

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in Health Policy

..... October 21, 2020



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[HMA News](#)

Edited by:
Greg Nersessian, CFA
[Email](#)

Carl Mercurio
[Email](#)

Alona Nenko
[Email](#)

Mary Goddeeris, MA
[Email](#)

Lissete Diaz
[Email](#)

Scott Silberberg
[Email](#)

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IN FOCUS

HIGHLIGHTS FROM KAISER/HMA 50-STATE MEDICAID DIRECTOR SURVEY

This week, our *In Focus* section shares highlights and key takeaways from the 20th annual Medicaid Budget Survey conducted by The Kaiser Family Foundation (KFF) and Health Management Associates (HMA). Survey results were released on October 14, 2020, in two new reports: *State Medicaid Programs Respond to Meet COVID-19 Challenges: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2020 and 2021* and *Medicaid Enrollment & Spending*

Growth: FY 2020 & 2021. The reports were prepared by Kathleen Gifford, Aimee Lashbrook, and Sarah Barth from HMA and by Elizabeth Hinton, Robin Rudowitz, Madeline Guth, and Lina Stolyar from the Kaiser Family Foundation. The survey was conducted in collaboration with the National Association of Medicaid Directors.

This survey reports on trends in Medicaid spending, enrollment, and policy initiatives for FY 2020 and FY 2021, highlighting COVID-19 policy planned for implementation in FY 2021. The conclusions are based on information provided by the nation's state Medicaid Directors.

Key Report Highlights

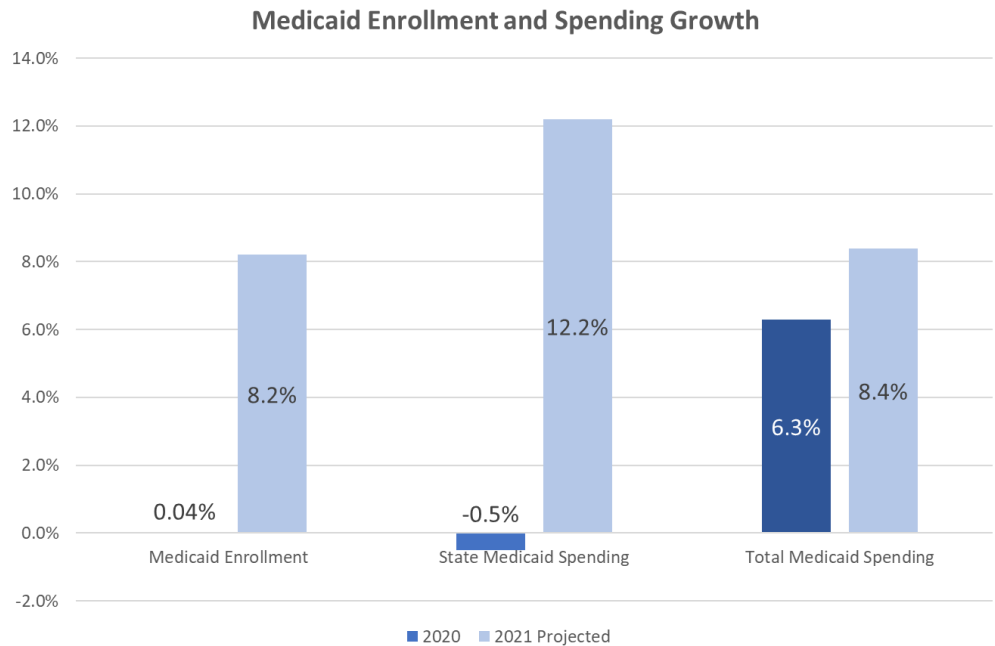
In the following sections, we highlight a few of the major findings from the reports. This is a fraction of what is covered in the 50-state survey reports, which include significant detail and findings on policy changes and initiatives related to eligibility and enrollment, managed care, long-term services and supports (LTSS), provider payment rates, and covered benefits (including prescription drug policies). The reports also look at the key issues and challenges now facing Medicaid programs.

Medicaid Enrollment and Spending Growth

The COVID-19 public health crisis created significant implications for Medicaid. The Families First Coronavirus Response Act (FFCRA) authorized a 6.2 percentage point increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), retroactive to January 1, 2020, and until the Public Health Emergency (PHE) ends, available if states meet certain "maintenance of eligibility" (MOE) requirements. Although enrollment was flat in FY 2020, states expect Medicaid enrollment to rise 8.2 percent in FY 2021, attributed to the MOE requirements and to the economic downturn that started late in FY 2020. Enrollment peaked in FY 2015 because of the Affordable Care Act and has decreased up until the pandemic.

In FY 2019, total Medicaid spending was nearly \$604 billion with 64.4 percent paid by the federal government and 35.6 percent financed by states. Total Medicaid spending growth was 6.3 percent in FY 2020 and is anticipated to be 8.4 percent in FY 2021 because of enrollment upticks. Meanwhile, the projections on state spending do not provide a clear picture. At the time of the survey, states assumed enhanced federal funding would expire by December 2020. However, it is now slated to expire at the end of March 2021. As a result, states predicted state Medicaid spending would decline in FY 2020 (-0.5 percent) and then sharply increase in FY 2021 (12.2 percent). For FY 2021, nearly all states expect enrollment increases to grow total Medicaid expenditures, with additional upward pressure coming from spending on LTSS and provider rate changes. Most states said that federal relief is being used to support costs related to the increased Medicaid enrollment and to address general Medicaid budget shortfalls. Additionally, two-thirds of states reported fiscal relief is also being used to mitigate provider rate and/or benefit cuts. States are unsure about the duration of the PHE and the enhanced FMAP, whether Congress will consider additional fiscal relief, and the outcome of the elections.

