HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

December 20, 2017

RFP CALENDAR

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THIS WEEK

The HMA Weekly Roundup will be off Wednesday, December 27th and Wednesday January 3rd. We will resume our regular weekly publication on January 10th. The HMA Weekly Roundup team wishes all our readers happy and safe holidays!

IN FOCUS

HIGHLIGHTS FROM NASBO FALL 2017 FISCAL SURVEY OF STATES

This week, our *In Focus* section highlights some of the key findings of the *Fiscal Survey of the States Fall 2017* report, released this month by the National Association of State Budget Officers (NASBO). The association conducted

surveys of state budget officers in all 50 states from August through November 2017. The findings in the report focus on the key determinants of state fiscal health, highlighting data and state-by-state budget actions by area of spending. Below we summarize the major takeaway points from the report, as well as highlight key findings on Medicaid-specific and other health care budget items.

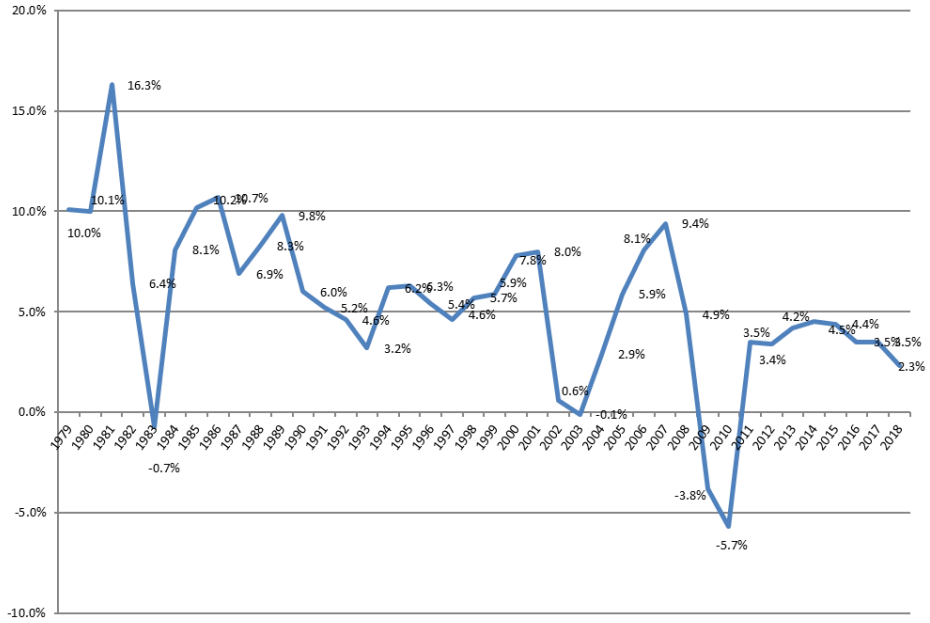
Overall Budget Environment Takeaways

Based on NASBO's survey and evaluation of state governors' recommended budgets, states are approaching FY 2018 with significant caution, following two consecutive years of slow revenue growth. Medicaid spending continues to be a major driver of state budget actions, with Medicaid being the second largest general fund spending category on average at 20.3 percent.

Over one-half of states (27) reported general fund (GF) revenues below budget projections for FY 2017, with nearly half of states (22) making mid-year budget cuts. Governors' budget proposals for FY 2018 amount to overall general fund spending growth of 2.8 percent. In all:

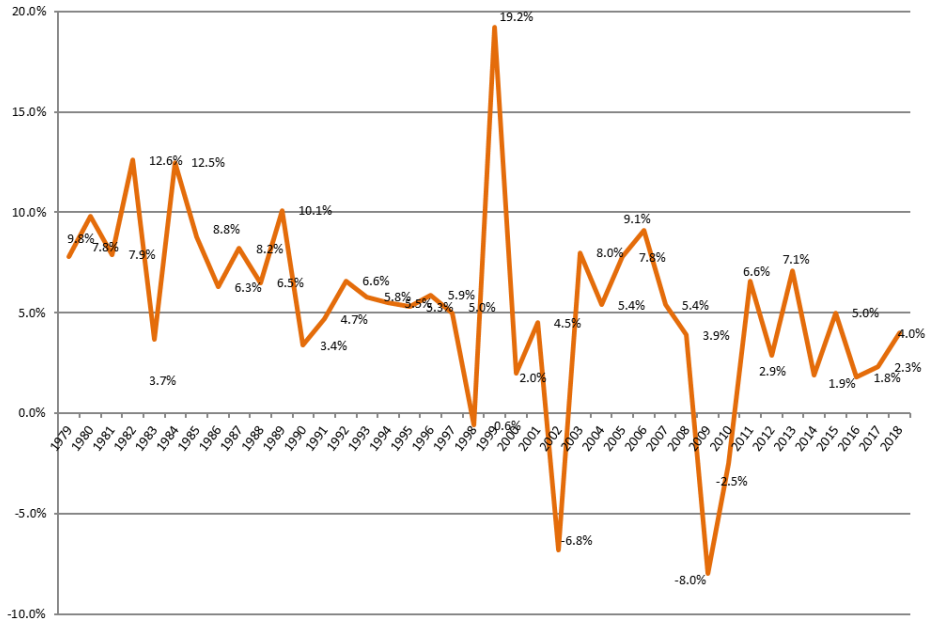
- 15 states are projecting negative budget growth;
- 28 states are projecting budget growth between 0 and 5 percent;
- Seven states are projecting budget growth between 5 and 10 percent; and
- No states anticipate budget growth above 10 percent.

