

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in State Health Policy

..... December 21, 2016



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THIS WEEK

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The HMA Weekly Roundup will be off next Wednesday, December 28th. We will resume our regular weekly publication on January 4th. The HMA Weekly Roundup team wishes all our readers a happy and safe holidays!

IN FOCUS

MEDICAID AND EXCHANGE ENROLLMENT UPDATE – FALL 2016

This week, our *In Focus* section reviews updated reports issued by the Department of Health & Human Services (HHS) on Medicaid expansion enrollment from the “September 2016 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report,” published on December 1, 2016. Additionally, we review 2016 Exchange enrollment data from the HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE) Issue Brief, “Health Insurance Marketplace 2016 Open Enrollment Period: February 2016 Enrollment Report,” and 2017 enrollment snapshot data through December 19, 2016, from the Centers for Medicare & Medicaid Services (CMS). Combined, these reports

present a picture of Medicaid and Exchange enrollment at the end of 2016, with a look at progress towards 2017 Exchange enrollment.

Key Takeaways from Medicaid Enrollment Report

- Across all 50 states and DC, Medicaid and CHIP enrolled more than 73.1 million individuals as of September 2016.
- Medicaid and CHIP enrollment is up nearly 1.4 million members since December 2015, a 1.9 percent increase in enrollment.
- From December 2015 to September 2016, four states saw double-digit percentage growth in Medicaid and CHIP – Louisiana (26.2 percent); Alaska (25.9 percent); Montana (24.2 percent); and Arkansas (11.8 percent).
- Through these first three quarters of 2016, eight states (Utah, Washington, North Dakota, New Hampshire, Michigan, Massachusetts, Alabama, and Wisconsin) saw enrollment growth of less than 1 percent. Meanwhile, 10 states (Georgia, Illinois, DC, Mississippi, Wyoming, Delaware, New York, Maine, Oregon, and Vermont) saw enrollment decline across Medicaid and CHIP.
- Medicaid and CHIP enrollment is up more than 15.8 million (nearly 28 percent) from the “Pre-Open Enrollment” period, defined as July 2013 through September 2013.
- The top five states in percentage growth of Medicaid and CHIP enrollment under the Medicaid expansion are Kentucky (100.9 percent), Nevada (85.3 percent), Colorado (74.0 percent), Arkansas (68.5 percent), and New Mexico (67.9 percent).
- The top five states in percentage growth of Medicaid and CHIP among states that did not expand Medicaid are Tennessee (30.4 percent), North Carolina (26.6 percent), Idaho (23.7 percent), Florida (17.2 percent), and Georgia (13.6 percent).
- The top five states in total enrollment growth of Medicaid and CHIP are California (4.03 million), New York (732,386), Washington (667,613), Ohio (636,552), and Kentucky (612,239).

Table 1 - Overall U.S. Medicaid/CHIP Enrollment Growth - Pre-Open Enrollment Monthly Average through September 2016

	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (Sept. 2016)	Sept. 2016 % Change	Sept. 2016 # Change
Expanded Medicaid	37,867,811	51,303,624	35.5%	13,435,813
Have Not Expanded	19,410,266	21,837,676	12.5%	2,427,410
Total - All States	57,278,077	73,141,300	27.7%	15,863,223

Key Takeaways from 2017 Exchange Enrollment Snapshot Reports

- Final Exchange enrollments for the 2016 plan year, published in the Spring of 2016, showed Qualified Health Plan (QHP) enrollments of nearly 12.7 million across all 50 states and DC.

- As of December 19, 2016, there have been nearly 6.4 million QHP selections for the 2017 plan year in the 39 Federally Facilitated Marketplace (FFM) states. Of these, more than 4.3 million are for individuals renewing coverage, with just under 2.1 million new enrollees.
- Just a week prior, as of December 10, 2016, there were just over 4 million QHP selections in the FFM states. These nearly 1.4 million new plan selections include more than 670,000 individuals who signed up for coverage on December 15, 2016, the highest recorded in a single day.
- As of December 17, 2015, last year's deadline for coverage beginning January 1, 2016, there were a cumulative 6.0 million QHP selections in FFM states. Of these, 3.6 million were renewing coverage, with 2.4 new enrollees.
- Across the 39 FFM states in the latest enrollment snapshot, QHP selections as of December 19, 2016, equate to roughly two-thirds (65.4 percent) of the final QHP selection total as of February 2016.

