HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

April 16, 2014

RFP CALENDAR

DUAL ELIGIBLES CALENDAR

HMA NEWS

Edited by:
Greg Nersessian, CFA
Email

Andrew Fairgrieve
Email

THIS WEEK

IN FOCUS

QUARTERLY MEDICAID MANAGED CARE ENROLLMENT UPDATE – Q1 2014

This week, our *In Focus* section reviews recent Medicaid enrollment trends in capitated risk-based managed care in 20 states. Many state Medicaid agencies elect to post monthly enrollment figures by health plan to their websites for their Medicaid managed care population. We believe this data allows for the timeliest analysis of enrollment trends across states and managed care organizations. Many of these 20 states have released monthly Medicaid managed care enrollment data through much of the first quarter (Q1) of 2014.

Seven of the states in the table below – Arizona, California, Kentucky, Maryland, New York, Washington, and West Virginia – have expanded Medicaid as of January 1, 2014 and have seen increased Medicaid managed care enrollment during the first quarter of 2014.

- As of March 2014 enrollment data, these seven states have seen Medicaid managed care enrollment increase by more than 1.7 million beneficiaries since December 2013.
- Managed care enrollment in these seven states has increased more than 20 percent since September 2013.

Monthly Enrollment by State – October 2013 through April 2014

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Arizona	**1,114,395**	**1,115,484**	**1,100,449**	**1,100,901**	**1,115,877**	**1,141,493**	**1,204,520**
+/- m/m	(9,453)	1,089	(15,035)	452	14,976	25,616	63,027
% y/y	-1.2%	0.0%	-1.1%	-1.2%	0.5%	2.9%	8.4%
California	**5,903,787**	**6,120,849**	**6,025,976**	**6,679,094**	**6,896,146**	**7,021,639**	
+/- m/m	(18,550)	217,062	(94,873)	653,118	217,052	125,493	N/A
% y/y	21.4%	25.3%	23.2%	34.6%	32.8%	35.0%	
Florida	**1,467,846**	**1,485,475**	**1,499,890**	**1,557,230**	**1,574,743**	**1,583,905**	
+/- m/m	4,050	17,629	14,415	57,340	17,513	9,162	N/A
% y/y	-0.3%	0.9%	1.9%	5.8%	7.0%	7.6%	
Georgia	**1,105,678**	**1,080,271**	**1,116,718**				
+/- m/m	(6,013)	(25,407)	36,447	N/A	N/A	N/A	N/A
% y/y	-1.3%	-4.0%	-1.4%				
Hawaii	**289,969**	**297,475**	**303,472**	**312,299**			
+/- m/m	543	7,506	5,997	8,827	N/A	N/A	N/A
% y/y	1.4%	4.0%	6.0%	8.9%			
Illinois	**251,636**	**252,513**	**253,936**	**255,211**	**255,296**	**255,580**	
+/- m/m	741	877	1,423	1,275	85	284	N/A
% y/y	11.6%	10.5%	9.4%	9.2%	8.7%	8.6%	
Indiana	**764,503**	**757,775**	**753,565**	**745,227**	**755,448**	**768,102**	
+/- m/m	(459)	(6,728)	(4,210)	(8,338)	10,221	12,654	N/A
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	
Kentucky	**669,328**	**664,079**	**668,937**	**738,751**	**805,054**	**857,312**	
+/- m/m	(1,930)	(5,249)	4,858	69,814	66,303	52,258	N/A
% y/y	N/A	N/A	N/A	N/A	N/A	N/A	
Louisiana	**883,325**	**881,960**	**882,278**	**875,053**	**879,173**	**881,193**	**884,762**
+/- m/m	3,977	(1,365)	318	(7,225)	4,120	2,020	3,569
% y/y	-1.3%	-1.9%	-1.8%	-2.6%	-2.6%	-2.2%	-1.6%
Maryland	**819,578**	**823,116**	**827,879**	**931,122**	**974,786**	**999,248**	
+/- m/m	3,420	3,538	4,763	103,243	43,664	24,462	N/A
% y/y	3.7%	3.7%	3.8%	16.7%	22.3%	24.2%	
Michigan	**1,240,967**	**1,241,219**	**1,244,405**	**1,254,940**	**1,271,576**	**1,271,741**	
+/- m/m	(5,908)	252	3,186	10,535	16,636	165	N/A
% y/y	0.7%	1.1%	-0.1%	1.4%	2.8%	2.8%	
Missouri	**406,118**	**405,066**	**402,007**	**399,314**	**393,628**	**390,154**	
+/- m/m	(1,969)	(1,052)	(3,059)	(2,693)	(5,686)	(3,474)	N/A
% y/y	-3.1%	-4.0%	-4.7%	-4.6%	-6.6%	-7.5%	
New York	**4,056,714**	**4,056,220**	**4,054,806**	**4,057,919**	**4,067,666**	**4,098,663**	
+/- m/m	1,740	(494)	(1,414)	3,113	9,747	30,997	N/A
% y/y	6.3%	5.7%	5.1%	2.9%	2.5%	4.1%	
Ohio	**1,703,826**	**1,704,155**	**1,702,134**	**1,701,486**			
+/- m/m	9,412	329	(2,021)	(648)	N/A	N/A	N/A
% y/y	3.6%	3.7%	3.5%	3.5%			
Pennsylvania	**1,600,731**	**1,623,809**	**1,625,794**	**1,629,291**	**1,633,080**		
+/- m/m	(16,689)	23,078	1,985	3,497	3,789	N/A	N/A
% y/y	23.7%	26.1%	25.7%	26.0%	15.3%		
Tennessee	**1,196,967**	**1,194,547**					
+/- m/m	(1,374)	(2,420)	N/A	N/A	N/A	N/A	N/A
% y/y	-1.4%	-1.1%					
Texas	**3,522,021**	**3,471,383**	**3,383,474**				
+/- m/m	30,400	(50,638)	(87,909)	N/A	N/A	N/A	N/A
% y/y	0.0%	-1.8%	-4.0%				

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Washington	**807,483**	**821,159**	**818,399**	**935,337**	**1,021,170**	**1,062,776**	
+/- m/m	(1,169)	13,676	(2,760)	116,938	85,833	41,606	N/A
% y/y	5.6%	2.9%	2.3%	16.4%	27.2%	31.8%	
West Virginia	**170,709**	**180,471**	**184,928**	**191,398**	**197,340**	**203,314**	**205,885**
+/- m/m	383	9,762	4,457	6,470	5,942	5,974	2,571
% y/y	1.1%	5.4%	7.7%	11.6%	14.2%	18.0%	20.4%
Wisconsin	**738,194**	**738,293**	**735,167**	**726,205**	**730,581**	**725,793**	
+/- m/m	(1,612)	99	(3,126)	(8,962)	4,376	(4,788)	N/A
% y/y	2.7%	28.1%	25.2%	21.6%	13.7%	6.0%	

Source: State Enrollment Data.

In the discussion below, we describe recent enrollment trends in the states where we track data.

