

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in Health Policy

..... September 30, 2020



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

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THIS WEEK

- **IN FOCUS: HMA ANALYSIS OF 2021 MEDICARE ADVANTAGE LANDSCAPE AND MANDATORY MEDICARE RADIATION ONCOLOGY AND ESRD TREATMENT CHOICES INNOVATION MODELS**
- DELAWARE MEDICAID TO ADD DENTAL COVERAGE FOR ADULTS
- NEBRASKA MEDICAID EXPANSION BEGINS OCTOBER 1
- NORTH CAROLINA PLE PETITIONS TO REVERSE MEDICAID MANAGED CARE PROCUREMENT RULING
- OHIO RELEASES MEDICAID MANAGED CARE RFA
- OHIO ANNOUNCES CREATION OF MEDICAID MANAGED CARE PROGRAM FOR CHILDREN WITH BEHAVIORAL HEALTH NEEDS
- TEXAS SEEKS INPUT ON PROCURING MCOs FOR HEALTHY TEXAS WOMEN PROGRAM
- CMS WARNS OF SIGNIFICANT DECREASE IN UTILIZATION OF HEALTH SERVICES AMONG CHILDREN ENROLLED IN MEDICAID, CHIP
- MOLINA TO ACQUIRE NEW YORK-BASED AFFINITY HEALTH PLAN FOR \$380 MILLION
- PROVIDENCE TO ACQUIRE SIMPLURA HEALTH GROUP
- **NEW THIS WEEK ON HMAIS**

IN FOCUS

HMA ANALYSIS OF 2021 MEDICARE ADVANTAGE LANDSCAPE AND MANDATORY MEDICARE RADIATION ONCOLOGY AND ESRD TREATMENT CHOICES INNOVATION MODELS

This week, our *In Focus* section reviews two recent Medicare developments from the Centers for Medicare & Medicaid Services (CMS). On September 24, 2020, CMS released the Medicare Advantage (MA) and Part D landscape files for the 2021 plan year. These files include information on MA and Part D offerings, including plan types and premiums. Earlier this month, CMS also released a final rule implementing two new mandatory payment models addressing radiation oncology and end-stage renal disease (ESRD).

HMA's preliminary analysis of the 2021 MA landscape can be found [here](#).

HMA's summary of the finalized ESRD and Radiation Oncology models, which are scheduled to go into effect January 2021, can be found [here](#).



HMA MEDICAID ROUNDUP

Alaska

Alaska Medicaid Now Covers One-in-Three State Residents. *KTOO* reported on September 25, 2020, that Medicaid enrollment in Alaska has grown by more than 12,000 members over the last six months since the start of the pandemic, swelling to 232,735 beneficiaries or nearly one-in-three state residents as of August 31. Medicaid spending during the first 11 weeks of the state budget is on track with what officials projected, but lawmakers are struggling to close a \$1 billion budget deficit. [Read More](#)

Delaware

Delaware Medicaid to Add Dental Coverage for Adults. *Delaware State News* reported on September 29, 2020, that Delaware will add adult dental coverage to its Medicaid program for members ages 19 to 65 who are enrolled in a managed care plan or in fee-for-service Medicaid. The Medicaid adult dental benefit was originally scheduled to take effect in April but was delayed due to COVID-19. AmeriHealth Caritas and Highmark Blue Cross Blue Shield serve as the state's two managed care plans. [Read More](#)

Illinois

Illinois Distributes \$140 Million in Medicaid Provider Relief Funds. *STL.News* reported on September 25, 2020, that Illinois Governor JB Pritzker and the state Department of Healthcare and Family Services announced the distribution of \$140 million in federal relief funds to Medicaid providers to help cover COVID-19 related costs. This first round of funding includes \$68 million to long-term care facilities, \$50 million to federally qualified health centers, and \$23.5 million to safety net hospitals. Many Medicaid providers will receive first-round funding automatically, but future rounds will require providers to complete an online application. The provider relief funding comes from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. [Read More](#)