Figure 1 – Medicaid Enrollment and Spending Growth, FY 2020 and FY 2021 (Projected)



SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2020.

Medicaid Eligibility Standard Changes

- As part of the response to the COVID-19 pandemic, some states utilized Medicaid emergency authorities to adopt policies to help individuals obtain and maintain Medicaid coverage.
 - Five states reported plans to continue COVID-19 related changes to eligibility and enrollment policies after the PHE ends, while most states remain unsure.
 - Ten states reported expanding enrollment assistance or member call center capacity during the PHE.
- Idaho, Nebraska, and Utah implemented Medicaid expansions in 2020.
- Missouri and Oklahoma will implement expansions in FY 2022.
- Six states reported plans to implement more narrow eligibility expansions.
 - South Carolina will increase the income limit for parent/caretaker relative enrollees from 67 percent to 100 percent of the federal poverty level (FPL) and will provide coverage with an enrollment cap for a new Targeted Adult group. Both expansions of eligibility are contingent on compliance with a work requirement.
 - Georgia and New Jersey, pending waiver approval, plan to expand coverage for postpartum women to six months. Indiana reported plans to extend postpartum coverage to one year beginning in FY 2022.
 - California is expanding income eligibility for the optional aged, blind, and disabled (ABD) population from 100 percent to 138 percent FPL.
 - New Hampshire reported plans to implement its “Medicaid for Employed Older Adults with Disabilities” program, which will expand Medicaid buy-in coverage for working people with

disabilities to include those ages 65 and older with incomes up to 250 percent FPL.

- Louisiana is expanding HCBS waiver coverage for children with significant disabilities without regard to household income and assets for children who live at home but would otherwise qualify for institutional placement in a hospital, skilled nursing facility, or intermediate care facility for individuals with intellectual disabilities.
- Two states reported planned eligibility restrictions in FY 2021 after the PHE. Missouri reported that scheduled premium increases would go forward after the PHE ended and Montana reported plans to implement a community engagement/work requirement and premium changes for expansion adults, pending CMS approval of the state’s Section 1115 waiver renewal.
- Two states reported non-emergency plans to simplify enrollment processes in FY 2021. Montana reported plans to implement an auto-renewal process for non-MAGI eligibility groups and Virginia reported plans to expand exparte auto-renewals when individuals experience changes.
- Five states (Arizona, Massachusetts, Vermont, Virginia, Washington) reported plans to continue COVID-19 emergency changes related to eligibility and enrollment policies beyond the PHE period.
- Twelve states reported that the continuation of emergency eligibility and enrollment policies remained undetermined.

Provider Rates & Taxes

- Forty-one states implemented fee-for-service (FFS) rate increases for at least one category of provider relative to rate restrictions in FY 2020, while 17 states reported implementing rate restrictions in FY 2020. For FY 2021, 35 states planned rate increases, while 21 planned rate restrictions.
- Three states (Colorado, Nevada, and Wyoming) cut provider rates across all or nearly all provider categories, while some other states have indicated rate freezes or reductions were likely.
- More than half of reporting states (24) indicated that one or more payment changes made in FY 2020 or FY 2021 were related in whole or in part to COVID-19.

Figure 2 - Provider Rate Changes Implemented in FY 2020 and Adopted for FY 2021

Provider	States with Rate Increases		States with Rate Restrictions	
	FY 2020	FY 2021	FY 2020	FY 2021
Inpatient Hospitals	29	20	14	20
Outpatient Hospitals	25	20	3	4
Primary Care Physicians	21	13	0	3
Specialists	17	12	1	3
OB/GYNs	17	10	0	3
Dentists	14	12	1	3
Nursing Facilities	37	30	6	9
HCBS	33	22	1	3
Any Provider	41	35	17	21

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2020.

- Only one state (Arizona) reported the addition of a new provider tax in FY 2021. Few states reported making significant changes to the provider tax structure in FY 2021.
- Nearly half of states reported that federal provider relief funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program and Health Care Enhancement Act were not adequate for Medicaid providers.

Delivery Systems

- A total of 40 states (including DC) contract with risk-based managed care organizations (MCOs) to serve their Medicaid enrollees. Thirty-three states reported that 75 percent or more of their Medicaid beneficiaries were enrolled in MCOs.
- Sixty-nine percent of Medicaid beneficiaries are enrolled in an MCO.
- Twelve states in FY 2020 and seven in FY 2021 reported notable changes in the benefits and services covered under their MCO contracts.

