

HEALTH MANAGEMENT ASSOCIATES  
**HMA Weekly Roundup**

Trends in Health Policy

..... December 2, 2020 .....



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## IN FOCUS

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### NORTH CAROLINA RELEASES RFA FOR BEHAVIORAL HEALTH, INTELLECTUAL/DEVELOPMENTAL DISABILITY TAILORED PLANS

This week, our *In Focus* section reviews the statewide North Carolina request for applications (RFA) for Behavioral Health and Intellectual/Developmental Disability (BH IDD) Tailored Plans released by the North Carolina Department of Health and Human Services (DHHS) on November 13, 2020. BH IDD

Tailored Plans are part of the statewide effort to transition to Medicaid managed care and are one of the four types of integrated Medicaid managed care plans the state will contract with to serve Medicaid and NC Health Choice beneficiaries. The other three are Standard Plans, the Statewide Specialized Foster Care Plan, and the Eastern Band of Cherokee Indians Tribal Option.

BH IDD Tailored Plans will serve populations with severe behavioral health conditions, IDD, and traumatic brain injury (TBI), beginning July 1, 2022, across seven regions. Plans will coordinate physical health, behavioral health, long-term services and supports (LTSS), pharmacy services, and unmet health-related resource needs for members. Standard plans will serve less severe behavioral, IDD, and TBI populations. BH IDD Tailored Plans will also be responsible for managing these services to non-Medicaid underinsured and uninsured populations.

Only existing Local Management Entity-Managed Care Organizations (LME/MCOs), which currently cover behavioral health members in the state, can apply for the first round of BH IDD Tailored Plan contracts during the first four years, after which any non-profit PHP may also bid for a contract. LME/MCOs will only be able to apply to the regions they currently service; however, the state may provide an opportunity to be considered for an empty region.

The current LME/MCOs are:

- Alliance Behavioral Healthcare
- Cardinal Innovations Healthcare Solutions
- Eastpointe
- Partners Behavioral Health Management
- Sandhills Center
- Trillium Health Resources
- Vaya Health

### Medicaid Transformation

North Carolina Medicaid, a predominantly fee-for-service model, will transition to managed care on July 1, 2021 after delays over funding and a failed attempt to include Medicaid expansion. The state awarded statewide contracts for the program to AmeriHealth Caritas North Carolina, Blue Cross and Blue Shield of North Carolina, UnitedHealthcare of North Carolina, and WellCare of North Carolina. A regional PHP contract was also awarded to provider-led Carolina Complete Health, a partnership between the North Carolina Medical Society and Centene.

### Timeline

Applications for BH IDD Tailored Plans are due February 2, 2021, with contract awards expected on June 11, 2021. Implementation begins July 1, 2022.

| RFA Activity     | Date              |
|------------------|-------------------|
| RFA Issued       | November 13, 2020 |
| Applications Due | February 2, 2021  |
| Awards           | June 11, 2021     |
| Implementation   | July 1, 2022      |

### Evaluation

North Carolina will award five to seven regional contracts, ensuring BH I/DD Tailored Plan coverage in all counties. Applicants will first be evaluated on whether they meet the minimum qualifications then on their responses based on the criteria below.

| Criteria                                 | Description   |
|--|---|
| <b>Threshold Criteria</b>                |   |
| <b>Integration</b>                       | Ability to implement and sustain an integrated, well-coordinated system of care for members and recipients that addresses their physical and behavioral health and other health-related needs |
| <b>Financial Management</b>              | Ability to develop systems and processes required to meet key financial management objectives   |
| <b>Case Management</b>                   | Ability to provide comprehensive and provider-based care management   |
| <b>Other Criteria</b>                    |   |
| <b>Providers</b>                         | Ability to partner successfully with providers and maintain a sufficient network of accessible providers  |
| <b>Benefits &amp; Services</b>           | Ability to deliver benefits and support members and recipients navigate transitions from institutional settings   |
| <b>Members &amp; Recipients</b>          | Ability to support and engage members and recipients  |
| <b>Compliance</b>                        | Ability to provide comprehensive oversight and program integrity  |
| <b>Quality &amp; Population Health</b>   | Ability to develop a comprehensive quality improvement and value-based purchasing approach, improve population health, and address unmet health related resource needs                        |
| <b>Administration &amp; Management</b>   | Ability to implement and sustain organizational, operational, technical and administrative functions and capabilities   |
| <b>Use Cases</b>                         | Ability to illustrate approach to caring for complex and vulnerable members and recipients  |
| <b>Qualifications &amp; Experience</b>   | Ability to leverage prior experience to implement plan requirements   |
| <b>Empty Region Criteria (if needed)</b> |   |
| <b>Financial Management</b>              | Ability to meet key financial management objectives and capital requirements in an expanded region  |
| <b>Provider Network</b>                  | Ability to partner successfully with providers to build and maintain a sufficient network of accessible providers that meets the needs of members in the empty region(s)                      |
| <b>Stakeholder Engagement</b>            | Ability to manage community-based efforts focusing on health promotion, prevention, and collaboration and other community-based initiatives for the empty region(s)                           |
| <b>Administration &amp; Management</b>   | Ability to expand and sustain organizational, operational, technical and administrative functions and capabilities in the empty region(s)   |
| <b>Proximity to Empty Region</b>         | Whether the counties the Applicant serves as of the issue date of this RFA are contiguous to counties in the Empty region   |

