

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in Health Policy

..... August 19, 2020



[RFP CALENDAR](#)
[HMA News](#)

Edited by:
Greg Nersessian, CFA
[Email](#)
Carl Mercurio
[Email](#)
Alona Nenko
[Email](#)
Mary Goddeeris, MA
[Email](#)
Lissete Diaz
[Email](#)
Scott Silberberg
[Email](#)

THIS WEEK

- [IN FOCUS: HMA SUMMARY OF JOE BIDEN'S HEALTHCARE PLAN](#)
- [FLORIDA SAYS IT HAS ENOUGH MEDICAID FUNDING FOR FISCAL 2021](#)
- [NEVADA TO MOVE FORWARD WITH PROPOSED MEDICAID RATE CUTS](#)
- [NEW MEXICO CO-OP PLAN HEALTH CONNECTIONS TO CEASE OPERATIONS IN 2021](#)
- [OKLAHOMA WILL NOT MOVE FORWARD WITH BLOCK GRANT](#)
- [OREGON APPROVES TRILLIUM CCO EXPANSION INTO PORTLAND AREA](#)
- [CMS FINES NURSING HOMES MORE THAN \\$15 MILLION FOR INFECTION CONTROL NONCOMPLIANCE](#)
- [SENTARA HEALTHCARE TO SELL NURSING HOME DIVISION TO OHIO-BASED SABER HEALTHCARE GROUP](#)
- [NEW THIS WEEK ON HMAIS](#)

IN FOCUS

HMA SUMMARY OF DEMOCRATIC NOMINEE JOE BIDEN'S HEALTHCARE PLAN

This week, our *In Focus* section reviews Democratic Nominee Joe Biden's healthcare plan to protect and build on the Affordable Care Act (ACA). On August 18, 2020, Biden was officially nominated as the presidential candidate. Biden vowed at the 2020 Democratic National Convention (DNC) that if elected, he would strengthen the ACA and provide a Medicare-like public option. HMA summarizes Biden's official plan below.

Plan to Protect and Build on the ACA

If elected president, Biden is seeking to give Americans “more choice, reduce health care costs, and make the health care system less complex to navigate.” He breaks down his plan into four of the following goals.

1. *“Give every American access to affordable health insurance”*

Biden hopes to insure approximately 97 percent of Americans by creating a public health insurance option like Medicare. The public option, referred to as the Biden Plan, would negotiate lower prices from hospitals and providers to reduce costs for patients. There would be no co-payments for primary care. It would be available for purchase through the individual health insurance marketplace. In non-expansion states, the 4.9 million individuals who would have gained Medicaid through expansion, would be offered premium-free access to the public option.

The public option would build upon the ACA and would not eliminate private insurance. The Biden Plan would increase tax credits to purchase coverage through the individual marketplaces by calculating them based on the cost of a gold plan, rather than a silver plan. The cost of coverage for everyone would be limited to 8.5 percent of income, compared to the current 9.86 percent for low income families. The income cap for tax credits would also be eliminated, so families making more than 400 percent of the federal poverty level would be eligible for tax credits. Families that receive insurance from their employers, would be able to switch to a plan on the individual marketplace.

2. *“Provide the peace of mind of affordable, quality health care and a less complex health care system”*

In addition to increasing tax credits and removing the income cap to make healthcare more affordable, the Biden Plan would stop “surprise billing” by barring health care providers from charging patients out-of-network rates when the patient does not have control over which provider they see in an in-network hospital. Biden would also use existing antitrust authority to address the lack of competition in the market to lower prices and increase wages for low-wage health care workers such as home care workers.

3. *“Stand up to abuse of power by prescription drug corporations”*

The Biden Plan would repeal the exception that allows drug manufacturers to avoid negotiating with Medicare over drug prices and would limit launch prices for drugs that face no competition through external reference pricing or by an evaluation by independent board members for Medicare and public option plans. All brand, biotech, and generic drugs will be prohibited from increasing their prices more than the general inflation rate. A tax penalty will be imposed on manufacturers that increase the price higher than the inflation rate.

Consumers would also be allowed to purchase prescription drugs from other countries if the Department of Health and Human Services deems them safe. The tax deduction for all prescription drug advertisements would be eliminated. Finally, Biden supports a proposal from Senator Patrick Leahy (D-VT) to allow generic manufacturers to obtain samples of the branded products which are necessary to develop more affordable

alternatives and provide equivalence to the brand product which is required for FDA approval.

4. *“Ensure health care is a right for all, not a privilege for just a few”*

Biden seeks to expand access to contraception and protect the right to an abortion by repealing the Hyde Amendment, which bars the use of federal funds to pay for an abortion, and restore federal funding to Planned Parenthood. Furthermore, Biden would codify *Roe v. Wade* and stop state laws that violate the constitutional right to an abortion, such as TRAP laws, parental notification requirements, mandatory waiting periods, and ultrasound requirements.

