HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

April 9, 2014

RFP CALENDAR

DUAL ELIGIBLES CALENDAR

HMA NEWS

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THIS WEEK

IN FOCUS

MICHIGAN FINALIZES DUALS DEMONSTRATION MEMORANDUM OF UNDERSTANDING WITH CMS

This week, our *In Focus* section reviews the finalized Memorandum of Understanding (MOU) between Michigan and the Centers for Medicare and Medicaid Services (CMS) on the state's dual eligible financial alignment demonstration. Michigan is the ninth state to finalize a capitated model MOU, behind Massachusetts, Ohio, Illinois, California, Virginia, New York, South Carolina, and Washington. Michigan's demonstration will serve full dual eligibles ages 21 and older in four regions, encompassing Southwest Michigan, two Detroit-area counties, and the entire Upper Peninsula. Below, we review the Michigan demonstration and highlight key elements of the MOU. (Link to Michigan MOU)

Michigan Financial Alignment Demonstration Overview

Michigan's Department of Community Health (DCH) has selected eight health plans to serve as integrated care organizations (ICOs) for the dual eligibles demonstration population across four regions. As in other states, participation in the demonstration is dependent on completing the three-way contracting process with Michigan DCH and CMS, as well as a readiness review process.

- **Region 1** covers the entire Upper Peninsula of Michigan and will be served by one ICO, the **Upper Peninsula Health Plan**, under a rural exclusion from the requirement that duals demonstration regions have a choice of multiple plans. There are an estimated 9,000 duals in the Upper Peninsula.
- **Region 4** covers eight counties in the southwest corner of Michigan and will be served by **Coventry (Aetna)** and **Meridian Health Plan**. Region 4 encompasses approximately 21,000 dual eligibles.
- **Region 7** is Wayne County, including the city of Detroit, and will be served by **Amerihealth, Coventry, Fidelis Secure Care, Midwest Health Plan, Molina,** and **UnitedHealthcare**. There are an estimated 58,000 dual eligibles in Wayne County.
- **Region 9** is Macomb County, which borders Wayne County, and will be served by the same six plans. There are an estimated 17,000 dual eligibles in Macomb County.

Demonstration Region	Counties	Number of Eligible Duals	Awarded Health Plans
Region 1	Entire Upper Peninsula	9,000	Upper Peninsula Health Plan
Region 4 (Southwest)	Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren	21,000	Coventry Meridian
Region 7 (Wayne)	Wayne	58,000	Amerihealth Coventry Fidelis Secure Care Midwest Molina United
Region 9 (Macomb)	Macomb	17,000	Amerihealth Coventry Fidelis Secure Care Midwest Molina United

Eligible Populations

The demonstration in Michigan will be open to all dual eligibles in the four regionswho are 21 years of age or older, and receive full Medicare and Medicaid benefits. The MOU notes that this includes dual eligibles who are eligible for Medicaid through expanded financial eligibility limits under a 1915(c) waiver or who reside in a nursing facility and have a monthly patient pay amount.

Dual eligibles enrolled in the MI Choice waiver program, Money Follows the Person (MFP) program, or covered under the Program for All-inclusive Care for the Elderly (PACE), are eligible to participate in the demonstration, but will be excluded from the passive enrollment process;they must opt-in to participate. As part of the opt-in process, a dual eligible must disenroll from MI Choice, MFP, or PACE.

Michigan currently enrolls dual eligibles in Medicaid managed care plans. Dual eligibles enrolled in a Medicare Advantage/dual eligible special needs plan (D-SNP) that is also a Medicaid managed care plan are auto-assigned to that health plan for their

Medicaid benefits with the ability to opt-out. As of March 2014, there are 46,746 dual eligibles enrolled in a Medicaid health plan in Michigan.

Dual Eligible Enrollment Timeline

An opt-in-only enrollment period for the demonstration will begin no earlier than October 1, 2014, for Regions 1 and 4, with enrollments effective January 1, 2015. The opt-in-only enrollment period for Regions 7 and 9 will begin no earlier than March 1, 2015, with enrollments effective May 1, 2015. The enrollment timeline, below, details the opt-in and passive enrollment phases.

Enrollment Phase	Enrollment Date	Effective Date
Opt-In – Regions 1 & 4	Not before October 1, 2014	January 1, 2015
Opt-In – Regions 7 & 9	Not before March 1, 2015	May 1, 2015
Passive – Regions 1 & 4		Not before April 1, 2015
Passive – Regions 7 & 9		Not before July 1, 2015

Payments to CICO Plans

As with other capitated dual eligible demonstrations, rate setting will occur between CMS and the State of Michigan. Medicare and Medicaid will each contribute to the capitation rate, consistent with projected baseline spending projections. The demonstration years, aggregate savings, and quality withhold percentages for participating ICOs are detailed in the table below.

