HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

September 19, 2018

RFP CALENDAR

HMA News

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IN FOCUS

TEXAS HEALTH AND HUMAN SERVICES COMMISSION SUBMITS LEGISLATIVE APPROPRIATIONS REQUEST

This week, our *In Focus* section reviews Texas' biennial legislative appropriations request (LAR) for fiscal years 2020-21, submitted by the Texas Health and Human Services Commission (HHSC). The document, which totals 1,358 pages, includes summary program data as well as budget breakouts by agency strategies, priorities, and source of funds.

The total two-year budget baseline request for all programs exceeds $77.3 billion. With the additional $6.5 billion in Exceptional Items (explained in detail below), the total increases to more than $83.8 billion. Medicaid and CHIP funding represents 85% of the total health and human services budget.

The LAR is the first step in what is a lengthy process. Over the next few months, the Texas Legislative Budget Board and Governor's Office of Budget, Planning and Policy will hold public hearings with agency officials to review the LAR in detail. Both the Legislative Budget Board (LBB) and Governor's office will then prepare separate budget recommendations for submission to the House Appropriations and Senate Finance Committees. Both committees will hold separate hearings beginning late fall and continuing throughout the legislative session, which begins January 8, 2018 and ends May 27, 2018. The House and Senate will enact separate budget proposals, followed by conference committee negotiations and a final joint budget.

If the Legislature fails to adopt a budget during the regular session, a special legislative session will be necessary during the summer of 2019. Upon final Legislative enactment, Governor's signature and certification by the Comptroller, the 2020 budget takes effect the new fiscal year, which starts September 1, 2019.

Medicaid Budget Shortfall

One of the first items of business the Legislature will have to address is a current fiscal year Medicaid shortfall estimated at between $2 to $2.5 billion. State Comptroller Glen Hager testified before the Senate Finance committee earlier this year that the Medicaid shortfall combined with Hurricane Harvey costs and other program needs could leave a hole in current fiscal year funding of up to $4 billion. While the state has a "rainy day" fund with more than $11 billion that could be tapped, state leaders are reluctant to use those funds unless they have no other choice.

Budget shortfalls are not unusual, and, while they could not anticipate the costs associated with Hurricane Harvey, the Legislature was fully aware of the implications of their decision to underfund the Medicaid program. Typically, shortfalls are addressed early in the session and are separate from the budget process for the biennial budget. However, funds budgeted to cover current shortfalls will decrease the total funds available for the 2020-21 biennial budget.

New HHSC Executive Commissioner Named

Texas Governor Greg Abbott recently announced his appointment of Dr. Courtney Phillips as the new HHSC Executive Commissioner, effective October 19, 2018. As the current Chief Executive Officer of the Nebraska Department of Health and Human Services, Dr. Phillips oversees a staff of 4,700 employees and an annual budget of $3.6 billion. Phillips' new position at HHSC will include significant participation in the legislative budget process, as well as administration of an annual budget and staff more than 10 times the size of the Nebraska HHS program. Phillips' appointment must also be confirmed by the Texas Senate. Phillips replaces former Commissioner Charles Smith, who retired under pressure following a series of high-profile contacting and oversight problems.

Overview of Health and Human Services Program Responsibilities

In 2015-17, HHSC implemented a significant reorganization and transformation program based on the health and human services sunset legislation enacted in 2015. The legislation abolished the Department of Aging and Disability services and Department of Assistive and Rehabilitative Services and moved those services under the Health and Human Services Commission (HHSC). These changes, as well as others, are designed to centralize and provide better oversight and coordination of services and improve care delivery and cost-effectiveness. With the consolidation, HHSC now administers more than 200 programs across the state and employs more than 40,000 staff. This budget is the first fully consolidated budget since the transformation was completed.

Requirements for Budget Submission

Agency LARs must comply with detailed instructions developed jointly by the Texas LBB and the Texas Governor's office. For the 2020-21 budget cycle, agencies were instructed to submit baseline budget requests that do not exceed the sum of amounts expended in FY 2018 and budgeted for FY 2019. Agencies also are required to submit a supplemental budget schedule detailing how they would propose to reduce the baseline request by an additional 10 percent, provided in 2.5 percent increments.

The instructions also include several items that are exempt from the baseline limitations. Health and Human Services items identified as exempt include:

- Funds necessary to maintain funding for behavioral health services programs
- Funds necessary to maintain current benefits and eligibility in Medicaid programs, CHIP, foster care programs, adoption subsidies programs, and the permanency care assistance program; baseline budget requests are also required to include amounts sufficient for projected caseload growth for each of these programs; and
- Funds necessary to maintain funding Child Protective Services

Other programs and expenses that the agency considers to be "essential funding requests" that exceed the baseline may be submitted separately as "Exceptional Items." Upon request, agencies must be prepared to identify lower-priority programs or other cost savings to help offset the increased costs associated with "Exceptional Items."

