

HEALTH MANAGEMENT ASSOCIATES
HMA Weekly Roundup

Trends in Health Policy

..... November 11, 2020



[RFP CALENDAR](#)

[HMA News](#)

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IN FOCUS

A SHORT-TERM PATH TO AVOID ACA UNCERTAINTY AS THE PANDEMIC CONTINUES

In this week's *In Focus* section, Health Management Associates (HMA) Managing Director MMS Matt Powers, Senior Consultant Kaitlyn Feiock, and Regional Vice President Kathleen Nolan look at the future of the Patient Protection and Affordable Care Act (ACA). On November 10, 2020, the Supreme Court of the United States (SCOTUS) heard oral arguments for

ACA TIMELINE

March 2010: ACA signed

Oct 2010: First provisions implemented

June 2012: SCOTUS upholds constitutionality of ACA and rules Medicaid Expansion is optional

Jan 2014: Marketplace and Medicaid Expansion coverages officially start

July 2017: Pared down ACA repeal fails Senate vote

December 2017: Tax Cuts and Jobs Act eliminates the individual mandate penalty

December 2019: Court of Appeals for the 5th Circuit rules that the ACA is unconstitutional with no individual mandate penalty

November 2020: ACA constitutionality and severability hearing before the SCOTUS

June 2021: SCOTUS decision on constitutionality and severability of ACA expected

California v. Texas, challenging the constitutionality and severability of the ACA. This challenge became possible after the 2017 Tax Cuts and Jobs Act, which zeroed out the individual mandate penalty for not purchasing health insurance. While most experts agree that an entire invalidation of the ACA is the least likely outcome based on the oral arguments, some uncertainty remains and more than \$100 billion in federal funds are at risk. The ACA standardized insurance rules, offset premium costs for many individual market consumers and provided authority and funding for Medicaid Expansions in the overwhelming majority of states. The ACA also included other provisions that may be at risk but are not the subject of this note, such as the creation of Center for Medicare and Medicaid Innovation (CMMI) and the Medicare-Medicaid Coordination Office, as well as demonstration authority that has led to the creation of numerous coverage models. As states, Congress, and the federal executive branch face the possibility that the ACA may not survive in its present form, what mitigation strategies are available at the state and federal levels to stabilize uncertainties and protect against abrupt coverage changes?

Overview of Possible Outcomes of the Supreme Court Decision

We have summarized possible SCOTUS outcomes into three scenarios and set the table for discussion of possible state and federal government responses to scenario 3. Possible scenarios include:

1. No change to the status of the ACA or the individual mandate.
2. The individual mandate is determined unconstitutional but partially severable, invalidating some private market components of the ACA but leaving intact elements like the Medicaid expansion.
3. The individual mandate is determined unconstitutional and inseverable, invalidating the ACA in its entirety.

States can make changes to protect coverage provisions of the ACA

States have always had a great deal of authority to shape their health insurance markets and Medicaid programs, and changes to state regulated insurance markets can be made without federal approval. Even prior to the ACA, some protections for pre-existing conditions were in place in the form of the Health Insurance Portability and Accountability Act's (HIPAA's) requirement that states adopt guaranteed issue policies or pursue the option for high risk pools. However, eligibility for these protections was very narrow compared to the corresponding protections in the ACA, and high-risk pools presented underwriting and financial challenges that seemed to present difficulties potentially affecting affordability. Since 2018 when the current ACA lawsuit started, multiple states have codified ACA provisions in state law, as Table 1 demonstrates. Not captured in Table 1 below and this analysis are all of the existing market protections that states adopted over the years. Many of these were preempted by the ACA and allowed to lapse in state code but could be reinstated to mitigate the impact of ACA repeal.

ACA BY THE NUMBERS

Medicaid Expansions. 39 states have adopted full Medicaid Expansion with over 15 million enrolled and a total state/federal cost of \$74 billion. *Note: Wisconsin and Georgia are not included but have authorized or adopted partial Expansions.*

Health Insurance Marketplaces. 10.6 million were covered by marketplaces in 2019. 9.3 million receive subsidies with a total estimated cost of \$59 billion¹.

Uninsured Rate. This rate declined from 15.5 percent in 2010 to 9.1 percent in 2019².

Premiums. Marketplace premiums declined by 5 percent in the last two years, following large increases from 2014 to 2019.