It is important to note the limitations of the data that is presented. First, we note that not all states report the data at the same time during the month. As a result, some of these figures reflect beginning-of-the-month totals, while others reflect an end-of-the-month snapshot. Second, in some cases the data is comprehensive in that it covers all of the state-sponsored health programs for which the state offers managed care; in other cases, the data reflects only a subset of the broader managed Medicaid population. This is a significant limitation of the data and the key limiting factor in drawing direct ties between the data described below and figures reported by publicly traded Medicaid MCOs. Consequently, the data we review in Table 1 and throughout the *In Focus* section should be viewed as a sampling of the enrollment trends across these states, as opposed to a comprehensive summary, which, unfortunately, is not available on a monthly basis.

State Specific Analysis

Arizona

Medicaid Expansion Status: Expanded January 1, 2014

Arizona's MCO enrollment, particularly in the ALTCS (Arizona's Managed Long Term Care) program, remained stable over the last quarter of 2013 and the first quarter of 2014. In Q4 2013, Arizona's acute care program enrollment declined by more than 23,000 beneficiaries. However, after expanding Medicaid coverage under the ACA, Q1 2014 enrollment has increased by more than 41,000 beneficiaries. Although not included in the table below, April 2014 shows a continued growth in Medicaid managed care, up another 60,000 enrollees, bringing April 2014 enrollment above 1.2 million. Year-over-year enrollment as of March 2014 is up 2.9 percent.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Acute Care	1,060,135	1,061,069	1,045,901	1,046,301	1,061,183	1,086,733	1,149,556
ALTCS	54,260	54,415	54,548	54,600	54,694	54,760	54,964
Total Arizona	**1,114,395**	**1,115,484**	**1,100,449**	**1,100,901**	**1,115,877**	**1,141,493**	**1,204,520**
+/- m/m	*(9,453)*	*1,089*	*(15,035)*	*452*	*14,976*	*25,616*	*63,027*
% y/y	*-1.2%*	*0.0%*	*-1.1%*	*-1.2%*	*0.5%*	*2.9%*	*8.4%*

California

Medicaid Expansion Status: Expanded January 1, 2014

Medi-Cal managed care expansion into rural counties of the state first appeared in November 2013 enrollment data, adding roughly 180,000 new beneficiaries in Q4 2013. Q1 2014 enrollment data appears to show significant enrollment increases due to the Medicaid expansion, with enrollment up more than 995,600 through March 2014, bringing total enrollment up to 7.02 million, a 35 percent increase over March 2013.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Two-Plan Counties	3,955,238	3,980,221	3,911,409	4,387,858	4,492,936	4,576,634
Imperial/San Benito		41,639	46,201	48,751	53,765	51,891
Regional Model		132,380	134,510	155,565	178,893	167,552
GMC Counties	617,186	624,953	615,031	661,323	692,079	705,233
COHS Counties	1,331,363	1,341,656	1,318,825	1,425,597	1,478,473	1,520,329
Total California	**5,903,787**	**6,120,849**	**6,025,976**	**6,679,094**	**6,896,146**	**7,021,639**
+/- m/m	*(18,550)*	*217,062*	*(94,873)*	*653,118*	*217,052*	*125,493*
% y/y	*21.4%*	*25.3%*	*23.2%*	*34.6%*	*32.8%*	*35.0%*

Florida

Medicaid Expansion Status: Not expanded

Florida managed care enrollments totaled more than 1.27 million in December 2013, up 3.9 percent on a year-over-year basis. Q3 and Q4 of 2013 saw the first enrollments into the state's Medicaid Managed Long Term Care (SMMC LTC) program.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
MMCP	1,047,436	1,052,505	1,058,409	1,058,116	1,061,018	1,052,341
Reform Pilot	164,326	166,252	168,168	163,990	161,898	160,134
SMMC LTC	20,540	29,833	47,781	48,451	66,359	84,032
FL Healthy Kids	235,544	236,885	225,532	286,673	285,468	287,398
Total Florida	**1,467,846**	**1,485,475**	**1,499,890**	**1,557,230**	**1,574,743**	**1,583,905**
+/- m/m	*4,050*	*17,629*	*14,415*	*57,340*	*17,513*	*9,162*
% y/y	*-0.3%*	*0.9%*	*1.9%*	*5.8%*	*7.0%*	*7.6%*

Georgia

Medicaid Expansion Status: Not expanded

Georgia has not reported Medicaid managed care enrollment numbers since December 2013, when total enrollment stood at 1.116 million, down 1.4 percent from the previous year.

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Total Georgia	**1,137,569**	**1,123,871**	**1,111,691**	**1,105,678**	**1,080,271**	**1,116,718**
+/- m/m	*(589)*	*(13,698)*	*(12,180)*	*(6,013)*	*(25,407)*	*36,447*
% y/y	*0.7%*	*-0.4%*	*-1.0%*	*-1.3%*	*-4.0%*	*-1.4%*

Hawaii

Medicaid Expansion Status: Expanded in 2014

Hawaii's managed care enrollment in both the QUEST managed Medicaid and QUEST Expanded Access (QExA) managed Medicaid aged, blind, and disabled (ABD) programs topped 312,000 as of January 2014, up 8.9 percent from the previous year. Without February or March enrollment data for 2014, it is too early to see significant impact from the Medicaid expansion, especially considering Hawaii's organic managed care enrollment growth over the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total QUEST	243,588	250,456	256,398	264,698		
Total QExA	46,381	47,019	47,074	47,601		
Total Hawaii	**289,969**	**297,475**	**303,472**	**312,299**		
+/- m/m	*543*	*7,506*	*5,997*	*8,827*		
% y/y	*1.4%*	*4.0%*	*6.0%*	*8.9%*		

Illinois

Medicaid Expansion Status: Expanded January 1, 2014

As of December 2013, Illinois managed care plans enrolled more than 313,000 Medicaid lives, up nearly 17 percent from the previous year. Enrollment in the Integrated Care Program (ICP), which serves Medicaid Aged, Blind, and Disabled (ABD) recipients, continues to increase as geographic expansion progresses. March 2014 enrollment data shows the first month of ICP enrollment in the City of Chicago, although only 2,370 of an estimated 69,000 ICP beneficiaries have been enrolled. As of March 2014, more than 318,000 beneficiaries were enrolled in managed care, up 17.3 percent from the previous year. Medicaid expansion impacts will likely not be seen in Illinois until July 2014, when mandatory managed care enrollment begins in 5 regions.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Voluntary MCO	**251,636**	**252,513**	**253,936**	**255,211**	**255,296**	**255,580**
+/- m/m	*741*	*877*	*1,423*	*1,275*	*85*	*284*
% y/y	*11.6%*	*10.5%*	*9.4%*	*9.2%*	*8.7%*	*8.6%*
Integrated Care Program	**47,876**	**51,070**	**59,106**	**60,243**	**60,429**	**62,668**
+/- m/m	*3,352*	*3,194*	*8,036*	*1,137*	*186*	*2,239*
% y/y	*33.4%*	*41.9%*	*64.5%*	*67.7%*	*67.5%*	*74.0%*
Total Illinois	**299,512**	**303,583**	**313,042**	**315,454**	**315,725**	**318,248**
+/- m/m	*4,093*	*4,071*	*9,459*	*2,412*	*271*	*2,523*
% y/y	*14.6%*	*14.8%*	*16.8%*	*17.0%*	*16.6%*	*17.3%*