The table on the following page (Table 2) provides state-level data on Medicaid and Exchange enrollment.

[Medicaid and Exchange Enrollment Data Sources](#)

Link to CMS Medicaid Expansion Enrollment Report:

"September 2016 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report" (December 1, 2016)

Link to ASPE Health Insurance Marketplace Enrollment Report:

"Addendum to the Health Insurance Marketplaces 2016 Open Enrollment Period: Final Enrollment Report" (March 11, 2016)

Link to Biweekly Exchange Enrollment Snapshot:

"Special Edition Open Enrollment Snapshot: November 1 through December Deadline for January 1 Coverage" (December 21, 2016)

Table 2 - Medicaid/CHIP Enrollment Growth Across All States (September 2016), Final 2016 Exchange Enrollment (February 2016), and Preliminary 2017 Exchange Enrollment (December 10, 2016)

State	Expanded Medicaid	Exchange Model	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (Sept. 2016)	Sept. 2016 % Change	Sept. 2016 # Change	Selected Exchange QHP (Feb. 2016)	Selected 2017 Exchange QHP (12/21/2016)
US Total			57,278,077	73,141,300	27.7%	15,863,223	12,681,874	6,356,488
Alabama	No	FFM	799,176	883,021	10.5%	83,845	195,055	122,711
Alaska	Yes	FFM	122,334	165,298	35.1%	42,964	23,029	13,172
Arizona	Yes	FFM	1,201,770	1,726,841	43.7%	525,071	203,066	121,931
Arkansas	Yes	FFM	556,851	938,313	68.5%	381,462	73,648	40,759
California	Yes	State-Based	7,755,381	11,787,879	52.0%	4,032,498	1,575,340	
Colorado	Yes	State-Based	783,420	1,363,350	74.0%	579,930	150,769	
Connecticut	Yes	State-Based	618,700	764,441	23.6%	145,741	116,019	
Delaware	Yes	FFM	223,324	235,665	5.5%	12,341	28,256	19,111
District of Columbia	Yes	State-Based	235,786	260,576	10.5%	24,790	22,693	
Florida	No	FFM	3,104,996	3,638,418	17.2%	533,422	1,742,819	1,296,835
Georgia	No	FFM	1,535,090	1,743,341	13.6%	208,251	587,845	352,282
Hawaii	Yes	Partnership	288,357	343,001	19.0%	54,644	14,564	11,750
Idaho	No	State-Based	238,150	294,604	23.7%	56,454	101,073	
Illinois	Yes	FFM	2,626,943	3,071,031	16.9%	444,088	388,179	247,818
Indiana	Yes	FFM	1,120,674	1,486,253	32.6%	365,579	196,242	119,429
Iowa	Yes	Partnership	493,515	619,679	25.6%	126,164	55,089	35,931
Kansas	No	FFM	378,160	423,428	12.0%	45,268	101,555	72,992
Kentucky	Yes	FFM	606,805	1,219,044	100.9%	612,239	93,666	66,406
Louisiana	Yes	FFM	1,019,787	1,359,014	33.3%	339,227	214,148	84,206
Maine	No	FFM	266,900	270,056	1.2%	3,156	84,059	56,270
Maryland	Yes	State-Based	856,297	1,248,005	45.7%	391,708	162,177	
Massachusetts	Yes	State-Based	1,296,359	1,671,804	29.0%	375,445	213,883	
Michigan	Yes	FFM	1,912,009	2,288,245	19.7%	376,236	345,813	215,978
Minnesota	Yes	State-Based	873,040	1,059,681	21.4%	186,641	83,507	
Mississippi	No	FFM	637,229	682,319	7.1%	45,090	108,672	51,669
Missouri	No	FFM	846,084	971,223	14.8%	125,139	290,201	185,413
Montana	Yes	FFM	148,974	226,121	51.8%	77,147	58,114	37,810
Nebraska	No	FFM	244,600	237,472	-2.9%	(7,128)	87,835	66,389
Nevada	Yes	Partnership	332,560	616,142	85.3%	283,582	88,145	60,617
New Hampshire	Yes	FFM	127,082	186,935	47.1%	59,853	55,183	35,064
New Jersey	Yes	FFM	1,283,851	1,752,877	36.5%	469,026	288,573	204,977
New Mexico	Yes	Partnership	457,678	768,665	67.9%	310,987	54,865	35,633
New York	Yes	State-Based	5,678,417	6,410,803	12.9%	732,386	271,964	
North Carolina	No	FFM	1,595,952	2,020,076	26.6%	424,124	613,487	369,077
North Dakota	Yes	FFM	69,980	89,830	28.4%	19,850	21,604	14,167
Ohio	Yes	FFM	2,341,481	2,978,033	27.2%	636,552	243,715	165,046
Oklahoma	No	FFM	790,051	795,804	0.7%	5,753	145,329	92,179
Oregon	Yes	Partnership	626,356	986,137	57.4%	359,781	147,109	112,864
Pennsylvania	Yes	FFM	2,386,046	2,864,515	20.1%	478,469	439,238	290,950
Rhode Island	Yes	State-Based	190,833	285,652	49.7%	94,819	34,670	
South Carolina	No	FFM	889,744	999,548	12.3%	109,804	231,849	147,459
South Dakota	No	FFM	115,501	119,856	3.8%	4,355	25,999	22,597
Tennessee	No	FFM	1,244,516	1,622,288	30.4%	377,772	268,867	163,743
Texas	No	FFM	4,441,605	4,747,970	6.9%	306,365	1,306,208	775,659
Utah	No	FFM	294,029	306,736	4.3%	12,707	175,637	144,848
Vermont	Yes	State-Based	161,081	169,976	5.5%	8,895	29,440	
Virginia	No	FFM	935,434	972,839	4.0%	37,405	421,897	289,179
Washington	Yes	State-Based	1,117,576	1,785,189	59.7%	667,613	200,691	
West Virginia	Yes	FFM	354,544	574,629	62.1%	220,085	37,284	22,777
Wisconsin	No	FFM	985,531	1,045,274	6.1%	59,743	239,034	173,755
Wyoming	No	FFM	67,518	63,403	-6.1%	(4,115)	23,770	17,035