Federal ACA Funding Impact on States Effectively Totals \$133 billion. Moving the 90 percent ACA Expansion matching rate to standard match would cost states \$29 billion. Marketplace subsidies total \$59 billion in federal funding.

¹<https://www.cbo.gov/publication/56571>

²<https://www.census.gov/library/publications/2020/demo/p60-271.html>

³Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2020

Table 1: ACA Provisions Adopted by States Since 2018	States Adding Full or Partial Provision Since 2018
Preexisting Conditions	12
Essential Health Benefits	9
Annual/Lifetime Limits	9
Maximum Out of Pocket Limit	4
Guaranteed Issue	6
Community Rating	5
Individual Mandate	5

Source: <https://www.commonwealthfund.org/blog/2019/can-states-fill-gap-preexisting-condition-protections> & Kaiser Family Foundation *State Actions to Improve the Affordability of Health Insurance in the Individual Market*

States should consider whether to act to reduce the risk of sudden federal policy change by establishing trigger laws and/or Section 1115 waivers that prevent disruptions to coverage, continue patient protections to the extent they apply, and ensure premium affordability in the event of ACA invalidation. Several states already have the opposite “trigger law” for their Medicaid Expansion, saying that if the 90 percent ACA Expansion matching rate is rescinded, the Expansion automatically shuts down. That aside, states have the following options to avoid potential major disruptions:

- Authority to cover the Medicaid Expansion population through an 1115 waiver remains an option, but without the ACA this coverage would be at standard matching rates rather than the 90 percent ACA Expansion matching rate (e.g., the current Wisconsin waiver).
- Even without state action, individual market policies will remain in place through 2021 for individuals enrolled in coverage when a SCOTUS decision is released in May or June of 2021.

States may continue the trend of tapping into certain ACA provisions to make changes like the state-based individual mandate in California and the insurance Marketplace changes underway in Georgia. Detailed state level work is needed to understand how many people and states are at risk should the ACA be fully invalidated, and that would include a review of current laws related to the indirect impact of the Employee Retirement Income Security Act (ERISA) on coverage rules.

If the ACA is Invalidated, Financing of Continuing Coverage Would Fall to States

Given states’ authority to enact state-based ACA-like insurance provisions or to enact Medicaid Expansion-like coverage through an 1115 waiver, the funding for marketplace subsidies and the federal matching differential emerge as the critical questions. Whether states can afford to pay more to cover existing Expansion enrollees was an issue prior to 2020. As most economic projections point to a prolonged recovery and COVID-19 pandemic-induced fiscal pressures and uncertainties are expected to continue in most states, it is unrealistic to expect that states will be able to handle an additional state funding burden in 2021.

Nationally, 86 percent of marketplace enrollees receive premium assistance and half get cost sharing reductions. While the percentages vary by state, in all states a majority of enrollees have help paying for their coverage. If SCOTUS strikes down the ACA entirely, the federal marketplace goes away and financial assistance to enrolled consumers will end. Without help paying for premiums, many enrollees will likely drop coverage within months, leaving states to determine whether to fund premiums for their residents. Currently, California is the only state that has a state premium support program for eligible marketplace enrollees.

Authorizing a Contingency \$133 Billion to Stabilize the Health Care Infrastructure During COVID