[Link to North Carolina RFA](#)



## HMA MEDICAID ROUNDUP

### *Arizona*

**Arizona to Release Procurement in August 2021 for Expanded Integrated SMI, Medicaid Managed Care Program.** The Arizona Health Care Cost Containment Agency (AHCCCS) announced plans to release a Competitive Contract Expansion (CCE) for services provided to individuals with serious mental illness (SMI) on August 4, 2021, which would replace the state's current integrated Regional Behavioral Health Care (RBHC) program and offer additional benefits. Awards, which are expected to be announced by November 15, 2021, would be limited to one current Arizona Complete Care Medicaid plan in each of the state's three regions. Implementation would begin October 1, 2022. [Read More](#)

### *California*

**Blue Shield of California Startup Completes Acquisition of Brown & Toland.** *Modern Healthcare* reported on November 25, 2020, that Altais, a startup backed by Blue Shield of California, has completed its acquisition of California-based Brown & Toland Physicians, a 2,700-physician group. Altais, which acquired Brown & Toland through its Altais Clinical Services division, provides predictive analytics, telehealth, and other tools aimed at helping providers reduce administrative burdens and participate in value-based care models. Brown & Toland will retain its brand name and its current chief executive Kelly Robison. Altais is headed by Jeff Bailet, M.D., former executive vice president of healthcare quality and affordability at Blue Shield. [Read More](#)

### *Delaware*

**Delaware Care Collaborative is Authorized to Serve as Medicaid, CHIP ACO Effective July 2021.** *Delaware State News* reported on November 19, 2020, that Delaware Care Collaboration (DCC) has been authorized by the state to serve as a Medicaid accountable care organization (ACO), effective July 1, 2021. DCC can begin serving Medicaid and Children's Health Insurance Program members by entering into agreements with Medicaid AmeriHealth Caritas and Highmark Health Options, which operate in the state. DCC is a member of Trinity Health Mid-Atlantic, whose partners include Saint Francis Healthcare and the Medical Society of Delaware. [Read More](#)

## Florida

**Florida Seeks to Limit Ability of Medicaid Managed Care Members to Change Plans.** *Fox 35* reported on November 28, 2020, that the Florida Agency for Health Care Administration (AHCA) is proposing to alter a rule concerning when Medicaid managed care members can change plans, eliminating language that allows members to make a change if they are receiving treatment from an out-of-network provider who participates in another plan's provider network. The AHCA will hold a public meeting on the rule change on December 17. [Read More](#)

**Medicaid Enrollment Expected to Swell to 4.6 Million in Fiscal 2022.** *The South Florida Sun Sentinel* reported on November 20, 2020, that Medicaid enrollment in Florida has grown 16 percent since March, and the state expects enrollment to reach 4.4 million in fiscal 2021 and 4.6 million in fiscal 2022. Enrollment is expected to be well above what lawmakers anticipated when they created the state budget earlier this year. [Read More](#)

**Florida Hospital Group Hires Medicaid Expansion Opponent as CEO.** *Modern Healthcare* reported on November 18, 2020, that newly hired Florida Hospital Association chief executive Mary Mayhew is a long-time opponent of Medicaid expansion, raising questions about how strongly the group will support expansion initiatives going forward. In a recent interview with *Kaiser Health News*, however, Mayhew stated that she is now open to the idea of expanding Medicaid, adding, "We need to look at all options on the table." [Read More](#)

## Kentucky

**Kentucky Health Plan Proposes Precondition for Mediation of State Medicaid Managed Care Awards.** *Louisville Business First* reported on November 18, 2020, that UnitedHealthcare is asking for an agreement among the health plans involved in the Kentucky Medicaid managed care procurement dispute, permitting the reassignment of members prior to the start of court-ordered mediation. The other parties involved in the mediation rejected the proposed precondition, including Aetna, Anthem, Humana, Molina, WellCare, the Kentucky Cabinet for Health and Family Services, and the Finance and Administration Cabinet. The plans also disagree on when mediation should begin, with UnitedHealthcare and Humana seeking a start date no later than November 26, while Aetna, Anthem, and Molina hope for a date between November 30 and the court-mandated December 12. [Read More](#)

