

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in Health Policy

..... February 24, 2021



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IN FOCUS

MEDICAID MANAGED CARE SPENDING IN 2020

This week, our *In Focus* section reviews preliminary 2020 Medicaid spending data collected in the annual CMS-64 Medicaid expenditure report. After submitting a Freedom of Information Act request to the Centers for Medicare & Medicaid Services (CMS), HMA received a draft version of the CMS-64 report that is based on preliminary estimates of Medicaid spending by state for federal fiscal year (FFY) 2020. Based on the preliminary estimates, Medicaid expenditures on medical services across all 50 states and six territories in FFY 2020 exceeded \$649.4 billion, with over half of the total now flowing through Medicaid managed care programs. In addition, total Medicaid spending on

administrative services was \$29.7 billion, bringing total program expenditures to \$679.1 billion.

Total Medicaid Managed Care Spending

Total Medicaid managed care spending (including the federal and state share) in FFY 2020 across all 50 states and six territories was \$359.6 billion, up from \$313.5 billion in FFY 2019. This figure includes spending on comprehensive risk-based managed care programs as well as prepaid inpatient health plans (PIHPs) and prepaid ambulatory health plans (PAHPs). PIHPs and PAHPs refer to prepaid health plans that provide only certain services, such as dental services or behavioral health care. Fee-based programs such as primary care case management (PCCM) models are not counted in this total. Below we highlight some key observations:

- Total Medicaid managed care spending grew 14.7 percent in FFY 2020. Previously, the rate of growth was decelerating in each of the previous four years.
- Managed care spending growth was in large part due to the COVID-19 pandemic and the resulting higher Medicaid enrollment.
- In terms of dollars, the increase from FFY 2019 to FFY 2020 was \$46.1 billion compared to \$6.8 billion from FFY 2018 to FFY 2019.
- Medicaid managed care spending has increased at a rate of 14.7 percent compounded annual growth rate (CAGR) since FFY 2007, compared to a 5.8 percent growth in total Medicaid spending.
- Compared to FFY 2019, Medicaid managed care spending as a percent of total Medicaid spending in FFY 2020 increased by 2.6 percentage points to 55.4 percent.

FIGURE 1: MEDICAID MCO EXPENDITURES AS A PERCENTAGE OF TOTAL MEDICAID EXPENDITURES FFY 2007-2020 (\$M)

\$M	FFY 07	FFY 08	FFY 09	FFY 10	FFY 11	FFY 12	FFY 13	FFY 14	FFY 15	FFY 16	FFY 17	FFY 18	FFY 19	FFY 20	CAGR Since 2007
Medicaid MCO expenditures*	\$60,663	\$71,318	\$78,644	\$90,394	\$102,478	\$120,325	\$141,998	\$181,421	\$238,343	\$271,028	\$296,806	\$306,621	\$313,452	\$359,565	14.7%
% y/y	13.3%	17.6%	10.3%	14.9%	13.4%	17.4%	18.0%	27.8%	31.4%	13.7%	9.5%	3.3%	2.2%	14.7%	
Total Medicaid expenditures	\$311,014	\$337,055	\$356,285	\$381,615	\$406,459	\$408,850	\$432,944	\$467,426	\$526,711	\$550,881	\$571,341	\$588,213	\$594,100	\$649,435	5.8%
% y/y	4.0%	8.4%	5.7%	7.1%	6.5%	0.6%	5.9%	8.0%	12.7%	4.6%	3.7%	3.0%	1.0%	9.3%	
% of Total	19.5%	21.2%	22.1%	23.7%	25.2%	29.4%	32.8%	38.8%	45.3%	49.2%	51.9%	52.1%	52.8%	55.4%	
Change in spending penetration	1.6%	1.7%	0.9%	1.6%	1.5%	4.2%	3.4%	6.0%	6.4%	3.9%	2.8%	0.2%	0.6%	2.6%	

*Includes Prepaid Ambulatory Health Plans and Prepaid Inpatient Health Plans
Source: CMS-64

The data also shows how the state and federal share of Medicaid expenditures has changed over time, in part because states have picked up a larger share of the cost of Medicaid expansion.

As the table below indicates, 67.6 percent of FFY 2020 spending came from federal sources, which is 10.2 percentage points higher than the pre-Medicaid expansion share in FFY 2013, and 3.0 percentage points higher than FFY 2019.

FIGURE 2: FEDERAL VS. STATES SHARE OF MEDICAID EXPENDITURES, FFY 2012-2020 (\$M)

\$M	FFY 12	FFY 13	FFY 14	FFY 15	FFY 16	FFY 17	FFY 18	FFY 19	FFY 20
Federal Share	\$235,070	\$248,641	\$281,269	\$330,708	\$346,325	\$351,917	\$368,934	\$384,190	\$439,147
% of Total	57.5%	57.4%	60.2%	62.9%	63.2%	61.6%	62.7%	64.7%	67.6%
State Share	\$173,780	\$184,303	\$186,157	\$195,063	\$202,056	\$219,424	\$219,279	\$209,910	\$210,288
% of Total	42.5%	42.6%	39.8%	37.1%	36.8%	38.4%	37.3%	35.3%	32.4%
Total	\$408,850	\$432,944	\$467,426	\$525,772	\$548,382	\$571,341	\$588,213	\$594,100	\$649,435