Figure 3 - MCO-Covered Benefit/Service Changes, FY 2020 and FY 2021 (n = 32 MCO states)

Benefit/Service Carve-ins	FY 2020	FY 2021
Behavioral health	NJ, WA, WI, WV	OR
Pharmacy drugs	MD, SC	-
Non-emergency medical transportation	NE	TX
Community supports	HI, ND	-
Other ¹	MO, SC	NJ
Benefit/Service Carve-ins	FY 2020	FY 2021
Behavioral health	WA	-
Pharmacy drugs	HI, ND	CA, MD, MO, SC, TX
Transplants	AR, WA	-
Other ²	CA	NJ

¹“Other” carve-ins reported include chiropractic, “treat-no transport” ambulance services, and diabetes prevention services (Missouri), doula services (New Jersey), and adult podiatry services (South Carolina).
²“Other” carve-outs reported were lens fabrications from selected plans (California) and elective C-sections (New Jersey).

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2020.

- Twelve MCO states (of 31 responding) indicated plans to adjust FY 2021 MCO contracts or rates in response to both COVID-related depressed utilization and unanticipated treatment costs.
- Sixteen states reported plans to make payment adjustments to FY 2021 MCO contracts or rates in response to COVID-19 related depressed utilization while 14 states reported plans to make payment adjustments in response to unanticipated COVID-19 related testing and treatment costs.
- Fourteen MCO states (of 32 responding) reported implementing directed payments to selected provider types in response to the COVID-19 pandemic.
- MCO states reported a variety of other MCO policy changes implemented to respond to the COVID-19 pandemic, including requirements to lift prior authorization requirements, waive cost sharing requirements, relax certain

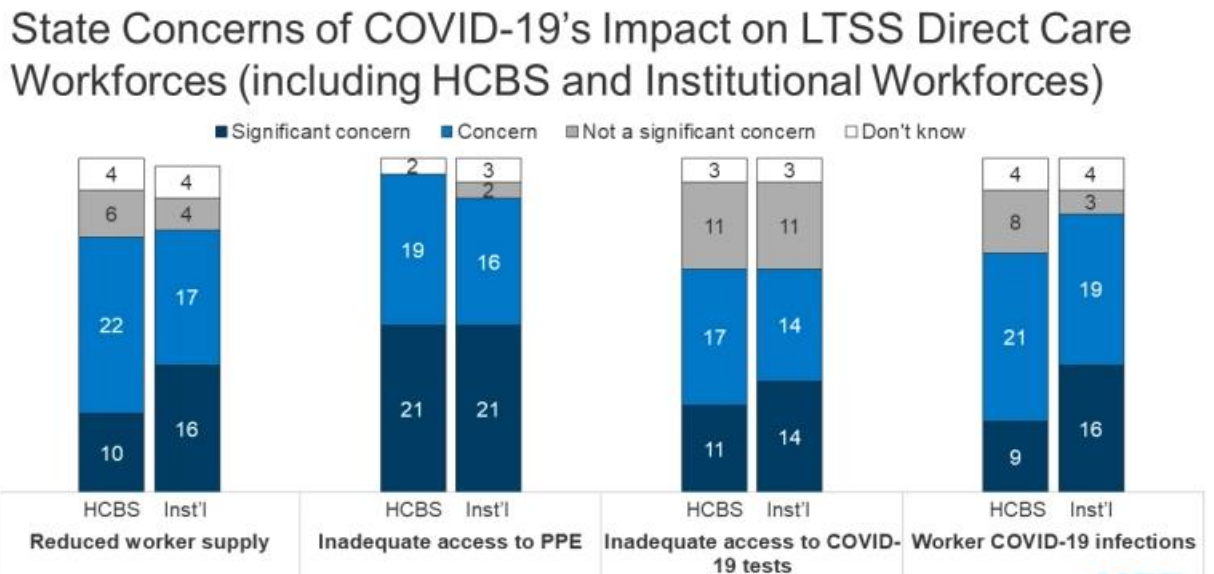
provider credentialing requirements, expand telehealth, in addition to other changes.

- Nearly two-thirds (27 states) reported implementation, expansion, or reform of a program or initiative to address Medicaid enrollees’ social determinants of health (SDOH) in response to COVID-19.

Long-Term Services & Supports

- As of July 1, 2019, 27 states reported having a capitated managed long-term services and supports (MLTSS) program. Two states (Alabama and Washington) reported having a managed fee-for-service MLTSS model while the remaining 25 states covered LTSS through one or more of the following types of capitated managed care arrangements: Medicaid MCO covering Medicaid acute care and LTSS; prepaid health plans (PHP) covering only Medicaid LTSS; MCO arrangement for dual eligible beneficiaries covering Medicaid and Medicare acute care and Medicaid LTSS services in a single, financially aligned contract under the federal Financial Alignment Initiative (FAI).
- Six states reported changes to their MLTSS programs in FY 2020 or FY 2021.
 - Idaho, Massachusetts, and Pennsylvania expanded MLTSS to new geographic regions.
 - Arizona, Massachusetts, and New Jersey carved in additional benefits/services.
 - Wisconsin carved out benefits/services.
- The majority of states reported concerns about the pandemic’s impact on the LTSS direct care workforce, with similar issues across HCBS and institutional settings.

Figure 4 - State Concerns of COVID-19’s Impact on LTSS Direct Care Workforces (including HCBS and Institutional Workforces)



NOTES: Limited to the 42 states which answered this question of the survey; not all states responded to each concern asked about. States indicated whether each of these factors was a concern for the state’s home and community-based services (HCBS) and institutional (inst'l) direct care workforce. SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2020.