## Maine

**Maine Medicaid Enrollment Is Up 10 Percent Since February.** *The Bangor Daily News* reported on November 30, 2020, that Medicaid enrollment in Maine increased 10 percent to 330,000 from February to November 1, driven by the impact of the COVID-19 pandemic. The state saw an additional 5,500 new applications in the first two weeks on November alone, the largest two-week increase in 2020. [Read More](#)

## Missouri

**Missouri Hopes to Streamline Enrollment Process Before Implementing Medicaid Expansion.** *The News Tribune* reported on November 22, 2020, that the Missouri Department of Social Services hopes to simplify its beneficiary enrollment process prior to the implementation of Medicaid expansion in July. Among the recommendations in an enrollment transformation report were to create an integrated application, create a standardized interview guide, simplify verifications, produce clear and consistent correspondence, and modernize case management. [Read More](#)

## New Jersey

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

**Horizon BCBS-New Jersey Chairman Supports Conversion to Mutual Holding Company.** *ROI-NJ* reported on December 1, 2020, that Kevin Conlin, executive chairman of Horizon Blue Cross Blue Shield of New Jersey, urged members of the state Assembly Financial Institutions and Insurance Committee to allow the company to reorganize into a not-for-profit mutual holding company. The change would require legislative approval. [Read More](#)

**New Jersey Medicaid Plan to Terminate Contract with Children’s Hospital of Philadelphia Effective December 1.** Children’s Hospital of Philadelphia (CHOP) announced on October 28, 2020, that United Healthcare Community Plan (UHCCP), a New Jersey Medicaid managed care organization, will end its contract with CHOP effective December 1, 2020. UHCCP is the only state Medicaid health plan to include CHOP in its provider network. CHOP provides care for children with intellectual and developmental disabilities and chronic illnesses. [Read More](#)

## New Mexico

**New Mexico Sees Increase in Medicaid Enrollment, Spending.** *The Associated Press/KRQE* reported on November 19, 2020, that New Mexico Medicaid enrollment has reached an all time high of more than 741,000 members as of October 2020, according to a report from the state Legislative Finance Committee. Medicaid spending is expected to reach \$5.8 billion in fiscal 2021, a \$600 million increase compared to the previous fiscal year. [Read More](#)

## New York

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

**New York Hospitals Seek Additional Federal Funding.** *The Times Union* reported on November 29, 2020, that New York hospitals are seeking additional federal funding, according to a letter from the Healthcare Association of New York State (HANYS) to members of the state’s Congressional delegation. HANYS also urged the federal government to take on a bigger share of Medicaid costs and to forgive Medicare accelerated and advance payments. [Read More](#)

## Ohio

### **Ohio Medicaid to Launch Friendly Caller Program For LTC Residents.**

*Modern Healthcare* reported on November 24, 2020, that Ohio is launching a “friendly caller” program aimed at reducing loneliness among residents in long-term care facilities during the COVID-19 pandemic. The program will be open to any nursing home or assisted living facility with at least 50 residents and coordinated by the state’s Area Agencies on Aging and the Medicaid managed care plans. [Read More](#)

### **Ohio Medicaid Plans Cover Transportation Services to Food Banks, Pantries.**

*The Tribune Chronicle* reported on November 23, 2020, that all five Medicaid managed care plans operating in Ohio will cover transportation to and from food banks, food pantries, food clinics, and grocery stores. Ohio’s five Medicaid plans are Centene/Buckeye Health Plan, CareSource, Molina Healthcare, Paramount Advantage, and United Healthcare Community Plan. [Read More](#)

### **Audit Finds Medicaid Claims Payments for Ineligible Members Could Total Up To \$455 Million.**

*Cleveland.com* reported on November 20, 2020, that Ohio Medicaid claims payments for ineligible members may have cost the state as much as \$455 million last year, according to a state audit. A review by the Ohio Auditor’s Office identified 16 ineligible members out of 324, generating more than \$39,000 in improper claims payments. Extrapolated statewide, total improper payments would reach into the hundreds of millions of dollars. [Read More](#)