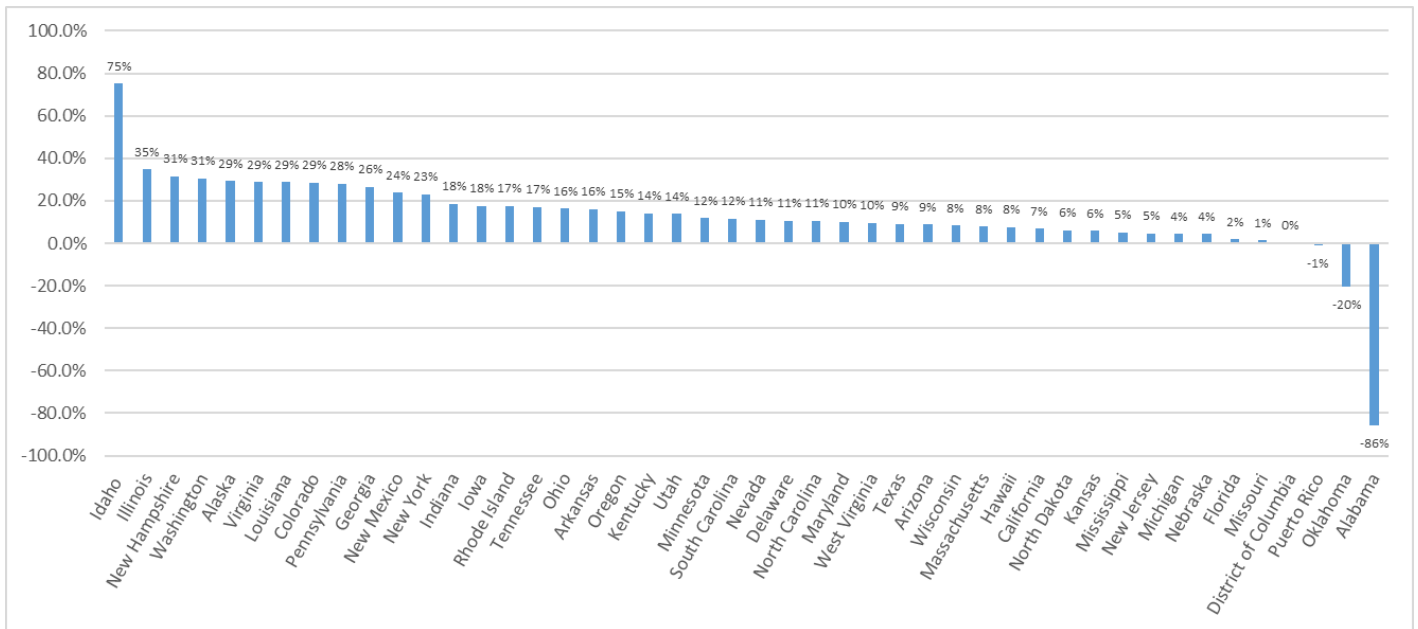
Source: CMS-64

State-specific Growth Trends

Forty-seven states and territories report managed care organization (MCO) spending on the CMS-64 report, including four states (Alabama, Alaska, North Carolina, and Oklahoma) that utilize a PIHP/PAHP model exclusively. North Carolina and Oklahoma will be implementing a Medicaid managed care program in 2021. Of the remaining 43 states and territories that contract with risk-based MCOs, average MCO spending in FFY 2020 increased 14.7 percent. On a percentage basis, Idaho experienced the highest significant year-over-year growth in Medicaid managed care spending at 75.2 percent, although the state’s total spending is still just \$515 million. Among states with more mature programs, New Hampshire experienced the fastest growth in FFY 2020 at 31.5 percent, which could be due in part to the Medicaid expansion population transition from the Exchange to the Medicaid managed care program, followed by Washington at 30.6 percent, likely impacted by the state’s carve-in of behavioral health services in new regions in 2020. Additionally, all states were heavily impacted by COVID-19.

The chart below provides additional detail on Medicaid managed care spending growth in states with risk-based managed care programs in FFY 2020. Only three states reported year-over-year declines in Medicaid managed care spending, compared to 18 states in FFY 2019 and 17 in FFY 2018.

