

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in State Health Policy

..... October 22, 2014



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Edited by:
Greg Nersessian, CFA
[Email](#)

Andrew Fairgrieve
[Email](#)

Kartik Raju
[Email](#)

THIS WEEK

- **IN FOCUS: AUGUST 2014 MEDICAID ENROLLMENT UPDATE REVIEWED**
- PUERTO RICO ANNOUNCES MI SALUD RFP AWARDS TO FIVE PLANS
- DELAWARE REACHES AGREEMENT WITH UNITED, NEGOTIATIONS CONTINUE WITH HIGHMARK ON MEDICAID MANAGED CARE RFP
- MASSACHUSETTS AWARDS MMIS CONTRACT EXTENSION TO HP
- COLORADO ISSUES RFI ON FUTURE OF MEDICAID ACCOUNTABLE CARE COLLABORATIVE
- CALIFORNIA BALLOT INITIATIVE WOULD ALLOW INSURANCE COMMISSIONER TO DENY RATE INCREASE REQUESTS
- UNITED REPORTS STRONG MEDICAID GROWTH IN Q3 2014 EARNINGS
- HMA Q&A: "MARYLAND TESTS WHETHER ALL-PAYER MODEL BASED ON TOTAL COST OF HOSPITAL CARE CAN SAVE MONEY & IMPROVE QUALITY"
- HMA AWARDED RESEARCH GRANT FROM ROBERT WOOD JOHNSON FOUNDATION
- HMA UPCOMING WEBINAR: "MANAGED CARE AND INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES: INNOVATIVE APPROACHES TO CARE COORDINATION"
- HMA UPCOMING WEBINAR: "A HEALTHCARE WIN FOR VETERANS AND STATES: STRATEGIES FOR ENHANCING VETERANS' BENEFITS BY FACILITATING ACCESS TO THE V.A. SYSTEM"

IN FOCUS

AUGUST 2014 MEDICAID ENROLLMENT UPDATE REVIEWED

This week our *In Focus* section reviews updated end-of-August 2014 enrollment reports issued by the Department of Health and Human Services (HHS) on

Medicaid expansion enrollment from “*Medicaid & CHIP: August 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report.*” CMS has provided updated Medicaid enrollment totals in 50 states and the District of Columbia, and corrected previous inaccuracies in both current and baseline Medicaid enrollment figures from earlier reports.

Key Takeaways from Enrollment Reports

- Across 50 states and DC reporting Medicaid and CHIP monthly enrollment data, more than 67.9 million individuals are enrolled as of August 2014 (point-in-time count on August 31).
- Medicaid participation continues to grow, with more than 2 million net new enrollees since HHS’ May 2014 report. Enrollment is up more than 8.8 million from last year’s “Pre-Open Enrollment” period, defined as July 2013 through September 2013.
- The top five states in percentage growth of Medicaid and CHIP enrollment under the Medicaid expansion are Kentucky (72.4 percent), Nevada (63.4 percent), Vermont (62.8 percent), Oregon (59.7 percent), and West Virginia (48.9 percent).
- The top five states in percentage growth of Medicaid and CHIP among states that did not expand Medicaid are Georgia (13.2 percent), South Carolina (10.5 percent), Maine (10.4 percent), Idaho (9.8 percent), and Tennessee (9.3 percent).
- Overall, four states saw enrollment increases of greater than 50 percent, with another eight states showing enrollment increases of more than 25 percent.
- The top five states in total enrollment growth of Medicaid and CHIP under the Medicaid expansion are California (2.04 million), New York (503,297), Kentucky (439,576), Washington (436,283), and Ohio (401,994); combined, they represent nearly 50 percent of enrollment growth across all states. California alone accounts for more than 20 percent of this enrollment growth.
- As detailed in the table below, Medicaid expansion grew by a slightly higher rate in states that also operated their own Exchange, compared to those that have a partially or fully federally-facilitated Marketplace (FFM) (22.3 percent versus 14.8 percent).

Table 1 – Medicaid/CHIP Enrollment Growth Overview – August 2014

	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (August 2014)	August 2014 % Change	August 2014 # Change	Selected Exchange QHP
Expanded Medicaid					
State-Based Exchange	22,788,668	28,096,050	23.3%	5,307,382	2,573,585
Federally Facilitated	11,763,461	14,090,123	19.8%	2,326,662	1,116,018
Has Not Expanded Medicaid					
Federally Facilitated	24,561,581	25,745,471	4.8%	1,183,890	4,330,160

- Through the special enrollment period, which extended through April 19, 2014, nearly 8.02 million individuals have enrolled in a qualified

health plan (QHP) through the Exchanges. Among this group, 2.57 million enrolled through a state-based Exchange, and roughly 5.45 million enrolled through a partially or fully federally-facilitated Exchange.

The table below provides state-level data on Medicaid and Exchange enrollment.

