

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in Health Policy

..... November 4, 2020



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IN FOCUS

HMA COLLEAGUES AUTHOR EVIDENCE-BASED HEALTH PROMOTION PROGRAMS PAPER

This week our *In Focus* section highlights a paper by Health Management Associates (HMA) Principal [Sarah Barth, JD](#) and Research Assistant Sarina Coates-Golden entitled, *Reimbursement for Evidence-Based Health Promotion Programs in the Community - Strategies and Approaches to Medicaid and Medicare Advantage Coverage*. Commissioned by the National Council on Aging (NCOA) and with support from the Administration for Community Living (ACL), the publication aims to increase adoption of evidence-based health promotion and disease prevention programs. Known as evidence-based programs (EBPs) by

Medicaid, Medicare, and other health insurance markets, these programs include, for example, Chronic Disease Self-Management Education (CDSME) and falls prevention programs. The paper identifies:

- Medicaid authorities and financing mechanisms through which states have adopted EBPs
- Promising practices establishing reimbursable EBPs and replicable approaches in Medicaid, Medicare Advantage and other emerging markets to support sustainability beyond grant funding
- Barriers to adoption of EBPs and actionable steps to avoid or address
- Actionable information to move forward relationships with state Medicaid programs or Medicaid managed care organizations.

The paper highlights five target states and one city -- California, Colorado, Maine, Massachusetts, Washington and New York City. The selection was based on the adoption of EBPs as a reimbursable service in Medicaid and/or Medicare.

Report findings and common themes include:

- Building relationships with state Medicaid programs and agencies on aging is important to sharing the value of EBPs for inclusion as a Medicaid reimbursable service.
- Building partner relationships with health plans at the local level is essential to advancing discussions about contracts to provide EBPs funded by Medicaid and/or Medicare.
- Community based organizations (CBOs) entering into contractual relationships with health plans often benefit from grant funding to build out CBO capacity and infrastructure to ready the organization to engage in business relationships with health care entities.
- Establishment of reimbursable EBPs beyond grant funding is often supported by a CBO network that provides business acumen and support.
- Focused efforts that demonstrate, identify and clearly communicate the return on investment (ROI) to health plan partners are key to reimbursement.
- Health plans are seeking value-based payment (VBP) relationships with CBO's including CBOs ability to take on risk.
- CBOs can benefit from establishing reimbursement relationships with multiple payers to diversify business and funding streams.

The report made recommendations and outlined next steps for moving forward with reimbursement relationships with public and private payers. To view the entire report, [click here](#).



HMA MEDICAID ROUNDUP

Arizona

Arizona Receives Federal Approval to Increase Hospital Reimbursements. The Arizona Health Care Cost Containment System (AHCCCS) announced on November 2, 2020, that it received federal approval to increase hospital reimbursement rates by more than 30 percent through the Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII). Eligible hospitals will see a net increase of \$800 million in payments in the first year of implementation. The state also advanced \$41 million to more than 100 provider organizations involved in the state's five-year Targeted Investments initiative, which supports providers who are integrating physical and behavioral health. Dental providers and practitioners also received an annual rate increase exceeding an estimated \$380 million.

California

Ballot Measure Aimed at Tightening Dialysis Center Regulations Fails. *Fortune* reported on November 4, 2020, that California voters rejected by a 64-36 percent margin a ballot initiative that would have imposed new regulations on kidney dialysis centers operating in the state. The initiative would have required dialysis centers to have a physician on-site, report dialysis-related infections, obtain state consent before closing down, and forbid discrimination against patients based on coverage or source of payment. [Read More](#)

California Community Health Centers File Lawsuit Over Medicaid Drug Spending Plan. *Modern Healthcare* reported on October 29, 2020, that community health centers in California have filed a lawsuit in federal court over the state's plan to transition Medicaid drug reimbursements from managed care to fee-for-service, a move that would impact 340B discount savings that the centers use to sustain operations. California Governor Gavin Newsom believes his plan would lower drug costs by allowing the state to fully leverage its bulk purchasing power. The centers have asked to be exempted from the plan, which goes into effect January 1, 2021. [Read More](#)

Georgia

Georgia Receives Federal Approval to Exit ACA Exchanges, Direct Individuals to Brokers. *The Hill* reported on November 2, 2020, that Georgia received federal 1332 waiver approval to opt out of the Affordable Care Act (ACA) Exchanges effective January 1, 2023, and instead implement a private sector platform called the Georgia Access Model, which will direct people to brokers and individual insurers. More than 450,000 individuals in the state use the federal HealthCare.gov insurance Exchange to purchase individual insurance. The waiver also clears Georgia to implement a reinsurance program on January 1, 2022. The waiver is effective through December 31, 2026. [Read More](#)