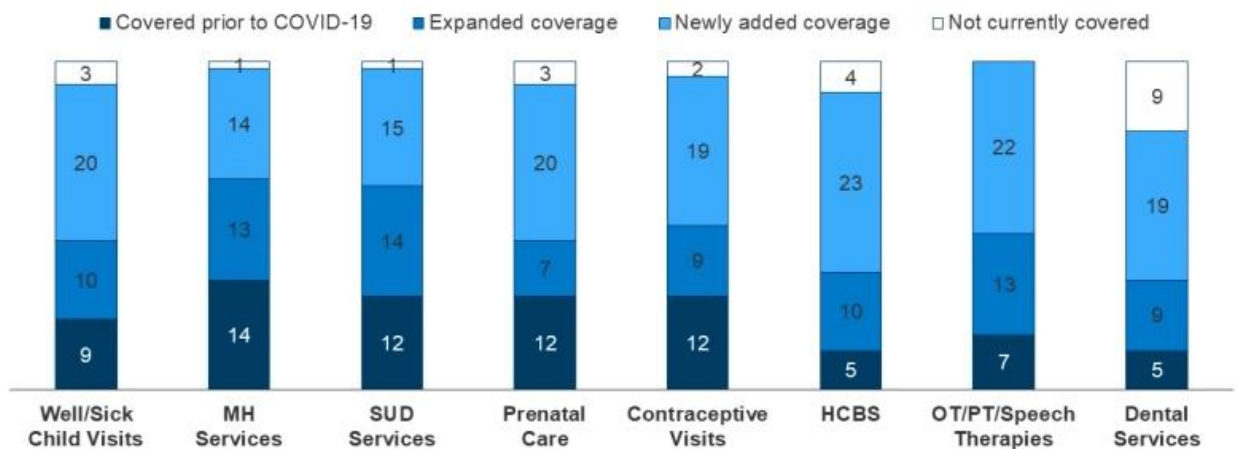
- Some states plan to retain a variety of LTSS policy changes adopted in response to COVID-19 after the PHE period ends.
 - Twenty-one states reported plans to retain telehealth or remote provision of HCBS services.
 - Six states (Connecticut, Minnesota, North Carolina, North Dakota, Oklahoma, and Oregon) cited continued remote delivery of assessments, reassessments, and case management.
 - Five states (Florida, New Hampshire, North Dakota, Oregon, and Washington) reported an intent to keep changes made to LTSS provider enrollment and training processes including simplification, modified qualifications, and recruitment techniques.
 - Three states (Connecticut, Maine, and North Dakota) reported plans to continue allowing family members to provide certain services.

Benefits, Cost-Sharing, and Telehealth

- The number of states reporting new benefits and benefit enhancements continues to significantly outpace the number of states reporting benefit cuts and restrictions. The COVID-19 pandemic has shifted state priorities for Medicaid benefits and cost-sharing, with states utilizing Medicaid emergency authorities to adopt new benefits, adjust existing benefits, and/or waive prior authorization requirements. Specifically, many states focused on expanding telehealth access for Medicaid beneficiaries.
- Most states report covering a range of FFS services delivered via telehealth when the originating site is the beneficiary’s home. Many of these services were added or expanded in response to COVID-19.

Figure 5 - States Reporting Existing, Expanded, or Newly Added Coverage of FFS Services Delivered via Telehealth from the Home in Response to COVID-19

States Reporting Existing, Expanded, or Newly Added Coverage of FFS Services Delivered via Telehealth from the Home in Response to COVID-19



NOTES: States indicated whether telehealth coverage of each service from the beneficiary’s home was added, expanded, or already covered in response to COVID-19. Limited to the 42 states which answered this survey question. “MH” is mental health; “SUD” is substance-use disorder; “HCBS” is home and community-based services; “OT” is occupational therapy; “PT” is physical therapy.

SOURCE: KFF Survey of Medicaid Officials in 50 states and DC conducted by HMA, October 2020.



- Approximately half of states report plans to extend newly added/expanded FFS telehealth coverage when the beneficiary’s home is the originating site beyond the PHE period.

- Fifteen states intend to extend other benefit and cost-sharing changes adopted during the PHE period, many of which are pharmacy changes.
- Twelve states plan to make benefit or cost-sharing changes that are not related to the COVID-19 pandemic in FY 2021.
 - Seven states (Alaska, California, Hawaii, Idaho, Montana, Texas, and Wisconsin) are adding or expanding benefits, including expanded home and community-based services (HCBS), behavioral health (BH) services, and SUD services.
 - Two states are eliminating or restricting benefits. Alaska is adding prior authorization requirements for benefits that include non-preventive dental, vision, and therapies. Wyoming is removing its chiropractic benefit for all individuals, limiting some HCBS services, and reducing its adult vision and dental benefits.
 - Four states (Colorado, Idaho, Michigan, and South Dakota) will be implementing new or expanded co-payments for a variety of services, or other cost-sharing.
 - Two states (California and Massachusetts) will be eliminating or reducing certain co-payments in FY 2021.