Massachusetts

Massachusetts Nursing Homes Twice as Likely to Discriminate Against Medicaid Applicants, Investigation Finds. *The Boston Globe* reported on September 28, 2020, that nursing home applicants covered under Medicaid in Massachusetts are more than twice as likely to be discriminated against compared to applicants with private insurance, according to an investigation by *The Boston Globe* conducted in December 2019. The investigation sent two batches of e-mails to over 200 randomly selected nursing homes in the state: one set described applicants with private insurance while the other set described applicants covered under Medicaid. The investigation found that nursing homes were more than twice as likely to say they had no room when responding to Medicaid applicants. Discrimination against Medicaid applicants to nursing homes is illegal in Massachusetts. [Read More](#)

Nebraska

Nebraska Medicaid Expansion Begins October 1. *The Omaha World-Herald* reported on September 27, 2020, that Nebraska's Medicaid expansion program will begin October 1, with a projected 90,000 adults earning below 138 percent of the federal poverty level eligible. The Nebraska Department of Health and Human Services received 9,780 applications for health coverage, most of whom will receive the "basic" tier of benefits that includes physical and mental health care as well as prescription drugs. The state still awaits federal approval for its plan to require Medicaid expansion beneficiaries to comply with wellness, personal responsibility, and other "community engagement" activities to receive a full range of benefits. [Read More](#)

North Carolina

North Carolina PLE Petitions to Reverse Medicaid Managed Care Procurement Ruling. *North Carolina Health News* reported on September 29, 2020, that My Health By Health Providers, a consortium of major hospital systems in North Carolina, is petitioning the Wake County Superior Court to reverse a decision over North Carolina's Medicaid managed care procurement process. The court document argues that the process in selecting plans by the North Carolina Department of Health and Human Services was unfairly biased against provider-led entities (PLEs), of which My Health By Health Providers is one. In August, the state Office of Administrative Hearings ruled against Aetna, Optima, and My Health By Health Providers, three of the plans not awarded a contract. [Read More](#)

Ohio

Ohio Releases Medicaid Managed Care RFA. The Ohio Department of Medicaid (ODM) issued a request for applications (RFA) on September 30, 2020, for the procurement of Medicaid managed care organizations (MCOs). The RFA follows the release of two requests for information (RFIs) in June 2019 and February 2020, soliciting feedback from individuals, providers, and interested bidders. Proposals are due November 20 with awards expected January 25, 2021. Ohio will award no more than five MCOs for each of the three regions. The contracts will run from January 5, 2022, through June 30, 2024, with optional renewals each fiscal year afterwards. Current incumbents are Centene/Buckeye Health Plan, CareSource, Molina, Paramount Advantage, and UnitedHealthcare serving 2.45 million individuals. [Read More](#)

Governor Announces Creation of Medicaid Managed Care Program for Children with Behavioral Health Needs. *Cleveland.com* reported on September 29, 2020, that Ohio Governor Mike DeWine announced the creation of “Ohio RISE,” a new Medicaid managed care program aimed at improving coordination among and access to treatment programs for foster care children suffering from substance abuse, mental illness, developmental disabilities, and other complex behavioral health issues. Two-thirds of the state’s foster care Medicaid spending is spent on behavioral health services for children. Procurement for the new program will begin later in the fall of 2020. [Read More](#)

Ohio Medicaid Plans Pay Pharmacists as Providers for Higher-Level Health Services. *Modern Healthcare* reported on September 26, 2020, that Medicaid managed care organizations are working with the Ohio Department of Medicaid to act on a 2019 law that recognizes pharmacists as providers in the state and allows insurers to pay pharmacists for patient care services under the medical benefit. Participating Medicaid plans include CareSource, Centene/Buckeye Health Plan, and UnitedHealthcare Community Plan of Ohio. Several other states, including New Mexico, Tennessee, Texas, Virginia, Washington and West Virginia, have started similar pilot programs that require some insurers to pay pharmacists for certain patient care services. [Read More](#)

Pennsylvania

Pennsylvania Updates COVID-19 Guidance for Personal Care Homes, Assisted Living Residents, Private Intermediate Care Facilities. On September 22, 2020, the Pennsylvania Department of Human Services (DHS) issued updated COVID-19 guidance for personal care residents and staff, assisted living residences, and private intermediate care facilities. The guidance covers screening and surveillance testing for residents and staff, expanding visitation, and how facilities can safely relax mitigation tactics. It also adds to previous guidance for compassionate care visitation policies and lifting restrictions within these facilities. [Read More](#)