Budget Details

As noted above, the lengthy budget document includes extensive detail regarding the funding needs by program and strategic priority. The summary budget provided in the table below includes the key program areas and line-item summaries for Medicaid and CHIP. Information on other HHSC programs can be found in the LAR link provided at the end of this article.

The Medicaid program LAR baseline request for 2020-21 represents a slight increase of 1.13% over the current 2018-19 budget for Medicaid spending. However, the additional Exceptional Items requested would raise Medicaid spending by 9.46% if fully funded. This includes additional funds for a higher Medicaid cost growth rate (including utilization and acuity changes, medical inflation, new services). The baseline request includes projected caseload growth at FY 2019 average costs. Cost growth must be requested as an exceptional item.

CHIP funding for baseline costs would increase by only 0.3% if fully funded. Inclusion of Exceptional Item funding would raise the increase to 0.95%, including a cost growth rate increase.

Some of the funding priorities identified by HHSC include the following:

- Funding additional Medicaid waiver slots and reducing Community Program interest lists (i.e., wait lists) are identified as the agency's top priority. HHSC operates six long-term services and supports waiver programs for individuals with an intellectual or developmental disability (IDD), which allows eligible individuals to reside in a community rather than an institutional setting. The state currently has more than 263,000 individuals on interest lists, who are waiting for a community slot.
- Increase inpatient mental health capacity by expanding the number of state hospital beds for individuals requiring inpatient psychiatric services. As of May 2019, more than 800 people were waiting for a community bed to become available. Many of these individuals remain in local jails and emergency departments while waiting for a state hospital opening.
- Increase funding for Licensed Mental Health Authorities in order to expand access to behavioral health services and reduce wait lists for individuals seeking outpatient mental health services.
- Increase funding for maternal and child health services to expand services under the Early Childhood Intervention (ECI), Blind Children's Vocational Discovery and Developmental program, and Guardianship Services program.
- Increase funding for Community Attendant Services to expand access to community-based services and waivers by increasing the minimum hourly wage for attendants from $8.00 to $8.50. The LAR notes that the current minimum wage makes it difficult for providers to hire and retain qualified attendants, pointing out that employees can earn higher wages in the fast food and other industries that hire low-wage workers.
- Expand funding for staff and oversee and reform procurement operations in order to address identified problems with agency's contract procurement process, including hiring additional staff and legal support.

The LAR also notes that improvements in Managed Care Oversight and monitoring through improved operational compliance and performance reviews are also high priorities. More than 92 percent of the Medicaid population is served by managed care organizations and the agency has been criticized by various legislative committees for lax contractual oversight and failure to appropriately address MCO contract violations. Although the LAR does not include a specific request for increased funds for contract oversight, the agency intends to work with the Legislature to identify additional needs to improve its oversight of managed care.

Program	State General Revenue Funds		All Funds		Exceptional Item Request
	2018-2019	2020-2021	2018-2019	2020-2021	2020-2021
MEDICAID					
Aged and Medicare-Related	4,295,588,543	4,073,979,482	10,251,297,605	10,240,201,853	933,259,405
Disability Related	5,348,408,924	5,308,347,314	12,674,625,642	13,260,608,237	1,342,095,335
Pregnant Women	905,479,504	877,819,906	2,164,985,017	2,214,220,691	63,612,377
Other Adults	501,019,192	491,213,634	1,260,771,593	1,306,307,891	116,532,689
Children	4,804,847,388	4,503,548,826	12,829,687,074	12,500,469,279	787,052,427
Prescription Drugs	3,217,819,116	3,145,317,867	7,808,934,817	7,945,494,464	627,703,520
EPSDT Dental	1,165,244,882	961,937,401	2,776,570,667	2,500,917,978	131,487,222
Medical Transportation	140,639,055	128,952,715	339,423,142	315,621,602	23,409,702
Community Attendant Services	632,370,880	651,951,116	1,499,972,793	1,668,689,432	71,190,502
Primary Home Care	9,700,860	10,098,980	22,812,578	24,184,109	1,024,506
Day Activity & Health Services	7,230,217	7,403,198	17,003,274	18,516,857	155,186
Nursing Facility Payments	240,660,909	277,956,604	564,906,380	633,952,690	17,496,540
Medicare Skilled Nursing Facility	39,082,345	44,283,784	92,103,608	107,562,731	
Hospice	211,841,518	228,164,685	498,459,578	557,611,255	
Intermediate Care Facilities	70,021,678	61,738,306	542,407,478	520,298,711	1,066,946
Home & Community Based Services	930,038,313	908,858,616	2,208,550,784	2,280,447,167	578,850,057
Community Living Assistance (CLASS)	208,819,909	203,172,736	546,639,447	564,180,195	78,335,621
Deaf-Blind Multiple Disabilities	10,420,879	10,663,959	26,518,938	28,713,333	1,261,738
Texas Home Living Waiver	88,307,969	88,104,300	225,797,898	239,060,188	76,640,576
All-Inclusive Elderly (PACE)	37,599,945	37,565,360	88,384,581	899,682,579	39159,328
Non-Full Benefit Payments	402,790,984	373,675,480	1,598,625,862	1,597,620,122	95,334,428
Medicare Payments	2,076,323,517	2,121,139,697	3,798,307,154	3,969,485,710	192,001,496
Transformation Payments	0	0	267,910,020	225,905,315	
TOTAL	**25,344,256,527**	**24,515,893,966**	**62,104,695,930**	**62,809,752,389**	**5,173,814,115**