Table 2 – Medicaid/CHIP Enrollment Growth Across All States – August 2014

State	Expanded Medicaid	State-Based/FFM	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (August 2014)	August 2014 % Change	August 2014 # Change	Selected Exchange QHP	Total New Medicaid + Exchange
US Total			59,113,710	67,931,644	14.9%	8,817,934	8,019,763	16,837,697
Alabama	No	FFM	799,176	860,609	7.7%	61,433	97,870	159,303
Alaska	No	FFM	120,946	128,253	6.0%	7,307	12,890	20,197
Arizona	Yes	FFM	1,201,770	1,489,607	24.0%	287,837	120,071	407,908
Arkansas	Yes	FFM	556,851	803,693	44.3%	246,842	43,446	290,288
California	Yes	State-Based	9,157,000	11,200,000	22.3%	2,043,000	1,405,102	3,448,102
Colorado	Yes	State-Based	783,420	1,119,461	42.9%	336,041	125,402	461,443
Connecticut*	Yes	State-Based	618,700	757,528	22.4%	138,828	79,192	218,020
Delaware	Yes	FFM	223,324	231,812	3.8%	8,488	14,087	22,575
District of Columbia	Yes	State-Based	235,786	252,914	7.3%	17,128	10,714	27,842
Florida	No	FFM	3,104,996	3,350,729	7.9%	245,733	983,775	1,229,508
Georgia	No	FFM	1,535,090	1,737,649	13.2%	202,559	316,543	519,102
Hawaii	Yes	State-Based	288,357	296,344	2.8%	7,987	8,592	16,579
Idaho	No	FFM	251,926	276,605	9.8%	24,679	76,061	100,740
Illinois	Yes	FFM	2,626,943	3,000,882	14.2%	373,939	217,492	591,431
Indiana	No	FFM	1,120,674	1,189,633	6.2%	68,959	132,423	201,382
Iowa	Yes	FFM	493,515	563,292	14.1%	69,777	29,163	98,940
Kansas	No	FFM	397,989	400,994	0.8%	3,005	57,013	60,018
Kentucky	Yes	State-Based	606,805	1,046,381	72.4%	439,576	82,747	522,323
Louisiana	No	FFM	1,019,787	1,047,854	2.8%	28,067	101,778	129,845
Maine*	No	FFM	266,900	294,705	10.4%	27,805	44,258	72,063
Maryland	Yes	State-Based	856,297	1,130,961	32.1%	274,664	67,757	342,421
Massachusetts	Yes	State-Based	1,296,359	1,479,002	14.1%	182,643	31,695	214,338
Michigan	Yes	FFM	1,912,009	2,163,414	13.1%	251,405	272,539	523,944
Minnesota	Yes	State-Based	873,040	1,066,787	22.2%	193,747	48,495	242,242
Mississippi	No	FFM	637,229	689,921	8.3%	52,692	61,494	114,186
Missouri	No	FFM	846,084	816,544	-3.5%	(29,540)	152,335	122,795
Montana	No	FFM	148,974	161,508	8.4%	12,534	36,584	49,118
Nebraska	No	FFM	244,600	235,482	-3.7%	(9,118)	42,975	33,857
Nevada	Yes	State-Based	332,560	543,307	63.4%	210,747	45,390	256,137
New Hampshire	Yes	FFM	127,082	148,889	17.2%	21,807	40,262	62,069
New Jersey	Yes	FFM	1,283,851	1,606,314	25.1%	322,463	161,775	484,238
New Mexico	Yes	FFM	572,111	731,027	27.8%	158,916	32,062	190,978
New York	Yes	State-Based	5,678,417	6,181,714	8.9%	503,297	370,451	873,748
North Carolina	No	FFM	1,744,160	1,836,364	5.3%	92,204	357,584	449,788
North Dakota	Yes	FFM	69,980	79,960	14.3%	9,980	10,597	20,577
Ohio	Yes	FFM	2,341,481	2,743,475	17.2%	401,994	154,668	556,662

State	Expanded Medicaid	State-Based/FFM	Pre-Open Enrollment Monthly Avg. (Jul13-Sep13)	Medicaid/CHIP Enrollment (August 2014)	August 2014 % Change	August 2014 # Change	Selected Exchange QHP	Total New Medicaid + Exchange
US Total			59,113,710	67,931,644	14.9%	8,817,934	8,019,763	16,837,697
Oklahoma	No	FFM	790,051	808,713	2.4%	18,662	69,221	87,883
Oregon	Yes	State-Based	626,356	1,000,220	59.7%	373,864	68,308	442,172
Pennsylvania	No	FFM	2,386,046	2,415,249	1.2%	29,203	318,077	347,280
Rhode Island	Yes	State-Based	190,833	260,615	36.6%	69,782	28,485	98,267
South Carolina	No	FFM	790,229	873,206	10.5%	82,977	118,324	201,301
South Dakota	No	FFM	115,501	115,993	0.4%	492	13,104	13,596
Tennessee	No	FFM	1,244,516	1,360,437	9.3%	115,921	151,352	267,273
Texas	No	FFM	4,441,605	4,606,339	3.7%	164,734	733,757	898,491
Utah	No	FFM	322,442	336,373	4.3%	13,931	84,601	98,532
Vermont	Yes	State-Based	127,162	206,957	62.8%	79,795	38,048	117,843
Virginia	No	FFM	1,003,266	950,729	-5.2%	(52,537)	216,356	163,819
Washington	Yes	State-Based	1,117,576	1,553,859	39.0%	436,283	163,207	599,490
West Virginia	Yes	FFM	354,544	527,758	48.9%	173,214	19,856	193,070
Wisconsin	No	FFM	1,161,876	1,184,085	1.9%	22,209	139,815	162,024
Wyoming	No	FFM	67,518	67,497	0.0%	(21)	11,970	11,949

*Connecticut and Maine did not report Pre-Open Enrollment Period enrollment data to HHS for the report. HMA has substituted the December 2013 Medicaid enrollment total from the Kaiser Family Foundation, compiled by Health Management Associates (HMA) from state Medicaid enrollment reports for the Kaiser Commission on Medicaid and the Uninsured (KCMU). Data available at: <http://kff.org/medicaid/state-indicator/monthly-medicaid-enrollment-in-thousands-december/>

