
HMA

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup
Trends in State Health Policy

IN FOCUS: MEDICAID MANAGED CARE ENROLLMENT UPDATE – 2ND QUARTER, 2013

HMA ROUNDUP: ILLINOIS GOVERNOR SIGNS MEDICAID EXPANSION BILL; MICHIGAN SENATE UNVEILS MEDICAID EXPANSION PROPOSAL; FLORIDA MEDICAID MANAGED CARE LETTERS OF INTENT TO NEGOTIATE DISTRIBUTED THIS WEEK; GEORGIA SELECTS AMERIGROUP FOR MEDICAID FOSTER CARE, ADOPTION ASSISTANCE PROGRAMS; CALIFORNIA EXCHANGE ON TRACK FOR OCTOBER 1, SAYS AUDITOR; NEW YORK TARGETING AUGUST 1 FOR SIGNED DUALS MOU

INDUSTRY NEWS: HUMANA TO ACQUIRE FLORIDA'S AMERICAN ELDERCARE

HMA NEWS:

JENNA WALLS CO-AUTHORS REPORT WITH AARP, NASUAD ON LTSS TRENDS;
MARK TRAIL AND JUAN MONTANEZ TO PRESENT AT NATIONAL ASSOCIATION OF STATE HUMAN SERVICES
FINANCE OFFICERS ANNUAL CONFERENCE IN COLUMBUS, OHIO

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*Research and Consulting in the Fields of Health and Human Services Policy, Health Economics
and Finance, Program Evaluation, Data Analysis, and Health System Restructuring*

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IN FOCUS: MEDICAID MANAGED CARE ENROLLMENT UPDATE – 2ND QUARTER 2013

This week, our *In Focus* section reviews recent Medicaid enrollment trends in capitated risk-based managed care in 18 states. Many state Medicaid agencies elect to post to their websites monthly enrollment figures by health plan for their Medicaid managed care population. We believe this data allows for the timeliest analysis of enrollment trends across states and managed care organizations. Most of these 18 states¹ have released monthly Medicaid managed care enrollment data through much of the second quarter (Q2) of 2013, and all 18 have released first quarter (Q1) 2013 enrollment data.

In the discussion below, we describe recent enrollment trends in the states where we track data. We also provide company-specific data for eight Medicaid managed care organizations.

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 are comprehensive in that they cover 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. As such, 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.

Enrollment Trends for 18 States

- Q1 2013 final enrollment figures for these 18 states total more than 24.5 million, up 2.1 percent over the previous quarter.
- In the twelve states reporting end of Q2 2013 enrollment data, enrollment is up slightly, at 0.9 percent over Q1 2013.
- California, Illinois, Pennsylvania, and Washington all show double digit percentage growth in Medicaid managed care lives for Q3 2013 over 2012.
- Only three states, Arizona, Tennessee, and Wisconsin, have shown nominal negative year-over year growth so far in 2013.
- South Carolina continues to have monthly enrollment reporting issues, and is excluded from this quarterly report.
- Ohio has reported Medicaid managed care enrollment data by health plan for the first time since December 2011. Ohio data is included for March-May 2013 and we expect data to available going forward.

¹ Arizona, California, Florida, Georgia, Hawaii, Illinois, Louisiana, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee, Texas, Washington, West Virginia, and Wisconsin

Table 1 - Medicaid Managed Care Monthly Enrollment January 2013 – June 2013

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Arizona	1,111,892	1,108,237	1,106,817	1,109,083	1,110,431	1,112,618
+/- m/m	1,404	(3,655)	(1,420)	2,266	1,348	2,187
% y/y	-4.9%	-4.1%	-3.2%	-2.1%	-1.5%	-0.8%
California	3,885,402	4,109,843	4,077,401	4,334,732	4,415,927	4,459,090
+/- m/m	2,567	224,441	(32,442)	257,331	81,195	43,163
% y/y	6.2%	11.5%	8.6%	14.0%	15.5%	16.1%
Florida	1,226,417	1,236,652	1,232,014	1,177,668	1,212,134	1,207,658
+/- m/m	469	10,235	(4,638)	(54,346)	34,466	(4,476)
% y/y	6.6%	6.4%	7.0%	1.2%	2.5%	1.4%
Georgia	1,135,914	1,133,171	1,134,938			
+/- m/m	3,854	(2,743)	1,767	N/A	N/A	N/A
% y/y	3.2%	2.2%	1.7%			
Hawaii	45,363	45,533	45,706	45,806	45,948	
+/- m/m	(121)	170	173	100	142	N/A
% y/y	1.9%	2.0%	2.3%	2.5%	2.3%	
Illinois	233,794	234,772	235,419	233,999	234,672	240,177
+/- m/m	1,674	978	647	(1,420)	673	5,505
% y/y	10.8%	10.9%	11.2%	10.6%	10.0%	12.0%
Louisiana	898,283	902,293	901,113	898,941	898,612	896,319
+/- m/m	(158)	4,010	(1,180)	(2,172)	(329)	(2,293)
% y/y	N/A	N/A	248.6%	57.9%	56.7%	2.4%
Maryland	797,820	797,308	804,377	806,545	810,233	806,492
+/- m/m	290	(512)	7,069	2,168	3,688	(3,741)
% y/y	4.7%	4.4%	3.8%	3.5%	4.7%	4.2%
Michigan	1,237,979	1,236,866	1,237,537	1,240,995	1,247,547	1,244,601
+/- m/m	(7,491)	(1,113)	671	3,458	6,552	(2,946)
% y/y	0.9%	0.7%	0.6%	0.5%	1.2%	1.2%
Missouri	418,375	421,499	421,897	420,788	418,056	415,637
+/- m/m	(3,671)	3,124	398	(1,109)	(2,732)	(2,419)
% y/y	-2.2%	-1.7%	-1.7%	-1.8%	-1.6%	0.5%
New York	3,942,355	3,968,152	3,936,426	3,972,390	3,994,647	3,999,187
+/- m/m	82,727	25,797	(31,726)	35,964	22,257	4,540
% y/y	11.4%	11.0%	9.6%	10.0%	9.1%	8.7%
Ohio			1,644,027	1,643,450	1,639,974	
+/- m/m	N/A	N/A	4,873	(577)	(3,476)	N/A
% y/y			2.3%	1.9%	1.2%	
Pennsylvania	1,292,808	1,416,664	1,407,153	1,618,467		
+/- m/m	(798)	123,856	(9,511)	211,314	N/A	N/A
% y/y	2.5%	11.4%	9.6%	26.1%		
Tennessee	1,200,222	1,198,843	1,192,165			
+/- m/m	(3,770)	(1,379)	(6,678)	N/A	N/A	N/A
% y/y	-0.8%	-0.8%	-1.2%			
Texas	3,510,876	3,494,812	3,532,600	3,529,371	3,539,701	
+/- m/m	(13,951)	(16,064)	37,788	(3,229)	10,330	N/A
% y/y	35.2%	34.0%	9.5%	2.2%	2.4%	
Washington	803,292	802,645	806,258	797,351	803,204	801,232
+/- m/m	3,436	(647)	3,613	(8,907)	5,853	(1,972)
% y/y	14.8%	14.8%	15.3%	14.3%	15.4%	16.9%
West Virginia	171,537	172,838	172,311	170,939	171,596	171,763
+/- m/m	(178)	1,301	(527)	(1,372)	657	167
% y/y	2.0%	0.9%	1.1%	0.4%	2.4%	1.2%
Wisconsin	556,544	601,958	644,370	683,949	693,429	704,456
+/- m/m	8,941	45,414	42,412	39,579	9,480	11,027
% y/y	-21.3%	-15.0%	-8.7%	-2.8%	-2.0%	-0.2%

Source: State Medicaid Agency websites

State Specific Analysis

Arizona

Arizona's Q1 enrollment declined slightly, rebounding in Q2. ALTCS (Arizona's managed long-term care program) enrollments have remained stable over the past two quarters, with month to month fluctuations in acute care enrollment of less than one percent. Year-over-year enrollment has steadily improved in the past six months and is down just slightly from end of Q2 2012 at -0.8 percent.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Acute Care	1,061,011	1,057,438	1,056,052	1,058,248	1,059,445	1,061,490
ALTCS	50,881	50,799	50,765	50,835	50,986	51,128
Total Arizona	1,111,892	1,108,237	1,106,817	1,109,083	1,110,431	1,112,618
+/- m/m	1,404	(3,655)	(1,420)	2,266	1,348	2,187
% y/y	-4.9%	-4.1%	-3.2%	-2.1%	-1.5%	-0.8%