Pharmacy Cost Containment Actions

- Thirty-three states reported newly implementing or expanding upon at least one initiative to contain costs in the area of prescription drugs in FY 2021.
- Twenty-three states will implement new pharmacy cost containment policies in FY 2021.
- Eleven states will expand their preferred drug list (PDL).
- Three states (Kentucky, Massachusetts, and Michigan) will adopt a uniform PDL in FY 2021 and North Carolina plans to use a uniform PDL for FFS and managed care when it implements managed care in FY 2022.
- California plans to carve the prescription drug benefit out of managed care organization (MCO) contracts.
- Three states (Iowa, Maryland, and South Carolina) reported newly carving out certain high cost drugs.
- North Dakota implemented a pharmacy carve out in FY 2020 and Nevada plans to carve out the prescription drug benefit effective in FY 2023, when MCO contracts are renewed.

Looking Ahead: Perspectives of Medicaid Directors

The COVID-19 pandemic created significant challenges for states. Nearly all the Medicaid Directors identified significant adverse economic and state budgetary impacts driven by the pandemic. States reported that dealing with Medicaid budgets is one of the biggest challenges in the coming year. Nine states indicated that the economic negative impacts were likely to exceed those of the Great Recession and nine states reported expecting future Medicaid budget reductions. Many states reported the need for ongoing or greater fiscal relief as well as the need to strengthen the provider relief program for Medicaid-dependent providers. States noted that delivery system and payment reforms are a key priority. The November 2020 elections will also have significant implications on federal Medicaid policies.

[Links to Kaiser/HMA 50-State Survey Reports](#)

[State Medicaid Programs Respond to Meet COVID-19 Challenges: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2020 and 2021](#)

[Medicaid Enrollment & Spending Growth: FY 2020 & 2021](#)



HMA MEDICAID ROUNDUP

Florida

Advocates Raise Concern Over Proposed Rule for iBudget Program for Individuals with Disabilities. *Health News Florida* reported on October 20, 2020, that Florida advocates for individuals with disabilities are raising concerns over a proposed rule that would require support coordinators to certify that individuals have exhausted all other avenues for care before applying for the state's iBudget Medicaid program, which serves individuals with disabilities under a home and community-based services waiver. The rule is being put forward as part of a bill to overhaul the iBudget program. [Read More](#)

Florida Taps Shevaun Harris for Acting Lead of AHCA. *News Service of Florida* reported on October 15, 2020, that Florida Governor Ron DeSantis appointed Shevaun Harris as acting secretary of the state Agency for Health Care Administration (AHCA) following the departure of Mary Mayhew on October 2. Harris has served as assistant deputy secretary for Medicaid policy and quality since 2017. [Read More](#)

Georgia

Georgia Receives Approval For Limited Medicaid Expansion Using Healthy Adult Opportunities Waiver Flexibilities. The Center for Medicare & Medicaid Services (CMS) announced on October 15, 2020, the approval of a Medicaid expansion demonstration in Georgia, offering coverage to individuals aged 19 to 64 who earn up to 100 percent of poverty. According to the 1115 waiver, which uses many of the flexibilities made available through the recent Healthy Adult Opportunities guidance, "CMS is not authorizing the enhanced federal match for this demonstration population." Eligible individuals will be required to participate in 80 hours per month of work or other qualifying activities. Most with incomes between 50 percent and 100 percent of poverty will have to pay premiums. A projected 30,000 individuals are expected to enroll in Medicaid in the first year of the waiver, dubbed Pathways to Coverage. A total of nearly 65,000 are expected to receive coverage, including individuals who receive Medicaid premium assistance to purchase employer-sponsored insurance. Implementation is expected to begin July 1, 2021, with the waiver effective through September 30, 2025. Separately, Georgia is pursuing a 1332 waiver to implement a state-based reinsurance program starting in 2022 and transition the state's individual market enrollment to a private sector platform called the Georgia Access Model in 2023. [Read More](#)

Illinois

Illinois Integrated Health Homes Program Is Delayed Until July 2021; Children's Behavioral Services Are Enhanced. The Illinois Department of Healthcare and Family Services (HFS) announced on October 15, 2020, that the Integrated Health Homes (IHH) program is set to begin July 1, 2021, delayed from an initial implementation date of April 2020. IHH will integrate physical health, behavioral health, and social care needs for Medicaid individuals with chronic conditions. HFS updated the eligibility to target children and adults with medically complex chronic conditions who are impacted by social determinants of health like housing, food security, employment, and safety. Separately, HFS announced new community-based services for children with complex behavioral health needs, including access to specialized care coordination, high-fidelity wraparound/intensive care coordination, intensive home-based services, respite, therapeutic mentoring, and family peer support. [Read More](#)

Massachusetts

Massachusetts Files Lawsuit Against MAT Centers Over Alleged False Medicaid Claims. *The Daily Hampshire Gazette* reported on October 20, 2020, that the Massachusetts Attorney General has filed a federal lawsuit against medication-assisted treatment (MAT) centers Total Wellness and CleanSlate for allegedly submitting millions of dollars in false Medicaid claims since April 2011. The allegations were originally made in a case filed by a whistleblower in April 2017. In the complaint, filed in U.S. District Court in Massachusetts, the state argues that the defendants would sometimes order more than one test during a visit, violated federal and state self-referral laws because the tests were performed at their own laboratory, and engaged in practices that led to the backdating of prescriptions by physicians. [Read More](#)