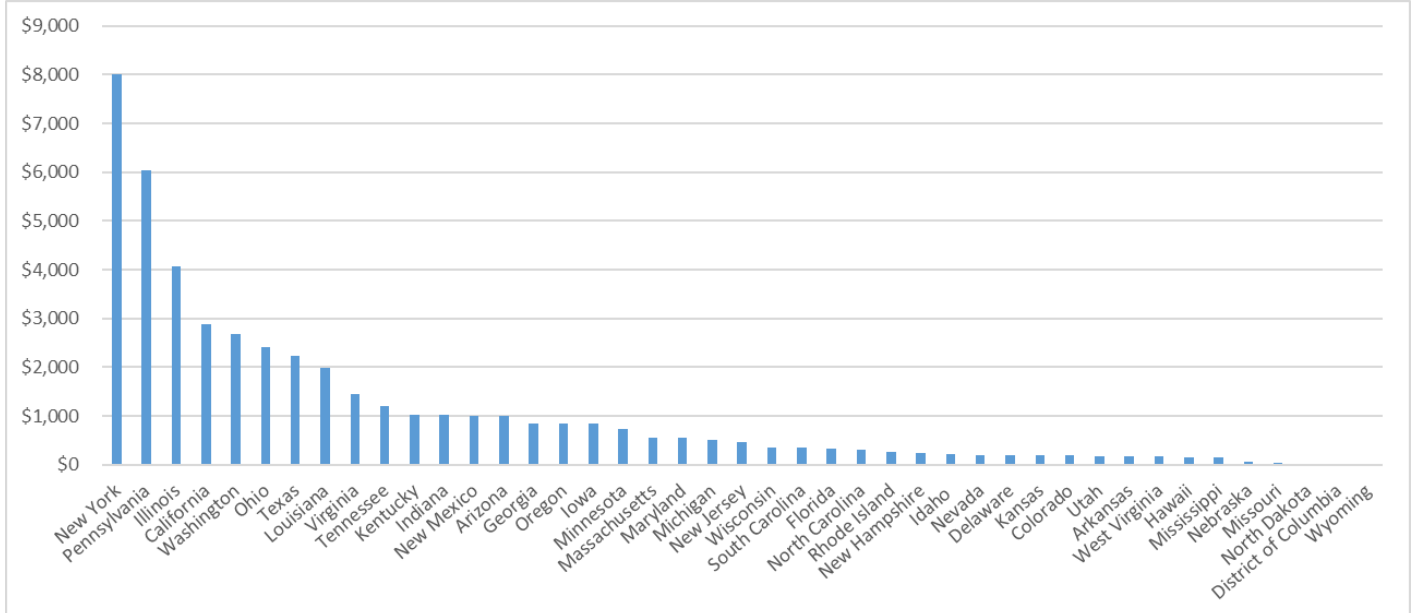
FIGURE 3: MEDICAID MANAGED CARE SPENDING GROWTH ON A PERCENTAGE BASIS BY STATE FFY 2019-20



Source: CMS-64; *Note: Not all states are included in the table.

Looking at year-over-year spending growth in dollar terms, New York experienced the largest increase in Medicaid managed care spending at \$8 billion. Other states with significant year-over-year spending increases in dollar terms included Pennsylvania (\$6 billion), California (\$2.9 billion) and Washington (\$2.7 billion). The chart below illustrates the year over year change in spending across the 43 states with increases.

FIGURE 4: MEDICAID MANAGED CARE SPENDING GROWTH ON A DOLLAR BASIS BY STATE FFY 2019-20 (\$M)



Source: CMS-64

The percentage of Medicaid expenditures directed through risk-based Medicaid MCOs increased by more than 5 percentage points in eight states from FFY 2019 to FFY 2020. The managed care spending penetration rate rose 17.3 percentage points in Washington, 11.7 percentage points in Pennsylvania, and 11.5 percentage points in Louisiana.

FIGURE 5: MEDICAID MCO EXPENDITURES AS A PERCENTAGE OF TOTAL MEDICAID EXPENDITURES IN STATES WITH A 5 PERCENT OR GREATER INCREASE FROM FFY 2019 TO FFY 2020 (\$M)

Medicaid Expenditures	FFY 2019			FFY 2020			Pct. Point Change in % of total
	MCO	Total	% of Total	MCO	Total	% of Total	
Washington	\$8,797	\$13,128	67.0%	\$11,485	\$13,616	84.4%	17.3%
Pennsylvania	\$21,415	\$32,080	66.8%	\$27,449	\$34,965	78.5%	11.7%
Louisiana	\$6,905	\$11,642	59.3%	\$8,891	\$12,559	70.8%	11.5%
Illinois	\$11,715	\$18,470	63.4%	\$15,777	\$22,388	70.5%	7.0%
Idaho	\$294	\$2,143	13.7%	\$515	\$2,486	20.7%	7.0%
Georgia	\$3,213	\$10,852	29.6%	\$4,063	\$11,299	36.0%	6.4%
New Hampshire	\$783	\$1,985	39.5%	\$1,030	\$2,253	45.7%	6.3%
Ohio	\$14,837	\$23,466	63.2%	\$17,254	\$25,194	68.5%	5.3%

Source: CMS-64

The table below ranks the states and territories by the percentage of total Medicaid spending through Medicaid MCOs. Iowa reported the highest percentage at 96.7 percent, followed by Hawaii at 95.2 percent and Kansas at 93.6 percent.

We note that in many states, there are certain payment mechanisms which may never be directed through managed care such as supplemental funding

sources for institutional providers and spending on retroactively eligible beneficiaries. As a result, the maximum achievable penetration rate in each state will vary and may be below that achieved in other states. The Medicaid managed care spending penetration rate is greatly influenced by the degree to which states have implemented managed long-term services and supports (MLTSS) programs.