Program	State General Revenue Funds		All Funds		Exceptional Item Request
	2018-2019	**2020-2021**	**2018-2019**	**2020-2021**	**2020-2021**
CHIP					
CHIP	77,492,617	254,005,418	1,147,462,479	1,174,069,738	66,473,703
CHIP Perinatal Services	23,773,802	70,794,580	350,740,998	328,044,915	10,294,224
CHIP Prescription Drugs	24,813,890	81,533,142	360,996,421	377,374,677	21,546,737
CHIP Dental Services	17,925,150	54,321,277	265,040,888	251,238,283	15,400,245
TOTAL	**144,005,459**	**460,654,417**	**2,124,240,786**	**2,130,727,613**	**113,714,909**
MEDICAID AND CHIP CONTRACTS and ADMINISTRATION					
Medicaid	**392,038,288**	**394,719,450**	**1,120,127,371**	**1,173,078,020**	**140,528,148**
CHIP	2,135,599	7,225,309	34,202,006	33,629,550	
TOTAL	**394,173,887**	**401,944,759**	**1,154,329,377**	**1,206,707,570**	**140,528,148**
TOTAL – ALL AGENCY PROGRAMS COMBINED					
TOTAL	30,887,257,107	30,231,117,444	77,508,766,079	77,343,682,930	6,502,935,196

Next Steps

Following is a summary of the key activities that will occur between now and final adoption of the budget. Timelines are an approximation and depend on the Legislature enacting the budget during the regular legislative session.

Timeframe	Key Budget Activities
August 2018	HHSC submits Legislative Appropriations Request
September – November 2018	Legislative Budget Board and Governor's Office of Budget, Planning and Policy hold joint public hearings to review LAR with agency officials
January 2019	Comptroller presents the Biennial Revenue Estimate (BRE) to the Legislature. This document serves as the official estimate of funds available for budget adoption. Senate Finance and House Appropriations Committees each finalize their final recommendations and file their General Appropriations bills. Governor submits his final budget recommendations to the Legislature.
February – March 2019	Senate Finance and House Appropriations each conduct public committee and subcommittee hearings to discuss budget proposals with agency representatives and stakeholders. This is the time period during which advocates have the most opportunity to impact budget decisions.
April – May 2019	Legislative hearings end and the process of budget "markup" begins. Senate and House committees each revise their appropriations bills to reflect final committee decisions. Revised bills are released as committee reports which are voted on by each chamber. Committee reports likely will undergo hundreds of amendments during this process. Note that the House and Senate take turns on which chamber's bill is passed first, which will then go to the other chamber for vote. The second chamber typically substitutes its own version of the budget bill, so the legislature ends up with two separate versions.
Mid to late May 2019	The Lt. Governor and Speaker of the House appoint a conference committee to reconcile differences between the two different budget proposals.
Late May 2019	The conference committee drafts a budget that reconciles differences between the two different versions and files it as a conference committee report. This process may take as little time as several days or a week or longer. The timing generally depends on how much time remains before the session ends. The final report is sent to both chambers for approval; at this point, no additional amendments are allowed.
May 27, 2019	Deadline for both chambers to enact the final budget bill. If they fail to do so, a special legislative session must be held to adopt a budget. Depending on the circumstances, special sessions are often held immediately following the closure of the regular session but may be scheduled later in the session. The Governor determines when the special session will be held, how long it will last, and what issues will be considered (i.e., only the budget, or also other matters of interest to the Governor.)
June 2019	The budget conference committee report adopted by both the Senate and the House is sent to the Comptroller for certification that the budget bill does not exceed available revenue. Governor signs the bill as is, or may make line item vetoes. The Legislature is only able to overturn line-item vetoes if they remain in session, which rarely happens since the budget is typically enacted during the last days – or hours – of the session.
September 2019	Fiscal year 2020 begins and the budget takes effect.