* Several states use the FFM marketplace for enrollment, despite being a state-based exchange; these states are HI, NV, NM, OR, listed in the above table as "Partnership."

Note: Connecticut and Maine did not report Pre-Open Enrollment Period enrollment data to HHS for the report. HMA has substituted the December 2013 Medicaid enrollment total from the Kaiser Family Foundation, compiled by Health Management Associates (HMA) from state Medicaid enrollment reports for the Kaiser Commission on Medicaid and the Uninsured (KCMU).



HMA MEDICAID ROUNDUP

Alabama

Centene May Operate in All Five Medicaid RCO Districts. *DecaturDaily.com* reported on December 21, 2016, that Centene's Alabama Healthcare Advantage subsidiary has proposed to operate Medicaid Regional Care Organizations (RCOs) in each of Alabama's five districts. Centene would also potentially be the only RCO option in three of five regions. Several proposed RCOs have dropped out of the program amid delays and funding uncertainties. The other two remaining RCOs are Alabama Community Care, a partnership between Huntsville Hospital Health System and Virginia-based Sentara Health Plans; and My Care Alabama, a partnership between Healthcare Business Solutions and Eliza Coffee Memorial Hospital and Shoals Hospital. RCO implementation is anticipated to begin October 2017. [Read More](#)

Arizona

AHCCCS Announces Increased Rates for I/DD Providers. *AZCentral.com* reported on December 15, 2016, that the Arizona Health Care Cost Containment System, the state's Medicaid agency, is increasing reimbursement rates for organizations serving people with intellectual and developmental disabilities (I/DD) in line with a minimum wage increase effective January 1, 2017. Rate increases between January 1 and June 1, 2017, will amount to \$20.3 million for serving the elderly and people with physical disabilities as well as \$25.1 million for serving those with developmental disabilities. Advocates had pushed for the increases, arguing that the minimum wage increase to \$10 an hour would put pressure on companies that rely on minimum-wage workers to care for the I/DD population. The state will fund about a third of the rate increases while the federal government covers the remaining cost. [Read More](#)

Arkansas

Proposed Medicaid Changes Could Save \$959 Million Over Five Years. *Arkansas Online* reported on December 16, 2016, that changes to the Arkansas Medicaid program that are planned or already in the works could save the state an estimated \$959 million over five fiscal years ending June 30, 2022, according to a report approved by the state's Health Reform Legislative Task Force. Arguing that the state's Medicaid program is unsustainable, the report also recommended that Arkansas improve the coordination of Medicaid benefits for individuals with intellectual and developmental disabilities (I/DD) and other

mental illnesses. However, the report does not comment on whether I/DD benefits should be transitioned to managed care. [Read More](#)