	Demonstration Year	Aggregate Savings	Quality Withhold
1	Jan. 1, 2015 – Dec. 31, 2015	1.0%	1.0%
2	Jan. 1, 2016 – Dec. 31, 2016	2.0%	2.0%
3	Jan. 1, 2017 – Dec. 31, 2017	4.0%	3.0%

Aggregate savings percentages will be applied equally to the Medicaid and Medicare Part A and B components of the capitation rate. Additional quality withhold percentages will be deducted from the capitation rate to be earned back based on a set of quality measures. If one-third or more of the ICOs experience losses exceeding 3 percent of revenue in Demonstration Year 1, the savings percentage for Demonstration Year 3 will be reduced to 3 percent.

The aggregate savings percentages for demonstration years two and three are in line with those of other states with finalized MOUs. Massachusetts, Ohio, California, South Carolina, and Virginia have set aggregate savings of 2 percent in year two and 4 percent in year three, while Illinois set savings at 3 percent in year two and 5 percent in year three. New York is the only state with lower aggregate savings percentages.

Risk corridors will be in place for Demonstration Year 1, under which gains or losses between 3 percent and 9 percent will be shared 50 percent with the ICO and 50 percent across Medicare and Michigan DCH.

Minimum medical loss ratios (MMLRs) will be in place beginning in Demonstration Year 2, under which any ICO with a MMLR below 85 percent must remit the amount between the ICO's MMLR and the 85 percent threshold.

HMA Medicaid Roundup

California

HMA Roundup – Alana Ketchel

Duals Demonstration Begins. On April 7, 2014, the *California Healthline* reported on the demonstration for dual eligibles, known as Cal MediConnect, which kicked off in five counties on April 1. San Mateo County began passively enrolling beneficiaries into Medi-Cal managed care plans, while passive enrollment for the other counties will begin in May (Riverside, San Bernadino, and San Diego) and July (Los Angeles). Read more

HMA Holds Webinar on Medi-Cal Expansion and Duals Demonstration. On April 8, 2014, HMA's Alana Ketchel and Tony Rodgers held a webinar for the California Quality Collaborative on "Quality Implications of Medi-Cal Expansion and the Dual Eligible Demonstration." The webinar is available here.

New Law Benefits California Doctors Previously Designated as Rural. On April 2, 2014, *KSBW News* reported that a federal bill was signed into law on April 1 that will increase Medicare reimbursement for doctors in 14 California counties by 10 percent. These counties had previously been designated as rural, lowering their Medicare reimbursement rate, despite their relatively large population size. Included in this group are Sacramento, San Diego and Santa Cruz counties. The law updates the old Geographic Practice Cost Index classification, correcting underpayments to counties that now have costs on par with urban locales. Read more

Covered California "Churn" Quantified in New Report. The UC Berkeley Labor Center released a report on April 1, 2014, estimating the number of enrollees moving in and out of coverage through Covered California, the state's health insurance exchange. The Center estimates that 40 percent of enrollees are likely to leave the exchange due to becoming eligible for Medi-Cal or obtaining insurance through an employer. The findings emphasize that outreach and enrollment assistance should be available year-round to catch individuals who experience a change that makes them newly eligible for insurance coverage under Covered California. Read more

Large Plans Received Bulk of Covered California Sign-Ups. On April 2, 2014, the *AP/Sacramento Bee* reported that small, non-profit insurers are not competing effectively with large plans for enrollees through Covered California. Small, non-profit plans accounted for less than five percent of total enrollment as of the end of February. Large plans with better brand recognition – Anthem Blue Cross, Blue Shield of California, Health Net, and Kaiser Permanente – have dominated the market thus far. Read more

Colorado

HMA Roundup – Joan Henneberry

CO Medicaid Launches Provider Search Tool. Colorado Medicaid announced the launch of a new Medicaid provider search tool that makes it easier for clients to find providers, now including dental-specific search results. The new tools use a recent data export from MMIS featuring only client-focused provider types and only include providers who have billed Medicaid in the past year. This current data base includes about 22,000 providers and will be updated monthly. The real-time generation of search results and dynamic mapping is accomplished at no cost to the Department by using Google Fusion Tables. Read more

District of Columbia

Increased Competition Amongst Health Care Providers May Hurt Community Clinics. On April 7, 2014, the *Washington Post* reported on how increasing numbers of Americans enrolling for private insurance under the Affordable Care Act are increasing competition amongst health care providers for their business. Small, community-based health centers are worried that they will not be able to compete with larger, better-equipped providers for these new privately insured patients. More importantly, the increased competition may endanger the long-term financial viability of community health centers, which are still the only source of care for many uninsured or illegal residents are not benefiting from the new health care law. Read more

Florida

HMA Roundup – Elaine Peters and Gary Crayton

Florida Experiences Increased Medicaid Enrollment with ACA. On April 4, 2014, the *Miami Herald* reported on how the "woodwork effect" has influenced Medicaid enrollment in Florida. About 245,000 Floridians signed up for Medicaid from October to February according to federal government estimates, despite the state's decision not to expand Medicaid. This represents the largest Medicaid enrollment increase among states that have not expanded Medicaid. Read more

New Poll Suggests Medicaid Expansion Still On Voters' Minds. On April 8, 2014, the *Orlando Sentinel* reported on a new Public Policy Polling survey that suggests Floridians are still interested in the prospect of Medicaid expansion, despite the fact that the issue has gotten little attention in the state Legislature in recent months. The political advocacy group's poll found that 58 percent of residents said they think that the state should accept the $51 billion being offered by the federal government to expand Medicaid to 900,000 low-income Floridians. The poll also indicated that the issue could resonate with voters in the upcoming gubernatorial election. Read more