### **Ohio Advisory Council Calls for Independent Foster Care Ombudsman.**

*Cleveland.com* reported on November 2, 2020, that the Ohio Children Services Transformation Advisory Council recommended the formation of an independent ombudsman to investigate and resolve disputes in the state foster care system. The final report, which Governor Mike DeWine released on November 20, also called for increasing the recruitment of caregivers, giving foster parents more of a say in whether children should stay in their care, and reinforcing the state’s current goal for reunification of children with parents. [Read More](#)

### **Ohio County Releases Mental Health Crisis Services RFP.**

The Ohio Mental Health and Recovery Services Board of Lucas County released on November 2, 2020, a request for proposals to handle behavioral health crisis services to individuals with mental health and/or substance use disorders. Services include a Crisis, Access, Recovery, and Engagement (C.A.R.E.) Center to provide crisis screening and assessment, with an observational unit included; mobile and walk-in crisis services; psychiatric urgent care; and adult and youth crisis stabilization units. Proposals are due January 18, 2021 and awards will be announced March 29, 2021.

## Oregon

**Governor Proposes Medicaid Cuts to Help Shore Up Budget Deficit.** *The Lund Report* reported on December 1, 2020, that Oregon Governor Kate Brown hopes to shore up the state's budget gap by cutting Medicaid rates to hospitals from 80 percent of Medicare to 76 percent and by trimming funding increases to coordinated care organizations (CCOs) from 3.4 percent to 2.9 percent for the 2021-23 budget. The proposal would also reduce quality bonuses available to CCOs. The two-year budget would allocate \$27.2 billion to Medicaid, a 16.2 percent increase over what lawmakers approved for the 2019-21 budget. [Read More](#)

**Oregon CCOs Post 0.6 Percent Operating Margin Through June 2020.** The Oregon Health Authority reported on November 23, 2020, that Medicaid coordinated care organizations (CCOs) posted an operating margin of 0.6 percent in the first six months of 2020. Revenues in the period rose 4.4 percent, while medical expenditures rose 5 percent. Medicaid enrollment in the state has risen 7 percent since the federal public health emergency declaration on March 8, 2020. [Read More](#)

## Pennsylvania

HMA Roundup - Julie George ([Email Julie](#))

**Pennsylvania Enacts Medicaid PBM Price Transparency Law.** *Patch* reported on November 27, 2020, that Pennsylvania Governor Tom Wolf signed into law a bill that increases transparency regarding pharmacy benefit manager (PBM) pricing practices in the state's Medicaid program. The bill allows the state Legislative Budget and Finance Committee to review how PBMs reimburse Medicaid plans, investigate reimbursement rates paid by PBMs to independent and chain pharmacies, and study the best practices adopted by other states to address concerns with PBM reimbursement practices. [Read More](#)

## Texas

**Texas to Submit Section 1115 Waiver Extension For STAR, STAR+PLUS, STAR Kids.** The Texas Health and Human Services Commission (HHSC) announced on November 27, 2020, its intent to submit to the Centers for Medicare & Medicaid Services (CMS) a Section 1115 waiver extension application to continue the state's Medicaid managed care programs, including STAR, STAR+PLUS, and STAR Kids, through September 30, 2027. The waiver extension request seeks to support the development of a coordinated care delivery system, to improve outcomes while containing cost growth, and to transition to quality-based payment systems across health plans and providers. The extension will not have a significant impact on member enrollment, benefits, or cost-sharing. The waiver, which serves over four million Texas Medicaid managed care beneficiaries, is currently slated to expire in September 2022. Texas will host two public comment meetings on December 7 and 8 to solicit feedback. [Read More](#)



**Texas Exchange Membership Grows 17 Percent Through Three Weeks of Open Enrollment.** *The Houston Chronicle* reported on December 1, 2020, that membership in Affordable Care Act (ACA) Exchange plans in Texas rose 17 percent to about 383,000 through three weeks of open enrollment, compared to 326,000 in the same period last year. Enrollment, which could push past 1 million, appears to be driven by the COVID-19 pandemic. [Read More](#)

**Texas to Drop Planned Parenthood From Medicaid Network Following Appeals Court Ruling.** *The Texas Tribune* reported on November 23, 2020, that the U.S. 5th Circuit Court of Appeals ruled that Texas can drop Planned Parenthood from its Medicaid network, reversing a 2017 appellate ruling that blocked the state from doing so. Planned Parenthood said it will continue to serve patients until the order takes effect. [Read More](#)

**Texas Seeks Input on Best Value Criteria for STAR Health Procurement.** The Texas Health and Human Services Commission (HHSC) issued on November 20, 2020, a request for public comment regarding a proposed Best Value Criteria for the state's upcoming STAR Health procurement. Implementation is slated to begin September 1, 2021. HHSC will use the Best Value Criteria to evaluate and select the successful bidder. HHSC will develop other selection criteria that will be identified in the solicitation document and will develop specific evaluation questions for use during the evaluation. All comments must be received no later than 5 p.m. CST on December 4, 2020. [Read More](#)