Link to CMS Medicaid Expansion Enrollment Report:

"Medicaid & CHIP: August 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report" (October 17, 2014)

Link to ASPE Health Insurance Marketplace Enrollment Report:

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



HMA MEDICAID ROUNDUP

Alaska

Gubernatorial Candidates Parnell and Walker Take Opposing Stances on Medicaid Expansion. On October 17, 2014, the *Alaska Dispatch News* reported that Alaska's two gubernatorial candidates have opposite stances on the prospect of Medicaid expansion in the state. Republican Governor Sean Parnell rejected expansion last year, arguing that the program was financially unsustainable. Instead, Parnell has assembled a Medicaid Reform Advisory Group, which aims to develop meaningful reforms of the state's current Medicaid system. Parnell's challenger, independent Bill Walker, supports expansion for at least as long as the federal government funds 100 percent of the initiative. Should the state adapt expansion, between 10,000 and 41,000 uninsured Alaskans would gain coverage. [Read more](#)

California

HMA Roundup - Alana Ketchel ([Email Alana](#))

State Releases Provider Report Cards. On October 15, 2014, *Kaiser Health News* reported that the state's Office of the Patient Advocate released reports on the performance of major health plans and select medical groups. The release coincides with the start of Covered California's second open enrollment period. Plans were rated on selected clinical care services as well as patient satisfaction. The reports are available online. [Read more](#)

Two Significant Ballot Initiatives Related to Health Care. On October 21, 2014, *Kaiser Health News/CQ Healthbeat* reported on two significant propositions facing California voters this fall related to health care. The first, Proposition 45, would allow the state insurance commissioner to deny health insurer requests for rate increases. Proposition 46 would increase the cap on damages in medical negligence lawsuits to over \$1 million. The proposition would also impose requirements that doctors get tested for illegal drug use. [Read more](#)

Covered California Beginning Second Round of Open Enrollment. On October 16, 2014, the Kaiser Family Foundation reported that Covered California is kicking off its second round of open enrollment. The exchange hopes to enroll more than 500,000 new people. Those who are already enrolled and want to keep their current plans will be enrolled automatically, while those making changes must do so by December 15 to start coverage on January 1. The exchange has made improvements to fix issues in the last round of enrollment, such as allowing enrollees to pay the first premium at the time of enrollment as opposed to waiting for a bill. [Read more](#)

Sovaldi Limited for California Inmates. On October 21, 2014, *California Healthline* reported that less than one percent of California inmates in the state who have hepatitis C are receiving Sovaldi to treat it. A recent study found that using Sovaldi could be worth the cost to treat prisoners with the disease. However, representatives with the San Francisco Department of Health and California Correctional Health Care Services said that providing Sovaldi to all inmates with Hepatitis C is not possible due to the high cost. [Read more](#)

Colorado

HMA Roundup - Joan Henneberry ([Email Joan](#))

HCPF Releases RFI on the Future of the Accountable Care Collaborative. The Colorado Department of Health Care Policy and Financing (HCPF) issued a Request for Information (RFI) soliciting input for the next phase of the Accountable Care Collaborative (ACC). The current Medicaid ACOs, called Regional Care Collaborative Organizations (RCCO), have contracts that run through June of 2016, but the Medicaid agency is likely to extend those through June of 2017. Input received during this RFI will inform the final request for proposals for the rebid of the seven RCCO contracts; all contracts will be competitive and it is anticipated that new ACOs or insurance plans are considering the market for the next contracting period. The Accountable Care Collaborative Program started in May 2011 with around 500 clients. Since that time, the ACC has grown and now covers over 700,000 people including children. The current phase of the ACC is focused on developing a strong network of contracted providers that can serve as medical homes for Medicaid clients. Responses to the RFI are due November 24, 2014. The RFI can be found [here](#).

Delaware

Delaware's Medicaid Managed Care Program Reaches Agreement with United, Finalizing Contract with Highmark. On October 15, 2014, the Delaware Department of Health and Social Services (DHSS) announced that it has entered into an agreement with United Healthcare to continue its partnership with the Delaware Medicaid program, which began in 2007. DHSS is in the process of finalizing a contract with Highmark to join the Medicaid program effective January 1, 2015. Both contracts are for three years. The Department was unable to reach an agreement on financial terms with Aetna's Delaware Physicians Care, Inc.; the company will no longer be a Medicaid managed care organization after December 31, 2014. [Read more](#)

Florida

HMA Roundup - Gary Crayton and Elaine Peters ([Email Gary/Elaine](#))

Residents Lose Health Insurance After Missing Deadline to Provide Proof of Citizenship or Residency Status. On October 17, 2014, the *Miami Herald* reported that more than 35,000 Florida residents have lost their healthcare coverage because they failed to provide proof of U.S. citizenship or legal residency by the September 5, 2014 deadline. Nicholas Duran of Enroll America, a non-profit that advocates for consumers to sign up for insurance under the ACA, says that many of these 35,000 individuals were probably not native

English speakers. Duran said Enroll America will help consumers who lost their coverage figure out how they can re-enroll. [Read more](#)

