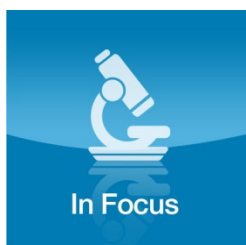


HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

..... May 16, 2018



In Focus



HMA Roundup



Industry News

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THIS WEEK

- **IN FOCUS: MEDICAID AND EXCHANGE ENROLLMENT UPDATE - 2017-18**
- CMS APPROVES MARYLAND ALL-PAYER MODEL
- CONNECTICUT BUDGET REVERSES MEDICAID CUTS
- FIDELIS CARE FILES PETITION WITH NEW YORK ATTORNEY GENERAL
- ALASKA MEDICAID BACKLOG STALLS PROVIDER PAYMENTS
- VERMONT VOLUNTARY ALL-PAYER ACO ENROLLMENT HITS 112,000
- TRUMP ADMINISTRATION ANNOUNCES PLAN TO LOWER DRUG PRICES
- **UPCOMING WEBINAR: ELECTRONIC VISIT VERIFICATION FOR PERSONAL CARE SERVICES, HOME HEALTH: UNDERSTANDING AND IMPLEMENTING NEW CURES ACT REQUIREMENTS. MAY 24, 1-2 EDT**
- **NEW THIS WEEK ON HEALTH MANAGEMENT INFORMATION SERVICES (HMAIS)**

IN FOCUS

MEDICAID AND EXCHANGE ENROLLMENT UPDATE - 2017-18

This week, our *In Focus* section reviews updated reports issued by the Department of Health & Human Services (HHS) Centers for Medicare & Medicaid Services (CMS) on Medicaid expansion enrollment from the “December 2017 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report,” published on April 30, 2018. Additionally, we review 2018 Exchange enrollment data from the “Health Insurance Marketplaces 2018 Open Enrollment Period: Final State-Level Public Use File,” published by CMS on April 3, 2018. Combined, these reports present a picture of Medicaid and Exchange enrollment at the beginning of 2018, representing more than 74 million Medicaid and CHIP enrollees and nearly 12 million Exchange enrollees.

KEY TAKEAWAYS FROM MEDICAID ENROLLMENT REPORT

- Across all 50 states and DC, Medicaid and CHIP enrolled more than 74.4 million individuals as of December 2017.
- Medicaid and CHIP enrollment was flat since December 2016.
- From December 2016 to December 2017, three states saw double-digit percentage growth in Medicaid and CHIP - Alaska (15.5 percent); Montana (11.5 percent); and North Dakota (11.1 percent).
- During 2017, five states (Alabama, Hawaii, Massachusetts, North Carolina, and Texas) saw enrollment growth between 0 percent and 1 percent. Meanwhile, 25 states (Arizona, Arkansas, Colorado, DC, Florida, Idaho, Illinois, Indiana, Kansas, Maine, Mississippi, Missouri, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming) saw enrollment decline across Medicaid and CHIP.
- Medicaid and CHIP enrollment is up nearly 16.6 million (28.6 percent) from the “Pre-Open Enrollment” period, defined as July 2013 through September 2013.
- The top five states in percentage growth of Medicaid and CHIP enrollment since the Pre-Open Enrollment period are Kentucky (109.8 percent), Nevada (92 percent), Montana (82.1 percent), Colorado (73.3 percent), Rhode Island (63.9 percent).
- The top five states in percentage growth of Medicaid and CHIP enrollment since the Pre-Open Enrollment period among states that did not expand Medicaid are North Carolina (28 percent), Idaho (24.1 percent), Tennessee (23.7 percent), Florida (16.3 percent), and Georgia (15.3 percent).
- The top five states in total enrollment growth of Medicaid and CHIP are California (4.34 million), New York (793,678), Ohio (715,463), Washington (657,751), and Florida (602,574).

Table 1 - Overall U.S. Medicaid/CHIP Enrollment Growth - Pre-Open Enrollment Monthly Average through December 2017

	Number of States	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (Dec-17)	Dec-17 % Change	Dec-17 # Change
Expanded Medicaid	32	37,867,811	51,973,748	37.3%	14,105,937
Have Not Expanded	19	20,000,576	22,459,122	12.3%	2,458,546
Total - All States		57,868,387	74,432,870	28.6%	16,564,483

KEY TAKEAWAYS FROM 2017 EXCHANGE ENROLLMENT REPORT

- Final Exchange enrollments for the 2018 plan year, published in April 2018, showed Qualified Health Plan (QHP) plan selections of nearly 11.8 million across all 50 states and DC.
- 2018 QHP selections are down nearly 466,000 from 2017 QHP selections, a decline of 3.8 percent across all 50 states and DC.
- From 2017 to 2018, only one state saw double-digit percentage growth in QHP selections - Rhode Island (12.1 percent), a State-Based Marketplace (SBM).
- A total of 18 states saw declines in QHP selections between 0 percent and negative 5 percent. Another 15 states saw declines of negative 5 percent to negative 10 percent. A total of four states saw double-digit percentage declines in QHP selections from 2017 to 2018.
- Overall, the 13 states with SBMs saw no growth from 2017 to 2018, while all other Exchange/Marketplace administration models saw declines in enrollment.