Indiana

Medicaid Expansion Status: Not expanded, pending debate

This is the third quarter we have presented Indiana managed care enrollment across Hoosier Healthwise, Care Select, and Healthy Indiana Program (HIP). As of March 2014, Indiana enrolled more than 768,000 across these three programs, with enrollment increasing roughly 14,500 over Q1 2014.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Hoosier Healthwise	696,582	691,146	683,913	676,801	684,547	689,939
Care Select	33,361	32,277	35,105	33,319	32,523	36,248
HIP	34,560	34,352	34,547	35,107	38,378	41,915
Indiana Total	**764,503**	**757,775**	**753,565**	**745,227**	**755,448**	**768,102**
+/- m/m	*(459)*	*(6,728)*	*(4,210)*	*(8,338)*	*10,221*	*12,654*

Kentucky

Medicaid Expansion Status: Expanded January 1, 2014

This is also the third quarter we have been able to present managed care enrollment in Kentucky. As of March 2014, Kentucky enrolled more than 857,000 beneficiaries in risk-based managed care. Kentucky has added more than 188,000 new Medicaid enrollees to managed care in Q1 2014, up nearly 28 percent from September 2013.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Kentucky	669,328	664,079	668,937	738,751	805,054	857,312
+/- m/m	(1,930)	(5,249)	4,858	69,814	66,303	52,258

Louisiana

Medicaid Expansion Status: Not expanded

Louisiana's Bayou Health Medicaid managed care program enrollment peaked at around 900,000 Medicaid beneficiaries in early 2013. Enrollment has declined since, down roughly 2.6 percent as of January 2014. March 2014 enrollment is up slightly from January, at more than 881,000, down 2.2 percent from the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Total Louisiana	883,325	881,960	882,278	875,053	879,173	881,193	884,762
+/- m/m	*3,977*	*(1,365)*	*318*	*(7,225)*	*4,120*	*2,020*	*3,569*
% y/y	*-1.3%*	*-1.9%*	*-1.8%*	*-2.6%*	*-2.6%*	*-2.2%*	*-1.6%*

Maryland

Medicaid Expansion Status: Expanded January 1, 2014

Since expanding Medicaid as of January 1, 2014, Maryland Medicaid managed care enrollment has increased by more than 171,000 beneficiaries, up 24.2 percent in March 2014 over the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Maryland	**819,578**	**823,116**	**827,879**	**931,122**	**974,786**	**999,248**
+/- m/m	*3,420*	*3,538*	*4,763*	*103,243*	*43,664*	*24,462*
% y/y	*3.7%*	*3.7%*	*3.8%*	*16.7%*	*22.3%*	*24.2%*

Michigan

Medicaid Expansion Status: Expanding as of April 2014

Michigan Medicaid managed care enrollment has increased by more than 27,300 beneficiaries over Q1 2014, prior to the Medicaid expansion, which took effect April 1, 2014. As of March 2014, managed care enrollment is a little over 1.27 million, up 2.8 percent from the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Michigan	**1,240,967**	**1,241,219**	**1,244,405**	**1,254,940**	**1,271,576**	**1,271,741**
+/- m/m	*(5,908)*	*252*	*3,186*	*10,535*	*16,636*	*165*
% y/y	*0.7%*	*1.1%*	*-0.1%*	*1.4%*	*2.8%*	*2.8%*

Missouri

Medicaid Expansion Status: Not expanded

Missouri managed care enrollments in both the Medicaid and CHIP programs have declined noticeably over the second half of 2013, with Q4 ending at just over 402,000 enrolled lives, down 4.7 percent over the previous year. Q1 2014 enrollments have continued this trend, with March 2014 enrollment of just over 390,000, down 7.5 percent from the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Medicaid	362,289	360,812	357,886	354,913	349,364	346,349
Total CHIP	43,829	44,254	44,121	44,401	44,264	43,805
Total Missouri	**406,118**	**405,066**	**402,007**	**399,314**	**393,628**	**390,154**
+/- m/m	*(1,969)*	*(1,052)*	*(3,059)*	*(2,693)*	*(5,686)*	*(3,474)*
% y/y	*-3.1%*	*-4.0%*	*-4.7%*	*-4.6%*	*-6.6%*	*-7.5%*

New York

Medicaid Expansion Status: Expanded January 1, 2014

New York's Medicaid managed care programs collectively enrolled just under 4.1 million beneficiaries as of March 2014, up 4.1 percent over the previous year. This despite modest declines in Family Health Plus, likely due to outmigration into the state's Exchange.

Note: *While these reported numbers show an increase in net overall enrollment by close to 44,000, and more than 135,000 new enrollees in mainstream Medicaid MCOs in Q1 2014, these numbers are lower than those cited by state officials which are north of 500,000, which may be due to a delay in enrollment information and verification due to individuals enrolling in Medicaid through the state Exchange portal.*

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Mainstream MCOs	3,492,851	3,490,187	3,488,599	3,580,631	3,588,763	3,624,007
Family Health Plus	435,258	434,631	432,191	341,859	342,202	338,008
Managed LTC	113,577	116,171	118,615	119,827	120,865	121,210
Medicaid Advantage	10,484	10,566	10,575	10,672	10,884	10,794
Medicaid Advantage Plus	4,544	4,665	4,826	4,930	4,952	4,644
Total New York	**4,056,714**	**4,056,220**	**4,054,806**	**4,057,919**	**4,067,666**	**4,098,663**
+/- m/m	*1,740*	*(494)*	*(1,414)*	*3,113*	*9,747*	*30,997*
% y/y	*6.3%*	*5.7%*	*5.1%*	*2.9%*	*2.5%*	*4.1%*

Ohio

Medicaid Expansion Status: Expanded January 1, 2014

After a hiatus in enrollment data reporting, Ohio has been providing timely monthly enrollment data for all of Q2, Q3, and Q4 of 2013, and January of 2014. Enrollment grew noticeably in Q3, adding nearly 60,000 members across both the covered families and Children (CFC) and ABD programs from July through September 2013. January 2014 enrollment sits at just over 1.7 million, up 3.5 percent from March 2013. Without February or March enrollment data for 2014, it is too early to gauge the impact from Medicaid expansion. *(The year-over-year numbers below are based on the change relative to March 2013, the first date of enrollment data reported since 2011)*

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
CFC Program	1,532,416	1,531,659	1,528,978	1,527,918		
ABD Program	171,410	172,496	173,156	173,568		
Total Ohio	**1,703,826**	**1,704,155**	**1,702,134**	**1,701,486**		
+/- m/m	*9,412*	*329*	*(2,021)*	*(648)*		
% y/y	*3.6%*	*3.7%*	*3.5%*	*3.5%*		

Pennsylvania

Medicaid Expansion Status: Not expanded, pending debate

2013 brought significant growth in the Pennsylvania HealthChoices program due to its expansion into the New East and New West regions. February 2014, enrollment exceeds 1.63 million, a 15.3 percent increase year-over-year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Pennsylvania	**1,600,731**	**1,623,809**	**1,625,794**	**1,629,291**	**1,633,080**	
+/- m/m	*(16,689)*	*23,078*	*1,985*	*3,497*	*3,789*	
% y/y	*23.7%*	*26.1%*	*25.7%*	*26.0%*	*15.3%*	

Tennessee

Medicaid Expansion Status: Not expanded

Tennessee's TennCare Medicaid managed care program ended Q4 2013 at roughly 1.18 million total enrollees, down 1.6 percent from the previous year. As of publication, no Q1 2014 data has been made available. This is typical, as Tennessee typically delays enrollment data by approximately three months.