Florida Pediatricians Cite Concerns about Managed Care Transition and the Health of Medically Fragile Children. On October 16, 2014, *Health News Florida* reported that doctors of fragile children are voicing concerns over barriers to care which they believe are related to the state's rollout of its Managed Medicaid Assistance (MMA) program. The MMA program requires nearly all of the 3.6 million Floridians on Medicaid to be enrolled in managed care plans. Under the program, medically fragile children were supposed to be able to continue seeing their current doctors (if they desired) through the Children's Medical Services (CMS) program; however, some families of CMS recipients were mistakenly told that they had to switch to a private plan, thereby dropping some CMS patients from their doctors' network. Several pediatricians from the Florida chapter of the American Academy of Pediatrics outlined a number of other concerns about MMA - including shortages of specialists in some networks and delays in payment - in a letter to the Agency for Health Care Administration (AHCA). [Read more](#)

Georgia

HMA Roundup - Mark Trail ([Email Mark](#))

Many of Georgia's Rural Hospitals Closed, or on the Brink of Closing, as State Continues Debate on Medicaid Expansion. On October 18, 2014, the *Augusta Chronicle* reported that eight rural hospitals in Georgia have closed or downsized and another 15 are on the brink of closure. According to Jimmy Lewis, CEO of HomeTown Health LLC, rural hospitals have experienced physician shortages, Medicaid cuts, and higher unemployment rates in their counties, which cumulatively led to their financial instability. With the nation's third-highest uninsured rate and a disproportionate number of poor people living in rural areas of the state, many healthcare advocates and politicians continue to push for Medicaid expansion as a means of increasing coverage and bringing in more reimbursements to cash-strapped rural hospitals. [Read more](#)

Indiana

CBPP Report Expresses Concerns Regarding Pence's Healthy Indiana Plan 2.0 Proposal. On October 20, 2014, the *Indiana Business Journal* reported that a left-leaning D.C. think tank is recommending "significant revision" of Governor Mike Pence's Healthy Indiana Plan (HIP) 2.0 alternative Medicaid expansion proposal. HIP 2.0 would expand healthcare coverage to 350,000 Hoosiers by offering health savings accounts with a high-deductible insurance plan; beneficiaries would make modest financial contributions to this account each month. According to a [report](#) by the Center on Budget and Policy Priorities (CBPP), HIP 2.0 violates Medicaid statutes because it requires people with incomes of 100 to 150 percent of the federal poverty limit to pay "premiums" for coverage. The report also objects to the fact that HIP 2.0 would force individuals who do not make payments to wait two months for coverage to start. [Read more](#)

State Announces Recommendation to Award Medicaid Rate Setting/LTC Auditing Services RFP to Myers and Stauffer. On October 17, 2014, the Indiana Department of Administration, Procurement Division announced that Myers and Stauffer LC has been selected to begin contract negotiations to provide

Medicaid Rate Setting and LTC Auditing Services for the Indiana Family & Social Services Administration. The \$49.6 million contract includes \$33.3 million for Medicaid Rate Setting and \$16.3 million for LTC Auditing. The agreement will last 4 years from the date of contract execution, with the possibility of two one-year renewals. [Read more](#)

Iowa

CoOpportunity Health to Stop Offering Coverage in the Marketplace Choice Plan. On October 17, 2014, the *Des Moines Register* reported that CoOpportunity Health will not offer coverage in the Marketplace Choice Plan next year. The Marketplace Choice Plan uses federal funds to purchase private insurance for residents slightly above the poverty line. The Plan is a critical component of the Iowa Health and Wellness Plan, the state's version of an expanded Medicaid program. CoOpportunity President Cliff Gold said that the company is losing money on the 9,700 people it is covering through the Plan, largely due to the heavy utilization of medical services by these individuals. The CoOpportunity beneficiaries will be notified by mail and will be switched to public coverage. Only one other insurer, Coventry Health Care, offers coverage through the Marketplace Choice Plan; Coventry plans to continue offering coverage next year. [Read more](#)

Maine

Governor Says He Wants to Find Way to Insure the Uninsured, But Still Opposes Medicaid Expansion. On October 21, 2014, the *Huffington Post* reported that Governor Paul LePage said during this week's gubernatorial debate that he wants to "find a way" to provide health insurance to the state's 70,000 uninsured, despite having vetoed Medicaid expansion for the state. LePage has previously argued against expansion, citing its potentially high cost to the state. However, the Governor did not discuss specific strategies for providing insurance to the uninsured. LePage's challengers, Democrat Michael Michaud (who held a narrow lead over LePage as of publication), and independent Eliot Cutler said they would submit legislation to expand Medicaid if they won the election. [Read more](#)

Massachusetts

HMA Roundup - Rob Buchanan ([Email Rob](#))

State Announces Five-Year, \$50 Million Contract Extension for HP Enterprise Services. On October 20, 2014, the *Boston Business Journal* reported that Massachusetts will extend its contract with HP Enterprise Services to maintain the state's Medicaid Management Information System (MMIS). Under the five-year, \$50 million contract extension, HP will continue to manage billing for MassHealth members, including the 300,000 people who are on temporary Medicaid. HP will also provide IT support to the Medical Assistance Provider Incentive Repository, a program which incentivizes providers to adopt new electronic health records systems. [Read more](#)

New Hampshire

HMA Roundup – Rob Buchanan ([Email Rob](#))

Over 20,000 Enroll Under State’s Expanded Medicaid Program. On October 14, 2014, *AP/New Hampshire Public Radio* reported that more than 20,000 people have signed up for health coverage under the state’s newly expanded Medicaid program. The expanded program, which was implemented on July 1, 2014, includes anyone under age 65 that earns up to 138 percent of the federal poverty limit. The state estimated that 50,000 adults are eligible either through the state’s Medicaid managed care program or through a program that subsidizes existing employer coverage. [Read more](#)

New York

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

Conference Call to Discuss the NY State Draft DSRIP PPS Plan Application. The Independent Assessor will be hosting an operator assisted conference call open to the public to discuss the NY State Draft DSRIP PPS Plan Application materials on Tuesday, October 28, 2014 from 3:00PM – 5:00PM. The call will cover a 30 minute overview of the DSRIP PPS Plan Applications followed by an opportunity for the public to ask questions and receive answers for the remaining 90 minutes.