Senate Committee Approves "Step Therapy" Bill. On April 8, 2014, the *Florida Current* reported that a Senate bill to expand the "Step Therapy" medication plan was approved by the Banking and Insurance Committee. Step Therapy allows doctors to fill prescriptions for an effective, but more affordable medication (Step 1), often a generic rather than a brand-name drug. Step Therapy also allows doctors to prescribe a more costly medication (Step 2) if Step 1 drugs are not effective. Opponents of the bill, mostly businesses and insurance companies, say expanding Step Therapy would cost too much. Read more

Florida House and Senate Consider Bills to Expand and Regulate Telemedicine. On April 8, 2014, the *Miami Herald* reported on a Florida Legislature bill that would increase the use of telemedicine in the state and establish requirements for providers who use the technology. Both the Senate and House have drafted versions of the bill; however the Senate's version requires that providers hold licenses to practice in Florida and would allow doctors to negotiate payment rates with insurers. The Senate argues that the licensing requirement will ensure providers are held fully accountable for their care, but the requirement has generated debate among providers and lawmakers. Read more

Georgia

HMA Roundup – Mark Trail

Important Provision in Georgia Hospital Provider Fee Bill Still Unresolved. On April 5, 2014, the *Athens Banner-Herald* reported that CMS has still not approved a measure in a Georgia Medicaid bill that would provide financial assistance to hospitals that are "financial losers" based upon the state's hospital financing mechanism. Under the bill, hospitals in the state pay a "provider fee" based on their net revenues and receive reimbursements from the federal government based on how much Medicaid business they do. This means that hospitals with less Medicaid business get lower reimbursement, which can affect their bottom line. The part of the bill which has not yet been considered by CMS, called "Tier II," would even out the losses for such hospitals. CMS's approval of Tier II would allow hospitals in the state to access about $30 million in federal funds. Read more

Indiana

HMA Roundup – Kathy Gifford

Governor, Hospital Association Discussions on Medicaid Expansion Continue. On April 7, 2014, the *Indianapolis Business Journal* discussed Governor Pence's proposed strategy to finance ACA Medicaid expansion in Indiana by increasing the existing Medicaid hospital assessment fee. The President of the Indiana Hospital Association, Doug Leonard, said hospitals are open to this approach, but the proposed program structure and financing details remain to be determined. According to Leonard, the association has been having regular discussions with the Pence Administration since late February. The state's actuary, Milliman, has estimated that state expansion costs could rise to $393 million per year by 2020, in addition to $123 million per year in state costs for other aspects of the ACA. Read more

Massachusetts

HMA Roundup – Rob Buchanan

Health Connector Director Blames IT Vendor CGI for Shaky Rollout of Exchange. On April 3, 2014, the *Boston Globe* reported that Massachusetts exchange officials blame their IT vendor for the exchange's rocky rollout. At a congressional oversight panel meeting last week, Massachusetts Health Connector Director, Jean Ying, testified that contractor CGI "impeded our progress and full version for the website." Ying went on to say that she was optimistic the exchange could be salvaged once the program "identifies the right vendor and puts the right team in place." Read more

Tufts Medical Center Board Appoints Michael Wagner as CEO on a Permanent Basis. On April 3, 2014, the Tufts Medical Center Board of Trustees voted to appoint Dr. Michael Wagner as the permanent president and chief executive of Tufts Medical Center and Floating Hospital for Children. According to the *Boston Globe*, Dr. Wagner has served as the interim CEO since September 2013. Read more

Michigan

HMA Roundup – Esther Reagan

"Healthy Michigan" Medicaid Expansion Plan Receives 46,000 Applications in First Week. On April 7, 2014, the *Detroit Free Press* reported that about 46,000 people have applied for Michigan's expanded Medicaid plan, Healthy Michigan, since it launched last week. Of those applicants, about 27,000 have been enrolled as of April 7. No major issues with enrollment have been reported. Read more

Minnesota

Sixty-Two Percent of Minnesotans in High-Risk Health Insurance Pool Find New Plans Through Exchanges. On April 4, 2014, the *Star Tribune* reported that nearly 62 percent of Minnesotans enrolled in the state's high-risk pool have found better health care coverage on MNsure or the individual market, far exceeding MNsure's goals. Individuals insured through the high-risk pool typically pay high deductibles plus a premium; many in this group are reporting lower costs through the plans they have selected through MNsure or the individual market. Since the ACA mandates that insurers cover patients regardless of pre-existing conditions, the high-risk pool is set to close operations at the end of 2014. Read more

Missouri

Medicaid Expansion Disagreement Delays Consideration of Medicaid-Related Bill in Senate. On April 2, 2014, the *Kansas City Star* reported that strong disagreement between two Missouri Senators, Ryan Silvey and John Lamping, over Medicaid expansion has resulted in the delay of considering a Medicaid bill in the Senate. Senate Bill 509 would implement structural changes to the Medicaid program, "including the statewide extension of managed care insurance policies for parents and children and a new model of coordinated care for many seniors and disabled patients." Senate Majority Leader Ron Richard said he was not sure when or if he would return to the legislation for further debate. Read more