Table 2 - Overall U.S. Exchange QHP Selection Growth - 2017 through 2018

Marketplace Model (as of 2018)	Number of States	Selected Exchange QHP (2017)	Selected Exchange QHP (2018)	QHP % Change	QHP # Change
State-Based Marketplace (SBM)	13	3,095,353	3,096,102	0.0%	749
State-Based Marketplace - Federal Platform (SBM-FP)	4	318,082	316,699	-0.4%	(1,383)
Federally Facilitated Marketplace (FFM)	21	7,132,705	6,746,030	-5.4%	(386,675)
Partnership Marketplace	7	914,484	851,718	-6.9%	(62,766)
Plan Management	6	755,379	739,626	-2.1%	(15,753)
Total		12,216,003	11,750,175	-3.8%	(465,828)

The table on the following page (Table 3) provides state-level data on Medicaid and Exchange enrollment.

MEDICAID AND EXCHANGE ENROLLMENT DATA SOURCES

Link to CMS Medicaid Expansion Enrollment Report:

"December 2017 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report" (April 30, 2018)

Link to CMS Marketplace Open Enrollment Period Public Use Files:

"2018 Marketplace Open Enrollment Period Public Use Files" (April 3, 2018)

Table 3 – Medicaid/CHIP Enrollment Growth Across All States (December 2017) and Final 2018 Exchange Enrollment (April 2018)