California

HMA Roundup – Julia Elitzer ([Email Julia](#))

CMS Approves Medi-Cal 2020 Waiver Amendments. On December 8, 2016, CMS approved two amendments to California’s Medi-Cal 2020 Waiver. These amendments expand the Whole Person Care pilots to allow certain tribal groups to lead projects and change payment methodologies for part of the Dental Transformation Initiative. [Read More](#)

DHCS Seeks to Add Medi-Cal Access Program to Medi-Cal 2020 Waiver. The California Department of Health Care Services (DHCS) announced on December 13, 2016 that it is seeking to amend California’s Medi-Cal 2020 waiver by adding the Medi-Cal Access Program (MCAP) population to the Medi-Cal Managed Care (MMC) delivery system, effective July 1, 2017. [Read More](#)

Florida

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

AHCA Says Medicaid Managed Care for Nursing Homes Saves Money. *Politico* reported on December 15, 2016, that including nursing homes in Medicaid managed care helped Florida avoid \$430 million in costs, according to testimony from Justin Senior, interim Secretary of the state’s Agency for Health Care Administration (AHCA). Senior made the comment during a meeting of the Florida Senate Appropriations Subcommittee on Health and Human Services concerning whether nursing homes should be excluded from the state’s mandatory managed care program. Senior added that Medicaid patients are pleased with their care and that complaints regarding the long-term care program are low. Senate President Joe Negrón called the meeting to help evaluate whether the program was working properly. [Read More](#)

State Senate To Create Framework for Medicaid Block Grant, Could Expand Coverage. *Tampa Bay Times* reported on December 20, 2016, that the Florida Senate will create a framework for the potential redesign of the state’s Medicaid program in the case of a federal policy shift to block grants. State Senate President Joe Negrón (R-Stuart) has already asked Senate Health Policy Chair Dana Young (R-Tampa) and Senate Health Care Appropriations Chair Anitere Flores (R-Miami) to lead the effort. Senate President Negrón has stated that block grants could provide Florida with the flexibility needed to expand Medicaid coverage. [Read More](#)

AHCA Receives 37 Responses to Statewide Medicaid Managed Care RFI. Florida’s Agency for Health Care Administration (AHCA) received 37 responses to the Medicaid Managed Care program Request for Information (RFI) that was issued on November 17, 2016. Responses to the RFI were due to AHCA on December 9, 2016. The state plans to release an Invitation to Negotiate for the Statewide Medicaid Managed Care program in summer 2017.

Georgia

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

Assembly to Consider Dental Hygienist Bill for Safety-Net Populations; Dental Association Likely to Oppose. *Georgia Health News* reported on December 20, 2016, that the Georgia General Assembly is considering a bill to allow dental hygienists to practice in safety-net clinics, nursing homes, school-based clinics, and other locations without a dentist present. Georgia currently prevents vulnerable children, seniors, and individuals with disabilities from receiving cleanings and fluoride treatments without a dentist present. In Georgia, 118 of 159 counties are considered dental health professional shortage areas. The bill is expected to receive opposition from the Georgia Dental Association. [Read More](#)

Kansas

House Committee to Debate Medicaid Expansion. *KCUR.org* reported on December 19, 2016, that the Kansas House Health Committee will hold hearings on Medicaid expansion during the upcoming legislative session. House Speaker-elect Ron Ryckman Jr. appointed Representative Susan Concannon, who has supported expanding Medicaid, as vice chairwoman of the committee. The Kansas Hospital Association has been advocating for state legislators to consider an alternative Medicaid expansion model, similar to Indiana's. Lieutenant Governor Jeff Cuyler has stated, however, that Medicaid expansion prospects are uncertain under the incoming Trump administration and has voiced his support for block grant funding for Medicaid. [Read More](#)

Medicaid Application Backlog is Putting Financial Pressure on Providers. *KCUR.org* reported on December 20, 2016, that Kansas continues to struggle with the Medicaid application backlog, putting significant financial pressure on providers, especially nursing homes serving patients awaiting eligibility determinations. The backlog originally began in the summer of 2015 when the state transitioned to a new computer system for processing applications. While the state reduced the backlog to 1,486 in September 2016, the numbers have risen again, with 2,247 applications currently pending. [Read More](#)

