)	(16,466)
% y/y	-6.9%	-6.5%	-8.6%	-1.0%	-3.8%	-7.3%
Michigan	**1,674,340**	**1,666,428**	**1,653,090**	**1,638,084**	**1,648,811**	**1,661,510**
+/- m/m	(198)	(7,912)	(13,338)	(15,006)	10,727	12,699
% y/y	8.1%	12.6%	12.4%	12.6%	7.7%	11.1%
Minnesota	**898,272**	**916,497**	**903,925**	**910,872**	**921,144**	**897,547**
+/- m/m	103,332	18,225	(12,572)	6,947	10,272	(23,597)
% y/y	13.0%	15.3%	13.7%	14.6%	15.9%	12.9%
Mississippi	**505,038**	**501,140**	**498,108**	**496,137**	**496,156**	**498,302**
+/- m/m	79,346	(3,898)	(3,032)	(1,971)	19	2,146
% y/y	225.6%	219.4%	211.7%	211.7%	210.1%	168.9%
Missouri	**465,587**	**462,937**	**462,905**			
+/- m/m	2,624	(2,650)	(32)	N/A	N/A	N/A
% y/y	19.4%	17.8%	16.3%			
New Mexico	**635,826**	**642,047**	**645,645**	**647,275**	**649,599**	**649,606**
+/- m/m	7,295	6,221	3,598	1,630	2,324	7
% y/y	N/A	N/A	11.7%	11.3%	10.8%	9.1%
New York	**4,796,585**	**4,801,805**	**4,810,119**	**4,824,112**	**4,840,709**	**4,843,234**
+/- m/m	16,802	5,220	8,314	13,993	16,597	2,525
% y/y	9.1%	8.6%	7.3%	7.4%	7.2%	5.9%
Ohio	**2,363,874**	**2,421,471**	**2,430,889**	**2,425,949**	**2,420,422**	**2,378,208**
+/- m/m	27,357	57,597	9,418	(4,940)	(5,527)	(42,214)
% y/y	10.8%	10.7%	8.4%	5.9%	3.4%	-0.4%
Pennsylvania	**1,935,750**	**1,977,054**	**2,076,361**	**2,093,384**	**2,108,626**	
+/- m/m	42,854	41,304	99,307	17,023	15,242	N/A
% y/y	16.0%	18.5%	23.9%	24.8%	25.6%	
South Carolina	**753,976**	**730,656**	**705,013**	**682,421**	**690,945**	**703,404**
+/- m/m	(12,017)	(23,320)	(25,643)	(22,592)	8,524	12,459
% y/y	3.7%	-0.8%	-5.7%	-9.6%	-9.4%	-8.4%
Tennessee	**1,432,786**	**1,447,338**	**1,460,094**	**1,469,556**	**1,480,974**	
+/- m/m	10,957	14,552	12,756	9,462	11,418	N/A
% y/y	12.8%	12.2%	12.0%	11.8%	11.8%	
Texas	**3,804,352**			**3,886,242**	**3,891,057**	
+/- m/m	10,281	N/A	N/A	81,890	4,815	N/A
% y/y	10.3%			1.7%	1.9%	
Washington	**1,432,215**	**1,436,018**	**1,441,792**	**1,445,769**	**1,452,366**	
+/- m/m	1,770	3,803	5,774	3,977	6,597	N/A
% y/y	16.8%	15.8%	15.0%	12.9%	12.2%	
West Virginia	**209,958**	**217,115**	**364,481**	**366,684**	**370,381**	**367,658**
+/- m/m	1,694	7,157	147,366	2,203	3,697	(2,723)
% y/y	3.3%	4.6%	80.5%	83.2%	83.5%	86.7%
Wisconsin	**791,354**	**791,270**	**788,187**	**797,169**	**795,530**	
+/- m/m	3,122	(84)	(3,083)	8,982	(1,639)	N/A
% y/y	18.5%	15.9%	13.7%	12.3%	9.8%	

Note: In Table 1 above and the state tables below, "+/- m/m" refers to the enrollment change from the previous month. "% y/y" refers to the percentage change in enrollment from the same month in the previous year.

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 rather than a comprehensive comparison, which cannot be developed based on publicly available monthly enrollment data.

State-Specific Analysis

Arizona

Medicaid Expansion Status: Expanded January 1, 2014

Enrollment in Arizona's ALTCS (Arizona's Managed Long Term Care) program, has remained stable over the past year. However, the Medicaid expansion continues to drive increased enrollment in the state's Acute Care managed care program. Through Q4 of 2015, Arizona's MCO enrollment stands at around 1.56 million, which represents an addition of more than 115,000 members in the second half of 2015. Overall, December 2015 enrollment is up more than 12 percent year-over-year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Acute Care	1,417,178	1,422,397	1,461,410	1,473,082	1,486,073	1,502,960
ALTCS	57,123	57,170	57,351	57,558	57,692	57,684
Total Arizona	**1,474,301**	**1,479,567**	**1,518,761**	**1,530,640**	**1,543,765**	**1,560,644**
+/- m/m	*28,911*	*5,266*	*39,194*	*11,879*	*13,125*	*16,879*
% y/y	*11.6%*	*9.2%*	*10.1%*	*9.8%*	*11.5%*	*12.3%*

California

Medicaid Expansion Status: Expanded January 1, 2014

Medi-Cal managed care enrollment data through November 2015 shows significant enrollment increases due to the Medicaid expansion, with enrollment up more than 1.2 million through 11 months of 2015. As of November 2015, enrollment in managed care topped 10.2 million, a 16 percent increase over the previous year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Two-Plan Counties	6,245,642	6,278,660	6,348,352	6,446,794	6,492,354	
Imperial/San Benito	77,573	78,905	79,632	79,384	79,682	
Regional Model	281,795	285,586	289,108	291,366	292,667	
GMC Counties	1,025,643	1,042,028	1,056,290	1,076,145	1,091,255	
COHS Counties	2,096,433	2,073,423	2,092,931	2,162,665	2,176,064	
Duals Demonstration	120,452	116,470	117,307	117,179	116,538	
Total California	**9,847,538**	**9,875,072**	**9,983,620**	**10,173,533**	**10,248,560**	
+/- m/m	*98,978*	*27,534*	*108,548*	*189,913*	*75,027*	
% y/y	*25.6%*	*22.9%*	*19.4%*	*17.6%*	*16.4%*	

Florida

Medicaid Expansion Status: Not Expanded

Although not electing to expand Medicaid, Florida began to roll-out its statewide Medicaid managed care program (MMA) in Q2 2014, significantly increasing Medicaid managed care enrollment. As of December 2015, enrollment has surpassed 3.25 million, up nearly 9 percent from a year ago.

(*Note that the managed LTC enrollment figures listed below are a subset of the MMA enrollments and are included in the MMA number and are not separately added to the total to avoid double counting*).

