



Future updates to the Tidewater and other health plan regional MEMA will follow the policy recommendations described in a memo dated September 30, 2013, which is available on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/altc-enrl.aspx.

Voluntary Enrollment Eligibles: January 2014 NHE MEMA Adjustment and Future Adjustments

The NHE population is a combination of the NHE-Institutional and the NHE-Waiver populations. The first MEMA update, January 2014, established a baseline distribution of the NHE-I and the NHE-W eligibles, and represented a snapshot of the risk mix of eligibles at the start of the program. As auto enrollment effective dates are phased in by region, health plan specific NHE MEMA will be developed. The at-enrollment risk designation for each NHE eligible individual will be held constant for the first two years of the demonstration, until December 31, 2015. Future calculations will adjust for NHE members who leave the program, either voluntarily or because of death. The risk designation of new NHE enrollees will be held constant at the point when each is first identified as NHE eligible until there is an update. At the beginning of the third and fourth years, the NHE member risk designation will be updated to the NHE status at the beginning of the previous year or, for a new NHE member during the previous year, the NHE status at the point of NHE eligibility.

During the period used to develop the CCC rates, CY 2011-2012, there was a decrease in the proportion of the NHE-Institutional population and an increase in the proportion of the NHE-Waiver population. Over the period January 2011 to June 2013, the final month used to set the MEMA in the November 2013 rate report, the NHE-I population decreased approximately 14% and the NHE-Waiver population increased 18%.

The January 2014 NHE member month distribution showed a continuation of this trend. Overall, The NHE-Waiver proportion of NHE eligibles was 52.2%, up from 51.1% in June 2013. The NHE-Waiver eligible proportion was slightly higher in the Tidewater region. As of January 2014, there were approximately 5,800 NHE eligibles in the Tidewater region; of those, 54.6% were NHE-Waiver and 46.4% were NHE Institutional.

The January 2014 MEMA revised CY 2014 CCC NHE rates for the voluntary enrollment period for both Phase I and Phase II for each region. Those revised rates were distributed in a memo and attachments dated April 17, 2014. It is posted to the DMAS website at http://www.dmas.virginia.gov/Content_pgs/altc-enrl.aspx.



Regions other than Tidewater will continue to be paid the voluntary NHE rates developed with the January 2014 eligible member month distribution. Health plan specific CY 2014 NHE rates for the other regions will be developed at the effective date of auto-enrollment for each region, and then again at three months after the auto-enrollment date. The schedule for CCC implementation and the MEMA updates is shown in Table 1. It is current as of July 2014, but is subject to future revision.

Tidewater Auto Enrollees: Rates Effective August 1, 2014

The January MEMA update identified nearly 19,000 individuals in Tidewater as eligible for the CCC. As of the first Phase I effective date, July 1, 2014, approximately 9,800 were enrolled in CCC participating health plans in that region. CCC enrollment in Tidewater dropped to approximately 8,900 as of August 1, 2014. Rates paid to the Tidewater plans for the next two months will reflect the enrollment as of August 1 and health-plan specific MEMA calculations are developed for each health plan to reflect the NHE mix of their population. The August revision uses the CY 2014 Tidewater rates for the Community Well population for all plans in the region and is updated to reflect each plan mix of Community Well enrollees Under and Over 65 years.

About 47% of the Tidewater eligibles identified in January are enrolled as of August. Enrollment penetration varies by aid category; about 40% of the NHE eligibles and 57% of the Community Well eligibles enrolled. There is a comparable enrollment penetration of the Under and Over 65 eligibles within the NHE population, but a 10% higher enrollment penetration among the Under 65 eligibles compared to the Over 65, for the CW eligibles.

The number of Tidewater CCC enrollees decreased 9.1% between July and August 2014. Of the 8,879 total Tidewater CCC enrollees in August 2014, approximately 22.6%, or 2,008, are in the NHE aid category. The August report indicates a 13% increase in the number of NHE-I and a 31% decrease in the number of NHE-W. As a result, within the NHE population, 54% are NHE-Institutional and 46% are NHE-Waiver. This is substantially different from the Tidewater January 2014 distribution of eligibles that showed 31% as NHE, and is a reverse of that NHE mix, which was 46% in NHE-Institutional and 54% in NHE-Waiver. This comparison is shown in Table 2.

