

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in Health Policy

..... October 27, 2021



[RFP CALENDAR](#)

[HMA News](#)

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IN FOCUS

HIGHLIGHTS FROM KAISER/HMA 50-STATE MEDICAID DIRECTOR SURVEY

This week, our *In Focus* section reviews highlights and shares key takeaways from the 21st annual Medicaid Budget Survey conducted by The Kaiser Family Foundation (KFF) and Health Management Associates (HMA). Survey results were released on October 27, 2021, in two new reports: *States Respond to COVID-19 Challenges but Also Take Advantage of New Opportunities to Address*

Long-Standing Issues: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2021 and 2022 and Medicaid Enrollment & Spending Growth: FY 2021 & 2022. The report was prepared by Kathleen Gifford, Aimee Lashbrook, and Sarah Barth from HMA; Mike Nardone; and by Elizabeth Hinton, Madeline Guth, Lina Stolyar, and Robin Rudowitz from the Kaiser Family Foundation. The survey was conducted in collaboration with the National Association of Medicaid Directors (NAMD).

This survey reports on trends in Medicaid spending, enrollment, and policy for FY 2021 and FY 2022, highlighting state experiences with policies adopted in response to the COVID-19 pandemic. The conclusions are based on information provided by the nation's state Medicaid Directors.

Key Report Highlights

In the following sections, we highlight a few of the major findings from the reports. This is a fraction of what is covered in the 50-state survey reports, which include significant detail and findings on policy changes and initiatives related to eligibility and enrollment, delivery systems, benefits/telehealth, social determinants of health, provider rates/taxes, and pharmacy. The reports also look at the key issues and challenges now facing Medicaid programs.

Medicaid Enrollment and Spending Growth

The COVID-19 pandemic created significant implications for Medicaid. During this time, the primary drivers of Medicaid enrollment and spending trends have been due to the Families First Coronavirus Response Act (FFCRA), enacted in March 2020, which authorized a 6.2 percentage point increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), retroactive to January 1, 2020, and until the Public Health Emergency (PHE) ends. The increase was available to states that meet certain "maintenance of eligibility" (MOE) requirements.

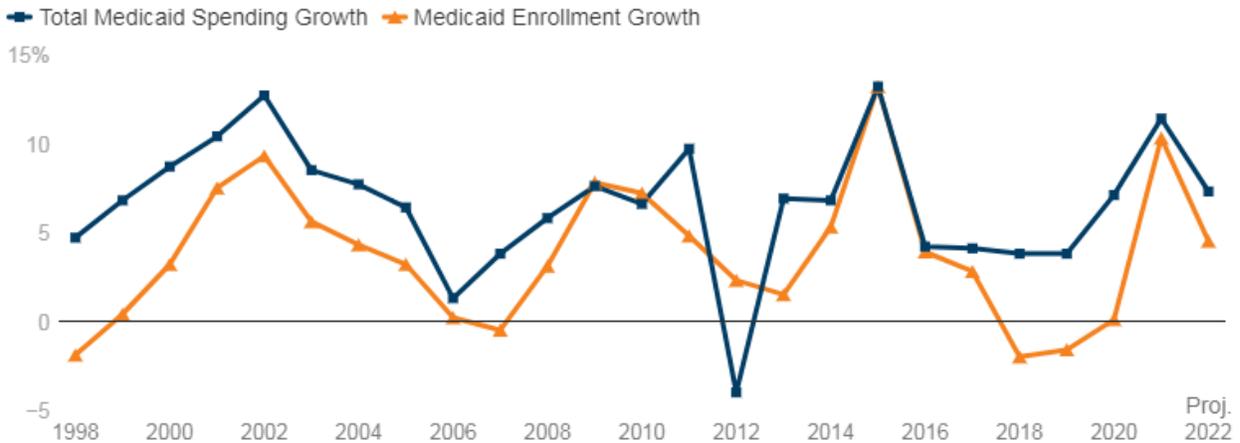
Medicaid enrollment increased sharply in FY 2021 (10.3 percent) due to the MOE requirements and the pandemic's economic effects. Responding states expect Medicaid enrollment growth to slow to 4.5 percent in FY 2022, based largely on the assumption that the PHE and the related FFCRA MOE requirements will end in FY 2022 (most states assume mid-way through FY 2022). Since the survey, the PHE was extended to mid-January 2022, which would affect these projections and possibly delay anticipated effects of slowing enrollment and spending currently assumed in state budgets for FY 2022. However, states also identified challenges to resuming normal eligibility operations such as the need for system changes, staffing shortages, and the volume of new applications and redeterminations.

In FY 2021, total Medicaid spending increased to a peak of 11.4 percent. This was primarily due to enrollment growth, as half of states reported pandemic-related utilization decreases for non-COVID care. State Medicaid spending growth increased to 4 percent. In FY 2022, most states expect a full rebound in acute care services utilization. State budgets for FY 2022 expect total Medicaid spending growth to slow to 7.3 percent. Over a third of states expect enrollment to become a downward pressure in FY 2022, assuming that the MOE requirements end midway through FY 2022. Regardless of when the PHE ends, most states will start to prepare for the eventual unwinding of their MOE policies and procedures, as resuming Medicaid eligibility renewals will be a large administrative task for states. Guidance from CMS gives states 12 months

to complete renewals and redeterminations following the end of the PHE. State Medicaid spending growth is expected to increase to 14 percent in FY 2022.