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Total Tennessee	**1,193,414**	**1,195,637**	**1,198,341**	**1,196,967**	**1,194,547**	**1,184,683**
+/- m/m	*(1,180)*	*2,223*	*2,704*	*(1,374)*	*(2,420)*	*(9,864)*
% y/y	*-1.6%*	*-1.6%*	*-0.6%*	*-1.4%*	*-1.1%*	*-1.6%*

Texas

Medicaid Expansion Status: Not expanded

Through December 2013, Texas reports enrollment of just under 3.4 million beneficiaries across the four managed care programs detailed below, down 4.0 percent from the prior year. As of the time of publication, Q1 2014 enrollment data was not publicly available.

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
STAR	2,489,600	2,494,060	2,466,469	2,494,551	2,468,229	2,402,175
STAR+PLUS	408,309	410,245	410,938	412,490	413,956	410,659
STAR HEALTH	31,111	31,106	31,050	31,260	31,042	30,666
CHIP	578,623	582,608	583,164	583,720	558,156	539,974
Total Texas	**3,507,643**	**3,518,019**	**3,491,621**	**3,522,021**	**3,471,383**	**3,383,474**
+/- m/m	*(42,388)*	*10,376*	*(26,398)*	*30,400*	*(50,638)*	*(87,909)*
% y/y	*-0.1%*	*0.6%*	*0.5%*	*0.0%*	*-1.8%*	*-4.0%*

Washington

Medicaid Expansion Status: Expanded January 1, 2014

As of December 2013, Washington Medicaid managed care enrollment stood at 818,400. Over the first quarter of 2014, enrollment has increased by more than 244,000, bringing March 2014 total enrollment up to 1.06 million, a nearly 32 percent increase over the previous year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Total Washington	**807,483**	**821,159**	**818,399**	**935,337**	**1,021,170**	**1,062,776**
+/- m/m	*(1,169)*	*13,676*	*(2,760)*	*116,938*	*85,833*	*41,606*
% y/y	*5.6%*	*2.9%*	*2.3%*	*16.4%*	*27.2%*	*31.8%*

West Virginia

Medicaid Expansion Status: Expanded January 1, 2014

West Virginia managed care enrollments have grown significantly in Q4 2013 and through Q1 2014. As of October 2013, 170,700 beneficiaries were enrolled in managed care plans, up just 1.1 percent from the year prior. As of April 2014, managed care enrollment has grown by more than 35,000 beneficiaries, bringing total enrollment up to nearly 206,000, an increase of 20.4 percent over the prior year.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Total West Virginia	**170,709**	**180,471**	**184,928**	**191,398**	**197,340**	**203,314**	**205,885**
+/- m/m	*383*	*9,762*	*4,457*	*6,470*	*5,942*	*5,974*	*2,571*
% y/y	*1.1%*	*5.4%*	*7.7%*	*11.6%*	*14.2%*	*18.0%*	*20.4%*

Wisconsin

Medicaid Expansion Status: Not expanded

Across the state's three managed care programs, March 2014 enrollment totals more than 725,000, up 6 percent from the year before.

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
BadgerCare+	663,165	663,094	660,048	651,066	655,439	650,752
SSI	33,632	33,767	33,777	33,698	33,765	33,747
LTC	41,397	41,432	41,342	41,441	41,377	41,294
Total Wisconsin	**738,194**	**738,293**	**735,167**	**726,205**	**730,581**	**725,793**
+/- m/m	*(1,612)*	*99*	*(3,126)*	*(8,962)*	*4,376*	*(4,788)*
% y/y	*2.7%*	*28.1%*	*25.2%*	*21.6%*	*13.7%*	*6.0%*

Health Management Associates also collects monthly enrollment data for the health plans in these 20 states. For more information, contact Andrew Fairgrieve at: afairgrieve@healthmanagement.com

HMA MEDICAID ROUNDUP

California

HMA Roundup – Alana Ketchel

Enrollment Backlog in Medi-Cal Could Delay Care. On April 9, 2014, the *California Health Report* noted that the Department of Health Care Services (DHCS) is experiencing a significant delay in processing enrollment into Medi-Cal due to an application backlog. According to DHCS, 700,000 people are still waiting to enroll in the program. Of those, nearly half applied within the last 45 days. Some of these applications are incomplete or missing documentation. Advocates are concerned that the backlog is delaying care for low income residents. Read more

Committee Passes Bill on Medical-Loss Ratio for Dental Insurance. On April 9, 2014, the *California Healthline* reported that an Assembly committee approved a bill (AB 1962) requiring dental insurance companies to spend a specified percentage of premiums on dental care, as is required of other health insurers. The exact percentage of the medical-loss ratio was not stated in the bill. The measure now heads to the Assembly Committee on Appropriations. Read more

Aging Services and Managed Care Partner to Care for Duals. On April 14, 2014, the *California Health Report* reported on a unique relationship between a county aging services agency (Aging and Independent Services) and managed health care plan (Care1st) in San Diego County. Care1st is finalizing a contract with AIS to provide case management and other social services to the dual-eligible population. The goal of the partnership is to expand the Multipurpose Senior Services Program (MSSP) wraparound services to more beneficiaries to better manage their care. Read more

Colorado

HMA Roundup – Joan Henneberry

Connect For Health CO Discusses Potential Enhancements to Website. This week, the Health Plan Advisory Group of Connect for Health Colorado met with interested stakeholders to discuss proposed enhancements to the plan shopping and plan comparison portions of the Connect for Health Colorado web portal. Among other changes, Colorado proposes adding a new layer of filters to the shopping page to allow shoppers to screen plans based on type (HMO, PPO, EPO) and allow easy access to information on copays and coinsurance fees when seeing doctors. The proposed changes will also make the "summaries of benefits and coverage" more noticeable and easily accessible to consumers. Additionally, quality information, including a star ranking and Exchange and commercial health plan Accreditation Statuses, will be added to the page.