## National

**CMS Releases 2021 Physician Fee Schedule, Permanently Allows Telehealth for Certain Medicare Home Health Services.** *Modern Healthcare* reported on December 1, 2020, that the Centers for Medicare & Medicaid Services (CMS) approved a final rule that permanently allows Medicare home health providers to use telehealth for the delivery of evaluation and management services, effective January 1, 2021. CMS also approved the Medicare 2021 physician fee schedule, which lowers the fee schedule's conversion factor by 10.2 percent from \$36.09 to \$32.41. [Read More](#)

**Bipartisan Group of Lawmakers Unveil \$900 Billion COVID Relief, Stimulus Proposal.** *Modern Healthcare* reported on December 1, 2020, that a bipartisan group of lawmakers, including Senators Joe Manchin (D-WV) and Susan Collins (R-ME), unveiled a \$908 billion COVID-19 relief and stimulus package, including further paycheck protection subsidies, a \$300 weekly enhancement in unemployment benefits, and funds for state and local governments. [Read More](#)

**CMS Releases RFA for the Value in Opioid Use Disorder Treatment (ViT) Initiative.** The Centers for Medicare & Medicaid Services (CMS), Center for Medicare and Medicaid Innovation (Innovation Center) released on November 19, 2020, a request for applications (RFA) for a new initiative that aims to increase access to opioid use disorder (OUD) treatment services to eligible fee-for-service (FFS) Medicare beneficiaries, including those dually eligible for Medicare and Medicaid.

Value in Opioid Use Disorder Treatment (ViT) will make available \$10,000,000 annually over a four-year demonstration and create two new payments to participating providers:

- 1) **a per beneficiary per month care management fee (CMF)** that participants may use to furnish OUD treatment services, including services not otherwise eligible for payment under Medicare, and
- 2) **a performance-based incentive payment** that would be payable based on the participant's performance with respect to criteria specified by CMS.

ViT payments will be in addition to Medicare's payment for covered OUD treatment services.

The demonstration is open to a wide range of eligible participants, including individual physicians, group practices, hospital outpatient departments, federally qualified health centers (FQHCs), rural health clinics, community mental health centers (CMHCs), certified community behavioral health clinics (CCBHCs), opioid treatment programs (OTPs), and critical access hospitals (CAHs). Medicaid providers who meet other eligibility requirements are welcome to apply. However, participants will not be permitted to use demonstration program payments to enhance or supplant something Medicaid is already paying for.

Interested providers can apply to participate in the demonstration now through January 3, 2021. The demonstration is expected to start April 1, 2021. If your organization is interested in participating in the ViT initiative, access the [RFA](#) or contact [Jennifer Podulka](#) to learn how our expert team can help.

**HHS Releases Fiscal 2022 FMAs.** The U.S. Department of Health and Human Services released on November 30, 2020, the calculated Federal Medical Assistance Percentages (FMAP) and Enhanced FMAs for fiscal 2022. States with the highest FMAP rate (excluding a 6.2 percentage point increase provided under the Families First Coronavirus Response Act) include Mississippi (78.3 percent), West Virginia (74.7 percent), and New Mexico (73.7 percent). Rates take effect October 1, 2021. [Read More](#)

**CMS Proposes Lower Exchange User Fees, Tighter Special Enrollment Period Requirements, Competing Enrollment Sites.** *Fierce Healthcare* reported on November 25, 2020, that the Centers for Medicare & Medicaid Services (CMS) proposed several Exchange rule changes, including a reduction in user fees for plans on HealthCare.gov from 3 percent to 2.25 percent of premiums for the 2022 coverage year. Plans on state-based exchanges that utilize HealthCare.gov would pay 1.75 percent of premiums. The proposed rule would also allow states to partner with private entities to create enrollment sites that compete with state-run websites or the federal Exchange website. It would also require state-run Exchanges to use the same eligibility requirements as HealthCare.gov for special enrollment periods. [Read More](#)

**Medicaid Expansion Correlates with Early Colon Cancer Diagnosis, Improved Care, Study Finds.** *UPI* reported on November 23, 2020, that Medicaid expansion correlates with earlier diagnosis, enhanced access, and improved surgical care for colon cancer patients, compared to non-expansion states, according to a [study](#) published in the *Journal of the American College of Surgeons*. Patients in the first three stages of colon cancer who were in expansion states were more likely to receive primarily surgical treatment within 30 days than those in non-expansion states, the study showed. [Read More](#)