Figure 1 – Percent Change in Medicaid Spending and Enrollment, 1998-2022

Annual Percentage Changes, FY 1998 - FY 2022

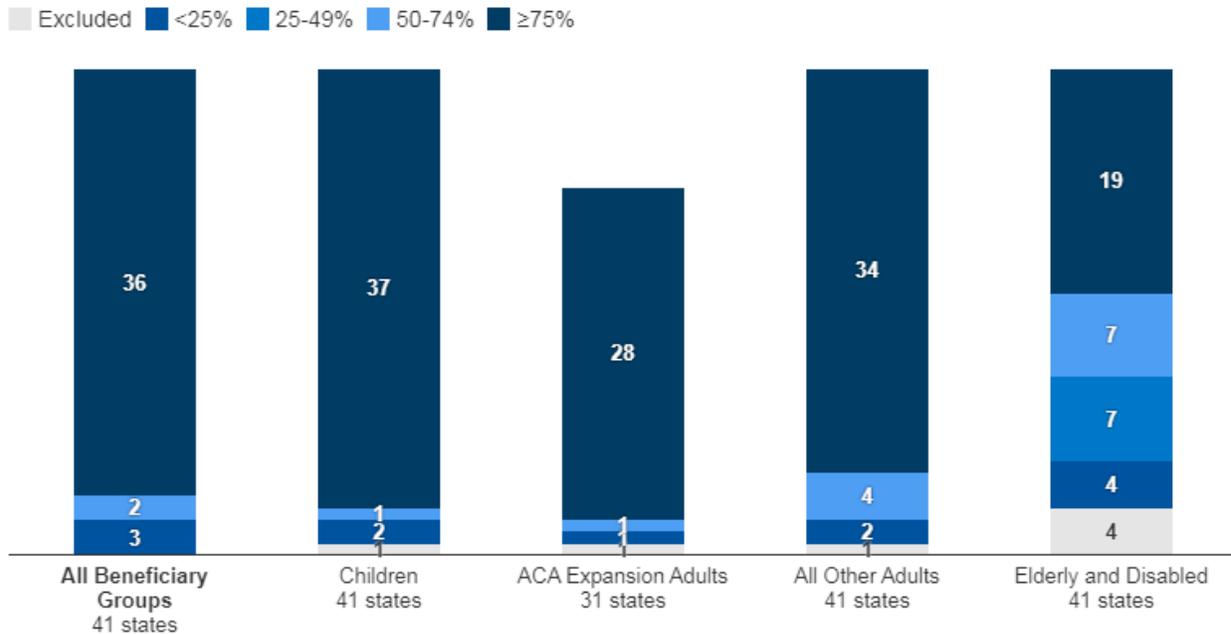


SOURCE: FY 2021-2022 spending data and FY 2022 enrollment data are derived from the KFF survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2021. Historic data reflects growth across all 50 states and DC and comes from various sources.

Delivery Systems

- Forty-seven states operated some form of Medicaid managed care (managed care organizations (MCOs) and/or primary care case management (PCCM)). Forty-one states contracted with risk-based MCOs. Only four states – Alaska, Connecticut, Vermont, and Wyoming – were solely fee-for-service (FFS).
 - Thirty-five states, including District of Columbia, operate MCOs only, six states operate PCCM programs only, and six states operate both MCOs and a PCCM program.
 - Twenty-seven states contracted with one or more PHPs to provide Medicaid benefits, including behavioral health care, dental care, vision care, non-emergency medical transportation (NEMT), long-term services and supports (LTSS).
- Of the forty-one states that contracted with MCOs, 36 reported that 75 percent or more of their Medicaid beneficiaries were enrolled in MCOs as of July 1, 2021.

Figure 2 - MCO Managed Care Penetration Rates for Select Groups of Medicaid Beneficiaries as of July 1, 2021



SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

Medicaid Managed Care Changes

- North Carolina implemented its first Medicaid MCO program, beginning July 1, 2021.
- Oklahoma was set to transition to comprehensive Medicaid managed care on October 1, 2021; however, implementation has been paused.
- Arizona, Illinois, Kentucky, and New York reported managed care changes for children in foster care. District of Columbia and Tennessee reported expanding mandatory MCO enrollment for other targeted populations.
- Maine, North Carolina, and Oregon reported changes to their PCCM programs.
- Texas ended its non-emergency medical transportation (NEMT) PHP program and carved NEMT services into its MCO contracts effective June 1, 2021.
- Illinois expanded its Medicare-Medicaid Alignment Initiative statewide on July 1, 2021.

Benefits and Telehealth

- During the COVID-19 pandemic, most states used Medicaid emergency authorities to temporarily adopt new benefits, adjust existing benefits, and/or waive prior authorization requirements. Some states indicated plans to permanently extend these emergency benefit changes past the public health emergency (PHE) period.
- Excluding temporary changes adopted via emergency authorities in response to the COVID-19 pandemic but including any emergency

changes that have or will become permanent, 22 states reported new or enhanced benefits in FY 2021, and 29 states are adding or enhancing benefits in FY 2022. Three states reported benefit cuts or limitations in FY 2021 and two states reported benefit cuts or limitations in FY 2022.

Figure 3 - Select Categories of Benefit Enhancements or Additions

	FY 2021		FY 2022	
	# of States	States	# of States	States
Mental Health/Substance Use Disorder (SUD) Services	7	CO, ME, ND, NJ, NM, NY, OK	14	CA, IL, KS, MD, ME, MO, MT, NJ, NV, OH, SC, UT, VA, WI
Pregnancy and Postpartum Services	5	ID, LA, MD, MI, NJ	8	AL, CA, IL, MD, ME, NV, TN, VA
Dental Services	5	DE, GA, MA, NY, WV	5	AZ, MN, OK, SC, VA
Autism Screening and Treatment Services	2	LA, NY	3	DC, MT, TX
Housing and Housing-related Supports	0	-	5	AZ, CT, DC, NC, ME
Community Health Worker (CHW) Services	0	-	4	CA, IL, LA, NV
Diabetes Prevention and Care	2	CO, NY	1	CA
Acupuncture and Chiropractic Services	1	NY	3	CT, IL, TN
Palliative Care/Hospice	0	-	2	HI, OK