Kentucky

Kentucky to Comply With Court Order to Grant Medicaid Managed Care Contract to Anthem. *Louisville Business First* reported on October 28, 2020, that Kentucky will comply with a court order to grant Anthem a Medicaid managed care contract. Franklin Circuit Court Judge Phillip Shepherd issued the order after determining that the state's Medicaid managed care procurement was flawed. Humana has appealed the order to the Kentucky Court of Appeals. [Read More](#)

Nebraska

Nebraska Names Kevin Bagley as Medicaid Director. *The Omaha World-Herald* reported on November 2, 2020, that Nebraska has named Kevin Bagley director of the state Department of Health and Human Services, Division of Medicaid and Long-Term Care, effective November 30. Bagley was most recently with the Utah Division of Medicaid. [Read More](#)

Ohio

Ohio Health Plan to Change Medicaid Pricing Methodology for Paying Pharmacists for Prescription Drugs. *The Dayton Daily News* reported on November 2, 2020, that Ohio-based health plan CareSource will change the methodology it uses to pay pharmacists for Medicaid prescription drugs from the average wholesale price to the National Average Drug Acquisition Costs dataset, a federal benchmark. The change, which will be effective in February, is winning praise from pharmacists. [Read More](#)

Ohio Releases OhioRISE Managed Behavioral Plan RFA. The Ohio Department of Medicaid (ODM) issued a request for applications (RFA) on October 28, 2020, for a single behavioral health plan to administer the new statewide OhioRISE Plan, a prepaid inpatient health plan (PIHP) covering behavioral health services for about 50,000 to 60,000 foster children and children with serious or complex behavioral health needs. Proposals are due December 16, with awards expected February 19, 2021. The contract will run from January 5, 2022, through June 30, 2024, with optional annual renewals. Children who enroll in OhioRISE Plan will continue to receive physical health coverage through the state's Medicaid managed care program.

Oklahoma

Oklahoma Voters Oppose Using Tobacco Settlement Funds for Medicaid Expansion. *The Oklahoman* reported on November 4, 2020, that Oklahoma voters opposed a measure that would have used tobacco settlement funds to help pay the state's 10 percent share of Medicaid expansion costs. In June, Oklahoma voters narrowly approved a Medicaid expansion ballot measure, which is expected to cover about 215,000 individuals. [Read More](#)

Pennsylvania

Penn State Health Acquires Holy Spirit Health System. *Newswise* reported on October 30, 2020, that Penn State Health acquired Holy Spirit Health System from Geisinger, effective November 1. Geisinger will remain in the Harrisburg region through Geisinger Health Plan. The transaction has no impact on the coverage and benefits of current Geisinger Health Plan members in south central Pennsylvania. [Read More](#)

Texas

Republican Lawmakers Consider Medicaid Expansion. *The Dallas Morning News* reported on November 2, 2020, that top Texas Republican lawmakers are beginning to consider Medicaid expansion, a policy that could cover up to one million uninsured individuals. Rep. Lyle Larson (R-San Antonio) recently suggested the state should "seriously consider" expansion funding in the next legislative session. The policy has been opposed by Republicans in the past, including state Governor Greg Abbott. Estimates suggest expansion would cost the state \$650 million annually, with the federal government paying the bulk of the tab at \$5.4 billion annually. [Read More](#)

National

Trump Signs Executive Order Making It Easier for Federal Agencies to Fire, Replace Career Policy Officials. *Modern Healthcare* reported on November 3, 2020, that President Trump has signed an executive order making it easier for federal agencies to fire and replace career federal policy officials by reclassifying them under a new category of employees called Schedule F. The move could impact attorneys, public health experts, regulators, scientists, and other officials not normally subject to change during Presidential transitions. Under the order, the U.S. Department of Health and Human Services has seven months to decide which of its 80,000 employees to reclassify. [Read More](#)

State Medicaid Agencies Receive Long-Term Services Rebalancing Toolkit from CMS. *Modern Healthcare* reported on November 2, 2020, that the Centers for Medicare & Medicaid Services (CMS) released a long-term services (LTSS) rebalancing toolkit intended to support state Medicaid agencies in their efforts to shift from nursing homes to home and community-based services (HCBS). The toolkit contains state strategies to increase the share of LTSS provided in community-based settings, tools designed to assist states with policy and programmatic strategies, and case studies. [Read More](#)

Pelosi Looks to Budget Reconciliation to Strengthen ACA. *Politico* reported on November 2, 2020, that House Speaker Nancy Pelosi (D-CA) is eyeing a budget reconciliation bill to greenlight trillions of dollars in policy priorities next year, including enhancements to the Affordable Care Act (ACA) and pandemic relief. Reconciliation requires a simple majority in the Senate. [Read More](#)