FIGURE 6: MEDICAID MCO EXPENDITURES AS A PERCENT OF TOTAL MEDICAID EXPENDITURES, FFY 2016-2020

Rank	State	MLTSS	2016	2017	2018	2019	2020	Rank	State	MLTSS	2016	2017	2018	2019	2020
1	Iowa	Yes	13.4%	92.2%	91.8%	92.1%	96.7%	29	Nevada	No	42.0%	45.6%	46.6%	45.7%	49.1%
2	Hawaii	Yes	88.4%	94.7%	94.7%	94.7%	95.2%	30	Utah	No	49.3%	50.8%	47.1%	47.0%	47.3%
3	Kansas	Yes	94.3%	93.5%	91.0%	93.9%	93.6%	31	California	Yes	46.4%	52.8%	46.7%	48.4%	46.7%
4	Delaware	Yes	81.0%	83.0%	85.1%	84.3%	88.1%	32	Indiana	No	27.3%	43.2%	47.1%	45.1%	46.5%
5	Puerto Rico	Yes	99.3%	98.6%	90.0%	98.6%	87.2%	33	New Hampshire	No	43.5%	42.8%	42.2%	39.5%	45.7%
6	Arizona	Yes	85.1%	86.3%	86.1%	86.0%	85.7%	34	West Virginia	No	17.9%	44.9%	43.6%	42.4%	44.0%
7	Washington	No	49.8%	55.0%	51.2%	67.0%	84.4%	35	Massachusetts	Yes	38.3%	39.6%	38.4%	40.8%	42.6%
8	New Mexico	Yes	84.1%	79.3%	80.5%	80.7%	83.6%	36	Georgia	No	35.6%	38.5%	29.8%	29.6%	36.0%
9	Pennsylvania	Yes	54.8%	58.5%	58.8%	66.8%	78.5%	37	District of Columbia	No	38.5%	36.9%	36.5%	33.3%	31.0%
10	Tennessee	Yes	67.1%	63.7%	69.7%	70.8%	72.4%	38	North Dakota	No	17.0%	24.8%	25.1%	23.5%	22.7%
11	Louisiana	Yes	39.9%	64.6%	74.0%	59.3%	70.8%	39	North Carolina	No	20.1%	22.7%	20.0%	20.4%	20.8%
12	Illinois	Yes	30.7%	44.3%	59.6%	63.4%	70.5%	40	Idaho	No	10.5%	9.8%	6.1%	13.7%	20.7%
13	Florida	Yes	64.8%	74.6%	71.0%	71.4%	70.1%	41	Missouri	No	12.0%	16.4%	22.6%	20.7%	20.3%
14	Kentucky	Yes	71.9%	71.9%	73.2%	71.5%	70.0%	42	Arkansas	No	0.0%	0.0%	1.4%	14.9%	17.9%
15	Ohio	Yes	54.1%	57.1%	63.7%	63.2%	68.5%	43	Colorado	No	12.8%	15.9%	16.2%	7.3%	9.1%
16	Michigan	Yes	61.6%	64.3%	65.3%	65.3%	65.1%	44	Oklahoma	No	0.8%	1.3%	1.2%	1.2%	0.9%
17	Virginia	Yes	39.4%	39.9%	52.5%	62.9%	64.9%	45	Wyoming	No	0.0%	1.2%	0.6%	-0.1%	0.3%
18	New Jersey	Yes	56.0%	63.1%	64.1%	62.6%	63.6%	46	Alabama	No	0.0%	0.8%	0.8%	0.7%	0.1%
19	Texas	Yes	50.4%	60.1%	62.3%	60.5%	63.3%	47	Alaska	No	0.0%	0.0%	0.0%	0.0%	0.0%
20	Oregon	No	60.9%	57.0%	58.3%	59.4%	60.5%	48	Amer. Samoa	No	0.0%	0.0%	0.0%	0.0%	0.0%
21	New York	Yes	48.7%	59.6%	59.8%	59.6%	60.3%	49	Connecticut	No	0.0%	0.0%	0.0%	0.0%	0.0%
22	Rhode Island	Yes	57.1%	64.6%	62.6%	55.2%	59.7%	50	Guam	No	0.0%	0.0%	0.0%	0.0%	0.0%
23	Nebraska	No	34.1%	51.4%	57.2%	56.7%	55.3%	51	Maine	No	0.0%	0.0%	0.0%	0.0%	0.0%
24	Mississippi	No	22.8%	50.9%	49.9%	50.5%	52.3%	52	Montana	No	-0.8%	0.0%	0.0%	0.0%	0.0%
25	Maryland	No	45.1%	46.3%	47.9%	46.8%	50.8%	53	N. Mariana Islands	No	0.0%	0.0%	0.0%	0.0%	0.0%
26	Wisconsin	Yes	45.2%	46.8%	46.3%	47.5%	50.2%	54	South Dakota	No	0.0%	0.0%	0.0%	0.0%	0.0%
27	Minnesota	Yes	50.1%	48.7%	49.6%	47.7%	49.9%	55	Vermont	No	0.0%	0.0%	0.0%	0.0%	0.0%
28	South Carolina	Yes	46.1%	48.6%	48.8%	47.0%	49.7%	56	Virgin Islands	No	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CMS-64

Non-MCO Expenditures

Despite the rapid growth in Medicaid managed care over the last ten years, program spending still represented just over half of total Medicaid expenditures in FFY 2020. So where is the remaining fee-for-service (FFS) spending (approximately \$290 billion) going? First, as noted above, there are many states/territories with Medicaid managed care programs where certain beneficiaries or services are carved-out of the program, and these are typically associated with high-cost populations. The total amount of non-MCO spending in the 43 states with risk-based managed care in FFY 2020 was \$248.6 billion. Assuming an average “full penetration” of 85 percent of total Medicaid spending, then HMA estimates that an additional \$211.3 billion in current FFS spending could shift to a managed care model just in the states that already employ managed care for a subset of services and/or beneficiaries.