Connect For Health CO Executive Committee Lays Out Options For Creating a Separate Legal Entity for Offering of Ancillary Services. The Executive Committee for Connect for Health Colorado recommended that Connect for Health Colorado vote to create a separate legal entity to develop and run an ancillary product Marketplace. The Executive Committee outlines several options for the new legal entity, including a separate non-profit organization, a for-profit Subsidiary C corporation, LLC, or public benefit corporation, ultimately recommending public benefit corporation. The full board of the Connect for Health Colorado is expected to vote on the measure at their next meeting. Read more

Over 22,000 Children Enrolled in Medicaid or CHP+ since October. On April 10, 2014, the Department of Health Care Policy and Financing announced that it has enrolled more than 22,700 children since October 1, 2013 who were previously eligible for Medicaid or Child Health Plan Plus (CHP+), but had not yet enrolled in coverage. Department executive director Susan Birch says that the successful enrollment is a product of new application enhancements and outreach strategies. All children enrolled in Medicaid or CHP+ will receive 12 months of continuous eligibility coverage even if their family's income or household size changes. Colorado's efforts to enroll children into Medicaid and CHP+ coverage have been recognized by CMS for the past four years. Read more

Medicaid ACOs Up and Running, But Still Face Challenges. On April 14, 2014, *MedPage Today* reported on the progress of the ACO movement in Colorado. The state's Department of Health Care Policy and Financing created the Accountable Care Collaborative (ACC) in 2011 to improve care coordination, curb rising Medicaid costs, and move the state towards paying providers for meeting quality and spending targets. About half of the state's Medicaid population is enrolled in the ACC program. But the program has encountered obstacles; it has had difficulty getting patient information to doctors and attributing patients to specific providers. These obstacles have negated nearly all financial gains produced by the ACC so far, but the program is still attributed a decrease in hospital readmissions and the use of high-cost imaging services. Health reform experts say it is too early to tell whether the ACO movement is a success or a failure. Read more

Open Enrollment Prompts Thousands of "Woodwork" Medicaid Enrollments. On April 16, 2014, *Kaiser Health News* reported that the push to get people enrolled for health coverage during the ACA open enrollment period facilitated the Medicaid "woodwork" effect, resulting in 3 million Medicaid sign-ups from October to March in Colorado. Hundreds of thousands of low-income adults and children who were Medicaid eligible pre-ACA enrolled in the program over the past six months. Colorado is one of the first states providing data on how many of its new Medicaid enrollees were previously eligible. State Medicaid Director Susan Birch reported the state enrolled 158,521 Coloradans into Medicaid during open enrollment, very nearly meeting the agency's goal of 160,000. Read more

Connecticut

Medicaid Estate Repayment Scaled Back for Some Medicaid Recipients. On April 9, 2014, the *CT Mirror* reported that Connecticut officials are scaling back the circumstances under which the state can seek repayment from the estates of Medicaid recipients when they die. State and federal officials have argued that some Medicaid-eligible people may have decided not to enroll for Medicaid coverage because of fear that their estates will be docked for their healthcare expenses when they die. Under new guidelines, adults in HUSKY A and HUSKY D who receive long-term care; adults

in HUSKY A who are 55 and older who receive medical services; and adults in HUSKY D who are 55 and older who received medical services paid by Medicaid before January 1, 2014, are still subject to estate recovery. People 55 and older in HUSKY D who receive medical care on or after January 1 are no longer subject to estate recovery. Read more

Florida

HMA Roundup – Elaine Peters and Gary Crayton

CMS Grants $2.2 Billion to Florida Medicaid for Low-Income Pool Spending and Medical Schools. On April 11, 2014, *Health News Florida* reported that Florida Medicaid will receive $2 billion from the federal government this year for indigent care and an extra $200 million for the state's medical schools. Most of the money will go into the state's "Low Income Pool," which is used to support safety net hospitals and clinics that treat many Medicaid patients. While the funds will allow providers to continue treating poor patients this year and will help reinforce the state's privatization of Medicaid through managed care, federal Medicaid director Cindy Mann suggested this would be the last year for which CMS will authorize Low-Income Pool spending in Florida. Read more

House HHS Committee Bundles Health Care Proposals in Effort to Gain Senate Support. On April 10, 2014, *Health News Florida* reported that the Florida House Health & Human Services Committee passed two bills containing several health care proposals in the hopes of gaining Senate approval on several House initiatives. House Bill 573 strengthens enforcement of current regulations for assisted living facilities; the Committee's omnibus proposal adds a new licensure designation for certain recovery care centers. House Bill 7113 allows three HCA-owned trauma centers to remain in operation; the omnibus proposal expands the use of telemedicine and the ability of nurses to practice without physician supervision. Read more

Senate Panel Passes Amended Telemedicine Bill. On April 9, 2014, the *Florida Current* reported that the Senate Appropriations Subcommittee on Health and Human Services voted in favor of an amended bill that would require out-of-state telemedicine providers to hold a Florida license to practice medicine and carry the same liability coverage as Florida professionals. The amendment, proposed by Senator Rene Garcia, won support from lawmakers who have voiced concern that out-of-state doctors practicing telemedicine would not be held to the same accountability standards as in-state doctors. Read more

Senate Bill Proposes Changes to How State Pays for Emergency Mental Health Care. On April 14, 2014, the *Ledger* reported on a state Senate bill that would change the way Florida pays for emergency mental health services. Under the current system, the state Department of Children and Families contracts with public and private Crisis Stabilization Units to provide emergency mental health treatment, paying these facilities $300 a day per bed regardless of whether they are occupied. While supporters of the system say it ensures accessible emergency mental services, the new bill (SB 1726) would cut the guaranteed funding by 75 percent and make excess patients receive care at private hospitals. Opponents of the bill argue that reducing beds in crisis units will impair work at these centers and limit access to much-needed care. Read more

Eight Lawmakers Urge State Legislature to Reconsider Upcoming Funding Model for Safety-Net Hospitals. On April 15, 2014, the *Florida Current* reported that lawmakers from Duval County have reached out to House and Senate leaders urging them to repeal or delay a new formula for allocating state funds to safety-net hospitals. Under a 2011 law moving a Medicaid managed care pilot program into a statewide policy,

federal funds pulled down by safety-net hospitals must be shared with all hospitals in the state beginning on July 1, 2014. If the law goes into effect this July, safety-net hospitals around the state stand to lose hundreds of millions of dollars in funding. Read more

Georgia

HMA Roundup – Mark Trail

Update on FY2015 Budget Items. On April 10, 2014, the Georgia Department of Community Health Board held its meeting to discuss the FY2015 State Budget. Appropriations include.