Pennsylvania Shifts to State-Based Exchange. *The Philadelphia Inquirer* reported on September 22, 2020, that Pennsylvania officially launched its state-based insurance marketplace which allows Pennsylvania residents to buy individual health plans. Pennsylvania joins 14 other states that run their own health insurance marketplaces rather than relying on the federal marketplace. Consumers can go to [Pennie.com](https://www.pennie.com) to buy individual health plans. About 5 percent of state residents are covered by individual health plans. [Read More](#)

Texas

Texas Seeks Input On Procuring MCOs for Healthy Texas Women Program. The Texas Health and Human Services Commission (HHSC) issued on September 28, 2020, a request for information (RFI) to solicit feedback regarding the use of Medicaid managed care organizations (MCOs) to provide women's health and family planning services to the Healthy Texas Women (HTW) program in one or more health care service regions across Texas. The HTW program covers eligible women ages 18 through 44 with income up to 200 percent of the federal poverty level.

National

House Democrats Unveil COVID-19 Bill That Includes \$50 Billion for Healthcare Providers. *Modern Healthcare* reported on September 29, 2020, that House Democrats unveiled a \$2.2 trillion COVID-19 relief package that includes \$50 billion in new grant funds for healthcare providers. The new version of the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act cuts additional provider relief funding in half but retains the additional application requirements from the prior version. Other provisions in the bill include increasing the federal matching rate for Medicaid by 14 percent versus the current six percent increase; increasing disproportionate-share hospital payments; and no out-of-pocket costs for COVID-19 tests. [Read More](#)

Trump Administration Approves Drug Importation Program. *Kaiser Health News* reported on September 25, 2020, that the Trump administration has approved a drug importation program that will allow states to import some prescription medicines from Canada. The administration issued a [final rule](#) that does not allow states to import biologic drugs like insulin and does not make any estimates on cost savings due to uncertainty around which drugs will be imported. Colorado, Florida, Maine, New Hampshire, New Mexico and Vermont have all sought federal approval to participate in the drug importation program. The program takes effect in 60 days, according to the rule. [Read More](#)

CMS Issues Medicaid Drug Importation Guidance for Manufacturers. The Centers for Medicare & Medicaid Services (CMS) released on September 25, 2020, guidance on requirements relating to the importation of certain drugs for drug manufacturers that participate in the Medicaid Drug Rebate Program (MDRP). The guidance addresses the following: whether imported drugs should be considered 'covered outpatient drugs' and therefore eligible for rebates; if manufacturers should report a separate average manufacturer price for approved products that are different from the other FDA-approved options; and if price should account the sales of the manufacturer's multi market approved (MMA) product. [Read More](#)

Trump Signs Executive Order Protecting People with Pre-existing Conditions. *The Hill* reported on September 24, 2020, that President Trump has signed an executive order aimed at protecting people with pre-existing conditions. No details were provided on how the order will achieve this goal. The order comes as the Trump administration attempts to repeal the Affordable Care Act. [Read More](#)

CMS Warns of Significant Decrease in Utilization of Health Services Among Children Enrolled in Medicaid, CHIP. The Centers for Medicare & Medicaid Services (CMS) announced on September 23, 2020, that utilization rates for vaccinations, primary care, and preventive services among children enrolled in Medicaid and the Children's Health Insurance Program (CHIP) have significantly declined during the COVID-19 public health emergency. Between March and May 2020, there were 22 percent fewer vaccinations received by Medicaid members up to age 2, 44 percent fewer child screenings assessing physical and cognitive development, and 69 percent fewer dental services compared to the same time period in 2019. [Read More](#)

CMS Announces Lowest Medicare Advantage Premiums in 14 Years. On September 24, 2020, the Centers for Medicare & Medicaid Services (CMS) announced that monthly Medicare Advantage (MA) premiums are set to decline 11 percent to an average \$21 per month in 2021 compared to 2020, the lowest since 2007. Additionally, insulin dependent seniors will be able to choose a plan that offers insulin savings and coverage through the Part D Senior Savings Model for no more than a \$35 copay per month. [Read More](#)



INDUSTRY NEWS

Molina to Acquire New York-based Affinity Health Plan for \$380 Million.