The August Tidewater rates are presented in the attached exhibits and revise the Tidewater columns in the November 2013 report Exhibits 5-6.

- Exhibit 5a presents the Tidewater NHE blending using the August 2014 Tidewater enrollment distribution. The PMPM values are the same as those in Exhibit 5a in the November 2013 Duals Demonstration report. The updated weighted average for Tidewater NHE is \$3,686.29 PMPM.



Because the August 2014 enrollee mix includes a higher proportion of the higher cost NHE-Institutional population, this is an increase of \$187 PMPM from the January Tidewater voluntary NHE rate of \$3,499.03 PMPM. The August increase in the NHE-I proportion occurs in all three participating plans.

- Exhibit 5b summarizes the NHE blended rates by health plan and adds the CY 2014 Tidewater rates for Community Well. The weighted average uses the August 2014 enrollment mix.
- The first year 1% savings percentage adjustment in Exhibit 5c is applied to the revised base rates and the adjusted results are presented in Exhibit 5d.
- The Enhanced Medicare PCP Supplemental Payments shown in Exhibit 5e are weighted by the August 2014 member month distribution. Overall weighted average Tidewater PCP supplemental payment is \$1.55 PMPM.
- The rates for Tidewater CCC health plans for August and September 2014 are presented in Exhibit 5f. The rates for health plans are shown in the first three columns and are compared to the regional average. The regional average that reflects the age and aid code mix of Tidewater enrollees is \$1,058.08 PMPM. The weighted average for NHE PMPM is \$3,651.43 PMPM and the weighted average for Community Well is \$300.09 PMPM.

Exhibit 5g shows the August 2014 Tidewater enrollment member month distribution.



Table 1

**Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
MEMA: NHE-Institutional and NHE-Waiver Eligibles
Schedule for Healthplan MEMA Updates**

Region	Effective Dates	
	Auto Enrollment	Three Month Actual
Phase I		
Tidewater	July 2014	
	August 2014	October 2014
Central VA	September 2014	December 2014
Phase II		
SW/Roanoke	October 2014	January 2015
W/Charlottesville	October 2014	January 2015
NOVA	November 2014	February 2015

Three month actual will be rebased to CCC rates developed for CY 2015.



Table 2

**Virginia Medicaid
 CY 2014 Dual Demonstration Capitation Rate Development
 Tidewater MEMA: Benchmark and Voluntary and Auto Enrollment
 Member Months: January Eligibles Compared to July and August 2014 Enrollees**

		Tidewater							
		January 2014		July 2014			August 2014		
MEG	Age Group	Eligibles	% Distribution	Enrolled	% Distribution	% Jan Eligibles	Enrolled	% Distribution	% Jan Eligibles
Nursing Home Eligible	Age 21 - 64	1,387	7.3%	619	6.3%	44.6%	495	5.6%	35.6%
	Age 65 and Over	4,415	23.4%	1,673	17.1%	37.9%	1,514	17.0%	34.3%
Nursing Home Eligible Total		5,803	30.7%	2,292	23.5%	39.5%	2,008	22.6%	34.6%
Community Well	Age 21-64	7,352	38.9%	4,538	46.5%	61.7%	4,180	47.1%	56.9%
	Age 65 and Over	5,741	30.4%	2,938	30.1%	51.2%	2,690	30.3%	46.9%
Community Well Total		13,093	69.3%	7,476	76.5%	57.1%	6,871	77.4%	52.5%
Total		18,896	100.0%	9,768	100.0%	51.7%	8,879	100.0%	47.0%

Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Historical Fee-For-Service Data
Blending of Nursing Home Eligible - Institutional and Nursing Home Eligible - Waiver
Tidewater Base Rates Effective August 1, 2014 - September 30, 2014