Fifteen states/territories did not utilize a comprehensive risk-based managed care model in FFY 2020. In general, the 15 states/territories that do not utilize managed care today are smaller states, North Carolina being the largest at \$14.8 billion of Medicaid spending in FFY 2020. Total Medicaid spending across all 15 non-managed care states/territories was \$47.5 billion. The 15 states/territories that did not employ a risk-based comprehensive Medicaid managed care model in FFY 2020 were Alabama, Alaska, American Samoa, Connecticut, Idaho, Guam, Maine, Montana, Northern Mariana Islands, North Carolina, Oklahoma, South Dakota, Vermont, Virgin Islands and Wyoming.

In terms of spending by service line, the largest remaining FFS category is home and community-based services at \$68.6 billion, which accounts for 23.7 percent of FFS spending. Inpatient hospital services represent 22.6 percent of FFS spending at \$65.5 billion.

FIGURE 7: FEE-FOR-SERVICE MEDICAID EXPENDITURES BY SERVICE LINE, FFY 2020

Service	FFY 2020 FFS Spending	% of Total FFS Spending
Home and Community Based Services	\$68,631	23.7%
Inpatient Hospital Services*	\$65,548	22.6%
Nursing Facility*	\$39,756	13.7%
Other	\$39,101	13.5%
Medicare - Part A&B	\$19,681	6.8%
Outpatient Hospital Services*	\$13,601	4.7%
FQHC & Clinic Services	\$11,250	3.9%
Personal Care Services	\$11,098	3.8%
Intermediate Care	\$8,905	3.1%
Physician and Surgical Services*	\$8,597	3.0%
Dental Services	\$3,700	1.3%
Total	\$289,869	

* Includes regular payments, supplemental payments and DSH if applicable

Source: CMS-64

While the CMS-64 report provides valuable detail by service line for all FFS expenditures, it does not capture how spending directed to Medicaid MCOs is allocated by category of service. Therefore, it is not possible to calculate total MCO spending by service line, a challenge that will only intensify as more spending runs through MCOs.



HMA MEDICAID ROUNDUP

Alabama

Alabama Voters Support Medicaid Expansion, Poll Finds. *AL.com* reported on February 17, 2021, that 69 percent of Alabama voters, including half of Republicans, support Medicaid expansion, according to a poll conducted by Medicaid expansion advocacy coalition Cover Alabama. The poll, which surveyed 700 likely 2022 voters, also found support for using revenues from gambling and medical marijuana proposals to fund Medicaid expansion. Expansion could cover an additional 200,000 individuals. [Read More](#)

Arkansas

Arkansas to Drop Medicaid Work Requirements, Eyes 'Work Incentive' Plan. *The Magnolia Reporter* reported on February 20, 2021, that Arkansas will not seek to continue its Medicaid expansion work requirement program, but the state is considering an incentive program that would allow expansion members who work to enroll in Exchange plans instead of Medicaid. No one would lose coverage under the incentive program, unlike with work requirements. The state's overall Medicaid expansion waiver expires this year and the state is seeking renewal. [Read More](#)

California

California Again Delays Implementation of Medi-Cal Rx. The California Department of Health Care Services announced on February 17, 2021, that it has again delayed the implementation of Medi-Cal Rx, a state initiative to transition Medicaid pharmacy benefits from managed care to fee-for-service. The delay comes after Centene announced its plan to acquire Magellan Health, the project's contracted vendor. Implementation was originally scheduled for January and later delayed to April 2021. [Read More](#)

Delaware

Delaware Announces Opioid Medication-Assisted Treatment Fellowship Program. The Delaware Department of Health and Social Services announced on February 24, 2021, a fellowship program aimed at training physicians on the use of medication-assisted treatments, like buprenorphine, to treat Medicaid patients with opioid use disorder. The office-based opioid treatment fellowship is supported by a grant from the Centers for Medicare & Medicaid Services (CMS) and will run from March 23 through September 23, 2021. [Read More](#)

Montana

Senate Committee Clears Bill to Cross-Check Medicaid Eligibility. *The Independent Record* reported on February 17, 2021, that the Montana Senate Public Health, Welfare and Safety Committee cleared a bill directing the state to cross-check Medicaid eligibility with more than a dozen state and federal databases. Montana Governor Greg Gianforte said he supports continuing the state's Medicaid expansion program but wants to see tighter checks to make sure those on Medicaid are actually qualified. [Read More](#)

Nevada

Medicaid Enrollment Represents 25 Percent of State Population. *8 News Now* reported on February 22, 2021, that Medicaid enrollment in Nevada rose 21 percent to nearly 811,000 as of January, compared to a year earlier, and now represents about 25 percent of the state's population. Enrollment, which is expected to continue to increase, is being driven by the COVID-19 pandemic and economic downturn. [Read More](#)