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
MMA	2,873,077	2,905,278	2,932,366	2,934,211	2,953,982	2,958,416
LTC (Subset of MMA)	*87,591*	*88,474*	*89,128*	*89,829*	*90,877*	*90,964*
SMMC Specialty Plan	132,909	142,223	139,281	138,350	138,062	139,284
FL Healthy Kids	183,502	178,873	176,001	159,468	156,716	155,242
Total Florida	**3,189,488**	**3,226,374**	**3,247,648**	**3,232,029**	**3,248,760**	**3,252,942**
+/- m/m	*2,395*	*36,886*	*21,274*	*(15,619)*	*16,731*	*4,182*
% y/y	*25.3%*	*10.3%*	*11.0%*	*9.6%*	*9.9%*	*8.8%*

Georgia

Medicaid Expansion Status: Not Expanded

As of December 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, though enrollment growth in 2015 only added 5,000 net new enrollees, up just 0.4 percent from December 2014.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Georgia	**1,320,281**	**1,318,410**	**1,311,864**	**1,301,208**	**1,302,835**	**1,307,161**
+/- m/m	*10,871*	*(1,871)*	*(6,546)*	*(10,656)*	*1,627*	*4,326*
% y/y	*0.6%*	*0.9%*	*0.4%*	*-0.2%*	*0.3%*	*0.4%*

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 November 2015, enrollment in the new program stands at 329,500, up 2.7 percent from the prior November.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Hawaii	**336,551**	**337,520**	**338,477**	**338,010**	**329,463**	
+/- m/m	*2,853*	*969*	*957*	*(467)*	*(8,547)*	
% y/y	*4.1%*	*5.0%*	*6.3%*	*8.0%*	*2.7%*	

Illinois

Medicaid Expansion Status: Expanded January 1, 2014

Illinois enrollment across the state's three managed care programs sits at nearly 2.1 million at the end of 2015, up 78 percent from December 2014. 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 showed positive growth in Q4 2015, after three quarters of declining enrollment.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Family Health Program	1,957,185	1,952,420	1,944,389	1,940,633	1,917,955	1,904,762
Integrated Care Program	116,860	119,110	120,064	120,561	118,982	118,847
Duals Demonstration	52,170	50,631	49,586	48,779	54,520	54,770
Total Illinois	**2,126,215**	**2,122,161**	**2,114,039**	**2,109,973**	**2,091,457**	**2,078,379**
+/- m/m	*33,990*	*(4,054)*	*(8,122)*	*(4,066)*	*(18,516)*	*(13,078)*
% y/y	*454.9%*	*317.8%*	*296.2%*	*226.7%*	*138.5%*	*78.1%*

Indiana

Medicaid Expansion Status: Expanded in 2015 through HIP 2.0

As of October 2015, enrollment in Indiana's managed care programs (Hoosier Healthwise, Hoosier Care Connect, Care Select, and Healthy Indiana Program (HIP)) stood at more than 1 million, up 34.5 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.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Hoosier Healthwise	607,221	607,329	605,945	605,046		
Hoosier Care Connect	96,004	96,889	97,858	97,673		
Care Select	7,541	NA	NA	NA		
HIP	290,058	305,716	316,959	330,486		
Indiana Total	**1,000,824**	**1,009,934**	**1,020,762**	**1,033,205**		
+/- m/m	*62,376*	*9,110*	*10,828*	*12,443*		
% y/y	*31.8%*	*32.9%*	*33.3%*	*34.5%*		

Kentucky

Medicaid Expansion Status: Expanded January 1, 2014

As of September 2015, Kentucky enrolled more than 1.15 million beneficiaries in risk-based managed care. Total enrollment is up 15.1 percent from a year prior. Kentucky has yet to post enrollment data for Q4 2015.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Kentucky	**1,103,728**		**1,153,063**			
+/- m/m	*4,849*		*49,335*			
% y/y	*15.3%*		*15.1%*			

Louisiana

Medicaid Expansion Status: Expansion Authorized by Governor

Despite not expanding Medicaid in 2014 or 2015, Medicaid managed care enrollment in the state's Bayou Health program has steadily increased in 2015, adding more than 168,000 enrollees throughout the year. December 2015 data shows total managed care enrollment at nearly 1.1 million, up 18.2 percent from the previous year. Louisiana's newly-elected governor has authorized the expansion of Medicaid in 2016.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Louisiana	**965,955**	**968,644**	**975,289**	**978,195**	**978,022**	**1,092,468**
+/- m/m	*1,767*	*2,689*	*6,645*	*2,906*	*(173)*	*114,446*
% y/y	*7.1%*	*6.8%*	*7.1%*	*6.3%*	*5.9%*	*18.2%*

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 through the rest of the year, shedding more than 120,000 net enrollees. December 2015 enrollment of 983,000 is down 7.3 percent from the prior year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Maryland	**1,009,313**	**1,006,274**	**985,836**	**1,009,966**	**999,694**	**983,228**
+/- m/m	*913*	*(3,039)*	*(20,438)*	*24,130*	*(10,272)*	*(16,466)*
% y/y	*-6.9%*	*-6.5%*	*-8.6%*	*-1.0%*	*-3.8%*	*-7.3%*

Michigan

Medicaid Expansion Status: Expanded April 1, 2014

Michigan Medicaid managed care enrollment has increased by more than 160,000 in 2015 due to the Medicaid expansion and implementation of the state's duals demonstration, known as MI Health Link. As of December 2015, managed care enrollment was at just over 1.66 million, up 11.1 percent from the previous year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Medicaid	1,646,169	1,631,326	1,610,382	1,601,012	1,612,476	1,626,652
Total MI Health Link	28,171	35,102	42,708	37,072	36,335	34,858
Total Michigan	**1,674,340**	**1,666,428**	**1,653,090**	**1,638,084**	**1,648,811**	**1,661,510**
+/- m/m	*(198)*	*(7,912)*	*(13,338)*	*(15,006)*	*10,727*	*12,699*
% y/y	*8.1%*	*12.6%*	*12.4%*	*12.6%*	*7.7%*	*11.1%*

Minnesota

Medicaid Expansion Status: Expanded January 1, 2014

This is our first quarter of reporting on Minnesota Medicaid managed care enrollment. As of December 2015, enrollment across the state's managed Medicaid programs sits at just under 900,000, up 12.9 percent from late 2014.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Parents/Kids	516,047	526,747	526,278	530,725	535,551	517,696
Expansion Adults	169,670	174,338	168,657	167,316	167,028	159,406
Senior Care Plus	12,987	13,051	12,977	13,050	13,854	13,609
Senior Health Options	34,821	34,993	34,889	35,068	35,361	35,251
Special Needs BasicCare	49,322	49,369	50,521	50,565	50,926	50,119
PIN Program	429	429	423	411	411	398
Minnesota Care	114,996	117,570	110,180	113,737	118,013	121,068
Total Minnesota	**898,272**	**916,497**	**903,925**	**910,872**	**921,144**	**897,547**
+/- m/m	*103,332*	*18,225*	*(12,572)*	*6,947*	*10,272*	*(23,597)*
% y/y	*13.0%*	*15.3%*	*13.7%*	*14.6%*	*15.9%*	*12.9%*