Nebraska

Nebraska Wins Federal Approval of Two-Tiered Medicaid Expansion Waiver. *Modern Healthcare* reported on October 20, 2020, that Nebraska has won federal approval for a two-tiered Medicaid expansion waiver, allowing the state to offer its expansion population additional benefits under a "prime" tier for individuals who work and participate in wellness activities. Additional benefits would include dental, vision, and over-the-counter drugs. Expansion under a "basic" tier for healthcare and prescription drug coverage began on October 1, 2020. Implementation of the waiver, which is a Section 1115 demonstration dubbed Heritage Health Adult, may begin no sooner than April 1, 2021, and will be effective through March 2026. Wellness and personal responsibility requirements would go into effect on implementation, while work requirements would go into effect April 1, 2022. [Read More](#)

New York

HMA Roundup – Cara Henley ([Email Cara](#))

New York Coalition Urges Reversal of Medicaid Drug Carve-out. *Crain's New York* reported on October 20, 2020, that the coalition Save New York's Safety Net: 340B Saves Lives is urging the state to reverse its plan to carve Medicaid drug benefits out of managed care. The carve-out, which would go into effect April 1, would make drugs a fee-for-service benefit. The coalition argues that carving out pharmacy benefits would raise costs and impact the needy. [Read More](#)

North Dakota

North Dakota Releases RFP for Medicaid Expansion Managed Care Plans. On October 20, 2020, the North Dakota Department of Human Services, Medical Services Division, released a request for proposals (RFP) for up to two Medicaid expansion managed care organizations (MCOs). Proposals are due December 23, 2020, with awards to be announced on May 21, 2021. Implementation is slated to begin January 1, 2022. Current incumbent Sanford Health Plan serves approximately 19,800 expansion members. Medicaid expansion in the state was implemented in 2014.

Oklahoma

Oklahoma Releases Medicaid Managed Care, Dental RFPs. The Oklahoma Health Care Authority released a request for proposals (RFP) on October 15, 2020, for a statewide Medicaid managed care program called SoonerSelect Plan, which would cover physical health, behavioral health, and pharmacy benefits for more than 742,000 Medicaid beneficiaries, including expansion eligibles. Medicaid expansion is slated to go into effect on July 1, 2021. The state will also contract with one of the selected Medicaid managed care plans for a statewide program called SoonerSelect Specialty Children's Plan, which would cover 31,000 former foster children, juvenile justice-involved individuals, and children either in foster care or receiving adoption assistance. In addition, Oklahoma released a SoonerSelect Dental RFP for the procurement of statewide prepaid ambulatory health plans (PAHPs) to deliver risk-based dental benefits to nearly 774,000 Medicaid beneficiaries. Proposals for all three programs are due December 15, 2020, and awards will be announced on February 1, 2021. The contracts will run for one year, with up to five optional one-year renewals. Implementation begins on October 1, 2021.

Ohio Health Plan to Bid on Oklahoma Medicaid Managed Care RFP. *The Dayton Business Journal* reported on October 20, 2020, that Ohio-based health plan CareSource plans to bid on Oklahoma's recent request for proposals (RFP) to transition to a statewide Medicaid managed care program. CareSource intends to submit its bid through CareSource Oklahoma, a new joint venture between the health plan and Texas-based administrative services provider Healthcare Highways. CareSource serves nearly two million members in Georgia, Indiana, Kentucky, Ohio, and West Virginia. [Read More](#)

Oregon

Medicaid Enrollment Increases by 123,200 Since March. *The Lund Report* reported on October 19, 2020, that Medicaid enrollment in Oregon increased by 123,200 to 1.2 million between March and early October. Rising unemployment because of COVID-19 drove the increase. [Read More](#)

Pennsylvania

Pennsylvania DHS Details How Administration is Protecting Individuals with Disabilities and Other Vulnerable Populations from COVID-19. The Pennsylvania Department of Human Services (DHS) Secretary Teresa Miller discussed on October 8, 2020, the measures Pennsylvania is taking to protect individuals with autism, individuals with intellectual and physical disabilities, and older Pennsylvanians as the COVID-19 pandemic continues. DHS has worked to continue to ensure that the supports they provide are uninterrupted. Policies have been adjusted in the Office of Medical Assistance Programs (OMAP), the Office of Long-Term Living (OLTL), and the Office of Developmental Disabilities (ODP). [Read More](#)

Virginia

Budget Agreement Includes Funding for Adult Medicaid Dental Coverage. *The Virginia Mercury* reported on October 16, 2020, that Virginia budget negotiators agreed on a two-year budget that includes \$17.5 million in Medicaid funding for adult dental coverage. Implementation is scheduled to begin by July 2021. The spending agreement still requires a final General Assembly vote and Governor Ralph Northam's signature. About 750,000 adult Medicaid members would be eligible for dental services under the benefit. The state currently offers comprehensive dental coverage to pregnant women and children under the age of 20. [Read More](#)

