The Lowdown

From Up On The Hill

Altegra Health

Altegra Health's bi-weekly newsletter highlighting federal public policy news pertinent to our partners in exchanges, healthcare and IT Medicare/Medicaid.

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- Exchanges
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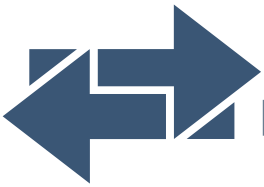

Exchanges

ACAP Comments on Future Insurance Exchange Risk Adjustment

On April 22, the Association for Community Affiliated Plans (ACAP) sent a letter to CMS commenting about future risk adjustment for the insurance exchanges. ACAP supports the use of edge data, though it urges CMS not to require new reporting fields and to protect the privacy of issuers' proprietary claims information. ACAP also supports studying the impact of socio-economic status on the risk model and evaluating whether to incorporate any such findings into the model.

Aetna CEO Supports Insurance Exchanges

On April 28, Aetna CEO Mark Bertolini told analysts the company does not expect to lose money on the insurance exchange business this year. Bertolini also mounted a defense of the exchanges, calling it "a good investment." Aetna raised its earnings forecast for 2016 even after the company added more customers than expected through the exchanges.

CMS Announces Quality Rating Display for Insurance Exchanges

On April 29, CMS announced that, in the 2017 open enrollment period, it will pilot the display of Star ratings using a 5-star rating scale for the insurance exchanges. The pilot will occur in Michigan, Ohio, Pennsylvania, Virginia and Wisconsin. CMS also provided the opportunity for state exchanges to choose to display quality rating information on their websites in the 2017 open enrollment period.

Humana Announces Possible Changes in Insurance Exchanges

On May 4, Humana announced that it expects to make a number of changes to its business for 2017, and that may include leaving some markets both on and off the insurance exchanges or changing prices. The article notes success with the exchanges from Molina and Centene.

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Medicare/Medicaid

CMS Releases Final Medicaid MCO Rule

On April 25, CMS released a significant final Medicaid MCO rule. Among other provisions, the rule requires Medicaid MCOs to maintain an 85 percent MLR. The rule also requires national quality measures for Medicaid MCOs.

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NAMD Releases Statement on Final Medicaid MCO Rule

On April 26, the National Association of Medicaid Directors (NAMD) released a statement about the final Medicaid MCO rule. NAMD is very pleased to see that the final rule dropped a provision that would have mandated that certain new managed care enrollees be enrolled for at least 14 days in a fee-for-service system before being assigned to a care management plan. NAMD also appreciates the recognition that a regulation of this magnitude could not be successfully implemented all at once, and the final rule allows for a phased-in implementation (between now and the contract cycle that starts July 1, 2018), with other provisions on a longer implementation schedule.

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CMS Releases February 2016 Medicaid Statistics

On April 29, CMS released the February 2016 Medicaid enrollment statistics. Over 72.4 million individuals were enrolled in Medicaid and CHIP in February 2016. The report contains state-by-state enrollment statistics.

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AMA Posts Article about MA Costs

On May 4, the *Journal of the American Medical Association* published an article about MA costs. The article notes the recent studies about MA "up-coding."

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CMS Releases 2014 Medicaid MCO Statistics

In May, CMS released a report of 2014 Medicaid MCO enrollment. Medicaid enrollment in comprehensive MCOs increased by 24 percent—from almost 35 million in 2013 to 43.3 million in 2014. In 18 states, at least 75 percent of Medicaid beneficiaries enrolled in any type of managed care program were in comprehensive MCOs. The report contains state-by-state enrollment statistics by plan.

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Medicare/Medicaid

CMS Issues Guidance on Reducing Use of Social Security Numbers

On May 5, CMS issued an informational bulletin to inform states about the Social Security Number Removal Initiative, which is enacting legislation to remove Social Security numbers from Medicare ID cards and replace existing Medicare health insurance claim numbers (HICNs) with a Medicare beneficiary identifier (MBI). To comply with this statutory requirement, starting in early 2018, CMS will issue new Medicare cards with an MBI to approximately 60 million Medicare beneficiaries, including dual eligibles.
A HICN will still be assigned to each Medicare beneficiary and will still be used for internal data exchanges between CMS and the states, but the new MBI must be used in all interactions with the beneficiary, the provider community and all external partners.

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Commonwealth Fund Produces Analysis of Final Medicaid MCO Rule

On May 6, the Commonwealth Fund produced an analysis of the final Medicaid MCO rule. The analysis states that the final rule does not directly address developing partnerships between MCOs and social, educational, housing, and economic security programs. But achieving greater integration in health and health care is emerging as a key priority among states, and the rule permits states to continue to move in this direction by developing managed care systems that can bridge health and social services.

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