Maryland

DHMH Secretary Van Mitchell to Step Down; Dennis Schrader Nominated to Replace. *The Baltimore Sun* reported on December 15, 2016, that Van Mitchell will be leaving his position as Secretary of the Maryland Department of Health and Mental Hygiene (DHMH) effective December 15. Governor Larry Hogan has nominated Dennis Schrader, Secretary of Appointments, to replace Mitchell. Mitchell, who was formerly a lobbyist and Democratic state delegate, has held the post for two years. [Read More](#)

Massachusetts

EOHHS Releases Medicaid MCO Procurement. On December 21, 2016, the Massachusetts Executive Office of Health and Human Services (EOHHS) issued a request for responses (RFR) from managed care organizations (MCOs) to provide health care coverage through MassHealth. Under the RFR, long-term services and supports will be carved into managed care, tentatively in the third year of the contract. This RFR also solicits responses for providing health care coverage through the Special Kids Special Care Program for children with complex health conditions. The state anticipates MCOs will play a key role in the roll out of the state's new value-based payment models, including its Accountable Care Organization initiative, for which the state issued a separate RFR earlier this year. The MassHealth MCO program covers approximately 850,000 members. [Read More](#)

New Mexico

Behavioral Health Providers Cleared of Medicaid Fraud Yet to be Repaid. *The New Mexican* reported on December 19, 2016, that the state of New Mexico has yet to repay 15 behavioral health providers owed Medicaid reimbursements from 2013. The providers were cleared of any wrongdoing after the state sued them for Medicaid fraud, cutting off future Medicaid payments and freezing \$11 million in reimbursements for services already rendered. As a result, most of the providers have gone out of business. The department stated that it will take a week to process all of the claims. [Read More](#)

Ohio

HMA Roundup - Jim Downie ([Email Jim](#))

Health and Human Service Agencies Submit Budget Letters to Governor. *Gongwer Ohio* reported that Ohio health and human services agencies began submitting budget request letters. The 2018-2019 Biennial Budget is expected to be austere to reflect the current trend of lagging revenues. The budget letters echo the Governor's cautions. [Read More](#)

Medicaid and Behavioral Health Agencies Propose Increased Rates in Behavioral Health Redesign. *Gongwer-Ohio* reported that the directors of the Ohio Departments of Medicaid and Mental Health and Addiction Services presented new proposed rates at the December Joint Medicaid Oversight Committee meeting. The new rates push the redesign from \$38 Million over budget neutrality to \$53.4 Million. The revised plan calls for raising rates for registered nurse and licensed practical nurse services by 15 to 20 percent and evaluation and management services by 17 percent. [Read More](#)

Pennsylvania

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

Mid-Year Budget Briefing Presentation Released. Budget Secretary Randy Albright made a presentation on December 14, 2016, that focused on shortfalls, revenues, and next year's goals for the Wolf Administration. Albright began by highlighting parts of the 2016-2017 enacted budget. He explained the budget

totals \$31.5 billion, an increase of \$1.4 billion from 2015-2016, with nearly 75 percent of expenditures going to human services and education. Albright said the revised financial statement indicates a \$603 million annual shortfall. He then said the Department of Human Services (DHS) has been working to reduce the amount of the shortfall. Sec. Albright then outlined budgetary accomplishments made by the administration, however, Sec. Albright went on to highlight challenges for future budgets, including revenue growth, a \$304 million increase to fund future school district and state pension obligations, a \$133 million increase in general fund debt obligations, one-time revenue options, lottery fund solvency, federal matching requirements, and human services costs and expansion. [Read More](#)

DHS Secretary Highlights 2016 Accomplishments. Timed with the Administration's mid-year budget briefing, Pennsylvania Department of Human Services Secretary Ted Dallas highlighted some of DHS' 2016 accomplishments on December 14, 2016. In particular, Dallas highlighted new initiatives like the Health Enterprise Zone to address the health disparities in North Philadelphia and TiPS, a statewide telemedicine network of experts that increases access to behavioral health services, especially in rural areas. Secretary Dallas also discussed the roll out of the Centers of Excellence, groups of medical professionals that meet with people with substance use disorder and the recently launched mobile app for Pennsylvanians who have applied for or receive assistance benefits called myCOMPASS PA, which is estimated to save an average of \$3.2 million per year. [Read More](#)

DHS Proposes Amendment to Managed Care Assessment Program for Fiscal Year 2017-2018. The Pennsylvania Department of Human Services announced a proposed adjustment to the managed care assessment fixed fee for Fiscal Year 2017-2018, which would adjust the MCO assessment fixed fee to \$15.07 per member month effective July 1, 2017. The fiscal impact from the fees will total \$1.05 billion. [Read More](#)