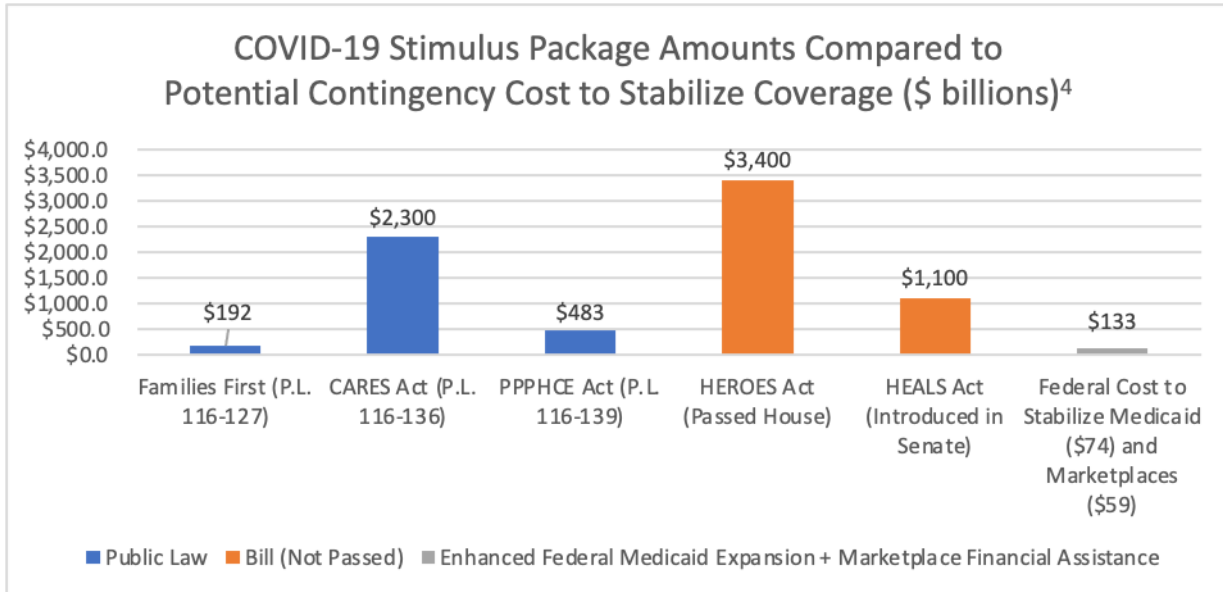
The two main federal funding sources that are already calculated in the federal budget and potentially concerning to states are the Marketplace subsidies and the 90 percent ACA Expansion match. The ACA directs about \$59 billion in federal subsidies to the marketplaces in 2020ⁱ and is estimated to have directed an additional \$74 billion through the 90 percent ACA Expansion matching rate for those eligible through Medicaid expansion in 2018ⁱⁱ for a total federal ACA cost of about \$133 billion. If the ACA were to be invalidated, states may choose to cover Medicaid expansion-eligible individuals with standard match, for an additional state cost of approximately \$30 billion.

Prior to enactment of the ACA, availability of state funding restricted most states from experimenting with expanded Medicaid coverage or implementing commercial market reforms. In the midst of the COVID-19 pandemic, state budgets are in more precarious positions than they have been since the ACA passed. In the event of a full ACA invalidation that removes the Medicaid expansion funding and the Marketplace subsidies, federal and state coordination (and perhaps opportunities presented with COVID-19 relief bills) will be essential. In the context of not only the overall health care market (\$4 trillion), but moreover the previously enacted multi-trillion dollar COVID-19 stimulus packages,ⁱⁱⁱ reaching consensus on \$88-\$133 billion to preserve coverage is within the realm of possibility.

ⁱ https://www.cbo.gov/system/files/2019-05/55085-HealthCoverageSubsidies_0.pdf

ⁱⁱ <https://www.kff.org/medicaid/state-indicator/medicaid-expansion-spending>

ⁱⁱⁱ Families First. <http://www.crfb.org/blogs/families-first-coronavirus-response-act-will-cost-192-billion>; CARES Act. <http://www.crfb.org/blogs/whats-2-trillion-coronavirus-relief-package>; PPPHCE Act. <https://www.crfb.org/blogs/whats-fourth-coronavirus-package>. HEROES Act. <http://www.crfb.org/blogs/whats-3-trillion-heroes-act>; HEALS Act. <http://www.crfb.org/blogs/whats-11-trillion-heals-act>.



A Short-Term Path to Stabilize the Health Care Infrastructure During the Pandemic and Avoid Uncertainty Related to ACA Invalidation

The fate of the ACA as we know it hinges on the SCOTUS decision expected in May or June 2021. A short-term path to stabilize the health care infrastructure may be more plausible now relative to just weeks ago:

- **No major federal law changes would be required for a short-term stabilization.** The components of the ACA are well within the boundaries of statutory authorities at the state and federal level. In many ways, the state laws codify policies operational today and are essentially trigger laws.
- **Funding for a short-term stabilization prior to a SCOTUS decision would not have a substantial impact on the federal budget, as ACA spending is already calculated in the Federal budget.** This is simply a matter of changing the method of distribution of the \$133 billion (i.e. marketplace subsidies and Medicaid match) built into spending baselines. Without stabilization, states have authority to cover the Medicaid Expansion population through 1115 waivers but without the ACA, this coverage would be at standard matching rates.
- **Last week's signal from Senator McConnell calling for a 2020 COVID-19 relief package presents an opportunity.** The fact that the next round of COVID-19 options are estimated to cost \$1 trillion and \$2 trillion suggest that there may be room for a component to stabilize ACA funding. Beyond stabilization, just as ACA closed the unpopular "donut hole" cost sharing provisions in Medicare drug coverage in Part D, providing some modest funding for state Marketplace flexibilities is one path to improve what ails Marketplace affordability. Just weeks ago, Senator McConnell said "no one believes the Supreme Court is going to strike down the ACA" and has provided other signals including many provisions in the "skinny repeal" of 2017.

- **Marketplace enrollees reflect a diverse political constituency that leaders at the state and Federal level will be hesitant to upset.** It's notable that the largest percentage of people in the \$30,000-\$100,000 income cohort identify as political Independents and the second most likely party identification in this income cohort identify as Republicans, albeit by a small margin. It is also worth noting that these are often the populations most affected by COVID's economic impacts.
- **States may continue to move to drive down Marketplace premiums and the number of people uninsured by codifying the individual mandate.** California, the District of Columbia, Massachusetts, Rhode Island, and Vermont all have a mandate in place. It's estimated that all would experience significantly lower health insurance premiums and the number of uninsured would decrease substantially as well.

Ultimately, the essential questions facing the healthcare system will not be answered for some time to come. There will be considerable unwinding to be done should there be even minor changes to the ACA. But even as we await a SCOTUS decision, states and Congress could act to provide a stable path for important protections and consumer supports within existing federal outlays. On a stand-alone basis such an effort may be politically difficult, but contingency funding through a stimulus mechanism is straight-forward and could be followed with regulations that accommodate states through distribution routes to give states the flexibilities to stabilize disruption and piece together similar protections. States will very much continue to have a large say with health insurance. They will also need to act to ensure that they have the necessary authorities and infrastructure. So, while it is possible to substantially limit disruption, it requires concerted action at the State and Federal levels, and stakeholders willing to engage on making it work.

For questions, please contact [Matt Powers](#).



HMA MEDICAID ROUNDUP

Hawaii

Hawaii Releases Community Care Services Program RFP. On November 6, 2020, Hawaii released a request for proposals (RFP) for a qualified behavioral health plan to manage the state's Community Care Services (CCS) program, which provides behavioral health services to over 4,500 Medicaid-eligible adults with serious mental illness (SMI) or serious and persistent mental illness (SPMI). Proposals are due January 8, 2021. Awards are expected on February 8, 2021, with implementation slated to begin July 1, 2021. Current incumbent Centene/WellCare/Ohana has held the contract since 2013.

Idaho

Lawmakers Consider Medicaid Cuts to Help Offset Projected Fiscal 2022 Budget Shortfall. *The Lewiston Tribune* reported on November 7, 2020, that Idaho lawmakers are considering Medicaid benefit reductions, provider rate cuts, and higher tax assessments on nursing homes and intermediate care facilities to help offset a projected fiscal 2022 Medicaid budget shortfall of \$60 million. The higher-than-expected spending projection is being driven by rising Medicaid enrollment, increased utilization rates, and mandatory price increases. [Read More](#)

Indiana

Indiana Announces Pilot Programs Designed to Increase Access to Mental Health Services for Justice-Involved Populations. *The News and Tribune* reported on November 6, 2020, that the Indiana Family and Social Services Administration's Division of Mental Health and Addiction announced a series of pilot programs designed to increase access to mental health services for justice-involved populations. Two of the pilots focus on individuals found unfit to stand trial by providing competency restoration services in jails in Marion and Vanderburgh and community-based settings in Marion. The third pilot, an inpatient program called Project CREATE (COVID-Related Emergency Access to Therapeutic Environments) aimed at transitioning county jail inmates to partnering inpatient psychiatric providers, will be offered statewide. [Read More](#)

Kentucky

Kentucky Readies Medicaid Waiver Proposal Covering Addiction Treatment for Justice-Involved Populations. *Spectrum News 1* reported on November 6, 2020, that Kentucky is developing a Medicaid waiver proposal that would cover addiction treatment services to justice-involved individuals free of charge. Under the proposal, drug addiction would have to be the primary diagnosis; however, advocates are calling for the proposal to include mental health conditions as a primary diagnosis. [Read More](#)