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

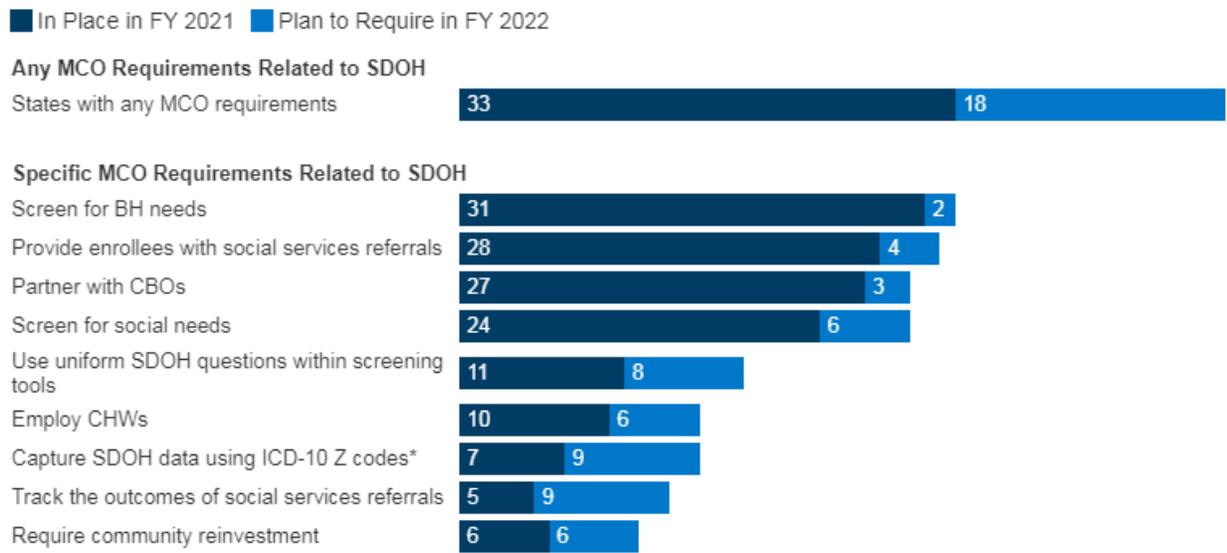
- Nearly all responding states reported covering a range of fee-for-service (FFS) services delivered via audio-visual telehealth, with slightly fewer states reporting audio-only coverage for each service. Thirty-three states with MCOs (out of 36 responding) report requiring MCOs to cover the same services via telehealth as covered in FFS; one MCO state indicated requiring MCOs to cover the same services “in part.” All responding states ensure payment parity between telehealth and in-person delivery of FFS services, and most states require MCOs to maintain these same payment parity policies.
- Thirty-one states (out of 45 responding) reported that telehealth had particular value in maintaining or improving access to behavioral health services.
- Post-pandemic telehealth coverage and reimbursement policies are under consideration in most states, with states weighing expanded access against quality concerns especially for audio-only telehealth. Key factors include evaluation of telehealth access, utilization, and outcomes; quality assurances and clinical appropriateness; coordination with policies in other states, from other payers, and at the federal level; and costs of expanded telehealth.

- Commonly reported challenges associated with telehealth include access to internet and technology, as well as needs for education/outreach and quality assurances.

Social Determinants of Health

- The vast majority of responding states that contract with MCOs (33 of 37) reported leveraging MCO contracts to promote strategies to address the social determinants of health in FY 2021. More than half of responding MCO states reported the following requirements were in place in FY 2021: screening enrollees for behavioral health needs, providing referrals to social services, partnering with community-based organizations (CBOs), and screening enrollees for social needs.

Figure 4 - State MCO Contract Requirements Related to Social Determinants of Health, FYs 2021 - 2022



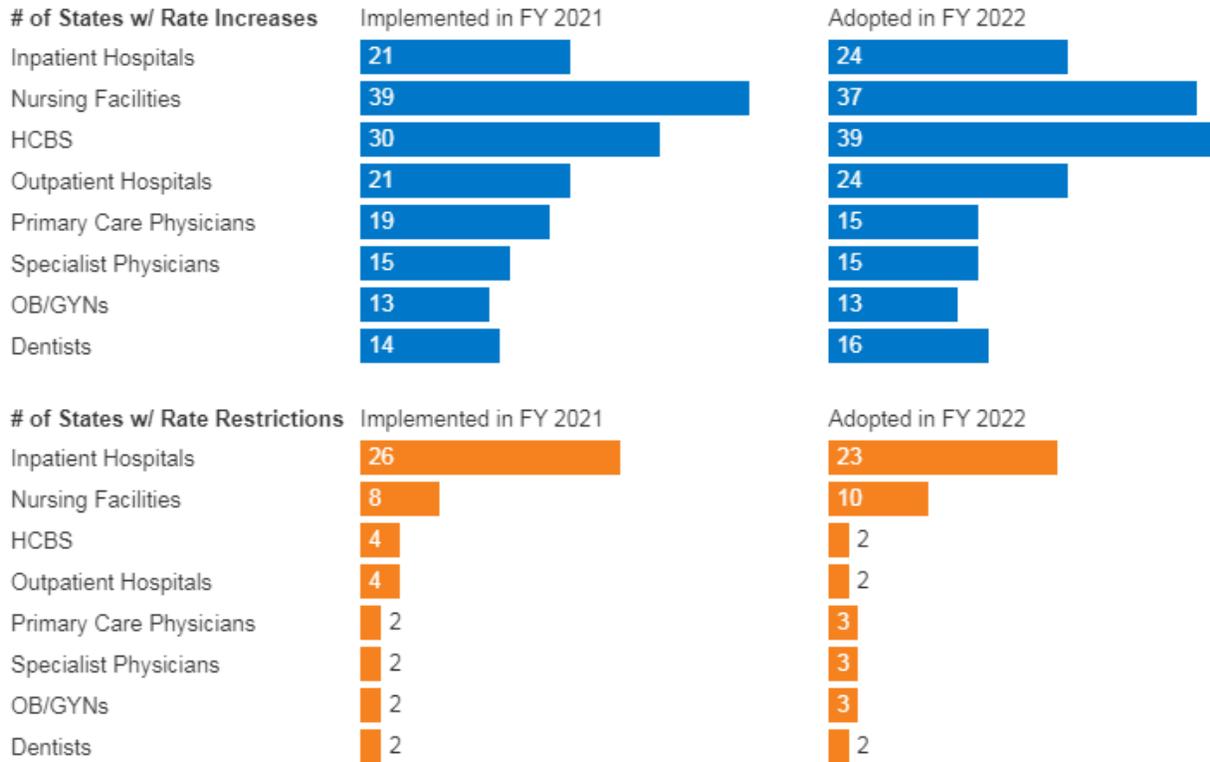
SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