California

As anticipated, the transition of Healthy Families enrollees into Medi-Cal managed care, which began in January 2013, significantly impacted enrollments, adding more than 476,000 enrollees the first two quarters of 2013, and bringing total Medicaid managed care enrollments in California to nearly 4.5 million as of the end of Q2. June 2013 enrollment is up 16.1 percent from the previous year. Additionally, we note that Medi-Cal managed care began expanding into most of the remaining rural counties in June of this year, with potential enrollments of 280,000 additional managed care lives. As a note, the fluctuation in month-to-month enrollments in Q1 appears to be due to significant monthly variation in HealthNet's Tulare County enrollment. This enrollment fluctuation has stabilized in Q2 2013.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Two-Plan Counties	3,357,391	3,581,643	3,536,865	3,789,366	3,862,360	3,902,063
GMC Counties	557,214	560,049	575,435	591,306	601,369	607,453
Total California	3,885,402	4,109,843	4,077,401	4,334,732	4,415,927	4,459,090
+/- m/m	2,567	224,441	(32,442)	257,331	81,195	43,163
% y/y	6.2%	11.5%	8.6%	14.0%	15.5%	16.1%

Florida

Florida managed care enrollments totaled more than 1.2 million in June 2013, up 1.4 percent on a year-over-year basis. As noted above, this does not include Florida Healthy Kids (CHIP) enrollments (see table below).

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
MMCP	1,061,310	1,069,043	1,064,402	1,025,236	1,049,048	1,043,833
Reform Pilot	165,107	167,609	167,612	152,432	163,086	163,825
Total Florida	1,226,417	1,236,652	1,232,014	1,177,668	1,212,134	1,207,658
+/- m/m	469	10,235	(4,638)	(54,346)	34,466	(4,476)
% y/y	6.6%	6.4%	7.0%	1.2%	2.5%	1.4%

Below we have provided Q2 enrollments by health plan for the Florida Healthy Kids program. We will continue to provide these figures on a monthly basis in future quarterly enrollment reporting.

	Apr-13	May-13	Jun-13
WellCare	82,547	83,820	83,726
UnitedHealthcare	68,412	69,629	69,901
Amerigroup	59,672	60,121	59,711
Vista (Coventry)	21,075	21,237	21,183
Florida Health Care Plans	4,352	4,376	4,343
Sunshine State HP (Centene)	893	925	966
Blue Care	343	342	346
Total FL Healthy Kids	237,294	240,450	240,176

Georgia

Georgia has reported care management organizations (CMO) enrollments through the end of Q1 2013, so we have presented Q2 2012 enrollments as well for a full six months of enrollment data. Enrollment has remained stable at around 1.1 million, with March 2013 enrollment up just 1.7 percent over the previous year.

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Total Georgia	1,120,606	1,125,826	1,132,060	1,135,914	1,133,171	1,134,938
+/- m/m	(2,364)	5,220	6,234	3,854	(2,743)	1,767
% y/y	0.2%	0.9%	1.5%	3.2%	2.2%	1.7%

Hawaii

Hawaii's managed care enrollment in both the QUEST managed Medicaid and QUEST Expanded Access (QExA) managed Medicaid aged, blind & disabled (ABD) programs has held fairly constant through Q1 and Q2 2013. Between the two programs, enrollment is up 2.5 percent from the previous year, at just over 289,000 total enrollees.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total QUEST	241,282	240,945	241,427	242,105	243,269	
Total QExA	45,363	45,533	45,706	45,806	45,948	
Total Hawaii	286,645	286,478	287,133	287,911	289,217	
+/- m/m	242	(167)	655	778	1,306	
% y/y	1.8%	1.3%	1.2%	1.9%	2.5%	

Illinois

As of June 2013, Illinois managed care plans enrolled nearly 276,000 Medicaid lives. Enrollment in the Suburban Chicago Integrated Care Program (ICP), which serves Medicaid Aged, Blind, and Disabled (ABD) recipients, appears to have leveled off at around 36,000 of an expected 40,000 enrollees, while voluntary MCO enrollment has added more than 7,000 new enrollees since January 1, 2013. Overall, enrollment is up 10.3 percent over the previous year, with new ICP enrollment expansions to rollout in Q3 and Q4 2013, adding roughly 25,000 lives to the program. Illinois is poised for a major Medicaid managed care expansion in the summer of 2014 according to Healthcare and Family Services (HFS) officials. It is anticipated that hundreds of thousands of recipients will move to risk based managed care beginning in the summer and more than a million will transition over time.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Voluntary MCO	233,794	234,772	235,419	233,999	234,672	240,177
+/- m/m	1,674	978	647	(1,420)	673	5,505
% y/y	10.8%	10.9%	11.2%	10.6%	10.0%	12.0%
ICP	35,923	36,079	36,006	35,603	35,491	35,797
+/- m/m	(11)	156	(73)	(403)	(112)	306
% y/y	3.0%	2.5%	1.6%	0.2%	-1.2%	0.1%
Total Illinois	269,717	270,851	271,425	269,602	270,163	275,974
+/- m/m	1,663	1,134	574	(1,823)	561	5,811
% y/y	9.7%	9.7%	9.8%	9.1%	8.4%	10.3%

Louisiana

Having gone live early in 2012, Louisiana's Bayou Health Medicaid managed care program has now enrolled roughly 900,000 Medicaid beneficiaries. Enrollment appears to have stabilized, with nominal fluctuations from month to month as individuals enroll and disenroll. The first month of normalized year-over-year growth for June 2013 shows an increase of 2.4 percent over June 2012.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Louisiana	898,283	902,293	901,113	898,941	898,612	896,319
+/- m/m	(158)	4,010	(1,180)	(2,172)	(329)	(2,293)
% y/y	N/A	N/A	248.6%	57.9%	56.7%	2.4%

Maryland

As of June 2013, Maryland enrolled just over 806,000 Medicaid managed care lives. Month-to-month enrollments have been positive for four of the last six months, and year-over-year enrollment is up 4.2 percent. As a note, Maryland typically revised previous enrollment data over time, so past months' enrollment figures will change slightly going forward.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Maryland	797,820	797,308	804,377	806,545	810,233	806,492
+/- m/m	290	(512)	7,069	2,168	3,688	(3,741)
% y/y	4.7%	4.4%	3.8%	3.5%	4.7%	4.2%

Michigan

As of the end of Q2 2013, Michigan Medicaid managed care enrollment remains stable, between 1.2 and 1.25 million enrollees. Despite three months of negative net enrollments over the past two quarters, Michigan managed care enrollment is up 1.2 percent on a year-over-year basis.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Michigan	1,237,979	1,236,866	1,237,537	1,240,995	1,247,547	1,244,601
+/- m/m	(7,491)	(1,113)	671	3,458	6,552	(2,946)
% y/y	0.9%	0.7%	0.6%	0.5%	1.2%	1.2%

Missouri

Missouri managed care enrollments in both the Medicaid and CHIP programs have declined slightly over the first half of 2013, with Q2 ending at more than 415,000 enrolled lives, up just half a percent over the previous year.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Medicaid	373,261	376,239	377,879	376,458	374,012	371,862
Total CHIP	45,114	45,260	44,018	44,330	44,044	43,775
Total Missouri	418,375	421,499	421,897	420,788	418,056	415,637
+/- m/m	(3,671)	3,124	398	(1,109)	(2,732)	(2,419)
% y/y	-2.2%	-1.7%	-1.7%	-1.8%	-1.6%	0.5%

New York

New York's Medicaid managed care programs continue to grow, enrolling nearly 4 million total lives across the state's five managed care programs, up 8.7 percent over the previous year. The most significant growth has occurred in the MLTC program, which has added more than 22,000 lives in Q1 and Q2 of 2013 so far.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Mainstream MCOs	3,412,106	3,437,375	3,409,085	3,438,363	3,455,762	3,456,470
Family Health Plus	439,131	435,921	427,530	428,467	428,288	428,248
Managed LTC	78,222	82,582	87,419	92,488	97,134	100,536
Medicaid Advantage	9,802	9,047	9,129	9,320	9,517	9,891
Medicaid Advantage Plus	3,094	3,227	3,263	3,752	3,946	4,042
Total New York	3,942,355	3,968,152	3,936,426	3,972,390	3,994,647	3,999,187
+/- m/m	82,727	25,797	(31,726)	35,964	22,257	4,540
% y/y	11.4%	11.0%	9.6%	10.0%	9.1%	8.7%

Ohio

For the first time since December 2011, Ohio has reported monthly enrollment data for the CFC and ABD Medicaid managed care programs. Enrollment has remained stable in the 15 months since data was last provided, with total enrollment in the CFC and ABD programs at a little over 1.6 million. The month-over-month and year-over-year numbers below are based on the change relative to December 2011.