SNFs Lose Appeal in Medicaid Case that Lessens Reimbursements. A group of nursing homes sued the Centers for Medicare & Medicaid Services (CMS) for approving a 2008 amendment to Pennsylvania's Medicaid plan that paid skilled nursing facilities (SNFs) less than the rate paid under the previously existing plan. In 2013 a court reversed the amendment, accepting the SNFs argument that CMS didn't consider the rate cuts effect on quality of care. As part of CMS' challenge to the ruling, they used a state report that included quality data from 2008 and 2009, which "obviously did not exist when CMS initially approved the plan amendment in December 2008," according to court documents. The nursing homes argued that CMS' reevaluation of the amendment violated federal regulations by using actual quality data from 2008 and 2009, rather than predictive data that was available when the agency first reviewed the amendment proposal. The U.S. Court of Appeals for the Third Circuit on Monday upheld CMS' plan to approve the amendment. [Read More](#)

Tennessee

1115 Waiver Extension Approved by CMS. The Tennessee Division of Health Care Finance & Administration announced on December 16, 2016, that the Centers for Medicare & Medicaid Services (CMS) granted a five-year extension of Tennessee's TennCare II section 1115 demonstration waiver. The waiver continues the state's Medicaid managed care program and uncompensated care

payments for hospitals, shortens the timeframe for beneficiary disenrollment from managed care plans, and updates cost sharing provisions. Uncompensated care payments will total \$708 million in fiscal 2017 and \$627 million in fiscal 2018, which includes state Medicaid Disproportionate Share Hospital funding. The extension will expire June 20, 2021.

1115 Waiver Extension Limits Uncompensated Care Funds. *Modern Healthcare* reported on December 19, 2016, that the Centers for Medicare & Medicaid Services (CMS) approval of Tennessee's 1115 waiver extension marks the end of a six month debate over federal funding for uncompensated care provided by the state's hospitals. Funding for the uncompensated care pool is part of the waiver, which was extended through June 30, 2021 and also authorizes continuation of the state's Medicaid managed care program. CMS agreed to fund uncompensated care payments at current levels, approximately \$500 million a year, through June 30, 2017. After a one-year transition period beginning in July 2017 when the possible payments will ramp up to \$708 million, the state must follow a revised methodology that limits uncompensated care to only those services provided to individuals who would still be ineligible for Medicaid under an expansion, regardless of whether or not the state were to expand Medicaid. [Read More](#)

Virginia

Governor Proposes Fiscal 2016-18 Budget Without Medicaid Expansion. *The Washington Post* reported on December 16, 2016, that Virginia Governor Terry McAuliffe unveiled his proposed fiscal 2016-18 budget. The budget does not include Medicaid expansion, but gives the Governor authority to expand if the Affordable Care Act is not repealed and enhanced federal matching funds are available after October 1, 2017. Governor McAuliffe stated that by not previously expanding, the state lost out on \$7.9 billion in federal matching funds. [Read More](#)

Governor Calls for \$31.7 Million for Mental Health, SUD Treatment. *The Washington Post* reported on December 14, 2016, that Virginia Governor Terry McAuliffe is asking state legislators for \$31.7 million in funding to improve and standardize treatment for individuals with mental illness and substance use disorder (SUD). About \$8.2 million would be used to staff community service boards, \$7.4 million to help hospitals deal with capacity issues, \$2.1 for security personnel at state mental health hospitals, \$5.3 million for opioid abuse prevention and treatment, \$4.2 million for mental health screening at jails, and \$4.5 million to develop the state's comprehensive behavioral health care plan. Governor McAuliffe's office said the initiative would be one of the administration's largest and costliest proposals for the legislative session. [Read More](#)

Washington

Governor Seeks \$300 Million Increase in Mental Health Care Spending. *The Seattle Times* reported on December 14, 2016, that Washington Governor Jay Inslee is proposing a \$300 million increase in state mental health care spending over the next two-year budget period. The proposal includes a \$220 million increase in the state operating budget and an \$80 million increase in the capital budget. The additional funding would help pay for an additional 700 mental

health workers and 1,000 new beds at mental health care facilities. It would also help shift the majority of civilly committed patients out of the state's two psychiatric hospitals, Eastern State and Western State, and into community beds. Both hospitals would continue to house patients directed to them by criminal courts. Governor Inslee says he plans to provide the additional funding through growth in current tax revenue and an additional \$4.4 billion in proposed new taxes. [Read More](#)

