

HEALTH MANAGEMENT ASSOCIATES

HMA Weekly Roundup

Trends in State Health Policy

..... November 15, 2017



In Focus



HMA Roundup



Industry News

[RFP CALENDAR](#)

[HMA News](#)

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

Annie Melia
[Email](#)

Alona Nenko
[Email](#)

Anh Pham
[Email](#)

THIS WEEK

- **IN FOCUS: NEW CMS GUIDELINES TO EXPEDITE APPROVAL OF 1115 WAIVERS AND STATE PLAN AMENDMENTS**
- TRUMP NOMINATES ALEX AZAR AS HEALTH AND HUMAN SERVICES SECRETARY
- VIRGINIA ANNOUNCES MEDALLION 4.0 MEDICAID MANAGED CARE NOTICES OF INTENT TO NEGOTIATE
- TEXAS NAMES MUTH AS NEW MEDICAID DIRECTOR
- NEW JERSEY DHS EXPANDS BEHAVIORAL HEALTH BENEFITS COVERED UNDER NJ FAMILY CARE
- WEST VIRGINIA CONSIDERS MEDICAID WORK REQUIREMENTS FOR EXPANSION POPULATION
- SENATE FINANCE COMMITTEE ADDS REPEAL OF INDIVIDUAL MANDATE TO TAX BILL
- CBO PROJECTS 13 MILLION ADDITIONAL UNINSURED FOLLOWING REPEAL OF INDIVIDUAL MANDATE
- CATHOLIC HEALTH INITIATIVES CUTS 3Q17 OPERATING LOSS BY NEARLY 57 PERCENT
- AARP PUBLIC POLICY INSTITUTE AND HMA PUBLISH REPORT ON INNOVATIONS IN MLTSS
- HHS RELEASES REPORT ON FRAGILE BLOOD SUPPLY
- HMA WELCOMES DR. JAMES CRUZ

IN FOCUS

New CMS Guidelines to Expedite Approval of 1115 Waivers and State Plan Amendments

This week, our *In Focus* section reviews the new guidelines issued by the Centers for Medicare & Medicaid Services (CMS) on expediting the approval

process for Medicaid waivers and state plan amendments (SPAs) and improving quality, accessibility, outcomes, and transparency. The guidelines, titled *Section 1115 Demonstration Process Improvements and State Plan Amendment and 1915 Waiver Process Improvements to Improve Transparency and Efficiency and Reduce Burden* were released on November 6, 2017.

1115 WAIVERS

CMS is seeking to improve the 1115 Medicaid demonstration waiver process to facilitate expedited approval of demonstrations. Under the Trump administration, which promised increased flexibility to states, states have submitted applications to expand Medicaid, many including work requirements, premiums, and other conditions. However, most of the waivers have not been acted on, while others have been left to expire or have been withdrawn. Currently, there are 38 submitted 1115 waivers pending CMS approval. To expedite the waiver process, CMS will employ the following strategies:

REDUCE BURDEN

- Streamline and simplify the Demonstration Application
- Work with states to develop a timeline for the approval process
- Standardize approved Special Terms and Conditions (STC) language across similar demos, focusing on specific milestones, performance metrics, benchmarks, and anticipated outcomes

INCREASE EFFICIENCY

- Develop parameters for expedited approval of demonstrations similar to those approved in other states
- Provide technical assistance to states
- Approve the extension of routine, successful, non-complex section 1115(a) waiver
- Offer virtual working meetings with states to review and clarify STC language
- Support states to use fast track process through a streamlined review process for demonstration extension requests in timeframes similar to Medicaid section 1915 waivers or State Plan Amendments with an abbreviated application template
 - Remove the requirement that states must have had at least one full extension cycle without substantial program changes

PROMOTE TRANSPARENCY

- Offer technical assistance to states considering changes to their Medicaid programs
- Share a working list of open issues with states during demonstration review process
- Work with states to determine whether waivers may be available instead of or in combination with section 1115