Figure 1 - State Nominal Annual Budget Increases, FY 1979 to FY 2018



On the revenue side, FY 2018 is projecting slightly better than FY 2017, with five states projecting negative revenue growth (compared with eight in FY 2017). Proposed FY 2018 budgets assume overall growth in sales tax revenues of 4.2 percent, along with 4.4 percent growth in personal income tax revenue, and 1.0 percent growth in corporate income tax revenues.

Figure 2 - State Nominal Annual Revenue Increases, FY 1979 to FY 2018



Medicaid-Specific Budget Environment

Of the 30 states making FY 2017 mid-year budget adjustments, 19 reduced Medicaid funding by more than $846 million in the aggregate. Only eight states increased Medicaid funding. In FY 2018, 30 states enacted Medicaid funding increases, while 17 states enacted decreases, with a net increase of $2.6 billion.

Figure 3 - Selected State Data from NASBO Report – FY 2017 to FY 2018

General Fund Nominal Percentage Changes in Expenditures and Revenues, Medicaid-Specific and Total Budget Adjustments - FY 2017 and FY 2018

	General Fund Nominal Pct. Expenditure Change		General Fund Nominal Pct. Revenue Change		FY 2017 Mid-Year Medicaid Adjustments	FY 2018 Medicaid Program Adjustments	FY 2018 Total Program Adjustments
	FY 2017	FY 2018	FY 2017	FY 2018	Value ($M)	Value ($M)	Value ($M)
Alabama	5.5%	0.3%	4.0%	2.6%	$79.2	($19.5)	($15.1)
Alaska	-17.8%	-3.6%	7.4%	11.3%	$26.8	($15.9)	($70.1)
Arizona	0.5%	2.7%	0.2%	1.9%		$24.3	($133.3)
Arkansas	2.6%	2.4%	-0.4%	2.0%		$57.4	$130.1
California	6.1%	3.0%	2.5%	6.2%	$1,235.8	$1,783.7	$2,628.1
Colorado	1.9%	6.7%	3.0%	8.1%	($24.9)	$193.3	$703.7
Connecticut	-1.3%	5.4%	-0.4%	5.9%		$754.6	$826.1
Delaware	4.9%	0.7%	1.7%	4.9%		$7.8	$22.0
Florida	4.5%	3.6%	5.1%	5.8%		($62.1)	$1,184.6
Georgia	5.6%	2.5%	4.7%	1.9%	($2.8)	($116.7)	$1,101.9
Hawaii	8.8%	-1.0%	3.8%	-0.3%	($0.4)	($3.2)	$211.9
Idaho	7.9%	5.3%	8.3%	3.8%	($6.5)	$12.8	$178.0
Illinois	9.6%	9.7%	-3.1%	18.7%		($50.0)	$1,283.6
Indiana	3.1%	1.3%	3.0%	1.8%		($135.3)	$39.1
Iowa	0.2%	0.0%	2.5%	3.9%	($15.1)	($18.8)	$4.9
Kansas	2.6%	5.0%	4.2%	5.8%	($52.5)	$3.1	$290.6
Kentucky	8.2%	2.0%	1.4%	3.7%	($37.7)	$169.2	$248.7
Louisiana	10.6%	-1.9%	21.6%	-1.9%	($398.3)	($395.2)	($181.3)
Maine	2.2%	3.2%	1.7%	1.0%	$3.3	$9.6	$146.0
Maryland	3.9%	-0.3%	3.1%	2.8%	($20.0)	$190.6	$4.7
Massachusetts	1.9%	3.0%	2.0%	3.1%	($15.0)	$565.0	$898.0
Michigan	3.8%	-0.5%	1.9%	3.6%		($16.2)	$499.9
Minnesota	7.6%	3.7%	0.6%	3.3%		$654.3	$825.8
Mississippi	1.1%	-4.3%	1.4%	0.0%	($20.6)	($16.3)	($252.7)
Missouri	2.0%	1.3%	3.0%	3.8%	($62.3)	($76.0)	($159.1)
Montana	1.8%	-0.7%	1.0%	10.7%		$0.0	($48.3)
Nebraska	3.2%	1.6%	-1.1%	8.0%	($14.0)	($3.2)	$53.3
Nevada	10.8%	-0.3%	3.9%	2.1%		$55.3	$152.6
New Hampshire	9.2%	-1.9%	-1.7%	1.1%		$45.2	$97.0
New Jersey	2.1%	-0.1%	2.9%	2.6%		$142.3	($19.6)
New Mexico	-2.4%	-0.3%	9.8%	-5.2%		$1.0	($165.4)
New York	0.1%	4.6%	-4.0%	4.4%		$673.0	$556.0
North Carolina	4.1%	4.6%	1.2%	4.2%		$84.8	$906.9
North Dakota	-13.6%	-17.1%	-16.3%	11.0%	($2.5)	$30.8	($522.3)
Ohio	1.1%	-6.3%	0.7%	-5.6%		($2,613.2)	($2,321.0)
