

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in State Health Policy

..... February 27, 2019



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

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THIS WEEK

- **IN FOCUS: MEDICAID PLAN PMPM RATES RISE 0.3 PERCENT IN 2018 FOR TANF/CHIP IN 19 STATES, 4 PERCENT FOR EXPANSION, HMAIS ANALYSIS SHOWS**
- ALASKA GOVERNOR PROPOSES 33 PERCENT MEDICAID FUNDING CUT
- GEORGIA SENATE APPROVES PARTIAL MEDICAID EXPANSION
- LOUISIANA RELEASES MEDICAID MANAGED CARE RFP
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- MEDICAID SPENDING GROWTH TO ACCELERATE, CMS PROJECTS
- LHC TO ACQUIRE MAJORITY STAKE IN GEISINGER HOME CARE, HOSPICE SERVICE
- **NEW THIS WEEK ON HMAIS**

IN FOCUS

MEDICAID PLAN PMPM RATES RISE 0.3 PERCENT IN 2018 FOR TANF/CHIP IN 19 STATES, 4 PERCENT FOR EXPANSION, HMAIS ANALYSIS SHOWS

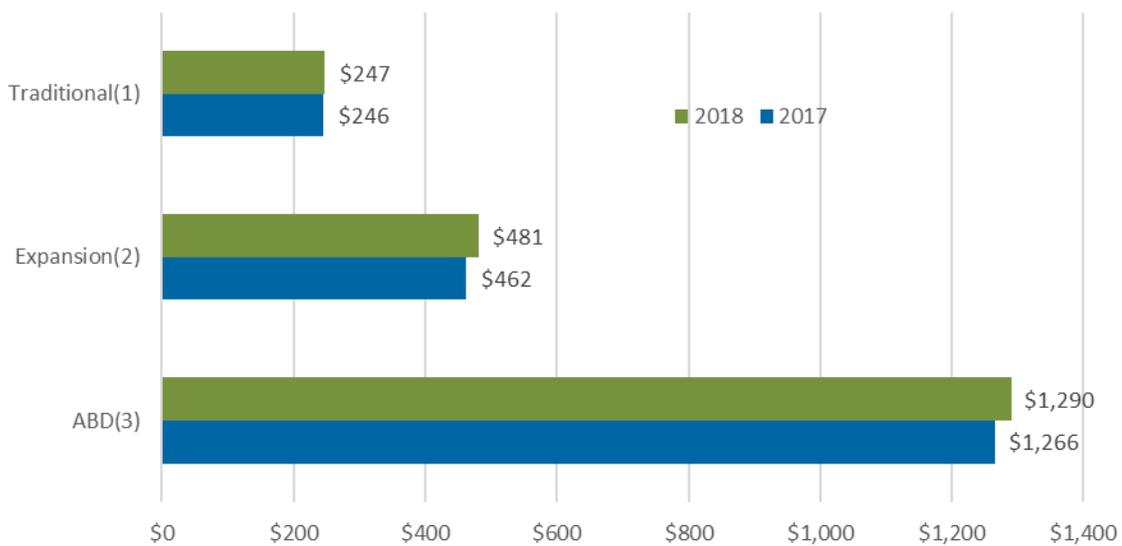
This week, our *In Focus* summarizes the findings of an HMA Information Services (HMAIS) analysis of Medicaid managed care rates in 2018 versus 2017. The analysis represents HMAIS' first attempt at what will be an annual tracking of Medicaid managed care rate increases, which we will expand upon and refine over time with input from our readers and the Medicaid community. Complete results, including spreadsheets showing underlying analysis, will be made available to HMAIS subscribers. For information on how to subscribe, contact [Carl Mercurio](#).

Rate Analysis

HMA Information Services, a division of Health Management Associates, calculated per member per month (PMPM) capitated rates paid to Medicaid managed care plans in 25 states. HMAIS was able to obtain comparable year-over-year data for 2018 versus 2017 in 19 of these states. The analysis provides a look at the level of rates paid for various key eligibility categories as well as the annual rate of increase.

It is important to note that any attempt to compare capitated rates across states is problematic because the cost of care, the way care is delivered, the member mix, benefit levels, and eligibility criteria vary from state to state. Even in a single state, annual changes in program parameters, benefits, and eligibility can make year-to-year rate comparisons difficult if not impossible.

Figure 1: Weighted Average Medicaid Managed Care PMPM Rates by Eligibility Category, 2017-18



(1) Includes TANF, CHIP, Maternity Kick Payments. Based on data from 19 states in 2017 and 2018.

(2) Based on data from 12 states in 2017 and 2018.

(3) Based on data from 13 states in 2017 and 2018.

Source: HMA Information Services, from state rate certifications.

Table 1: Medicaid Costs by Eligibility Category for Managed Care, FFS Combined

	Aged	Disabled	Children	Adults	Expansion
2018 Annual	\$15,595	\$21,209	\$3,822	\$5,645	\$6,036
2018 Monthly	\$1,300	\$1,767	\$319	\$470	\$503
2017 Annual	\$14,769	\$20,048	\$3,592	\$5,288	\$5,813
2017 Monthly	\$1,231	\$1,671	\$299	\$441	\$484

Source: CMS Office of the Actuary, 2017 Actuarial Report on the Financial Outlook for Medicaid

Traditional Medicaid

For traditional Medicaid (aka Temporary Assistance for Needy Families (TANF) and Children’s Health Insurance Program (CHIP) populations), the weighted average PMPM rate paid by 19 states to Medicaid managed care plans for the rating period ending in 2018 was \$247, up 0.3 percent from \$246 in 2017. The figures include TANF, CHIP, and maternity kick payments.

The rates are lower than Medicaid costs presented by the U.S. Office of the Actuary in its 2017 Actuarial Report on the Financial Outlook for Medicaid, which estimates that annual Medicaid costs per child were \$3,822 in 2018, or about \$319 per month; however, it is important to note that the actuarial report includes costs for both Medicaid managed care, Medicaid fee-for-service, and other programs.