ACA Open Enrollment Begins Amid Rising COVID-19 Cases. *The Associated Press* reported on October 31, 2020, that the open enrollment period for the Affordable Care Act (ACA) began November 1 amid soaring COVID-19 cases. The Centers for Medicare & Medicaid Services (CMS) stated that most individuals will have at least three insurers to choose from, with premiums slightly lower in 2021. Open enrollment lasts through December 15. [Read More](#)

States Will Need More Time to Restart Medicaid Eligibility Redeterminations, MACPAC Says. *Modern Healthcare* reported on October 29, 2020, that states will need more time to restart Medicaid eligibility redeterminations following the end of the public health emergency, according to experts at a meeting of the Medicaid and CHIP Payment and Access Commission (MACPAC). States are asking the Centers for Medicare & Medicaid Services (CMS) to issue guidance on redeterminations three to six months before the emergency ends to avoid facing this risk of millions of dollars in potential clawbacks for improper Medicaid payments. [Read More](#)

Telehealth Flexibilities to Be Permanent for Medicare Home Health Providers. *Modern Healthcare* reported on October 29, 2020, that telehealth flexibilities for Medicare home health providers will be permanent effective January 1, 2021, according to a rule issued by the Centers for Medicare & Medicaid Services (CMS). The rule allows Medicare home health providers to use telehealth for related skilled services only if they can demonstrate how telehealth will improve patient treatment. CMS also increased home health provider payments by 1.9 percent, approved a 5 percent cap on wage index cuts, and cut payment rates for home infusion therapy services by 0.7 percent. [Read More](#)

Investors Hear from HCA Employees About Lack of COVID-19 PPE, Workplace Safety. *Modern Healthcare* reported on October 29, 2020, investors in HCA Healthcare received a letter from six company employees expressing concern over unsafe workplace conditions and the lack of personal protective equipment (PPE) during the COVID-19 pandemic. The letter, which HCA said it believes “was orchestrated by the SEIU,” stated that HCA’s “PPE protocols may be systemically putting lives at risk.” [Read More](#)

CMS Issues Final Rule on Health Plan Price Transparency. *Modern Healthcare* reported on October 29, 2020, that the Centers for Medicare & Medicaid Services (CMS) issued a final rule requiring nearly all health insurers to publicly disclose in-network and out-of-network rates that payers negotiate with providers. The rule also requires insurers to disclose historical net prices for all covered prescription drugs at the pharmacy level, and requires payers to develop online price transparency tools for an initial list of 500 services by January 1, 2023. Payers will need to add all other services to the transparency tool by January 1, 2024. [Read More](#)



INDUSTRY NEWS

Drug Distributors McKesson, Cardinal, AmerisourceBergen Could Pay \$21 Billion to Settle Opioid Litigation. *Bloomberg* reported on November 3, 2020, that a group of state attorneys general proposed in a regulatory filing that drug distributors McKesson, Cardinal Health, and AmerisourceBergen pay \$21 billion over 18 years to settle more than 3,000 lawsuits filed by state and local governments over their role in the opioid epidemic. Last year, the distributors offered to pay \$18 billion. McKesson, which would be on the hook for \$8 billion of the \$21 billion, is preparing for possible opioid trials in California and West Virginia next year. [Read More](#)

Centerbridge Partners, Vistria Group Acquire IL-based Help at Home. Illinois-based Help at Home announced on October 30, 2020, that it has been acquired from Wellspring Capital by a consortium including Centerbridge Partners and The Vistria Group. Help at Home provides home and community-based services to more than 60,000 clients in 13 states. Wellspring will remain a minority investor in the company. Terms of the transaction were not disclosed. [Read More](#)

Emerging Senior Care Clinics Target Growing Medicare Advantage Market. *Modern Healthcare* reported on October 31, 2020, that providers are targeting the growing Medicare Advantage market with senior-focused clinics that take on financial risk to serve elderly individuals who are chronically ill. Clinic operators like ChenMed, Oak Street Health and Partners in Primary Care as well as some health systems are among the organizations rolling out new facilities. [Read More](#)

GuideWell to Increase Stake in New Directions Behavioral Health. Florida-based not-for-profit GuideWell Mutual Holding Corporation announced on November 2, 2020, an agreement to increase its stake in managed behavioral company New Directions Behavioral Health through the acquisition of interests held by Blue Cross Blue Shield of Kansas City and Blue Cross Blue Shield of Michigan. Following the transaction, GuideWell will hold a majority stake in New Directions, which serves over 16 million members. GuideWell currently serves 27 million members across 35 states. [Read More](#)