The Biden Plan would work to reduce high maternal mortality rate, especially for black women, defend health care protections for all, regardless of gender, gender identity, or sexual orientation, and expand access to mental health care. The Plan will also double the federal investment to community health centers.

Biden strongly opposes the efforts by current President Trump and Congressional Republicans to dismantle and repeal the Affordable Care Act (ACA). He believes that “every American has a right to the peace of mind that comes with knowing they have access to affordable, quality health care.” Biden will continue to build on his plan by rolling out proposals to tackle public health challenges.

[Link to Joe Biden’s Healthcare Plan](#)



HMA MEDICAID ROUNDUP

Arizona

Arizona Medicaid Enrollment Exceeds 2 Million. *The Tucson Sentinel* reported on August 12, 2020, that Medicaid enrollment in Arizona increased 8.7 percent to more than 2 million on August 1, compared to 1.88 million on March 1. The state attributed the enrollment spike to unemployment and a recent increase in the federal matching rate for Medicaid that also prevented states from disenrolling Medicaid members. [Read More](#)

Florida

Florida Says It Has Enough Medicaid Funding for Fiscal 2021 Given Additional Federal Dollars. *MyPanhandle.com/The News Service of Florida* reported on August 17, 2020, that Florida economists project the state has enough funding to sustain its Medicaid program in fiscal 2021, given an increase in federal dollars. Total Medicaid costs are expected to increase about 10 percent in fiscal 2021 to about \$31.3 billion, with enrollment approaching 4.4 million. [Read More](#)

Nevada

Nevada to Move Forward with Proposed Medicaid Rate Cuts. *The Nevada Independent* reported on August 13, 2020, that Nevada is moving forward with a 6 percent across-the-board rate reduction, which is expected to save the state about \$53 million. Total Medicaid budget cuts amount to \$130 million. [Read More](#)

New Mexico

New Mexico Co-Op Plan Health Connections to Cease Operations in 2021. *Modern Healthcare* reported on August 12, 2020, that Health Connections, a co-op plan offered on the New Mexico state-based health insurance Exchange, will cease its operations in 2021. Health Connections, which has about 14,000 enrollees, decided that growth projections were not sufficient to ensure successful operations. Five insurance carriers are expected to participate in the state exchange in 2021. [Read More](#)

Ohio

Governor Sides with Medicaid Director Over PBM Report. *The Columbus Dispatch* reported on August 16, 2020, that Ohio Governor Mike DeWine announced his support for Medicaid director Maureen Corcoran, who is under fire for the state's handling of a Medicaid drug spending report and the timing of a planned transition to a single pharmacy benefit management (PBM) company. Corcoran's statements concerning the existence of a draft of the report and the decision to omit certain data from the final version have been called into question. [Read More](#)

Ohio Medicaid Director Attempts to Address Lawmaker Concerns Over Transition to Single PBM. *The Columbus Dispatch* reported on August 12, 2020, that the Ohio Medicaid director Maureen Corcoran attempted to address lawmaker concerns over the state's planned transition to a single pharmacy benefit management company in testimony before the Joint Medicaid Oversight Committee. Lawmakers expressed concern over a missed July 1 deadline to implement the program, \$100 million of funding allocated to bolster pharmacies with a high caseload of Medicaid recipients put on hold, and the omission of data from a study on Medicaid drug spending. [Read More](#)

Oklahoma

Oklahoma Will Not Move Forward With Block Grant. *Modern Healthcare* reported on August 13, 2020, that Oklahoma has withdrawn its Medicaid block grant proposal to impose premiums and work requirements. Instead, Oklahoma will move forward with straight Medicaid expansion after voters approved a ballot measure expected to cover about 215,000 low income individuals. [Read More](#)

Oregon

Oregon Approves Trillium CCO Expansion Into Portland Area. On August 18, 2020, the Oregon Health Authority (OHA) announced that it has approved an application from Medicaid coordinated care organization (CCO) Centene-Trillium Community Health Plan to expand into the Portland-area counties of Clackamas, Multnomah, and Washington. Trillium will begin enrolling members by September 2020. The application was updated by Trillium to reflect the addition of a hospital system to its provider network. OHA will still require Trillium through a corrective action plan to address other network concerns, especially regarding behavioral health. Trillium currently serves members in Douglas, Lane, and Linn counties. [Read More](#)

