HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

May 7, 2014

RFP CALENDAR

DUAL ELIGIBLES CALENDAR

HMA NEWS

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THIS WEEK

IN FOCUS

HHS REPORTS ON MEDICAID, EXCHANGE ENROLLMENT

This week, our *In Focus* section reviews end-of-March 2014 enrollment reports issued by the Department of Health and Human Services (HHS) on Medicaid expansion enrollment, from "*Medicaid & CHIP: March 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report,*" and Health Insurance Marketplace (Exchange) enrollment, from "*Health Insurance Marketplace: Summary Enrollment Report For The Initial Annual Open Enrollment Period,*" both issued on May 1, 2014. The Exchange report also includes enrollments completed during the special enrollment periods through April 19, 2014.

Key Takeaways from Enrollment Reports

- Across 49 states reporting Medicaid and CHIP enrollment data through March 31, 2014, more than 64.6 million are enrolled, up 8.2 percent from a Medicaid baseline, based on average Medicaid and CHIP enrollment from July 2013 through September 2013.

- The top five states in terms of percentage growth under the Medicaid expansion are Oregon (43.7 percent), West Virginia (38.5 percent), Vermont (36.9 percent), Kentucky (33.9 percent), and Nevada (31.5 percent).
- The top five states in terms of percentage growth who did not expand Medicaid are Montana (10.1 percent), Idaho (7.5 percent), Florida (7.2 percent), Georgia (5.8 percent), and Kansas (5.7 percent).
- The top five states in terms of total enrollment growth under the Medicaid expansion are California (1.177 million), New York (343,835), Kentucky (285,038), Oregon (273,681), and Washington (252,249), combining for nearly 50 percent of enrollment growth across all states. California alone accounts for nearly 25 percent of enrollment growth across all states.
- As detailed in the table below, Medicaid expansion grew by a significantly higher rate in states that also operated their own Exchange, compared to those that have a partially or fully federally facilitated Exchange (17.9 percent verus 9.5 percent).

	Pre-ACA Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP (Mar 2014)	March 2014 % Change	March 2014 # Change	Selected Exchange QHP
Expanded Medicaid					
State-Based Exchange	22,404,091	26,406,371	*17.9%*	*4,002,280*	2,573,585
Federally Facilitated	11,720,511	12,837,133	*9.5%*	*1,116,622*	1,116,018
Has Not Expanded Medicaid					
Federally Facilitated	24,731,045	25,372,358	*2.6%*	*641,313*	4,330,160

- It was reported that 6.7 million individuals received a Medicaid or CHIP eligibility determination through the federal Exchange. These determinations may lead to a continued growth in Medicaid enrollment in future months.
- Through the special enrollment period, nearly 8.02 million individuals have enrolled in a qualified health plan (QHP) through the Exchanges. Of these, 2.57 million enrolled through a state-based Exchange, with roughly 5.45 million enrolled through a partially or fully federally faciliated Exchange.
- Roughly 34 percent of enrollees who have selected a QHP are under 35 years of age, with 28 percent ages 18 through 34.
- The top five states in terms of Exchange enrollment (those who have selected a QHP) are California (1,405,102), Florida (983,775), Texas (733,757), New York (370,451), and North Carolina (357,584), combining for nearly 50 percent of all Exchange enrollment. California alone accounts for 17.5 percent of all Exchange enrollment.
- The top five states in terms of Exchange enrollment as a percentage of all uninsured individuals with income above 138 percent of the federal poverty level (FPL) are Vermont, Idaho, Maine, Florida, and Michigan. The bottom five states are Alaska, New Mexico, Maryland, Nevada, and West Virginia.

- The top five states in terms of Exchange enrollment as a percentage of total population are Vermont, Florida, Idaho, North Carolina, and California. The bottom five are West Virginia, Iowa, Minnesota, Hawaii, and Massachusetts.

The table below details Medicaid and Exchange enrollment referenced above.