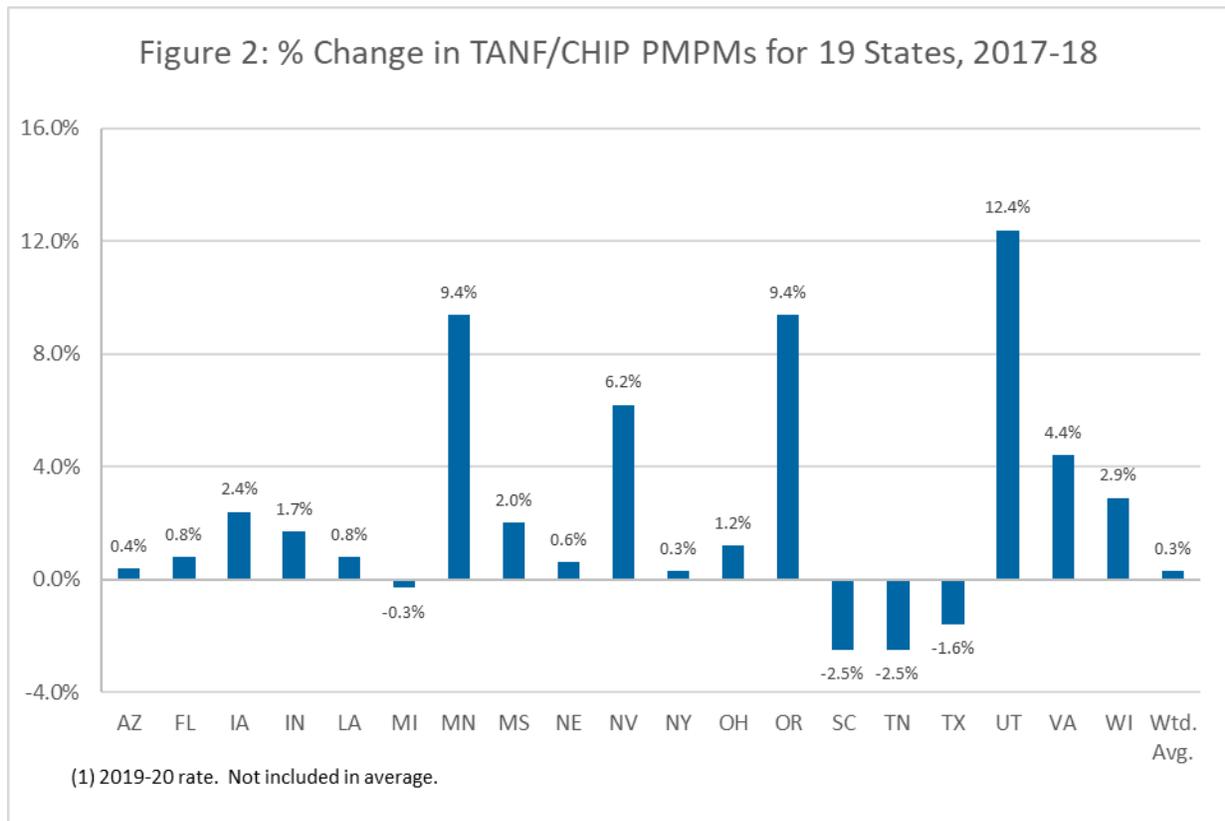
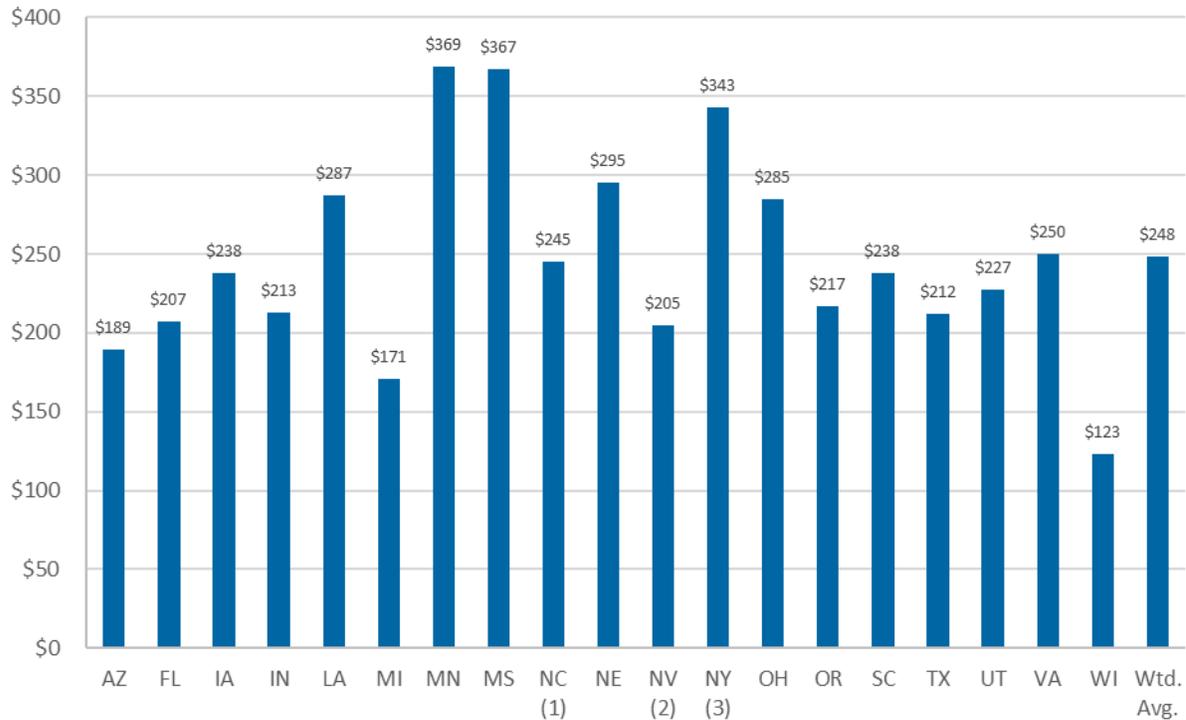


Figure 3: TANF/CHIP PMPMs for 19 States, 2018



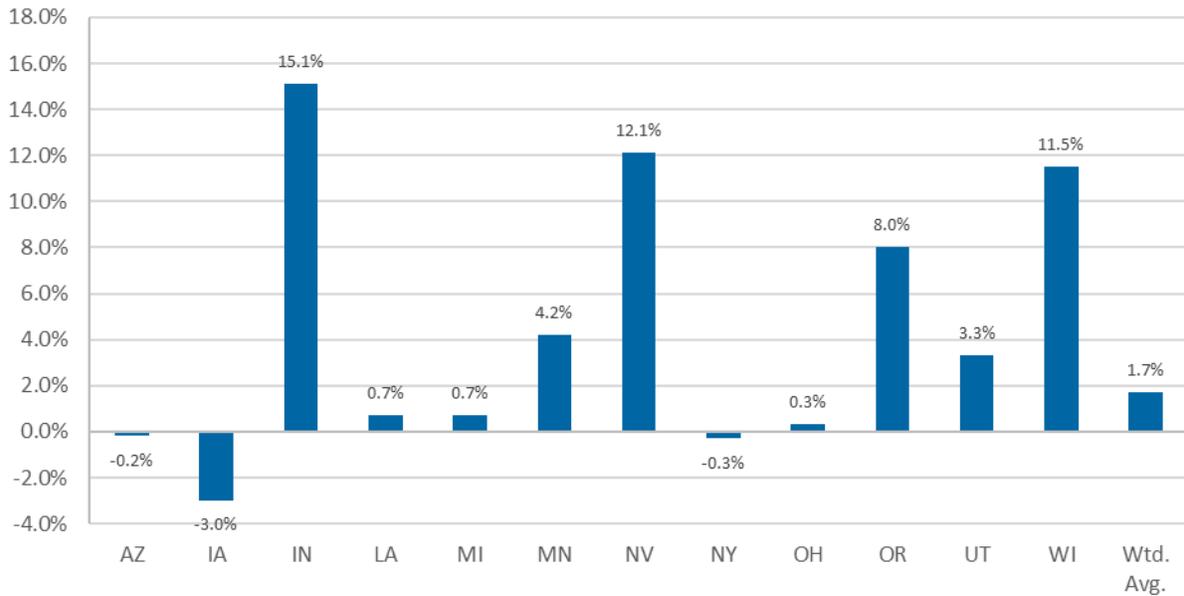
(1) 2019-20 rate. Not included in average.
 (2) Excludes certain passthrough payments
 (3) Included TANF Adult, Expansion, TANF Children

Medicaid Expansion

For Medicaid expansion populations, the weighted average PMPM rate paid by 12 states to Medicaid managed care plans for the rating period ending in 2018 was \$481, up 4 percent from \$462 in 2017.