To participate, please dial (888) 892-6166 ten minutes prior to 3:00 PM. An operator will ask for the conference ID. The ID is 25038265.

Please reference the [Draft PPS Application materials](#) and webinar on the NY DSRIP website prior to the meeting.

More SHOP Insurers Could Help Boost Enrollment. On October 22, 2014, the *Crain’s HealthPulse* reported that the increased number of insurers participating in the New York Health Benefits Exchange’s Small Business Health Options Program (SHOP) could help boost enrollment in the program. Two additional insurers – EmblemHealth and Blue Cross Blue Shield of Western New York – will offer plans on the SHOP exchange beginning in 2015. Nearly 10,000 small business employees were enrolled in a SHOP plan as of April 15, 2014; this number is well below the 450,000 enrollees the state estimates it will enroll through SHOP by 2016.

South Nassau Communities Hospital Closes on Agreement to Acquire Assets of Long Beach Medical Center. On October 20, 2014, the *Crain’s HealthPulse* reported that South Nassau Communities Hospital closed on an agreement to acquire the assets of Long Beach Medical Center for \$11.8 million. Before the closing, South Nassau commissioned an engineering assessment of the Sandy-damaged hospital. The engineering report will be used to develop long-term plans for the site.

State Sees 35,000 More Private Sector Health Care and Social Assistance Jobs Last Month Compared to Year Before. On October 17, 2014, the *Crain’s HealthPulse* reported that New York state private-sector jobs in health care and social assistance rose by 35,000 last month, representing a 2.6 percent growth from a year earlier. That figure includes 22,000 additional jobs in ambulatory health care services, the largest segment of the health care and social assistance sector.

Health Innovation Challenge Winners Announced. On October 5, 2014, the NYS Department of Health announced the winners of the inaugural New York State Health Innovation Challenge, a four-month contest amongst tech companies trying to create useful technologies to help consumers interpret health data. The contest builds upon Governor Cuomo's OPEN NY initiative to use technology and data to help consumers make more informed choices about their health care. The winners of the contest are DocSpot (first prize of \$30,000), a website which unifies multiple public data webs for consumer viewing; HealthRank (second prize of \$10,000), an app that allows patients to manage their own care based on their clinical and financial priorities; and NaviNext (third prize of \$3,000), a program which uses Google Maps to find hospitals that offer specific services. [Read more](#)

Oregon

Cover Oregon and Oracle Part Ways. On October 22, 2014, the *Statesman Journal* reported that the Cover Oregon exchange and IT vendor Oracle have finally parted ways after several failed attempts to launch a functional insurance marketplace. The state had hoped to build on existing work of Oracle's to create an automated system for Medicaid enrollments, but continued disagreements with the vendor have caused the state to abandon these efforts. The state now aims to use another state's Medicaid eligibility system; a list of criteria is being developed to help guide the decision on which state Medicaid system to use. [Read more](#)

Pennsylvania

HMA Roundup - Matt Roan ([Email Matt](#))

Drug Database Raises Privacy Concerns. On October 20, 2014, the *York Dispatch* reported that a pending bill in the PA State Legislature which would create a statewide database of prescription narcotics dispensing has raised concerns about patient privacy. The measure, which is meant to address prescription drug abuse by identifying patients and providers that are prescribing or obtaining prescription narcotics inappropriately, has drawn opposition from the PA chapter of the ACLU, while the Pennsylvania Medical Society is in support of the proposed bill. The ACLU contends that there is already a program to monitor prescription narcotics and that the new measure could potentially lead to law enforcement overreach. The bill has been approved by the House and Senate and currently awaits signature by the Governor. Governor Corbett is expected to sign the bill. [Read more](#)

Geisinger-Holy Spirit Affiliation Approved. On October 16, 2014, the *Sentinel* reported that the affiliation of Holy Spirit Health System in Harrisburg with Danville-based Geisinger Health System was made official as the two entities officially announced their partnership. Holy Spirit executives said that patients wouldn't notice many differences, but that the affiliation with Geisinger will allow the Health System to build more robust population-based health initiatives leveraging Geisinger's strong IT infrastructure. A key IT initiative that the affiliated health systems will pursue is improving the connection between the Hospital's Electronic Health Record (EHR) system and EHRs used by community health providers. [Read more](#)

Pennsylvania Agrees to \$200M settlement on Medical Malpractice Insurance Fund. On October 16, 2014, *AP/the Centre Daily Times* reported that Pennsylvania has agreed to a settlement worth \$200M arising from disputes around a state fund designed to assist medical providers with medical malpractice insurance costs. The Corbett administration said the state would pay \$139 million in refunds, starting in a year and-a-half, and would cut what providers must pay into the Medical Care Availability and Reduction of Error fund by \$61 million through a revised formula. Providers had filed a lawsuit against the state arguing that they had been over-paying into the fund. [Read more](#)