	Nov-11	Dec-11		Mar-13	Apr-13	May-13
CFC	1,516,008	1,513,237	Break in Data	1,520,374	1,519,531	1,515,974
ABD	125,017	125,917		123,653	123,919	124,000
Total Ohio	1,641,025	1,639,154		1,644,027	1,643,450	1,639,974
+/- m/m	(6,184)	(1,871)		4,873	(577)	(3,476)
% y/y	3.7%	2.7%		2.3%	1.9%	1.2%

Pennsylvania

Q1 and Q2 of 2013 are set to show significant growth in the Pennsylvania HealthChoices program as it expands statewide into the New East and New West regions. As of April 2013, enrollment is up above 1.6 million, a 26.1 percent increase year-over-year. As part of the expansion, the voluntary managed care program has gone away, as shown in the data below.

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
HealthChoices	1,267,133	1,272,899	1,271,980	1,395,750	1,407,153	1,618,467
Voluntary MCO	20,374	20,707	20,828	20,914	0	0
Total Pennsylvania	1,287,507	1,293,606	1,292,808	1,416,664	1,407,153	1,618,467
+/- m/m	(6,348)	6,099	(798)	123,856	(9,511)	211,314
% y/y	N/A	N/A	2.5%	11.4%	9.6%	26.1%

Tennessee

Tennessee's TennCare Medicaid managed care program ended Q1 2013 at just under 1.2 million total enrollees, down 1.2 percent from the previous year. As of publication, no Q2 2013 data have been made available.

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Total Tennessee	1,213,474	1,207,390	1,203,992	1,200,222	1,198,843	1,192,165
+/- m/m	7,396	(6,084)	(3,398)	(3,770)	(1,379)	(6,678)
% y/y	-0.2%	-0.3%	-0.6%	-0.8%	-0.8%	-1.2%

Texas

The significant enrollment expansions that occurred in calendar year (CY) 2012 appear to have leveled off, with month-to-month enrollment fluctuations occurring in the STAR program. STAR+PLUS and CHIP enrollments both showed some modest increase in the first two quarters of 2013. As of publication, June 2013 enrollment data was not available.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
STAR	2,509,566	2,493,205	2,525,073	2,518,984	2,524,125	
STAR+PLUS	405,774	406,403	408,358	407,865	408,792	
STAR HEALTH	30,138	30,191	30,217	30,394	30,585	
CHIP	565,398	565,013	568,952	572,128	576,199	
Total Texas	3,510,876	3,494,812	3,532,600	3,529,371	3,539,701	
+/- m/m	(13,951)	(16,064)	37,788	(3,229)	10,330	
% y/y	35.2%	34.0%	9.5%	2.2%	2.4%	

Washington

On July 1, 2012, newly procured managed care plans began to serve both the Basic Health and Healthy Options programs. Enrollment has grown overall since, with end of Q2 2013 enrollment up nearly 17 percent over the previous year.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Washington	803,292	802,645	806,258	797,351	803,204	801,232
+/- m/m	3,436	(647)	3,613	(8,907)	5,853	(1,972)
% y/y	14.8%	14.8%	15.3%	14.3%	15.4%	16.9%

West Virginia

West Virginia managed care enrollments continue to hold steady. As of June 2013, nearly 172,000 lives were enrolled in managed care plans, up 1.2 percent from the year prior.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total West Virginia	171,537	172,838	172,311	170,939	171,596	171,763
+/- m/m	(178)	1,301	(527)	(1,372)	657	167
% y/y	2.0%	0.9%	1.1%	0.4%	2.4%	1.2%

Wisconsin

Managed care enrollment dropped off sharply in November 2012, as UnitedHealthcare pulled out of the Southeast BadgerCare+ region. However, the BadgerCare+ program has grown significantly since then, adding nearly 150,000 lives over the first two quarters of 2013, bringing June 2013 enrollment back close to prior year levels.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
BadgerCare+	522,857	568,470	610,915	650,464	659,758	670,870
SSI	33,687	33,488	33,455	33,485	33,671	33,586
Total Wisconsin	556,544	601,958	644,370	683,949	693,429	704,456
+/- m/m	8,941	45,414	42,412	39,579	9,480	11,027
% y/y	-21.3%	-15.0%	-8.7%	-2.8%	-2.0%	-0.2%

Select Company Analysis

Where available, we have included total Medicaid enrollments as reported in Q1/Q2 2013 company financial statements.

Aetna

We have previously tracked monthly enrollment data in four states where Aetna operates. With Aetna's acquisition of Coventry in Q2 2013, we now track enrollment in eight Aetna states. Across six of these eight states, Aetna enrolled more than 786,000 Medicaid beneficiaries in June 2013, and close to 1 million lives when accounting for missing data in Pennsylvania and Texas. As part of the acquisition, Aetna has sold its existing Missouri business to WellCare. Aetna should see additional growth in Pennsylvania this year due to the managed care expansions underway and acquisition of Coventry's Pennsylvania plan, which enrolled more than 92,000 lives as of early Q2 2013.

Aetna	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Arizona	294,622	293,621	293,484	294,270	294,842	295,516
+/- m/m	953	(1,001)	(137)	786	572	674
% y/y	-3.9%	-3.6%	-2.7%	-1.5%	-0.8%	-0.1%
Florida	49,564	50,266	50,684	51,749	54,211	54,634
+/- m/m	444	702	418	1,065	2,462	423
% y/y	13.2%	14.5%	16.5%	17.2%	20.6%	19.5%
Maryland	13,405	13,849	14,412	14,920	15,607	15,841
+/- m/m	693	444	563	508	687	234
% y/y	-6.2%	-3.0%	0.7%	5.6%	14.9%	18.8%
Michigan	40,950	40,580	40,248	39,869	39,431	39,098
+/- m/m	(930)	(370)	(332)	(379)	(438)	(333)
% y/y	-10.0%	-10.6%	-11.0%	-11.5%	-11.5%	-11.5%
Missouri	106,886	106,661	106,745	255,038	253,691	252,822
+/- m/m	(772)	(225)	84	(1,476)	(1,347)	(869)
% y/y	99.7%	98.4%	95.1%	356.4%	373.5%	166.4%
Pennsylvania	60,056	60,610	61,366	61,657		
+/- m/m	1	554	756	291	N/A	N/A
% y/y	9.7%	8.5%	5.7%	6.4%		
Texas	69,117	68,166	69,169	69,044	69,441	
+/- m/m	(1,072)	(951)	1,003	(125)	397	N/A
% y/y	-4.2%	-6.7%	-3.0%	-5.2%	-5.2%	
West Virginia	63,038	63,509	63,280	62,903	63,220	63,270
+/- m/m	(87)	471	(229)	(377)	317	50
% y/y	6.0%	3.9%	3.7%	2.7%	5.0%	2.8%
Total Aetna	697,638	697,262	699,388	955,775	856,112	786,161
+/- m/m	(890)	(1,623)	1,706	532	(256)	(348)
% y/y	4.5%	4.4%	5.1%	43.9%	33.8%	40.3%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing PA, TX data

Centene

We track monthly enrollment data in nine states where Centene operates risk-based health plans. Across these states, Centene covered more than 1.94 million lives at the end of Q1 2013, up more than 25 percent over the previous year. Centene's nationwide Medicaid enrollment is around 2.7 million, as reported in Q2 2013 financial statements.