Exhibit 5a

		Tidewater			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Average
CY 2014 Base Capitation Rates					
Nursing Home Eligible Institutional	Age 21 - 64	\$4,951.40	\$4,951.40	\$4,951.40	\$14,835.86
	Age 65 and Over	\$4,718.43	\$4,718.43	\$4,718.43	\$13,813.48
	Average	\$4,756.52	\$4,751.86	\$4,757.49	\$13,971.51
Nursing Home Eligible Waiver	Age 21 - 64	\$2,508.76	\$2,508.76	\$2,508.76	\$7,686.76
	Age 65 and Over	\$2,367.61	\$2,367.61	\$2,367.61	\$7,288.98
	Average	\$2,425.03	\$2,412.26	\$2,415.21	\$7,430.24

		August 2014 Enrollment Distribution			
Nursing Home Eligible Institutional	Age 21 - 64	8.7%	8.2%	8.3%	8.4%
	Age 65 and Over	44.5%	48.9%	41.0%	45.9%
	Total	53.2%	57.1%	49.3%	54.3%
Nursing Home Eligible Waiver	Age 21 - 64	19.1%	13.6%	17.1%	16.2%
	Age 65 and Over	27.8%	29.3%	33.6%	29.5%
	Total	46.8%	42.9%	50.7%	45.7%

		Blended CY 2014 Base Capitation Rates			
Nursing Home Eligible	Age 21 - 64	\$3,273.87	\$3,428.12	\$3,304.04	\$3,341.14
	Age 65 and Over	\$3,814.32	\$3,836.89	\$3,659.17	\$3,799.04
	Average	\$3,664.37	\$3,747.91	\$3,569.08	\$3,686.29

Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Historical Fee-For-Service Data
Summary of Tidewater Base Capitation Rates Effective August 1, 2014 - September 30, 2014

Exhibit 5b

		Tidewater			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Average
Nursing Home Eligible	Age 21-64	\$3,273.87	\$3,428.12	\$3,304.04	\$3,341.14
	Age 65 and Over	\$3,814.32	\$3,836.89	\$3,659.17	\$3,799.04
	Average	\$3,664.37	\$3,747.91	\$3,569.08	\$3,686.29
Community Well	Age 21-64	\$357.46	\$357.46	\$357.46	\$357.46
	Age 65 and Over	\$215.02	\$215.02	\$215.02	\$215.02
	Average	\$304.30	\$294.26	\$310.47	\$301.68
Weighted Average		\$1,026.08	\$1,174.31	\$932.47	\$1,067.20

Note:
 Weighted Averages are based on August 2014 Enrollment Distribution

Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Dual Demonstration Program First Year Savings Percentage Adjustment

Exhibit 5c

	Adjustment Value		Source
First Year Savings Percentage	1.0%	Provided by DMAS	

Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Historical Fee-For-Service Data
Summary of Tidewater Base Capitation Rates Effective August 1, 2014 - September 30, 2014
With 1% Savings Percentage

Exhibit 5d

MEG	Age Group	Region			
		HealthKeepers	Humana	Virginia Premier	201407 Average
Nursing Home Eligible	Age 21-64	\$3,241.13	\$3,393.84	\$3,271.00	\$3,307.73
	Age 65 and Over	\$3,776.18	\$3,798.52	\$3,622.58	\$3,761.05
	Average	\$3,627.73	\$3,710.44	\$3,533.39	\$3,649.43
Community Well	Age 21-64	\$353.88	\$353.88	\$353.88	\$353.88
	Age 65 and Over	\$212.87	\$212.87	\$212.87	\$212.87
	Average	\$301.25	\$291.32	\$307.37	\$298.67
Weighted Average		\$1,015.82	\$1,162.56	\$923.15	\$1,056.53

Note:
 Weighted Averages are based on August 2014 Enrollment Distribution

**Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Enhanced Medicare PCP Supplemental Payments**

Exhibit 5e

MEG	Age Group	Tidewater with Accomack and Northampton
Nursing Home Eligible	Age 21-64	\$1.80
	Age 65 and Over	\$2.08
	Average	\$2.01
Community Well	Age 21-64	\$1.27
	Age 65 and Over	\$1.65
	Average	\$1.42
Weighted Average		\$1.55