- Health insurance provider fee applicable to Georgia Medicaid MCOs ($29.3M)
- ACA requirement that eligibility for Medicaid recipients be reviewed on a 12 month basis ($28.2M)
- DCH expects about 65,000 children to enroll in Medicaid and PeachCare in FY2015 as a result of the woodwork effect ($40.9M).
- General program growth in ABD, LIM and PEachCare ($40.4M)
- Update to 2012 nursing home cost report and Fair Rental Value ($13.5M)
- Tier 2 Hospital Provider Fee ($22.5M)
- Projected savings from ABD Care and Disease Management Savings will be reflected in the budget. ($4.1M savings)
- Savings from more favorable FMAP rate ($69.1M savings)

New Independent Review Shows Developmentally Disabled Need Better Care. On April 10, 2014, *Georgia Health News* reported that Georgia is not adequately monitoring community placements of people with developmental disabilities. While the state recently established community services and support for about 9,000 people with mental illness and improved conditions at its psychiatric hospitals, an independent reviewer found that the state does not adequately manage the transition of mentally ill individuals from hospitals to the community. State Department of Behavioral Health and Developmental Disabilities commissioner Frank Berry said that the agency has halted hospital discharges of people with developmental disabilities into community settings until improvements are made. Read more

Savannah Area Experienced Surge in Health Insurance Applications towards End of Open Enrollment Period. On April 13, 2014, the *Savannah Morning News* reported on the surge of applications for health care coverage and outreach efforts in the Savannah area during the last months of the ACA open enrollment period. Statewide, 177,668 people had signed up for coverage through the health exchange as of March 15. According to the state Department of Insurance, 144,665 of those enrollees have paid their insurance premiums. Read more

Indiana

Indiana Issues RFI for ABD Managed Care Program. On April 16, 2014, the Indiana Department of Administration (IDOA) issued a Request for Information (RFI) in conjunction with the Indiana Family and Social Services Administration (FSSA) and the Indiana Office of Medicaid Policy and Planning (OMPP). The RFI requests responses from potential contractors experienced in providing Managed Care for Medicaid Aged, Blind and Disabled (ABD) populations. Respondents must describe their capabilities to implement a capitated/risk-based model to administer Medicaid ABD Managed Care services. Respondents must also describe potential challenges of implementing such a program in the state, and must suggest program design modifications based on questions posed by the State.

The state's potential ABD managed care program is expected to enroll 75,000 members and will likely exclude dual-eligible individuals. The expected services include acute and primary care, prescription drugs, behavioral health, transportation, and hospice care. Long-term care, dental, 1915(i), and Medicaid Rehabilitation Option services are not expected to be covered. Firms must submit responses to the IDOA by 3PM EST on May 1, 2014. Link to RFI

Indiana Medicaid Enrollment Up 40,000 as of March. On April 14, 2014, the *Indiana Business Journal* reported that Indiana's Medicaid program gained 40,577 enrollees as of March, despite the state's opposition to Medicaid expansion. More than 15,000 of those enrollments occurred in March alone. Read more

Kansas

PACE Expands Senior Care Services to 51 Additional Counties. On April 14, 2014, the *Kansas Health Institute* reported that the state's Programs for All-Inclusive Care for the Elderly (PACE) managed care program will be expanded from its current activity in 8 counties to an additional 51 counties. The PACE model allows for tightly regulated coordination of patient care and provides patients more frequent access to providers than KanCare does. Shawn Sullivan, Secretary of the Kansas Department of Aging and Disability Services, said the program's expansion could lead to an additional 1,100 Kansans signing up for the program over the next two to three years. Read more

Louisiana

CMS to Delay Medicaid Fund Allocation during Review of LSU Hospital Deals. On April 10, 2014, the *Associated Press/Times-Picayune* reported that $307 million in Medicaid funds could be held from Louisiana if no agreement is reached on whether the state's financing plans for the privatized LSU hospitals meet federal guidelines. Most of LSU's charity hospitals were recently privatized in an effort to cut costs and improve quality of care, but the state is still in the midst of negotiating with CMS on how these hospitals will get paid federal Medicaid funds. CMS will defer funds until the Jindal administration's state plan amendments are approved. A spokeswoman for Jindal's health secretary, Kathy Kliebert, tells lawmakers she is confident CMS will sign off on all the financing plans. Read more

Maine

Governor LePage Vetoes Medicaid Expansion Bill. On April 9, 2014, the *Associated Press* reported that Maine Governor Paul LePage has vetoed a Medicaid expansion bill that would have used federal funds to provide health insurance coverage to 70,000 low-income Mainers through a managed care program. LePage stated that expansion would have a "disastrous impact on Maine's budget." It is unclear whether lawmakers will be able to override LePage's veto, as less than two-thirds of present-and-voting lawmakers supported the bill last session. Read more

Maine Medicaid Restrictions on Opioid Prescriptions Help Reduce Opioid Use. On April 10, 2014, the *Washington Post* reported that Maine's tight restrictions on opioid painkillers for Medicaid patients have resulted in a 17 percent reduction in how many patients took the highly addictive drugs in 2013, compared to 2012. Through fewer prescriptions and smaller doses, the number of pills dispensed was cut 27 percent, or 6 million pills, for 15,000 fewer patients. The restrictions were put in place in response to growing addiction trends in the state; new guidelines require patients with lasting pain to either use smaller doses of painkillers or try chiropractic work, physical therapy or cognitive behavioral therapy as an alternative. Maine's approach is of particular interest, as Medicaid programs have been blamed in recent years for overprescribing narcotics. Read more

Massachusetts

HMA Roundup – Rob Buchanan

Health Connector Revises Expectations for Website Relaunch This Fall. On April 10, 2014, the *Massachusetts State House News Services* reported that Governor Patrick's administration has tempered its expectations for the state's revised exchange site, due to go live this fall. Special adviser to Governor Patrick, Sarah Iselin, said that the exchange team will focus on ensuring the site can provide an efficient basic enrollment process, rather than focusing on advanced functions. Iselin said she will present a detailed plan of website functionalities to the Health Connector board on May 8. Read more

New Hampshire

State Plans to Appeal Hospital Tax Ruling. On April 14, 2014, the *AP/Boston.com* reported that New Hampshire will appeal a judge's ruling that a tax on state hospitals that brings the state $185 million annually in federal funds is unconstitutional. Senior Assistant Attorney General Mary Ann Dempsey argues that the tax is allowed under federal Medicaid regulations; but Hillsborough County Superior Court Judge Philip Mangones argues that the state should have stopped collecting the tax from hospitals in 2011, when the Medicaid reimbursement system was changed. Read more

New Jersey

HMA Roundup – Karen Brodsky

NJ Department of Human Services (DHS) gives testimony on the State FY15 proposed budget. On April 10, 2014, Commissioner Jennifer Velez gave testimony to the New Jersey State Senate Budget and Appropriations Committee. The proposed DHS budget is $16.8 billion (of which $6.6 billion is the state's share). This represents a total increase of 12 percent from State FY14 (of which 2.4 percent represents the state's increase). Commissioner Velez described a number of reform efforts underway:

1. In October 2013, DHS received federal approval for the benefit package of the Medicaid expansion population and began accepting Medicaid applications using the new Modified Adjusted Gross Income (MAGI) eligibility rules.
2. The FY15 budget includes funding for Managed Long Term Services and Supports (MLTSS), an initiative of the state's comprehensive Medicaid waiver (1115). It reflects a consolidation of budget items previously displayed in the Divisions of Disability Services and Aging Services as separate waiver programs. It also accounts for start-up and administrative costs for care management under MLTSS.
3. Two Developmental Centers will close in 2014 – the North Jersey Developmental Center will close July 1, 2014, and the Woodbridge Developmental Center will close December 31, 2014.
4. The Division of Mental Health and Addiction Services was funded to initiate the Involuntary Outpatient Commitment program, mandatory drug court expansion efforts and supportive housing.
5. DHS is the lead agency for a Disaster Social Services Block Grant to continue with Superstorm Sandy recovery efforts. Read more