- States also reported efforts to expand the number Community Health Workers (CHWs), address disparities in health care by race and ethnicity in Medicaid, and a variety of MCO activities aimed at promoting the take-up of COVID-19 vaccination.

Provider Rates and Taxes

- In FY 2021, 42 states (out of 47 responding) reported implementing rate increases for at least one category of provider and 27 states reported implementing rate restrictions. In FY 2022, slightly more states reported at least one planned rate increase (45 states) and the number of states planning to restrict rates decreased slightly (26 states).
- States reported rate increases for nursing facilities and home and community-based services (HCBS) providers more often than other provider categories.
- Thirty-three of 47 states indicated that one or more payment changes made in FY 2021 or FY 2022 are related in whole or in part to COVID-19.

Figure 5 – FFS Provider Rate Changes Implemented in FY 2021 and Adopted for FY 2022



SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

- More than half of states that contract with MCOs always require MCOs to pay remittances when minimum medical loss ratio (MLR) requirements are not met.
- Twenty-one states reported that they always require MCOs to pay remittances, while nine indicated they sometimes require MCOs to pay remittances.

Figure 6 – Medicaid MCO Minimum Medical Loss Ratio (MLR) Remittance Requirements

	# of States	States
State <i>always</i> requiring remittance	21	CO, HI, IA, IL, IN, KY, LA, MD, MI, MO, MS, NC, NE, NH, NJ, NV, NY, OH, OR, VA, WV
State <i>sometimes</i> requiring remittance	9	AR, AZ, CA, DC, MA, PA, SC, UT, WA
State <i>not</i> requiring remittance	7	FL, GA, KS, ND, TN, TX, WI

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

- Twenty-one states reported imposing risk corridors in their MCO contracts for all or part of FY 2020 or FY 2021 in response to the COVID-19 pandemic.

Figure 7 - States Imposing MCO Risk Corridors in FY 2020 and/or FY 2021 in Response to the COVID-19 Pandemic

	# of States	States
States imposing a COVID-related risk corridor	21	GA, HI, IA, IL, IN, KS, LA, MA, MD, MI, MS, NH, NJ, NV, NY, OH, SC, TN, VA, WA, WI
States that have recouped or expect to recoup	9	IL, IN, LA, MD, MI, MS, NH, NJ, SC
States where recoupment undetermined	12	GA, HI, IA, KS, MA, NV, NY, OH, TN, VA, WA, WI

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

- In FY 2021, more than one-third of responding MCO states (13 of 37) implemented new provider payment and/or pass-through requirements on MCOs in response to the COVID-19 emergency.
- Thirty-four states reported having three or more provider taxes in place in FY 2021.
- The most common Medicaid provider taxes in place in FY 2021 were taxes on nursing facilities (45 states), followed by taxes on hospitals (44 states), intermediate care facilities for individuals with intellectual disabilities (33 states) and MCOs (17 states).
- Four states reported plans to add new taxes in FY 2022. Only one state, Maryland, reported plans to eliminate a tax in FY 2022.
- Eleven states reported planned increases to one or more provider taxes in FY 2022, while two states reported planned decreases.

Pharmacy

- Most states that contract with MCOs report that the pharmacy benefit is carved into managed care (35 out of 41 states that contract with MCOs). Five states (Missouri, North Dakota, Tennessee, Wisconsin, and West Virginia) report that pharmacy benefits are carved out of MCO contracts as of July 1, 2021. Three states report plans to carve out pharmacy from MCO contracts in state FY 2022 or later (California, New York, and Ohio).
- In FY 2022, Kentucky began contracting with a single PBM for the managed care population.
- Louisiana reports that it will require MCOs to contract with a single PBM designated by the state in FY 2022.
- Thirty of the 37 responding states that contract with MCOs report adoption of at least one financial risk mitigation strategy in MCO contracts. Drug carve-outs and risk corridors (global and pharmacy-only) are the most common risk mitigation strategies reported.

Figure 8 - Risk Mitigation Strategies Used in MCO Pharmacy Contracts as of July 1, 2021

Strategy	# of States	States
Drug Carve Outs	17	CA, CO, DC, FL, HI, IA, IN, MD, MI, MS, NH, NV, OH, TX, UT, WA, WV
Risk Corridor	11	HI, IL, LA, MA, MD, MS, NE, NH, NJ, NV, OR
Risk Pool	6	FL, KY, LA, NE, UT, VA
Kick Payments	1	CA
Reinsurance	1	AZ
Other	7	KS, MI, NH, NY, OR, PA, SC
No Risk Mitigation Strategies	3	AR, GA, NC

SOURCE: KFF survey of Medicaid officials in 50 states and DC conducted by HMA, October 2021.

- Specialty and high-cost drugs remain the biggest cost driver of pharmacy spending growth in most states. A majority of states reported newly implementing or expanding upon at least one initiative to contain costs in the area of prescription drugs in both FY 2021 and FY 2022.

Key Priorities and Challenges in FY 2022 and Beyond

When asked to identify the top priorities, issues, and challenges for FY 2022 and beyond, Medicaid directors listed the following:

- The unwinding of PHE emergency measures, especially the need to complete eligibility redeterminations within federally prescribed timelines.
- Promoting health equity.
- Focusing on non-emergency initiatives, especially efforts to better align payment with quality, improve health outcomes, and implement information technology (IT) systems.