State	Expanded Medicaid	Exchange Model	Pre-Open Enrollment Monthly Avg. (Jul-13-Sep-13)	Medicaid/CHIP Enrollment (Dec-17)	Dec-17 % Change	Dec-17 # Change	Selected Exchange QHP (2017)	Selected Exchange QHP (2018)	QHP % Change	QHP # Change
US Total			57,868,387	74,432,870	28.6%	16,564,483	12,216,003	11,750,175	-3.8%	(465,828)
Alabama	No	FFM	799,176	889,658	11.3%	90,482	178,414	170,211	-4.6%	(8,203)
Alaska	Yes	FFM	122,334	200,185	63.6%	77,851	19,145	18,313	-4.3%	(832)
Arizona	Yes	FFM	1,201,770	1,716,236	42.8%	514,466	196,291	165,758	-15.6%	(30,533)
Arkansas	Yes	Partnership	556,851	902,279	62.0%	345,428	70,404	68,100	-3.3%	(2,304)
California	Yes	SBM	7,755,381	12,096,392	56.0%	4,341,011	1,556,676	1,521,524	-2.3%	(35,152)
Colorado	Yes	SBM	783,420	1,357,645	73.3%	574,225	161,568	161,764	0.1%	196
Connecticut	Yes	SBM	618,700	836,906	35.3%	218,206	111,542	114,134	2.3%	2,592
Delaware	Yes	Partnership	223,324	247,948	11.0%	24,624	27,584	24,500	-11.2%	(3,084)
District of Columbia	Yes	SBM	235,786	264,016	12.0%	28,230	21,248	19,289	-9.2%	(1,959)
Florida	No	FFM	3,695,306	4,297,880	16.3%	602,574	1,760,025	1,715,227	-2.5%	(44,798)
Georgia	No	FFM	1,535,090	1,769,234	15.3%	234,144	493,880	480,912	-2.6%	(12,968)
Hawaii	Yes	SBM-FP	288,357	346,587	20.2%	58,230	18,938	19,799	4.5%	861
Idaho	No	SBM	238,150	295,591	24.1%	57,441	100,082	94,507	-5.6%	(5,575)
Illinois	Yes	Partnership	2,626,943	3,042,715	15.8%	415,772	356,403	334,979	-6.0%	(21,424)
Indiana	Yes	FFM	1,120,674	1,465,662	30.8%	344,988	174,611	166,711	-4.5%	(7,900)
Iowa	Yes	Partnership	493,515	659,064	33.5%	165,549	51,573	53,217	3.2%	1,644
Kansas	No	Plan Management	378,160	389,441	3.0%	11,281	98,780	98,238	-0.5%	(542)
Kentucky	Yes	SBM	606,805	1,272,976	109.8%	666,171	81,155	89,569	10.4%	8,414
Louisiana	Yes	FFM	1,019,787	1,455,541	42.7%	435,754	143,577	109,855	-23.5%	(33,722)
Maine	No	Plan Management	266,900	261,163	-2.1%	(5,737)	79,407	75,809	-4.5%	(3,598)
Maryland	Yes	SBM	856,297	1,305,442	52.5%	449,145	157,832	153,584	-2.7%	(4,248)
Massachusetts	Yes	SBM	1,296,359	1,668,763	28.7%	372,404	266,664	267,260	0.2%	596
Michigan	Yes	Partnership	1,912,009	2,338,919	22.3%	426,910	321,451	293,940	-8.6%	(27,511)
Minnesota	Yes	SBM	873,040	1,060,478	21.5%	187,438	109,974	116,358	5.8%	6,384
Mississippi	No	FFM/SBM-SHOP	637,229	663,645	4.1%	26,416	88,483	83,649	-5.5%	(4,834)
Missouri	No	FFM	846,084	957,642	13.2%	111,558	244,382	243,382	-0.4%	(1,000)
Montana	Yes	Plan Management	148,974	271,283	82.1%	122,309	52,473	47,699	-9.1%	(4,774)
Nebraska	No	Plan Management	244,600	242,321	-0.9%	(2,279)	84,371	88,213	4.6%	3,842
Nevada	Yes	SBM-FP	332,560	638,420	92.0%	305,860	89,061	91,003	2.2%	1,942
New Hampshire	Yes	Partnership	127,082	189,811	49.4%	62,729	53,024	49,573	-6.5%	(3,451)
New Jersey	Yes	FFM	1,283,851	1,745,461	36.0%	461,610	295,067	274,782	-6.9%	(20,285)
New Mexico	Yes	SBM-FP	457,678	743,780	62.5%	286,102	54,653	49,792	-8.9%	(4,861)
New York	Yes	SBM	5,678,417	6,472,095	14.0%	793,678	242,880	253,102	4.2%	10,222
North Carolina	No	FFM	1,595,952	2,043,322	28.0%	447,370	549,158	519,803	-5.3%	(29,355)
North Dakota	Yes	FFM	69,980	93,983	34.3%	24,003	21,982	22,486	2.3%	504
Ohio	Yes	FFM	2,341,481	2,845,785	21.5%	504,304	238,843	230,127	-3.6%	(8,716)
Oklahoma	No	FFM	790,051	780,488	-1.2%	(9,563)	146,286	140,184	-4.2%	(6,102)
Oregon	Yes	SBM-FP	626,356	964,704	54.0%	338,348	155,430	156,105	0.4%	675
Pennsylvania	Yes	FFM	2,386,046	2,970,369	24.5%	584,323	426,059	389,081	-8.7%	(36,978)
Rhode Island	Yes	SBM	190,833	312,705	63.9%	121,872	29,456	33,021	12.1%	3,565
South Carolina	No	FFM	889,744	1,009,409	13.4%	119,665	230,211	215,983	-6.2%	(14,228)
South Dakota	No	Plan Management	115,501	118,085	2.2%	2,584	29,622	29,652	0.1%	30
Tennessee	No	FFM	1,244,516	1,539,743	23.7%	295,227	234,125	228,646	-2.3%	(5,479)
Texas	No	FFM	4,441,605	4,792,589	7.9%	350,984	1,227,290	1,126,838	-8.2%	(100,452)
Utah	No	FFM/SBM-SHOP	294,029	299,556	1.9%	5,527	197,187	194,118	-1.6%	(3,069)
Vermont	Yes	SBM	161,081	162,593	0.9%	1,512	30,682	28,763	-6.3%	(1,919)
Virginia	No	Plan Management	935,434	1,014,833	8.5%	79,399	410,726	400,015	-2.6%	(10,711)
Washington	Yes	SBM	1,117,576	1,775,327	58.9%	657,751	225,594	243,227	7.8%	17,633
West Virginia	Yes	Partnership	354,544	549,678	55.0%	195,134	34,045	27,409	-19.5%	(6,636)
Wisconsin	No	FFM	985,531	1,034,480	5.0%	48,949	242,863	225,435	-7.2%	(17,428)
Wyoming	No	FFM	67,518	60,042	-11.1%	(7,476)	24,826	24,529	-1.2%	(297)