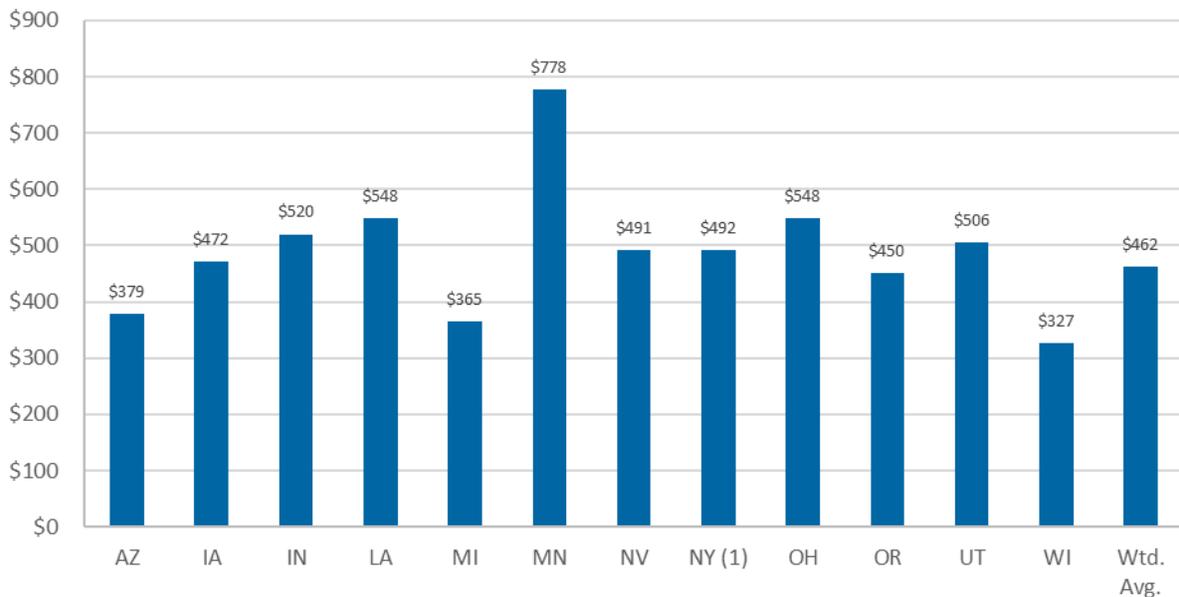
The rates are lower than Medicaid costs presented by the U.S. Office of the Actuary in its 2017 Actuarial Report on the Financial Outlook for Medicaid, which estimates that annual Medicaid costs per expansion adult were \$6,036 in 2018, or about \$503 per month. Again, the actuarial report includes costs for both Medicaid managed care and Medicaid fee-for-service.

Figure 4: % Change in Expansion PMPMs for 12 States, 2018



Source: HMA Information Services, from state rate certifications

Figure 5: Expansion PMPMs for 12 States, 2018



(1) Includes TANF Adult and Expansion

Source: HMA Information Services, from state rate certifications

Aged, Blind, and Disabled

For aged, blind, and disabled (ABD), the weighted average PMPM rate paid by 13 states to Medicaid managed care plans for the rating period ending in 2018 was \$1,290, up 1.9 percent from \$1,266 in 2017. The figures include states with Medicaid managed care ABD programs that variously cover some or all the following: acute care, short-term nursing home stays, home and community-based services, long-term services and supports, the Medicaid portion of duals, and in a few cases long-term nursing home stays.

Unlike for TANF and expansion, this report does not provide a state-by-state chart comparing ABD rates and percentage changes because the programmatic variation is too great.

Overall, the weighted average rate is lower than Medicaid costs presented by the U.S. Office of the Actuary in its 2017 Actuarial Report on the Financial Outlook for Medicaid, which estimates that annual Medicaid costs per disabled member were \$21,209 or \$1,767 per month in 2018, and costs per aged member were \$15,595 annually or \$1,300 per month. Again, it is important to note that the actuarial report includes costs for both Medicaid managed care, Medicaid fee-for-service, and other programs.

For questions, please contact [Carl Mercurio](#).



HMA MEDICAID ROUNDUP

Alaska

Governor Proposes 33 Percent Medicaid Funding Cut in Fiscal 2020. *The Anchorage Daily News* reported on February 15, 2019, that Alaska Governor Mike Dunleavy has proposed a 33 percent, or \$225 million, cut in the state's share of Medicaid funding in fiscal 2020. Additionally, the state Department of Health and Social Services' overall budget would be cut by more than \$350 million. In current fiscal year 2019, Alaska's share of Medicaid funding is expected to be \$677 million. [Read More](#)

Colorado

Colorado Receives CMS Approval for Medicaid Drug Value-Based Purchasing. *Modern Healthcare* reported on February 25, 2019, that the Centers for Medicare & Medicaid Services (CMS) approved Colorado's request to negotiate Medicaid drug prices based on effectiveness and value. Under the program, Colorado will be able to enter into voluntary, value-based supplemental rebate agreements. Oklahoma and Michigan have received similar approvals. [Read More](#)

Connecticut

Governor Proposes Provider Tax Hike for Hospitals. *The CT Mirror* reported on February 20, 2019, that Connecticut Governor Ned Lamont's proposed fiscal 2020 budget includes a provider tax increase on hospitals to help offset a potential \$3.5 billion budget deficit. Hospitals, which had been expecting a provider tax cut, denounced the plan. Other proposals in the budget include additional funds for social services and no inflationary increases for nursing homes. [Read More](#)

Florida

Long-Term Care Is Ranked Among the Top 10 Nationally. *Sunshine State News* reported on February 26, 2019, that Florida ranked seventh best in the nation in long term care quality in 2018, according to a report by the Florida Health Care Association. On a scale of one to five, Florida long-term care centers averaged 3.8, compared to the national average of 3.4. [Read More](#)

Judge Denies Injunction in AIDS/HIV Managed Care Contract Fight. *Health News Florida* reported on February 26, 2019, that a Florida judge has denied an injunction filed by AIDS Healthcare Foundation, which would have blocked the transfer of its 1,500 HIV/AIDS members to Simply Healthcare. Simply Healthcare won the contract to serve HIV/AIDS patients in the latest state Medicaid managed care procurement. [Read More](#)

Governor Proposes Importing Prescription Drugs from Canada. *Modern Healthcare* reported on February 21, 2019, that Florida Governor Ron DeSantis wants to import lower cost prescription drugs from Canada in hopes of lowering the state's health care costs. The U.S. Department of Health and Human Services has the power to approve such an importation program, but has never done so before. DeSantis said he has spoken with President Donald Trump about the plan. [Read More](#)

Judge Tells AIDS/HIV Plans to Submit Recommended Orders in Lawsuit Over Medicaid Managed Care Contract Award. *News 4 Jax* reported on February 20, 2019, that a Florida circuit judge has asked attorneys for two HIV/AIDS plans to submit recommendations for court orders in a lawsuit concerning the state's recent Medicaid managed care awards. The AIDS Healthcare Foundation (AHF) is seeking an injunction to block the transfer of its 1,500 HIV/AIDS members to Simply Healthcare, which won the business in the latest state procurement. Simply Healthcare could lose \$32 million a year in Medicaid revenues if the injunction is granted, according to a company official. [Read More](#)