See complete budget LAR at
https://hhs.texas.gov/sites/default/files/documents/about-hhs/budget-planning/lar/hhsc-legislative-appropriations-request-2020-2021.pdf

HMA Medicaid Roundup

Arkansas

Medicaid Drops 4,300 Expansion Members for Failing to Meet Work Requirements. *Modern Healthcare* reported on September 12, 2018, that Arkansas has dropped more than 4,300 Medicaid expansion members for failing to comply with the state's new Medicaid work requirements. Medicaid beneficiaries age 30 to 49 are required to report 80 hours of work or other community-engagement activity per month. Advocacy groups expressed concerns that individuals may be losing Medicaid coverage because of the online reporting process. Arkansas, which is the first state to implement Medicaid work requirements, will expand the requirement to adults age 19 to 29 in January 2019. Read More

Colorado

Colorado to Treat 2,000 Prisoners With Chronic Hepatitis C Following Settlement of Lawsuit. *The Denver Channel* reported on September 13, 2018, that Colorado will spend $41 million through June 2020 to treat 2,000 prisoners with chronic hepatitis C as part of a settlement between the ACLU of Colorado and the Colorado Department of Corrections. Under the agreement, prisoners will no longer be required to go through drug and alcohol treatment before being treated for hepatitis C. Read More

Connecticut

Medicaid Program Sees Improvement from NEMT Vendor. *The CT Mirror* reported on September 12, 2018, that Connecticut Medicaid beneficiaries are experiencing improved call-center service from the state's non-emergency medical transportation vendor Veyo, which took over the program under a three-year, $52 million contract in January. David Coppock, Connecticut manager for Veyo, presented data showing the company has reduced hold times as well as the time that it takes call center staff to answer the phone. Veyo was fined by the state for early problems, including long waits for rides and missed appointments, among other issues. Read More

Florida

Medicaid MCO Serving AIDS/HIV Patients Files Lawsuit Seeking Records Related to Contract Loss. *Health News Florida* reported on September 17, 2018, that AIDS Healthcare Foundation (AHF) has filed a lawsuit in state court seeking public records related to Florida's decision not to renew the company's Medicaid managed care contract serving AIDS and HIV patients. AHF, with 2,000 members through its Positive Healthcare subsidiary, says it has repeatedly requested all communications between the office of Governor Rick Scott, bidders, and lobbyists related to the award. The state has not indicated which company will be taking over AHF's patients in 2019. AHF is based on Los Angeles, CA. Read More

Community Care Plan Names David Rogers Executive Director. Florida Community Care (FCC), a subsidiary of Independent Living Systems, announced on September 11, 2018, that it has named David Rogers executive director and chief operating officer. FCC is a Medicaid managed care plan that was recently awarded a contract by the state of Florida to serve as a Long Term Care Plus plan for Medicaid members. Rogers was most recently a managing principal of Health Management Associates Medicaid Market Solutions and previously served as deputy secretary for Medicaid operations for the Florida Agency for Health Care Administration. Read More

Kansas

Aetna Names Keith Wisdom CEO of Kansas Health Plan. Aetna announced on September 19, 2018, that it has appointed Keith Wisdom chief executive of Aetna Better Health Plan of Kansas, effective immediately. Aetna Better Health was selected by the Kansas Department of Health and Environment to serve as a Medicaid managed care plan for the state's KanCare program, effective January 1, 2019. Wisdom has previously served at UnitedHealthcare, Cigna, Blue Cross Blue Shield of Kansas City, and Arthur Andersen. Aetna also named Scott Brunner head of community relations and Mike McClure director of provider experience. Read More

Michigan

Michigan Medicaid Expansion Improved Health, Finances of Low-Income Adults, Study Finds. *The Detroit News* reported on September 17, 2018, that the Michigan Medicaid expansion program helped improve the finances and health status of low-income adults, according to research from the University of Michigan. Individuals enrolled in the Healthy Michigan Plan expansion program experienced declines in evictions, bankruptcies, medical bills, unpaid debts, and overdrawn credit cards. Read More