Mississippi

Medicaid Expansion Status: Not Expanded

MississippiCAN, the state's Medicaid managed care program grew significantly in 2015. An expansion of the program began in May 2015, adding more than 300,000 enrollees to the program. September enrollment of 498,000 is up nearly 170 percent from the prior year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Mississippi	**505,038**	**501,140**	**498,108**	**496,137**	**496,156**	**498,302**
+/- m/m	*79,346*	*(3,898)*	*(3,032)*	*(1,971)*	*19*	*2,146*
% y/y	*225.6%*	*219.4%*	*211.7%*	*211.7%*	*210.1%*	*168.9%*

Missouri

Medicaid Expansion Status: Not Expanded

Missouri managed care enrollment in the Medicaid and CHIP programs combined sits at nearly 463,000 as of September 2015. Although not expanding Medicaid at this time, Missouri has seen more than 16 percent growth in managed care enrollees since September 2014. Missouri has yet to report Q4 2015 enrollment data at this time.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Medicaid	442,653	442,790	444,526			
Total CHIP	22,934	20,147	18,379			
Total Missouri	**465,587**	**462,937**	**462,905**			
+/- m/m	*2,624*	*(2,650)*	*(32)*			
% y/y	*19.4%*	*17.8%*	*16.3%*			

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 December 2015, the state's Centennial Care program enrolled nearly 650,000 members, with steady enrollment growth throughout 2015, adding more than 54,000 lives to managed care, a 9.1 percent increase over the prior year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total New Mexico	**635,826**	**642,047**	**645,645**	**647,275**	**649,599**	**649,606**
+/- m/m	*7,295*	*6,221*	*3,598*	*1,630*	*2,324*	*7*
% y/y	*N/A*	*N/A*	*11.7%*	*11.3%*	*10.8%*	*9.1%*

New York

Medicaid Expansion Status: Expanded January 1, 2014

New York's Medicaid managed care programs collectively enrolled more than 4.84 million beneficiaries as of December 2015, up 5.9 percent over the previous year. Nearly 270,000 net new lives have been enrolled in 2015, including nearly 7,000 duals demonstration enrollees in the FIDA program and more than 37,000 in the newly launched HARP program.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Mainstream MCOs	4,640,322	4,643,334	4,649,686	4,653,437	4,657,187	4,640,405
Managed LTC	133,638	133,814	136,782	136,383	140,328	143,196
Medicaid Advantage	9,355	9,497	9,483	9,568	9,564	9,477
Medicaid Advantage Plus	6,148	6,098	6,140	6,210	6,231	6,240
HARP				8,572	19,394	37,105
FIDA (Duals Demo)	7,122	9,062	8,028	9,942	8,005	6,811
Total New York	**4,796,585**	**4,801,805**	**4,810,119**	**4,824,112**	**4,840,709**	**4,843,234**
+/- m/m	*16,802*	*5,220*	*8,314*	*13,993*	*16,597*	*2,525*
% y/y	*9.1%*	*8.6%*	*7.3%*	*7.4%*	*7.2%*	*5.9%*

Ohio

Medicaid Expansion Status: Expanded January 1, 2014

Ohio's Medicaid managed care enrollment has seen significant growth in the past two years, due to Medicaid expansion (Group 8 enrollees) and the launch of MyCare Ohio, the state's dual eligible financial alignment demonstration. However, December 2015 enrollment of 2.38 million represented a decline of more than 50,000 members in Q4 2015, down just slightly from the prior year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
CFC Program	1,608,324	1,617,503	1,617,322	1,606,648	1,599,261	1,572,312
ABD Program	151,404	148,195	144,288	140,629	139,604	131,744
Group 8 (Expansion)	511,169	562,463	576,035	585,948	589,216	583,962
MyCare Ohio (Duals)	92,977	93,310	93,244	92,724	92,341	90,190
Total Ohio	**2,363,874**	**2,421,471**	**2,430,889**	**2,425,949**	**2,420,422**	**2,378,208**
+/- m/m	*27,357*	*57,597*	*9,418*	*(4,940)*	*(5,527)*	*(42,214)*
% y/y	*10.8%*	*10.7%*	*8.4%*	*5.9%*	*3.4%*	*-0.4%*

Pennsylvania

Medicaid Expansion Status: Expanded as of 2015

As of Q4 2015, Pennsylvania's Medicaid managed care enrollment sits at more than 2.1 million, representing an addition of more than 330,000 net new members since Q4 2014, a 25.6 percent increase. 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.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Pennsylvania	**1,935,750**	**1,977,054**	**2,076,361**	**2,093,384**	**2,108,626**	
+/- m/m	*42,854*	*41,304*	*99,307*	*17,023*	*15,242*	
% y/y	*16.0%*	*18.5%*	*23.9%*	*24.8%*	*25.6%*	

South Carolina

Medicaid Expansion Status: Not Expanded

South Carolina's Medicaid managed care program saw consecutive months of declining enrollment in Q3 2015 before ending with two positive months of growth in Q4. December 2015 enrollment stands at 703,000, down 8.4 percent from the prior year. South Carolina has so far seen only limited enrollment in the state's duals demonstration program.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Medicaid	752,588	729,276	703,483	681,066	689,586	702,073
Total Duals Demo	1,388	1,380	1,530	1,355	1,359	1,331
Total South Carolina	**753,976**	**730,656**	**705,013**	**682,421**	**690,945**	**703,404**
+/- m/m	*(12,017)*	*(23,320)*	*(25,643)*	*(22,592)*	*8,524*	*12,459*
% y/y	*3.7%*	*-0.8%*	*-5.7%*	*-9.6%*	*-9.4%*	*-8.4%*

Tennessee

Medicaid Expansion Status: Not Expanded

As of November 2015, TennCare managed care enrollment totaled more than 1.48 million, up 11.8 percent from the prior year. Also of note, Tennessee no longer appears to be reporting enrollment with a lag of three or more months.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Tennessee	**1,432,786**	**1,447,338**	**1,460,094**	**1,469,556**	**1,480,974**	
+/- m/m	*10,957*	*14,552*	*12,756*	*9,462*	*11,418*	
% y/y	*12.8%*	*12.2%*	*12.0%*	*11.8%*	*11.8%*	

Texas

Medicaid Expansion Status: Not Expanded

As of November 2015, Texas managed care enrollment stands at nearly 3.9 million across the state's five managed care programs, up roughly 2 percent from Q4 2014. Enrollment reporting in Texas continues to be intermittent.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
STAR	2,829,471			2,887,411	2,892,410	
STAR+PLUS	526,157			531,461	534,461	
STAR HEALTH	30,960			31,030	30,812	
CHIP	372,833			379,603	381,142	
Duals Demo	44,931			56,737	52,232	
Total Texas	**3,804,352**			**3,886,242**	**3,891,057**	
+/- m/m	*10,281*			*81,890*	*4,815*	
% y/y	*10.3%*			*1.7%*	*1.9%*	

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 November 2015 enrollment totaling more than 1.45 million, up 12.2 percent from the prior year.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total Washington	**1,432,215**	**1,436,018**	**1,441,792**	**1,445,769**	**1,452,366**	
+/- m/m	*1,770*	*3,803*	*5,774*	*3,977*	*6,597*	
% y/y	*16.8%*	*15.8%*	*15.0%*	*12.9%*	*12.2%*	