Oklahoma	-6.2%	1.9%	-3.8%	2.5%		$0.0	$69.5
Oregon	0.3%	7.9%	12.5%	-4.4%	($10.9)	$3.3	$1,846.8
Pennsylvania	6.0%	-0.6%	6.1%	5.7%	$86.1	($337.9)	$54.3
Rhode Island	3.4%	2.7%	0.6%	4.1%	$12.9	$27.3	$84.0
South Carolina	6.5%	3.9%	4.3%	4.6%		$46.4	$367.2
South Dakota	6.0%	2.7%	7.1%	3.2%	($3.4)	$6.9	($8.0)
Tennessee	7.8%	6.6%	2.8%	0.2%		$116.5	$888.9
Texas	-0.5%	2.0%	3.0%	4.4%		$492.1	($695.2)
Utah	1.6%	4.2%	4.5%	5.3%	($27.2)	$34.4	$267.3
Vermont	4.2%	1.4%	6.7%	0.6%	($28.4)	($5.7)	$21.6
Virginia	5.3%	1.2%	5.0%	3.1%	$39.3	$182.0	$69.6
Washington	6.4%	5.0%	6.2%	1.7%	$130.0	$12.0	$909.0
West Virginia	1.7%	1.2%	2.1%	0.8%	($25.0)	($10.1)	($71.6)
Wisconsin	7.9%	-1.2%	2.8%	3.6%		$69.9	($138.5)
Wyoming	-12.9%	1.1%	1.1%	1.5%		$0.0	($25.0)
US Avg./Total	**3.5%**	**2.3%**	**2.3%**	**4.0%**	**$845.9**	**$2,553.7**	**$12,745.3**

Source: NASBO Fiscal Survey of the States Fall 2017

Link to NASBO Fiscal Survey of States, Fall 2017

https://www.nasbo.org/mainsite/reports-data/fiscal-survey-of-states

HMA MEDICAID ROUNDUP

Alabama

Alabama to Shut Down CHIP in February 2018. *Kaiser Health News* reported on December 19, 2017, that without federal funding, Alabama will shut down its Children's Health Insurance Program (CHIP) in February 2018, impacting 84,000 children. Alabama, which would be the first state to shut down CHIP, will begin terminating eligibility for existing CHIP beneficiaries in January. States face funding shortfalls for CHIP, given the failure of Congress to reauthorize the program. According to a Kaiser Family Foundation report, one-third of states are expected to run out of CHIP funding by the end of January. Read More

Arkansas

AR to Remove 80,000 Ineligibles from Medicaid. *KATV* reported on December 19, 2017, that the Arkansas Department of Human Services will remove from its Medicaid rolls more than 80,000 individuals deemed ineligible for the program following a state eligibility review. Changes in address or employment status, receipt of benefits from another state, Medicare eligibility, or incarceration can trigger Medicaid ineligibility. Read More

California

California Democrat Proposes Medicaid Eligibility for Adult Illegal Immigrants. *ABC News* reported on December 14, 2017, that California Assemblyman Phil Ting (D-San Francisco) has proposed further expansion of the state Medicaid program to cover adult illegal immigrants. The proposal, which could eventually cost $1 billion annually, is expected to face opposition. California, which is a Medicaid expansion state, already provides coverage to illegal immigrants up to age 19. Read More

Colorado

Colorado Governor Urges Lawmakers to Extend CHIP Funding Until February. *The Denver Post/Daily Record* reported on December 20, 2017, that Colorado Governor John Hickenlooper is asking state lawmakers to provide $9.6 million to extend the state's Children's Health Insurance Program (CHIP) through February. The program, called Children's Health Plan Plus, is set to end January 31 assuming Congress fails to reauthorize funding. Read More