Some states have also indicated that lessons learned from the pandemic are opportunities, including for improved relationships with providers and expanded access for enrollees. The evaluation of PHE-related utilization data, including telehealth utilization, could inform efforts to sustain and expand access post-pandemic. States identified ongoing efforts to advance delivery system reforms and to address health disparities and social determinants of health as areas of promise to build on in the future.

Links to Kaiser/HMA 50-State Survey Reports

[States Respond to COVID-19 Challenges but Also Take Advantage of New Opportunities to Address Long-Standing Issues: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2021 and 2022](#)

[Medicaid Enrollment & Spending Growth: FY 2021 & 2022](#)



HMA MEDICAID ROUNDUP

Alabama

Alabama Receives CMS Approval for HCBS waiver. The Centers for Medicare & Medicaid Services (CMS) announced on October 21, 2021, approval of Alabama's Community Waiver Program, an 1115 demonstration aimed at expanding access to home and community-based services (HCBS), especially for individuals with intellectual disabilities. The program will operate concurrently with Alabama's 1915(c) waiver to alleviate HCBS waiting lists. [Read More](#)

Connecticut

Connecticut Medicaid Enrollment Increases 17 Percent Since January 2020. *Yankee Institute* reported on October 20, 2021, that Connecticut Medicaid membership was 971,261 as of September 2021, up 17 percent from January 2020. Pandemic-related job disruptions and continuous enrollment requirements drove the increase. [Read More](#)

Georgia

Georgia Says State Medicaid IT System Undercounted Referrals of Children to Specialized Care. *Georgia Health News* reported on October 25, 2021, that a national report suggesting Georgia Medicaid underperformed other states in referring children to specialized care was impacted by undercounting in the state's information technology system. The report from the National Health Law Program (NHeLP) found that in 2019 Georgia had 1.4 million children eligible for the Early and Periodic Screening, Diagnostic and Treatment program, but only 30,000 were referred to corrective treatment for a health condition that year. NHeLP agreed that reporting errors are a plausible explanation for the discrepancy. [Read More](#)

Idaho

Idaho to Release Invitation to Negotiate for Behavioral Health Plan Contract.

The Idaho Department of Health & Welfare (DHW) announced on October 22, 2021, that later this year it will release an invitation to negotiate a behavioral health plan contract with the state. The procurement is part of the state's broader effort to "transform and improve Idaho's behavioral healthcare system" by spring 2023. Under the new contract, funding will come through Medicaid and through the Division of Behavioral Health for non-Medicaid services. The current Idaho Behavioral Health Plan contract is with UnitedHealth Group/Optum through June 30, 2022. [Read More](#)

Illinois

Illinois Joint Venture Amita Health to Divvy Up Its 19 Hospitals.

Crain's Chicago Business reported on October 21, 2021, that Chicago, IL, joint venture Amita Health will split, divvying up its 19 hospitals among owners Ascension and AdventHealth. Amita chief executive Keith Parrott will lead the Ascension hospitals and clinics, while Amita chief operating officer Thor Thordarson will lead the AdventHealth hospitals and clinics. No timeline was provided for the separation. [Read More](#)

Minnesota

Minnesota Releases Minnesota Senior Health Options, Special Needs Basic Care RFPs.

Minnesota released on October 25, 2021, separate requests for proposals (RFPs) for two of the state's Medicaid managed care programs: Minnesota Senior Health Options (MSHO)/Minnesota Senior Care Plus (MSC+) and Special Needs BasicCare (SNBC), which includes integrated SNBC. Both RFPs cover health care services in all 87 Minnesota counties. SNBC and integrated SNBC cover individuals with disabilities ages 18 to 64, MSHO covers individuals who are dual eligibles ages 65 and over, and MSC+ covers individuals ages 65 and over who are enrolled in Medicaid. MSHO/MSC+ also provide long term care services. The previous RFP for MSHO/MSC+ was cancelled in September 2019. Contracts for both procurements are expected to run from January 1, 2023, through December 31, 2023, with up to five optional years. Proposals are due February 18, 2022. [Read More](#)

Missouri

Missouri Seeks Funds for Medicaid Data Warehouse.

The Center Square reported on October 22, 2021, that the Missouri Department of Administration is seeking \$84 million in fiscal 2023 to modernize the state's Medicaid information technology infrastructure, including development of an enterprise data warehouse. MO HealthNet division director Todd Richardson told a state senate panel that the efficiencies from the modernization would result in operating cost savings. [Read More](#)

New Jersey

New Jersey Receives Federal Approval of HCBS Spending Plan. The New Jersey Department of Human Services announced on October 20, 2021, that the state has received federal approval for a \$634 million spending plan for home and community-based services available through the American Rescue Plan Act. The state's plan includes \$20 million for a Cover All Kids Medicaid program and an extension of postpartum Medicaid coverage to 12 months. Funding is also allocated for wage increases for direct care providers and prescription drug assistance for the elderly. [Read More](#)

New York

New York Medicaid Spends \$252 Million Less Than Expected From April Through June 2021. The New York State Department of Health released on October 26, 2021, the state's Medicaid Global Spending Cap report, which showed Medicaid spending was \$252 million less than expected from April through June 2021. Medicaid spending for managed care was two percent below anticipated spending, while fee-for-service spending was 1.6 percent under target. Spending in the "all other" category was \$35 million over the targeted amount. [Read More](#)

North Carolina

Bright HealthCare to Expand North Carolina Exchange Plan Options. Bright HealthCare announced on October 25, 2021, it will expand the number of Exchange plan options it offers in North Carolina. The new options will be available for the 2022 open enrollment period beginning November 1, 2021. [Read More](#)