State	Expanded Medicaid	State-Based/ FFM	Pre-ACA Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP (Mar 2014)	March 2014 % Change	March 2014 # Change	Selected Exchange QHP	QHP Rank (Uninsured >138% FPL)	QHP Rank (Total Pop.)	Total New Medicaid + Exchange
US Total			**58,855,647**	**64,615,862**	***8.2%***	***4,822,042***	**8,019,763**			**12,841,805**
Alabama	No	FFM	799,176	774,293	*-3.1%*	*(24,883)*	97,870	8	28	72,987
Alaska	No	FFM	120,946	119,767	*-1.0%*	*(1,179)*	12,890	46	34	11,711
Arizona	Yes	FFM	1,201,770	1,301,010	*8.3%*	*99,240*	120,071	39	35	219,311
Arkansas	Yes	FFM	680,920	805,785	*18.3%*	*124,865*	43,446	42	44	168,311
California	Yes	State-Based	9,157,000	10,334,000	*12.9%*	*1,177,000*	1,405,102	11	5	2,582,102
Colorado	Yes	State-Based	783,420	1,012,944	*29.3%*	*229,524*	125,402	25	18	354,926
Connecticut	Yes	State-Based	NA	704,387	*NA*	*NA*	79,192	6	24	79,192
Delaware	Yes	FFM	NA	233,786	*NA*	*NA*	14,087	31	41	14,087
District of Columbia	Yes	State-Based	235,786	241,243	*2.3%*	*5,457*	10,714	13	37	16,171
Florida	No	FFM	3,086,445	3,309,501	*7.2%*	*223,056*	983,775	4	2	1,206,831
Georgia	No	FFM	1,702,652	1,801,484	*5.8%*	*98,832*	316,543	19	8	415,375
Hawaii	Yes	State-Based	288,358	320,567	*11.2%*	*32,209*	8,592	14	50	40,801
Idaho	No	FFM	251,926	270,943	*7.5%*	*19,017*	76,061	2	3	95,078
Illinois	Yes	FFM	2,753,227	2,791,737	*1.4%*	*38,510*	217,492	34	38	256,002
Indiana	No	FFM	1,120,674	1,165,718	*4.0%*	*45,044*	132,423	26	27	177,467
Iowa	Yes	FFM	493,515	572,375	*16.0%*	*78,860*	29,163	45	48	108,023
Kansas	No	FFM	397,989	420,487	*5.7%*	*22,498*	57,013	27	29	79,511
Kentucky	Yes	State-Based	840,926	1,125,964	*33.9%*	*285,038*	82,747	30	31	367,785
Louisiana	No	FFM	1,019,787	1,011,883	*-0.8%*	*(7,904)*	101,778	32	23	93,874
Maine	No	FFM	NA	NA	*NA*	*NA*	44,258	3	7	44,258
Maryland	Yes	State-Based	856,297	1,092,409	*27.6%*	*236,112*	67,757	48	46	303,869
Massachusetts	Yes	State-Based	1,296,359	1,455,069	*12.2%*	*158,710*	31,695	*No Data*	51	190,405
Michigan	Yes	FFM	1,912,009	1,942,437	*1.6%*	*30,428*	272,539	5	12	302,967
Minnesota	Yes	State-Based	873,040	972,683	*11.4%*	*99,643*	48,495	44	49	148,138
Mississippi	No	FFM	714,055	731,876	*2.5%*	*17,821*	61,494	22	25	79,315
Missouri	No	FFM	863,417	829,585	*-3.9%*	*(33,832)*	152,335	20	15	118,503
Montana	No	FFM	139,604	153,736	*10.1%*	*14,132*	36,584	16	6	50,716
Nebraska	No	FFM	244,600	235,054	*-3.9%*	*(9,546)*	42,975	29	22	33,429
Nevada	Yes	State-Based	332,559	437,218	*31.5%*	*104,659*	45,390	49	39	150,049
New Hampshire	Yes	FFM	127,082	134,699	*6.0%*	*7,617*	40,262	18	9	47,879
New Jersey	Yes	FFM	1,283,851	1,382,091	*7.7%*	*98,240*	161,775	37	32	260,015
New Mexico	Yes	FFM	572,111	632,489	*10.6%*	*60,378*	32,062	47	42	92,440
New York	Yes	State-Based	5,678,418	6,022,253	*6.1%*	*343,835*	370,451	28	30	714,286
North Carolina	No	FFM	1,744,160	1,802,167	*3.3%*	*58,007*	357,584	10	4	415,591
North Dakota	Yes	FFM	NA	NA	*NA*	*NA*	10,597	33	43	10,597
Ohio	Yes	FFM	2,341,482	2,549,762	*8.9%*	*208,280*	154,668	40	45	362,948
Oklahoma	No	FFM	790,051	828,329	*4.8%*	*38,278*	69,221	43	33	107,499
Oregon	Yes	State-Based	626,357	900,038	*43.7%*	*273,681*	68,308	36	36	341,989
Pennsylvania	No	FFM	2,386,046	2,427,034	*1.7%*	*40,988*	318,077	12	17	359,065
Rhode Island	Yes	State-Based	190,833	244,162	*27.9%*	*53,329*	28,485	7	13	81,814
South Carolina	No	FFM	988,349	1,041,993	*5.4%*	*53,644*	118,324	23	16	171,968
South Dakota	No	FFM	115,501	115,711	*0.2%*	*210*	13,104	38	40	13,314
Tennessee	No	FFM	1,244,516	1,298,181	*4.3%*	*53,665*	151,352	17	21	205,017
Texas	No	FFM	4,441,605	4,444,819	*0.1%*	*3,214*	733,757	35	11	736,971
Utah	No	FFM	322,442	332,826	*3.2%*	*10,384*	84,601	21	10	94,985
Vermont	Yes	State-Based	127,162	173,609	*36.5%*	*46,447*	38,048	1	1	84,495
Virginia	No	FFM	1,003,266	1,037,822	*3.4%*	*34,556*	216,356	15	14	250,912
Washington	Yes	State-Based	1,117,576	1,369,825	*22.6%*	*252,249*	163,207	24	20	415,456
West Virginia	Yes	FFM	354,544	490,962	*38.5%*	*136,418*	19,856	50	47	156,274
Wisconsin	No	FFM	1,161,876	1,151,225	*-0.9%*	*(10,651)*	139,815	9	19	129,164
Wyoming	No	FFM	71,962	67,924	*-5.6%*	*(4,038)*	11,970	41	26	7,932

Link to CMS Medicaid Expansion Enrollment Report:
"Medicaid & CHIP: March 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report" (May 1, 2014)