Centene	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Arizona	22,171	22,086	22,080	22,173	53,143	52,933
+/- m/m	31	(85)	(6)	93	30,970	(210)
% y/y	1.3%	1.1%	1.5%	1.9%	133.4%	133.9%
Florida	210,644	211,142	210,156	209,697	213,452	211,798
+/- m/m	572	498	(986)	(459)	3,755	(1,654)
% y/y	6.9%	5.8%	6.8%	5.6%	6.6%	5.4%
Georgia	305,378	304,291	304,618			
+/- m/m	1,474	(1,087)	327	N/A	N/A	N/A
% y/y	4.3%	2.9%	2.0%			
Louisiana	167,520	166,242	165,411	161,054	160,337	156,348
+/- m/m	(1,142)	(1,278)	(831)	(4,357)	(717)	(3,989)
% y/y	N/A	N/A	223.0%	49.6%	50.1%	-7.3%
Missouri	58,006	61,854	58,638	59,425	59,265	58,737
+/- m/m	(2,288)	3,848	(3,216)	787	(160)	(528)
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Ohio			156,123	156,073	155,596	
+/- m/m	N/A	N/A	(2,368)	(50)	(477)	N/A
% y/y			-1.5%	-1.5%	-1.8%	
Texas	920,266	919,421	929,416	929,260	930,876	
+/- m/m	(1,115)	(845)	9,995	(156)	1,616	N/A
% y/y	88.2%	87.0%	19.1%	7.5%	7.7%	
Washington	56,967	58,144	60,705	61,652	63,390	66,110
+/- m/m	2,132	1,177	2,561	947	1,738	2,720
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Wisconsin	38,414	38,408	38,492	38,623	38,834	38,986
+/- m/m	49	(6)	84	131	211	152
% y/y	-4.0%	-4.2%	-3.2%	-1.9%	-2.6%	-1.7%
Total Centene	1,779,366	1,781,588	1,945,639	1,637,957	1,674,893	584,912
+/- m/m	(2,419)	1,045	5,367	(3,961)	35,675	(6,229)
% y/y	71.0%	69.9%	25.8%	17.8%	20.3%	35.4%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing GA, OH, TX data

Health Net

We track Health Net's monthly enrollment data in California where the company covered more than 927,000 Medicaid members through June 2013, an increase of more than 21 percent from the previous year.

Health Net	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
California	717,800	926,794	838,515	863,172	919,056	927,085
+/- m/m	(63,838)	208,994	(88,279)	24,657	55,884	8,029
% y/y	6.1%	35.4%	20.2%	14.3%	21.4%	21.6%

Source: State Medicaid Enrollment data

Humana

We track Humana's monthly enrollment data in Florida, where the company covered nearly 52,700 Medicaid members through June 2013. In Florida, Humana enrollment losses from CY 2012 have reversed, with Q2 2013 enrollment up 16.4 percent from the prior year.

Humana	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Florida	49,844	50,435	50,711	51,208	52,364	52,691
+/- m/m	616	591	276	497	1,156	327
% y/y	10.9%	12.3%	14.7%	15.4%	17.1%	16.4%

Source: State Medicaid Enrollment data

Molina

We track monthly enrollment data in seven of the states where Molina operates risk-based health plans. Across these states, Molina experienced healthy enrollment growth through 2012 and into 2013. Enrollments for May 2013 show 4 percent growth from the prior year, with enrollment in these seven states nearing 1.5 million. Molina reported total enrollments of 1.82 million in Q1 2013 financial reports.

Molina	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
California	217,031	218,533	220,163	233,864	234,757	238,488
+/- m/m	43,506	1,502	1,630	13,701	893	3,731
% y/y	7.5%	8.6%	9.3%	32.0%	31.6%	34.3%
Florida	73,022	73,882	74,386	75,464	79,441	80,394
+/- m/m	813	860	504	1,078	3,977	953
% y/y	7.3%	7.5%	8.6%	9.4%	14.5%	15.9%
Michigan	208,066	206,162	206,581	205,248	204,726	203,451
+/- m/m	117	(1,904)	419	(1,333)	(522)	(1,275)
% y/y	-1.8%	-2.4%	-2.2%	-2.8%	-2.4%	-2.5%
Ohio			241,294	240,496	239,977	
+/- m/m	N/A	N/A	(5,209)	(798)	(519)	N/A
% y/y			-2.1%	-2.4%	-2.6%	
Texas	262,893	258,428	256,811	253,447	251,417	
+/- m/m	(2,266)	(4,465)	(1,617)	(3,364)	(2,030)	N/A
% y/y	76.0%	71.9%	-2.3%	-11.0%	-11.5%	
Washington	395,802	395,843	395,959	390,328	392,782	391,930
+/- m/m	612	41	116	(5,631)	2,454	(852)
% y/y	16.5%	16.4%	16.3%	14.9%	15.3%	15.6%
Wisconsin	46,927	67,426	85,654	99,009	96,439	97,806
+/- m/m	970	20,499	18,228	13,355	(2,570)	1,367
% y/y	12.8%	61.1%	105.8%	138.1%	131.8%	134.3%
Total Molina	1,203,741	1,220,274	1,480,848	1,497,856	1,499,539	1,012,069
+/- m/m	43,752	16,533	19,280	17,806	2,202	3,924
% y/y	10.1%	11.4%	1.8%	3.6%	4.0%	10.8%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing OH, TX data

UnitedHealth

We track monthly enrollment data in 12 states where UnitedHealth operates risk-based health plans. Within these 12 states, UnitedHealth covered 2.2 million lives at the end of Q1 2013, more than 55 percent of United's reported 3.94 million total Medicaid lives in Q2 2013.

UnitedHealth	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Arizona	245,436	244,137	243,635	243,851	243,913	244,762
+/- m/m	272	(1,299)	(502)	216	62	849
% y/y	-2.9%	-2.7%	-2.0%	-1.2%	-1.0%	-0.4%
Florida	116,518	116,890	117,183	118,838	122,839	123,068
+/- m/m	591	372	293	1,655	4,001	229
% y/y	3.0%	4.7%	8.1%	11.9%	15.8%	12.6%
Hawaii	27,090	27,824	28,501	29,138	29,883	N/A
+/- m/m	599	734	677	637	745	N/A
% y/y	30.9%	33.8%	36.6%	39.3%	42.0%	N/A
Louisiana	240,462	240,937	249,731	250,617	256,803	256,516
+/- m/m	4,051	475	8,794	886	6,186	(287)
% y/y	N/A	N/A	278.5%	70.0%	63.5%	15.7%
Maryland	149,767	149,857	151,438	151,876	152,770	151,960
+/- m/m	484	90	1,581	438	894	(810)
% y/y	7.8%	7.6%	7.0%	6.4%	7.7%	6.8%
Michigan	231,888	231,633	230,828	230,477	230,870	230,566
+/- m/m	(2,593)	(255)	(805)	(351)	393	(304)
% y/y	-4.2%	-4.2%	-4.2%	-4.3%	-3.5%	-3.3%
Ohio			114,383	114,227	114,087	N/A
+/- m/m	N/A	N/A	(4,876)	(156)	(140)	N/A
% y/y			-4.1%	-4.2%	-4.3%	
Pennsylvania	184,333	184,033	169,163	168,032		N/A
+/- m/m	(334)	(300)	(14,870)	(1,131)	N/A	N/A
% y/y	-13.0%	-12.7%	-19.0%	-18.8%		
Tennessee	565,238	565,074	561,832		N/A	N/A
+/- m/m	(1,153)	(164)	(3,242)		N/A	N/A
% y/y	0.4%	0.4%	-0.1%			
Texas	168,170	167,791	169,861	170,313	171,318	N/A
+/- m/m	398	(379)	2,070	452	1,005	N/A
% y/y	59.7%	60.2%	7.0%	0.2%	1.9%	
Washington	43,405	44,062	45,321	45,907	47,246	47,614
+/- m/m	1,694	657	1,259	586	1,339	368
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Wisconsin	117,761	117,624	118,483	119,488	120,770	121,430
+/- m/m	1,003	(137)	859	1,005	1,282	660
% y/y	-60.0%	-60.2%	-59.9%	-59.7%	-59.4%	-59.2%
Total UnitedHealth	2,090,068	2,089,862	2,200,359	1,642,764	1,490,499	1,175,916
+/- m/m	3,388	(1,523)	(4,161)	2,732	12,929	1,147
% y/y	7.6%	7.8%	1.4%	4.1%	8.5%	-6.3%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing HI, OH, PA, TN, TX data

WellCare

We track monthly enrollment data in six states where WellCare operates risk-based Medicaid health plans. At the end of Q1 2013, across five states, WellCare covered 1.2 million total Medicaid lives. However, in April 2013, WellCare acquired Aetna's Missouri business line, adding more than 100,000 enrolled beneficiaries. WellCare had previously lost out on a rebid of its roughly 50,000 lives in Missouri in 2012. Although Georgia has not reported Q2 2013 data as of publication, across five of WellCare's six states, the Missouri deal increases May 2013 enrollment 16.9 percent over the previous year. WellCare reported 1.7 million Medicaid covered lives as of Q1 2013.