Puerto Rico

Five Companies Selected to Manage Mi Salud Medicaid Program. On October 16, 2014, *Caribbean Business* reported that the Puerto Rico government named five companies that will manage its Mi Salud Medicaid program covering nearly 1.5 million beneficiaries in eight regions. The contracts will go into effect on April 1, 2015; the contract length is 27 months and can be extended by up to 12 months at the discretion of the Puerto Rico Health Insurance Administration (ASES by its Spanish acronym). Each company was selected to provide health care services for specific regions of the island:

- **Triple-S Salud** (a health subsidiary of Triple-S Management Corporation): Metro North and West regions.
- **Molina Healthcare:** East and Southeast regions
- **First Medical Health Plan:** San Juan, North and Virtual Regions
- **PMC Medicare Choice, Inc.:** Southeast Region
- **MMM Multi Health, Inc.:** Northeast Region

Currently, Triple-S manages care in all eight regions. [Read more](#)

Rhode Island

EOHHS Releases Latest Integrated Care Initiative Duals Enrollment Numbers. On October 1, 2014, the Rhode Island Executive Office of Health and Human Services (EOHHS) provided an enrollment update for its Integrated Care Initiative (ICI) dual eligible demonstration. As of October 1, 22,435 individuals were enrolled in Phase One of the ICI. This includes 17,162 individuals enrolled in Rhody Health Options, 4,964 in Connect Care Choice Community Partners, and 309 in the PACE Program. [Read more](#)

Tennessee

Guardians Struggle to Sign Children Up for Medicaid. On October 20, 2014, the *Tennessean* reported that guardians of newborns and foster children continue to struggle signing children up for health insurance due to an administrative decision by TennCare, the state's Medicaid managed care program. TennCare previously had an agreement that allowed staff of the State Department of Human Services to work directly with adoption agencies and hospitals to sign up newborns and children for the state Medicaid program. However, TennCare has ended this agreement, now mandating that state residents apply for coverage through healthcare.gov. Some of the reported obstacles are lack of a

computer equivalent for social workers to enroll children into Medicaid, and lack of a way for hospitals to declare presumptive eligibility for newborns. [Read more](#)

Virginia

State Prison System Faces \$45 Million Health Care Shortfall. On October 20, 2014, the *Richmond Times-Dispatch* reported that Virginia's prison system faces a \$45 million shortfall in inmate health care through next year. According to Corrections Director Harold W. Clarke, the shortfall occurred after Corizon Health, which provided health care to inmates at 17 prisons, ended its contract with the state this September. An emergency contract with Armor Correctional Services is now in effect, but at a higher cost to the state. The Department of Corrections also experienced a \$10.2 million reduction in its medical budget this past fiscal year (this reduction was made because the state anticipated the Corizon contract would save the Department about \$15 million). The budget will face a \$14.4 million shortfall this fiscal year because of the sudden switch in providers and higher healthcare costs. [Read more](#)

Magellan Healthcare and Virginia Premier Implement Behavioral Health Management Program. In an effort to promote continued quality improvement for services provided to Virginia Premier CompleteCare members, Virginia Premier entered into an agreement with Magellan Healthcare, Inc. to implement a behavioral health management program. This program includes the management of all behavioral health and substance abuse treatment services including prior authorizations. [Read more](#)

National

Large Employers Find Ways to Avoid ACA's Penalties for Not Providing Employee Insurance. On October 21, 2014, the *Wall Street Journal* reported that companies are developing ways to avoid ACA-related fines that will be effective next year for those not offering health insurance to their employees. Under the ACA, employers with over 100 employees will be fined up to approximately \$2,000 per uninsured employee. While most large employers are already offering coverage that meets the ACA's requirements, some employers of low-wage employees (such as restaurants, nursing homes, and hospitality) are helping these workers sign up for Medicaid, while other employers are offering low-cost insurance plans that cover only preventive care services. [Read more](#)

New Kaiser Family Foundation Survey Finds Many Uninsured Unaware of the Upcoming Open Enrollment Period. On October 21, 2014, the *New York Times* reported on the results of a new Kaiser Family Foundation [survey](#) of uninsured Americans which suggests that most are unaware of this November's new open enrollment period. Of those surveyed, 89 percent did not know that open enrollment begins in November. More than half of survey respondents also said that they were not aware they could qualify for financial assistance to help them afford their premiums. [Read more](#)

PEW Publishes Report Analyzing CHIP Across the United States. On October 21, 2014, the PEW Charitable Trusts published a report analyzing the Children's Health Insurance Program (CHIP), including spending and enrollment data for the 50 states and the District of Columbia. According to the report, total

enrollment in CHIP grew by 32 percent from 2005 to 2012, while spending for the program grew 45 percent in that same period. In fiscal 2012, CHIP covered 8.1 million children and 200,000 adults. The report also found considerable variation amongst states in terms of spending, percentage of children enrolled, and enrollment trends over time. [Read more](#)

New UCLA Study Finds Spike in ER Use and Hospitalizations Dissipated in New Medicaid Population. On October 15, 2014, *Kaiser Health News* discussed a new report from the UCLA Center for Health Policy Research regarding emergency room use and hospitalizations of previously uninsured Americans who are now covered by Medicaid due to expansion. Researchers reviewed two years of claims data from almost 200,000 Californians in Medi-Cal (California Medicaid) between 2011 and 2013. While new Medi-Cal enrollees had a high rate of emergency room utilization and hospitalizations in 2011 when they first gained coverage, this rate dropped by more than two-thirds and remained constant over the course of the study. Researchers explain that this initial high utilization was likely due to consumers' pent up demand for services upon gaining insurance coverage. Also contributing to the declining rate of utilization is improved coordination of care for Medi-Cal enrollees (via a managed care plan). The findings of the study counter those of a similar [study](#) completed in Oregon, which saw a sustained increase in ER utilization and hospitalizations amongst new Medicaid patients. [Read more](#)