Support Growing for Increasing Asset Limit for Medicaid Coverage. On April 6, 2014, the *Associated Press* reported that some Republican lawmakers in Missouri have teamed up with Democrats to back a proposal that would double the amount of assets people could have without being disqualified for Medicaid coverage. Missouri currently has one of the lowest asset limits for Medicaid, meaning that many disabled and elderly individuals essentially have to drain their finances in order for Medicaid to cover in-home services. The proposal to increase asset limits would expand Medicaid to nearly 8,200 elderly and disabled residents at an annual cost of around $160 million in combined state and federal funds. Read more

New Hampshire

Governor Hassan Delays Portion of Medicaid Managed Care Plan. On April 3, 2014, New Hampshire Public Radio reported that the transition to Medicaid managed care for about 12,000 developmentally disabled Medicaid recipients who receive long-term services and supports will likely be delayed until January 2015. According to Governor Maggie Hassan, the state first needs to focus on this summer's rollout of expanded Medicaid before it can address the managed care transition for this population. Read more

New Jersey

HMA Roundup – Karen Brodsky

New Jersey Department of Children and Families (DCF) Gives Testimony on the State FY15 Proposed Budget. On April 3, 2014, Commissioner Allison Blake gave testimony to the New Jersey State Senate Budget and Appropriations Committee. The proposed DCF budget is $1.65 billion (of which $1.09 is the state's share). This represents an increase of 0.1% from State FY14. DCF completed a realignment of the Department, creating four new focus areas: Child Protection and Permanency; Children's System of Care (CSOC); Family and Community Partnerships; and Women's Services. In the last year it has addressed new challenges. 1) DCF has developed an education and awareness campaign to address human trafficking and sexual exploitation. New Jersey is one of the first states in the nation to develop residential behavioral health services specifically for trafficking survivors. 2) It created an integrated Children's System of Care (CSOC) for children and youth with intellectual disabilities and youth in need of substance abuse treatment. In particular it has been responding to the growing use of heroin among young people. CSOC enables DCF to identify and develop treatments for children and youth with co-occurring disorders. 3) DCF partnered with the Department of Education to help more than 7,000 children in foster care move ahead in school. 4) It has made great strides in serving adolescents with expanded housing programs, and online financial literacy programs. 5) Continued recovery work occurred to address the increases in child abuse and neglect, substance abuse, sexual violence and domestic violence seen following Super Storm Sandy. DCF expanded services at Family Success Centers, did outreach to homeless youth, trained vulnerable youth and caregivers in human trafficking prevention, supported psychosocial interventions at schools, trained pediatricians to recognize disaster related trauma and expanded substance abuse services. Read more

New Jersey Vaccines for Children (VFC) Program Changes Coverage Policy as of July 1, 2014. The Department of Human Services, Division of Medical Assistance and Health Services issued a newsletter to announce a change in policy on eligible children for whom practitioners can use free vaccines supplied by the Centers for Disease Control (CDC). The VFC program is a federally-funded program that provides vaccines at no cost to children who might not otherwise be vaccinated because of inability to pay. CDC buys vaccines at a discount and distributes them to grantees including state health departments and certain local and territorial public health agencies—which in turn distribute them at no charge to those private physicians' offices and public health clinics registered as VFC providers. Effective for claims with service dates on or after July 1, 2014, NJFamilyCare managed care organizations will be responsible for providing coverage and reimbursement for vaccine costs and related administration fees when vaccines no longer available through the NJ-VFC program are provided to NJ FamilyCare Plans B, C and D eligible children. Providers will be required to obtain

required vaccines from traditional market sources for these children. Children covered under Medicaid on NJ FamilyCare Plan A will remain eligible for vaccines obtained through the CDC. Read more

Rutgers Center for State Health Policy Releases Report Regarding the High Reliance on New Jersey Emergency Departments (ED) for Dental Care. Under a grant from the Nicholson Foundation, the Center collaborated with the Rutgers School of Dental Medicine to study ED visits for non-injury-related oral care in 13 low-income regions of the state with a large Medicaid enrollment. The highest users of ED for dental care are disproportionately uninsured, although many are also on Medicaid. Read more

New York

HMA Roundup – Denise Soffel

Exchange Enrollment. Over the last week, an additional 43,000 individuals enrolled in coverage through the New York exchange, bringing total enrollment to 908,572. The marketplace will be accepting applications through April 15. More than half of applicants (53.6%) have been found to be eligible for Medicaid.

Health Home Implementation Grants. New York awarded its second stage of implementation grants to health homes, distributing a total of $12.8 million. Awards ranged from $451,765 for highest-scoring health homes (a total of 16 organizations) to $284,444 for lowest-scoring health homes (a total of 9 organizations). Scoring was based on HIT connectivity, geographic and demographic factors, and the regional prevalence of health home-qualifying conditions (cardiovascular death rate, poor mental health, acuity of health home members).