Georgia

Senate Approves Partial Medicaid Expansion. *Georgia Health News* reported on February 26, 2019, that the Georgia Senate has approved a bill that would allow the state to pursue partial Medicaid expansion up to 100 percent of poverty through a federal waiver. The legislation would also allow the state make changes aimed at reducing premiums in the Affordable Care Act Exchange. [Read More](#)

Not-For-Profit Hospitals Back Partial Medicaid Expansion. *The Atlanta Journal-Constitution* reported on February 21, 2019, that Georgia not-for-profit hospitals, including Navicent Health and Grady Health System, issued a joint statement in support of a Republican-backed bill which would allow the state to pursue partial Medicaid expansion through a federal waiver. Hospital lobbying groups like the Georgia Hospital Association and Hometown Health joined the hospitals in support of the bill. The partial expansion would cover individuals up to 100 percent of the poverty level instead of 138 percent under a full expansion. [Read More](#)

House Committee Passes Extension of Hospital Provider Fee. *Georgia Health News* reported on February 20, 2019, that the Georgia House Appropriations Committee approved an extension of the state's hospital provider fee to 2025. The fee, which was set to expire next year, draws matching federal dollars to help fund the state's Medicaid program. Representative Jodi Lott (R-Evans) sponsored the legislation. [Read More](#)

Idaho

Governor Says Legislature Must Fund Medicaid Expansion Before Adjourning. *The Associated Press* reported on February 21, 2019, that Idaho Governor Brad Little said he would not allow the state legislature to adjourn without appropriating adequate funds to pay for the state's voter-approved Medicaid expansion. Little, who made the remarks at the Idaho Press Club added, "We need to have a pathway for people that are 133 or 138 percent of poverty to have the opportunity to move on as they better themselves, so that they don't artificially keep their income level at 133 percent to qualify for Medicaid." [Read More](#)

House Committee Rejects Medicaid Expansion Repeal Efforts. *The Idaho Statesman* reported on February 21, 2019, that the Idaho House Health and Welfare Committee rejected two pieces of legislation seeking to repeal the state's voter-approved Medicaid expansion. The first bill would have repealed expansion immediately, and the second would have repealed expansion at a later date if expected savings did not occur. Under Medicaid expansion, an estimated 91,000 low-income adults will qualify for coverage and the federal government would pay 90 percent of the estimated \$400 million cost. [Read More](#)

Illinois

Lawmakers Introduce Bills to Address Medicaid Managed Care Payment Delays. *The Journal Star* reported on February 25, 2019, that Illinois lawmakers have introduced a series of bills in response to complaints that payment delays and denials from Medicaid managed care plans are putting hospitals and patients at risk. The three pairs of proposed bills would standardize processes for determining medical necessity, allow third-party review of claims denials, and require expedited payments to critical access hospitals and safety net clinics. The bills haven't yet been referred to a committee. [Read More](#)

Indiana

Medicaid To Expand Coverage of Hepatitis C Treatment. *WFPL* reported on February 20, 2019, that the Indiana Family and Social Services Administration agreed to expand coverage of hepatitis C treatment to all Medicaid beneficiaries starting July 1, 2019, as part of a settlement of a class-action lawsuit filed by the American Civil Liberties Union (ACLU). The ACLU had challenged a previous state policy, which covered drugs only in serious hepatitis C cases. According to the Centers for Disease Control and Prevention, the treatment can cure more than 90 percent of hepatitis C infections. [Read More](#)

Kentucky

Kentucky Medicaid Plan Passport Health to Suspend Construction on Louisville Headquarters. *The Courier Journal* reported on February 22, 2019, that Kentucky Medicaid managed care organization Passport Health Plan will suspend construction on its new headquarters in west Louisville amid an ongoing battle with the state over rate cuts that took effect last year. Passport has stated that the reimbursement cuts may put the company out of business. Passport has 315,000 members in the state. [Read More](#)

Louisiana

Louisiana Releases Medicaid Managed Care RFP. On February 25, 2019, the Louisiana Department of Health (LDH) released the state's Medicaid managed care organizations (MCOs) request for proposals (RFP). LDH will contract with up to four MCOs to manage health care services for more than 1.5 million Medicaid enrollees statewide. Proposals are due April 29, 2019, and awards will be announced on June 28. The contracts will run from January 1, 2020, through December 31, 2022. LDH also has an option to extend the contract for up to 24 additional months. [Read More](#)

Louisiana to Drop 37,000 Ineligible Medicaid Beneficiaries. *KLFY.com/Associated Press* reported on February 21, 2019, that Louisiana is expected to drop coverage of more than 37,000 Medicaid beneficiaries who no longer qualify for the program. Nearly all the members deemed ineligible are non-elderly expansion adults who no longer meet the state's Medicaid income requirements. The state sent a letter notifying these members that they will lose coverage on March 31, unless they can prove they still meet income requirements. [Read More](#)

Maine

Maine to Seek IMD Exclusion Waiver. *The Portland Press Herald* reported on February 22, 2019, that Maine will seek an Institutions for Mental Disease (IMD) Exclusion waiver from federal regulators. The request seeks to waive the IMD Exclusion, which bars states from using federal Medicaid dollars for most mental health care and substance abuse treatment in institutions with more than 16 beds. More than 20 states have received approval for IMD Exclusion waivers. [Read More](#)

Michigan

Governor Hopes to Ease Medicaid Work Requirements. *The Detroit News* reported on February 24, 2019, that Michigan Governor Gretchen Whitmer met with federal officials to discuss easing Medicaid work requirements scheduled to take effect in the state next year. Whitmer advocates lowering the age limit for work requirements from 62 to 50 and potentially eliminating the need for beneficiaries to report hours worked to the state monthly. Whitmer has cited a Manatt Health study estimating that 61,000 to 183,000 people will lose coverage over a one-year period because of the work requirements. [Read More](#)

Minnesota

Minnesota Releases Medicaid Managed Care RFPs. On February 25, 2019, the Minnesota Department of Human Services released two separate requests for proposals (RFPs) for the state's Medicaid managed care programs: Families/Children and MinnesotaCare; and Minnesota Senior Care Plus (MSC+)/Minnesota Senior Health Options (MSHO). The Families/Children RFP covers health care services in 80 Minnesota counties, excluding seven metro areas: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. A separate procurement will be released for these counties at a later date. The MSC+/MSHO RFP, which applies to all counties, covers Medicare-Medical Assistance Integrated Health Care and Long Term Care Services program for people ages 65 or older. The RFP doesn't include the state's Special Needs BasicCare program. Contracts for both procurements are expected to run from January 1, 2020, through December 31, 2020, with up to five optional years. Proposals are due May 17, 2019, and awards will be announced July 19. [Read More](#)

New Hampshire

New Hampshire Executive Council Delays Approval of Medicaid Managed Care Contracts. *New Hampshire Public Radio* reported on February 20, 2019, that the Executive Council of New Hampshire is delaying its vote on whether to approve the state's recently announced Medicaid managed care contract awards. Members of the Council are seeking additional information before voting. State health commissioner Jeff Myers expressed concern that the delay could impact planned July 1 contract start dates. AmeriHealth Caritas, Boston Medical Center Health Plan/Well Sense Health Plan, and Centene/Granite State Health Plan were awarded contracts for the state's \$900 million Medicaid Care Management (MCM) program. [Read More](#)

New Jersey

HMA Roundup – Karen Brodsky ([Email Karen](#))

New Jersey Releases Medicaid Managed Care Organization Contract Updates. The New Jersey Department of Human Services, Division of Medical Assistance and Health Services released the amended Medicaid managed care organization contract, effective July 2018, to its website. HMA compared the new contract to the previous version and provides highlights from these amendments below.