New Jersey Medicaid Expansion Enrollment Summary for March 2014. Valerie Harr, Director of New Jersey's Division of Medical Assistance and Health Services (DMAHS), gave an update on the state's Medicaid expansion enrollment at a quarterly Medical Assistance Advisory Council (MAAC) meeting on April 11, 2014. Medicaid expansion resulted in significant increases in enrollment for adults earning up to 133 percent of the federal poverty level:

MARCH 2014 EXPANSION SUMMARY – NEW JERSEY	
Adults who maintained NJ FamilyCare eligibility under the Medicaid expansion*	176,369
Newly eligible adults	95,653
Children and parents previously eligible but were not enrolled, who are newly enrolled	10,152
Adults who transitioned to the Medicaid exchange	3,537

**Represents adults previously eligible for SCHIP who now qualify for Medicaid expansion and New Jersey's General Assistance population*

In addition, the State expanded presumptive eligibility to the new expansion population. Previously, presumptive eligibility only applied to pregnant women and children. While presumptive eligibility typically lasts 30-45 days, New Jersey is extending this period until a full determination has been reached on an individual's Medicaid expansion application, since the State has experienced backlogs in processing new enrollees.

Behavioral Health Services ASO Planning Update. On April 11, 2014, DMAHS gave an update to the MAAC on the status of the RFP it will release later this year for a behavioral health Administrative Services Organization to serve adults with Medicaid requiring behavioral health services. The draft RFP is currently under review by the state agencies involved in its release. The ASO must have New Jersey-based operations for care management, prior authorizations, clinical operations and phone/help desk operations. The ASO functions will include:

- A 24/7 call center
- Member services
- Screening and assessment
- Network management
- Utilization management including level of care determination and continuing care review
- Care management
- Medical management
- Care coordination
- Quality management
- Information technology
- Data submission and reporting
- Financial management, including claims processing and payment
- Development of care models and service arrays for enrollees with intellectual and developmental disabilities, dual eligibles (excluding those enrolled in D-SNPs), and Medicaid expansion populations.

New Personal Care Assistance (PCA) Assessment Tool Being Tested for Implementation. DMAHS is collaborating with its contracted Medicaid managed care organizations to develop a new PCA tool that will be used by all MCOs and the state. DMAHS began a beta test period on April 1, 2014 on a draft PCA assessment tool. The MCOs continue to use existing PCA tools that authorize up to 40 hours of PCA services until the beta test is complete and DMAHS determines the new tool is ready for use. The new PCA assessment tool will be used to assess all new PCA referrals, reassessments of existing PCA clients, and assessments of PCA clients for when there has been a change in the client's condition. DMAHS recognizes that current DHS regulations under N.J.A.C. § 10:60-3.5 continue to require that registered nurses of home care agencies administer the PCA assessment, which is redundant to assessments performed by the MCOs. It will look into making updates to the regulations. DMAHS anticipates implementation of the new PCA tool on July 1 or August 1 of this year.

New York

HMA Roundup – Denise Soffel

Medicaid Waiver Amendment Approved. New York received final approval for its Medicaid waiver on April 14. The waiver includes three funding elements. The first is a $500 million allocation for the Interim Access Assurance Fund, a time-limited pool meant to assure that financially stressed hospitals will have enough funding to sustain operations until the Delivery Reform Incentive Payment (DSRIP) funding becomes available early in 2015. The second is a $6.42 billion DSRIP program, which includes money for planning grants, provider incentive payments, and a DSRIP-related workforce transformation strategy. Finally, a $1.08 billion has been allocated for other Medicaid Redesign Team activities, including Health Home support, investments in long term care workforce, and funding for enhanced behavioral health services (1915(i)

services) that will be part of the new Health and Recovery Plans for individuals with serious mental illness.

DSRIP is intended to create a transformation of the health care delivery system. At the end of the 5-year period the state expects a more integrated delivery system, and a change from volume-based payments to value-based payments. DSRIP applications will be due in December 2014, with projects actively ready to start in April 2015. Planning grants will be available. The planning process is meant to bring together all the providers that provide care to Medicaid beneficiaries in a given region to create a Performing Provider System. PPS's are meant to include hospitals, FQHCs, health homes, nursing facilities, home care providers and behavioral health providers. They are also encouraged to include other stakeholders including social service agencies that influence social determinants. Proposals from a single provider will not be considered.

New York's waiver has a significant difference when compared with other DSRIP programs: statewide accountability. NYS must meet state-wide performance goals or it will be subject to funding reductions. Four milestones have been established; the state must meet all four milestones in order to avoid DSRIP reductions.

- Statewide performance on a universal set of delivery system improvement metrics.
- Composite measure of success of projects statewide on project specific and population-wide quality metrics.
- Growth in statewide total Medicaid spending, including MRT spending, that is at or below the target trend rate, and growth in statewide total inpatient and emergency department spending at or below the target trend rate.
- Implementation of the state's managed care contracting plan and movement toward a goal of 90 percent of managed care payments to providers using value-based payment methodologies.

Further, if CMS reduces DSRIP, the state must reduce funds in an equal distribution across all DSRIP projects, despite how well an individual project is performing. This is designed to move New York's managed care program payment system to value-based payment, and fee-for-service will end.

Exchange Enrollment Update. The state health department reported that 933,232 New Yorkers have now enrolled in a health insurance plan through the state's exchange. Of those, 508,016 have signed up for Medicaid and 425,216 have enrolled in a private health insurance plan. They have also posted plan-specific Medicaid enrollment that has come through the Exchange as part of their monthly Medicaid managed care report. Read more.