Link to ASPE Health Insurance Marketplace Enrollment Report:
"Health Insurance Marketplace: Summary Enrollment Report For The Initial Annual Open Enrollment Period" (May 1, 2014)

HMA Medicaid Roundup

California

HMA Roundup – Alana Ketchel

California DHCS Releases D-SNP Policy Proposal. On May 1, 2014, the California DHHS Department of Health Care Services (DCHS) released its complete 2015 policy proposal on Medicare Advantage/Dual Eligible Special Needs Plans (D-SNPs). The proposal reflects DHCS's continued respect for beneficiary choice, promotes enrollment into Cal MediConnect, and advances the goals of coordinated care as set forth in the Coordinated Care Initiative (CCI). DCHS will discuss the proposal on an upcoming stakeholder call. Read more

SEIU, California Hospitals Reach Deal on Medi-Cal Fund. On May 6, 2014 the *Wall Street Journal* reported that the Service Employees International Union (SEIU) and the California hospital industry agreed on a three-year deal to provide a $100 million fund for Medi-Cal. The fund will support lobbying lawmakers and educating the public about increasing Medi-Cal payments to hospitals. In exchange for the fund, the SEIU dropped its ballot initiatives to limit hospital charges and place caps on hospital executive compensation. Read more

Price Transparency Bill Advances in Committee. *California Healthline* reported on April 30, 2014 that the Assembly Committee on Health unanimously passed a measure to increase price transparency. The bill would charge the UC system with creating an all-payer claims database, called the California Health Data Organization. This entity would gather pricing data from insurers and health care service plans to provide consumers with better information about what they are being charged. Read more

Backlog of Medi-Cal Applications Persists. On May 1, 2014 the *LA Times* reported that around 900,000 Medi-Cal applicants are still waiting on the state to finalize their applications. A third of the backlog affects residents in LA County. Progress has been stalled by communication glitches between state and county enrollment systems. Some residents with pending applications have reportedly been delaying care to avoid the potential of being billed the full cost of treatment. Read more

Adult Dental Care Now Covered Under Medi-Cal. *Southern California Public Radio* reported that effective May 1, 2014 adults have regained access to dental coverage under Medi-Cal. Medi-Cal will cover the majority of dental work, excepting gum treatments and partial dentures. Adult dental coverage under

Denti-Cal was eliminated five years ago with state budget cuts but the legislature restored most of the benefits last year. Read more

Alameda Alliance to Be Placed Under Conservatorship. On May 6, the Department of Managed Health Care announced that they took possession of Alameda Alliance for Health, a local initiative health plan, due to financial solvency issues. The plan serves more than 200,000 people in Alameda County. The Department appointed Mark Abernathy of Berkeley Research Group as the conservator. Members will continue to receive their services through Alameda Alliance during the conservatorship. Read more

Colorado

HMA Roundup – Joan Henneberry

Rural Mountain Communities to See Rate Relief From Health Insurance Rating Map. On May 2, 2014, *Health News Colorado* reported that Colorado Insurance Commissioner Marguerite Salazar's announcement of a new health insurance rating map that will address significant insurance cost disparities around the state. Salazar will review comments on it before deciding by next Friday which health insurance rating map will apply for 2015. Colorado currently has 11 rating areas across the state: seven in metropolitan areas and another four that group rural counties together. The new plan would group all the western Colorado counties together — except for Mesa County, home to the City of Grand Junction. It would also group together all the counties on the Eastern Plains and in rural parts of southern Colorado. Read more

Kaiser Permanent Plans Expansion in Colorado. On May 2, 2014, the *Denver Post* reported that Kaiser Permanente is exploring how to bring health care services to Colorado mountain communities by 2016, with an initial focus along the Interstate-70 corridor. The health plan will work with the Colorado Permanente Medical Group to consider partnerships with local physicians and hospitals, as well as bringing primary-care based care delivery and enhanced specialty support through Kaiser Permanente medical offices. Most of the Kaiser market is currently concentrated in the Denver Metro region, but in recent years they have expanded to Colorado Springs and Ft. Collins. Read more

Colorado to Study Healthcare Costs. On May 6, 2014, the Colorado Center on Law & Policy reported that the Colorado General Assembly gave final approval to the creation of a commission that will study health care cost drivers in Colorado and recommend solutions for lowering costs. The Colorado Commission on Affordable Health Care will be able to not only identify the principal factors that are driving up health care costs, but also bring evidence-based solutions to the legislature in the future. The idea of the commission was modeled after a recent report, "Cracking the Code on Health Care Costs," was released by the State Health Care Cost Containment Commission at the University of Virginia. The commission will bring together experts from across the health care sectors to analyze principal cost drivers in the state. The bill (SB 187) was supported by health care providers, insurance companies, business interests and consumers. Read more

Connect for Health CO Reviews Quality Rating System for Qualified Health Plans. On May 6, 2014, *KidsWell* reported that the Connect for Health Colorado Board reviewed a presentation on the Quality Rating System (QRS) that will score Qualified Health Plans (QHPs) across several indicators to monitor QHP

performance, inform consumers on QHPs, and inform future QHP certification. The Board also reviewed draft comments and recommendations on the QRS to be finalized and sent to CMS. These draft recommendations include concerns that the large number of indicators would disadvantage smaller plans with lesser enrollment and that the nomenclature associated with the indicators is too technical and confusing. Read more