BENEFIT PACKAGE AMENDMENTS	DESCRIPTION
Behavioral Health Services	
Alignment of NJ FamilyCare D benefits with NJ FamilyCare B and C benefits	New Jersey defines three CHIP eligibility categories which are assigned benefits under each of three benefit plans: NJ FamilyCare B, C and D. The benefits for children in NJ FamilyCare D had a slightly lower level of coverage. The amended Contract affords “D” enrollees the same benefits as “B” and “C” but with a higher (\$35) emergency room co-pay.
Behavioral Health benefit alignment	Behavioral health benefits are now aligned across the populations who receive BH benefits from their MCO. This applies to members with developmental disabilities under the Division of Developmental Disabilities, members who qualify for MLTSS and members enrolled with a FIDE SNP
Inpatient behavioral health benefits carve-in	MCOs are now required to cover all inpatient psychiatric hospital care and inpatient medical detox treatment and medically managed inpatient withdrawal management for the entire managed care membership.
Methadone Maintenance	MCOs are now required to cover the administration and related services of methadone maintenance for enrollees in MLTSS and clients of the Division of Developmental Disabilities.
Tobacco Cessation	MCOs can no longer require a prior authorization to access tobacco cessation treatment.
Other Covered Services	
Telemedicine and Telehealth	Adds these services as approved modes of delivering covered services
Outpatient Rehabilitation	Removes the 60 visit per therapy per incident per calendar year limit for PT, OT, ST and cognitive rehabilitation therapy
Dental	Requires MCOs to provide a program for non-dental providers to provide a dental risk assessment, fluoride varnish and dental referrals for children through age six.
Medical Nutrition Therapy (MNT)	Adds evidence-based MNT provided by a registered dietician or certified nutritionist to complement diabetes treatment

MLTSS	
Any Willing Providers (AWP)	Extends the AWP status of nursing facilities, special care nursing facilities, assisted living providers and community residential service providers by one more year (until June 30, 2019).
NJ Screen for Community Services	Requires MCOs to use the NJ Screen for Community Services screening tool or other tool prior to conducting a NJ Choice Assessment
NJ Choice Assessment	Limits use of the NJ Choice Assessment tool to direct employees and not subcontractors
Care management compliance	Revises compliance measurement standards for MLTSS category measures
MLTSS Service Initiation	Revises the requirement for beginning MLTSS services from within 30 calendar days of enrollment to within 45 calendar days of enrollment.

Additional amendments were made to requirements for the provider network, member handbook, EPSDT and HEDIS, performance-based contracting and provider payments. The latest New Jersey MCO Contract can be found [here](#).

New York

HMA Roundup - Denise Soffel ([Email Denise](#))

New York Holds Quarterly Medicaid Managed Care Advisory Review Panel. The New York Medicaid Managed Care Advisory Review Panel, the legislatively mandated oversight body for the state's Medicaid managed care program, held its quarterly meeting on February 21, 2019. Jonathan Bick, Director of the Division of Health Plan Contracting and Oversight for the New York Department of Health, provided a program update. The meeting also included updates on behavioral health, managed long-term care, and results of a member satisfaction survey for Health and Recovery Plan members.

Program Update:

Three applications for new plans are still under review. They are all currently operating managed long-term care plans and are interested in expanding into the mainstream Medicaid managed care market so they can participate in the state's Specialized I/DD plan offering, likely to begin in 2019.

- Partners Health Plan, which operates the plan participating in the duals demonstration program for individuals with intellectual/developmental disabilities (FIDA-IDD) has applied to become a mainstream Medicaid managed care plan. Partners operates in NYC, Long Island, Westchester, and Rockland Counties. The FIDA-IDD plan, which began operations in April 2016, currently has 1,138 members.
- Hamaspik Choice - currently a managed long-term care plan operating in six counties, serving 2,200 members, has applied to become a mainstream Medicaid managed care plan. The Hamaspik Association is a statewide non-profit organization representing a network of member agencies that provide health and human services primarily serving families in the Orthodox Jewish community.

- iCircle Care – currently a managed long-term care plan operating in 22 counties in Central New York, serving 3,000 members, has applied to become a mainstream Medicaid managed care plan. Their roots are in the I/DD provider community.

HealthNow has applied to add a Health and Recovery Plan to its current Medicaid managed care offerings but has suspended that request.

Other program updates:

- New York plans to transition School-Based Health Centers (SBHC) to Medicaid managed care (MMC) in January 2021. As part of planning for the transition the Department of Health has reconvened its School-Based Health work group to ensure continued and documented progress on care coordination strategies that will facilitate a successful transition. The Department has distributed a template gap report, which is seen as a key instrument to improving care by providing member level data on preventive services a child has yet to receive. Once fully implemented, the SBHC will utilize the gap report to provide their roster to the MMC plan and the MMC plan will complete the report by providing service gap information back to the SBHCs for each child on the roster. The gap report is to be shared between MMC plans and SBHCs twice during the school year, beginning in 2019.
- As New York begins implementation of the Community First Choice Option (CFCO), it has posted Person Centered Service Planning Guidelines that describe the process for developing a Plan of Care for enrollees in need of long term supports and services. The process requires a face-to-face assessment of the enrollee's need, once the request for services or supports is received. Plans are required to develop policies and procedures consistent with the guidance. The state is also developing a State Plan Amendment to address rate changes. CFCO is on track for implementation July 1, 2019.

Behavioral Health Update

- The transition of children's behavioral health services into Medicaid managed care is tentatively scheduled to begin in July 2019, although the transition is still subject to CMS approval. New York plans to align six current waiver programs into a uniform benefit package. Children currently enrolled in any of the waiver programs will be able to access the complete array of services as of April 1; those services will be moved into the managed care benefit package when CMS approves the change, which is expected by July 1.
 - New York has added three new behavioral health services to the Medicaid benefit, as of January 2019; three additional benefits will be added in January 2020.
 - Managed care plans are now undergoing readiness review, and behavioral health providers have begun claims testing.
- HARPs are now serving 136,643 Medicaid beneficiaries with serious mental illness and/or substance use disorder.
 - Of those, 26,762 have been assessed for eligibility for the enhanced home and community-based services that HARPs were designed to provide, up from 25,500 in December, and 18,500 last August.
 - 3,685 individuals have been authorized to receive HCBS services, or about three percent of HARP enrollees.

Managed Long-Term Care Update

- Lana Earle has been named Director of the Division of Long-Term Care.
- Enrollment in managed long-term care continues to grow rapidly, with a 13 percent increase over the last 12 months.
- The state plans to implement a lock-in for MLTC members, which would give enrollees a 90-day window to switch plans, after which they would be locked into their MLTC for the next nine months. The lock-in plan is meant to reduce enrollees “shopping” across plans to obtain more services. The state also plans to carve permanent nursing home residents out of managed care. An amendment to New York’s 1115 waiver is before CMS for approval.