Advocates Continue to Press Congress to Extend CHIP Funding. On October 15, 2014, the Commonwealth Fund/the *CQ Healthbeat* reported that children's health advocates are making a final push to convince Congress to act during the lame duck session and extend funding for the Children's Health Insurance Program (CHIP) for another four years. Funding for the program expires on October 1, 2015, the beginning of the next fiscal year. Advocates argue that Congress should make their decision on funding as soon as possible, as state officials are already planning their budgets beyond the expiration date for funding. [Read more](#)



INDUSTRY NEWS

United Reports Strong Medicaid Growth in Third-Quarter Financial Results.

UnitedHealthcare (UNH) reported third-quarter 2014 financial results on October 17, 2014. United reported a 24 percent increase in their Medicaid enrollments, up 965,000 beneficiaries since the third quarter of 2013, with 250,000 new enrollees in the third quarter of 2014 alone. As of the end of September, United served around 4.9 million Medicaid beneficiaries nationwide. United also reported significant growth in their community & state business line revenues (which includes Medicaid), with more than \$17 billion in revenue over the first nine months of 2014, compared with \$13.5 billion in the first nine months of 2013, a roughly 26 percent increase. [Read more](#)

Upcoming Medicaid MCO Quarterly Earnings Reporting Dates:

Tuesday, October 28, 2014

Aetna; Centene

Wednesday, October 29, 2014

WellPoint

Thursday, October 30, 2014

Cigna; Molina

Monday, November 3, 2014

Health Net

Wednesday, November 5, 2014

WellCare

Friday, November 7, 2014

Humana

RFP CALENDAR

Date	State	Event	Beneficiaries
TBD	Texas NorthSTAR (Behavioral)	Contract Awards	840,000
October 24, 2014	Louisiana	Contract Awards	900,000
October 30, 2014	Texas STAR Kids	Proposals Due	175,000
December, 2014	Georgia	RFP Release	1,250,000
January 1, 2015	South Carolina Duals	Implementation	68,000
January 1, 2015	Michigan Duals	Implementation	70,000
January 1, 2015	Maryland (Behavioral)	Implementation	250,000
January 1, 2015	Delaware	Implementation	200,000
January 1, 2015	Hawaii	Implementation	292,000
January 1, 2015	Tennessee	Implementation	1,200,000
January 1, 2015	New York Behavioral (NYC)	Implementation	NA
January 1, 2015	Washington Foster Care	Implementation	25,500
January 1, 2015	Texas Duals	Implementation	168,000
January 1, 2015	New York Duals	Implementation	178,000
February 1, 2015	Louisiana	Implementation	900,000
April 1, 2015	Rhode Island (Duals)	Implementation	28,000
April 1, 2015	Puerto Rico	Implementation	1,600,000
July 1, 2015	Washington Duals	Implementation	48,500
September 1, 2015	Texas NorthSTAR (Behavioral)	Implementation	840,000
September 1, 2015	Texas STAR Health (Foster Care)	Implementation	32,000
October 1, 2015	Arizona (Behavioral)	Implementation	23,000
January 1, 2016	Georgia	Implementation	1,250,000
September 1, 2016	Texas STAR Kids	Implementation	200,000

DUAL ELIGIBLE FINANCIAL ALIGNMENT DEMONSTRATION CALENDAR

Below is a summary table of the progression of states toward implementing dual eligible financial alignment demonstrations in 2014 and 2015.