West Virginia

Medicaid Expansion Status: Expanded January 1, 2014

As of December 2015, West Virginia's managed care program enrolled more than 367,000 members, an increase of more than 86 percent over the prior year, adding nearly 150,000 members in Q3 2015. This enrollment spike was expected after a court ruling early this year allowed the state to proceed with plans to expand managed care enrollment without competitively rebidding contracts.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Total West Virginia	**209,958**	**217,115**	**364,481**	**366,684**	**370,381**	**367,658**
+/- m/m	*1,694*	*7,157*	*147,366*	*2,203*	*3,697*	*(2,723)*
% y/y	*3.3%*	*4.6%*	*80.5%*	*83.2%*	*83.5%*	*86.7%*

Wisconsin

Medicaid Expansion Status: Not Expanded

Across the state's three managed care programs, November 2015 enrollment totals more than 795,000, up 9.8 percent from the year before. Despite not expanding Medicaid at this time, Wisconsin's Medicaid managed care enrollment increased by nearly 66,000 enrollees since Q4 2014.

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
BadgerCare+	713,208	712,773	709,212	715,191	713,336	
SSI	33,859	33,823	33,766	36,098	36,132	
LTC	44,287	44,674	45,209	45,880	46,062	
Total Wisconsin	**791,354**	**791,270**	**788,187**	**797,169**	**795,530**	
+/- m/m	*3,122*	*(84)*	*(3,083)*	*8,982*	*(1,639)*	
% y/y	*18.5%*	*15.9%*	*13.7%*	*12.3%*	*9.8%*	

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

Alabama

Alabama Medicaid Agency Requests $157 Million Increase at Budget Hearings. On January 13, 2016, *AL.com* reported that the Alabama Medicaid Agency requested a 23 percent increase in funds from the state's General Fund during budget hearings. The agency cited the cost of the transition to managed care and refunding of past overpayments from the federal government to back up the $157 million request. The legislative session begins Feb. 2. Read More

Connecticut

Affinity Healthcare Nursing Homes File for Bankruptcy. On January 17, 2016, *The Wall Street Journal* reported that four Connecticut nursing homes run by Affinity Healthcare Management filed for bankruptcy due to record-low numbers of patients. Additionally, the homes were involved in a multimillion-dollar payment dispute with state officials over Medicaid patients. Affinity Healthcare officials said that the Connecticut Department of Social Services has improperly denied roughly $2.4 million in payments and shorted the company by $3.6 million in Medicaid rate change money, according to court papers. Amid the disputes, the nursing homes fell behind on tax payments. DSS stated that, "the notion that Affinity's $6 million debt to State of Connecticut is the fault of Medicaid rates and pending claims is not taken seriously by our financial experts." Read More

Medicaid Cost Per Person Falls 5.9 Percent Amidst Increasing Enrollment and Spending. On January 15, 2015, *The CT Mirror* reported that the state's Medicaid cost per person has been dropping, particularly among those newly eligible under expansion, despite increasing costs and enrollment. The Medicaid program is expected to cost over $6 billion this year, with nearly one in five residents on Medicaid. However, in the last fiscal year, per-person spending dropped 5.9 percent. Read More

Florida

HMA Roundup – Elaine Peters (Email Elaine)

House Health Care Appropriations Subcommittee Approves Two Healthcare Bills. On January 13, 2016, *Health News Florida* reported that a house panel approved two healthcare bills that are drawing opposition from the Florida Hospital Association and the Safety Net Hospital Alliance of Florida. HB 437 would eliminate the "certificate of need" regulatory process for hospitals. That process requires hospitals to get state approval for building or expanding

facilities and for adding certain programs. HB 85 would ease a major regulation on ambulatory-surgical centers and allow the creation of what are known as "recovery care centers." **T**he bill would allow patients to stay up to 24 hours at ambulatory surgical centers. Read More

House Committee Unveils Mental Health Bills. On January 13, 2016, *Herald-Tribune* reported that a House panel unveiled two bills that would require more coordination between law enforcement, treatment centers, and other groups involved. The bills would also make other changes and address often overlooked issues. Mental health and substance abuse treatment has been at the top of the agenda in the state Legislature this year. Lawmakers say improving behavioral health programs can help address a range from problems, from child abuse to homelessness. Read More

Florida Hospital Commission Publishes Observations. On January 19, 2016, the *Florida Times-Union* reported that Governor Rick Scott's Commission on Healthcare and Hospital Funding wrapped up its work with a list of observations, rather than any concrete recommendations. The commission was born out of legislative deadlock around the Medicaid expansion debate in the 2015 session. The commission's observations addressed regulation as a barrier to a free-market system, a lack of transparency, and the need for a greater focus on rewarding quality and value. The commission's chairman cited a lack of expertise to make more concrete recommendations. Read More

Georgia

HMA Roundup – Kathy Ryland (Email Kathy)

Georgia Department of Community Health Board Meeting Summary. The DCH Board met on January 14, 2016. A summary of key points of discussion follows:

- The Governor's Budget was to be released later that day. DCH expects only a few modifications to their budget items that were submitted to the Governor's Office of Policy & Budget (OPB) last fall.
- In light of the unresolved (to date) care management organization (CMO) procurement protest, DCH has submitted a request to CMS for two six-month extensions of the current contracts. The intent is to allow for an adequate implementation period for the new contracts. Although they are seeking two six-month extensions, Commissioner Reese is hopeful that they will only need to use one extension, with an implementation date of January 1, 2017. DCH is hoping for swift CMS approval of the request. He further stated that "evaluation of the protests will continue."
- Linda Wiant, Chief of Medical Assistance Plans, presented the Georgia Hospice Reimbursement update for final adoption. Georgia's hospice reimbursement follows Medicare payment methodology, and this public notice brings Georgia in line with CMS' new two-tier methodology effective January 1, 2016. It was approved unanimously.
- Brian Dowd, Director of Waiver Programs, presented two items for approval:

1. A request to re-introduce a public comment period for the Comprehensive Supports Waiver Program (COMP) renewal. This is primarily due to comments received that there had not been adequate time for public review due to the holiday timing. Following a public forum on January 19, 2016, and a written comment period until January 26, the notice will be brought back for final adoption at the February 11, 2016, Board meeting. This was approved unanimously.
2. The Independent Care Waiver Program (ICWP) public notice was brought for initial adoption and was approved unanimously. There were no service or rate changes in this notice; only the incorporation of a proposed timeline to comply with the new federal Home and Community Based Services (HCBS) settings rule. This will be brought back for final adoption at the March Board meeting.

- Melanie Simon, Executive Director of the Healthcare Facility Regulation Division, presented a proposed rule change for the Private Home Care Providers Rules and Regulations. This change will bring the rule in line with HB 183, which legislated that private home care providers must either be employees or appropriately licensed independent contractors of the home care entity, who is also not obligated to employ proxy caregivers. This will be brought back for final adoption at the March Board meeting.