Perception of Care Survey

- The Office of Mental Health and the Office for Alcohol and Substance Abuse Services conducted a Perception of Care survey of members of Health and Recovery Plans. HARP’s are Medicaid managed care plans for adults with serious behavioral health conditions. While HARP members participate in the biannual Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys, the offices felt they needed to conduct a survey specifically addressing domains of importance to people with serious mental illness and substance use disorders. The survey addressed the following domains:
 - Access to BH services
 - Quality of BH services
 - Use of and satisfaction with new home and community based services
 - Wellness
 - Perceptions of recovery and quality of life

Most respondents received treatment for a mental health condition; only 22 percent received substance use treatment. Sixty-eight percent of respondents reported their treatment helped them very much. Access to care and quality of care were rated positively by most respondents, with over 80 percent reporting they received services where and when they were needed, and positive quality results ranging from 79 percent (“tell you what medication side effects to watch out for”) to 92 percent (“treat you with respect and kindness”). Personal well-being scores ranged from 5.7 to 7.1 on a scale of 1-10.

Health Department Updates Guidance on Telehealth. In February 2019, the New York Department of Health posted a *Medicaid Update* newsletter on its recent expansion of telehealth, which applies to fee-for-service recipients as of January 1, 2019, and Medicaid managed care enrollees as of March 1, 2019. Last year’s budget expanded Medicaid covered telehealth services to home settings to allow for greater access to remote patient monitoring and alternative health care delivery models. [Read More](#)

NYS Health Foundation Releases Report on Surprise Medical Billing. The New York State Health Foundation released a report in February 2019, that reviews New York's law regarding surprise bills, which occur when patients receive out-of-network care in an emergency or do not realize a specialist is not covered by their insurer. The law, which was implemented in 2015, limits a patient's financial responsibility to in-network payment only in cases when they did not give written consent to be treated by an out-of-network provider. According to the report out-of-network emergency department services bills dropped from 20.1 percent in 2013 to 6.4 percent in 2015. The report also identifies some potential improvements to New York's approach, including establishing network adequacy standards, network disclosure requirements and expanding the bill to include private entities such as ambulance services and free-standing emergency departments. [Read More](#)

Ohio

Lawmaker Wants Medicaid Work Requirements for Adults Ages 18-65. *The Columbus Dispatch* reported on February 26, 2019, that Ohio Senator Matt Huffman (R-Lima) is proposing legislation to implement Medicaid work requirements for adults ages 18 to 65. The state has already asked federal regulators to approve Medicaid work requirement for able-bodied adults up to age 50. The measure would require at least 20 hours per week of work to qualify for benefits. Caretakers, college students and those in addiction treatment programs would be exempt. [Read More](#)

Governor Announces Department of Health Director. *The Columbus Dispatch* reported on February 26, 2019, that Ohio Governor DeWine announced Dr. Amy Acton will lead the Ohio Department of Health. Dr. Acton is a physician with experience in public health and preventive medicine. The Department of Health is tasked with addressing topics such as substance abuse, youth suicide, infant mortality, and lead-paint poisoning. Dr. Acton plans to gather input from city and county health directors on how to improve Ohioan's health. [Read More](#)

Universities Form Data Partnership to Combat Opioid Epidemic. *The Ohio Gongwer* reported on February 25, 2019, that that Ohio University is partnering with the University of Toledo and Deloitte Inc. to analyze a health database in order to study contributing factors to substance use disorders. The joint group Ohio Alliance for Innovation in Population Health has been formed for the venture, which will include creating a data lake. The data lake includes data from several agencies and has four petabytes of information. Analysis is planned to start in April and conclude by July. [Read More](#)

Texas

Lawmakers to Introduce Medicaid Overhaul Legislation. *The Dallas Morning News* reported on February 25, 2019, that Texas lawmakers are expected to introduce a package of about a dozen bills aimed at overhauling the state's Medicaid system, including additional oversight of managed care plans, standardized rules regarding what is and isn't covered, and a revamp of the process for appealing denied medical claims. One bill proposed by Representative Richard Raymond (D-Laredo) would allow parents of sick and disabled children to opt out of the STAR Kids Medicaid managed care program. [Read More](#)

West Virginia

House Committee Passes Medicaid Work Requirements Bill. *MetroNews* reported on February 20, 2019, that the West Virginia House Finance Committee passed a Medicaid work requirements bill. The measure, which would need federal regulatory approval, would require able-bodied adults to participate in work, education, or volunteer programs at least 20 hours a week. [Read More](#)

Wyoming

House Advances Medicaid Work Requirements Bill. *The Casper Star Tribune* reported on February 22, 2019, that the Wyoming House narrowly advanced a bill to implement Medicaid work requirements. The measure would require all "able-bodied" Medicaid recipients who are not disabled to work at least 20 hours a week to receive benefits. A similar bill proposed in 2018 passed the state Senate but died in the House. [Read More](#)

National

House Democrats Unveil Medicare-for-All Bill. *The Hill* reported on February 26, 2019, that Rep. Pramila Jayapal (D-Washington) and more than 100 House Democratic co-sponsors unveiled a Medicare-for-all bill. The plan would replace private insurance with a government-run health insurance system. [Read More](#)

Arizona, Hawaii Announce Joint Selection of EVV Vendor. On February 26, 2019, the Arizona Health Care Cost Containment System (AHCCCS) and the Hawaii Medicaid program (Med-QUEST) announced the joint selection of Sandata Technologies, LLC, as their statewide electronic visit verification (EVV) vendor. AHCCCS and Med-QUEST are planning to implement EVV for all personal care and home health care services by January 1, 2020. The award requires approval from the Centers for Medicare & Medicaid Services (CMS) and Arizona regulators. [Read More](#)

Grassley Asks IRS for Update on Whether Not-for-Profit Hospitals Are Complying With Charity Care Requirements. *Becker's Hospital Review* reported on February 26, 2019, that Senate Finance Committee Chair Chuck Grassley (R-Iowa) asked the Internal Revenue Service for an update on a year-long review of whether not-for-profit hospitals are providing enough charity care to justify their tax-exempt status. In a letter to IRS Commissioner Charles Rettig, Grassley also asked whether not-for-profit hospitals are adequately publicizing financial assistance policies so that poor patients know they may qualify for assistance. Grassley asked the IRS to report back to the committee by April 1. [Read More](#)

House GOP Lawmaker Unveils Medicaid Block Grant Legislation. *Modern Healthcare* reported on February 25, 2019, that Representative Bruce Westerman's (R-AR) has unveiled a sweeping health care proposal, including a provision that would give states the option to accept block grant funding for traditional Medicaid populations and allow coverage through the Exchanges for the rest. The bill would also reauthorize cost-sharing reduction subsidies, move federal employees to the Exchanges, address hospital consolidation, and promote generic and biosimilar drugs. Westerman doesn't sit on any House committees. [Read More](#)

Trump Administration Finalizes Rule Blocking Funding from Planned Parenthood. *Kaiser Health News* reported on February 22, 2019, that the Trump administration has finalized a new regulation that will cut off federal funds to Title X family planning clinics that also refer women for abortions or share space with abortion providers. The new rule, which would impact Planned Parenthood, would take effect in stages 60 days after publication in the Federal Register; however, the portion requiring physical and financial separation would not take effect for a year. The Title X family-planning program serves an estimated four million women annually. [Read More](#)