Note:
Weighted Averages are based on August 2014 Enrollment Distribution

Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
Historical Fee-For-Service Data
Summary of Tidewater Base Capitation Rates Effective August 1, 2014 - September 30, 2014
With Medicare Enhanced PCP Supplemental Payment and 1% Savings Percentage

Exhibit 5f

MEG	Age Group	Tidewater			
		HealthKeepers	Humana	Virginia Premier	Regional Average
Nursing Home Eligible	Age 21-64	\$3,242.93	\$3,395.64	\$3,272.80	\$3,309.53
	Age 65 and Over	\$3,778.26	\$3,800.60	\$3,624.65	\$3,763.13
	Average	\$3,629.73	\$3,712.45	\$3,535.39	\$3,651.43
Community Well	Age 21-64	\$355.16	\$355.16	\$355.16	\$355.16
	Age 65 and Over	\$214.52	\$214.52	\$214.52	\$214.52
	Average	\$302.66	\$292.75	\$308.76	\$300.09
Weighted Average		\$1,017.36	\$1,164.15	\$924.66	\$1,058.08

Note:
 Weighted Averages are based on August 2014 Enrollment Distribution

**Virginia Medicaid
 CY 2014 Dual Demonstration Capitation Rate Development
 Member Months of Eligibles
 August 2014 Member Month Distribution**

Exhibit 5g

		Tidewater			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Total
Nursing Home Eligible	Age 21 - 64	6.0%	5.5%	4.8%	5.6%
	Age 65 and Over	15.5%	19.9%	14.2%	17.0%
Nursing Home Eligible Total		21.5%	25.5%	19.1%	22.6%
Community Well	Age 21 - 64	49.2%	41.5%	54.2%	47.1%
	Age 65 and Over	29.3%	33.1%	26.7%	30.3%
Community Well Total		78.5%	74.5%	80.9%	77.4%
Total		100.0%	100.0%	100.0%	100.0%

**Virginia Medicaid
CY 2014 Dual Demonstration Capitation Rate Development
County Listing by Region**

Exhibit 6

Phase I		Phase II			
Central Virginia	Tidewater	Northern Virginia	Southwest/ Roanoke	Western/ Charlottesville	
Amelia County	Lunenburg County	Chesapeake City	Alexandria City	Alleghany County	Albemarle County
Brunswick County	Mecklenburg County	Gloucester County	Arlington County	Bath County	Augusta County
Caroline County	Middlesex County	Hampton City	Culpeper County	Bedford City	Buckingham County
Charles City County	New Kent County	Isle of Wight County	Fairfax City	Bedford County	Charlottesville City
Chesterfield County	Northumberland County	James City County	Fairfax County	Botetourt County	Fluvanna County
Colonial Heights City	Nottoway County	Matthews County	Falls Church City	Buena Vista City	Greene County
Cumberland County	Petersburg City	Newport News City	Fauquier County	Covington City	Harrisonburg City
Dinwiddie County	Powhatan County	Norfolk City	Loudoun County	Craig County	Louisa County
Emporia City	Prince Edward County	Poquoson City	Manassas City	Floyd County	Madison County
Essex County	Prince George County	Portsmouth City	Manassas Park City	Franklin County	Nelson County
Franklin City	Richmond City	Suffolk City	Prince William County	Giles County	Orange County
Fredericksburg City	Richmond County	Virginia Beach City		Henry County	Rockingham County
Goochland County	Southampton County	Williamsburg City		Highland County	Staunton City
Greensville County	Spotsylvania County	York County		Lexington City	Waynesboro City
Hanover County	Stafford County	Accomack County		Martinsville City	
Henrico County	Surry County	Northampton County		Montgomery County	
Hopewell City	Sussex County			Patrick County	
King George County	Westmoreland County			Pulaski County	
King William County				Radford City	
King and Queen County				Roanoke City	
Lancaster County				Roanoke County	
				Rockbridge County	
				Salem City	
				Wythe County	