HMA MEDICAID ROUNDUP

Alaska

Alaska Medicaid Backlog Stalls Provider Payments. *KTVA* reported on May 9, 2018, that a Medicaid application backlog in Alaska has stalled state payments to providers. There are currently 17,000 applications on hold, according to the state Department of Health and Social Services. Since Alaska expanded Medicaid in 2015, applications rose 25 percent. The Division of Public Assistance is asking for 41 new positions to help with the caseload. Lawmakers are still working to reach a compromise on the state budget. [Read More](#)

Connecticut

Connecticut Budget Reverses Medicaid Cuts. *The CT Mirror* reported on May 9, 2018, that the Connecticut legislature approved a state budget that reverses \$12 million in cuts to the Husky A Medicaid program. The funding will enable 13,500 adults to retain coverage, advocates said. The budget also added \$5 million for emergency residential placements of individuals with intellectual and developmental disabilities. [Read More](#)

Florida

Florida Medicaid Stops Adding Autism Therapists in Miami-Dade, Broward. The *Miami Herald* reported on May 15, 2018, that Florida regulators have imposed a six-month moratorium on the addition of new autism therapists to the state's Medicaid network in Miami-Dade and Broward counties, citing a statewide investigation into fraud and abuse. The Florida Agency for Health Care Administration said that no Medicaid recipients will go without services during the moratorium. [Read More](#)

Attorney General Bondi Files Lawsuit Against Major Opioid Manufacturers, Distributors. *Politico* reported on May 14, 2018, that Florida Attorney General Pam Bondi announced that the state has filed a lawsuit against nine opioid manufacturers and distributors, alleging violations of the Florida Deceptive and Unfair Trade Practices Act, Florida RICO Act, and common law public nuisance. The lawsuit names drug makers Purdue, Endo, Janssen, Cephalon, and Allergan, and distributors AmerisourceBergen, McKesson, Cardinal, and Mallinckrodt. Drug makers and distributors are facing similar lawsuits in Texas, Tennessee, North Carolina, North Dakota, South Dakota, and Nevada. [Read More](#)

Florida Health Plans List Arguments for Medicaid Managed Care Award Protests. *Health News Florida* reported on May 11, 2018, that 12 Florida managed care organizations have protested the state's Medicaid managed care awards, citing a variety of issues such as mathematical errors throughout the scoring process, the state not finishing reviews on time, and the awarding of a contract to a vendor that submitted the wrong bid. In total, 88 petitions were filed against the Florida Agency for Health Care Administration. [Read More](#)

Iowa

Iowa Again Fails to Win Approval to Direct \$1 Billion in Medicaid Funds to Nursing Homes. *The Des Moines Register* reported on May 13, 2018, that the federal government has rejected a second Iowa proposal to direct an additional \$1 billion in Medicaid funds over five years to 410 privately-owned nursing homes in the state. Iowa lawmakers passed the so-called supplemental funding plan in 2016, but has yet to come up with a proposal that the Centers for Medicare & Medicaid Services is willing to approve. Iowa has until June 30 to request the federal government to reconsider. [Read More](#)

Louisiana

Louisiana Mental Health Advocates Rally to Oppose Medicaid Budget Cuts. *The Times-Picayune* reported on May 10, 2018, that Louisiana mental health advocates and patients rallied in the state Capitol to oppose \$50 million in proposed Medicaid mental health budget cuts. The Louisiana House approved the cuts, which would eliminate outpatient programs and reduce Medicaid reimbursement rates for inpatient mental health institutions. The state Department of Health estimates more than 18,040 recipients would be affected by the cuts. [Read More](#)

Maryland

CMS Approves Maryland All-Payer Model. Maryland has gained federal approval of its Total Cost of Care All-Payer Model.

Under agreement with the Centers for Medicare & Medicaid Services (CMS), Maryland launched the All-Payer Model in 2014 to transform the healthcare delivery system and improve care, while moderating cost growth. The model changed the way Maryland hospitals provide care, shifting away from a financing system based on volume of services to a system based on hospital-specific global revenues with overlying value-based incentives.

While still in the early stages of transformation, Maryland is already demonstrating that an all-payer system accountable for the total cost of hospital care on a per capita basis is an effective foundation for advancing the goals of delivering better care, better health, and lower cost. According to the joint news release issued by Governor Larry Hogan, the Maryland Department of Health and CMS, the model has already saved Medicare over \$586 million.

The CMS contract approval announced this week will see the model's approach expand across the healthcare system. Maryland's vision for the next this next phase is to achieve person-centered care, foster clinical innovation and excellence in care, improve population health, and moderate the growth in costs on a statewide basis and in the all-payer environment through the transformation of the healthcare delivery system. A Jan. 1, 2019 implementation date is planned. The contract runs through 2023 with the option for an additional five-year expansion upon a successful review.