Democrats Urge Trump Administration to End Medicaid Work Requirements. *The Hill* reported on February 21, 2019, that Representative Frank Pallone Jr. (D-NJ) and Senator Ron Wyden (D-OR) called on the Trump administration to stop approving Medicaid work requirements. In a [letter](#) to Secretary of Health and Human Services Alex Azar, Democrats pointed to membership losses in Arkansas, adding that work requirements "threaten to impede access to critical care for millions of Americans." [Read More](#)

Medicaid Spending on Opioid Addiction Treatment Tripled in Expansion States, Study Finds. *CQ Health* reported on February 21, 2019, that Medicaid spending on opioid use disorder treatment nearly tripled in expansion states and doubled in non-expansion states between 2013 and 2017, according to an Urban Institute study. Overall spending for medication-assisted treatment rose from \$190 million in 2010 to \$887.6 million in 2017. Several non-expansion states experienced high rates of opioid death in 2017, including North Carolina, Wisconsin, and Missouri. [Read More](#)

Medicaid Spending Growth to Accelerate, CMS Projects. The Centers for Medicare & Medicaid Services (CMS) released projections on February 20, 2019, estimating Medicaid spending will increase 4.8 percent in 2019, up from 2.2 percent in 2018, driven by expansion programs in Idaho, Maine, Nebraska, Utah, and Virginia. Medicaid spending growth will further accelerate to an average of 6 percent annually from 2020 through 2027, largely because of membership gains in more expensive aged and disabled beneficiaries. Overall, CMS projects total national health care expenditures to increase an average of 5.5 percent annually to \$6 trillion by 2027. [Read More](#)

Democrats Raise Concerns Over Proposed Change to Exchange Plan Tax Credit Rules. *The Hill* reported on February 20, 2019, that top Senate and House Democrats expressed concern over proposed changes to federal rules that determine who is eligible for tax credits on the Affordable Care Act Exchanges. In a [letter](#) to Centers for Medicare & Medicaid Services (CMS) administrator Seema Verma, Democrats cited Trump administration's projections that 100,000 individuals would drop coverage because they wouldn't be able to afford care given new tax credit calculations. The letter also urged the the administration not to thwart states and insurers from workaround efforts that help reduce member out-of-pocket costs following cancellation of federal cost-sharing subsidies. Signors included Senators Patty Murray (D-WA) and Ron Wyden (D-OR), as well as Representatives Frank Pallone, Jr. (D-NJ) and Bobby Scott (D-VA). [Read More](#)

States Pass Laws Requiring Prescribing Opioid Reversal Drug Along with Painkillers. *California Healthline* reported on February 21, 2019, that new laws in at least seven states require physicians to prescribe naloxone, an opioid reversal drug, in conjunction with opioids to high-risk patients. The Food and Drug Administration (FDA) is considering recommending co-prescribing naloxone nationally. Laws have been passed in Arizona, California, Rhode Island, Ohio, Vermont, Virginia, and Washington. [Read More](#)

Hospital Medicare Margins Fall to Negative 9.9 Percent, MedPAC Says. *Modern Healthcare* reported on February 25, 2019, that U.S. hospital Medicare margins dropped to negative 9.9 percent in 2017, compared to negative 9.7 percent in 2016, according to preliminary data from the Medicare Payment Advisory Commission (MedPAC). Hospital Medicare margins are at their lowest point in at least a decade, MedPAC said. Not-for-profit hospitals had a negative 11 percent margin, while for-profit hospitals had a negative 2.6 percent margin in 2017. However, overall hospital margins rose from 6.4 percent in 2016 to 7.1 percent in 2017. [Read More](#)

Medicaid Innovation Accelerator Program to Host National Learning Webinar on Medication Assisted Treatment: Identifying the Need for Youth and Young Adult Specific Strategies. The Centers for Medicare & Medicaid Services (CMS) Medicaid Innovation Accelerator Program's (IAP) Reducing Substance Use Disorder (SUD) program area is hosting a national learning webinar on Monday, March 4, 2019 from 3:30 PM-5:00 PM EST about strategies to prevent and treat substance use, including opioid use, for youth and young adults. This webinar will shed light on the growing, national need for unique strategies and on two innovative approaches. Participants will learn about (1) the Massachusetts Substance Use Authority's efforts to increase adolescent MAT through various workforce initiatives focused on pediatricians and family practitioners; and (2) a technical support approach to help prescribers in the outpatient management of SUD in adolescents, including use of screening, drug urine screens, and MAT, from the perspective of a national researcher and practitioner also based in Massachusetts.

HMA is one of several organizations working as a subcontractor under a Center for Medicaid and CHIP Services (CMCS) contract with Truven Health Analytics, an IBM company, to provide support to CMCS on the Medicaid Innovation Accelerator Program (IAP). HMA is providing CMCS with subject matter expert assistance for the Reducing Substance Use Disorder (SUD) and Improving Care for Medicaid Beneficiaries with Complex Care Needs and High Costs (BCN) program areas through webinars, technical support assistance to participating states, resource papers, and bi-weekly program updates. To participate in this webinar, register [here](#).



INDUSTRY NEWS

Acadia Healthcare to Acquire 2 Methadone Clinic Operators. *Seeking Alpha* reported on February 26, 2019, that Acadia Healthcare has signed letters of intent to acquire Mission Treatment Centers, which operates methadone clinics in California, Nevada, Arizona, and Oklahoma; and Whittier Pavilion, which operates in Massachusetts. The Mission deal has reportedly closed, while the Whittier deal is still pending. [Read More](#)

LHC to Acquire Majority Stake in Geisinger Home Care, Hospice Service. LHC Group announced on February 26, 2019, that it has entered into a definitive agreement to purchase a majority stake in Geisinger's home health and hospice service. LHC, Geisinger Home Health and Hospice, and Geisinger's AtlantiCare Home Health and Hospice will form a joint venture, with LHC assuming management responsibility. The deal is expected to close April 1. [Read More](#)

420 Rural Hospitals Are at High Risk of Closing, Report Says. *Modern Healthcare* reported on February 20, 2019, that 420 rural hospitals across 43 states are at high risk of closing, according to a [report](#) from Navigant. The hospitals at risk have a total of 150,000 employees and generate \$21.2 billion in patient revenues annually. Ninety-seven rural hospitals have closed since 2010, according to research from the University of North Carolina. All told, there are 2,045 rural hospitals nationwide. [Read More](#)