Ohio

Ohio Medicaid Department Considers Coverage for Expensive Hepatitis C Drug Sovaldi. On April 4, 2014, *Columbus Business First* reported that Ohio's Department of Medicaid is close to issuing a decision on how to cover Sovaldi, an efficacious but expensive treatment for hepatitis C. At $84,000 per 12-week treatment, the state Medicaid program and private insurers alike are carefully considering the circumstances under which they will cover the treatment. Degree of patient sickness, cumulative patient treatment cost, and the future availability of alternative, cheaper therapies are all being factored into the decision. Read more

Oregon

Oregon Medicaid Plan Finds Ways to Manage High Demand for Health Care. On April 8, 2014, *Kaiser Health News* reported on strategies that health plans in Oregon are implementing to keep up with the overwhelmingly high enrollment for health care in the state. One community Medicaid plan, Trillium, has launched a comprehensive plan to handle its increased patient load by expanding facilities and offering financial incentive to doctors willing to take on more patients. Read more

Pennsylvania

HMA Roundup – Matt Roan

Governor Corbett Expresses Frustration with Feds in Healthy PA Talks. On April 4, 2014, the *Philadelphia Inquirer* reported that Governor Corbett has expressed frustration with the pace of negotiations with the Obama Administration over his Healthy PA proposal to extend Medicaid coverage in the state. The Governor said that he was "reaching his breaking point" with the federal government, and complained that despite modifying his proposal in response to concerns raised by CMS, the tone of negotiations has not indicated that CMS is moving closer to approving his plan. Welfare Secretary Bev Mackereth confirmed that there are no specific components of the proposal which CMS has rejected, but that Pennsylvania officials were concerned about the tone of discussions during a conference call with the Federal government last week. The proposal is currently in a public comment period at the federal level. Comments are being accepted through April 11, at which point, the Secretary indicated, state officials will have a much better sense of where approval of the proposal stands. Read more

Corrections Dept. Appropriation Request Seeks More Funding for Mental Health Treatment. On April 6, 2014, the *Pittsburgh Tribune-Review* reported that despite a slowing growth in the prison population across the Commonwealth, the PA Department of Corrections has requested a more than $2 billion appropriation. This represents the largest budget the agency has ever had. Secretary of Corrections, John Wetzel, commented that the budget increase will support a change in philosophy for the correctional system, with greater focus on mental health and substance abuse treatment, as well as diversion programs to keep offenders who are in need of treatment—more than incarceration—out of the prison system. The Department has requested an additional $77 million as compared to the current year's budget, which would help cover increasing salary and pension costs for employees, and an additional $20 million for medical care and mental health programs. The Secretary pointed out that for every one dollar spent on treatment, the Commonwealth can save up to $6 in incarceration costs. Read more

Advocates Concerned about the Lack of Medicaid "Wraparound" Services in Healthy PA Proposal. On April 6, 2014, the *Pittsburgh Post-Gazette* reported that critics of Governor Tom Corbett's Medicaid expansion plan are raising concerns that the plan does not adequately recognize the specialized needs of low-income Pennsylvanians. As Governor Corbett continues discussions with the federal government on his Healthy PA proposal, advocates for the low-income uninsured argue that traditional Medicaid benefits are better suited to address the health care needs of low-income populations, especially since they include transportation benefits that help enrollees access critical preventive services, and provide access to a comprehensive grievance and appeals process that includes consumer protections, which are sometimes lacking in commercial health coverage. Under the Governor's plan, Pennsylvanians in the "Medicaid expansion" population would be enrolled in private insurance resembling employer-sponsored coverage that would will not include transportation services. The private coverage options would also follow grievance and appeals processes that follow Department of Insurance guidelines, rather than the more comprehensive process mandated under federal Medicaid rules. Read more

PA Senate Bill would Regulate Health Insurance Marketplace Navigators. On April 3, 2014, the *Pittsburgh Post-Gazette* reported that Pennsylvania Senate Republicans have introduced a bill to regulate the work of health insurance marketplace navigators.

Navigators are staff from community-based organizations who provide enrollment assistance to people applying for coverage on the exchange under the Affordable Care Act. If the bill is passed, Pennsylvania would join 25 other states that have enacted legislation to regulate the work of navigators. The bill's sponsors say that the measure is meant to protect consumers and ensure that navigators are qualified and provide impartial information to applicants. Under the proposed law, navigators would be prohibited from selling, soliciting, or negotiating insurance, all of which are activities already prohibited under federal regulation. The bill would also require navigators to register with the Department of Insurance and pass a criminal background check. Navigators would be permitted to provide general information about the enrollment process, but would not be able to help consumers compare health plans. It is not clear whether the provisions of the bill would be allowable under federal law. Read more

Rhode Island

New Medicaid Sign-Ups Go Far Beyond Projections. On April 3, 2014, the *AP/WHJJ* reported that new Medicaid enrollments in Rhode Island have eclipsed projections. Health officials reported last week that 64,590 people enrolled in Medicaid during the open enrollment period, well above the human services secretary's estimate of 55,000 through June of next year. HealthSource RI, the state's online insurance marketplace, enrolled 27,961 people into private insurance plans. Read more