Missouri

Missouri Audit Finds \$8 Million in Medicaid Payments for Ineligible Beneficiaries. *KFVS 12* reported on November 6, 2020, that Missouri made \$8 million in Medicaid payments for ineligible beneficiaries over a three-year period, according to a state audit. Approximately \$6.6 million in payments were made on behalf of 2,600 non-residents and \$1.65 million were made on behalf of about 500 ineligible justice-involved individuals, according to the Office of the Missouri State Auditor. [Read More](#)

New Jersey

HMA Roundup – Karen Brodsky ([Email Karen](#))

New Jersey to Submit Section 1115 Waiver Renewal. The New Jersey Division of Medical Assistance and Health Services (DMAHS) plans to submit a renewal application for its Section 1115 Comprehensive Medicaid Demonstration Waiver to the Centers for Medicare & Medicaid Services (CMS) by June 30, 2021. The current waiver expires on June 30, 2022. DMAHS is hosting a Public Listening Session on November 12, 2020. The state is asking individuals interested in participating to register in advance of the sessions and submit any written comments or questions to DMAHS.CMWcomments@dhs.state.nj.us.

Medical Assistance Advisory Council (MAAC) Meeting Updates. New Jersey held its quarterly Medical Assistance Advisory Council (MAAC) meeting on October 21, 2020, providing updates related to behavioral health, maternal and child health, COVID-19, and electronic visit verification (EVV).

- **Behavioral Health Updates:** The Division of Mental Health and Addiction Services (DMHAS) announced an increase in the Long-Term Residential Rate (\$84.40 to \$130 per day). DMHAS also outlined their tiered incentive program for medication-assisted treatment providers and a new bundled reimbursement rate for integrated case management services. DMHAS has also announced temporary changes in response to the pandemic including changed to contracted provider payments to support staffing during the pandemic, opioid treatment provider flexibilities, and the distribution of federal COVID-19 relief funds.
- **SAMHSA COVID Funding for a Central Coordinating Entity:** New Jersey received SAMHSA funds to connect individuals to independent private clinicians for short term grief treatment. Rutgers University Behavioral Health Care, the State's Interim Management Entity for certain behavioral health services, is functioning as the Central Coordinating

Entity. DMHAS is working with the Department of Consumer Affairs to enroll independent licensed practitioners as Medicaid behavioral health providers for this treatment since many do not otherwise accept Medicaid reimbursement.

- **Hope and Healing initiative:** New Jersey received \$9 million in FEMA dollars for their Hope and Healing/NJ Mental Health Cares initiative to support mental health services. The funds were received at the end of September 2020. This initiative will fund crisis counseling and public education statewide. Free services include psychoeducation, stress reduction, emotional support, coping skills utilization, and connection with community support resources.
- **Medicaid COVID Updates:** The Division of Medical Assistance and Health Services (DMAHS) provided updates on COVID related actions including outlining policy flexibilities that have been approved by CMS related to telehealth and eligibility redeterminations.
- **Enrollment trends:** As of September 2020, New Jersey Medicaid enrollment was 1,853,928. This represents a 10 percent increase from six months ago. The biggest driver of this upward trend has been the retention of enrollees from the federal maintenance of effort requirement during the public health emergency. New enrollee volume remains normal. New Jersey has not yet seen a surge in enrollment.
- **New Medicaid Application Portal:** DMAHS is setting up a new web portal to allow county workers and people assisting others in filing a Medicaid application so they can complete the application online. Some components of this new online functionality are active while other components are in testing mode. The new process allows paper applications to be entered into the online enrollment system.
- **Maternal and Child Health:** Several maternal and child health initiatives will go into effect beginning January 1, 2021 including in initiative to reduce early elective delivery, enhanced clinical assessment of perinatal risk, and a community doula program.
- **Electronic Visit Verification (EVV) Update:** DMAHS is preparing to implement EVV by January 1, 2021. Qualified New Jersey Medicaid providers will need to implement EVV by this date as well. DMAHS selected HHAeXchange (HHA) as the State Aggregator through a competitive process. HHA will consolidate all visit data regardless of the EVV system used by providers. HHA and DMAHS is planning to host trainings for providers on how to use EVV. EVV related questions can be sent to Mahs.evv@dhs.state.nj.us.