HCA Is Hit with False Claims Act Lawsuit. *Modern Healthcare* reported on February 21, 2019, that the Hospital Corporation of America (HCA) has been hit with a whistle-blower lawsuit, accusing the company of fraudulently billing the federal government for services delivered at Regional Medical Center in San Jose, CA. The False Claims Act lawsuit claims that hospital administrators billed inpatient intensive care unit, medical-surgical, and telemetry services for emergency room patients. According to the lawsuit, the billing practice extends to other HCA facilities. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
2019	Ohio	RFP Release	2,360,000
2019	Hawaii	RFP Release	360,000
April 1, 2019	Idaho Medicaid Plus (Dual) - Bonneville, Bingham, Bannock Counties	Implementation	3,329
April 12, 2019	Wisconsin MLTC Family Care and Family Care Partnership Select Service Areas in GSR 9, 10, and 13	Proposals Due	
April 22, 2019	Oregon CCO 2.0	Applications Due	840,000
April 29, 2019	Louisiana	Proposals Due	1,500,000
May 17, 2019	Minnesota MA Families and Children; MinnesotaCare	Proposals Due	679,000
May 17, 2019	Minnesota Senior Health Options; Senior Care Plus	Proposals Due	55,000
Late Spring 2019	Kentucky	RFP Release	1,200,000
June 28, 2019	Texas STAR+PLUS	Contract Start Date	530,000
June 28, 2019	Louisiana	Awards	1,500,000
July 1, 2019	New Hampshire	Implementation	181,380
July 1, 2019	Iowa	Implementation	600,000
July 1, 2019	Mississippi CHIP	Implementation	47,000
July 9, 2019	Oregon CCO 2.0	Awards	840,000
July 19, 2019	Minnesota MA Families and Children; MinnesotaCare	Awards	679,000
July 19, 2019	Minnesota Senior Health Options; Senior Care Plus	Awards	55,000
August 30, 2019	Texas STAR and CHIP	Contract Start Date	3,400,000
Early Fall 2019	Massachusetts One Care (Duals Demo)	Awards	150,000
October 1, 2019	Arizona I/DD Integrated Health Care Choice	Implementation	~30,000
November 1, 2019	North Carolina - Phase 1	Implementation	1,500,000
July 1, 2020	Kentucky	Implementation	1,200,000
January 1, 2020	Louisiana	Implementation	1,500,000
January 1, 2020	Wisconsin MLTC Family Care and Family Care Partnership Select Service Areas in GSR 9, 10, and 13	Implementation	
January 1, 2020	Pennsylvania MLTSS/Duals	Implementation (Remaining Zones)	175,000
January 1, 2020	Hawaii	Implementation	360,000
January 1, 2020	Minnesota MA Families and Children; MinnesotaCare	Implementation	679,000
January 1, 2020	Minnesota Senior Health Options; Senior Care Plus	Implementation	55,000
January 1, 2020	Washington Integrated Managed Care (Remaining Counties)	Implementation for RSAs Opting for 2020 Start	~1,600,000
January 1, 2020	Massachusetts One Care (Duals Demo)	Implementation	150,000
January 1, 2020	Florida Healthy Kids	Implementation	212,500
January 1, 2020	Oregon CCO 2.0	Implementation	840,000
February 1, 2020	North Carolina - Phase 2	Implementation	1,500,000
June 1, 2020	Texas STAR+PLUS	Operational Start Date	530,000
September 1, 2020	Texas STAR and CHIP	Operational Start Date	3,400,000

COMPANY ANNOUNCEMENTS

[MCG Health Releases 23rd Edition of Industry-Leading Care Guidelines](#)

[MCG publishes new white paper *Prescribing Opioids: Re-Centering the Pendulum*](#)

HMA NEWS

Upcoming Webinars:

February 28, 2019 - Military Competency Among Health Care Providers: Best Practices for Screening, Treating and Coordinating Care of Veterans. [Register here](#)

March 1, 2019 - Successful Prevention Strategies to Address the Opioid Crisis. [Register here](#)

March 14, 2019 - The Role of Medicaid Managed Care Plans in Addressing the Opioid Crisis. [Register here](#)

New this week on HMA Information Services (HMAIS):**Medicaid Data and Updates:**

- Florida Medicaid Managed Care Enrollment is Down 1.1%, Jan-19 Data
- Indiana Medicaid Managed Care Enrollment is Down 0.5%, Jan-19 Data
- Kentucky Medicaid Managed Care Enrollment is Up 0.7%, Feb-19 Data
- Massachusetts Dual Demo Enrollment is Up 21.4%, 2018 Data
- Minnesota Medicaid Managed Care Enrollment is Down 4.1%, Feb-19 Data
- Nevada Medicaid Managed Care Enrollment is Flat, Jan-19 Data
- New York Medicaid Managed Care Enrollment is Flat, Feb-19 Data
- Washington Medicaid Managed Care Enrollment is Down 6.2%, 2018 Data
- Wisconsin Medicaid Managed Care Enrollment is Flat, Jan-19 Data

Public Documents:*Medicaid RFPs, RFIs, and Contracts:*

- Arizona, Hawaii Electronic Visit Verification (EVV) System RFP and Award, Feb-19
- Louisiana Medicaid Managed Care Organizations (MCO) RFP, Feb-19
- Minnesota Families and Children MA and MinnesotaCare RFP, Feb-19
- Minnesota Senior Health Options and Minnesota Senior Care Plus RFP, Feb-19
- Minnesota Senior Health Options and Minnesota Senior Care Plus Programs RFP Proposals and Scoring, 2014
- Minnesota Special Needs BasicCare RFP, Proposals, and Scoring, 2018-19
- Minnesota MA and MinnesotaCare Families and Children Contracts, Jan-19
- Minnesota Senior Health Options (MSHO) and Minnesota SeniorCare Plus (MSC+) Contracts, Jan-19
- Minnesota Special Needs BasicCare (SNBC) for People with Disabilities Contracts, Jan-19
- Minnesota Medicaid Managed Care Model Contracts, 2019
- Oklahoma Medicaid Eligibility Verification Services RFP, Feb-19
- Tennessee Medicaid Electronic Health Records (EHR) Incentive Payment Program Audit Services RFP, Feb-19
- Virginia DMAS Organizational Transformation RFP, Feb-19

Medicaid Program Reports, Data and Updates:

- CMS National Health Expenditure Projections, 2018-27
- Colorado Children's Health Plan Plus Caseload by County, Jan-19
- Connecticut Governor's Proposed Budget FY 2020-21
- Florida Medicaid Eligibility by County, Age, Sex, Jan-19 Data
- Kentucky Medicaid Oversight and Advisory Committee Meeting Materials, Dec-18
- Kentucky Medicaid Pharmacy Pricing Report, Feb-19
- Louisiana Medicaid Enrollment by Age, Gender, Program, Region, and Zip Code, Feb-19
- Louisiana Medicaid Financial Forecast Reports, SFY 2018-19
- Louisiana Medicaid Managed Care Transparency Report, 2017
- Maryland DOH FY 2020 Budget Update Presentation, Jan-19
- Maryland Medicaid Advisory Committee Meeting Materials, Jan-19
- MaineCare 1115 IMD Exclusion for SUD and SMI/SED Waiver Application, Feb-19
- Michigan Flint Waiver Progress Report, Jan-19
- Michigan Healthy Michigan Plan Statistics, Feb-19
- Michigan Medicaid Health Equity Reports, 2011-17
- Minnesota Draft Substance Abuse Disorder Waiver, Feb-18
- Minnesota Managed Care HEDIS Reports, 2016-17
- Montana DPHHS Medicaid Report, 2019
- New Hampshire 10-Year Mental Health Plan, Jan-19
- New Hampshire Medicaid Care Management Program and Procurement Presentation, Feb-19
- New Jersey Medicaid Managed Care Capitation Rates, 2014-19
- New Mexico Medicaid Managed Care Quality Strategy Reports, 2013-19
- New York Medicaid Managed Care Advisory Review Panel Meeting Materials, Feb-19
- Oklahoma Medicaid Enrollment by Age, Race, and County, Jan-19 Data
- Oklahoma Provider Fast Facts by County, Jan-19
- Texas HHS Behavioral Health Strategic Plan Update, Feb-19
- Washington DSHS Children Enrollment by Program and County, 2007-18
- Washington Medicaid Enrollment by Eligibility Group and County, 2018

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