District of Columbia

D.C. Council Approves One Percent Tax on Health Insurance Premiums. The Washington Post reported on May 7, 2014, that the D.C. Council unanimously approved a plan to apply a one percent tax on all premiums for health plans in the District, not just those sold through the Exchange. The measure will likely face congressional review, but is set to take place immediately to alleviate financial concerns around the Exchange's operation. Insurers have warned that costs will have to be passed on to consumers. Read more

Florida

HMA Roundup – Elaine Peters and Gary Crayton

AHCA Launches Managed Medical Assistance Program. On May 1, 2014, the Florida Agency for Health Care Administration announced the launch of Florida's Managed Medical Assistance (MMA) program. The MMA program is the second and final installment of Florida's new system of Statewide Medicaid Managed Care (SMMC). The first segment covered long-term care services for aged and disabled adults and children and was rolled out statewide on August 1, 2013. Three Medicaid Regions will transition to the MMA program beginning this week; in total, MMA will affect 85 percent of Florida's 3.5 million Medicaid recipients. Read more

Florida Legislature Approves Largest Budget in State's History. On May 3, 2014, the *Miami Herald* reported that the Florida Legislature approved a $77 billion budget on its last day of session. While lawmakers did include updates to nursing accrediting, nursing home lawsuits, and prescription drug monitoring, they did not pass several major health-related bills, including Medicaid expansion, KidCare for children of legal immigrants, or increased autonomy for advanced care nurse practitioners. A full list of healthcare-related bills which passed and failed is provided below. Read more

2014 Legislative Summary. The 60 day legislative session ended May 2, 2014. Although there were many supporters of the Medicaid expansion, it was clear from before the session started that this measure would get little attention. Instead, lawmakers spent a lot of time debating the supply of primary care providers as demand for health services increases.

A number of issues were accomplished from the joint 2014 Work Plan Florida agenda. These included a $500 million tax relief package; supporting the military veterans and their families; strengthening Florida's education system; protecting vulnerable families; and improving government accountability and efficiency. Although many important issues were passed, most of the major health care bills died in the final two days of session (see below highlights).

PASSED Bills

- NURSING EDUCATION (PASSED): Updates accrediting standards for nursing programs and revises treatment of programs on probation. (SB 1036)
- PRESCRIPTION DRUG MONITORING (PASSED): New requirements for law enforcement wishing to access the state's Prescription Drug Monitoring Program in the wake of concerns about patient privacy. (HB 7177)
- NURSING HOME LAWSUITS (PASSED): Shields investors in nursing home companies from lawsuits alleging abuse or negligence and makes it harder to sue nursing homes for punitive damages. Also, makes it easier to revoke the license of a nursing home for failing to pay a judgment and requires the nursing home to provide the required records to a patient's attorney.
- CHILD PROTECTION (PASSED): Increases transparency and accountability at the Department of Children and Families and at privatized community-based care agencies. (SB 1666)

FAILED Bills

- MEDICAID EXPANSION (FAILED): Provides health insurance to poor Floridians using federal Medicaid expansion dollars under the Affordable Care Act. (HB 869/SB 710)
- KIDCARE (FAILED): Enables immigrants who came to the United States legally to receive subsidized health insurance for their children without having to wait five years. (HB 7/SB 282)
- TRAUMA CENTERS (FAILED): Protects three disputed centers from legal action while limiting trauma access fees and placing one-year moratorium on new centers. (HB 7105/SB 1276)
- ASSISTED LIVING FACILITIES (FAILED): Tightens ALF oversight, standardizes fines and sets up rating system for homes. Requires special license if one or more residents have mental health issues. (HB 573/SB 248)
- TELEMEDICINE (FAILED): Requires insurance companies to reimburse health care providers for virtual health care services. (HB 751/SB 1646)
- NURSE PRACTITIONERS (FAILED): Allows highly trained nurses to prescribe controlled substances, sign death certificates, authorize involuntary mental health holds and practice independently. (HB 7071/SB 1352)
- DENTAL PLAN (FAILED): Creates a statewide Medicaid prepaid dental health program. (HB 27/SB 340)
- MEDICAL TOURISM (FAILED): Directs state agencies to create a marketing plan to promote Florida's health care industry to potential patients around the world. (HB 1223/SB 1150)
- NEEDLE EXCHANGE (FAILED): Allows for creation of a needle exchange pilot program in Miami-Dade County. (HB 491/SB 408) Read more

Legislature Passes Bill to Overhaul Child Protection Department. On May 2, 2014, *Naked Politics*/the *Miami Herald* reported that Florida legislators have approved a bill that requires the Department of Children and Families to take greater care when handling abuse and neglect cases and increase transparency and oversight. The Department has been linked to the deaths of 477 children

over the past six years; the goal of SB 1666 is to increase the accountability of the department and its commitment to child safety. The bill requires that the Department provide on its website a list of children who die from abuse or neglect when under the Department's care. The bill also requires oversight of the agency's review of child deaths, as well as several more key provisions. Read more