**CMS Announces Primary Care First Model Participants; Program to Begin January 2021.** *Modern Healthcare* reported on November 20, 2020, that the Center for Medicare and Medicaid Innovation (CMMI) released a list of 37 payers and 916 primary care practices participating in the Primary Care First Model value-based payment program, which is scheduled to begin January 2021. Participating payers include Arkansas Blue Cross Blue Shield, Humana, AIDS Healthcare Foundation, Aetna, Blue Cross Blue Shield of Kansas City, AmeriHealth Caritas Louisiana, Louisiana Medicaid, MaineCare Services, Blue Cross Blue Shield of Western New York, Independent Health Association, Blue Shield of Northeastern New York, CareFirst, AllCare, and Community Care. The program, which was originally announced in April 2019 and delayed for a year, will be offered in 27 states. [Read More](#)

**Trump Administration Finalizes Rules Encouraging Providers To Take On More Risk.** *Modern Healthcare* reported on November 20, 2020, that the Trump administration finalized changes to physician self-referral and anti-kickback rules, giving providers more flexibility to participate in value-based payment arrangements. The rules reduce potential provider liability and administrative work based on how much risk providers decide to take. Providers are also encouraged to join healthcare technology companies and others in creating “value-based enterprises” to achieve value-based goals for targeted populations. The final rules go into effect January 19, 2021. [Read More](#)

**Trump Administration to Release Final Rules on Medicare Drug Pricing, Rebates.** *The Wall Street Journal* reported on November 19, 2020, that the Trump administration plans to release two final rules aimed at lowering drug prices. The first rule would curb rebates paid to pharmacy benefit management companies, while the second would peg prescription drug prices in the U.S. to prices in other developed countries. The two rules would take effect immediately. [Read More](#)

**Medicaid Expenditures Rose 7.2 Percent to Nearly \$650 Billion in Fiscal 2020, NASBO Reports.** The National Association of State Budget Officers (NASBO) reported on November 20, 2020, that state and federal Medicaid benefit spending increased 7.2 percent to a total of nearly \$647 billion in fiscal 2020, excluding administrative costs. NASBO’s annual *State Expenditure Report* noted that trends varied greatly by region, with Medicaid spending rising 2.9 percent in New England, compared to 11.3 percent in the Rocky Mountains. Overall, the federal government accounted for 62.7 percent of Medicaid benefit spending, while states accounted for 37.3 percent. Medicaid spending made up 28.6 percent of state budgets in fiscal 2020.

**Federal Judge Dismisses Medicare Fraud Lawsuit Against HCA Healthcare.** *Modern Healthcare* reported on November 24, 2020, that U.S. District Judge John Lungstrum dismissed a Medicare fraud lawsuit against Tennessee-based HCA Healthcare. The whistleblower lawsuit alleged that HCA and its subsidiaries submitted false claims to Medicare and Tricare for physical therapy services provided in Kansas from April 2017 to August 2018. [Read More](#)

**Federal Judge Overturns Rule Barring Use of Medicaid Payments for Union Dues.** *Modern Healthcare* reported on November 18, 2020, that U.S. District Judge Vince Chhabria overturned a federal rule that prohibited states from diverting Medicaid payments to cover home health worker union dues. Chhabria said, “There is no clear prohibition on these payroll practices in the Medicaid statute.” [Read More](#)



## INDUSTRY NEWS

**Smile Brands Acquires Midwest Dental.** California-based Smile Brands, a portfolio company of Gryphon Investors, announced on December 2, 2020, the acquisition of Midwest Dental, a dental service organization with more than 230 clinics in 17 states. Midwest Dental is a portfolio company of FFL Partners. Smile Brands manages 420 practices and 60 brands in 18 states. [Read More](#)

**CarepathRX to Acquire Pharmacy Operations from UPMC for \$400 Million.** *Modern Healthcare* reported on December 1, 2020, that CarepathRX has agreed to acquire the pharmacy operations of University of Pittsburgh Medical Center (UPMC) for \$400 million. According to a joint press release, CarepathRX will acquire “the management services organization responsible for the operational and strategic management” of UPMC’s Chartwell subsidiary, while UPMC becomes a strategic investor in CarepathRx. CarepathRX, which is backed by private equity firm Nautic Partners, provides specialty pharmacy, home infusion, and medication management solutions for vulnerable and chronically ill patients. [Read More](#)