Pennsylvania

Pennsylvania Orders Further COVID-19 Protections for Long-Term Care Facility Staff. The Pennsylvania Secretary of the Department of Health issued an order on August 17, 2020, requiring long-term care facilities to take additional steps to protect their staff and residents from COVID-19. Nursing homes, personal care homes, assisted living residences, and private intermediate care facilities need to develop, implement, and adhere to policies and procedures to produce and distribute personal protective equipment to staff by August 27. [Read More](#)

Texas

Texas Medicaid Faces Federal Lawsuit Over Hepatitis C Coverage Restrictions. *Stat News* reported on August 14, 2020, that the Texas Health & Human Services Commission (HHSC) faces a federal class action lawsuit for restricting coverage of hepatitis C medication to Medicaid enrollees with severe liver damage. The lawsuit, which was filed by a group of Medicaid members, claims the policy is discriminatory and violates federal law. There are an estimated 376,000 state residents living with hepatitis C. [Read More](#)

Washington

Washington Medicaid Enrollment Approaches 1.9 Million. *The Spokesman-Review* reported on August 13, 2020, that enrollment in Washington's Medicaid program rose by more than 100,000 to nearly 1.9 million since the COVID-19 crisis began. Approximately 8.7 percent of residents still lack health insurance, which is higher than the 6.7 percent before COVID-19. [Read More](#)

National

Opioid Settlement Talks Resume With States Seeking \$26.4 Billion. *The Wall Street Journal* reported on August 18, 2020, that opioid settlement talks have resumed, with states seeking \$21.14 billion from drug distributors McKesson, AmerisourceBergen, and Cardinal Health, and \$5.28 billion from drug maker Johnson & Johnson. Talks to resolve ongoing opioid litigation had been stalled by the COVID-19 pandemic. [Read More](#)

CMS Fines Nursing Homes More Than \$15 Million for Infection Control Noncompliance. The Centers for Medicare & Medicaid Services (CMS) announced on August 14, 2020, more than \$15 million in fines to 3,400 Medicare and Medicaid certified nursing homes for non-compliance with infection control requirements and for failure to report COVID-19 data. A 2020 CMS survey of nursing homes found a three-fold increase in non-compliance deficiencies that have caused or are likely to cause serious injury to patients. [Read More](#)

Children's Hospitals to Receive \$1.4 Billion in Relief Funds. *Modern Healthcare* reported on August 14, 2020, that the U.S. Department of Health and Human Services (HHS) plans to distribute \$1.4 billion in relief funds to almost 80 free-standing children's hospitals, the latest tranche from the \$175 billion Provider Relief Fund. Children's hospitals must be exempt under the Centers for Medicare & Medicaid Services (CMS) inpatient prospective payment system or be a Health Resource and Services Administration-defined Children's Hospital Graduate Medical Education facility. The facilities will be eligible for grants of 2.5 percent of their net patient revenues. [Read More](#)

COVID-19 Relief Negotiations Could Drag into September. *Politico* reported on August 12, 2020, that negotiations on a new COVID-19 relief package are at a standstill, with lawmakers and Trump administration officials disagreeing on key issues like the size of the package, extension of the \$600 enhanced federal unemployment benefits, and amount of funding for state and local governments. [Read More](#)



INDUSTRY NEWS

Centauri Health Solutions Acquires HCFS, Inc. Centauri Health Solutions, which provides hospital revenue cycle services, announced on August 19, 2020, that it acquired Texas-based HCFS, Inc. The deal expands Centauri's operations into the midwest and west.

Sentara Healthcare to Sell Nursing Home Division to Ohio-Based Saber Healthcare Group. *The Virginian-Pilot* reported on August 14, 2020, that not-for-profit health system Sentara Healthcare is divesting its Life Care nursing home division to Ohio-based Saber Healthcare Group, a for-profit nursing home chain. The deal is expected to close November 1. Recently, Sentara announced plans to merge with Cone Health. Saber currently operates 120 facilities in Ohio, Indiana, Pennsylvania, Delaware, Virginia, North Carolina and Florida. Sentara will continue owning two Program of All-Inclusive Care for the Elderly (PACE) centers in Virginia. [Read More](#)

