MEDICAID, HEALTH CARE STILL ON AZ LEGISLATORS’ AGENDA

Gov. Janice Brewer and Arizona Republicans are still in a standoff over the governor’s proposal to expand Medicaid.

There is no sign of a resolution, and there are many theories as to whether a compromise will come in the next couple months or later in the year. A possible scenario: referring the issue to the ballot to let the voters decide on the expansion in a fall 2013 election. However, that’s a costly approach with an uncertain outcome.

If lawmakers agree to the expansion, the state would receive an additional $7.9 billion in federal funds over the next four years, enabling increased coverage to up to 300,000 low-income residents. We’ll keep you posted on further developments.

Here are a few other health care bills of interest:

- **House Bill 2045** would require medical providers to post prices for common medical procedures. The language for this requirement was originally in Senate Bill 1115, which Brewer vetoed earlier this month. The Senate approved HB 2043 April 15, and now the bill goes to a conference committee.

- **House Bill 2550** would require the Department of Insurance (DOI) Director to adopt rules or orders to retain Arizona’s authority to regulate health insurance policies in light of the Affordable Care Act. The bill would also establish geographic rating areas and modify timeframes pertaining to independent reviews.

- **Senate Bill 1353** would require health care insurers to cover certain services provided through telemedicine, if the services would be covered were they provided through in-person consultation. The requirement would take effect Jan. 1, 2015. More than a dozen states have introduced bills this year to expand the use and reimbursement of telemedicine services. Supporters say the measure will help reduce costs.

DEADLINES NEAR FOR QUALIFIED HEALTH PLANS IN ARIZONA

Health Issuers interested in becoming qualified health plans (QHPs) and participating in the health insurance marketplace in Arizona are hard at work to meet deadlines for the federally facilitated exchange (FFE). Here is the timeline leading up to open enrollment, which begins Oct. 1:

- QHP application submission … 4/01 to 5/30
- HHS reviews applications ………5/01 to 6/16
- Deficiency notices released …………. 6/17
- Revised QHPs submitted ………6/17 to 6/21
- HHS reviews revisions …………. 8/21 to 7/31
- State DOI review (network adequacy & rate review) ………………………………. TBD
- DOI reviews submitted to HHS ………. 7/31
- HHS reviews state findings ………8/01 to 8/31
- Plan preview period (review of data on FFE website) ……………………………….. 9/01 to 10/01
- QHP certification notification by HHS & contract signing ………………... 9/04 to 9/09
- Open enrollment begins ……………. 10/01

The QHP application consists of various templates provided by the federal government that include: benefits, service area, rates, business rules, administration, and provider network. Each issuer must also attest to having a long list of completed items — ranging from compliance, to benefits and rate-setting, to various provisions of the Affordable Care Act.

WINNERS AND LOSERS: AHCCCS AWARDS PROGRAM CONTRACTS

AHCCCS Acute Care Program
- **UnitedHealthcare Community Plan** was the highest-ranked offerer, followed by University of Arizona Health Plans, University Family Care. UHC Community Plan was awarded contracts in seven of the eight geographic services areas (GSAs) in which it submitted bids.
- **University of Arizona Health Plans and Maricopa Health Plan** were successful in all of their bids.
- Despite having 30 years of AHCCCS experience and currently serving as a contractor in five GSAs, **Phoenix Health Plan** was only awarded a capped contract for the Maricopa GSA. Phoenix Health Plan is a unit of publicly traded Vanguard Health Systems, and shares of Vanguard faced pressure after the news.
- **Health Net of Arizona** was awarded a contract for the Maricopa GSA and just missed out on a contract for the Pima/Santa Cruz GSA.
- **BCBS AZ/Banner** was unsuccessful in its bid to enter the AHCCCS business.

AHCCCS Regional Behavioral Health Authority (RBHA)
- **Maricopa Integrated Health System / Mercy Care Plan** were awarded the contract for Maricopa GSA that includes integrated physical and behavioral health in a single plan.

AHCCCS Children’s Rehabilitative Services Program (CRS)
- **UnitedHealthcare Community Plan**, the current CRS contractor, was awarded the statewide CRS contract to provide integrated physical and behavioral health services for nearly 25,000 enrollees.

REPORT: DOCTORS BURNED OUT

A recent Medscape survey revealed that nearly 70 percent of physicians surveyed reported experiencing at least one criteria of burnout: loss of enthusiasm for work, feelings of cynicism or a low sense of personal accomplishment. Emergency medicine and critical care had the highest percentage of burnout.

Other specialties in the top 10 include: family physicians, OB/GYN’s and general surgeons. Pediatricians were among the least burned-out, along with psychiatrists, rheumatologists and pathologists. More female doctors (45
percent) reported burnout, compared to 37 percent of male doctors.