Legislative Panel Divided Over Medicaid Expansion. On January 14, 2016, *Georgia Health News* reported that a bipartisan panel of four lawmakers were sharply divided on the issue of Medicaid expansion. Representative Debbie Buckner (D) said that although costs will be $209 million, expansion will open up $6 billion in federal funding. Senator Emanuel Jones (D) noted that there are currently 300,000 Georgians in the coverage gap. However, Republican panelists Representative Lee Hawkins and Senator Greg Kirk sided with Governor Nathan Deal in opposition. Read More

Governor Deal Still Opposes Expansion; Says Healthcare Costs a Burden to Budget. On January 13, 2016, *Georgia Health News* reported that Governor Nathan Deal continues to oppose Medicaid expansion. Deal commented in the State of the State address that health care spending continues to burden Georgia's budget. He said expansion would have cost Georgia more than $200 million in the fiscal 2017 budget, and costs would continue to grow exponentially. Read More

Idaho

Auditors Examine Medicaid Mental Health and Substance Treatment Contractor Optum. On January 18, 2016, *The Charlotte Observer* reported that Idaho's Office of Performance Evaluations released a report on Optum, which manages mental health and substance treatment for the state's Medicaid patients. Prior to contracting with Optum, Medicaid spending for community-based rehabilitation, known as psychosocial rehabilitation, increased from $8.3 million in 2001 to $76.1 million in 2012. The high jump in Medicaid spending for community-based rehabilitation led state health officials and lawmakers to raise concerns that providers were overusing costly rehabilitation in order to receive

higher Medicaid reimbursements. Less than two years after the state began using Optum, Medicaid spending had dropped to $44.1 million as of 2015. Auditors found that the three-year contract was successful in lowering Medicaid costs and encouraging providers to focus on appropriate services for patients. Read More

Illinois

State to Stop Paying Overtime for In-Home Caregivers of Disabled Residents. On January 14, 2016, *The Charlotte Observer* reported that beginning March 1, tens of thousands of aides who provide in-home care to disabled Illinois residents will no longer receive overtime pay. Governor Bruce Rauner stated that the administration can no longer afford the time-and-a-half-pay for those working over 40 hours a week. The new policy will allow 35 hours of work and five hours of travel. Workers who violate the policy by working overtime will receive written warnings. A third violation will result in dismissal.

Iowa

Six MCOs Argue Against Medicaid Privatization Ruling in Court. On January 14, 2016, *Iowa Public Radio* reported that the six healthcare companies whose bids to manage the state's Medicaid system were rejected argued in court for Judge Robert Blink to issue or reject various orders relating to the privatization. Approximately 20 lawyers were present. Aetna and Meridian were among those appealing the state's decision. WellCare does not want to stop the privatization process but hopes to be reselected; its contract was terminated after it was found that the company communicated with the governor's chief healthcare advisor Michael Bousselot during a "blackout" period and also failed to disclose previous settlements. WellCare argues that it did nothing improper. Judge Blink will rule on the legality of the state's bidding process next month. Read More

Nebraska

New Medicaid Expansion Proposal to Offer Private Coverage. On January 17, 2016, *Chicago Tribune* reported that a new bill to expand Medicaid will be unveiled this week. The proposed bill will offer private coverage to low-income residents, modeled after Arkansas' "private option." Nebraska had three failed attempts to expand Medicaid previously. The new bill is expected to face opposition from Governor Pete Ricketts and conservative lawmakers. Read More

Nevada

Nevada Officials Say Proposed ABD Medicaid Privatization to be Slow and Transparent. On January 13, 2016, *Las Vegas Review-Journal* reported that any plans by state officials to move aged, blind, and disabled Medicaid coverage to managed care will be slow and transparent. The proposed privatization, first introduced in a bill during last year's legislative session and then grafted onto a different bill, had initially raised concerns. Read More

New Hampshire

State Faces Shortage of Skilled In-Home Nurses Due to Low Rates. On January 14, 2016, *NHPR* reported that there is a shortage of skilled nurses to work in homes with kids with extreme medical needs. The pay rate for the nurses has not increased since 2006, and thus few take the jobs. As a result, families are struggling to avoid worst-case scenarios with their children. A group of mothers brought the issue to attention at the monthly Governor's Commission on Medicaid Care Management. At the meeting, Gina Balkis, the CEO of the Home Care Association of New Hampshire, said paying these nurses a competitive wage would mean hiking Medicaid rates by 50 percent, from about $40 dollars to $60 per hour. Raising the reimbursement rates would require the Legislature's approval, which has been difficult to do in the past. Read More

Lawmakers Willing to Reconsider Continuation of Expansion if Providers Help Cover Costs. On January 11, 2016, *New Hampshire Public Radio* reported that GOP House and Senate leaders said they are willing to reconsider Medicaid expansion as long as taxpayers are not responsible for the costs. Instead lawmakers proposed hospitals and insurance providers can pitch in. New Hampshire expanded Medicaid in 2014, but federal funding is set to start declining in 2017. Lawmakers will need to figure out whether or not to continue the program. Read More

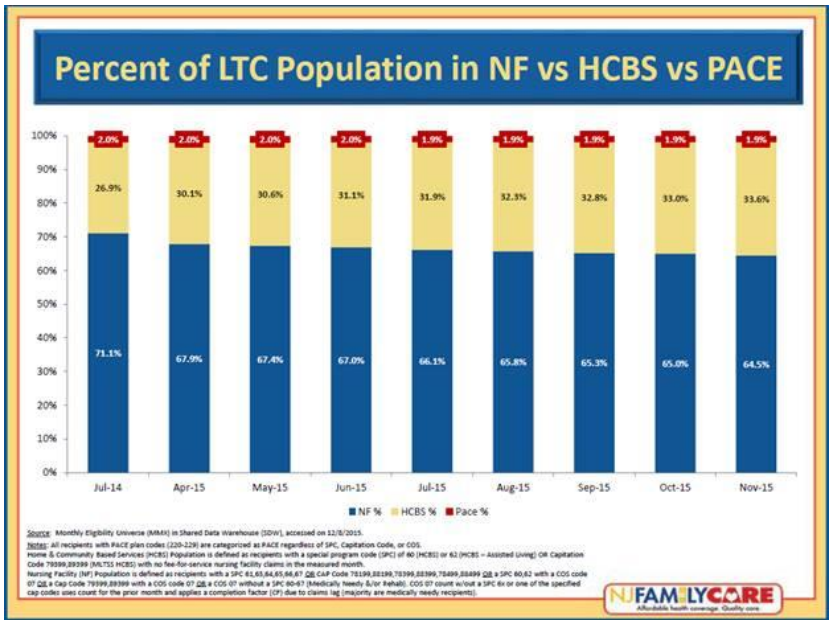
New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

Medicaid Fraud Division plans a training workshop for home care providers. On February 4, 2016 the Medicaid Fraud Division, in collaboration with the Medicaid agency and Medicaid managed care organizations will conduct an overview of Medicaid fraud detection and prevention for providers of home care services. This training is for home care chief executives, compliance officers, billing and coding staff, and front line supervisors. The workshop is free and will be held at the NJ Forensic Science Technology Center in Hamilton, New Jersey from 10 am – 12 pm. Read more.