Pediatricians Raise Concerns Over Poorly Coordinated Transition of Care for Special Needs Youth. On April 30, 2014, the *Florida Times-Union* reported that the states privatization of the Children's Medical Services (CMS) program has raised concerns over what will happen to young special needs patients. A 2011 Medicaid reform law requires that the 70,000 patients in CMS move from the fee-for-service system into managed care prepaid health plans by August 1, 2014. But pediatricians say that families are not being adequately informed about the timeline of this transition. As a result, some of these families are accidentally removing their children from the CMS roles, thus jeopardizing the continuity of care for special needs children. Read more

Georgia

HMA Roundup – Mark Trail

Governor Deal Approves Bills That Effectively Limit the Chances of Medicaid Expansion in Georgia. On April 29, 2014, the *Atlanta Journal Constitution* reported that Governor Nathan Deal signed House Bill 990, which takes the power to expand Medicaid away from the governor and gives it to the General Assembly. The bill ensures that even if a Democrat were elected governor, he or she could not expand Medicaid without legislative approval, which would be unlikely in a Republican-controlled Legislature. Deal and other top Republican officials have argued that the state cannot afford Medicaid expansion. Deal also signed House Bill 943, which prohibits state or local governments from advocating for Medicaid expansion or from creating a state-run health insurance exchange. While these bills all but kill the likelihood for Medicaid expansion in the state, Governor Deal has not explained how or if he will provide health coverage for Georgia's uninsured. Read more

Illinois

HMA Roundup – Andrew Fairgrieve

Blue Cross Blue Shield of Illinois Potentially Received more than 90 Percent of Exchange Enrollees. Health Care Service Corporation, the parent company of Blue Cross Blue Shield of Illinois reported last week that the company enrolled approximately 200,000 individuals through the state's Exchange, according to *Crain's Business Chicago*. HHS' Exchange enrollment report indicates that nearly 218,000 individuals have enrolled in a qualified health plan through the Exchange in Illinois. Additionally, *Crain's* reported that the Illinois Exchange's CO-OP plan, Land of Lincoln Health, enrolled just 3,600. Read more

April Managed Care Enrollment Reported for ICP Chicago Expansion, Duals Demonstration. Illinois' Department of Healthcare and Family Services (HFS) has posted April 2014 enrollment numbers for the non-dual eligible, aged, blind, and disabled Medicaid managed care program, known as the Integrated Care Program (ICP), as it expands into the City of Chicago. Enrollment in Chicago

MCOs for April 2014 exceeds 8,300, up nearly 6,000 from March 2014 numbers. Three out of seven health plans account for more than 80 percent of enrollment so far: Aetna Better Health, Centene's IlliniCare, and the Community Care Alliance of Illinois. The City of Chicago expansion is anticipated to add 69,000 enrollees to the ICP program. Across all five regions, ICP enrollment is up to nearly 70,000, roughly doubled from April 2013.

Additionally, HFS provided an update on enrollment for the state's dual eligible financial alignment demonstration, known as the Medicare-Medicaid Alignment Initiative (MMAI). So far, 455 duals have voluntarily enrolled in the program. Passive enrollment is set to begin on June 1, 2014.

Kansas

KanCare MCOs Seek Profit in Second Year of Contract. On May 3, 2014, the *Topeka Capital-Journal* reported that executives for managed-care companies hired by Governor Sam Brownback's administration to run Medicaid are optimistic they can turn a profit in the second year of their contract. The three firms that run the state's Medicaid program, KanCare, lost a cumulative $110 million in the first year of their three-year contract. But executives stated that it often takes more than one year to realize profits on new initiatives, because of pent up demand and other variables faced in the first year. The MCOs' poor financial results have caused debate in the state Legislature over whether the Medicaid managed-care program is viable in the long run. Read more

Massachusetts

Massachusetts Scraps Problematic Exchange Website, Prepares for Second Open Enrollment Period. On May 6, 2014, *The New York Times* reported that Massachusetts will cease attempts to fix its flawed health insurance exchange and instead buy new software to help its residents enroll in coverage. The state will also prepare to join the federal exchange by the next enrollment period, should the new system not be up and running in time. Health insurance executive Sarah Iselin, who has served as special assistant to Governor Deval Patrick during the website repair attempt, estimates that the new "dual-track" plan will cost a little over $100 million through 2015. Iselin said the state will decide "which is the most viable path" by midsummer. Read more

Michigan

Ascension Health, CHE Trinity Announce Integrated Network, Will Offer Exchange Products. On May 7, 2014, Ascension Health and CHE Trinity announced that they will form an integrated network, to be called Together Health Network, in Michigan. Together Health Network will encompass 27 hospitals, more than 12 physician groups, and 5,000 physicians in Michigan, and intends to offer qualified health plans on Michigan's federally run Exchange in 2015. Read more

Missouri

WellCare Appoints State President Of Missouri. WellCare announced on May 7, 2014, that it has named Barbara A. Witte state president of Missouri, effective April 28, 2014. According to a press release, Witte will lead WellCare's Medicare Advantage business, its subsidiary, Missouri Care's Medicaid business and growth initiatives in the state. Prior to joining WellCare, Witte worked as a consultant specializing in operational efficiencies. Before that, she held several leadership roles for Coventry Health Care, most recently as a vice president of Medicaid business development. Read more