South Dakota

South Dakota Advocates Are Close to Getting Medicaid Expansion on Next Year's Ballot. *DRGNews* reported on October 22, 2021, that South Dakota's Medicaid expansion ballot campaigns have gained nearly enough voter signatures to earn a spot on next year's ballot. Two campaigns, backed by Dakotans for Health and the state's major health care systems, have gained a combined total of 70,000 signatures to expand Medicaid eligibility to 138 percent of poverty. [Read More](#)

Tennessee

Tennessee Claims \$1.1 Billion More Than Allowed for Uncompensated Care, Audit Finds. *Modern Healthcare* reported on October 21, 2021, that Tennessee's TennCare Medicaid program claimed \$1.1 billion more than allowed by federal regulations for uncompensated care between 2009 and 2014, according to an audit by the U.S. Office of the Inspector General. TennCare director Stephen Smith called the findings flawed. [Read More](#)

Virginia

Anthem Encourages Virginia Attorney General to Investigate Sentara's Competitive Behavior. *The Virginia Mercury* reported on October 25, 2021, that Anthem is encouraging the Virginia Attorney General to investigate Sentara, alleging that the Virginia hospital system and health plan owner is leveraging monopoly power to limit payer competition. Earlier this year, Sentara threatened to terminate its contract serving Anthem's Medicaid and Medicare members. The two organizations eventually negotiated an agreement. [Read More](#)

Virginia Nursing Homes Experience Staffing Shortage. *The Richmond Times-Dispatch* reported on October 21, 2021, that 199 Virginia long-term care facilities that rely largely on Medicaid reported staffing shortages, according to a survey from the Virginia Center for Assisted Living. Facilities reported a need for higher Medicaid reimbursements, noting that poor pay and benefits make it difficult to recruit and retain staff. [Read More](#)

Wyoming

Wyoming Joint Panel Files Medicaid Expansion Bill. *KGAB* reported on October 25, 2021, that a joint Wyoming legislative panel has filed a Medicaid expansion bill. The Medical Treatment Opportunity Act, which is sponsored by the Wyoming Legislature Joint Revenue Committee, specifies that Medicaid expansion would not take place if the federal share of funding is less than 90 percent of the state's Medicaid costs. [Read More](#)

National

Lawmakers Introduce Bipartisan Bill to Remove Lifetime Limits on Medicaid Mental Health Care. *The Holland Sentinel* reported on October 27, 2021, that a bipartisan group of lawmakers introduced a bill that would remove the 190-day lifetime limit on Medicaid mental health care services. The Medicare Mental Health Inpatient Equity Act in Congress is sponsored by U.S. Representatives Bill Huizenga (R-MI) and Paul Tonko (D-NY); and U.S. Senators Susan Collins (R-ME) and Tina Smith (D-MN). [Read More](#)

Senate Republicans Request Updated Medicaid Improper Payment Data from CMS. *The Highland County Press* reported on October 26, 2021, that Senate Republicans are asking the Centers for Medicare & Medicaid Services (CMS) to provide updated data on Medicaid improper payments nationwide and by state, including the amount attributable to insufficient eligibility verification. The request came in a letter signed by all 14 Republicans on the Senate Finance Committee in advance of the next Medicaid Payment Error Rate Measurement audit. The November 2020 audit found that improper payments accounted for 21 percent of payments, mostly from eligibility errors. [Read More](#)

Spending Bill May Not Include Additional Medicaid, Medicare Benefits. *The Washington Post* reported on October 27, 2021, that Senate Democrats are scaling back proposed Medicaid and Medicare coverage expansions to win support for a spending bill. Among the proposals that may not survive: Medicare dental, hearing and vision coverage; allowing Medicare to negotiate prescription drug prices; and a plan to address the Medicaid coverage gap in non-expansion states. [Read More](#)

Massachusetts, New Jersey, New York Set Spending Minimums for Nursing Home Care. *Kaiser Health News* reported on October 25, 2021, that newly enacted state laws require Massachusetts nursing homes to spend 75 percent of revenues on patient care, New Jersey 90 percent, and New York 70 percent. Of the 70 percent in New York, 40 percent must go to staff providing care. [Read More](#)

MACPAC Meeting to Be Held Virtually October 28-29. The Medicaid and CHIP Payment and Access Commission (MACPAC) will hold its October meeting virtually on October 28 from 10:30 am to 3:30 pm eastern through October 29 from 10:30 am to 2:30 pm. Registration is available on the MACPAC website and public comments will be accepted during the meeting. Topics to be discussed are:

- Data issues in monitoring access to care for Medicaid beneficiaries
- Money Follows the Person qualified residence criteria
- Vaccines for adults enrolled in Medicaid
- Disproportionate share hospital allotments to states
- Raising the bar and supporting state efforts to integrate care for beneficiaries who are dually eligible for Medicare and Medicaid
- A Senate Finance Committee request for information on behavioral health priorities
- The workforce for home and community-based services. [Read More](#)

CMS Releases Medicaid, CHIP Telework Playbook. The Centers for Medicare & Medicaid Services announced on October 22, 2021, the release of a Medicaid and Children's Health Insurance Program (CHIP) Telework Playbook. The playbook provides examples of how organizations adapted to telework during COVID-19. [Read More](#)

Medicaid Enrollment to Increase by 4 Million Under Reconciliation Bill, CBO Says. *Healthcare Finance News* reported on October 20, 2021, that Medicaid enrollment nationwide would increase by 4 million by 2031 if the healthcare provisions in the proposed reconciliation bill pass, according to the Congressional Budget Office. In a letter to House Budget Committee Ranking Member Jason Smith (R-MO), the CBO also said that the nation's overall uninsured rate would fall to 23.6 million by 2031, compared to 27.7 million today. Provisions in the proposed legislation include funds to reduce premium costs, expand tax credits for low income populations, close the Medicaid coverage gap in non-expansion states, and cover the special rule for individuals on unemployment. [Read More](#)