Missouri

Former Alternative Opportunities Executives Are Accused of Receiving Improper Payments. *The Arkansas Democrat Gazette* reported on September 16, 2018, that former executives of Medicaid mental health provider Alternative Opportunities (AO) are accused of receiving improper payments related to the sale of a separate company they jointly owned. One of the executives, former chief clinical officer Keith Noble, pleaded guilty to a lesser charge. The allegations involve transactions between AO and W.D. Management, which was sold to a publicly traded company. Read More

Nebraska

Supreme Court Dismisses Challenge to Medicaid Expansion Ballot Measure. *The Lincoln Journal Star* reported on September 12, 2018, that the Nebraska Supreme Court has dismissed a legal challenge seeking to keep Medicaid expansion off the November 2018 ballot. Senator Lydia Brasch (R-Bancroft) and Former State Senator Mark Christensen (R-Imperial) filed the lawsuit and subsequent appeal. Voters will now be able to decide whether Medicaid coverage should be expanded to low-income adults aged 19 to 64. Read More

New Jersey

HMA Roundup – Karen Brodsky (Email Karen)

Division of Mental Health and Addiction Services Returns to Department of Human Services. After a brief move to the Department of Health by former New Jersey Governor Christie in August 2017, the New Jersey Division of Mental Health and Addiction Services is scheduled to move back to the Department of Human Services (DHS). Governor Murphy issued a Reorganization Plan which took effect at the end of August 2018 to return the administration of behavioral health services to DHS. The reorganization is based upon recommendations to the Murphy Administration in his Transition Team's Human and Children Services Advisory Committee report. DOH will continue to operate the State's four psychiatric hospitals: Ancora Psychiatric Hospital, Greystone Park Psychiatric Hospital, Trenton Psychiatric Hospital, and the Ann Klein Forensic Center. Read More

Medicaid Issues Telehealth Coverage and Reimbursement Guidance. The New Jersey Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) issued a newsletter to NJ FamilyCare (NJFC) providers to clarify the requirements for the provision and billing of NJFC services via telehealth and telemedicine. The guidance is a follow-up to the New Jersey Telemedicine and Telehealth Law (P.L. 2017, c. 117) which went into effect last July. Read More

Medicaid Launches New FamilyCare Data Dashboard. *The NJ Spotlight* reported on September 12, 2018, that the New Jersey Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) launched a new web-based dashboard to provide stakeholders with timely, in-depth information about the demographics and performance metrics on NJ FamilyCare. The website provides public data designed to improve Medicaid program transparency and operation of the system. DMAHS plans to continuously update the site and add new features in the coming months. Upon launch the dashboard includes NJ FamilyCare enrollment data dating back to 2014 and a timeline of key policy changes. In addition to the enrollment information, data on the contracted managed care organizations, LTSS, HEDIS and CAHPS will be loaded in the future. Read More

New York

HMA Roundup – Denise Soffel (Email Denise)

New York Selects Social Determinants of Health Innovation Finalists. The New York State Department of Health announced the nine finalists of the Social Determinants of Health 'Call for Innovations' Initiative, including three community-based organizations, three health care providers, and three technology companies. The solicitation for innovations attracted over 200 applicants from across the country. The nine finalists will present their solutions at a Social Determinants of Health Innovation Summit on September 26. Read More

Life Expectancy Declines, Report Finds. The New York State Health Foundation released a report that examines trends in life expectancy in New York. It found that the state lost ground on life expectancy between 2014 and 2016 after several decades of steady growth. New Yorkers saw a decrease among most major causes of death in the years 1990–2010 and an increase in most causes for the years 2010–2016. Cardiovascular disease, certain cancers, and some neurological diseases saw particularly stark turnarounds for the worse between the two time periods. The increasing trajectory of death rates for most major causes of death, rising obesity rates, and growing rates of so-called "deaths of despair" (including suicide and drug- and alcohol related deaths) are especially concerning for future trends for life expectancy in New York State. Read More

New York Arrives at Settlement with Centers Plan Over False Medicaid Billing. New York Attorney General Barbara Underwood announced a joint state-federal settlement with Centers Plan for Healthy Living LLC over allegations that its managed long-term care plan submitted fraudulent requests to New York's Medicaid program for monthly premiums, violating the state and federal False Claims Acts. New York's Medicaid program will receive $1.65 million in restitution and penalties from the settlement. A joint state-federal investigation found that numerous Centers Plan managed long term care (MLTC) members did not receive services during at least a portion of the period when they were enrolled in the plan, and for a number of members, there was no record that Centers Plan provided them with any services whatsoever for most of their enrollment period. Medicaid payments to Centers Plan for providing services to MLTC members were $2,500 to $4,300 per member per month. Center Plan is the largest MLTC in New York, with almost 30,000 enrollees. Read More