New York

HMA Roundup – Denise Soffel

Behavioral Health Reform. New York State released the Request for Qualification regarding "Behavioral Health Administration: Managed Care Organizations and Health and Recovery Plans". Applications for Managed Care Organizations serving New York City are due by June 6, 2014. RFQ applications for Managed Care Organizations serving the rest of the state will be due approximately six months later. The Office of Mental Health and the Office of Alcohol and Substance Use Services held an applicant's conference for Medicaid managed care plans that are responding to the state's RFQ. All Medicaid managed care plans will be required to submit applications to New York State demonstrating that they have the organizational capacity and culture to ensure the delivery of effective behavioral health care and facilitate system transformation. These applications will be reviewed against new behavioral health specific administrative, performance, and fiscal standards. In addition, plans can choose to apply to operate a Health and Recovery Plan (HARP), a new Medicaid managed care product for individuals with serious mental illness. The meeting began with a brief overview of the experience of the behavioral health organizations that operated during 2012-13. The state then presented information on rates for HARPs, noting that they had separated individuals eligible to join an HIV SNP-operated HARP from other plans. The rate for HIV HARPs is $5,649 while the rate for the mainstream HARPs is $2,517. Most of the difference between the rates is driven by pharmacy expenses. HIV HARPs are limited to individuals who are HIV+ and meet the HARP diagnosis and utilization eligibility requirements.

New information was presented on the enrollment process. A HARP-eligible member can choose to enroll in a HARP at any time. They will not have a lock-in. The state will do quarterly data runs to identify HARP-eligible individuals. If a beneficiary is in a plan that has a HARP they will be passively enrolled in that HARP. They will receive a letter from Maximus, the state's enrollment broker, informing them they have been enrolled and have the right to go back to the mainstream plan or choose a different HARP if they want. If the individual is in a plan that does not operate a HARP, Maximus will reach out and inform them of their eligibility and that they have the option of enrolling. If a plan identifies a potential HARP member, Maximus must conduct an assessment to determine HARP eligibility. The plan will not have a role in determining eligibility. The state does not yet have a mechanism for determining someone is no longer HARP-eligible. They recognize that behavioral health is a chronic condition, and

services for managing that condition should be maintained. They will revisit the "back door policy" after they have had at least a year's experience.

The presentation included responses to a number of questions that had been submitted to the state. The Q and A document can be found on the MRT Behavioral Health Transition web page. They also announced that they have no intention of doing a second round of applications for becoming a HARP.

DSRIP Update. New materials related to the Delivery System Reform Incentive Payment (DSRIP) program are now available on the DSRIP web page. The state has posted a draft application for the Interim Access Assurance Fund. The Department of Health will award short-term IAAF funds to stabilize the financial position of safety net hospitals threatened by severe fiscal distress and assist them in transforming operations to integrated Performing Provider Systems that will achieve the goals of and be supported by DSRIP. The funds are meant to allow financially distressed hospitals to continue operation until DSRIP funding becomes available in April 2015. A total of $500 million is available, $250 million for safety net hospitals and $250 million for the states five large public hospitals/hospital systems. The state is soliciting comments on the draft application through May 14; actual applications for funding are due on May 30.

New York has also posted the project design grant application, which will award funds to potential Performing Provider Systems to aid them in developing their DSRIP projects. The state expects to award grants of around $500,000 to hospitals and other organizations that are embarking on the planning process that will result in a DSRIP application.

Finally, a Project Toolkit has been posted. The DSRIP Project Toolkit was created to help Performing Provider Systems understand the core components of each DSRIP project. The toolkit includes detailed descriptions of each project, including the state's rationale for selecting each project. New York is seeking comment on the DSRIP Project Toolkit through May 28, 2014. Comments may be sent to dsrip@health.state.ny.us.

North Dakota

North Dakota BCBS CEO Stepping Down. On May 5, 2014, *AP*/the *Daily Journal* reported that Blue Cross Blue Shield of North Dakota president and CEO Paul von Ebers is stepping down, days after the insurer reported nearly $80 million in financial losses in 2013. Most of the company's financial losses came from its subsidiary, Noridian Healthcare Solutions, which lost $51 million developing a health exchange marketplace for Maryland. The company reported that Chief Operating Officer Tim Huckle will serve as interim president and CEO. Read more

Pennsylvania

April Revenue Collections Fall Short of Projections. On May 5, 2014, the *Scranton Times-Tribune* reported on a report released by the Department of Revenue which might affect passage of the FY 2014-2015 budget by the June 30 deadline. April collections fell $506 million short of projections, and estimates show that a shortfall of nearly $1 billion may exist by the end of the current fiscal year. Collections of the personal income tax and corporate income tax were down, causing some in the state capital to predict major changes to the

Governor's proposed budget. Legislators are taking a new look at increased spending in the Governor's proposed plan, and re-examining revenue sources including a severance tax on natural gas drilling and accepting full Medicaid expansion, which is projected to bring in more federal funding than the Governor's proposed approach under his Healthy PA initiative. Read more