Connecticut

Connecticut CHIP to End in January Unless Congress Renews Funding. *The Hill* reported on December 19, 2017, that Connecticut plans to end its Children's Health Insurance Program (CHIP) on January 31 unless Congress reauthorizes funding. The state said it will help families seek alternative coverage and urges families to seek care and refill medications before funding runs out. Read More

Connecticut to Hold Special Legislative Session to Reverse Cuts to Medicare Savings Program. The *Hartford Courant* reported on December 14, 2017, that the Connecticut legislature will hold a special session in late December to reverse $54 million in cuts to the state's Medicare Savings Program. Legislators hope to offset the cost of the restored funding with other budget cuts not yet disclosed. Read More

District of Columbia

District of Columbia Ordered to Reevaluate Medicaid Managed Care Awards. *The Washington Post* reported on December 13, 2017, that the District of Columbia will reevaluate bids submitted by health plans for the state's Medicaid managed care program, after an administrative law judge ruled that the District failed to treat all bidder's equally and "undermined the integrity of the procurement process." The state awarded contracts to AmeriHealth Caritas, Trusted Health Plan, and Anthem/Amerigroup in May. Incumbent MedStar was not awarded a contract and filed a protest. Judge Maxine McBean agreed with MedStar that the procurement process was unfair. Read More

Georgia

Georgia Eyes Waivers to Capture Medicaid Expansion Funds. *Wabe* reported on December 13, 2017, that Georgia lawmakers are considering waivers to capture some of the federal health care funds that the state lost out on when it decided not to expand Medicaid. For example, Georgia Senator Renee Unterman (R-Buford), chairman of the state Senate Health and Human Services Committee, has discussed using Medicaid waivers for certain populations, including individuals with mental illness and substance abuse disorders. Read More

Hawaii

Hawaii to Pay Stipend to Individuals Caring for Elderly Family Members at Home. *The New York Times* reported on December 15, 2017, that Hawaii will provide a stipend of up to $70 daily to individuals caring for an elderly family member at home. Funds provided under the Kapuna Caregivers Program will be available to individuals who work at least 30 hours per week and can be used to pay for supplies, to offset wages lost, or to hire help. Read More

Idaho

Idaho Awards $34 Million NEMT Contract to Medical Transportation Management. Idaho on December 12, 2017, awarded a Medicaid non-emergency medical transportation contract to Medical Transportation Management, Inc., effective March 6, 2018. The $34 million contract will run through June 2019, with an option to extend for up to five additional years. Read More

Iowa

Iowa Democrats Call on State to End Medicaid Managed Care. *The Courier* reported on December 15, 2017, that a group of Iowa Democratic legislators issued a letter calling on the state to end its troubled Medicaid managed care program. The concerns cited in the letter include financial strains on providers, cuts to care, and the withdrawal of one of the Medicaid plans. Read More

Louisiana

Louisiana Legislature Approves Medicaid Managed Care Contract Extensions. *WAFB* reported on December 14, 2017, that Louisiana lawmakers voted to extend contracts worth $15.4 billion with five Medicaid managed care plans. The contracts were set to expire January 31, and Louisiana Governor John Bel Edwards had planned to use emergency powers to extend the contracts in the face of legislative opposition. Read More

Maryland

Maryland Wins Waiver Approval to Expand Community Services to Individuals with Disabilities. The *Chicago Tribune* reported on December 14, 2017, that Maryland has won federal waiver approval to expand community-based services to additional individuals with developmental disabilities. The Community Supports waiver, coupled with the recently approved Family Support Waiver, will allow the state to provide community-based services to another 800 individuals with disabilities. Read More

Mississippi

Mississippi Lawmakers Hear Testimony on Cost Effectiveness of Medicaid Managed Care. The *Daily Journal* reported on December 15, 2017, the Mississippi House Medicaid Committee heard testimony on the cost effectiveness of the state's Medicaid managed care program, which requires reauthorization in 2018. Medicaid managed care plans argued that the program has saved the state $375 to $420 million since 2011. The Mississippi Hospital Association said that the state has paid Medicaid plans almost $1 billion more than the plans have paid to health care providers who treat Medicaid patients. Read More

Mississippi Medicaid Director David Dzielak Resigns. *Clarion Ledger* reported on December 15, 2017, that Mississippi Division of Medicaid

Director David Dzielak has resigned after six years. Separately, the state legislature must reauthorize the Division of Medicaid in the next legislative session, and Governor Phil Bryant has already asked the Division to develop plans for moving Medicaid eligibility responsibilities to the state Department of Human Services. Read More