Managed Long Term Services and Supports (MLTSS) Update. On January 20, 2016, Deputy Commissioner Lowell Arye provided the Medical Assistance Advisory Council with an update on the state's MLTSS program. There are 43,858 long term care recipients of which 21,284 (48.5 percent) are enrolled in managed care and 22,574 (51.7 percent) are in Medicaid fee-for-service (FFS). More than half of the enrollees who are new to long term care are entering home and community based services (HCBS) (or 55 percent). Whereas the Medicaid program had approximately 750 new nursing facility (NF) residents each month in the past it is now experiencing about 150 new nursing facility residents over one year.

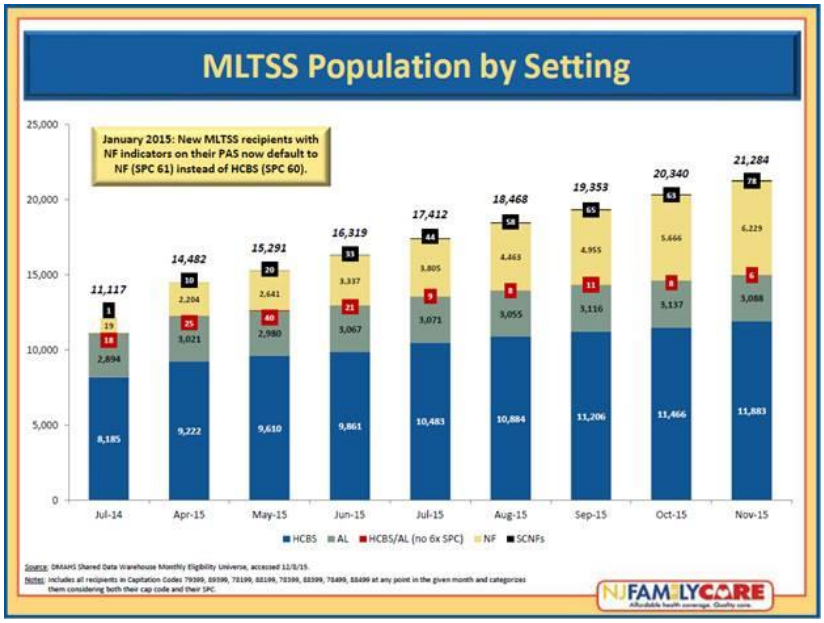
The proportion of Medicaid enrollees residing in NFs is trending downward with an over six percent reduction since July 2014, while the inverse is true for HCBS with an upward trending of over 6 percent. The trends in service utilization are illustrated here:



The majority of enrollees residing in NFs are under Medicaid FFS since all who resided in NFs before the MLTSS implementation were grandfathered in. Enrollees new to MLTSS who are admitted to a NF remain in managed care and total 6,307 as of November 2015. An additional 23,055 Medicaid enrollees reside in a NF under Medicaid FFS.

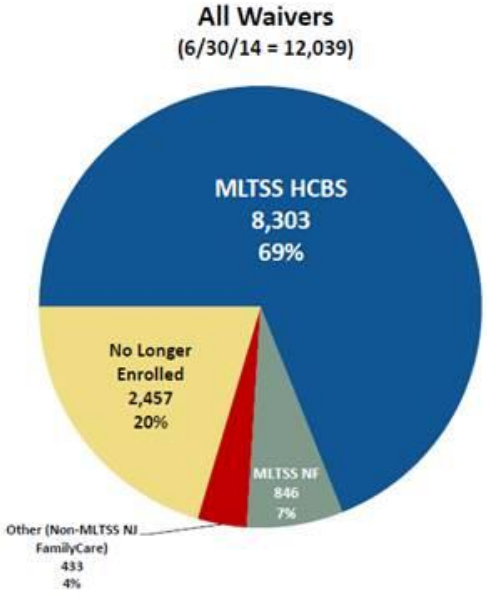
Close to 90 percent of individuals receiving long term services and supports (LTSS) are dually eligible for Medicare and Medicaid services. The vast majority of the long term care demographic are age 65 or over at 76 percent and just 1 percent are under the age of 21.

Total enrollment receiving MLTSS has grown substantially since implementation. While just over 11,000 individuals qualified for MLTSS with a health plan in July 2014, the program has grown to over 21,000 enrollees as of November 2015. The total MLTSS enrollment by care setting is illustrated below.



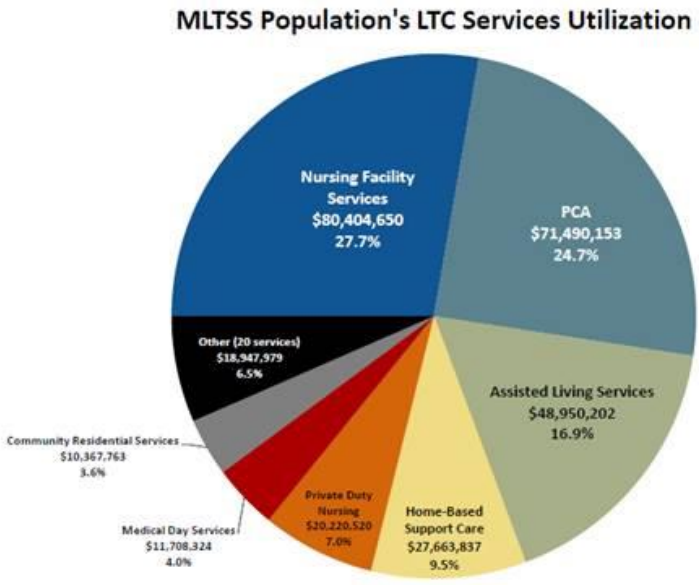
Deputy Commissioner Arye attributes this increase in MLTSS enrollment in part to the program's design "by taking down the waiver walls." He added that 1,453 Medicaid enrollees previously in the Aged/Blind/Disabled (ABD) category of eligibility have migrated to MLTSS, which some have attributed to the "woodwork effect" but which Arye asserts are individuals who would have needed LTSS even under the ABD eligibility category.

Medicaid officials did a retrospective review of over 12,000 enrollees in MLTSS in June 2014 to see where they are today. This analysis is summarized in the following chart:



Arye reported that the majority of individuals who are no longer enrolled have passed away.

Nursing facility, assisted living and personal care assistance services are the top three expenses under MLTSS. A complete service cost breakout is provided here:



There are currently 617 individuals in the Qualified Income Trust (QIT) program of which about 48 percent reside in a NF. Arye explained that this may be attributed to NF residents who were previously "medically needy" and converted to the QIT when the medically needy program was closed.