CMS Unveils Website Containing State HCBS Information. The Centers for Medicare & Medicaid Services (CMS) announced on October 21, 2021, the launch of a website containing information on state implementation and advancement of Medicaid home and community-based services (HCBS). The site also contains state-specific plans for the use of HCBS funding provided by the American Rescue Plan. [Read More](#)

Medicare Saved \$230 Million After Shared Savings Payouts from Next Generation ACO Model. *Fierce Healthcare* reported on October 22, 2021, that Medicare saved \$230 million after shared savings payouts in 2020 from the Next Generation Accountable Care Organization model, which is being discontinued after this year. According to a report commissioned by the Centers for Medicare & Medicaid (CMS), gross savings before payouts was \$637 million. CMS is discontinuing the Next Generation model in favor of a Direct Contracting model. [Read More](#)

CMS Considers Regulations to Address Medicare Plan Billing Concerns, Official Says. *Modern Healthcare* reported on October 21, 2021, that the Centers for Medicare & Medicaid Services (CMS) is considering regulations to address reports that Medicare Advantage (MA) plans may be making beneficiaries look sicker than they are to maximize federal payments, an official said. Last month, the U.S. Office of the Inspector General released findings that 20 MA plans received billions in payments for unverified diagnoses. [Read More](#)

Hospital Group Urges CMS to Include Medicare Advantage Plans in Prior Authorization Rule. *Fierce Healthcare* reported on October 20, 2021, that the American Hospital Association (AHA) has asked federal regulators to include Medicare Advantage plans in a proposed rule aimed at streamlining prior authorization for Medicaid, Children's Health Insurance Program, and Exchange plans. In a letter to the Centers for Medicare & Medicaid Services (CMS), AHA said that failure to do so would result in "withholding benefits from many Medicare beneficiaries." [Read More](#)

Massachusetts, New Jersey, New York Set Spending Minimums for Nursing Home Care. *Kaiser Health News* reported on October 25, 2021, that newly enacted state laws require Massachusetts nursing homes to spend 75 percent of revenues on patient care, New Jersey 90 percent, and New York 70 percent. Of the 70 percent in New York, 40 percent must go to staff providing care. [Read More](#)



INDUSTRY NEWS

Wellspring Capital Management to Acquire Caring Brands International. *Home Health Care News* reported on October 25, 2021, that Wellspring Capital Management reached a deal to acquire Caring Brands International, the parent company of Florida-based Interim HealthCare. Terms were not disclosed. Interim provides home care, among other services. The transaction was financed by Adams Street Partners, Blackrock, Madison Capital, and AEA Investors. [Read More](#)

Oak Street Health Acquires RubiconMD for \$130 Million. *Modern Healthcare* reported on October 21, 2021, Oak Street Health acquired specialty telehealth company RubiconMD for \$130 million, with potential for up to \$60 million in additional performance-based payments. Oak Street is a primary care provider that takes capitated payments to serve high-risk Medicare patients. [Read More](#)

Workit Health Raises \$118 Million to Expand Telehealth Addiction Care Program into Additional Markets. *Modern Healthcare* reported on October 21, 2021, that telehealth addiction care program Workit Health has raised \$118 million in Series C funding, led by private equity and venture capital firm Insight Partners. BCBS Venture Fund, CVS Health Ventures, FirstMark Capital and 3L Capital also participated in the round. Workit, which offers substance use disorder treatment in 10 states and counselling nationally, plans to use the funds to expand into additional markets. [Read More](#)

MVP Health Care, Belong Health to Launch Medicare Advantage D-SNPs in New York, Vermont. *Modern Healthcare* reported on October 22, 2021, that MVP Health Care and Belong Health will offer Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs) in upstate New York and Vermont through a new joint venture beginning in January 2022. Belong Health is a start-up founded by former Cigna executive J. Patrick Foley with investments from both MVP and Maverick Ventures. Belong Health was founded to help organizations launch Medicare Advantage and SNPs in part by providing data and analytics tools to help with care coordination and management. [Read More](#)

Molina Healthcare Closes Acquisition of Affinity Health Plan. Molina Healthcare announced on October 25, 2021, that its acquisition of Affinity Health Plan has closed. Affinity serves approximately 310,000 Medicaid members in New York. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
Summer 2021- Delayed	Rhode Island	RFP Release	276,000
Fall 2021	Missouri	RFP Release	756,000
November 2021	District of Columbia	RFP Release	230,000
November 5, 2021	Louisiana	Awards	1,600,000
November 8, 2021	Tennessee	Awards	1,500,000
December 1, 2021	Delaware	RFP Release	240,000
December 22, 2021	Iowa	RFP Release	745,000
Dec. 2021 - Feb. 2022	Texas STAR+PLUS	RFP Release	538,000
2022	Georgia	RFP Release	1,800,000
First Quarter 2022	Indiana MLTSS	RFP Release	N/A
January 2022	Minnesota MA Families and Children, MinnesotaCare	RFP Release	543,000
January 1, 2022	Minnesota MA Families, Children; MinnesotaCare (metro)	Implementation	548,000
January 1, 2022	Nevada	Implementation	600,000
January 1, 2022	Massachusetts One Care (Duals Demo)	Implementation	150,000
January 1, 2022	North Dakota Expansion	Implementation	19,800
January 7, 2022	Indiana Hoosier Healthwise and HIP	Awards	1,200,000
February 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	RFP Release	1,640,000
February 2022	California GMC - Sacramento, San Diego	RFP Release	1,091,000
February 2022	California Imperial	RFP Release	75,000
February 2022	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
February 2022	California San Benito	RFP Release	7,600
February 18, 2022	Minnesota Senior Health Options, Senior Care Plus	Proposals Due	64,000
February 18, 2022	Minnesota Special Needs BasicCare	Proposals Due	63,000
May 9, 2022	Minnesota Senior Health Options, Senior Care Plus	Awards	64,000
May 9, 2022	Minnesota Special Needs BasicCare	Awards	63,000
June 2022	Texas STAR Health	Awards	43,700
July 1, 2022	Ohio	Implementation	2,450,000
July 1, 2022	Rhode Island	Implementation	276,000
July 1, 2022	North Carolina - BH IDD Tailored Plans	Implementation	N/A
July 1, 2022	Missouri	Implementation	756,000
July 1, 2022	Louisiana	Implementation	1,600,000
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
Fourth Quarter 2022	Indiana MLTSS	Awards	N/A
Sep. 2022 - Nov. 2022	Texas STAR+PLUS	Awards	538,000
Sep. 2022 - Nov. 2022	Texas STAR & CHIP	RFP Release	3,700,000
January 1, 2023	Tennessee	Implementation	1,500,000
January 1, 2023	Minnesota MA Families and Children, MinnesotaCare	Implementation	543,000
January 1, 2023	Minnesota Senior Health Options, Senior Care Plus	Implementation	64,000
January 1, 2023	Minnesota Special Needs BasicCare	Implementation	63,000
January 7, 2022	Indiana Hoosier Healthwise and HIP	Awards	1,200,000
Mar. 2023 - May 2023	Texas STAR & CHIP	Awards	3,700,000
Mar. 2023 - May 2023	Texas STAR Kids	RFP Release	166,000
Sep. 2023 - Nov. 2023	Texas STAR Kids	Awards	166,000
Sep. 2023 - Nov. 2023	Texas STAR Health	Implementation	43,700
Sep. 2023 - Nov. 2023	Texas STAR+PLUS	Implementation	538,000
2024	Indiana MLTSS	Implementation	N/A
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
Jun. 2024 - Aug. 2024	Texas STAR & CHIP	Implementation	3,700,000
Dec. 2024 - Feb. 2025	Texas STAR Kids	Implementation	166,000