Nebraska

Nebraska Medicaid Managed Care Program Struggles in First Year. *Omaha World-Herald* reported on December 17, 2017, that Nebraska's Medicaid managed care program had a rocky first year, struggling with unpaid claims, delays in care, and a frustrating authorization process for providers. Actions taken by the state Department of Health and Human Services against Medicaid plans include fines, warnings, and corrective action plans. The program, called Heritage Health, was launched on January 1, 2017. Read More

New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

New Jersey Governor Signs Bill to Require Health Insurance Coverage for Contraceptive Prescriptions for Six Months. *NJ Spotlight* reported on December 17, 2017, that New Jersey Governor Chris Christie signed into a law a bill (A2297) that will require health insurers to cover prescription contraceptives for a six-month period following an initial three-month period. This doubles the amount time currently permitted for prescriptions. The change goes into effect 90 days from the signature date (or by April 2018). The change should make it easier for women to avoid unplanned pregnancies. The article states that according to the Guttmacher Institute, more than half of the births in New Jersey were unplanned in 2010. Read More

New York

HMA Roundup – Denise Soffel (Email Denise)

New York Ranking for Health Access and Affordability Rises. The Commonwealth Fund released a report on December 14, 2017, that looks at changes in health care access and affordability across the country since the Affordable Care Act was implemented. New York rose from 13th to 11th over the last year, largely due to on-going declines in the number of uninsured. The state's uninsured rate was 15 percent prior to the ACA; it is now nine percent. New York does less well on measures of affordability, falling below the national average in all four measures (adults who went without care due to cost, individuals with high out-of-pocket spending, at-risk individuals without a physician visit in prior two years, adults without a dental visit in prior year). Read More

New York Launches Health Plan Cost Calculator. IMPAQ has developed a new tool that allows New Yorkers to assess the relative cost of care across health plans. The tool does not only compare differences in premiums, it also estimates out-of-pocket costs for ten different health conditions, by health plan and insurance product. NYPlanCosts Calculator lets users compare out-of-pocket cost estimates by health plan for 10 chronic conditions and life events,

including diabetes, multiple sclerosis, heart disease, and pregnancy and childbirth. New Yorkers can use NYPlanCosts Calculator to compare individual and small group market health plans in their areas, available on and off the NY State of Health Marketplace, and filter the results by key criteria, such as metal level and plan type. The tool was developed with funding from the NYS Health Foundation. Read More

North Carolina

WellCare to Partner with Community Care of North Carolina for North Carolina's New Medicaid Managed Care Program. WellCare announced on December 13, 2017, that it is partnering with Community Care of North Carolina (CCNC) to deliver healthcare to Medicaid beneficiaries when North Carolina transitions to managed care, expected in 2019. WellCare and CCNC will coordinate care through joint development and management of population health programs, predictive analytics solutions, and care management models, focusing on complex health problems. Read More

Oklahoma

Oklahoma University Hospitals Could Lose $115 Million in Annual Medicaid Funding. *Tulsa World* reported on December 16, 2017, that the University of Oklahoma and Oklahoma State University could lose $115 million in annual Medicaid funds because the state failed to renew a waiver with federal regulators. The waiver, which hasn't been renewed since 2001, allows the state to receive federal Medicaid matching funds for medical training at the schools. Without federal funding, the hospitals would need $31 million in emergency funding from the state to continue operating through June 30, 2018. Read More

Oregon

Oregon CCO FamilyCare Is Likely to Close After $100 Million in Losses. *The Lund Report* reported on December 15, 2017, that FamilyCare, Oregon's second largest Medicaid coordinated care organization (CCO), will likely close on January 1, 2018, after posting $100 million in losses. FamilyCare has 120,000 Medicaid members. Competing CCO HealthShare stated it has the capacity to take on additional membership. FamilyCare has long disputed the level of rates it receives from the state to adequately served Medicaid members. "You cannot have an actuarially sound process that produces a deficit three years in a row," said FamilyCare chief executive Jeff Heatherington. Read More

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Pennsylvania Medical Assistance Advisory Committee Holds December Meeting. The following updates were provided at the December 14 meeting of Pennsylvania's Medical Assistance Advisory Committee:

Department of Human Services Update: Effective November 4, 2017, Leesa Allen became the new Executive Deputy Secretary for the Department of Human

Services (DHS). There is a vacancy for the Deputy Secretary of the Office of Medical Assistance Programs (OMAP) position that she held. DHS and OMAP are currently accepting and reviewing potential applicants.