South Dakota

South Dakota Continues Struggle to Make Updates to Old Medicaid Computer System. On April 5, 2014, the *Argus Leader* reported on the difficulties involved with replacing South Dakota's aging Medicaid computer system. While Maryland-based computer company Client Network Services (CNSI) won a bid to replace the system in 2008, disagreements among the state government, CNSI, and CMS officials on project timelines and scope have prevented the project from moving forward for the past six years. Read more

Texas

HMA Roundup – Dianne Longley and Linda Wertz

Texas HHSC Tentatively Awards RFPs for Medical Transportation Services. On April 4, 2014, the Texas Health and Human Services Commission announced a tentative contract award for the Request for Proposals (RFP) # 529-15-0002 for Non-Emergency Medical Transportation Services to AMR/American Medical Response, Inc., LeFleur Transportation, LogistiCare Solutions, MTM, Inc., and Project Amistad. The awards are contingent upon the successful negotiation and execution of contracts. Read more

Virginia

Senate Panel Backs Budget that Includes Medicaid Expansion Alternative. On April 7, 2014, the *Richmond Times Dispatch* reported that the Senate Finance Committee has backed a state budget that includes the Marketplace Virginia alternative plan to Medicaid expansion. The plan would create a private marketplace to provide health coverage for up to 400,000 uninsured Virginians. By backing the budget, the committee rejected Governor Terry McAuliffe's proposal for traditional Medicaid expansion. The budget will go to the full Senate for action on Tuesday. House leadership members,

who already passed their own budget, have denounced Marketplace Virginia as "Medicaid expansion by another name." Read more

McAuliffe Signed New Mental Health Bill Into Law. On April 7, 2014, the *Washington Post* reported that Virginia Governor, Terry McAuliffe, has signed into law a bill that would extend the length of time allotted for finding a psychiatric bed for those under an emergency custody order, from six hours to 12 hours. The law also dictates that if a private bed cannot be found after eight hours of searching, state hospitals must admit individuals under such custody orders. Read more

Washington

HMA Roundup – Doug Porter

HCA and King County Issue RFI in Effort to Cut Healthcare Costs and Improve Care. On April 8, 2014, the Washington State Health Care Authority and King County government issued a joint Request for Information (RFI) to obtain details on steps health care providers and health plans have made, or are planning to make, to provide better and more affordable care for Washingtonians. As the two largest public purchasers of health care coverage in the state, the HCA and King County share a strong commitment to improving overall health, managing chronic conditions, and reducing costs for their beneficiaries' care. Responses to the RFI are due on May 21, 2014. Read more

National

Medicaid and CHIP Enrollment Grows by Over 3 Million as of February. On April 4, 2014, CMS released a report revealing that more than 3 million Americans have enrolled in Medicaid and the Children's Health Insurance Program since October. HHS Secretary Kathleen Sebelius mentioned in a blog post that enrollment in states that opted for Medicaid expansion was five times higher than in states that did not expand Medicaid. Currently, it is unknown how many of these 3 million enrollees are newly eligible versus previously eligible before Medicaid expansion under the Affordable Care Act. The enrollment figures also do not include sign-ups from March, when state and federal exchanges experienced a surge in enrollment. Read more

New Mental Health Bill Faces Mixed Support Due to Certain Provisions. On April 2, 2014, the New York Times reported that a new mental health bill has stirred strong reactions in mental health circles. The Helping Families in Mental Health Crisis Act, proposed by Representative Tim Murphy of Pennsylvania, would streamline payment for mental health services under the Medicaid program, increase training for police officers and emergency medical workers in how to identify people with mental illness, and provide funds for suicide prevention programs. However, the bill has drawn concern from mental healthcare providers over some of its measures, most notably its involuntary outpatient treatment provisions. Read more

Nonprofit Insurers Struggle in Health Insurance Marketplaces. On April 2, 2014, the Washington Post discussed the effect of the ACA on competition in the insurance market. While CO-OPs and small nonprofit insurance companies were promoted by the ACA as a means of increasing competition and driving down premium prices, such insurers have reportedly only captured a small portion of the insurance market relative to major insurers. Officials from some of these insurance companies attribute their difficulties in gaining market share to restrictions on advertising and lobbying. Read more

Kaiser Permanente to Use Sovaldi for Hepatitis C Patients. On April 2, 2014, the Orlando Sentinel reported that the nonprofit health maintenance organization Kaiser Permanente plans to use the new drug Sovaldi to treat patients with hepatitis C. Dr. Sharon Levine, associate director of the Permanente Medical Group, says that Kaiser will receive a "modest" discount on the $84,000 treatment from the drug's manufacturer, Gilead Sciences. Concern amongst patients, insurers, and lawmakers over the price of the drug have been widely noted over the past months. Read more

Industry Research

Express Scripts Releases Report on Prescription Drug Use among Exchange Enrollees. On April 9, 2014, pharmacy benefits manager, Express Scripts, reported that use of specialty medications is greater among exchange enrollees compared to patients enrolled in a commercial health plan. Six of the top 10 costliest medications used by exchange enrollees are specialty drugs, compared to four of 10 for people in commercial health plans. The company also found that patients enrolled in exchange plans in the first two months paid a greater percentage of their pharmacy costs compared to those enrolled in commercial plans. Read more