New York Hits Medicaid Drug Cap. The New York Department of Health (DOH) has determined that Medicaid spending on drugs has hit the 2018-19 spending cap. Hitting the spending cap triggers a series of steps that the department can take to mitigate the impacts of increased drug spending. As part of the 2017-18 budget, New York adopted legislation that limits drug spending growth to the 10–year rolling average of the medical component of the Consumer Price Index plus five percent. Should drug spending exceed the cap, DOH is authorized to negotiate enhanced rebates with drug manufacturers. The law further authorizes the Drug Utilization Review Board (DURB) to request drug development, cost/pricing, and other data to determine appropriate target rebate amount, as well as allowing the Commissioner of Health to require prior authorization, directing Medicaid Managed Care plans to remove drug(s) from their formularies, waiving prescriber prevails provisions and accelerating rebate collections. DOH recently announced that drug spending is projected to exceed the drug cap by $75 million, driven by an overall 11.5 percent increase in pharmacy spending. DOH has alerted drug manufacturers which drugs they intend to refer to the DURB, and have begun negotiating additional rebates, prior to DURB referral. The timing of referral to the DURB is not yet finalized, but an agenda that includes the list of drugs being considered must be posted 30 days prior to the DURB meeting. A recent presentation describing the process is available on the MRT website. Read More

Adult Care Facilities Sue New York Over Reimbursement Rates. *Crain's New York* reported on September 12, 2018, that a group of adult care facilities that provide assisted living services, two trade associations, and more than 100 residents are suing New York for failing to provide adequate reimbursement to meet residents' needs. The lawsuit alleges that the state has violated federal, state, and city law as well as the 14th amendment of the U.S. Constitution. They are seeking an injunction that would require the state to increase its reimbursement to the facilities. New York contributes to the cost of services provided in adult care facilities, in combination with federal social security payments and individual resident's resources. New York has raised its payment only twice in the last 30 years, despite the escalating costs of providing required services. The complaint notes that 15 facilities have closed over the past 18 months, reporting financial challenges.

Approximately 12,600 residents reside in 550 adult care facilities across the state. Adult care facilities help seniors and people with disabilities who do not need round-the-clock medical care live independently. The plaintiffs estimate the cost of increasing reimbursement to be $20 million over the next five years. Read More

Pennsylvania

HMA Roundup – Julie George (Email Julie)

Telemedicine Bill Passes Senate, Pending in House. *The Pennsylvania Business Report* reported on September 14, 2018, that Pennsylvania Senate Bill 780 passed in the Senate in June 2018 and is currently with the House Professional Licensure Committee. SB 780 would regulate telemedicine by professional licensing boards and provide for insurance coverage of telemedicine. Thirty-eight states and the District of Columbia offer insurance coverage for telemedicine. In Pennsylvania, some telemedicine is reimbursed by a few insurers, but payments are inconsistent. Read More

Rural Health Model Expected to Launch January 1. *The Pike County Courier* reported on September 7, 2018, that Pennsylvania Deputy Secretary for Health Innovation, Dr. Lauren Hughes, outlined the Rural Health Model, a new hospital payment structure, at the annual State Health Improvement Plan (SHIP). With the Rural Health Model, also referred to as "global budgeting", rural hospitals will be paid a fixed amount annually from multiple payers, including Medicare, Medicaid and private insurers. The Rural Health Model, expected to launch January 1, 2019, has been in the development phase for three years. Pennsylvania is also planning to form a Rural Health Redesign Center (RHRC) which would assist hospitals with further implementation of the Rural Health Model. A bill in the Pennsylvania State House to support the RHRC is now under consideration; one in the Senate is expected to be introduced soon. Read More

Pennsylvania-based Jefferson Health, Einstein Healthcare Network to Merge. Pennsylvania-based Jefferson Health (Philadelphia University and Thomas Jefferson University) announced on September 14, 2018, that it has entered into a definitive agreement to merge with Einstein Healthcare Network. Barry Freedman will remain president and chief executive of Einstein, and Stephen Klasko will remain chief executive of Jefferson Health. Read More

Tennessee

Tennessee Former Governor Says He 'Saved TennCare' in Run for U.S. Senate. *The Tennessean* reported on September 17, 2018, that former Tennessee Governor Phil Bredesen is saying he "saved" the state's TennCare Medicaid program in a commercial supporting his run for the U.S. Senate. Faced with a $300 million budget deficit when he took office in 2003, Bredesen instituted cuts that resulted in the largest enrollment reduction of any Medicaid program in history, impacting thousands of poor and sick residents, including the terminally ill and patients with kidney failure, cancer or hemophilia. Bredesen said he did "what had to be done" for the state to pay for TennCare without reducing funds for education and children services. Read More