Molina Is Named in Suit Over Children's Behavioral Health Services. *Axios* reported on August 13, 2020, that Molina Healthcare was named in a newly unsealed 2018 lawsuit concerning the overbilling of Medicaid for certain children's behavioral health services. The suit was filed on behalf of 19 states and the cities of Chicago and New York. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
2020	Ohio	RFP Release	2,360,000
September 1, 2020	Texas STAR Kids - Dallas Service Area	Implementation	21,000
October 1, 2020	Washington DC	Implementation	224,000
Fall 2020	Oklahoma	RFP Release	800,000
3Q2021	California Two Plan Commercial - Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, Santa Clara, San Francisco, San Joaquin, Stanislaus, and Tulare	RFP Release	1,640,000
3Q2021	California GMC - Sacramento, San Diego	RFP Release	1,091,000
3Q2021	California Imperial	RFP Release	75,000
3Q2021	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	RFP Release	286,000
3Q2021	California San Benito	RFP Release	7,600
January 2021	Nevada	RFP Release	465,000
January 1, 2021	Kentucky Rebid	Implementation	1,200,000
January 1, 2021	Massachusetts One Care (Duals Demo)	Implementation	150,000
January 1, 2021	Pennsylvania HealthChoices Physical Health	Implementation	2,260,000
January 1, 2021	Washington Integrated Managed Care (Expanded Access)	Implementation	NA
April 1, 2021	Indiana Hoosier Care Connect ABD	Implementation	90,000
July 1, 2021	North Carolina - Phase 1 & 2	Implementation	1,500,000
January 2024	California Two Plan Commercial - Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, Santa Clara, San Francisco, San Joaquin, Stanislaus, and Tulare	Implementation	1,640,000
January 2024	California GMC - Sacramento, San Diego	Implementation	1,091,000
January 2024	California Imperial	Implementation	75,000
January 2024	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	Implementation	286,000
January 2024	California San Benito	Implementation	7,600

COMPANY ANNOUNCEMENTS

ODG by MCG Announces the Launch of ODG for Disability Solution

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- Florida Medicaid Managed Care Enrollment is Up 10.5%, Jul-20 Data
- Iowa Medicaid Managed Care Enrollment is Up 7.7%, Aug-20 Data
- Indiana Medicaid Managed Care Enrollment Is Up 17.1%, Jul-20 Data
- Maryland Medicaid Managed Care Enrollment Is Up 5.2%, Jun-20 Data
- Missouri Medicaid Managed Care Enrollment is Up 18.4%, Jul-20 Data
- North Carolina Medicaid Fee for Service vs. Managed Care Penetration, 2014-19
- New York CHIP Managed Care Enrollment is Down 0.8%, Jun-20 Data
- New York Medicaid Managed Care Enrollment is Up 6.6%, Jun-20 Data
- Oregon Medicaid Managed Care Enrollment is Up 8.5%, Jun-20 Data
- South Carolina Dual Demo Enrollment is Up 13.2%, Jun-20 Data
- Virginia Medicaid MLTSS Enrollment is Over 257,000, Jul-20 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Kentucky Medicaid MCO Pharmacy Benefit Manager (PBM) RFP, Aug-20
- Minnesota DHS Vendor Information on Scope and Estimated Costs of An Accessibility Audit RFI, Aug-20
- Rhode Island Rite Smiles Medicaid Managed Dental Program LOI, Awards, and Proposals, 2020

Medicaid Program Reports, Data and Updates:

- HMA Medicare-Medicaid Integration Issue Briefs, 2020
- Alaska HCBS Adults with Physical and Developmental Disabilities Waiver, 2016-20
- Arkansas Monthly Enrollment and Expenditures Reports, May-20
- California DHCS Stakeholder Advisory Committee Meeting Materials, Jul-20
- Indiana Medicaid Advisory Committee Meeting Materials, Jul-20
- Kentucky Enacted Operating Budget, SFY 2020-21
- Massachusetts Medicaid Accountable Care Organization (ACO) Capitated Rate Certifications and Appendices, 2020
- Massachusetts Medicaid Managed Care Capitated Rate Certifications and Appendices, 2020
- Michigan Medicaid Health Plan CAHPS Reports, 2015-20
- New Hampshire Medical Care Advisory Committee Meeting Materials, Jun-20
- Ohio Enacted Budget, FY 2020-21
- Ohio Medicaid Expenditures and Eligibles Reports, 2020
- Ohio Medicaid Managed Care Plans Report Cards, 2015-19
- Ohio Medicaid Waiver Comparison Charts, SFY 2020
- Ohio OBM Monthly Financial Reports, 2020
- Oregon Medicaid Advisory Committee Meeting Materials, Jul-20
- South Dakota Medicaid Advisory Committee Meeting Materials, Jul-20

- Texas OIG Medicaid Durable Medical Equipment and Supplies Provider FFS Claims Audit, Jul-20

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:

- State-by-state overviews and analysis of latest data for enrollment, market share, financial performance, utilization metrics and RFPs
- Downloadable ready-to-use charts and graphs
- Excel data packages
- RFP calendar

If you're interested in becoming an HMAIS subscriber, contact Carl Mercurio at cmercurio@healthmanagement.com.

HMA is an independent, national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. We serve government, public and private providers, health systems, health plans, community-based organizations, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With 22 offices and over 200 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.

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.