Molina Healthcare announced on September 29, 2020, that it has signed a definitive agreement to acquire New York-based Medicaid managed care plan Affinity Health Plan for \$380 million in cash. As of August 31, Affinity served approximately 284,000 Medicaid members in New York City, Westchester, Orange, Nassau, Suffolk, and Rockland counties. The deal, which is expected to close in the second quarter of 2021, is subject to state regulatory approvals and customary closing conditions.

UHS Hit with Massive Cyber Attack. *Fierce Healthcare* reported on September 28, 2020, that a cyber attack has taken down computer systems at Universal Health Services (UHS), a health system that operates 400 hospitals and behavioral health facilities across the United States and the United Kingdom. UHS hospitals in California, Florida, Texas, Arizona, and Washington DC are without access to computer and phone systems, but no patient or employee data appears to have been accessed. The health system employs more than 90,000 people and serves approximately 3.5 million patients each year. [Read More](#)

Federal Appeals Court Ruling May Set Precedent for M&A Disclosures to Unions. *Modern Healthcare* reported on September 28, 2020, that the Third U.S. Circuit Court of Appeals reaffirmed a ruling that health system Crozer Health must disclose part of its sale agreement with Prospect Medical Holdings to a nurses union, but is not mandated to disclose the entire definitive agreement. The decision could set a precedent that employers are not obligated to send unions merger and acquisition information that has not been proven relevant. The court sent the case back to the board to determine which documents the union is entitled to review. [Read More](#)

Providence to Acquire Simplura Health Group. Providence Service Corporation announced on September 29, 2020, that it has entered into a definitive agreement to acquire Simplura Health Group, which operates a large network of home health and personal care agencies, for \$575 million. Currently, Simplura operates in New York, Pennsylvania, Massachusetts, Florida, New Jersey, West Virginia and Connecticut. The transaction is expected to close in the fourth quarter of 2020, pending customary closing conditions. [Read More](#)

ProMedica Reflects Success of HCR Acquisition. *Modern Healthcare* reported on September 25, 2020, that Ohio-based health system ProMedica has turned a financially struggling senior living provider, HCR ManorCare, into a stable component of the health system's operations after purchasing HCR for \$1.4 billion in 2018. While the acquisition negatively impacted ProMedica's debt ratio initially and resulted in a downgrade of its credit rating, the transaction vaulted the health system into the senior living space where HCR now makes up almost half of ProMedica's revenue. In the first half of 2020, HCR reported a 7.7 percent operating margin boosted by \$156 million in federal stimulus funds. [Read More](#)

Warburg Pincus Makes Strategic Growth Investment in Florida-based GA Foods. On September 23, 2020, private equity firm Warburg Pincus announced that it has agreed to make a strategic growth investment in Florida-based GA Foods, a provider of nutritional meals serving healthcare and senior customers. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
October 1, 2020	Washington DC	Implementation	224,000
October 2020	North Dakota Expansion	RFP Release	19,500
November 2020	Ohio	Proposals Due	2,450,000
Fall 2020	Oklahoma	RFP Release	800,000
Late 2021	California Two Plan Commercial - Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, Santa Clara, San Francisco, San Joaquin, Stanislaus, and Tulare	RFP Release	1,640,000
Late 2021	California GMC - Sacramento, San Diego	RFP Release	1,091,000
Late 2021	California Imperial	RFP Release	75,000
Late 2021	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	RFP Release	286,000
Late 2021	California San Benito	RFP Release	7,600
January 2021	Nevada	RFP Release	465,000
January 1, 2021	Kentucky Rebid	Implementation	1,200,000
January 1, 2021	Massachusetts One Care (Duals Demo)	Implementation	150,000
January 1, 2021	Pennsylvania HealthChoices Physical Health	Implementation	2,260,000
January 1, 2021	Washington Integrated Managed Care (Expanded Access)	Implementation	NA
January 25, 2021	Ohio	Awards	2,450,000
April 1, 2021	Indiana Hoosier Care Connect ABD	Implementation	90,000
July 1, 2021	North Carolina - Phase 1 & 2	Implementation	1,500,000
January 5, 2022	Ohio	Implementation	2,450,000
Early 2022 – Mid 2022	California Two Plan Commercial - Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, Santa Clara, San Francisco, San Joaquin, Stanislaus, and Tulare	Awards	1,640,000
Early 2022 – Mid 2022	California GMC - Sacramento, San Diego	Awards	1,091,000
Early 2022 – Mid 2022	California Imperial	Awards	75,000
Early 2022 – Mid 2022	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	Awards	286,000
Early 2022 – Mid 2022	California San Benito	Awards	7,600
January 2024	California Two Plan Commercial - Alameda, Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Riverside, San Bernardino, Santa Clara, San Francisco, San Joaquin, Stanislaus, and Tulare	Implementation	1,640,000
January 2024	California GMC - Sacramento, San Diego	Implementation	1,091,000
January 2024	California Imperial	Implementation	75,000
January 2024	California Regional - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Inyo, Mariposa, Mono, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Tuolumne, Yuba	Implementation	286,000
January 2024	California San Benito	Implementation	7,600