Lawmakers Eye Bill to Suspend Rather Than Terminate Medicaid Coverage for Justice-Involved Populations. *Nevada Current* reported on February 18, 2021, that Nevada lawmakers are considering a bill that would allow the state to suspend rather than terminate Medicaid coverage for justice-involved populations. The suspension would be lifted immediately after an inmate's release. Nevada is one of five Medicaid expansion states that terminates rather than suspends coverage for incarcerated individuals. [Read More](#)

New Hampshire

New Hampshire Medicaid Plan Switches PBMs, Drops CVS from Pharmacy Network. *The Sentinel Source* reported on February 19, 2021, that New Hampshire Medicaid plan Well Sense Health Plan/Boston Medical Center Health Plan dropped CVS from its pharmacy network after switching pharmacy benefit managers to Express Scripts late last year. The change is expected to impact about 8,000 of the plan's 92,000 members. [Read More](#)

New York

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

New York Health Organizations Receive Nearly \$115 Million in Mother Cabrini Grants. *Crain's New York* reported on February 23, 2021, that the Mother Cabrini Health Foundation has awarded nearly \$115 million in grants to more than 400 health organizations across New York state. Health organizations receiving grants include Montefiore Medical Center, Northwell Health, NYC Health + Hospitals, and others. The grant money includes \$44 million toward health services for low-income New Yorkers; \$19 million toward programs for the youth and young adults; \$10 million toward programs for young children, pregnant women and new mothers; and \$15 million toward elder care. [Read More](#)

North Carolina

North Carolina Medicaid Official Cites Automated System for Failing to Verify Provider Licenses. *CBS 17* reported on February 23, 2021, that North Carolina's Department of Health and Human Services deputy secretary cited a faulty automated system for failing to identify and remove Medicaid providers whose professional licenses had been suspended or terminated. Dave Richard made the statement in response to an audit, which found that the oversight had resulted in more than \$15 million in improper Medicaid payments. Richard said the state is now using a manual system to make sure it is pulling from each one of the licensure boards. [Read More](#)

Judge Upholds Previous Ruling on Medicaid Managed Care Awards. *Modern Healthcare* reported on February 18, 2021, that a North Carolina trial court judge upheld a previous administrative court ruling that the state acted properly when it awarded Medicaid managed care contracts to AmeriHealth Caritas, Blue Cross Blue Shield of North Carolina, UnitedHealthcare, Centene/WellCare, and Carolina Complete Health, a partnership between the North Carolina Medical Society and Centene. Wake Superior Court Judge Michael O'Foghludha said that Administrative Law Judge Tenisha Jacobs followed the proper standards in examining if the 2019 procurement process was flawed by conflicts of interest. [Read More](#)

North Carolina Failed to Ensure Medicaid Providers Met Licensing Qualifications, Audit Finds. *Modern Healthcare* reported on February 18, 2021, that North Carolina failed to identify and remove Medicaid providers whose professional licenses had been suspended or terminated, according to a state audit. A third-party contractor performs the provider screenings. The audit recommended removing providers who lacked proper credentials from the Medicaid network. [Read More](#)

Oklahoma

Oklahoma Health Plan Formally Protests State Medicaid Managed Care Awards. *The Frontier* reported on February 22, 2021, that CVS Health/Aetna Better Health of Oklahoma filed a formal protest with Oklahoma after failing to win a contract during the state's recent Medicaid managed care procurement. The insurer claimed bias in the procurement process and that the scoring system was "fatally flawed." Contracts went to Blue Cross Blue Shield of Oklahoma, Humana, Centene/Oklahoma Complete Health, and UnitedHealthcare. [Read More](#)

Oklahoma Awards Three Medicaid Dental Managed Care Contracts. The Oklahoma Health Care Authority announced on February 17, 2021, that it has awarded Medicaid managed care dental contracts to DentaQuest, Liberty Dental Plan of Oklahoma, and MCNA Dental. The contracts will run for one year, with up to five optional one-year renewals. Implementation begins on October 1, 2021. [Read More](#)

National

Medicaid Plans Seek Greater Flexibility in Addressing Social Determinants of Health. *Healthpayer Intelligence* reported on February 23, 2021, that America's Health Insurance Plans (AHIP) is urging states to offer Medicaid plans greater flexibility to address social determinants of health (SDOH). AHIP offered five policy recommendations, including broadening the scope of covered services in Medicaid waivers; creating a pathway for interdisciplinary or interagency waivers; including SDOH interventions in medical loss ratios; permitting greater latitude in the use of "in lieu of services;" and allowing Medicaid plans to participate in pooled funding arrangements. [Read More](#)

House Committee Clears COVID-19 Relief Bill, Including Medicaid Incentives. *CNN* reported on February 19, 2021, that the House Budget Committee cleared President Biden's \$1.9 trillion COVID-19 relief bill, which seeks to incentivize states to expand Medicaid by boosting federal Medicaid matching funds. The bill, which also includes \$350 billion in assistance to state and local governments, now heads to the House Rules Committee before consideration on the House floor. If the House passes the proposal, it will head to the Senate where Democrats are expected to use reconciliation to sidestep Republican opposition. [Read More](#)

Biden Asks Supreme Court to Cancel Hearing on Medicaid Work Requirements. *Modern Healthcare* reported on February 22, 2021, that the Biden administration has asked the U.S. Supreme Court to cancel oral arguments concerning whether to allow Medicaid work requirements to proceed in Arkansas and New Hampshire. Arguments are scheduled for March 29. [Read More](#)