- Help states identify any other federal funding sources
- Clarify expectations and provide guidance on policy and methodology for demonstrating budget neutrality
- Standardize budget neutrality STCs

MONITORING AND EVALUATION

- Improve and standardize measurement sets to facilitate state data development, collection, and reporting capacity
- Strengthen state evaluation designs
- Implement a State Technical Advisory Group (TAG) of experts to advise CMS on monitoring and evaluation processes
- Reduce the number of monitoring reports for all demonstrations by combining the fourth quarterly reports with annual reports
- Generate general evaluation design and evaluation report guidance for all section 1115 demonstrations

STATE PLAN AMENDMENTS AND 1915 WAIVERS

State plan amendments (SPAs) describe how a state administers its Medicaid and CHIP programs, including details such as eligible individuals, services, methodologies for provider reimbursement, and administrative activities. As with the 1115 waivers, CMS currently has a backlog of 350 SPAs and 1915 waivers due to unanswered requests for additional information (RAIs). The average pending time of SPAs is two years. CMS conducted an extensive review of SPA standard operating procedures to better understand the factors impacting the processing time and identify areas for increased consistency and enhanced efficiency. CMS will implement the following strategies for SPA and 1915 waiver process improvements:

- Contact states within 15 days of receipt of each new SPA or section 1915 waiver submission to discuss the intent of the submission and any critical timelines
- Provide states with an SPA and 1915 waiver toolkit consisting of preprints, templates, checklists and other guidance
- Reduce the current backlog by providing states a comprehensive list of their SPAs and work to resolve the amendments
- Expand MACPro, a web-based system for the submission, review, and disposition of SPAs, to additional SPA authorities
- Review the proposed changes and provisions as soon as an SPA is submitted
- Develop other short and long-term strategies in the future

[Link to CMS Informational Bulletin on 1115 Waivers](#)

[Link to CMS Informational Bulletin on SPAs, 1915 Waivers](#)



HMA MEDICAID ROUNDUP

Connecticut

Connecticut Senate Approves Hospital Provider Tax Fix. *The CT Mirror* reported on November 14, 2017, that the Connecticut Senate voted to fix a technical flaw in the state's hospital provider tax increase. A spokesperson for Connecticut Governor Dannel Malloy stated the original language adopted in the state budget concerning the tax increase was "fundamentally flawed and violated federal law." The new hospital taxing arrangement will still need approval from the Centers for Medicare & Medicaid Services. [Read More](#)

Iowa

Iowa to Auto-Assign AmeriHealth Medicaid Members to United, Unless They Choose Anthem. The *Des Moines Register* reported on November 8, 2017, that Iowa will auto-assign the Medicaid membership of AmeriHealth Caritas to UnitedHealthcare on December 1, 2017, unless members opt to enroll in a plan from Anthem/Amerigroup. AmeriHealth is withdrawing from the Iowa Medicaid market after disagreeing with the state on the cost of providing care to members. The Iowa Department of Health Services waited 30 days to disclose AmeriHealth's withdrawal from the state's Medicaid program. Iowa released a request for proposals (RFP) to add one or more Medicaid managed care organizations to its Medicaid program. [Read More](#)

Massachusetts

Massachusetts Senate Passes Health Care Reform Bill. *WBUR* reported on November 10, 2017, that the Massachusetts Senate approved a health care reform bill aimed at reducing hospital admissions, increasing oversight of the pharmaceutical industry, increasing telemedicine access, and lowering unexpected consumer costs. The bill also preserves passive enrollment for the Senior Care Options program, while adding protections and specifics regarding the opt-out process. Additionally, the bill would raise rates for lower-paid hospitals to 90 percent of the statewide average for the previous year. The bill is expected to generate MassHealth savings of \$114 million and commercial market savings of \$475 million to \$525 million. [Read More](#)

Minnesota

Minnesota Nursing Home Involuntary Discharges, Transfers Complaints Rise. The *Star Tribune* reported on November 15, 2017, that Minnesota nursing