Visiting Nurse Service of New York to Perform Mass Layoffs of 775 Employees. On April 15, 2014, *Crain's* reported that the Visiting Nurse Service of New York (VNSNY) will cut 775 positions, representing one of the largest health care layoffs in the city that does not involve the closing of a hospital. VNSNY is the largest nonprofit home care agency in the country and has been providing community-based health care for 121 years; but new legislation and regulations for home-care agencies, including the transition from a fee-for-service model to a managed-care model, have significantly increased operation costs and lowered their reimbursements. The first layoff notices will have a July 7 termination date and will affect 224 VNSNY employees. Read more

Pennsylvania

HMA Roundup – Matt Roan

Delaware Health System Suing United Healthcare for Unpaid Claims in PA, NJ, and DE. On April 10, 2014, *AP/The Republic* reported that the Nemours Foundation, which owns Alfred I. Dupont Medical Center in Delaware, and several pediatric practices across the region are suing United Health Plans over claims that United owes Nemours-owned providers more than $4.5 million. The United Plans being sued serve Medicaid and CHIP enrollees in Pennsylvania, New Jersey and Delaware. This suit follows a contracting impasse in Delaware which has resulted in the Dupont Medical Center withdrawing from United's networks in that state, including United's Medicaid health plan. Read more

Poll Shows Pennsylvanians Favor Medicaid Expansion. A poll of likely Pennsylvania voters commissioned by MoveOn.org and conducted by Public Policy Polling found that 59 percent of those polled think that Governor Corbett should accept Medicaid Expansion. The poll also found that the Governor's decision not to expand Medicaid would impact the voting decisions of 63 percent of voters, with 46 percent saying they are less likely to vote for the Governor as a result of his rejection of expansion, and 23 percent who said that they were more likely to re-elect the incumbent Governor. The poll also showed that 56 percent of voters would choose an unnamed Democrat over Corbett, a Republican, while 30 percent said they would vote for Corbett and 11 percent were undecided. Read more

Reduction in Tobacco Settlement Funds not as Severe as Predicted. On April 13, 2014, Pennsylvania Attorney General Kathleen Kane announced that a Philadelphia Judge has overturned the ruling of an arbitration panel which would have drastically reduced the amount of funding the Commonwealth receives from the Tobacco Settlement. According to *CBS Philly*, the Judge's ruling means that Pennsylvania's Tobacco Settlement payout will still be reduced by approximately $60 million, but that figure is much lower than the $180 million in funding decreases that were called for by the arbitration panel. Pennsylvania argued that the panel's decision was flawed, and that it was inconsistent in the way it treated states. The reduction in funding stems from findings that Pennsylvania did not meet certain terms of the settlement including poor enforcement of tobacco laws. Tobacco settlement funds are used for various public health programs including long term care programs. Read more

Pennsylvania Medicaid Expansion Negotiations Ramp Up. On April 13, 2014, the *Associated Press* reported that formal negotiations will soon begin on Governor Tom Corbett's 124-page Medicaid expansion plan submitted in February. Corbett, a strong opponent of the new health care law, wants to use Medicaid funds to subsidize private insurance policies for the poor. But unlike states like Arkansas and Iowa, which received federal approval for similar plans, Pennsylvania's private coverage proposal calls for higher premiums, penalties for late premium payments and a voluntary job search program. Read more

Texas

Texas HHSC Issues STAR Health RFP. On April 16, 2014, Texas' Health and Human Services Commission (HHSC) issued the finalized RFP for the STAR Health program, which provides managed care to the foster care population. HHSC had previously issued a draft RFP for public input in February 2014. One notable change in the finalized RFP is that HHSC clarified its intent to contract with one managed care

organization to serve the STAR Health population statewide. The STAR Health contract is currently held by Superior Health Plan, a subsidiary of Centene. Proposals are due on June 13, 2014, with a contract award date to be determined. Implementation of new contracts is set to launch September 1, 2015, with an initial contract term running through August 31, 2018. RFP documents indicate that during fiscal year 2012, a total of 49,356 children and young adults were eligible for STAR Health at some point during the year. As of October 2013, 31,260 were enrolled in Centene's Superior Health Plan. This discrepancy likely results from the number of individuals cycling out of eligibility due to age or other eligibility criteria. Link to RFP

Texas Medicaid Considers How to Cover Costly Hepatitis Drug. On April 11, 2014, *Reuters* reported that the Texas Health and Human Services Commission is reconsidering whether to impose strict limits on Gilead Science's $84,000 hepatitis C treatment, Sovaldi. The HHS recently released a proposal that would restrict the drug's use to sicker patients who developed advanced liver disease; however the Commission is now considering multiple options proposed by an outside committee of pharmacists and doctors. Deliberations in the state underline the difficulties health officials face in deciding how to cover the highly effective but prohibitively expensive treatment. Read more

Washington

HMA Roundup – Doug Porter

Audit Shows Medicaid Managed Care Costs Need Better Oversight. On April 14, 2014, the *Spokesman-Review* reported on a limited audit of the Health Care Authority's system to monitor overspending in the Washington's Medicaid managed care programs. The state auditor's office has determined that overpayments to providers, billing errors and administrative costs could have raised costs for MCOs, which would have been passed down to the state in the form of higher premium rates in the following year. Read more

Industry Research

NAMD Reports on Priority Issues for Medicaid Directors. On April 14, 2014, the National Association of Medicaid Directors posted a list of high-priority issues currently being discussed by state Medicaid Directors, based in part on a state Medicaid operations survey published in February 2014. Priority issues include:

- Systems issues, both in terms of launching fully functioning systems and working out kinks;
- Preparations for the 2015 open enrollment period for the federal and state-based Marketplaces;
- Improvement of healthcare delivery and payment;
- Ongoing development of Medicaid hospital presumptive eligibility program and best practices in handling provider terminations;
- Developing implementation plans for the ACA's health insurer fee; getting CMS approval for these plans; and
- Establishing clinical protocols and reimbursement strategies for expensive new specialty drugs, like hepatitis C treatment Sovaldi. Read more

Industry News

Skilled Healthcare Group Announces Appointment of COO and CIO. On April 10, 2014, holding company Skilled Healthcare Group, Inc. announced that Paxton L. Wiffler has accepted the position of Chief Operating Officer effective May 7, 2014, and David Goff has accepted the position of Chief Information Officer effective April 14, 2014. Wiffler currently serves as the Senior Vice President of Operations for Genesis Healthcare, while Goff currently serves as CIO for storage networking product supplier Emulex. Read more

Truven Health Analytics Acquires Simpler Consulting. On April 14, 2014, Truven Health Analytics announced the acquisition of Simpler Consulting, the global leader in providing Lean enterprise transformation services. The company states that the acquisition "combines Truven's market-leading cost and quality analytics with Simpler's performance management consulting capabilities to deliver impactful and tangible performance improvement solutions to healthcare, government and commercial customers." Read more

Tufts and Lowell Hospitals Uniting. On April 14, 2014, the *Boston Globe* reported that Tufts Medical Center and Lowell General Hospital have agreed to form a new health care system together in order to offer lower-cost care from southern New Hampshire to the south of Boston. Under a tentative agreement, both hospitals would continue to operate independently under a new parent organization. The two hospitals will also keep their own physician groups. Tufts vice chairwoman Ellen Zane said she hopes the union will help the organization treat patients in the most appropriate settings, which will ultimately save money and increase quality of care. Read more

RFP Calendar

Date	State	Event	Beneficiaries
April 16, 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 12, 2014	Delaware	Contract awards	200,000
June 13, 2014	Texas STAR Health (Foster Care)	Proposals Due	32,000
July 1, 2014	Puerto Rico	Implementation	1,600,000
July 1, 2014	Florida acute care (Regions 10,11)	Implementation	828,490
July 1, 2014	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	South Carolina Duals	Passive enrollment begins	68,000
January 1, 2015	Texas Duals	Implementation	132,000
January 1, 2015	Michigan Duals	Implementation	70,000
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	1/1/2015	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	53,600	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 Upcoming Appearances

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