**Police Use of Mental Health Crisis Intervention Teams Is Growing Rapidly.** *Modern Healthcare* reported on November 28, 2020, that a growing number of police departments across the country have formed crisis intervention teams, consisting of behavioral health specialists who respond to mental health emergencies instead of police officers. The number of programs has grown from 400 in 2008 to more than 2,700 by 2019. [Read More](#)

**Select Rehabilitation Acquires RehabCare.** Illinois-based Select Rehabilitation announced on December 1, 2020, the acquisition of RehabCare from Kindred Healthcare. Select Rehabilitation, a contract therapy services provider with \$1 billion in pro forma revenues, employs 17,000 rehabilitation therapists serving more than 2,300 post-acute skilled nursing facilities and home health locations across 43 states. [Read More](#)

**Purdue Pharma Pleads Guilty to Criminal Charges For Role in Opioid Crisis.** *CNN* reported on November 24, 2020, that OxyContin producer Purdue Pharma pleaded guilty to three federal criminal charges for its role in the opioid crisis, as required by its previously approved \$8.34 billion settlement deal with the U.S. Department of Justice (DOJ). The counts involve fraud and conspiracies to violate the Food, Drug, and Cosmetic Act as well as the Federal Anti-Kickback Statute. Members of the Sackler family, which owns Purdue, still face possible criminal charges. [Read More](#)

**BayMark Health Services Expands Into IN through Limestone Health Acquisition.** Medication-assisted treatment (MAT) provider BayMark Health Services announced on November 19, 2020, its expansion into Indiana through the acquisition of Limestone Health, an opioid treatment provider formerly owned by Springstone, Inc. Limestone, which has locations in Bloomington and Lafayette, will become part of BayMark's MedMark Treatment Centers brand. [Read More](#)

**One Equity Partners Completes Sale of Simplura Health Group to Providence Service Corporation.** Private equity firm One Equity Partners (OEP) completed on November 18, 2020, the sale of home care provider Simplura Health Group to non-emergency medical transportation company Providence Service Corporation. Simplura employs more than 15,000 workers in 57 locations across Connecticut, Florida, Massachusetts, New Jersey, New York, Pennsylvania, and West Virginia. [Read More](#)

**Walmart, McDonald's Employ Greatest Number of Workers on Medicaid, Report Finds.** *The Washington Post* reported on November 18, 2020, that Walmart and McDonald's were two of the largest employers of Medicaid beneficiaries, according to a study done by the U.S. Government Accountability Office at the request of Senator Bernie Sanders (I-VT). The study examined February data from agencies across 11 states and found that in six of them Walmart employed the most Medicaid beneficiaries, with 10,350 workers, followed by McDonald's, with 4,600. In Georgia and Oklahoma, Walmart employees enrolled in Medicaid accounted for 2.1 percent and 2.8 percent, respectively, of the state's total Medicaid population. [Read More](#)

## RFP CALENDAR

| Date                  | State/Program  | Event          | Beneficiaries |
|-----------------------|--|----------------|---------------|
| 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 2, 2021      | North Carolina - BH IDD Tailored Plans   | Proposals Due  | NA            |
| 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        |
| June 11, 2021         | North Carolina - BH IDD Tailored Plans   | Awards         | NA            |
| 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     |
| July 1, 2022          | North Carolina - BH IDD Tailored Plans   | Implementation | NA            |
| 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         |

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## COMPANY ANNOUNCEMENTS

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**HealthTrio and MCG Health Join Forces to Optimize Prior Authorizations**

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## HMA WELCOMES

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### **Anthony Davis – Managing Director for Accreditation Services**

Anthony Davis joins HMA as managing director for accreditation services and will focus on helping the firm further expand the business line established by Diana Criss, Lansing, and a team of HMA colleagues.

A high performing strategy and operations leader, Anthony has extensive experience driving and achieving results across quality, value-based reimbursement, risk, project management and development, most recently serving as senior director of Quality, Regulatory, and Strategy with UPMC Health Plan. While there, he led quality, regulatory, credentialing and data/analytic operations with a team supporting insured members in Pennsylvania. He also designed all quality, regulatory, strategy and intervention programs for NCQA, state, and federal required compliance/performance activities.

Anthony's experience with quality improvement expands beyond NCQA and includes long-term services and supports, Stars ratings, and Healthcare Effectiveness Data and Information Set (HEDIS) review highlighted by his previous work as director of quality improvement programs with Molina Healthcare. He also has served as a consultant and surveyor for NCQA.

In addition to quality work, he has led diverse teams that support business operations, risk adjustment, quality, contracting, clinical, provider, and information technology services.

Anthony earned a Master of Public Health in healthcare administration and a Bachelor of Science in medical anthropology, both from Oregon State University. In addition, he has taught quality improvement and clinical leadership as an associate professor at George Washington University.