Wisconsin

Wisconsin Transitions to Maximus for Medicaid HMO Enrollment Broker Services. The Wisconsin Department of Health Services reported on September 4, 2018, that the state has transitioned to a new Medicaid HMO enrollment broker. Maximus will provide enrollment broker services for the state's BadgerCare Plus HMO program serving children and pregnant women, and the state's Medicaid Supplemental Security Income HMO program.

National

Senators Propose Use of Medicaid Funds for Inpatient Substance Abuse Treatment. *The Hill* reported on September 18, 2018, that a bipartisan group of Senators introduced a proposal that would allow states to utilize Medicaid funds for inpatient substance abuse treatment for up to 90 days. The proposal, introduced by Senators Rob Portman (R-Ohio), Ben Cardin (D-Maryland), Dick Durbin (D-Illinois) and Sherrod Brown (D-Ohio), would lift restrictions that prevent Medicaid to pay for treatment at inpatient addiction facilities with more than 16 beds. Read More

Uninsured Rate Unchanged at 8.8 Percent in 2017. *The Hill* reported on September 12, 2018, that the rate of Americans without health insurance remained unchanged at 8.8 percent in 2017, compared to 2016, according to the U.S. Census Bureau. A total of 28.5 million Americans lacked health insurance last year. Read More

Industry News

LogistiCare to Acquire NEMT Logistics Technology Company Circulation Inc. LogistiCare, a division of publicly traded Providence Service Corporation, announced an agreement to acquire Circulation Inc., which provides logistics technology to help manage non-emergency medical transportation (NEMT). Providence has held a minority stake in Circulation since 2017. LogistiCare, which is the nation's largest NEMT company, expects the acquisition to close in 30 days. Read More

AccentCare Acquires Foundation Management Services. AccentCare Inc. announced on September 14, 2018, that it has acquired Foundation Management Services, Inc. (FMS), a Texas-based home care management firm, effective August 31, 2018. FMS services include medical coding, audits, and operational support for home health and hospice agencies. Read More

Private Equity Investors Are Acquiring REIT-Owned Post-Acute Care Facilities. *Modern Healthcare* reported on September 8, 2018, that private equity firms are acquiring post-acute care facilities owned by real estate investment trusts (REITs) with an eye toward long-term investment returns. REITs have been selling post-acute care assets including skilled-nursing and senior housing facilities Among the deals over the past 18 months, Blackstone Group acquired 26 Senior Lifestyle properties from Welltower, and BlueMountain Capital Management acquired the skilled-nursing facility arm of Kindred Healthcare. Read More

RFP Calendar

Date	State/Program	Event	Beneficiaries
October 1, 2018	Alabama ICN (MLTSS)	Implementation	25,000
October 1, 2018	Arizona Complete Care	Implementation	1,600,000
October 1, 2018	Virginia Medallion 4.0 - Northern/Winchester	Implementation	178,416
October 12, 2018	New Hampshire	Proposals Due	181,380
October 12, 2018	North Carolina	Proposals Due	1,500,000
November 1, 2018	Virginia Medallion 4.0 - Charlottesville/Western	Implementation	88,486
November 1, 2018	Puerto Rico	Implementation	~1,300,000
December 1, 2018	Virginia Medallion 4.0 - Roanoke/Alleghany	Implementation	72,827
December 1, 2018	Virginia Medallion 4.0 - Southwest	Implementation	46,558
December 1, 2018	Florida Statewide Medicaid Managed Care (SMMC) Regions 9, 10, 11	Implementation	3,100,000 (all regions)
January 1, 2019	Kansas KanCare	Implementation	380,000
January 1, 2019	Wisconsin LTC (Milwaukee and Dane Counties)	Implementation	~1,600
January 1, 2019	Washington Integrated Managed Care (Remaining Counties)	Implementation for RSAs Opting for 2019 Start	~1,600,000
January 1, 2019	Florida Children's Medical Services	Contract Start	50,000
January 1, 2019	Pennsylvania MLTSS/Duals	Implementation (SE Zone)	145,000
January 1, 2019	Florida Statewide Medicaid Managed Care (SMMC) Regions 5, 6, 7, 8	Implementation	3,100,000 (all regions)
January 1, 2019	New Mexico	Implementation	700,000
January 1, 2019	New Hampshire	Contract Awards	181,380
January 1, 2019	Minnesota Special Needs BasicCare	Contract Implementation	53,000 in Program; RFP Covers Subset
January 24, 2019	Texas STAR and CHIP	Contract Start	3,400,000
February 1, 2019	Florida Statewide Medicaid Managed Care (SMMC) Regions 1, 2, 3, 4	Implementation	3,100,000 (all regions)
February 4, 2019	North Carolina	Contract Awards	1,500,000
July 1, 2019	New Hampshire	Implementation	181,380
July 1, 2019	Iowa	Implementation	600,000
July 1, 2019	Mississippi CHIP	Implementation	47,000
October 1, 2019	Arizona I/DD Integrated Health Care Choice	Impementation	~30,000
November 1, 2019	North Carolina - Phase 1	Implementation	1,500,000
January 1, 2020	Texas STAR and CHIP	Operational Start Date	3,400,000
January 1, 2020	Pennsylvania MLTSS/Duals	Implementation (Remaining Zones)	175,000
January 1, 2020	Washington Integrated Managed Care (Remaining Counties)	Implementation for RSAs Opting for 2020 Start	~1,600,000
January 1, 2020	Massachusetts One Care (Duals Demo)	Implementation	TBD
January 1, 2020	Florida Healthy Kids	Implementation	212,500
February 1, 2020	North Carolina - Phase 2	Implementation	1,500,000
June 1, 2020	Texas STAR+PLUS	Operational Start Date	530,000