Health Management Associates is proud to have worked with Maryland on its All-Payer Model in a variety of ways, including CMS application development, design and implementation of strategic plans and tactical programs, and project management of care transformation efforts. [Read More](#)

Minnesota

Minnesota Loses Federal Funding for Children in Large Mental Health Facilities. *MPR News* reported on May 10, 2018, that the Centers for Medicare & Medicaid Services will no longer provide federal Medicaid funds for children treated in large mental health facilities. A total of 11 mental health centers in Minnesota, Wisconsin, and South Dakota that care for 580 children are impacted by the change. Some facilities are converting beds to a different model of care in hopes of retaining some of the funds. The funds had been available under a CMS exception, which allowed payments to large residential treatment centers. [Read More](#)

New Jersey

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

New Jersey Legislation to Require Certified Nurse Aide to Patient Ratios in Nursing Facilities. *NJ Spotlight* reported on May 11, 2018, on an Assembly bill that the Assembly Human Services Committee approved to establish staff to patient ratios for certified nursing aides (CNA) in New Jersey nursing facilities. The bill ([A-382](#)) would change the current requirements for 4.1 hours per day of CNA care to a ratio of:

- 1 CNA : 8 residents during the day
- 1 CNA : 10 residents during the evening, and
- 1 CNA : 16 residents overnight.

The bill is supported by the union that represents nursing home workers, the New Jersey Long-Term Care Ombudsman, and AARP. Nursing home representatives have reservations about the bill given the shortage of CNAs in the state, and the increased costs facilities would incur. [Read More](#)

New Jersey Releases Support Program and Community Care Program Revised Policy Manuals. The New Jersey Division of Developmental Disabilities posted on May 9, 2018, the revised policies and procedures manuals for the Supports Program and the Community Care Program on the Department of Human Services website. Copies of the manuals are available here:

- [Supports Program](#) revised policies and procedures
- [Community Care Program](#) revised policies and procedures

New York

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

Fidelis Care Files Petition with New York Attorney General Seeking Approval of its Planned Sale to Centene. Fidelis Care has filed a petition with the New York Attorney General seeking approval to sell its assets to Centene Corporation. The petition has been posted for public comment. The Attorney General's review falls under the state's not-for-profit conversion law, which regulates the transfer of assets from a not-for-profit to a for-profit entity, to assure the public good is being protected. The petition can be found on the web site of the Attorney General, <https://ag.ny.gov/Fidelis>. The Attorney General's office will be accepting public comments via e-mail only through May 23rd at Fidelis.Transaction@ag.ny.gov.

The petition describes the process that led to the selection of Centene as the purchaser. Fidelis Care recognized that changes in the health care delivery landscape had potentially adverse impacts on Fidelis Care, and decided to sell its insurance operations. They identified nine prospective purchasers, five for-profit and four not-for-profit, of which two entered a bid. Negotiations with the two bidders did not result in an agreement, and Centene subsequently reached out to Fidelis Care with an offer that was higher than the earlier bids received. Fidelis Care decided to accept Centene's offer, in part because of a shared mission, in part because of Centene's policy of maintaining local identity and branding of plans it acquires.

Details provided by the petition include:

- The fair market value of the assets was appraised by Navigant, an independent appraisal firm.
- Fidelis Care is subject to a non-compete restriction for five years.
- For a period of one year Centene is required to comply with the ethical and religious directives of Fidelis Care.
- Centene is required to offer employment to all Fidelis Care employees, and retain them for at least one year. Compensation will be at least equal to past compensation and retirement benefits.
- The current management team will continue to manage the business, remaining in the current headquarters.
- Centene will utilize Fidelis Care's current staff and policies and procedures regarding service delivery and provider network, quality assurance, utilization review, claims management, grievance practices, and member services.
- The provider network will remain virtually intact.

At the request of the Attorney General, Centene has agreed to enter into an undertaking that outlines specific commitments. Centene has agreed to:

- Offer an identical selection of plans in the same geographic areas, through 2021, including the full spectrum of Medicaid products: Harp, SSI and CHIP, managed long-term care, as well as the Essential Plan, qualified health plans through the exchange, and Medicare Advantage.
- Offer all current hospital, medical and pharmacy providers the opportunity to transfer to the new plan on their current terms and conditions through 2018, and to offer substantially similar terms through 2021;

- To retain an independent expert, selected by the Attorney General, to produce recommendations on the potential impact of the transaction on its Medicaid beneficiaries annually for three years;
- To name a person to the board of directors to advocate for the interests of Medicaid enrollees for three years;
- Not limit whistleblower rights;
- Maintain the current corporate headquarters for at least three years.