Wisconsin

Wisconsin Medicaid Will Suspend Rather Than Terminate Coverage for Incarcerated Members. *WSAW-TV 7* reported on October 16, 2020, that the Wisconsin Department of Health Services (DHS) announced a policy in which incarcerated Medicaid members will have their benefits suspended rather than cancelled. Eligibility will then be re-evaluated prior to the inmates' release from prison. The change, effective October 24, is designed to speed access to care for newly released inmates. DHS and the Department of Corrections have been working collaboratively to make the policy change. [Read More](#)

National

Supreme Court to Decide on Whether to Review Medicaid Work Requirements Case. *Bloomberg Law* reported on October 20, 2020, that the U.S. Supreme Court is expected to vote on whether to review a federal appellate court ruling that found the Department of Health and Human Services (HHS) unlawfully approved Medicaid work requirements in Arkansas and New Hampshire in 2018. Arkansas is one of 19 states that has sought to implement Medicaid work requirements following guidance from the Trump administration. HHS has approved work requirements in 11 states, yet none are currently in force. [Read More](#)

Appeals Court Declines to Rehear Case Against Site-Neutral Payment Policy, 340B Cuts. *Modern Healthcare* reported on October 19, 2020, that the U.S. Court of Appeals declined to rehear a challenge to Trump administration rules concerning site-neutral payment policies and proposed cuts to the 340B drug program. A three-judge panel upheld the policies in a case brought by the American Hospital Association (AHA). The AHA has 60 days to decide to appeal the case to the Supreme Court. [Read More](#)

ACA Exchange Premiums to Decrease 2 Percent in 2021. *Modern Healthcare* reported on October 19, 2020, that health insurance premiums for benchmark plans offered through the federal Exchange in 2021 will decline by about two percent, the third consecutive annual decrease. The number of insurers offering Exchange plans will increase from 175 in 2020 to 181 in 2021. Only 4 percent of enrollees will have access to just one insurer, down from 12 percent in 2020. [Read More](#)

Supreme Court Nominee Amy Coney Barrett Suggests ACA Can Be Saved Without Individual Mandate. *The Hill* reported on October 14, 2020, that Supreme Court nominee Amy Coney Barrett suggested that the Affordable Care Act (ACA) could be saved on the grounds that the individual mandate, which was struck down in 2017, could be severed from the rest of the law. Although she did not say how she would rule in the case, Barrett noted that judges tend to try to save the underlying law when possible. The court will hear the case on November 10. [Read More](#)

New COVID-19 Stimulus Bill Is Unlikely to Pass Before November 3. *Politico* reported on October 14, 2020, that the prospect of another massive COVID-19 stimulus bill passing Congress before the presidential election is highly unlikely. House Democrats passed both a \$3.4 trillion bill and a slimmer \$2.2 trillion bill over the past several months. Senate Republicans countered with a \$1.8 trillion bill last week, which top Democrats have rejected. [Read More](#)



INDUSTRY NEWS

Purdue Pharma Agrees to Criminal Charges as Part of \$8 Billion OxyContin Settlement. *The Associated Press* reported on October 21, 2020, that OxyContin producer Purdue Pharma will plead guilty to three federal criminal charges as part of an \$8.3 billion settlement concerning the company's role in the opioid epidemic, the U.S. Justice Department announced. Charges include conspiracy to defraud the United States and violation of federal anti-kickback laws, with further details to appear in the company's bankruptcy filing. Purdue, which will transform into a public benefit corporation, agreed to a \$2 billion criminal forfeiture and \$2.8 billion in damages to resolve its civil liability. The company also faces a \$3.54 billion criminal fine. The settlement does not release the Sackler family, which owns Purdue, from criminal liability. [Read More](#)

Linden Capital Partners Announces Majority Investment in MS-based Vital Care. Private equity firm Linden Capital Partners announced on October 19, 2020, a majority investment in Mississippi-based Vital Care. Vital Care is a pharmacy franchise business for home infusion services with more than 50 franchises across 20 states. [Read More](#)

Netsmart Acquires FL-based EVV Provider Tellus. Healthcare software company Netsmart announced on October 20, 2020, its acquisition of Tellus, a Florida-based provider of electronic visit verification (EVV). States are required to use EVV for personal care services by January 1, 2021, and for certified home health care services by January 1, 2023. [Read More](#)

Vistria Group to Sell St. Croix Hospice to H.I.G. Capital Affiliate. Chicago-based private equity firm Vistria Group announced on October 19, 2020, an agreement to sell hospice care provider St. Croix Hospice to an affiliate of investment company H.I.G. Capital. Terms were not disclosed. St. Croix operates in six states. [Read More](#)

Behavioral Health Group Acquires Two AL-Based Opioid Use Disorder Treatment Facilities. Opioid use disorder treatment provider Behavioral Health Group (BHG) announced on October 16, 2020, the acquisition of Alabama-based recovery treatment centers Huntsville Recovery, Inc. and Stevenson Recovery, Inc. BHG now operates nine centers in Alabama and a total of 73 locations in 15 states. [Read More](#)

Tarrytown Expocare Announces Acquisition of Longs Drugs in Georgia, South Carolina; Adler's Pharmacy LTC in New Jersey. Sheridan Capital Partners announced on October 19, 2020, that portfolio company Tarrytown Expocare, a long-term care pharmacy for individuals with intellectual and developmental disabilities (IDD), has acquired Longs Drugs in Georgia and South Carolina, and Adler's Pharmacy LTC in New Jersey. Tarrytown Expocare will now serve IDD beneficiaries in 13 states. [Read More](#)