Slides from the MAAC meeting can be found [here](#).

New York

HMA Roundup – Cara Henley ([Email Cara](#))

Lawmakers Propose Delaying Medicaid Drug Carve-out Amid Growing Opposition. *The New York Daily News* reported on November 10, 2020, that New York lawmakers have proposed a three-year delay in a state plan to carve Medicaid drug benefits out of managed care. Senator Gustavo Rivera (D-Bronx) and Assemblyman Dick Gottfried (D-Manhattan) proposed the legislation amid growing opposition to the initiative, which would impact the ability of safety net hospitals to benefit from low-priced prescription drugs purchased through the 340B drug discount program. [Read More](#)

North Carolina

North Carolina Launches Medicaid Managed Care Enrollment Website. *WNCT* reported on November 6, 2020, that the North Carolina Department of Health and Human Services announced the launch of a Medicaid managed care enrollment [website](#), offering information on Medicaid plans, the transition to managed care, and physical and behavioral health benefits. Open enrollment begins March 15, 2021, and will continue through May 14, with implementation starting July 1. Medicaid members have the option to choose from five insurers: AmeriHealth Caritas, Blue Cross Blue Shield of North Carolina, Centene, United Healthcare, and Carolina Complete Health (serving regions 3, 4 and 5), a partnership between the North Carolina Medical Society and Centene. [Read More](#)

Oregon

Oregon to See \$300 Million in Additional Funding for Medicaid. *The Lund Report* reported on November 5, 2020, that Oregon will see an additional \$331 million in revenues from new taxes on tobacco and vaping products from 2021 to 2023, with almost 90 percent going to the state's Medicaid program. The figure represents less than 10 percent of the \$3.8 billion the Oregon Health Authority is seeking in Medicaid funds. [Read More](#)

Rhode Island

Neighborhood Health Plan of Rhode Island Signs Three-Year Duals Demo Contract Extension. *GoLocalProv* reported on November 9, 2020, that Neighborhood Health Plan of Rhode Island has signed a three-year contract extension to continue its participation in the federal capitated financial alignment Medicare-Medicaid dual eligible demonstration. Neighborhood has 13,000 dual members in the program. [Read More](#)

Tennessee

Tennessee Receives Federal Waiver Approval for Katie Beckett Program for Children with Disabilities. *WVLT 8* reported on November 5, 2020, that Tennessee received federal waiver approval for a Katie Beckett program, which covers home-based medical services for children with disabilities who are not eligible for Medicaid. The program provides full Medicaid benefits for children with significant disabilities or complex medical needs or up to \$10,000 in annual financial support without enrolling in Medicaid. The program is set to begin November 23. [Read More](#)

National

Individuals with Intellectual, Developmental Disabilities Are More Likely to Die of COVID-19. *The New York Times* reported on November 10, 2020, that individuals with intellectual and developmental disabilities (IDD) are more likely to die after contracting COVID-19 than others with the disease, according to a study performed by not-for-profit FAIR Health. Guidelines for the distribution of a potential vaccine recommend prioritizing people with underlying health conditions and emergency workers, health care providers, and other essential workers, but not specifically individuals with IDD. [Read More](#)

U.S. Supreme Court Appears Unlikely to Strike Down ACA. *Modern Healthcare* reported on November 10, 2020, that the U.S. Supreme Court seems unlikely to strike down the Affordable Care Act (ACA), following oral arguments in a case concerning the constitutionality of the law. Justices questioned the legal standing of the plaintiffs and whether the entire law needed to be thrown out if the individual mandate was found to be unconstitutional. The court is expected to rule on the case by June 2021. [Read More](#)

President-Elect Biden's Plan to Lower Medicare Eligibility Age Is Likely to Face Hospital Opposition. *Kaiser Health News* reported on November 11, 2020, that President-elect Joe Biden's plan to lower the age of Medicare eligibility to 60 is expected to meet fierce opposition from hospitals. Medicare reimbursement rates are lower than those of commercial insurers, which could significantly impact hospital revenues. [Read More](#)