WellCare	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Florida	370,161	379,744	378,866	377,234	384,601	382,204
+/- m/m	(1,826)	9,583	(878)	(1,632)	7,367	(2,397)
% y/y	4.6%	5.9%	6.2%	4.1%	3.2%	2.0%
Georgia	556,956	555,371	556,388			
+/- m/m	1,284	(1,585)	1,017	N/A	N/A	N/A
% y/y	1.3%	0.4%	0.2%			
Hawaii	31,203	31,900	32,545	33,109	33,830	
+/- m/m	514	697	645	564	721	N/A
% y/y	30.9%	33.8%	36.8%	39.4%	41.8%	
Illinois	141,640	141,546	141,605	140,029	138,876	139,453
+/- m/m	1,196	(94)	59	(1,576)	(1,153)	577
% y/y	6.0%	6.0%	6.4%	5.8%	4.5%	4.3%
Missouri	0	0	0	106,325	105,100	104,078
+/- m/m	0	0	0	(420)	(1,225)	(1,022)
% y/y	-100.0%	-100.0%	-100.0%	94.3%	88.1%	94.2%
Ohio			93,785	92,835	91,419	
+/- m/m	N/A	N/A	(6,744)	(950)	(1,416)	N/A
% y/y			-6.7%	-7.7%	-9.1%	
Total WellCare	1,099,960	1,108,561	1,203,189	749,532	753,826	625,735
+/- m/m	(630)	9,489	(819)	(4,014)	4,294	(2,842)
% y/y	2.1%	2.1%	1.5%	18.2%	16.9%	19.5%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing GA, HI, OH data

WellPoint

WellPoint's Amerigroup acquisition significantly bolstered the company's risk-based Medicaid enrollments. WellPoint reported 1.8 million total Medicaid lives Q3 2012. After the acquisition, WellPoint reported 4.45 million total covered lives in Q2 2013. The eleven states in which we now track WellPoint enrollments make up roughly 2.3 million lives, around half of their total Medicaid business.

WellPoint	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
California	367,212	366,470	380,561	382,854	383,076	385,590
+/- m/m	(65,182)	(742)	14,091	2,293	222	2,514
% y/y	-15.8%	-16.0%	-14.1%	-14.6%	-15.1%	-14.4%
Florida	187,825	187,713	186,149	184,723	186,967	184,197
+/- m/m	(1,718)	(112)	(1,564)	(1,426)	2,244	(2,770)
% y/y	4.3%	2.9%	2.3%	0.1%	0.3%	-1.6%
Georgia	273,580	273,509	273,932			
+/- m/m	1,096	(71)	423	N/A	N/A	N/A
% y/y	6.0%	5.1%	4.3%			
Louisiana	140,445	139,961	136,203	135,831	131,909	131,044
+/- m/m	(307)	(484)	(3,758)	(372)	(3,922)	(865)
% y/y	N/A	N/A	216.1%	42.5%	45.9%	-8.1%
Maryland	209,925	210,172	212,615	214,024	215,637	215,562
+/- m/m	107	247	2,443	1,409	1,613	(75)
% y/y	3.2%	3.2%	3.2%	3.5%	4.9%	4.9%
Ohio			53,118	52,561	51,676	
+/- m/m	N/A	N/A	(1,989)	(557)	(885)	N/A
% y/y			-3.6%	-4.6%	-6.2%	
Tennessee	197,643	197,639	196,591			
+/- m/m	(753)	(4)	(1,048)	N/A	N/A	N/A
% y/y	-0.8%	-0.9%	-1.2%			
Texas	736,776	730,976	735,985	732,225	731,782	
+/- m/m	(5,754)	(5,800)	5,009	(3,760)	(443)	N/A
% y/y	21.4%	20.4%	8.8%	1.2%	2.1%	
Washington	26,426	26,449	26,737	26,942	27,512	27,754
+/- m/m	734	23	288	205	570	242
% y/y	N/A	N/A	N/A	N/A	N/A	N/A
Wisconsin	21,229	21,293	21,270	21,423	21,587	21,873
+/- m/m	344	64	(23)	153	164	286
% y/y	-6.2%	-5.9%	-5.1%	-3.1%	-3.6%	-2.6%
West Virginia	81,595	82,302	82,004	81,289	81,465	81,433
+/- m/m	(109)	707	(298)	(715)	176	(32)
% y/y	-0.5%	-1.2%	-0.8%	-1.2%	0.4%	-0.5%
Total WellPoint	2,242,656	2,236,484	2,305,165	1,831,872	1,831,611	1,047,453
+/- m/m	(71,542)	(6,172)	15,563	(2,213)	624	(700)
% y/y	11.5%	10.8%	6.1%	0.8%	1.1%	-4.0%

Source: State Medicaid Enrollment data

Notes: Totals, month/month, and year/year changes adjusted for missing GA, OH, TN, TX data

HMA MEDICAID ROUNDUP

Alabama

HMA Roundup

United Healthcare Sues Birmingham over Competitive Bidding. In a lawsuit, filed on July 1, 2013, UnitedHealthcare Services has claimed an agreement between the city of Birmingham and Blue Cross Blue Shield of Alabama (BCBS) violated the state's competitive bidding laws. United claims that it had been the low bidder in a third party administrator RFP process initiated in January 2013. In May, the suit claims that BCBS representatives met with Birmingham Mayor William Bell, which triggered a process allowing BCBS to revise its proposal, after having received a termination letter. Shortly thereafter, the city council affirmed a decision to choose BCBS. United has asked for an injunction to prevent the implementation of the new contract.

Arkansas

HMA Roundup

Arkansas Medicaid Growth the Slowest Since 1982. On Friday, July 19, 2013, Arkansas officials reported that the state's growth in Medicaid spending was merely 1.5 percent in Fiscal 2013, the lowest growth rate since 1982. The slowdown coincided with a pay-for-performance initiative that began in July 2012, but also reflects a national slowdown in overall healthcare spending growth rates.

California

HMA Roundup – Jennifer Kent

Anthem Blue Cross Drops Out of California's Small Business Marketplace. On July 19, 2013, Covered California health exchange officials confirmed that Anthem Blue Cross has withdrawn from the small business marketplace. The exchange recently eliminated a rule that required plans interested in the individual marketplace to also apply for the small business marketplace. Anthem already participates in California Choice, a private small business exchange. The state's Insurance Commissioner Dave Jones had previously criticized Anthem and recommended the exchange bar the health insurer from the small business marketplace due to a record of "unreasonable" rate increases.

CaliforniaHealth+ Aims to Enroll Newly Eligible Medi-Cal Beneficiaries. Last week, the California Primary Care Association (CPCA) launched CaliforniaHealth+, an enrollment assistance initiative designed to raise awareness of the newly eligible Medicaid beneficiaries, as well as the state's health exchange. CPCA's network of 900 not-for-profit community health centers and clinics should be particularly important in connecting with the state's burgeoning Hispanic community. Community clinics' traditional constituencies of low-income and uninsured patients are natural targets for enrollment initiatives.

State Auditor Finds Covered California on Track for Open Enrollment. On July 18, 2013, California State Auditor Elaine Howle reported that Covered California appears on target for its October 1, 2013 open enrollment launch. The report notes that the exchange's oversight and governance appear adequate, outreach plans are more than adequate, and conflict of interest and financial disclosure policies are consistent with Federal requirements. That said, hiring challenges at service centers in Contra Costa, Fresno, and Sacramento may curtail call center implementation.

California Suspends 16 Treatment Centers For Suspected Fraud. On Thursday, July 18, 2013, the California Department of Health Care Services suspended Medi-Cal payments to 16 drug and alcohol treatment centers following raids that uncovered suspected fraud. The agency used data mining software to identify abnormal billing trends and alleges the affected providers falsely billed Medi-Cal for services that were either not necessary or never rendered, whatsoever.

Colorado

HMA Roundup – Joan Henneberry

Gov. Hickenlooper names new Commissioner of Insurance. On Monday, July 22, Governor John Hickenlooper announced the appointment of Marguerite Salazar as the state's new Commissioner of Insurance, effective August 19. Ms. Salazar served as the HHS Region VIII Director since May 2010.

Navigator and Enrollment Assistant Training Begins. Recently, more than 500 people signed up to receive training as agents or brokers who will be allowed to assist people when open enrollment begins for Connect for Health Colorado, the state-run exchange which opens its doors October 1. The customer service center is already open for information and phone calls to help prepare potential customers and educate them about the process they will follow in a few months. Colorado has also created regional hubs of community-based organizations that will train navigators and enrollment assisters.