HMA WELCOMES

Tom McCaffery - Principal

Tom McCaffery is a business, government, and public policy leader with more than 25 years of senior executive experience in multiple areas of the healthcare industry. His experience includes leadership roles with commercial health plans, state health and human services programs, hospital advocacy organizations and most recently, serving as the senior civilian leader of the Department of Defense (DoD) Military Health System (MHS).

With deep experience leading internal and external cross-functional teams on strategic initiatives, he has helped organizations navigate political, business, and policy environments as well as establish and sustain strategic external relationships and coalitions.

Prior to joining HMA, Tom served as the Assistant Secretary of Defense for Health Affairs. In this role he worked side-by-side with the uniformed and civilian leaders of the MHS. As the senior executive responsible for strategy, policy, and resourcing across the MHS and its over 600 hospitals, outpatient medical facilities, and dental clinics, he led health system transformation, enterprise management and strategic planning. During his tenure, he also played a critical role in DoD's response to the COVID-19 pandemic, including developing and issuing policy directives governing DoD's public health interventions, testing and vaccination efforts, and research priorities.

He has hands-on knowledge of the DoD's TRICARE health benefits program, Medicare, Medicaid, government employee health benefits programs, and federal and state government healthcare purchasing procurements.

In addition to serving at the DoD, Tom has experience with commercial health plans, California state health and human services programs, and hospital advocacy. He previously served as vice president of California State Partnerships and vice president and general manager of the California

Public Employees Retirement System (CalPERS) Business Sector with Blue Shield of California.

Serving in several posts in health and welfare for the State of California, Tom's career in state government included serving as chief deputy director of healthcare programs for the California Department of Health Services as well as undersecretary and assistant secretary of the California Health and Welfare Agency.

Tom earned a Master of Public Policy from the University of California and a Bachelor of Arts in government and international relations from the University of Notre Dame. He is a Truman Scholar and was also a Rotary Scholar Fellow at the University of Dublin, Trinity College, completing graduate studies in political philosophy.

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- Louisiana Medicaid Managed Care Enrollment is Up 5.9%, Aug-21 Data
- Virginia Medicaid Managed Care Enrollment is Up 7.1%, Jun-21 Data
- Virginia Medicaid MLTSS Enrollment is Up 3.8%, Jun-21 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Alaska MAGI Medicaid Automated Renewal RFP Draft, Oct-21
- California Medicaid Information Technology Architecture Support Services RFO, Oct-21
- Colorado Medicare Advantage Dual Special Needs Plan Contracts, FY 2022
- Idaho Behavioral Health Plan Description and Invitation to Negotiate Process Announcement, Oct-21
- Idaho Medicaid Procurement Schedule, Oct-21
- Minnesota Senior Health Options (MSHO) and Minnesota Senior Care Plus (MSC+) RFP, Oct-21
- Minnesota Special Needs BasicCare (SNBC) and Integrated Special Needs BasicCare RFP, Oct-21
- Ohio OhioRise Plan Contract, Jul-21
- West Virginia Medicare Advantage Dual Special Needs Plan Contracts, CY 2022

Medicaid Program Reports, Data and Updates:

- Alabama Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Alaska Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Arizona Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Arkansas Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Connecticut Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Georgia Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Hawaii Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Idaho Medicaid Dental External Quality Reviews, 2019-20
- Idaho Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Louisiana Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Maryland Plan for HCBS Implementation of the American Rescue Plan Act, 2021

- Massachusetts Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- New Jersey Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- New York External Quality Review Reports, 2019
- New York Health Plan Quality Comparison Reports, 2016-20
- New York Managed Long-Term Care Reports, 2015-19
- New York Quality Strategy Reports, 2012-21
- Oklahoma Plan for HCBS Implementation of the American Rescue Plan Act, 2021
- Tennessee OIG Medicaid Uncompensated Care Claims Audit, Oct-21
- Tennessee TennCare Preliminary Medicaid Capitation Rate Ranges, 2022
- Texas Medicaid CHIP Data Analytics Unit Quarterly Reports, 2018-21
- Texas OIG Acadian Ambulance Services Audit, Jul-21
- Texas OIG Data Processing and Integrity of Medicaid Eligibility Determinations Audit, Jul-21
- Texas OIG Quarterly Reports, 2019-21

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