CMS Issues Final Rule on Medicaid Managed Care Changes. *Modern Healthcare* reported on November 9, 2020, that the Centers for Medicare & Medicaid Services (CMS) finalized changes to how states can run their Medicaid managed care program and Children's Health Insurance Program (CHIP), allowing greater flexibility to set rates for managed care plans and relaxed network adequacy standards. The rule does not modify the Affordable Care Act (ACA) requirement for medical loss ratios to be over 85 percent. The bulk of the changes will go into effect in December. [Read More](#)

U.S. Supreme Court Hears Oral Arguments in ACA Case. *Modern Healthcare* reported on November 9, 2020, that the U.S. Supreme Court started hearing oral arguments in a case concerning the constitutionality of the Affordable Care Act (ACA). The case, brought by Republican state attorneys general and supported by the Trump administration, will focus on four key areas: the severability of the individual mandate from the rest of the ACA, congressional intent when the ACA was passed in 2010 and when the mandate was zeroed out in 2017, the extent to which the high court will eliminate provisions of the ACA, and the legal standing of the plaintiffs to challenge the law. The court is expected to rule on the case by June 2021. [Read More](#)

Some Medicaid, Medicare Proposals Are Still on the Table for Trump Administration. *Modern Healthcare* reported on November 9, 2020, that the Trump administration could seek to tie up some loose ends concerning proposed Medicaid and Medicare policy changes before the President leaves office. Outstanding initiatives would permanently allow providers to use telehealth, make changes to the Medicare payment rule for outpatient services, update anti-kickback and self-referral laws to better accommodate shared savings models, update patient privacy rules, and allow Tennessee to move ahead with a Medicaid block grant. [Read More](#)

23 Million Americans Could Lose Health Insurance if Supreme Court Strikes Down ACA. *The Washington Post* reported on November 7, 2020, that 23 million Americans could lose health insurance coverage if the U.S. Supreme Court strikes down the Affordable Care Act (ACA) following this week's oral arguments. The figure includes 11 million individuals insured through ACA Exchanges and 12 million insured through Medicaid expansion. The ACA also ensures preventive care free of charge and coverage for individuals with preexisting medical conditions. [Read More](#)

Trump Proposal Would Require HHS to Check Regulations Every 10 Years. *Modern Healthcare* reported on November 4, 2020, that the Trump administration has issued a proposal that would require the U.S. Department of Health and Human Services (HHS) to reassess its own rules and regulations every 10 years to determine if they are still needed. The proposed rule would subject most regulations to a two-step review that would decide whether a regulation has a significant economic impact and if it is still needed and whether the agency should rework or withdraw it because of technological, economic, or legal changes. HHS would have two years to change or withdraw a regulation. The proposal is part of the administration's broader deregulatory agenda. Public comments on the proposal are due January 4. [Read More](#)

Narrow Senate Majority Will Mitigate Large Healthcare Policy Reforms, Establish Status Quo. *Modern Healthcare* reported on November 4, 2020, that large healthcare policy reforms, such as a public health insurance option and allowing Medicare to negotiate drug prices, will likely be off the table if either party holds a narrow Senate majority. A narrow win mitigates the possibility of significant healthcare policy reforms, establishing a status quo for health insurers. Health plan stocks soared as the election results favored a narrow Republican majority in the Senate. As it stands, control of the Senate has not yet been officially called. [Read More](#)



INDUSTRY NEWS

Geisinger, AtlantiCare Health Systems Complete Separation. *The Philadelphia Business Journal* reported on November 2, 2020, that Pennsylvania-based Geisinger and New Jersey-based AtlantiCare Health systems have completed their separation agreement, effective October 31. The two systems will continue to collaborate on projects, including an Atlantic City-based campus for the Geisinger Commonwealth School of Medicine. [Read More](#)

Addus Homecare to Acquire Ohio-based Queen City Hospice, Miracle City Hospice for \$192 Million. Addus Homecare announced on November 11, 2020, that it has entered into an agreement to acquire Ohio-based Queen City Hospice and its affiliate Miracle City Hospice for \$192 million in cash. Queen City serves about 900 patients in Cincinnati, Columbus, Dayton, and other parts of the state. [Read More](#)

Centene to Acquire Healthcare Analytics Company Apixio. Centene announced on November 9, 2020, that it has signed a definitive agreement to acquire Apixio, a healthcare analytics company offering artificial intelligence solutions. The deal is expected to close by the end of 2020. [Read More](#)

LHC Group to Acquire Two AZ-based Hospice, Palliative Care Providers. LHC Group announced on November 9, 2020, that it has entered into an agreement to acquire Arizona-based East Valley Hospice and East Valley Palliative Care. Both providers will continue to operate under the East Valley Hospice and East Valley Palliative Care names, respectively. The deal is expected to close January 1, 2021. Separately, LHC also announced that it has finalized an expansion of its joint venture with CHRISTUS Health to enhance hospice services in the San Marcos, TX, market.