CMS Nominee Supports Medicaid, Medicare Buy-in Options. *Modern Healthcare* reported on February 19, 2021, that Chiquita Brooks-LaSure, who has been nominated to lead the Centers for Medicare & Medicaid Services, is a supporter of Medicaid and Medicare buy-in options. She is expected to be open to a wide range of public option proposals and supports state reinsurance programs and subsidies. [Read More](#)

FMAP Boost Would Cover Cost of New Medicaid Expansions, Kaiser Reports The Kaiser Family Foundation reported on February 18, 2021, that a proposed five percentage point increase in the Medicaid Federal Medical Assistance Percentage (FMAP) for new expansion states would offset the cost of expansion in every case. The five percentage point incentive, proposed in legislation before the House Committee on Energy and Commerce, would be on top of the existing temporary 6.2 percent increase authorized under the Families First Coronavirus Response Act. [Read More](#)

Uninsured Rate for Young Adults Falls to 11 Percent in Medicaid Expansion States, Study Says. *Fierce Healthcare* reported on February 18, 2021, that the uninsured rate among young adults aged 19 to 25 fell from 28 percent to 11 percent between 2011 and 2018 in states that implemented Medicaid expansion, according to an Urban Institute study. Medicaid enrollment jumped from 12 percent to nearly 21 percent for the same group. [Read More](#)

Senate Democrats Release Public Option Health Plan Proposal. *The Hill* reported on February 17, 2021, that Senate Democrats unveiled a proposal to offer a public option health plan on the Affordable Care Act (ACA) Exchanges in competition with offerings from private insurers. The proposal, sponsored by Senators Michael Bennet (D-CO) and Tim Kaine (D-VA), would cover primary care services without cost-sharing, expand eligibility, and boost income-based subsidies. Medicare providers would be required to accept patients covered by the public option and would be reimbursed at similar rates. If passed, the public option would initially be available in areas with only a few Exchange insurers, and then nationwide by 2025. [Read More](#)

Chiquita Brooks-LaSure Picked to Lead CMS. *Politico* reported on February 17, 2021, that President Joe Biden has named health policy expert Chiquita Brooks-LaSure as the next administrator of the Centers for Medicare & Medicaid Services (CMS). Brooks-LaSure previously served as deputy director of the CMS health insurance office under the Obama administration and oversaw implementation of the Affordable Care Act. [Read More](#)

Democrats to Push for Medicare to Directly Negotiate Drug Prices. *The Hill* reported on February 21, 2021, that Democratic lawmakers hope to introduce legislation later this year allowing Medicare to directly negotiate drug prices with pharmaceutical companies. Drug companies would then be required to offer the same prices to other insurers. The effort is aimed to reduce drug prices. [Read More](#)

Hospitals With High Patient Infection Rates to See 1 Percent Medicare Pay Cut. *Kaiser Health News* reported on February 19, 2021, that Medicare will lower payments to 774 hospitals with high rates of patient infections and complications, amounting to a one percent cut over 12 months. The penalty is part of the Hospital-Acquired Conditions Reduction Program, which bases pay in part on hospital measures like rates of infections, blood clots, bedsores, and other preventable complications. The 2021 penalties are based on patients who stayed in the hospital between mid-2017 and 2019 and are not COVID-19 related. [Read More](#)

Median Voluntary Disenrollment Rate in D-SNP Dominant Plans Is 10 Percent, Study Shows. Mathematica reported on February 15, 2021, that the median voluntary disenrollment rate in D-SNP dominant Medicare Advantage (MA) plans was 10 percent between 2015 and 2018, according to a study produced in conjunction with Arnold Ventures. The rate was 12 percent for MA plans in which D-SNP members made up less than 70 percent of enrollment and 8 percent for MA plans with no D-SNP members. The study found that state Medicaid policies and programs, local market features and competitive forces, and beneficiary characteristics and preferences drove voluntary disenrollment decisions. [Read More](#)



INDUSTRY NEWS

Optum Reportedly to Acquire In-Home Provider Group Landmark Health. *Home Health Care News* reported on February 21, 2021, that UnitedHealth Group subsidiary Optum has reached a deal to acquire California-based in-home medical group Landmark Health for an estimated \$3.5 billion, according to a Mergermarket report. Landmark operates in 17 states and also participates in the Medicare direct contracting model, serving fee-for-service Medicare beneficiaries. [Read More](#)

The MENTOR Network Acquires D&S Community Services From Comvest Partners. Private equity firm Comvest Partners announced on February 22, 2021, that it completed the sale of Texas-based D&S Community Services to The MENTOR Network. D&S provides home and community based services to more than 3,400 individuals with intellectual and developmental disabilities in four states. Moelis & Company acted as financial advisor, and McDemott Will & Emery acted as legal advisor to D&S. [Read More](#)