Office of Medical Assistance Programs Update: The HealthChoices reprocurement is still on hold pending a decision from the Commonwealth Court. OMAP will continue with "business as usual" in 2018. CHIP has been reauthorized at the state level, though OMAP is holding off on any participant communications until an apparent effort in Congress to vote on federal reauthorization on December 22, 2017. Notices for families have been developed to account for any outcome.

South Carolina

South Carolina Medicaid Director Proposes Increase in Rates for Autism Treatment. *The Post and Courier* reported on December 17, 2017, that South Carolina Medicaid director Joshua Baker is seeking $13.1 million in extra funding in fiscal 2019 for autism treatment, including an increase in one-on-one Applied Behavior Analysis therapy rates from $17 to $24 an hour. Most of the costs would be paid by the federal government. Separately, the state's Pervasive Developmental Disorder Program for children with autism will end. Instead, children with autism who had qualified for the waiver will now receive benefits directly through Medicaid. Read More

Virginia

Virginia Governor Again Proposes Medicaid Expansion. *Richmond Times-Dispatch* reported on December 18, 2017, that outgoing Virginia Governor Terry McAuliffe is once again pushing to expand Medicaid, making it a central part of his administration's 2018-20 biennium budget proposal. Expansion would reach about 300,000 individuals and be funded by a hospital assessment. Virginia Republicans have blocked McAuliffe's expansion efforts three times in the past. Read More

Washington

Washington Fines Centene Over Individual Plan Network Adequacy. *Modern Healthcare* reported on December 15, 2017, that Washington has temporarily barred Centene subsidiary Coordinated Care Corp. from selling individual plans and fined the insurer $1.5 million over network adequacy issues. Coordinated Care can resume selling plans after fixing the issues, which involve access to in-network providers, including those in immunology, dermatology, and rheumatology. The state would suspend $1 million of the fines as long as there are no further violations in the next two years. Read More

Wisconsin

Anthem to Expand BadgerCare Plus, SSI Plans to Seven Additional Wisconsin Counties. Anthem announced on December 18, 2017, that it will expand its BadgerCare Plus and Medicaid Supplemental Security Income (SSI) plans to seven counties in Wisconsin. Effective January 1, 2018, Anthem will

expand into Ashland, Bayfield, Iron, Pepin, Price and Sawyer counties, and effective May 1, 2018, into Iowa county. Wisconsin is currently expanding its SSI Managed Care program. Certain SSI members will need to enroll in an HMO. Members currently enrolled in an SSI managed care plan, children under age 18 with Medicaid SSI, tribal members, and members dually enrolled in Medicare will not be affected. Region I (North) will begin to expand in January 2018, with auto enrollment in February 2018; Region III (West Central) January and early February 2018, with auto enrollment in March 2018; Region V (Southeast) and Region VI (Milwaukee) February and mid March 2018, with auto enrollment in April and May 2018; Region II (Northeast) late March and early April 2018, with auto enrollment in June 2018; and Region IV (South Central) late April and early May 2018, with auto enrollment in June 2018. There are currently nine Medicaid plans serving 36,443 members. Read More

National

340B Cuts to Hit California, North Carolina, New York Hospitals Hardest. *Modern Healthcare* reported on December 13, 2017, that proposed cuts to the Medicare 340B drug discount program will hit hospitals hardest in California, New York, and North Carolina, according to a study from consulting firm Avalere. Cuts across hospitals in these three states will range from $62 million to $126 million in 2018. However, overall revenue losses to hospitals will be mostly offset by increases in non-drug payments, Avalere said. Read More

Exchange Enrollment to Fall Short Despite Late Surge. *The New York Times* reported on December 14, 2017, a late surge has pushed health plan enrollment on the federal Exchange to 4.7 million, up 17 percent from last year; however, because of the shortened open enrollment period, final enrollment is expected to fall short of last year's total of 9.2 million. The data do not include 11 states that operate their own insurance Exchanges. Read More

MACPAC Urges Congress to Extend Medicaid Waiver Approval, Renewal Periods. *Modern Healthcare* reported on December 15, 2017, that the Medicaid and CHIP Payment and Access Commission (MACPAC) voted to urge Congress to extend approval and renewal periods for Medicaid 1915(b) waivers from two to five years. MACPAC hopes to combine 1915(b) and 1915(c) waiver requirements so states can use one application. The 1915(b) waivers are used by states to implement managed care or other special programs, while 1915(c) waivers are used for home and community-based care programs. There are currently 60 waivers in effect in the United States. Read More

Trump Administration Settles Lawsuit Over ACA Cost-Sharing Subsidies. *Bloomberg* reported on December 15, 2017, that the Trump administration has reached an agreement that could pave the way for the resumption of Exchange plan cost-sharing subsidy payments. The administration had already cut off CSR payments, which were the subject of a long-standing lawsuit involving the Obama administration, House Republicans, and state attorneys general. U.S. Senator Susan Collins (R-ME) had agreed to vote for the Republican tax bill in exchange for support for measures to shore up the Exchanges. Read More