Pennsylvania Health Insurance Marketplace Enrollment Among Young Higher than the National Average. On May 3, 2014, the Pittsburgh Tribune-Review reported that 30 percent of the 318,000 Pennsylvanians who signed up for health insurance through the Federally Facilitated Marketplace were under 34 years old, according the a report issued by the Obama administration last week. As compared to the national average of 28 percent, younger Pennsylvanians signed up in greater numbers. The overall enrollment figure also beat projections by 54 percent. Community groups promoting health insurance enrollment reported a surge of enrollments as the first open enrollment period came to a close in March. The high enrollment numbers were encouraging to supporters of the law, especially as State officials have largely been hostile towards implementation of the ACA. Enrollment of a younger, generally more healthy population is vital to ensuring that the ACA stays within its financial projections. The White House had projected that approximately 40 percent of new enrollees should be under 34 years old to balance the risk pool and avoid higher premiums down the road. Read more

Texas

Texas DADS Releases RFP for Care Management Program Vendor. On May 1, 2014, the Texas Department of Aging and Disability Services (DADS) released an RFP for a vendor to assist in the development and implementation of a Care Management Program for residents in intermediate care facilities and individuals with intellectual disabilities (ICF/IID). Read more

Washington

Four More Insurers Want to Join State Health Exchange. On May 4, 2014, the *Seattle Times* reported that more insurance carriers have shown interest in selling individual health insurance plans in Washington's online exchange. The potential new entrants, all for-profits, include Moda Health Plan (Oregon), Columbia United Providers (Washington), Health Alliance Northwest Health Plan (Illinois), and UnitedHealthcare (Washington). Proposed rates for 2015 will be available to the public on May 10. There are currently eight insurance companies participating in the state's exchange. Ten of the current or potential entrants also want to offer plans outside the exchange next year. Read more

National

Insurers Say 80 Percent of Exchange Enrollees Have Paid Premium. *The New York Times* reported on May 7, 2014, that health insurers are reporting that approximately 80 percent of Exchange enrollees have paid their premium. However, insurers are cautioning that the HHS reported Exchange enrollment of more than 8 million could include duplicate enrollments. Read more

HHS's Michael Hash to Retire. On May 5, 2014, the *Modern Healthcare* reported that top HHS official Michael Hash will be retiring. Hash headed the Office of Health Reform, which was in charge of overseeing implementation of the Affordable Care Act. Hash has worked for the Obama administration since 2009, both inside HHS and at the White House. Read more

Gallup Poll Report: U.S. Uninsured Rate Drops to 13.4 percent. According to a Gallup Poll Report released May 5, 2014, the uninsured rate for adults in the United States dropped to 13.4 percent, down from 15 percent in March, and the lowest rate since Gallup began tracking in 2008. According to Gallup, the uninsured rate fell across all demographic categories, but the largest declines in rates of uninsured were amongst blacks, Hispanics, and low-income Americans. Read more

Industry News

WellPoint Reports Surge in Young Enrollees in Q1 2014, Softens Forecast for 2015 Rate Hikes. On April 30, 2014, the *Washington Post* reported several key takeaways from insurer WellPoint's first quarter financial results conference call held earlier this week. While WellPoint executive Ken Goulet told analysts previously that the company was expecting to raise premiums by double-digits for 2015 plans, officials on the conference call reported that the surge of young enrollment during the last few weeks of open enrollment would likely reduce those assessments. The company also reported that so far, about 90 percent of members who signed up have paid their premiums. Read more

Aetna Reports Q1 2014 Results. On April 24, 2014, Aetna reported its Q1 2014 financial results in a live conference call. Medical membership increased in the first quarter to 22.7 million, an increase of 529,000 members. CEO Mark Bertolini attributed the membership growth to gains in the commercial and government sectors, including a new contract win with the Teacher Retirement System of Texas and the company's recently completed InterGlobal acquisition. The company reported a first-quarter operating revenue of $14.0 billion, a 47 percent increase over the corresponding quarter in 2013. Read more

Molina Healthcare Reports Q1 2014 Results. On May 1, 2014, Molina Healthcare reported its first quarter 2014 financial results in a live conference call. Aggregate membership grew by 11 percent since Q4 2013; this growth included 133,000 new Medicaid Expansion lives. Molina has also enrolled 9,000 fully-integrated duals from California, Illinois, and Ohio. The company reported premium revenue growth of 21 percent, or $350 million, from last quarter, driven primarily by Medicaid expansion in California, New Mexico, and Washington, a new startup health plan in South Carolina, and expanded member benefits in New Mexico and Florida. The company also attributed its high effective tax rate this quarter to the non-deductibility of the ACA health insurer fee. Read more

WellCare Health Plans Reports Q1 2014 Results. On May 6, 2014, WellCare Health Plans reported its Q1 2014 financial results in a live conference call. Net income for the first quarter was $44.1 million, up from $21.5 million in Q1 2013. The company served 3.5 million members, an increase of 31 percent from Q1 2013. The membership increase includes 60,000 new Medicaid beneficiaries that enrolled through Medicaid expansion. Premium membership this quarter was $2.9 billion, up 32 percent from the first quarter of 2013. Medical benefits expense in the first quarter increased to $2.6 billion driven by higher medical benefits, representing a 32 percent increase from the first quarter of 2013. Read more

Humana Reports Q1 2014 Results. On May 7, 2014, Humana reported its first quarter 2014 financial results. Humana reports Medicaid enrollment of 129,000 as of March 31, 2014, up nearly 77 percent from the prior year and up 44,100 covered lives since December 31, 2013. Additionally, Humana reported roughly 700,000 enrollment applications for the company's health insurance Exchange offerings throughout the full enrollment period. Total Exchange enrollees are not reported. In its press release, Humana notes that earnings were offset by higher than expected specialty drug costs for treatment of Hepatitis C, additional planned investments in clinical initiatives and lower investment spending and startup expenses for the company's health care exchange business. Read more