Section 1115 Waiver renewal timeline and evaluation. Medicaid Director Valerie Harr provided the MAAC with an update on the Comprehensive Medicaid Waiver's renewal and evaluation plans. A renewal application is due to CMS in June 2016. State officials have held internal meetings to discuss desired changes and possible new initiatives for the waiver renewal. The following activities will occur in the coming months:

1115 Waiver Renewal Timeframe	Activity
January – February 2016	• Develop a renewal concept paper and vet with the MAAC, and post for public comment
March 2016	• Submit draft concept paper to CMS; discuss proposed changes with CMS • Finalize all new and amended concept items based on CMS feedback
April – June 2016	• Prepare renewal application • Public notice period – May 1st • Summarize comments received from public notice and revise application • Submit renewal application by June 30, 2016
June 2016 – June 2017	• Negotiate special terms and conditions of renewed waiver with CMS • Develop budget neutrality reports • Target approval date – June 30, 2017

In addition, a draft interim evaluation report is due to CMS by July 1, 2016, and a final evaluation report is due July 1, 2017.

Centralized provider credentialing update. Dr. Thomas Lind provided the MAAC with an update on the work of the Provider Credentialing Taskforce. The Medicaid program has entered into a contractual arrangement with Molina Medicaid Solutions and Aperture, a health care provider credentialing company. They are currently building the systems to enable a centralized credentialing process that will begin July 2016. The system will credential all medical, dental and behavioral providers serving Medicaid enrollees under FFS and managed care. The health plans will continue to qualify non-traditional providers of LTSS.

New York

HMA Roundup – Denise Soffel (Email Denise)

New York State 2016 – 2017 Executive Budget. Governor Cuomo presented his Executive Budget for the fiscal year beginning April 1, 2016. The Executive Budget reflects the governor's emphasis on fiscal prudence and again limits the annual growth in state spending to 2 percent. The Executive Budget totals $145 billion, of which $63.3 billion, or 44 percent, is spending on Medicaid. That is a slight decline from the current year's spending, due to the implementation of New York's Basic Health Plan (known as the Essential Plan), which brings higher federal match for certain populations.

Medicaid spending under the Global Cap is increased by 3.4 percent, which is tied to the 10-year average of the medical care consumer price index. Spending under the Global Cap will total $17.7 billion. This excludes Medicaid payments for medical services provided at state facilities operated by the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services, as well as any other payments not appropriated within DOH, and the local and federal shares of New York Medicaid disbursements.

The Executive Budget continues the implementation of the recommendations of the Medicaid Redesign Team, a stakeholder group established by the governor to identify Medicaid reforms to improve quality and reduce spending. As part of the Care Management for All strategy, the state proposes accelerating the enrollment of newly qualified Medicaid beneficiaries into managed care plans by auto-assigning them into a plan when they enroll in coverage through the health exchange. The budget also imposes an MLR of 89.9 percent to Medicaid managed care plans, tightening the profit cap from 5 percent to 3.5 percent.

The budget proposes savings in long term care services by restricting eligibility for managed long-term care to those who are nursing home-eligible, rather than the current requirement of needing at least 120 days of community-based long term care services. It also proposes carving all behavioral health services into MLTC.

The budget includes a number of changes in pharmacy, recognizing that it is the fastest-growing component of Medicaid spending. The budget would eliminate "provider prevails" except for behavioral health drugs' impose a maximum price on generic drugs, and establish a price ceiling on "blockbuster" drugs such as those for hepatitis C, high cholesterol, or cystic fibrosis. The governor would require that pharmaceutical companies share the research and development costs related to specific drugs, as well as the costs for manufacturing, marketing, and advertising. They would also be required to provide the average profit margin of each drug over the previous five years, as well as the anticipated profit margin.

In a budget briefing, state Medicaid Director Jason Helgerson noted that the governor's plan to increase the minimum wage over the next five years, from its current $9.75 to $15, would also have a significant impact on the Medicaid program. Sizeable parts of the Medicaid program, particularly home and community based services, rely on low-wage workers, and increases in the minimum wage will have a direct effect on the Medicaid budget.

While outside the Medicaid budget, the governor proposes significant spending on programs targeting housing and homelessness. The budget includes $20 billion in spending over 5 years, including $10 billion in spending on developing affordable housing, and $10 billion in supportive housing ($2.6 billion for new supportive housing units; $7.8 billion in continuing commitments to already-existing units).

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Availability of the Commonwealth's Statewide Transition Plan for HCBS Settings. The Department of Human Services advised that it is making available for review and public comment the Commonwealth's revised proposed Statewide Transition Plan for Home and Community-based Settings. The Department will hold webinars to receive comments on the updated plan on Friday, January 22, 2016, at 9 a.m. and Monday, February 1, 2016, at 2 p.m. Dial-in information for the webinars is available by visiting www.dhs.pa.gov/citizens/hcbswaiver. Read More

Hospital Association Executives Say Budget Line-item Veto Targets "Most Vulnerable." Governor Tom Wolf used the line-item veto of supplemental funds for a few dozen Pennsylvania hospitals last month. Hospital association executives say the cuts come awfully close to the muscle and bones of hospital operations. In all, the cuts to hospitals amount to $17.5 million in state funding, which would trigger another $18.5 million in federal match funds. The $36 million total would go to six statewide burn care centers, 66 hospitals with obstetrics and neonatal services, and 13 "critical access" hospitals in rural counties. As just one example, West Penn Hospital's burn center in Bloomfield, where 36 percent of the patients treated are on medical assistance, would receive $1.2 million if the funds are restored. Yet there is no guarantee that will happen, especially because the cuts were also included in the Governor's proposed budget a year ago. Paula Bussard, chief strategy officer for the Hospital and Healthsystem Association of Pennsylvania, said the supplemental payments support services and hospitals that tend to treat a high percentage of patients on medical assistance. Read More

Vermont

Lawmakers Waiting on Draft Medicare ACO Waiver to Overhaul Health Care. On January 13, 2016, *VTDIgger.org* reported that lawmakers are waiting for a draft deal from the Green Mountain Care Board and CMS on overhauling the state's health care system. The all-payer waiver agreement was expected in 2015 but has been pushed back to this month. The Medicare waiver would set up a large ACO and try to get every doctor and hospital to sign up for it. In November, Vermont and CMS had agreed on the first term for the deal - that Vermont should limit health care spending growth to 3.5 percent per year for non-Medicare patients. Read More

United States

Obama Proposes to Indefinitely Extend Health Law Provision for States That Have Not Expanded Medicaid. On January 14, 2016, *Kaiser Health News* reported that President Barack Obama will seek congressional approval for extending three years of full federal funding in the 2017 fiscal year budget proposal for states that have not expanded Medicaid. Experts are skeptical that the proposal will gain support in Congress. Full federal funding for expanding Medicaid is set to expire this year. Read More

Industry News

United Anticipates Exchange Losses of $500 Million in 2016. On January 19, 2016, *CNN* reported that UnitedHealth is anticipating losses on Exchange plans of $500 million in 2016 after reporting Exchange losses of $475 million in 2015. United reported around 500,000 Exchange members in 2015, anticipating growth to near 800,000 members for 2016. United, which waited to enter the Exchange market until 2015, is reportedly considering ending Exchange offerings in 2017. Read More

Addus HomeCare Names Dirk Allison as New President and CEO. On January 18, 2016, Addus HomeCare announced that Dirk Allison was appointed President and CEO. Allison was on the board of directors since 2010 and has been chairman of the audit committee since 2013. Addus also named Steve Geringer, a director of the company since 2009, as chairman of its board of directors. Read More