National

Republican Letter to CMS Raises Concerns Over Medicaid Expansion Spending. *The Hill* reported on December 19, 2016, that U.S. Senate Finance Committee chairman, Republican Utah Senator Orrin Hatch, and Pennsylvania Representatives Tim Murphy and Joe Pitts sent a letter to the Centers for Medicare & Medicaid Services (CMS) expressing concerns over federal Medicaid expansion spending. The letter questions how the administration is ensuring federal dollars are not improperly spent, such as how states and the federal government determine the federal share of Medicaid spending for different enrollees. Republican lawmakers will work to repeal the Affordable Care Act next year and must determine what to do regarding expansion, which provides around 11 million individuals with coverage. [Read More](#)

Exchange Sign-Ups Hit All-Time High for Single Day. *The Washington Post* reported on December 16, 2016, that sign-ups for health insurance on the Affordable Care Act (ACA) Exchanges hit a single-day, all-time high of 670,000 on December 15, 2016. The Obama Administration announced the milestone along with other data highlighting the successes of the law. [Read More](#)

Exchange Premium Increases Could Cost Taxpayers \$10 Billion, Says Study. *The New York Times* reported on December 15, 2016, that federal premium subsidies for Exchange plans could increase \$9.8 billion to \$42.6 billion in 2017, according to a study by the Center for Health and Economy. The increase is driven by premium price increases averaging 25 percent. There is speculation this could affect how Republicans design subsidies in any ACA replacement legislation. The Obama administration stated that the law is still helping to reduce federal deficits. [Read More](#)



INDUSTRY NEWS

Catholic Health Initiatives to Divest Some Health Insurance Operations. *The Wall Street Journal* reported on December 15, 2016, that not-for-profit Catholic Health Initiatives (CHI) is selling off some of its money-losing health insurance operations. Colorado-based CHI, which is one of the largest hospital companies in the country, aggressively pushed into eight health insurance markets over the past three years in an effort to leverage its provider and hospital network. Markets included Arkansas, Iowa, Kentucky, Nebraska, Ohio, Tennessee, and Washington. Other hospital companies also pulling back from the health insurance business include Tenet Healthcare, WellStar Health System, and, Piedmont Healthcare. [Read More](#)

Bain Capital Acquires Epic Health Services From Webster Capital. *Home Health Care News* reported on December 19, 2016, that Epic Health Services, a national home health services and pediatric skilled nursing company, has signed an agreement to be acquired by Bain Capital Private Equity. Epic is currently owned by Webster Capital, which acquired the company in 2010. Financial terms of the transaction were not disclosed. The acquisition is expected to close in the first quarter of 2017. [Read More](#)

Amedisys Acquires Home Staff Assets, Expands Personal Care Footprint in Massachusetts. *Home Health Care News* reported on December 19, 2016, that Amedisys Inc., the second largest home health care provider in the country, is set to become the largest personal care provider in Massachusetts only a year after entering the private duty nursing space. The growth is largely due to Amedisys subsidiary Associated Home Care's agreement to acquire all assets of Home Staff LLC, which is currently owned by Fallon Health and VNA Care Network. Amedisys acquired Associated Home Care in March 2016. Upon completion of the deal, Amedisys will operate in over 30 locations throughout Massachusetts, providing personal care to 15,000 individuals a year. The transaction is anticipated to close on February 1, 2017. [Read More](#)