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data and Updates:

- California Dual Demo Enrollment is Down 3.5%, Aug-18 Data
- Colorado RAE Enrollment is 1.2 Million, Aug-18 Data
- Indiana Medicaid Managed Care Enrollment is Down 2.8%, Aug-18 Data
- Louisiana Medicaid Managed Care Enrollment is Flat, Aug-18 Data
- Michigan Medicaid Managed Care Enrollment is Flat, Aug-18 Data
- Michigan Dual Demo Enrollment is Down 3.7%, Aug-18 Data
- Minnesota Medicaid Managed Care Enrollment is Up 1.7%, Sep-18 Data
- Montana Medicaid Managed Care Enrollment is Down 3.0%, Aug-18 Data
- North Carolina Medicaid Enrollment by Aid Category, 2015-17, Sep-18
- Ohio Medicaid Managed Care Enrollment is Down 2.3%, Aug-18 Data
- Oklahoma Medicaid Enrollment by Age, Race, and County, Aug-18 Data
- Rhode Island Dual Demo Enrollment is 13,063, Aug-18 Data
- Texas Dual Demo Enrollment at 41,368, Aug-18 Data
- Utah Medicaid Managed Care Enrollment is Down 3.3%, Sep-18 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Massachusetts Behavioral Health Partnership MassHealth Contract Amendment, 2018
- Minnesota Families and Children Program Contracts, 2018
- Minnesota Senior Health Options (MSHO) and Minnesota SeniorCare Plus (MSC+) Contracts, Jan-18
- Minnesota Special Needs BasicCare RFP and Contracts, Sep-18

Medicaid Program Reports, Data and Updates:

- CBO Baseline Budget Projections For Medicaid and CHIP, 2009-18
- Special Needs Plans (SNP) Enrollment by State and Plan, Mar-18 Data
- Hawaii Quest Integration 1115 Waiver Renewal Application, Jul-18
- Kentucky Medicaid MCO External Quality Review Technical Report, 2018
- Louisiana Managed Care External Quality Review Technical Reports, 2016-17
- Maryland Managed Care Annual Technical Reports, 2013-17
- Michigan 1115 Demonstration Waiver Extension Application, Healthy Michigan Plan, Sep-18
- Minnesota Health Services Advisory Council Meeting Materials, Sep-18
- Nebraska HHS Heritage Health Legislative Committee Updates, Sep-18
- Ohio Medicaid Annual Reports, 2014-18
- Oklahoma Medical Advisory Meeting Materials, May-18
- Oklahoma Medicaid Dental Utilization and Reimbursement, Jun-18
- Oklahoma Provider Fast Facts by County, Aug-18
- Texas Coordinated Statewide Behavioral Health Expenditure Proposal, FY 2019
- Texas HHS Legislative Appropriations Request for FY 2020-21 Presentation, Sep-18
- Wisconsin NEMT Data Reports, 2015-18

A subscription to HMA Information Services puts a world of Medicaid information at your fingertips, dramatically simplifying market research for strategic planning in healthcare services. An HMAIS subscription includes:

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- Excel data packages
- RFP calendar

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