State	Model	Duals eligible for demo	RFP		Contract Award Date	Signed MOU with CMS	Opt- in Enrollment Date	Passive Enrollment Date	Health Plans
			RFP Released	RFP Response Due Date					
Arizona		98,235	Not pursuing Financial Alignment Model						
California	Capitated	350,000	X	3/1/2012	4/4/2012	3/27/2013	4/1/2014	5/1/2014 7/1/2014 1/1/2015	Alameda Alliance; CalOptima; Care 1st Partner Plan, LLC; Community Health Group Partner; Health Net; Health Plan of San Mateo; Inland Empire Health Plan; LA Care; Molina; Santa Clara Family Health Plan; WellPoint/Amerigroup (CareMore)
Colorado	MFFS	62,982				2/28/2014		9/1/2014	
Connecticut	MFFS	57,569						TBD	
Hawaii		24,189	Not pursuing Financial Alignment Model						
Illinois	Capitated	136,000	X	6/18/2012	11/9/2012	2/22/2013	4/1/2014	6/1/2014	Aetna; Centene; Health Alliance; Blue Cross Blue Shield of IL; Health Spring; Humana; Meridian Health Plan; Molina
Iowa		62,714	Not pursuing Financial Alignment Model						
Idaho		22,548	Not pursuing Financial Alignment Model						
Massachusetts	Capitated	90,000	X	8/20/2012	11/5/2012	8/22/2013	10/1/2013	1/1/2014	Commonwealth Care Alliance; Fall On Total Care; Network Health
Michigan	Capitated	105,000	X	9/10/2013	11/6/2013	4/3/2014	1/1/2015	4/1/2015	AmeriHealth Michigan; Coventry; Fidelis SecureCare; Meridian Health Plan; Midwest Health Plan; Molina Healthcare; UnitedHealthcare; Upper Peninsula Health Plan
Missouri		6,380	Not pursuing Financial Alignment Model						
Minnesota		93,165	Not pursuing Financial Alignment Model						
New Mexico		40,000	Not pursuing Financial Alignment Model						
New York	Capitated	178,000				8/26/2013	1/1/2015 4/1/2015	4/1/2015 7/1/2015	
North Carolina	MFFS	222,151						TBD	
Ohio	Capitated	114,000	X	5/25/2012	6/28/2012	12/11/2012	5/1/2014	1/1/2015	Aetna; CareSource; Centene; Molina; UnitedHealth
Oklahoma	MFFS	104,258						TBD	
Oregon		68,000	Not pursuing Financial Alignment Model						
Rhode Island*	Capitated	28,000	X	5/12/2014	9/1/2014		4/1/2015		
South Carolina	Capitated	53,600	X			10/25/2013	1/1/2015	4/1/2015	Absolute Total Care (Centene); Advicare; Molina Healthcare of South Carolina; Select Health of South Carolina (AmeriHealth); WellCare Health Plans
Tennessee		136,000	Not pursuing Financial Alignment Model						
Texas	Capitated	168,000				5/23/2014	3/1/2015	4/1/2015	Amerigroup, Health Spring, Molina, Superior, United
Virginia	Capitated	78,596	X	5/15/2013	TBD	5/21/2013	3/1/2014	5/1/2014	Humana; Health Keepers; VA Premier Health
Vermont		22,000	Not pursuing Financial Alignment Model						
Washington	Capitated	48,500	X	5/15/2013	6/6/2013	11/25/2013	7/1/2015	9/1/2015 11/1/2015 1/1/2016	UnitedHealthcare
	MFFS	66,500	X			10/24/2012		7/1/2013; 10/1/2013	
Wisconsin	Capitated	5,500-6,000	X	Not pursuing Financial Alignment Model					
Totals	11 Capitated 5 MFFS	1.35M Capitated 513K FFS	12				11		

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

HMA NEWS

HMA Upcoming Webinar: “Managed Care and Individuals with Intellectual and Developmental Disabilities: Innovative Approaches to Care Coordination”

Tuesday, November 4, 2014

1:00 PM Eastern

[Register Here](#)

There is a growing focus among states on improved care coordination for Individuals with Intellectual and Developmental Disabilities (I/DD). Strategies vary, from traditional managed care arrangements to accountable care organizations and innovative partnerships involving physicians, hospitals, developmental disability and behavioral health providers, nursing homes, and others. During this webinar, HMA’s Shane Spotts, a leading expert on trends in managed care and I/DD, will provide an overview of the most recent initiatives, including an assessment of what’s working and why.

HMA Upcoming Webinar: “A Healthcare Win for Veterans and States: Strategies for Enhancing Veterans’ Benefits by Facilitating Access to the V.A. System”

Wednesday, November 12, 2014

1:00 PM Eastern

[Register Here](#)

One state that has had tremendous success helping veterans take full advantage of their V.A. benefits is Washington. The state's Veterans Benefit Enhancement project is viewed as a model that could be expanded nationwide. Confirmed speakers Bill Allman, Veteran’s Program Manager, Washington State Health Care Authority, and HMA’s Doug Porter, Principal (Olympia, WA) will present on the following:

1. A case study of Washington’s Veterans Benefit Enhancement project and the best practices that have made this initiative a success.
2. How other states have successfully helped veterans get the benefits they deserve through the V.A. and avoid the potential of financially crippling medical bills.
3. How prevalent it is for veterans and families to be eligible for V.A. benefits but not enrolled – and gain an understanding of the economic implications.
4. The type of outreach efforts that are most successful in helping veterans through the V.A. enrollment process.

HMA Q&A: Maryland Tests Whether All-Payer Model Based on Total Cost of Hospital Care Can Save Money and Improve Quality

Maryland is the only state with an all-payer model for hospital services, which eliminates the cost-shifting between payers that takes place in other states.

Under an updated version designed to reduce avoidable emergency room, inpatient and outpatient spending at hospital-owned facilities, hospitals have

agreed to a 3.58 percent annual ceiling on per capita hospital revenue growth. Furthermore, Maryland has assured the Centers for Medicare and Medicaid Services (CMS) \$330 million in Medicare savings over five years.

For an update on the new initiative, HMA spoke with John M. Colmers, Vice President of Health Care Transformation and Strategic Planning at Johns Hopkins Medicine, and Chairman of Maryland's Health Services Cost Review Commission; and Carmela Coyle, President and Chief Executive of the Maryland Hospital Association. [Read More](#)

Robert Wood Johnson Foundation Awards HMA Research Grant

HMA has been selected as one of only 10 institutions nationwide to be awarded a grant from the State Health Access Reform Evaluation (SHARE), a national program of the Robert Wood Johnson Foundation. These grants fund research that will provide timely insights into a variety of health reform issues, including those related to the coverage provisions of the Affordable Care Act.

The research to be undertaken at HMA will be titled "Making ACA Coverage a Reality - A National Examination of Provider Network Monitoring Practices by States and Health Plans" and led by HMA Principal Karen Brodsky.

For more information about SHARE and its grantees, visit www.shadac.org/share.

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

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