Academy of Actuaries Release Report on Ways to Curb Soaring Healthcare Costs. On April 7, 2014, the American Academy of Actuaries released a report at a Capitol Hill briefing outlining several promising areas of focus for policymakers seeking to sustain and extend the slowdown in health cost increases in the United States. According to an April 8 article by Reuters, these include reforming care delivery to focus on coordinated patient care, financial incentives that reward value rather than volume, value-based insurance design, comparative-effectiveness research, and wellness and disease-management programs. Read more

Industry News

Florida Blue Names New President. On April 7, 2014, the *Associated Press* reported that Florida Blue has appointed Dr. Renee Lerer as president of the state's largest insurer. Lerer will also be president of the GuideWell group. Lerer was previously the chairman and CEO of Magellan Health Services. He will start his new role on May 1. Read more

Sheridan Healthcare Hires Banks for IPO. On April 8, 2014, *Reuters* reported that physician services company Sheridan Healthcare Inc. has hired banks for an initial public offering. The Wall Street Journal reports that the IPO could raise between $400 and $500 million. Owned by private equity firm Hellman & Friedman, the company has hired Credit Suisse Group, Barclays and Goldman Sachs Group to lead the offering, which may value the company at more than $2 billion. Read more

Magellan Health Services Announces New CEO of AlphaCare. On April 7, 2014, Magellan Health Services Inc. announced the appointment of Daniel M. Parietti as the chief executive officer of AlphaCare, a "Medicaid Managed Long Term Care HMO and Medicare Plan focused on serving the unique needs of New York's long-term care and dual eligible populations." Parietti joins AlphaCare from Centene Inc., where he oversaw Medicaid, Medicare, dual eligible and long term care products with annual revenue exceeding $2.2 billion. Parietti will begin his new role immediately and will report to Scott Markovich, president of Magellan Complete Care. Read more

RFP Calendar

Date	State	Event	Beneficiaries
Early April, 2014	Texas STAR Health (Foster Care)	RFP Release	32,000
April, 2014	Puerto Rico	Contract Awards	1,600,000
May 1, 2014	Virginia Duals	Passive enrollment begins	79,000
May 1, 2014	Florida acute care (Regions 2,3,4)	Implementation	681,100
May 1, 2014	Texas NorthSTAR (Behavioral)	Proposals Due	840,000
May 12,2014	Rhode Island (Duals)	Proposals due	28,000
Late May, 2014	Indiana ABD	RFP Release	50,000
June 1, 2014	Illinois Duals	Passive enrollment begins	111,000
June 1, 2014	Florida acute care (Regions 5,6,8)	Implementation	811,370
June 6, 2014	Texas STAR Health (Foster Care)	Proposals Due	32,000
June 12, 2014	Delaware	Contract awards	200,000
July 1, 2014	Puerto Rico	Implementation	1,600,000
July 1, 2014	Florida acute care (Regions 10,11)	Implementation	828,490
July 1, 2014	South Carolina Duals	Passive enrollment begins	68,000
July 1, 2014	Michigan Duals	Implementation	70,000
July 1, 2014	Texas NorthSTAR (Behavioral)	Contract Awards	840,000
Mid-July 2014	Texas STAR Kids	RFP Released	200,000
August 1, 2014	Florida acute care (Regions 1,7,9)	Implementation	750,200
September 1, 2014	Texas Rural STAR+PLUS	Implementation	110,000
Late October 2014	Texas STAR Kids	Proposals Due	200,000
November 3, 2014	Georgia ABD	Implementation	320,000
January 1, 2015	Vermont Duals	Implementation	22,000
January 1, 2015	Texas Duals	Implementation	132,000
January 1, 2015	Ohio Duals	Passive enrollment begins	115,000
January 1, 2015	Washington Duals	Passive enrollment begins	48,500
January 1, 2015	Maryland (Behavioral)	Implementation	250,000
January 1, 2015	Delaware	Implementation	200,000
January 1, 2015	Hawaii	Implementation	292,000
January 1, 2015	Tennessee	Implementation	1,200,000
September 1, 2015	Texas NorthSTAR (Behavioral)	Implementation	840,000
September 1, 2015	Texas STAR Health (Foster Care)	Implementation	32,000
September 1, 2016	Texas STAR Kids	Implementation	200,000

Dual Eligible Financial Alignment Demonstration Calendar

Below is a summary table of the progression of states toward implementing dual eligible financial alignment demonstrations in 2014 and 2015.