CMS Will Not Approve Medicaid Waivers Seeking Federal Designated State Health Program Funding. The Centers for Medicare & Medicaid Services

(CMS) announced on December 15, 2017, that it will no longer accept state Medicaid waivers seeking new or renewed federal matching funds for designated state health programs (DSHP). According to CMS, current demonstrations have not demonstrated a "prudent financial investment." CMS said it will work with states with pending DSHP funding proposals to identify alternative options to support their Medicaid waivers. Arizona, California, New York, New Hampshire, Rhode Island and Washington have pending waivers that include federal DSHP funding.

MACPAC Releases December 2017 Edition of MACStats Medicaid and CHIP Data Book. The Medicaid and CHIP Payment and Access Commission (MACPAC) announced on December 20, 2017, that it has released the latest edition of the MACStats Medicaid and CHIP Data Book. The report provides data on enrollment, spending, benefits, beneficiary health, service use, access to care, and state-by-state enrollment and spending for Medicaid expansion. Read More

House to Exclude ACA Exchange Stabilization Provisions from Spending Bill. *Modern Healthcare* reported on December 20, 2017, that provisions to help stabilize the Affordable Care Act Exchanges, including the resumption of cost-sharing reduction payments and reinsurance, won't make it into any year-end government spending bills considered by the House. Senate Majority Leader Mitch McConnell (R-KY) had previously promised Senator Susan Collins (R-ME) that Congress would pass market stabilization measures in exchange for her support on tax reform. Read More

Industry News

Tenet Considers Selling Conifer, Plans Further Cuts. *CNBC* reported on December 19, 2017, that Tenet Healthcare is considering divesting its Conifer unit along with additional cutbacks to reduce its $15 billion debt load. Conifer provides technology and financial services to hospitals and healthcare companies. The decision comes after Tenet's largest shareholder, Glenview Capital Management, withdrew two of its board members in August citing "irreconcilable differences" over strategy. Read More

Kindred Healthcare to be Acquired by TPG, WCAS, Humana for $4.1 Billion. Kindred Healthcare announced on December 19, 2017, that it has signed a definitive agreement to be acquired by TPG Capital, Humana, and Welsh, Carson, Anderson & Stowe for $4.1 billion. Humana will own 40 percent of the company's home health business and will have a right to buy the remaining ownership interest in Kindred at Home. TPG and WCAS will own the remaining 60 percent of the home health business and all of Kindred's LTAC hospitals, IRFs, and contract rehabilitation services businesses. The transaction is expected to close during the summer of 2018. Read More

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
Timeline to be Revised	Alabama ICN (MLTSS)	RFP Release	25,000
January 1, 2018	Delaware	Implementation	200,000
January 1, 2018	Illinois	Implementation	2,700,000
January 1, 2018	Pennsylvania HealthChoices (Delay Likely)	Implementation (SW, NW Zones)	640,000
January 1, 2018	Pennsylvania MLTSS/Duals	Implementation (SW Zone)	100,000
January 1, 2018	Alaska Coordinated Care Demonstration	Implementation	TBD
January 1, 2018	Washington (FIMC - North Central RSA)	Implementation	66,000
January 1, 2018	Virginia MLTSS	Implementation - CCC Demo, ABD in Medallion 3.0	105,000
January 5, 2018	Iowa	Proposals Due	600,000
January 25, 2018	Arizona	Proposals Due	1,600,000
January, 2018	Kansas KanCare	Proposals Due	380,000
February 27, 2018	Iowa	Contract Awards	600,000
Winter 2018	Massachusetts One Care (Duals Demo)	Contract Awards	TBD
March, 2018	North Carolina	RFP Release	1,500,000
March 1, 2018	Pennsylvania HealthChoices (Delay Likely)	Implementation (NE Zone)	315,000
March 1, 2018	Massachusetts	Implementation	850,000
March 6, 2018	Texas STAR+PLUS Statewide	Proposals Due	530,000
March 8, 2018	Arizona	Contract Awards	1,600,000
March 15, 2018	New Mexico	Contract Awards	700,000
April 1, 2018	New Hampshire	RFP Release	160,000
April 16, 2018	Florida Statewide Medicaid Managed Care (SMMC)	Contract Awards	3,100,000
June, 2018	North Carolina	Proposals Due	1,500,000
June, 2018	Kansas KanCare	Contract Awards	380,000
July 1, 2018	Pennsylvania HealthChoices (Delay Likely)	Implementation (SE Zone)	830,000
July 1, 2018	MississippiCAN	Implementation	500,000
August 1, 2018	Virginia Medallion 4.0	Implementation	700,000
September 1, 2018	Texas CHIP (Rural, Hidalgo Service Areas)	Implementation	85,000
September, 2018	North Carolina	Contract awards	1,500,000
October 1, 2018	Arizona	Implementation	1,600,000
October 1, 2018	Texas STAR+PLUS Statewide	Contract Start	530,000
November 1, 2018	New Hampshire	Proposals Due	160,000
January 1, 2019	Pennsylvania MLTSS/Duals	Implementation (SE Zone)	145,000
January 1, 2019	Florida Statewide Medicaid Managed Care (SMMC)	Implementation	3,100,000
January 1, 2019	Pennsylvania HealthChoices (Delay Likely)	Implementation (Lehigh/Capital Zone)	490,000
January 1, 2019	New Mexico	Implementation	700,000
January 1, 2019	New Hampshire	Contract Awards	160,000
January, 2019	Massachusetts One Care (Duals Demo)	Implementation	TBD
January, 2019	Kansas KanCare	Implementation	380,000
July 1, 2019	North Carolina	Implementation	1,500,000
July 1, 2019	New Hampshire	Implementation	160,000
July 1, 2019	Iowa	Implementation	600,000
September 1, 2019	Texas STAR, CHIP Statewide	Implementation	3,400,000
January 1, 2020	Texas STAR+PLUS Statewide	Operational Start Date	530,000
January 1, 2020	Pennsylvania MLTSS/Duals	Implementation (Remaining Zones)	175,000