Anthem Blue Cross Hires 300 Customer Service Staff. On July 18, 2013, Anthem Blue Cross announced it will hire 300 people to staff up customer service functions including trainers, entry-level customer service and operations positions, and managers to prepare for an increase in clients as a result of the opening of the Connect for Health exchange in January. Anthem already has 1 million members and 1,700 employees in Colorado.

Florida

HMA Roundup – Gary Crayton and Elaine Peters

AHCA Letters of Intent to Negotiate to Be Fully Issued by the End of this Week. By the end of this week, it is anticipated that all letters of invitation to negotiate will have been sent by the Florida Agency for Health Care Administration (AHCA) to health plans for the Managed Medical Assistance (MMA) procurement. The Agency will schedule meetings with plans for selected Regions over the next two months, with negotiations scheduled from July 8 to September 6, 2013. It is anticipated that notices of intent to award contracts will be posted on September 16, 2013.

HHS Reminds Florida of Who is Stuck in the Middle. On Wednesday, July 24, 2013, Paul Dioguardi, director of the Office of Intergovernmental and External Affairs at the Department of Health and Human Services, reported at a press conference that there are roughly one million Floridians who fall in the cracks between Medicaid eligibility and exchange subsidies, assuming the legislature does nothing to expand Medicaid eligibility. Dioguardi noted that the Obama Administration is encouraged by Governor Rick Scott's support for expansion and the ongoing debate about Medicaid expansion options.

Florida Blue Reorganization Public Hearing. On July 25, 2013, the Florida Office of Insurance Regulation (OIR) will hold a public hearing at the Miami-Dade College (Wolfson Campus) to discuss the proposed reorganization of Florida Blue/Blue Cross Blue Shield of Florida into a stock insurer under a mutual holding company. The meeting starts at 5:30PM ET and will be streamed live at <http://thefloridachannel.org>. Consumers may submit comments about the proposal to BCBShearing@flair.com.

Justice Department Sues Florida for ADA Violations. On Monday, July 22, 2013, the Justice Department announced a lawsuit against the state of Florida for alleged violations of the Americans with Disabilities Act (ADA). At issue is the handling of children with significant medical needs, with nearly 200 being inappropriately segregated in skilled nursing facilities rather than their homes or community-based settings. The ADA and the Supreme Court's Olmstead decision mandate states to prevent the unnecessary segregation the disabled. Last year, the Justice Department notified the state that it was violating the ADA's integration mandate by providing inadequate home and community-based services and supports, resulting in unnecessary institutionalization.

Georgia

HMA Roundup – Mark Trail

Foster Care and Adoption Assistance Program Transitions to Amerigroup. On Monday, July 22, 2013, the Department of Community Health (DCH) announced the transition of 27,000 children in foster care and adoption assistance, as well as select youth in the juvenile justice system, to Amerigroup Community Care as the single care management organization (CMO) for healthcare coverage, as of January 1, 2014. Amerigroup is one of three CMOs covering children in the Medicaid and PeachCare programs. DCH conducted two public meetings to compile feedback and comments from stakeholders, which will help the department deliver guidance and information about the program. DCH hopes to save the Medicaid program up to \$27.5 million over five years through improved preventative care and coordination of care. In addition, various observers hope that the move to a single CMO will reduce the overuse of psychotropic drugs.

Stratus Healthcare Formed as an Alliance of 23 Hospitals. On Tuesday, July 23, 2013, a group of 23 hospitals in central and south Georgia announced the formation of an alliance, Stratus Healthcare, to share resources, coordinate information, and manage population health. Stratus is among a growing group of alliances designed to offer collaboration for various regional hospitals, while maintaining independence. Stratus aims to build networks for primary and specialty care, hospitalists, and emergency medicine programs to establish clinical guidelines, formulate transfer protocols, implement telemedicine systems, and share best practices.

Idaho

HMA Roundup

Idaho Medicaid Agency Prepares for Expansion Scenario. Although Gov. Butch Otter and Republican legislators rejected the idea of Medicaid expansion earlier in 2013, Medicaid officials hope to be prepared for expansion should political winds or philosophies change. Over the last month, Idaho's Department of Health and Welfare has solicited information from health insurers about how they would adapt to an expansion in Medicaid eligibility. In particular, the department has probed insurers about the possibility of offering Medicaid beneficiaries managed care plans on the state's health exchange.

Illinois

HMA Roundup – Andrew Fairgrieve

Governor Signs SB 26 to Expand Medicaid, Issue Accountable Care RFP. On Monday, July 22, Illinois Governor Pat Quinn signed Senate Bill 26 into law. The bill authorizes the expansion of Medicaid eligibility under the ACA. In addition, SB 26 included the requirement that Illinois issue a RFP for provider-led organizations, to be known as Accountable Care Entities (ACEs), to serve the Medicaid children/families and "new ACA adults" expansion population. This RFP is required to be released by August 1, 2013. ACEs will have five months to respond. The Department of Healthcare and Family Services (HFS) is targeting a July 1, 2014 launch for the ACEs alongside traditional managed care organizations in five regions.

Canadian Firm Tapped to Build Illinois Health Exchange. On July 19, 2013, Illinois issued a letter of intent to award Montreal-based CGI Technologies and Solutions a \$66.5 million contract to build the state's health exchange. While the federal government will handle the establishment of the partnership model for 2014, CGI would begin preliminary exchange development and provide IT services to the state Department of Insurance. Assuming the state Legislature approves a law to create a state-based exchange, CGI would be responsible for building out the online marketplace for 2015, including interfaces with the state's Medicaid eligibility system.

Indiana

HMA Roundup – Cathy Rudd

Money Follows the Person Vendor Chosen. On July 16, 2013, the Indiana Department of Administration announced its selection of CareStar of Indiana to oversee the operation of the Money Follows the Person (MFP) Program for the Indiana Family & Social Services Administration. Since its inception in 2009, the state has spent approximately \$500K annually on transition and case management services. Only CareStar of Indiana submitted a bid, while the incumbent, Advantage, opted not to participate.

Insurance Department Reports That ACA Will Cause Health Premiums to Rise. On July 18, 2013, the Indiana Department of Insurance issued a press release reporting that the ACA would cause 2014 health insurance rates to increase. Logan Harrison, Chief Deputy Commissioner at the Indiana Department of Insurance said that the average individual

premium would spike by 72 percent, while small group rates would increase by about 8 percent. Because the ACA requires more comprehensive and expensive health insurance than buyers may want or need, average premiums would naturally increase. Furthermore, Harrison points out that even states that claim savings have already endured dramatic increases in rates over the past few years due to more onerous health insurance regulations.

Massachusetts

HMA Roundup – Tom Dehner and Rob Buchanan

Health Connector Adds Plans for 2014. The Boston Globe recently spoke with Jean Yang, Executive Director of the Commonwealth Health Insurance Connector Authority about the effect of the ACA on the six year-old state marketplace. For this open enrollment period, the connector added Network Health bringing the total of plan carriers to nine with another likely to join next year. With the implementation of the Affordable Care Act in 2014, five dental carriers are expected to offer plans on the connector. The ACA has added funding to improve the Connector's infrastructure and expands premium subsidies to low-income workers, who would otherwise be unable to afford their employer's insurance.

Cambridge Health Alliance Expects Continuing Losses. According to a budget adopted by trustees on July 16, 2013, the Cambridge Health Alliance expects to lose \$29 million on health care operations in 2013 and more than \$26 million next year. Even with \$6 million from the city to run public health programs and non-operating income, losses will be steep for the foreseeable future. Cambridge Health Alliance is the second largest safety net hospital in the state. A consulting firm was hired to generate some \$17 million in revenue enhancements and cost savings, creating concerns amongst union representatives and trustees. With the sale of Network Health to Tufts Health Plan, the Alliance has lost a source of profitable revenues. The Alliance still hopes to reach an operating surplus by FY16.