Fidelis Care will establish the Mother Cabrini Health Foundation with the proceeds from the purchase. The foundation anticipates making up to \$150 million in grants annually to “improve the health and well-being of vulnerable New Yorkers, bolster the health outcomes of targeted communities, and bridge gaps in services that address the health and wellness needs of low-income communities and families throughout the State.” The foundation will adhere to the tenets and teachings of the Roman Catholic faith.

New York-based Crystal Run Under Investigation for Campaign Donations. *The Albany Times Union* reported on May 14, 2018, that the U.S. attorney’s office in Manhattan is investigating Crystal Run Healthcare, a large multi-specialty group practice in Sullivan and Orange Counties. Crystal Run began operating a Medicaid managed care plan in 2016, and currently has 1,373 enrollees. Crystal Run also operates an ACO and participates in the Medicare Shared Savings Program. According to the Times Union, subsequent to sizeable campaign contributions to Governor Andrew Cuomo’s campaign, Crystal Run received over \$25 million in state grants through the Health Care Facility Transformation Program. The Department of Health maintains that all grants made from the \$1.2 billion grant program, including the \$25.4 million given to Crystal Run in 2016, were competitively bid and awarded in the order of their scoring. [Read More](#)

New York Report Examines Hospital Ownership Law Excluding For-Profit Hospitals. A new report released by the Empire Center in May 2018, examines New York's long-standing policy of prohibiting for-profit hospitals from operating in the state. They find no evidence that ownership restrictions have produced a public benefit in terms of the quality, cost or accessibility of hospital care. On the contrary, they find that New York's hospitals are characterized by lower quality scores, higher spending and more economic segregation than their national peers, suggesting that preventing for-profit entities has not been an effective regulatory approach. Their key findings include:

- Despite a concentration of world-famous institutions in Manhattan, New York's hospitals collectively rank at the bottom of the federal government's quality ratings and score substantially lower than the national average on other major report cards.
- The amount of free care provided by New York's not-for-profits in 2015 – 1.9 percent of operating revenues – was a third lower than the national averages for both not-for-profits and for-profits.
- As of 2014, New York's per capita spending on hospital care was 19 percent higher than the U.S. average.
- Tax exemptions for New York's not-for-profit hospitals likely cost federal, state and local governments about \$2 billion a year.
- In spite of high spending on hospital care and their tax-exempt status, New York's hospitals collectively had the sixth-lowest revenue margins, and the highest ratio of liabilities to assets, among the 50 states as of 2015. These factors compromise the hospitals' ability to raise capital. [Read More](#)

Home Care Workers Sue New York Department of Labor Over Wage Dispute. *Crain's HealthPulse* reported on May 10, 2018, that five home health aides and two nonprofit advocacy groups have sued the New York State Department of Labor seeking to vacate the state's emergency regulations that allow home health care aides to be paid for just 13 hours of a 24-hour shift. A state Appellate Court ruled in September that home care agencies must pay live-in home health aids 24 hours per day, and not the 13 hours that is the industry standard. Home care agencies have typically paid employees for 13 hours of work per day, assuming that they are allowed eight hours of sleep and three hours for meals. The Department of Labor has issued an emergency regulation that maintains the policy of allowing employers to pay home care workers for 13 hours of a 24-hour shift. The lawsuit asks the court to vacate the emergency regulations and prohibit the defendants from implementing or enforcing the rules, which it calls "unlawfully arbitrary, capricious, and contrary to law."

The case was brought by two home care workers who argued that New York's minimum wage law requires that workers be paid for the time an employee is required to be available for work. If the decision stands, it means that agencies must pay for an additional 11 hours of care per day, almost doubling the cost of care. It is estimated that it will increase costs for home care in NY's Medicaid program by tens of millions of dollars. [Read More](#)

Pennsylvania

HMA Roundup – Julie George ([Email Julie](#))

Pennsylvania Streamlines Medical Assistance Access for Re-entrants from Correctional System. On May 11, 2018, the Pennsylvania Department of Human Services (DHS), Department of Corrections (DOC), and the PA Justice Network (JNET) announced a partnership to help inmates returning to the community apply for medical assistance coverage. With implementation of the intra-agency data exchange, the process for applying for medical assistance benefits was automated for all reentrants who consent to the application submission, regardless of health conditions or substance abuse history. By streamlining this process, the partner agencies hope to assist with continuity of care upon day of release for reentrants with medical or mental health illnesses, as well as those struggling with addiction. The DOC will also share notification of newly-received inmates with DHS, prompting DHS to suspend any benefits upon incarceration, thus reducing the potential for benefits fraud. [Read More](#)