Molina 3Q20 Profit Growth Slows as Utilization Rebounds. *Modern Healthcare* reported in October 29, 2020, that profit growth at Molina Healthcare slowed in the third quarter of 2020, as utilization returned to levels seen prior to the COVID-19 pandemic. Molina reported operating income of \$289 million on revenues of \$5 billion in the third quarter, compared to operating income of \$257 million on revenues of \$4.2 billion a year earlier. However, premiums were impacted somewhat as seven states enacted temporary measures to claw back Medicaid funds not spent on care. [Read More](#)

RFP CALENDAR

| Date | State/Program | Event | Beneficiaries |
|-----------------------|--|----------------|---------------|
| November 2020 | Hawaii Community Care Services | RFP Release | NA |
| November 20, 2020 | Ohio | Proposals Due | 2,450,000 |
| December 2020 | Hawaii Quest Integration | RFP Release | 340,000 |
| December 15, 2020 | Oklahoma | Proposals Due | 742,000 |
| December 23, 2020 | North Dakota Expansion | Proposals Due | 19,800 |
| 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 2021 | Hawaii Community Care Services | Proposals Due | NA |
| January 1, 2021 | Kentucky Rebid | Implementation | 1,200,000 |
| 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 |
| February 2021 | Hawaii Community Care Services | Awards | NA |
| February 2021 | Hawaii Quest Integration | Proposals Due | 340,000 |
| February 1, 2021 | Oklahoma | Awards | 742,000 |
| March 2021 | Hawaii Quest Integration | Awards | 340,000 |
| April 1, 2021 | Indiana Hoosier Care Connect ABD | Implementation | 90,000 |
| May 21, 2021 | North Dakota Expansion | Awards | 19,800 |
| July 1, 2021 | North Carolina - Phase 1 & 2 | Implementation | 1,500,000 |
| July 1, 2021 | Hawaii Quest Integration | Implementation | 340,000 |
| July 1, 2021 | Hawaii Community Care Services | Implementation | NA |
| October 1, 2021 | Oklahoma | Implementation | 742,000 |
| January 1, 2022 | Massachusetts One Care (Duals Demo) | Implementation | 150,000 |
| January 1, 2022 | North Dakota Expansion | Implementation | 19,800 |
| 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 |

HMA NEWS

New this week on HMA Information Services (HMAIS):

Medicaid Data

- Colorado RAE Enrollment is Up 20.6%, Sep-20 Data
- Kentucky Medicaid Managed Care Enrollment is Up 10.6%, Oct-20 Data
- Massachusetts Medicaid Managed Care Enrollment is Up 11.2%, Sep-20 Data
- Mississippi Medicaid Managed Care Enrollment is Up 6.4%, Oct-20 Data
- Nebraska Medicaid Managed Care Enrollment Is Up 10.0%, Aug-20 Data
- Nebraska Medicaid Managed Care Enrollment Is Up 11.8%, Sep-20 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Minnesota Electronic Visit Verification System RFP, Nov-20
- Ohio Medicaid OhioRISE Plan RFA and Related Documents, Oct-20
- South Carolina Children's Medicaid Rehabilitative Behavioral Services RFP, Nov-20

Medicaid Program Reports, Data and Updates:

- Arizona AHCCCS Appropriation Status Reports, FY 2020-21
- Arizona AHCCCS Population Demographics, Oct-20
- Arkansas Works Section 1115 Demonstration Waiver Reports, Jun-20
- California Managed Care Advisory Group Meeting Materials, Sep-20
- Florida Medicaid Eligibility by County, Age, Sex, Sep-20 Data
- Georgia Medicaid Enrollment Demographics, Sep-20
- Georgia Section 1332 Waiver Application and Approval, 2019-20
- Hawaii Medicaid Managed Care Rate Certifications, FY 2019-20
- Illinois Medicaid Advisory Committee Meeting Materials, Aug-20
- Michigan Medicaid Health Plan HEDIS Reports, 2016-20
- Nevada Medical Care Advisory Committee Meeting Materials, Oct-20
- New Jersey Family Care Enrollment by Age, Eligibility Group, and County, 2016-19, Oct-20
- North Carolina Medicaid Enrollment by Aid Category, Oct-20 Data
- Oregon Medicaid Advisory Committee Meeting Materials, Oct-20
- Pennsylvania Medical Assistance Advisory Committee (MAAC) Meeting Materials, Oct-20
- Virginia Medallion 4.0 and CCC Plus Medicaid Operations Analysis, 2017-20

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- State-by-state overviews and analysis of latest data for enrollment, market share, financial performance, utilization metrics and RFPs
- Downloadable ready-to-use charts and graphs
- Excel data packages
- RFP calendar

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