Michigan

HMA Roundup – Esther Reagan

Senate Medicaid Workgroup Proposal Unveiled. Following a month of discussions and meetings, on Wednesday, July 24, 2013, the Senate Medicaid Workgroup released the details of its proposed reforms. The Healthy Michigan plan would use two federal waivers to overhaul the state's Medicaid program, including limitations on cumulative Medicaid eligibility for able-bodied adults. The first waiver would expand eligibility for individuals and establish individual health savings accounts to cover co-payments and contributions. The second waiver would limit cumulative lifetime Medicaid eligibility to 48 months for able-bodied individuals between 100 percent and 133 percent of poverty. The Department of Community Health would be charged with improving the effectiveness and cost-effectiveness of the Medicaid program, including incentives to promote healthy behaviors. DCH would also be required to establish incentives for providers to hit quality, cost, and utilization targets.

Mississippi

HMA Roundup

Humana Fills the Gap in Health Plan Coverage. Following reports that 36 Mississippi counties would be left out of the state's health exchange, on July 19, 2013, Humana announced plans to sell insurance in those counties. Humana's agreement to move beyond its initially planned four counties was welcomed by the state's Insurance Commissioner, Mike Chaney. Humana covers more than 200,000 Mississippi residents, including veterans, employer groups, and Medicare beneficiaries.

New Mexico

HMA Roundup

Medicaid Overpayments Audit Deadline Slips. On Monday, July 22, 2013, New Mexico's Human Services Department failed to meet a deadline to offer State Auditor Hector Balderas access to an independent audit that found some \$36 million in Medicaid overpayments and allegations of fraud against 15 behavioral health providers. Balderas obtained a district judge's subpoena for the Human Services Department to access the audit, but the Department has up to two weeks to challenge it. The Attorney General is conducting an investigation into the alleged overpayments and hopes to determine whether or not to pursue actions against the providers in question.

New York

HMA Roundup – Denise Soffel

Cuomo Appoints New Health Officials. On July 19, 2013, Gov. Andrew M. Cuomo announced the appointments of Courtney Burke as Deputy Secretary for Health, Laurie Kelley as Acting Commissioner of the Office for People with Developmental Disabilities (OPWDD), and Dr. Ann Sullivan as the Acting Commissioner of the Office of Mental Health. The appointments will be effective in November 2013. Cuomo intends to nominate Kelley and Dr. Sullivan to serve as Commissioners of OPWDD and OMH, respectively, in the next legislative session, subject to confirmation by the state Senate. Ms. Burke most recently served as the Commissioner of OPWDD, following her time as Director of the Rockefeller Institute's New York State Health Policy Research Center and senior policy analyst for the New York State Office of Advocate for Persons with Disabilities. Ms. Kelley most recently served as the Executive Director for the Ulster-Greene ARC for eleven years, following a 19 year career at Benedictine Hospital, where she was Vice President of Business Development, Professional Services, and General Services. Dr. Sullivan is the Senior Vice President for the Queens Health Network of the New York City Health and Hospitals Corporation and Clinical Professor of Psychiatry at the Icahn School of Medicine at Mt. Sinai. In addition, Dr. Sullivan is a Distinguished Fellow of the American Psychiatric Association, a fellow of the New York Academy of Medicine, a member of the American College of Psychiatrists and the Group for the Advancement of Psychiatry, and an appointee of the New York State Public Health and Health Planning Council and its Mental Health Services Committee, the New York State Medicaid Redesign Team and the National Quality Forum Hospital Measures Group.

Managed Long Term Care Program Still Not in Phase 3. The mandatory Medicaid managed long-term care program has not yet expanded into Phase 3, which includes Orange and Rockland counties. CMS has not yet approved the expansion, citing concerns about network adequacy in those counties. Orange County currently has 433 beneficiaries enrolled in MLTCs on a voluntary basis; Rockland County has 565. The two counties are served by the same four plans: Elant, Fidelis Care at Home, VNS Choice, and WellCare.

FIDA Negotiations Over MOU Continue. New York continues its negotiations with CMS over a memorandum of understanding for the Fully Integrated Duals Advantage (FIDA) demonstration initiative. The state believes it is on track for an August 1, 2013 approval.

North Carolina

HMA Roundup

Budget Passage Authorizes Medicaid Reform Advisory Group. Legislators reached a compromise \$20.6 billion budget late on Sunday, July 21, 2013. A Medicaid Reform Advisory Group has been commissioned to study and recommend “significant reforms” that would include integrating mental and physical health, improving budget forecasting, piloting programs to improve healthcare delivery, and establishing reasonable time frames for implementation.

Ohio

HMA Roundup

Kasich Preparing to Expand Medicaid. Last week, Gov. John Kasich declared his intentions to expand Medicaid, even if the legislature does not act in the fall. Kasich continues to give the General Assembly space and time to pass authorizing legislation. However, he said that if his patience is met with inaction, then “we’re going to have to think about what other options we have.” House Speaker Bill Batchelder had originally targeted a vote on expansion by August, but he has since backed off that timeline and would not bring legislators back before September.

Pennsylvania

HMA Roundup –Matt Roan

Highmark Launching an Accountable Care Alliance. On July 18, 2013, Highmark – Pennsylvania’s largest insurer – announced the launch of an accountable care alliance that will pay as much as 30 percent more to providers for delivering healthier patients and more coordinated care. Highmark hopes to see a reduction in hospital admissions and a 3-5 percent reduction in per capita healthcare costs. Unlike ACOs, this initiative would not require risk sharing by participating providers, at least initially.

DPW Convenes Group to Examine Management of Duals. DPW Secretary Bev Mackereth has sent a letter to legislative leaders announcing that the Department is convening a stakeholder workgroup to examine options for managing Medicaid benefits for Dually Eligible Pennsylvanians. The group will look at options including integrated care,

extending Medicaid managed care to the duals, managed fee-for-service models, and enhanced intensive case management. A deadline has not been set for when the workgroup will report its recommendations. One of the issues identified by the Department is that PA spends 22 percent more than the national average on skilled nursing facility care, and 8 percent less than the national average on home and community-based services.

PA Supreme Court Blocks Closure of State Health Centers. The Supreme Court granted a preliminary injunction request brought by the SEIU and state employed nurses, which directs the PA Department of Health to suspend plans to close 26 of the state's 60 health centers across the Commonwealth. The preliminary injunction request was previously denied by the PA Commonwealth Court. The Governor's budget assumes savings of \$3.4M by closing the 26 centers and consolidating operations with other health centers in adjoining counties. The Department of Health contends that the consolidation will increase access to community health nurses as they move from an office-based staff model to a field-based model. State-employed health nurses who work out of the state health centers work on public health projects including health education, vaccination, and responding to disease outbreaks.

Texas

HMA Roundup – Dianne Longley and Linda Wertz

Sebelius Holds Out Hope for Texas to Expand Medicaid. In a recent visit to the state, HHS Services Secretary Kathleen Sebelius expressed hope that Texas would re-evaluate its views on Medicaid expansion, particularly given the nearly \$90 billion in federal funding that would flood into the state over ten years to chip away at the nearly 26 percent of the population that is uninsured.

West Virginia

HMA Roundup

West Virginia Medicaid Expansion and Exchange Hinge on CMS Responsiveness. According to the state Department of Health and Human Resources, Medicaid expansion in West Virginia is contingent on the federal government meeting its own responsibilities. Last week, Gov. Earl Ray Tomblin sent a letter to HHS Secretary Sebelius focusing on Medicaid expansion and health exchanges. The state has yet to submit a state plan amendment regarding the expansion, but officials need clarification from the federal government on timelines and unreleased regulatory requirements.

National

HMA Roundup

House Passes Legislation to Delay Individual Mandate. Last Wednesday, July 17, 2013, the US House of Representatives passed legislation (251-174) to delay the individual mandate, along with a bill that authorizes the one-year delay in the employer mandate. It is unlikely that the Senate would take up this bill, so a Presidential veto will almost certainly not be necessary.

CMS On Track to Implement Federal Data Hub by October 1. In July 16, 2013 testimony to the House of Representatives, CMS Administrator Marilyn Tavenner confirmed that CMS testing of the Federal Data Hub with federal agencies would be complete by the end of August and that the hub would be ready for an October 1 launch. Tavenner underscored that the hub is not a centralized database. However, Republicans raised grave privacy concerns about such sensitive health and taxpayer information.