Virginia

Virginia Appears Ready to Approve Medicaid Expansion. *WTOP* reported on May 14, 2018, that Virginia appears ready to approve Medicaid expansion in some form. The state Senate is expected to approve a budget that includes expansion during a special session this month. The House-approved expansion legislation includes work requirements. Medicaid expansion in Virginia would cover an estimated 300,000 individuals. [Read More](#)

Vermont

Vermont Voluntary All-Payer ACO Enrollment Hits 112,000. *Associated Press* reported on May 13, 2018, that enrollment in OneCare Vermont has reached 112,000 members, up from just 24,000 in its first year of operation. OneCare Vermont is a voluntary, all-payer Accountable Care Organization that includes individuals in Medicaid, Medicare, and commercial health insurance. OneCare covers about 18 percent of the state's population, with a goal to expand to 70 percent. [Read More](#)

National

Senate Health Committee Questions Drugmakers on 340B Discount Pricing. *Modern Healthcare* reported on May 15, 2018, that members of the Senate Health Committee questioned drugmakers at a hearing on why states and health care providers don't have access to information about ceiling prices in the 340B drug discount program. Lawmakers also asked why the Trump administration has further delayed pricing regulations that would set ceiling prices. A government watchdog said at the hearing that the Health Resources and Services Administration needs to share drug ceiling prices to make the program more transparent. [Read More](#)

Federal Budget Includes Funds Aimed at Reducing Removal of Children from Homes. *Governing* reported on May 15, 2018, the federal budget includes funds for services aimed at keeping families together instead of removing children from their homes and placing them into foster care. Under the new Family First Prevention Services Act, former Title IV-E funds will be available beginning October 2019 for mental health services, substance abuse treatment, and in-home parenting classes for parents and caretakers of children being considered for foster care. In the past, funds were only available for services after a child had been removed from their homes. [Read More](#)

Trump Administration Announces Plan to Lower Drug Prices. *CNN* reported on May 11, 2018, that the Trump administration announced a plan to reduce drug prices by increasing competition, reducing regulations, and creating incentives to lower list prices. The American Patients First plan also calls for lowering out-of-pocket costs for patients and encouraging price negotiations. Most of the actions outlined in the blueprint will not need approval from Congress, administration officials said. [Read More](#)

New York, Minnesota to Receive Interim Funding for Basic Health Program. *Modern Healthcare* reported on May 10, 2018, that New York will receive \$151.9 million in interim federal funding for its Basic Health Program as part of a settlement with the Trump administration, while Minnesota will receive \$17.3 million. The U.S. Department of Health & Human Services will also work with states to develop a revised funding formula for Basic Health, which is a plan for individuals with incomes above Medicaid but below 200% of poverty. New York and Minnesota had filed suit against the Trump administration after it cut off Basic Health funding. [Read More](#)



INDUSTRY NEWS

Medica Sees Individual Enrollment Double in 2018. *The Star Tribune* reported on May 14, 2018, that Minnesota-based Medica saw individual health plan enrollment more than double to 196,000 in 2018, compared to 91,000 in 2017. Gains in Iowa and Nebraska, where Medica is the only Exchange plan still operating, helped drive the growth. Overall, Medica sells individual health insurance in six states and has more than 88,000 subscribers in Nebraska, 45,000 in Iowa, and 39,000 in Minnesota. [Read More](#)