COMPANY ANNOUNCEMENTS

MCG Health Partners with Healthx to Provide Expedited Prior Authorizations for Payers and Providers. Read more

HMA WELCOMES…

Lori Coyner, Principal – Portland, Oregon

Lori Coyner joins HMA from the Oregon Health Authority (OHA) where she most recently served as State Medicaid Director. In this position, Lori played a pivotal role in securing federal renewal of Oregon's Medicaid 1115 Waiver that includes innovative strategies to incent investment in social determinants of health, value-based payment methods, and continues Oregon's health system transformation. She oversaw the resetting of actuarially sound and federally approved rates for Oregon's 16 Coordinated Care Organizations (CCOs) and helped address the Oregon Health Plan's budget shortfall for the 2017-2019 biennium.

Lori joined OHA in early 2013 as Director of Accountability and Quality and was promoted in 2014 to Director of Health Analytics. She led the development of the CCO quality metrics and incentive payment program, a Hospital Transformation Performance Program that paid for performance on quality metrics, as well as developing quality health system transformation dashboards. As Director of Health Analytics, she developed a robust quality metrics incentive payment program to pay CCOs for value and quality instead of volume.

Prior to OHA, Lori served as Director of Measurement and Reporting at the Oregon Health Care Quality Corp, a nonprofit funded by Oregon Health Plans and the Robert Wood Johnson's Aligning Forces for Quality Program. Lori is an accomplished biostatistician and was responsible for the development of Quality Corp's quality and utilization reporting system, measure development, and public reporting of quality metrics at the clinic and provider level.

Lori currently serves on the Social Interventions Research and Evaluation Network (SIREN) National Advisory Committee. SIREN is a national network supported by Kaiser Permanente and the Robert Wood Johnson Foundation to help generate and disseminate evidence on integrated social and medical care delivery. Lori served on the Institute of Medicine Consensus Committee on Core Metrics for Better Health at Lower Cost, which published *Vital Signs: Core Metrics for Health and Health Care Progress*.

Lori is co-author of a chapter on development of and lessons learned from Oregon's quality metrics program in *Health Reform Policy to Practice – Oregon's Path to a Sustainable Health System: A Study in Innovation* published by Elsevier in August 2017. She has presented at numerous national meetings on quality metrics, innovative payment methods for value-based payment and strategies to incent investment in social determinants of health.

In addition, Lori has many years of experience working in academic settings at Oregon Health & Sciences University (OHSU) and the University of New Mexico, School of Medicine. She maintains her faculty appointment in the OSHU Department of Public Health and Preventive Medicine where she teaches Introduction to Biostatistics.

Lori earned her Master of Arts degree in Statistics from the University of New Mexico and her Bachelor of Science degree in Chemistry and Mathematics from the University of Puget Sound.

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 Albany, New York; Atlanta, Georgia; Austin, Texas; Boston, Massachusetts; Chicago, Illinois; Columbus, Ohio; Denver, Colorado; Harrisburg, Pennsylvania; Indianapolis, Indiana; Lansing, Michigan; New York, New York; Phoenix, Arizona; Portland, Oregon; Raleigh, North Carolina; Sacramento, San Francisco, and Southern California; Seattle, Washington; 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.