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## HMA NEWS

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### New this week on HMA Information Services (HMAIS):

#### Medicaid Data

- Arizona AHCCCS Health Plan Audited Financial Statements, 2019
- Arizona Medicaid Managed Care Enrollment is Up 12.6%, Nov-20 Data
- Colorado RAE Enrollment is Up 22.8%, Oct-20 Data
- Florida Medicaid Managed Care Enrollment is Up 15.4%, Oct-20 Data
- Maryland Medicaid Managed Care Enrollment Is Up 9.4%, Oct-20 Data
- MLRs at New Hampshire Medicare Advantage MCOs Average 87.5%, 2019 Data
- MLRs at New Mexico Medicare Advantage MCOs Average 83.9%, 2019 Data
- MLRs at North Dakota Medicare Advantage MCOs Average 78.1%, 2019 Data
- MLRs at Oklahoma Medicare Advantage MCOs Average 83.0%, 2019 Data
- MLRs at Puerto Rico Medicare Advantage MCOs Average 83.2%, 2019 Data
- MLRs at Rhode Island Medicare Advantage MCOs Average 83.2%, 2019 Data
- MLRs at South Dakota Medicare Advantage MCOs Average 83.7%, 2019 Data
- MLRs at Utah Medicare Advantage MCOs Average 85%, 2019 Data
- MLRs at Vermont Medicare Advantage MCOs Average 89.5%, 2019 Data
- MLRs at West Virginia Medicare Advantage MCOs Average 85.7%, 2019 Data
- Nebraska Medicaid Managed Care Enrollment Is Up 17%, Oct-20 Data
- New York CHIP Managed Care Enrollment is Down 2.3%, Sep-20 Data
- New York Medicaid Managed Care Enrollment is Up 11.8%, Sep-20 Data
- Oklahoma Medicaid Enrollment is Up 18.8%, Oct-20 Data
- Oregon Medicaid Managed Care Enrollment is Up 13.3%, Oct-20 Data
- Pennsylvania Medicaid Managed Care Enrollment is Up 11.7%, Oct-20 Data
- Tennessee Medicaid Managed Care Enrollment is Up 6.4%, Oct-20 Data
- Texas Medicaid Managed Care Enrollment is Up 9.4%, Aug-20 Data
- Virginia Medicaid MLTSS Enrollment is Over 262,000, Oct-20 Data

#### Public Documents:

##### *Medicaid RFPs, RFIs, and Contracts:*

- Delaware HCBS For Individuals with IDD Professional Services RFP, Nov-20
- Nevada All Payers Claims Database RFI, Nov-20
- Ohio Pharmacy Operational Support Vendor RFP, Nov-20
- South Carolina Children's Medicaid Rehabilitative Behavioral Services RFP and Amendment, Dec-20
- West Virginia Utilization Management and Prior Authorization Services RFP and Related Documents, 2015-20

*Medicaid Program Reports, Data and Updates:*

- NASBO State Expenditure Report, FYs 2017-20
- California CAHPS Medicaid Managed Care Survey Summary Reports, 2019
- California Medi-Cal and Overall Budget Fiscal Outlook Reports, FY 2021-22
- Kentucky Medicaid Managed Care Rate Certifications, FY 2015-20
- Louisiana Medicaid Financial Forecast Reports, SFY 2018-21, Oct-20
- Missouri DSS Benefits Enrollment Transformation Report, 2020
- Montana Medicaid Expansion Dashboard, Sep-20
- New Mexico Centennial Care 2.0 Implementation and Benchmarking Report, Nov-20
- New York Children's Managed Care Plan Provider Roundtable Meeting Presentation, Nov-20
- Ohio Children Services Transformation Report, Nov-20
- Oregon COVID-19 Financial Impact on State's Health Care System Report, Nov-20
- South Carolina Medical Care Advisory Committee Meeting Materials, Oct-20
- Texas 1115 Medicaid Transformation Waiver Documents, 2017-20
- Texas Children with Special Health Care Needs Services Program Demographics, 2016-20
- Texas VBP and Quality Improvement Committee Recommendations to Legislature, Nov-20
- Utah Medicaid External Quality Review Reports, 2018-20
- Utah Medical Care Advisory Committee Meeting Materials, Nov-20
- Virginia Medicaid Member Advisory Committee Meeting Materials, Oct-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:

- 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

If you're interested in becoming an HMAIS subscriber, contact Carl Mercurio at [cmercurio@healthmanagement.com](mailto:cmercurio@healthmanagement.com).

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