This survey sheds a new and different light on the current concern over physician shortages, which could be exacerbated by the influx of new patients in 2014.

LAGNIAPPE

::: Scottsdale Healthcare and John C. Lincoln Health Network have signed a letter of intent to form an alliance with RegionalCare Hospital Partners – Brentwood, TN. Since its founding in 2009, RegionalCare has grown its system to include seven rural community hospitals across the country. As of May 1, SVRH will become a taxable entity and will change its legal name to: RCHP – Sierra Vista (dba-Sierra Vista Regional Health Center).

::: Banner Health is one of the top five systems in the “large” category (more than $1.5 billion in operating expenses) on this year’s roster of the nation’s 15 Top Health Systems as determined by Truven Health Analytics (formerly Thomson Reuters). Truven evaluated more than 300 health systems in its annual study on clinical and operational performance.

::: HHS released a final rule regarding federal funding of the cost of Medicaid expansion under the ACA. The department is still accepting comments on the methodology states can use to determine whether a new enrollee qualifies for the enhanced funding. Under the ACA, states that participate in the Medicaid expansion and enroll individuals whose annual income is up to 133 percent of the federal poverty level will have the costs of these new enrollees covered entirely by the federal government from 2014-2016. After 2016, the federal contribution phases down to 90 percent by 2020.

::: Community Health Systems (CHS) - Franklin, TN has formed a “strategic alliance” with Cleveland Clinic to focus on increasing quality while reducing cost in the areas of clinical integration, cardiovascular services and operational services. CHS is the parent company of four Arizona hospitals: Northwest Medical Center in Tucson, Oro Valley Hospital in Oro Valley, Payson Regional Medical Center in Payson and Western Arizona Regional Medical Center in Bullhead City.

::: The sixteenth annual Desert Toyota of Tucson Rock ‘N Rodeo charity event raised $179,000 for Tucson Medical Center Hospice. Proceeds from the dinner/dance and silent auction will be used by TMC Hospice to provide emergency funds to families in need and complementary therapy services typically not covered by insurance.

::: Univita Health, Arizona-based home care management company, has formed a partnership with Sisters of Charity of Leavenworth Health Systems (SCLHS) – Denver. The goal is to reduce readmissions and increase patient health by coordinating patients’ care after they leave the hospital. The program intends to begin working with acute-care patients while they are still hospitalized. The program will initially be implemented at SCLHS’ three Colorado Front Range hospitals.

::: The Centers for Medicare and Medicaid Services (CMS) decided against decreasing Medicare Advantage payments to insurers by 2.4 percent in 2014. Instead, they increased these payments by 3.3 percent.

::: The number of Americans with employer-sponsored insurance dropped to 159 million in 2011 from 170.5 million in 2000, a decline of 10 percent, according to a Robert Wood Johnson Foundation study. About 60 percent of the U.S. population has employer-sponsored insurance. Between 2000 and 2011, the average employee-only premium increased from $2,490 to $5,081.

::: Walgreens has become the first retail store chain to broaden its health care services to include patient diagnosis and treatment for chronic conditions, such as asthma, diabetes and high cholesterol. Walgreens plans to have nurse practitioners and physician assistants at more than 300 of its “Take Care Clinics” in 18 states. Walgreens currently has 27 Take Care Clinics in Arizona.

COMINGS & GOINGS

Dignity Health Arizona has named Carolyn Pace its new VP of managed care. ::: Reza Mohasesi has taken the position of western division finance leader of senior products for Humana.

::: Phoenix Children’s Hospital has announced the hiring of Roger Logan as senior VP and chief administrative officer for Phoenix Children’s Medical Group. ::: Kevin Ellis, DO, is the new chief medical officer at Cigna Medical Group. ::: Dave Ressler, CEO of Aspen Valley Hospital-Aspen, CO, has accepted a position with Tucson Medical Center to be the hospital’s VP and chief strategy officer. ::: Chuck Sowers has taken the position of VP and CFO with Chandler Regional Medical Center. ::: John C. Lincoln Deer Valley Hospital has hired Jessica Rivas as chief nursing officer. ::: Carondelet Foundation has hired Jessica Galow as corporate and foundation development officer. ::: Thom Palmer has joined the provider contracting department at Cigna Arizona. ::: March issue correction - Steve Tomme has accepted a position with MultiPlan as senior contracting executive.

IN MEMORIAM: Dr. Clyde Wright, a model of the modern medical director and health plan leader, passed away on April 13, 2013. Wright was a pioneer in innovative health care delivery, most remembered as president of CIGNA Healthcare of Arizona. Dr. Wright graduated from the University of Vermont Medical School in 1970, served in the Navy during Vietnam and completed his residency in family practice at Good Samaritan Hospital. He is survived by his wife Ruth, three children, a brother, two sisters and a granddaughter.

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