Senate HELP Committee Report on Olmstead Critiques State Efforts. On July 18, 2013, Senate Health, Education, Labor, and Pensions (HELP) Committee Chairman, Tom Harkin issued a report criticizing states' inadequate efforts to integrate individuals with disabilities into their communities. The report, titled "*Separate and Unequal: States Fail to Fulfill the Community Living Promise of the Americans with Disabilities Act*", captures the responses from all 50 states regarding the implementation of home and community based programs, despite their cost-effectiveness. Among the recommendations were that states should pursue new federal funding avenues, aside from waivers, to increase the transition of individuals away from institutional settings. In addition, the report pushes for CMS to require incremental LTSS spending goals to ensure continued increases in HCBS spending. The report can be found at [Link](#)

HHS Issues Report that Cites Lower Than Expected 2014 Health Premiums. The Department of Health and Human Services issued a report on July 18, 2013, that indicates individual market and small group health plan premiums on exchanges would be 18 percent lower than originally predicted. The report notes that for 10 states and the District of Columbia, the average silver plan would be about \$321 per month for individuals as compared to prior CBO estimates of about \$392.

INDUSTRY NEWS

Humana Announces Intent to Acquire American Eldercare. Humana announced on July 24, 2013, their intent to acquire American Eldercare, Florida's largest under the state's Medicaid Nursing Home Diversion (NHD) program. American Eldercare enrolls nearly 4,900 out of more than 18,700 total NHD program beneficiaries. American Eldercare was also awarded contracts in all 11 regions for the statewide managed long-term care (MLTC) program in Florida. The MLTC program, set to rollout in the first region on August 1, 2013, is anticipated to enroll 90,000 MLTC beneficiaries by early 2014.

HCA Acquires Three Tampa Hospitals. On Thursday, July 18, 2013, HCA Healthcare announced the purchase from IASIS Healthcare of three Tampa area hospitals: Memorial Hospital in South Tampa, Town & Country Hospital, and Palms of Pasadena Hospital. Upon completion around year-end, HCA will operate 42 hospitals across the state, including 19 in western Florida. Published reports indicate that HCA, Tampa General, RegionalCare Hospital Partners, and Naples-based HMA are bidding Citrus Memorial Hospital, a taxpayer-supported facility.

Community Health Systems Subpoenaed by DOJ. The Department of Justice has subpoenaed Community Health Systems to investigate hospital admissions practices and possible Medicare fraud. Last week, the company also reported preliminary second quarter results, which reflected the "first significant earnings miss since the third quarter of 2006".

RFP CALENDAR

Below is an updated Medicaid managed care RFP calendar. The events are color coded by state/program and are listed in date order.

Date	State	Event	Beneficiaries
August 1, 2013	Florida LTC (Region 7)	Implementation	9,600
August, 2013	Wisconsin MLTC (Select Regions)	Contract awards	10,000
September 1, 2013	Idaho Behavioral	Implementation	200,000
September 1, 2013	Florida LTC (Regions 8,9)	Implementation	14,000
September 16, 2013	Florida acute care	Contract awards	2,800,000
Summer 2013	Rhode Island Duals	Contract Awards	22,700
Summer 2013	South Carolina Duals	RFP Released	68,000
Summer 2013	Michigan Duals	RFP Released	70,000
October 1, 2013	Massachusetts Duals	Implementation	115,000
October 1, 2013	Arizona - Acute Care	Implementation	1,100,000
October 1, 2013	Arizona - Maricopa Behavioral	Implementation	N/A
November 1, 2013	Rhode Island Duals - Medicaid Only	Implementation	22,700
November 1, 2013	Florida LTC (Regions 1,2,10)	Implementation	13,700
December, 1 2013	Florida LTC (Region 11)	Implementation	16,400
"Early 2014"	North Carolina	RFP released	TBD
January 1, 2014	Illinois Duals	Implementation	136,000
January 1, 2014	California Duals	Implementation	456,000
January 1, 2014	New Mexico	Implementation	510,000
January 1, 2014	Wisconsin MLTC (Select Regions)	Implementation	10,000
January 1, 2014	Virginia Duals	Implementation	79,000
January 1, 2014	Texas Duals	Implementation	214,400
February 1, 2014	Florida LTC (Regions 5,6)	Implementation	19,500
March 1, 2014	Florida LTC (Regions 3,4)	Implementation	16,700
April 1, 2014	Ohio Duals	Implementation	115,000
April 1, 2014	Idaho Duals	Implementation	17,700
April 1, 2014	New York Duals	Implementation	133,880
April 1, 2014	Washington Duals	Implementation	48,500
July 1, 2014	South Carolina Duals	Implementation	68,000
July 1, 2014	Michigan Duals	Implementation	70,000
September 1, 2014	Vermont Duals	Implementation	22,000
September 1, 2014	Texas Rural STAR+PLUS	Operational Start Date	110,000
October 1, 2014	Florida acute care	Implementation (All Regions)	2,800,000

DUAL INTEGRATION PROPOSAL STATUS

Below is a summary table of the progression of states toward implementing dual eligible integration demonstrations in 2013 and 2014.

State	Model	Duals eligible for demo	RFP Released	RFP Response Due Date	Contract Award Date	Signed MOU with CMS	Enrollment effective date
Arizona		98,235		Not pursuing Financial Alignment Model			
California	Capitated	456,000	X	3/1/2012	4/4/2012	X	1/1/2014
Colorado	MFFS	62,982					11/1/2013
Connecticut	MFFS	57,569					TBD
Hawaii		24,189		Not pursuing Financial Alignment Model			
Illinois	Capitated	136,000	X	6/18/2012	11/9/2012	X	1/1/2014
Iowa	MFFS	62,714					TBD
Idaho	Capitated	22,548	June 2013	TBD	August 2013	7/25/2013	4/1/2014
Massachusetts	Capitated	109,636	X	8/20/2012	11/5/2012	X	1/1/2014
Michigan	Capitated	70,000	Summer 2013		TBD		7/1/2014
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	133,880					4/1/2014
North Carolina	MFFS	222,151					TBD
Ohio	Capitated	114,000	X	5/25/2012	Scoring: 6/28/12	X	4/1/2014
Oklahoma	MFFS	104,258					TBD
Oregon		68,000		Not pursuing Financial Alignment Model			
Rhode Island	Capitated	22,700	X	3/27/2013			11/1/2013*
South Carolina	Capitated	68,000	Summer 2013	TBD	TBD		7/1/2014
Tennessee		136,000		Not pursuing Financial Alignment Model			
Texas	Capitated	214,402					1/1/2014
Virginia	Capitated	78,596	X	5/15/2013	6/27/2013	X	1/1/2014
Vermont	Capitated	22,000	10/1/2013	TBD	TBD	7/15/2013	9/1/2014
Washington	MMFS		X			MFFS Only	7/1/2013
	Capitated	115,000	X	5/15/2013	6/6/2013		1/1/2014
Wisconsin	Capitated	5,500-6,000	X	8/23/2012	10/1/2012		TBD**
Totals	14 Capitated 7 MFFS	1.5M Capitated 485K FFS	8			6	

* Phase I enrollment of duals only includes Medicaid benefits. Medicare-Medicare integration to occur within 12 months.

** Wisconsin is completing a comment period on a draft MOU with CMS. Finalized MOU will determine implementation date.

† Capitated duals integration model for health homes population.

HMA NEWS

HMA's Jenna Walls authors report with AARP PPI and NASUAD on LTSS Trends. On July 16th, 2013, the AARP Public Policy Institute, National Association of States United for Aging and Disabilities (NASUAD) and Health Management Associates (HMA) released *At the Crossroads: Providing Long-Term Services and Supports at a Time of High Demand and Fiscal Constraint*. This new report highlights the challenges states face in delivering long-term services and supports (LTSS). While states begin implementing Affordable Care Act provisions that increase access to Medicaid home and community based services (HCBS), many states did not increase budgeting for non-Medicaid services such as senior centers, transportation, or caregiver supports. The report reflects findings from the third annual survey of LTSS systems across the United States, including the status of reforms and discernible trends, highlighting transformations and reforms underway, and trends across the country. [\(Link to Report - PDF\)](#)

HMA UPCOMING APPEARANCES

"Building the Foundation - A Refresher on Federal Programs, Grants, and Reporting"

National Association of State Human Services Finance Officers Annual Conference

Mark Trail - Presenter

July 28, 2013

Columbus, Ohio

Mark Trail will co-present with Trinity Tomsic of Federal Funds Information for States.

"Medicaid Expansion - Hot Topics in Information Technology"

National Association of State Human Services Finance Officers Annual Conference

Juan Montanez - Presenter

July 31, 2013

Columbus, Ohio

The presentation will discuss the challenges of modernizing IT systems for human service programs in a time of exceptional transformation and complexity. Lessons learned from state IT transformations will be discussed, and best practices will be shared for states contemplating similar efforts.