Stepping Stones Group Acquires Ardor School Solutions. The Stepping Stones Group announced on October 15, 2020, its expansion into New Mexico and Arizona through the acquisition of Ardor School Solutions from Ardor Health Solutions. Stepping Stones, which is a portfolio company of Five Arrows Capital Partners, provides therapeutic, behavioral health, and autism services to children in educational and community settings. [Read More](#)

Healthify Announces Partnership with Altruista Health. Healthify announced on October 14, 2020, that it will include its social determinant of health technology in Altruista Health's care management platform, providing managed care organizations with an integrated approach to addressing both clinical and social factors impacting health outcomes. The integrated solution is scheduled to launch in December 2020. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
November 20, 2020	Ohio	Proposals Due	2,450,000
December 15, 2020	Oklahoma	Proposals Due	742,000
December 23, 2020	North Dakota Expansion	Proposals Due	19,800
Late 2021	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
Late 2021	California GMC - Sacramento, San Diego	RFP Release	1,091,000
Late 2021	California Imperial	RFP Release	75,000
Late 2021	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
Late 2021	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	Pennsylvania HealthChoices Physical Health	Implementation	2,260,000
January 1, 2021	Washington Integrated Managed Care (Expanded Access)	Implementation	NA
January 25, 2021	Ohio	Awards	2,450,000
February 1, 2021	Oklahoma	Awards	742,000
April 1, 2021	Indiana Hoosier Care Connect ABD	Implementation	90,000
May 21, 2021	North Dakota Expansion	Awards	19,800
July 1, 2021	North Carolina - Phase 1 & 2	Implementation	1,500,000
October 1, 2021	Oklahoma	Implementation	742,000
January 1, 2022	Massachusetts One Care (Duals Demo)	Implementation	150,000
January 1, 2022	North Dakota Expansion	Implementation	19,800
January 5, 2022	Ohio	Implementation	2,450,000
Early 2022 – Mid 2022	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	Awards	1,640,000
Early 2022 – Mid 2022	California GMC - Sacramento, San Diego	Awards	1,091,000
Early 2022 – Mid 2022	California Imperial	Awards	75,000
Early 2022 – Mid 2022	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	Awards	286,000
Early 2022 – Mid 2022	California San Benito	Awards	7,600
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

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- Arizona Medicaid Managed Care Enrollment is Up 11.3%, Oct-20 Data
- Florida Medicaid Managed Care Enrollment is Up 13.6%, Sep-20 Data
- Hawaii Medicaid Managed Care Enrollment is Down 1.7%, 2019 Data
- Indiana Medicaid Managed Care Enrollment Is Up 21.2%, Sep-20 Data
- MLRs at Louisiana Medicare Advantage MCOs Average 83.8%, 2019 Data
- MLRs at Nevada Medicare Advantage MCOs Average 88.2%, 2019 Data
- MLRs at Virginia Medicare Advantage MCOs Average 82.6%, 2019 Data
- Nevada Medicaid Managed Care Enrollment is Up 19.7%, Sep-20 Data
- North Carolina Medicaid Enrollment by Aid Category, Sep-20 Data
- North Dakota Medicaid Enrollment is Down 2.5%, Mar-20 Data
- Ohio Medicaid Managed Care Enrollment is Up 11.7%, Sep-20 Data
- South Carolina Dual Demo Enrollment is Up 12%, Aug-20 Data
- Utah Medicaid Managed Care Enrollment is Up 39.7%, Oct-20 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Alabama Medicaid Modular Electronic Visit Verification RFB and Related Documents, 2020
- Alaska Support to Medicaid and Grantee Programs RFP, Oct-20
- California Medi-Cal Dental Fiscal Intermediary Administrative Services Organization RFI, Oct-20
- Massachusetts One Care Model Contract Extension, Aug-20
- North Dakota Medicaid Expansion Managed Care RFP, Oct-20
- Oklahoma Statewide Medicaid Dental RFP and Related Documents, Oct-20
- Oklahoma Statewide Medicaid Managed Care RFP and Related Documents, Oct-20
- Oregon Behavioral Health Treatment Foster Care RFP, Oct-20
- Vermont VHCURES All-Claims Payer Database Contract, 2019-24

Medicaid Program Reports, Data and Updates:

- California ACEs Aware Provider Training Data Report, Oct-20
- Georgia 'Pathways to Coverage' Section 1115 Demonstration Waiver Application and Approval, 2019-20
- Nebraska Medicaid Section 1115 Heritage Health Adult Expansion Demonstration Waiver and Approval, 2019-20
- New York Electronic Visit Verification Program Guidelines and Requirements Report, Oct-20
- New York Medicaid Pharmacy Managed Care to FFS Transition Presentations, Oct-20
- Pennsylvania OVR MLTSS Subcommittee Meeting Materials, Oct-20
- Texas Consolidated Reporting of Opioid-Use Disorder Related Expenditures, FY 2019
- Texas Coordinated Statewide Behavioral Health Expenditure Proposal, FY 2020-21
- Texas Quarterly Reports from the HHS Ombudsman Managed Care Assistance Team, FY 2019-20

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- 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
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