Tenet Healthcare Reports Q1 2014 Results. On May 5, 2014, Tenet Healthcare reported its first quarter 2014 financial results in a live conference call. Net patient revenue per adjusted admission on a same-hospital basis grew 3.8 percent. The company reported a first quarter loss of $32 million, down from $85 million in Q1 2013. Excluding items such as write-downs, restructuring charges, acquisition-related costs, and adjusted earnings from continuing operations were 12 cents. Revenue increased 65 percent to $3.93 billion compared to Q1 2013. Read more

Community Health Systems Reports Q1 2014 Earnings. On May 6, 2014, Community Health Systems reported its first quarter 2014 financial results, with $4.195 billion in net operating revenues through March 2014. Wayne T. Smith, chairman and CEO of Community Health Systems, reported lower results due to severe weather and lower flue volumes, but indicated that the company is seeing positive trends from the Affordable Care Act implementation. Read more

RFP Calendar

Date	State	Event	Beneficiaries
TBD	Puerto Rico	Contract Awards	1,600,000
May 15, 2014	Texas NorthSTAR (Behavioral)	Proposals Due	840,000
Late May, 2014	Indiana ABD	RFP Release	50,000
June 1, 2014	Illinois Duals	Passive enrollment begins	111,000
June 1, 2014	Florida acute care (Regions 5,6,8)	Implementation	811,370
June 6, 2014	New York Behavioral (NYC)	Proposals Due	NA
June 12, 2014	Delaware	Contract awards	200,000
June 13, 2014	Texas STAR Health (Foster Care)	Proposals Due	32,000
June, 2014	Washington Foster Care	RFP Release	23,000
July 1, 2014	Puerto Rico	Implementation	1,600,000
July 1, 2014	Florida acute care (Regions 10,11)	Implementation	828,490
July 7,2014	Rhode Island (Duals)	Proposals due	28,000
July 16, 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	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
January 1, 2015	New York Behavioral (NYC)	Implementation	NA
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	5/1/2014 7/1/2014 1/1/2015	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	1/1/2015	4/1/2015	AmeriHealth Michigan; Coventry; Fidelis SecureCare; Meridian Health Plan; Midwest Health Plan; Molina Healthcare; UnitedHealthcare; Upper Peninsula Health Plan
Missouri		6,380	Not pursuing Financial Alignment Model						
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		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	3/1/2014	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.*

[1] Capitated duals integration model for health homes population.

HMA News

HMA's Accountable Care Institute Releases New Paper: *"The Critical Role of Public Health Departments in Health Care Delivery System Reform"*

This paper presents a variety of models for greater involvement of health departments in system-wide reforms at the community level. Its goal is to connect local and state public health officials with the leadership of hospitals, physicians, and other providers, and public and private payers in an effort to improve the health of individuals and to reduce avoidable health care spending. To access this paper, please click here. To access the full ACI Toolkit, please click here.

HMA Webinar Replay: *"Lessons Learned from ACA Early Implementation: Exchanges, Medicaid Expansion and System Transformation"*

On April 30, 2014, HMA leveraged the vast expertise of our national consulting team to explore the early takeaways from ACA implementation and offer insights about what we can expect to see as implementation continues. The HMA Expert Roundtable "Lessons Learned from ACA Early Implementation: Exchanges, Medicaid Expansion and System Transformation" featured:

- Vern Smith, Managing Principal – Lansing, Michigan
- Barbara Markham Smith, Principal – Washington, D.C.
- Kathy Gifford, Managing Principal – Indianapolis, Indiana
- Dr. Art Jones, MD, Principal – Chicago, Illinois

Link to Webinar Replay/Slides: HMA Webinar Replay - April 30, 2014

HMA Webinar Replay: *"Becoming a Medicare ACO"*

On April 29, 2014, HMA's Accountable Care institute (ACI) presented "Becoming a Medicare ACO," the first in a three-part webinar series. HMA provided background information about the Medicare shared savings program and reviewed the Medicare ACO application process. HMA's "Becoming a Medicare ACO" featured:

- Lyne Fagnani, Principal – Washington, D.C.
- Denise Soffel, Principal – New York, New York
- Dr. Art Jones, MD, Principal – Chicago, Illinois

Link to Webinar Replay/Slides: HMA Webinar Replay - April 29, 2014

Health Management Associates (HMA) is an independent health care research and consulting firm, specializing in the fields of health system restructuring, health care program development, health economics and finance, program evaluation, and data analysis. HMA is widely regarded as a leader in providing technical and analytical services to health care purchasers, payers, and providers, with a special concentration on those who address the needs of the medically indigent and underserved. Founded in 1985, Health Management Associates has offices in Atlanta, Georgia; Austin, Texas; Boston, Massachusetts; Chicago, Illinois; Denver, Colorado; Harrisburg, Pennsylvania; Indianapolis, Indiana; Lansing, Michigan; New York, New York; Olympia, Washington; Sacramento, San Francisco, and Southern California; Tallahassee, Florida; and Washington, DC. http://healthmanagement.com/about-us/

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