Molina Healthcare Names James Woys EVP of Health Plan Services. Molina Healthcare announced on May 14, 2018, that former Health Net executive James Woys has joined Molina Healthcare as executive vice president of health plan services in charge of support operations, including information technology, claims processing, pharmacy services, and quality. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
2018 (Delayed from 2017)	Alaska Coordinated Care Demonstration	Contract Awards	TBD
2018	Massachusetts One Care (Duals Demo)	RFP Release	TBD
Spring/Summer 2018	North Carolina	RFP Release	1,500,000
May 21, 2018	Iowa	Contract Awards	600,000
May 23, 2018	Minnesota Special Needs BasicCare	Proposals Due	53,000 in Program; RFP Covers Subset
May 30, 2018	New Hampshire	RFP Release	160,000
June 2018	Puerto Rico	Contract Awards	~1,300,000
June 2018	Kansas KanCare	Contract Awards	380,000
June 4, 2018	Wisconsin LTC (Milwaukee and Dane Counties)	Contract Award	~1,600
June 7, 2018	Alabama ICN (MLTSS)	Proposals Due	25,000
June 26, 2018	Florida Children's Medical Services	Contract Award	50,000
June 29, 2018	Minnesota Special Needs BasicCare	Contract Award	53,000 in Program; RFP Covers Subset
July 1, 2018	Pennsylvania HealthChoices (Delay or Rebid Likely)	Implementation (SE Zone)	830,000
July 1, 2018	MississippiCAN	Implementation	500,000
July 2, 2018	Texas STAR and CHIP	Proposals Due	3,342,530
July 11, 2018	Alabama ICN (MLTSS)	Contract Award	25,000
August 1, 2018	Virginia Medallion 4.0	Implementation	700,000
October 2018	Puerto Rico	Implementation	~1,300,000
October 1, 2018	Alabama ICN (MLTSS)	Implementation	25,000
October 1, 2018	Arizona	Implementation	1,600,000
October 1, 2018	Texas STAR+PLUS Statewide	Contract Start	530,000
November 1, 2018	New Hampshire	Proposals Due	160,000
January 2019	Kansas KanCare	Implementation	380,000
January 1, 2019	Wisconsin LTC (Milwaukee and Dane Counties)	Implementation	~1,600
January 1, 2019	Washington FIMC (Remaining Counties)	Implementation for RSAs Opting for 2019 Start	~1,600,000
January 1, 2019	Florida Children's Medical Services	Contract Start	50,000
January 1, 2019	Pennsylvania MLTSS/Duals	Implementation (SE Zone)	145,000
January 1, 2019	Florida Statewide Medicaid Managed Care (SMMC)	Implementation	3,100,000
January 1, 2019	Pennsylvania HealthChoices (Delay or Rebid Likely)	Implementation (Lehigh/Capital Zone)	490,000
January 1, 2019	New Mexico	Implementation	700,000
January 1, 2019	New Hampshire	Contract Awards	160,000
January 1, 2019	Minnesota Special Needs BasicCare	Contract Implementation	53,000 in Program; RFP Covers Subset
January 24, 2019	Texas STAR and CHIP	Contract Start	3,400,000
July 1, 2019	North Carolina	Implementation	1,500,000
July 1, 2019	New Hampshire	Implementation	160,000
July 1, 2019	Iowa	Implementation	600,000
January 1, 2020	Texas STAR+PLUS, STAR, and CHIP	Operational Start Date	530,000
January 1, 2020	Pennsylvania MLTSS/Duals	Implementation (Remaining Zones)	175,000
January 1, 2020	Washington FIMC (Remaining Counties)	Implementation for RSAs Opting for 2020 Start	~1,600,000
January 1, 2020	Massachusetts One Care (Duals Demo)	Implementation	TBD

HMA NEWS

Upcoming Webinar - Electronic Visit Verification for Personal Care Services, Home Health: Understanding and Implementing New CURES Act Requirements on May 24, 1-2 EDT. [Read More](#)

Upcoming Webinar - Partnership Opportunities for Payers, Providers and States: Supportive Housing for High Utilizers on June 7, 1-2 EDT. [Read More](#)

NEW THIS WEEK ON HMA INFORMATION SERVICES (HMAIS):

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Colorado Regional Accountable Entities for the Accountable Care Collaborative Phase II Contracts, 2018
- Colorado Health Information Exchange RFP, May-18
- Pennsylvania MMIS IT Consulting and Quality Assurance Services RFP, May-18
- Mississippi Non-Emergency Transportation (NET) Brokerage Services IFB, May-18
- Wisconsin Medicaid Waiver Third Party Administration (TPA) and Related Services RFP, May-18
- Wisconsin BadgerCare Plus and Medicaid SSI HMO Contract and Rate Amendment, 2018-19

Medicaid Program Reports and Updates:

- Nebraska Long Term Care Redesign Committee Minutes, Apr-18
- New York Notice of Petition and Request for Public Comment on Fidelis Care New York Sale, May-18
- Wisconsin NEMT Data Reports, 2015-17

Medicaid Data and Updates:

- Illinois Medicaid Managed Care Enrollment is Up 20.2%, Apr-18 Data
- Illinois Medicaid Managed Care Enrollment Share by Plan, Apr-18 Data
- Nebraska Medicaid Managed Care Enrollment Rises 2.3%, May-18 Data
- Nebraska Medicaid Managed Care Enrollment Share by Plan, May-18 Data
- Louisiana Medicaid Managed Care Enrollment is Flat, Mar-18 Data
- Louisiana Medicaid Managed Care Enrollment Share by Plan, Mar-18 Data
- Kansas Medicaid Managed Care Enrollment is Up 1.5%, Feb-18 Data
- Kansas Medicaid Managed Enrollment Share by Plan, Feb-18 Data

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