AlohaCare Names Former UnitedHealth VP Laura Esslinger as CEO. *Pacific Business News* reported on November 25, 2016, that AlohaCare has named Laura Esslinger as chief executive, effective December 1, 2016. Esslinger was most recently principal of Armstead and Esslinger Health Consultants. Previously, she was with UnitedHealth Group. AlohaCare is the fifth-largest insurer in Hawaii. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
December 21, 2016	Massachusetts	RFP Release	850,000
December, 2016	Washington, DC	RFP Release	200,000
January 1, 2017	Nebraska	Implementation	239,000
January 1, 2017	Minnesota SNBC	Implementation (Remaining Counties)	45,600
January 17, 2017	Wisconsin Family Care/Partnership (MLTSS)	Contract Awards	14,000
January 23, 2017	Arizona ALTCS (E/PD)	Proposals Due	30,000
February 16, 2017	Massachusetts MassHealth ACO - Full	Proposals Due	TBD
February 28, 2017	Oklahoma ABD	Proposals Due	155,000
February, 2017	Rhode Island	Implementation	231,000
March 7, 2017	Arizona ALTCS (E/PD)	Contract Awards	30,000
March 15, 2017	Massachusetts	Proposals Due	850,000
Spring 2017	Virginia Medallion 4.0	RFP Release	700,000
May 1, 2017	Missouri (Statewide)	Implementation	700,000
June 1, 2017	Pennsylvania HealthChoices	Implementation	1,700,000
July 1, 2017	Wisconsin Family Care/Partnership (MLTSS)	Implementation	14,000
July 1, 2017	Nevada	Implementation	420,000
July 1, 2017	Pennsylvania MLTSS/Duals	Implementation (SW Region)	100,000
July 1, 2017	Virginia MLTSS	Implementation	212,000
July 1, 2017	Georgia	Implementation	1,300,000
October 1, 2017	Arizona ALTCS (E/PD)	Implementation	30,000
Fall 2017	Virginia Medallion 4.0	Contract Awards	700,000
December 18, 2017	Massachusetts	Implementation	850,000
January 1, 2018	Pennsylvania MLTSS/Duals	Implementation (SE Region)	145,000
March, 2018	North Carolina	RFP Release	1,500,000
April, 2018	Oklahoma ABD	Implementation	155,000
June, 2018	North Carolina	Proposals Due	1,500,000
August 1, 2018	Virginia Medallion 4.0	Implementation	700,000
September, 2018	North Carolina	Contract awards	1,500,000
January 1, 2019	Pennsylvania MLTSS/Duals	Implementation (Remaining Regions)	175,000
July 1, 2019	North Carolina	Implementation	1,500,000

DUAL ELIGIBLE FINANCIAL ALIGNMENT DEMONSTRATION IMPLEMENTATION STATUS

Below is a summary table of the progression of states toward implementing a dual eligible financial alignment demonstration.

State	Model	Opt- in Enrollment Date	Passive Enrollment Date	Duals Eligible For Demo	Demo Enrollment (Nov. 2016)	Percent of Eligible Enrolled	Health Plans
California	Capitated	4/1/2014	5/1/2014 7/1/2014 1/1/2015	350,000	112,468	32.1%	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)
Illinois	Capitated	4/1/2014	6/1/2014	136,000	46,216	34.0%	Aetna; Centene; Blue Cross Blue Shield of IL; Cigna-Health Spring; Humana; Meridian Health Plan; Molina
Massachusetts	Capitated	10/1/2013	1/1/2014	97,000	13,857	14.3%	Commonwealth Care Alliance; Network Health
Michigan	Capitated	3/1/2015	5/1/2015	100,000	36,656	36.7%	AmeriHealth Michigan; Coventry (Aetna); Fidelis SecureCare; Meridian Health Plan; HAP Midwest Health Plan; Molina Healthcare; Upper Peninsula Health Plan
New York	Capitated	1/1/2015 (Phase 2 Delayed)	4/1/2015 (Phase 2 Delayed)	124,000	4,860	3.9%	There are 15 FIDA plans currenting serving the demonstration. A full list is available on the MRT FIDA website.
New York - IDD	Capitated	4/1/2016	None	20,000	384	1.9%	Partners Health Plan
Ohio	Capitated	5/1/2014	1/1/2015	114,000	70,315	61.7%	Aetna; CareSource; Centene; Molina; UnitedHealth
Rhode Island	Capitated	7/1/2016	10/1/2016	25,400	4,086	16.1%	Neighborhood Health Plan of RI
South Carolina	Capitated	2/1/2015	4/1/2016	53,600	9,611	17.9%	Absolute Total Care (Centene); Molina Healthcare of South Carolina; Select Health of South Carolina (AmeriHealth)
Texas	Capitated	3/1/2015	4/1/2015	168,000	36,736	21.9%	Anthem (Amerigroup); Cigna-HealthSpring; Molina; Superior (Centene); United
Virginia	Capitated	3/1/2014	5/1/2014	66,200	29,186	44.1%	Humana; Anthem (HealthKeepers); VA Premier Health
Total Capitated	10 States			1,254,200	364,375	29.1%	

Note: Enrollment figures in the above chart are based on state enrollment reporting, where available, and on CMS monthly reporting otherwise.

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