BayMark Health Services Subsidiary Acquires Redemption Recovery. AppleGate Recovery, a BayMark Health Services subsidiary, announced on February 17, 2021, that it acquired Tennessee-based opioid treatment provider Redemption Recovery. AppleGate operates 27 programs across eight states delivering medication-assisted treatment and counseling services to more than 66,000 patients. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
January 2021 - Delayed	Nevada	RFP Release	465,000
January 26, 2021 - Delayed	Ohio	Awards	2,450,000
March 15, 2021	Hawaii Quest Integration	Awards	378,000
Spring 2021	Louisiana	RFP Release	1,550,000
April 1, 2021	Indiana Hoosier Care Connect ABD	Implementation	90,000
March 19, 2021	Minnesota MA Families, Children; MinnesotaCare (metro)	Proposals Due	548,000
May 10, 2021	Minnesota MA Families, Children; MinnesotaCare (metro)	Awards	548,000
May 21, 2021	North Dakota Expansion	Awards	19,800
June 11, 2021	North Carolina - BH IDD Tailored Plans	Awards	NA
July 1, 2021	North Carolina - Phase 1 & 2	Implementation	1,500,000
July 1, 2021	Missouri	RFP Release	756,000
July 1, 2021	Hawaii Quest Integration	Implementation	378,000
July 1, 2021	Hawaii Community Care Services	Implementation	4,500
August 2021	Texas STAR Health	RFP Release	36,500
October 2021	Minnesota Seniors and Special Needs BasicCare	RFP Release	120,000
October 1, 2021	Oklahoma	Implementation	742,000
November 2021	Missouri	Awards	756,000
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 2022	Minnesota MA Families and Children, MinnesotaCare	RFP Release	543,000
January 1, 2022	Minnesota MA Families, Children; MinnesotaCare (metro)	Implementation	548,000
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
February 2022	Texas STAR Health	Awards	36,500
July 1, 2022	North Carolina - BH IDD Tailored Plans	Implementation	NA
July 1, 2022	Missouri	Implementation	756,000
Q2 2022	Texas STAR+PLUS	RFP Release	538,000
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
Q3 2022	Texas STAR+PLUS	Awards	538,000
January 1, 2023	Minnesota MA Families and Children, MinnesotaCare	Implementation	543,000
Q1 2023	Texas STAR & CHIP	RFP Release	3,700,000
Q2 2023	Texas STAR & CHIP	Awards	3,700,000
Q3 2023	Texas STAR Kids	RFP Release	166,000
Q4 2023	Texas STAR Kids	Awards	166,000
Q4 2023	Texas STAR Health	Implementation	36,500
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
Q1 2024	Texas STAR+PLUS	Implementation	538,000
Q4 2024	Texas STAR & CHIP	Implementation	3,700,000
Q2 2025	Texas STAR Kids	Implementation	166,000

COMPANY ANNOUNCEMENTS

Lyft Healthcare, Evidation: One Third of Medicare and Medicaid Beneficiaries Face Transportation Insecurity That Affects Access to Healthcare and Essential Medications. [Read more](#)

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- California Dual Demo Enrollment is Up 6.0%, 2020 Data
- California Medicaid Managed Care Enrollment is Up 9.5%, 2020 Data
- Maryland Medicaid Managed Care Enrollment Is Up 1.1%, Jan-21 Data
- South Carolina Dual Demo Enrollment is Up 12.2%, Nov-20 Data
- South Carolina Medicaid Managed Care Enrollment is Up 13.9%, 2020 Data
- West Virginia Medicaid Managed Care Enrollment is Up 1.5%, Jan-21 Data
- West Virginia Medicaid Managed Care Enrollment is Up 18.5%, 2020 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- California Medicaid Managed Care Plans MLR Examination CMS Report, Jun-20
- California Medi-Cal Model Contracts, FY 2018
- DC Medicaid Behavioral Health Transformation RFI, 2020-21
- Missouri MOHealthNet Managed Care Model Contract and Addendum, 2016-19
- Nebraska Medicaid Managed Care Contracts, 2017-21
- Ohio Medicaid Enterprise System Fiscal Intermediary RFP, Proposals, Contract and Award, 2020
- Tennessee Medicaid Managed Care Model Contracts, 2019-21
- Washington Medicaid Managed Care Model Contracts, 2021
- Washington Third Party Administrator for Foundational Community Supports RFP, Scoring and Contract, 2017-21

Medicaid Program Reports, Data and Updates:

- Arizona AHCCCS Population Demographics, Feb-21
- Florida Medicaid MMA Waiver Annual Reports, 2007-20
- Florida Quarterly Statewide Medicaid Managed Care Reports, 2014 - Autumn 2020
- North Carolina Medicaid Provider Enrollment Audit, Feb-21
- Ohio Medical Care Advisory Committee Meeting Materials, 2019-20, Feb-21
- Ohio OhioRISE Advisory Council Meeting Materials, 2020-21
- Oregon Medicaid CCO MLR Calculation Report Instructions, 2020
- Oregon OHA Health-Related Services Brief, Mar-20
- Pennsylvania Community HealthChoices Rate Certification and Databooks, CY 2018-21
- Pennsylvania HealthChoices Behavioral Health Rate Development and Certifications, 2019-21
- Texas Medicaid Managed Care MLR Reports, 2018-21
- Texas OIG Summary of Audits of MCOs Contracting with Pharmacy Benefits Manager Navitus Health Solutions, Jan-21
- West Virginia Medicaid Mountain Health Trust EQR Reports, 2009-19

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