State	Model	Duals eligible for demo	RFP Released	RFP Response Due Date	Contract Award Date	Signed MOU with CMS	Opt- in Enrollment Date	Passive Enrollment Date	Health Plans
Arizona		98,235	Not pursuing Financial Alignment Model						
California	Capitated	350,000	X	3/1/2012	4/4/2012	3/27/2013		4/1/2014	Alameda Alliance; CalOptima; Care 1st Partner Plan, LLC; Community Health Group Partner; Health Net; Health Plan of San Mateo; Inland Empire Health Plan; LA Care; Molina; Santa Clara Family Health Plan; WellPoint/Amerigroup (CareMore)
Colorado	MFFS	62,982				2/28/2014		7/1/2014	
Connecticut	MFFS	57,569						TBD	
Hawaii		24,189	Not pursuing Financial Alignment Model						
Illinois	Capitated	136,000	X	6/18/2012	11/9/2012	2/22/2013	4/1/2014	6/1/2014	Aetna; Centene; Health Alliance; Blue Cross Blue Shield of IL; Health Spring; Humana; Meridian Health Plan; Molina
Iowa	MFFS	62,714						TBD	
Idaho		22,548	Not pursuing Financial Alignment Model						
Massachusetts	Capitated	90,000	X	8/20/2012	11/5/2012	8/22/2013	10/1/2013	1/1/2014	Commonwealth Care Alliance; Fallon Total Care; Network Health
Michigan	Capitated	105,000	X	9/10/2013	11/6/2013	4/3/2014	30 days prior to passive	7/1/2014	AmeriHealth Michigan; Coventry; Fidelis SecureCare; Meridian Health Plan; Midwest Health Plan; Molina Healthcare; UnitedHealthcare; Upper Peninsula Health Plan
Missouri	MFFS‡	6,380					10/1/2012		
Minnesota		93,165	Not pursuing Financial Alignment Model						
New Mexico		40,000	Not pursuing Financial Alignment Model						
New York	Capitated	178,000				8/26/2013	10/1/2014	1/1/2015	
North Carolina	MFFS	222,151						TBD	
Ohio	Capitated	114,000	X	5/25/2012	6/28/2012	12/11/2012	5/1/2014	1/1/2015	Aetna; CareSource; Centene; Molina; UnitedHealth
Oklahoma	MFFS	104,258						TBD	
Oregon		68,000	Not pursuing Financial Alignment Model						
Rhode Island	Capitated	28,000	X	5/12/2014	9/1/2014			4/1/2015	
South Carolina	Capitated	68,000	X			10/25/2013	7/1/2014	1/1/2015	Absolute Total Care (Centene); Advicare; Molina Healthcare of South Carolina; Select Health of South Carolina (AmeriHealth); WellCare Health Plans
Tennessee		136,000	Not pursuing Financial Alignment Model						
Texas	Capitated	132,600						1/1/2015	Amerigroup, Health Spring, Molina, Superior, United
Virginia	Capitated	78,596	X	5/15/2013	TBD	5/21/2013		5/1/2014	Humana; Health Keepers; VA Premier Health
Vermont		22,000	Not pursuing Financial Alignment Model						
Washington	Capitated	48,500	X	5/15/2013	6/6/2013	11/25/2013	10/1/2014	1/1/2015	Regence BCBS/AmeriHealth; UnitedHealth
	MFFS	66,500	X			10/24/2012		7/1/2013; 10/1/2013	
Wisconsin	Capitated	5,500-6,000	X	Not pursuing Financial Alignment Model					
Totals	**11 Capitated 6 MFFS**	**1.3M Capitated 520K FFS**	***12***			***10***			

** Phase I enrollment of duals only includes Medicaid benefits. Medicare-Medicare integration to occur within 12 months.*

‡ Capitated duals integration model for health homes population.

HMA News

HMA Welcomes Anissa Lambertino – Senior Consultant – Chicago, IL

Anissa comes to HMA most recently from the University of Illinois at Chicago where she has been involved with multiple projects focused on disparities in asthma morbidity in underserved neighborhoods, as well as environmental justice issues. She has substantially contributed to these projects through community education and engagement activities, environmental monitoring, program evaluation, and dissemination of findings. Key projects that she worked on in this capacity include the Great Lakes Fish Consumption Study and the Chicago Public Housing Asthma Study. Anissa has experience using SAS, SAS-callable SUDAAN, and with analyzing data from the National Health and Nutrition Examination Survey (NHANES). Her expertise extends to general linear models, logistic models, cox proportional hazard models, and sampling statistics, as well as a mastery of data cleaning and management.

In addition to her Data Analyst and Community-Based Research roles, Anissa served as an Air Sampling Technician for a joint project with the University of Iowa Department of Civil and Environmental Engineering and Mobile Care Foundation in Chicago. She also worked as a Research Technologist for the University of Chicago Section of Pulmonary and Critical Care Medicine for five years.

Anissa has her PhD in Epidemiology with a Specialization in Occupational and Environmental Epidemiology from the University of Illinois at Chicago. She received her Master of Public Health in Epidemiology from the University of Illinois at Chicago and her Bachelor of Science in Health Science and Sociology from Benedictine University.

HMA Upcoming Appearances

"Medicare/Medicaid Dual Eligible Panel"
Pennsylvania Association of County Administrators of Mental Health and Developmental Services (PACA MH/DS) Spring 2014 Conference
Izanne Leonard-Haak – Panelist
April 11, 2014
Harrisburg, Pennsylvania

"Integrating Primary Care with Behavioral Health in Rural Settings"
2014 Alaska Rural Health Conference
Gina Lasky – Co-presenter
April 22, 2014
Anchorage, Alaska