Beth Israel Deaconess Medical Center Signs Clinical Affiliation with MetroWest Medical Center. On January 14, 2016, *Boston Globe* reported that Beth Israel Deaconess Medical Center signed a clinical affiliation with MetroWest Medical Center to expand its network beyond Boston. Beth Israel Deaconess is also seeking to add Metro-West to its accountable care organization. The plan is under review by the Health Policy Commission. Read More

ConcertoHealth and Humana Form Accountable Care Organization in Detroit. On January 12, 2016, ConcertoHealth and Humana signed an agreement to provide value-based care for Humana's Medicare Advantage members in Detroit. According to Humana, the goal is to place primary care physicians at the center of the health care system and focus on a patient's overall health and long-term well-being. Read More

RFP Calendar

Date	State/Program	Event	Beneficiaries
January, 2016	Pennsylvania MLTSS/Duals	RFP Released	450,000
February 5, 2016	Nebraska	Letter of Intent to Contract	239,000
March 1, 2016	Iowa	Implementation	550,000
March 15, 2016	Nebraska	Contract Awards	239,000
TBD (60 Days After RFP)	Pennsylvania MLTSS/Duals	Proposals Due	450,000
March, 2016	Oklahoma ABD	DRAFT RFP Released	177,000
TBD Winter/Spring 2016	Virginia MLTSS	RFP Released	130,000
April 1, 2016	Washington (SW - Fully Integrated)	Implementation	100,000
April 29, 2016	Missouri (Statewide)	RFP Released	700,000
May 11, 2016	Indiana	Cost Proposals Due	900,000
June, 2016	Indiana	Contract Awards	900,000
June, 2016	Oklahoma ABD	RFP Released	177,000
July 1, 2016	Missouri (Statewide)	Proposals Due	700,000
July, 2016	Georgia	Implementation	1,300,000
August, 2016	Oklahoma ABD	Proposals Due	177,000
September 1, 2016	Texas STAR Kids	Implementation	200,000
October 1, 2016	Missouri (Statewide)	Contract Awards	700,000
January 1, 2017	Pennsylvania HealthChoices	Implementation	1,700,000
January 1, 2017	Nebraska	Implementation	239,000
January 1, 2017	Pennsylvania MLTSS/Duals	Implementation (SW Region)	450,000
March 1, 2017	Virginia MLTSS	Implementation	130,000
May 1, 2017	Missouri (Statewide)	Implementation	700,000
TBD 2017	Oklahoma ABD	Implementation	177,000
January 1, 2018	Pennsylvania MLTSS/Duals	Implementation (SE Region)	450,000
January 1, 2019	Pennsylvania MLTSS/Duals	Implementation (Remaining Regions)	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 17 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	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
California	120,452	117,449	117,307	117,179	116,538	115,743
Illinois	52,170	50,631	49,586	48,779	53,136	54,770
Massachusetts	17,671	17,518	17,179	12,657	12,366	12,285
Michigan	28,171	35,102	42,728	37,072	36,335	34,858
New York	7,122	9,062	8,028	9,942	8,005	6,811
Ohio	61,871	62,418	59,697	61,428	61,333	59,887
South Carolina	1,388	1,380	1,530	1,355	1,359	1,331
Texas	44,931	56,423	45,949	56,737	52,232	48,085
Virginia	29,507	29,200	29,176	27,138	28,644	27,103
Total Duals Demo Enrollment	**363,283**	**379,183**	**371,180**	**372,287**	**369,948**	**360,873**

HMA NEWS

New this week on the HMA Information Services website:

- Medicaid Managed Care Spending Rises 31 percent, FY 2015 Data
- **California** Awards Sacramento/San Diego GMC Contracts, Jan-16
- Public documents such as the **Colorado** Governor's Budget Request and Economic Outlook, FY 2016-17, and the **Massachusetts** Proposed ACO Certification Standards, Dec-15
- Plus upcoming webinars on "*Value-Based Payment Readiness: A Self-Assessment Tool for Primary Care Providers, FQHCs, and Behavioral Health Providers*" and "*Provider Vitality Workshop: Strategies for Ensuring an Energized and Effective Healthcare*"

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 Collaborates with NYAPRS Collective on *Value-Based Payment, Partners, and Propositions* Conference

The New York Association of Psychiatric Rehabilitation Services (NYAPRS) Collective is collaborating with the Managed Care Technical Assistance Center (MCTAC) and HMA on a conference, *Value Value-Based Payment, Partners, and Propositions*, to be held January 28-29, 2016, in Saratoga Springs, New York. HMA's Meggan Schilkie, Art Jones, MD, Ellen Breslin, Juan Montanez, Deborah Zahn, and Sarah Barth will be joined by other state and national experts in a series of discussions that suggest how behavioral health providers can best position themselves and develop the right partnerships to thrive in a value-based payment environment. More information at http://www.nyaprs.org/

HMA ITAS Offers Health Care IT Strategy Engagement Package

HMA IT Advisory Services (HMA ITAS) is pleased to offer a unique consulting service to providers of health care IT solutions – a fixed-priced strategy engagement through which clients can benefit from expert review and analysis of these solutions or ideas for IT solutions.

This HMA ITAS service is designed for both startup companies seeking knowledge and advice to "find their niche" in the very competitive health care IT marketplace, as well as established businesses looking for opportunities for growth and diversification. The strategy engagement would be designed to meet a particular company's needs by identifying and addressing challenges specific to that company, and jointly formulating or concretizing ideas for IT solutions or specific functionality.

HMA's distinctive collection of policy experts, medical and behavioral health clinicians, IT professionals with extensive health care experience with providers, payers and regulators, and business and marketing experts allows us to build highly knowledgeable teams that can work effectively with IT solution

providers. The fixed-priced strategy engagement will include a deep dive into current business processes where we review your business model in relation to existing and forecasted market conditions, and an evaluation of the strengths and marketability of a company's existing IT solutions or proposed solutions. Our personalized engagement may include product line research, market and competitor analysis, and recommendations for service line and pricing adjustments. For businesses and products with direct patient services, the strategy session will have a particular focus on the patient experience.

Each package is exclusively tailored to your organization, and may be preceded by a review of any pertinent documentation already in existence, and may include written deliverables of research and reviews as well as summary recommendations and analyses.

Further consulting and advisory services can be added to the engagement at additional pricing options.

For more information about this service offering, contact Jean Glossa, MD (Email Jean), or Juan Montanez (Email Juan).

For more information about HMA IT Advisory Services, follow this link to *https://www.healthmanagement.com/expertise/health-care-it-advisory-services/*

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; Olympia and Seattle, Washington; Portland, Oregon; Sacramento, San Francisco, and Southern California; Tallahassee, Florida; and Washington, DC.

http://healthmanagement.com/about-us/

Among other services, HMA provides generalized information, analysis, and business consultation services to investment professionals; however, HMA is not a registered broker-dealer or investment adviser firm. HMA does not provide advice as to the value of securities or the advisability of investing in, purchasing, or selling particular securities. Research and analysis prepared by HMA on behalf of any particular client is independent of and not influenced by the interests of other clients.