COMPANY ANNOUNCEMENTS

[MCG White Paper: Pain Management Across the Continuum of Care](#)

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- California Dual Demo Enrollment is Up 2.3%, Aug-20 Data
- California Medicaid Managed Care Enrollment is Up 5.1%, Aug-20 Data
- DC Medicaid Managed Care Enrollment is Flat, Jul-20
- Kansas Medicaid Managed Care Enrollment is Up 7.3%, Aug-20 Data
- Kentucky Medicaid Managed Care Enrollment is Up 10%, Sep-20 Data
- Maryland Medicaid Managed Care Enrollment Is Up 7%, Aug-20 Data
- Michigan Medicaid Managed Care Enrollment is Up 11.5%, Aug-20 Data
- North Carolina Medicaid Enrollment by Aid Category, Aug-20 Data
- New Jersey Medicaid Managed Care Enrollment is Up 9.1%, Jul-20 Data
- Ohio Medicaid Enrollment by Eligibility Category, 2016-19, Aug-20
- Oklahoma Medicaid Enrollment is Up 15.5%, Aug-20 Data
- Oregon Medicaid Managed Care Enrollment is Up 10.6%, Aug-20 Data
- WI Medicaid Managed Care Enrollment is Up 17.1%, Aug-20 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Indiana Medicaid Fraud and Abuse Detection System RFP, Sep-20
- Ohio Medicaid Managed Care RFA and Related Documents, Sep-20
- Texas HHSC Healthy TX Women in Managed Care RFI, Sep-20

Medicaid Program Reports, Data and Updates:

- U.S. Medicaid, CHIP Enrollment at 73.5 Million, May-20 Data
- Arkansas Monthly Enrollment and Expenditures Reports, Aug-20
- Colorado Medicaid Accountable Care Collaborative (ACC) PIAC Meeting Materials, Sep-20
- Florida Medical Care Advisory Meeting Materials, Sep-20
- Maryland Medicaid Advisory Committee Meeting Materials, Sep-20
- Maryland Medicaid Eligibles by Age, Race, Gender, by Month, Aug-20
- Mississippi Medicaid External Quality Review Report, May-20
- North Carolina Medical Care Advisory Committee Meeting Materials, Sep-20
- New Hampshire Medical Care Advisory Committee Meeting Materials, Jul-20
- New Jersey Family Care Enrollment by Age, Eligibility Group, and County, 2016-19, Aug-20
- New York Medicaid Pharmacy Managed Care to FFS Transition Presentations, Sep-20
- Oklahoma Medicaid Enrollment by Age, Race, and County, Aug-20 Data
- Oregon OIG Oversight of CCOs Related to Medicaid Requirements Audit, Sep-20
- Pennsylvania Medical Assistance Advisory Committee (MAAC) Meeting Materials, Sep-20
- Texas OIG Processing of Outlier Nursing Facility STAR+PLUS Claims and Adjustments Cigna-HealthSpring Audit, Aug-20

- Texas OIG Security Controls Over Confidential HHS Information Aetna Better Health Audit, Aug-20
- Vermont Green Mountain Care Board Advisory Committee Meeting Materials, Sep-20
- Washington Medicaid Title XIX Advisory Committee Meeting Materials, Sep-20

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