CVS Health Appoints New President, CEO. CVS Health announced on November 6, 2020, that it has named Karen Lynch president and chief executive officer, effective February 1, 2021. Lynch, who is currently executive vice president of the company, will replace Larry Merlo, who will retire. [Read More](#)

Drug Distributors, Manufacturer Close in On \$26 Billion Deal to Settle Opioid Litigation. *The New York Times* reported on November 5, 2020, that drug distributors McKesson, Cardinal Health, and AmerisourceBergen and drug manufacturer Johnson & Johnson are nearing a \$26 billion settlement on more than 3,000 lawsuits filed by state and local governments over their role in the opioid epidemic. Drug distributors would collectively pay about \$21 billion over 18 years, while Johnson & Johnson would pay \$5 billion over three years. [Read More](#)

RFP CALENDAR

Date	State/Program	Event	Beneficiaries
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 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 8, 2021	Hawaii Community Care Services	Proposals Due	4,500
January 25, 2021	Ohio	Awards	2,450,000
February 8, 2021	Hawaii Community Care Services	Awards	4,500
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	4,500
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

- Indiana Medicaid Managed Care Enrollment is Up 23.7%, Oct-20 Data
- Louisiana Medicaid Managed Care Enrollment is Up 11%, Oct-20 Data
- Missouri Medicaid Managed Care Enrollment is Up 26.3%, Oct-20
- Minnesota Medicaid Managed Care Enrollment is Up 17.8%, Nov-20 Data
- New Mexico Medicaid Managed Care Enrollment is Up 9.3%, Oct-20 Data
- Wisconsin Medicaid Managed Care Enrollment is Up 19%, Sep-20 Data
- West Virginia Medicaid Managed Care Enrollment is Up 15%, Oct-20 Data

Public Documents:

Medicaid RFPs, RFIs, and Contracts:

- Alabama Medicaid Waiver Services RFPs, 2020
- Arizona Substance Abuse Preventative Services RFP, Nov-20
- Hawaii Community Care Services Program (CCS) RFP, Nov-20
- Ohio Pharmacy Operational Support Vendor RFP, Nov-20
- Rhode Island Medicare-Medicaid Alignment Integrated Care Initiative Demonstration Contract Addendum, DY 2021-23

Medicaid Program Reports, Data and Updates:

- Arizona AHCCCS Population Demographics, Nov-20
- Colorado Behavioral Health Member Experience Reports, 2015-20
- Colorado Health Plan CAHPS Reports, 2017-20
- Colorado Medicaid HEDIS Reports for Child Health Plan Plus, 2017-19
- Colorado Medicaid RAEs Performance Measures External Quality Reviews, FY 2020
- Colorado Medical Premiums Expenditure and Caseload Reports, FY 2015-20
- Georgia Care Management Organizations External Quality Review Report and CMO Compliance Reports, 2017-20
- Indiana Medicaid Managed Care Demographics by Age, Aid Category, and Program, 2016-19, Oct-20
- Massachusetts Managed Care HEDIS Reports, 2013-18
- New Jersey Medical Assistance Advisory Council Meeting Materials, Oct-20
- Ohio Medicaid Waiver Comparison Charts, SFY 2021
- Oklahoma Medical Advisory Meeting Materials, Nov-20
- Pennsylvania Medical Assistance Advisory Committee (MAAC) Meeting Materials, Oct-20
- Texas Rural Hospital Services Strategic Plan Progress Report, Nov-20
- Texas Study on Substance Abuse Treatment Services, Nov-20

A subscription to HMA Information Services puts a world of Medicaid information at your fingertips, dramatically simplifying market research for strategic planning in healthcare services. An HMAIS subscription includes:

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