





## **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 are 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 CY 2014 CCC rates, CY 2011-CY2012, 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 January 2014 MEMA revised the CY 2014 CCC NHE rates for the voluntary enrollment period for both Phase I and Phase II. 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](http://www.dmas.virginia.gov/Content_pgs/altc-enrl.aspx).

As of November 2014, the CCC phased implementation is completed. Northern VA was the last region and auto-assignment and coverage of members in that region began on that date. All regions now have health plan specific CY 2014 NHE rates developed at the effective date of auto-enrollment for each region, and are updated at three months after the auto-enrollment date.

As of December 2014, both the Tidewater and Central VA regions have been operational for at least three months and those regional health plans are paid the three month actual health plan specific rates. When the CY 2015 CCC Duals rates become effective on January 1, 2015, the MEMA will be recalculated for all regions that have completed three months of enrollment, including Central VA, to reflect the mix based on



enrollment at the beginning of the year. Those regional MEMA distributions will be applied to the CY 2015 CCC Duals rates and be in effect from January 1, 2015 to June 30, 2015. The schedule for CCC implementation and the MEMA updates is shown in Table 1.

### **Central VA Enrollees: Rates Effective December 1, 2014**

The January MEMA update identified 22,345 individuals in Central VA as eligible for the CCC. As of December 1, 2014, the end of the three-month period after the October 1, 2014 effective date, there were 9,745 enrollees in CCC participating health plans in that region. Rates paid to the Central VA plans for the next three months will reflect the enrollment as of December 1, 2014.

The 9,745 Central VA CCC enrollees as of December 2014 are about 44% of the Central VA eligibles identified in January. December enrollment penetration varies by aid category; about 31% of the NHE eligibles and 50% of the Community Well eligibles enrolled. Within the NHE, there is a 2% higher enrollment penetration among the Under 65 eligibles compared to the Over 65 eligibles. Within the CW population, there is a 9% higher enrollment penetration among the Under 65 eligibles compared to the Over 65 eligibles. This comparison is shown in Table 2.

Of the total Central VA CCC enrollees in December 2014, approximately 24%, or 2,346, are in the NHE aid category. Within the NHE population, 54% are NHE-Institutional and 46% are NHE-Waiver. This is different from the Central VA January 2014 distribution of eligibles. The January snapshot showed 34% as NHE, and a NHE mix that was 47% in NHE-Institutional and 53% in NHE-Waiver.

The Central VA CCC enrollment has decreased each month since the original auto-enrollment date of September 1, 2014. Enrollment in September stood at 11,348 and represented 51% of eligibles identified in January. Enrollment decreased approximately 7% in October, to 10,606. The disenrollment has slowed in the past two months, although the December Central VA CCC Duals enrollment of 9,745 is 14% lower than the September Central VA enrollment.

The December Central VA rates are presented in the attached exhibits and revise the three regional columns in the November 2013 report Exhibits 5-6.

- Each Exhibit 5a presents the regional NHE blending using the December 2014 enrollment distribution. The PMPM values used for the weighting are the same as those in Exhibit 5a in the November 2013 Duals Demonstration report.
  - The updated weighted NHE average for Central VA NHE is \$3,713.30 PMPM. Because the December 2014 enrollee mix includes a higher proportion of the higher cost NHE-



Institutional population, this is an increase of more than \$160 PMPM from the January Central VA voluntary NHE rate of \$3,550.32 PMPM

- Exhibit 5b summarizes the NHE blended rates by health plan and adds the CY 2014 rates for Community Well. The weighted average uses the December 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 December 2014 member month distribution.
  - Overall weighted average Central VA PCP supplemental payment is \$1.59 PMPM.
- The adjusted rates for the CCC health plans in the Central VA region as of December 2014 are presented in each 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 subpopulation mix of Central VA enrollees is \$1,149.36 PMPM. The weighted average for NHE is \$3,678.34 PMPM and the weighted average for Community Well is \$347.56 PMPM

Exhibit 5g in each regional exhibit shows the December 2014 CCC Duals 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	Auto Enrollment	Effective Dates		
		Three Month Actual	CY15 1 <sup>st</sup> MEMA Reset	CY15 Mid-Year MEMA Reset
<b>Phase I</b>				
<b>Tidewater</b>	July 2014 August 2014	October 2014	January 2015	July 2015
<b>Central VA</b>	September 2014	December 2014	January 2015	July 2015
<b>Phase II</b>				
<b>SW/Roanoke</b>	October 2014	January 2015	January 2015	July 2015
<b>W/Charlottesville</b>	October 2014	January 2015	January 2015	July 2015
<b>NOVA</b>	November 2014	February 2015	February 2015	July 2015

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



**Table 2**

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

		Central VA				
		January 2014		December 2014		
MEG	Age Group	Eligibles	% Distribution	Enrolled	% Distribution	% Jan Eligibles
Nursing Home Eligible	Age 21 - 64	1,578	7.1%	508	5.2%	32.2%
	Age 65 and Over	6,040	27.0%	1,838	18.9%	30.4%
<b>Nursing Home Eligible Total</b>		7,618	34.1%	2,346	24.1%	30.8%
Community Well	Age 21-64	8,265	37.0%	4,490	46.1%	54.3%
	Age 65 and Over	6,461	28.9%	2,909	29.8%	45.0%
<b>Community Well Total</b>		14,726	65.9%	7,399	75.9%	50.2%
<b>Total</b>		22,345	100.0%	9,745	100.0%	43.6%

**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**  
**Central Virginia Base Rates Effective December 1, 2014 - December 31, 2014**

Exhibit 5a

		Central Virginia			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Average
<b>CY 2014 Base Capitation Rates</b>					
<b>Nursing Home Eligible Institutional</b>	Age 21 - 64	\$4,912.71	\$4,912.71	\$4,912.71	\$4,912.71
	Age 65 and Over	\$4,878.71	\$4,878.71	\$4,878.71	\$4,878.71
	<b>Average</b>	\$4,883.60	\$4,884.08	\$4,884.23	\$4,883.90
<b>Nursing Home Eligible Waiver</b>	Age 21 - 64	\$2,430.29	\$2,430.29	\$2,430.29	\$2,430.29
	Age 65 and Over	\$2,337.84	\$2,337.84	\$2,337.84	\$2,337.84
	<b>Average</b>	\$2,365.03	\$2,364.09	\$2,364.93	\$2,364.64

		Central Virginia December 2014 Enrollment Distribution			
<b>Nursing Home Eligible Institutional</b>	Age 21 - 64	8.8%	8.6%	6.3%	8.2%
	Age 65 and Over	52.6%	46.0%	32.5%	45.4%
	<b>Total</b>	61.4%	54.7%	38.7%	53.5%
<b>Nursing Home Eligible Waiver</b>	Age 21 - 64	11.4%	12.9%	18.0%	13.5%
	Age 65 and Over	27.2%	32.5%	43.3%	33.0%
	<b>Total</b>	38.6%	45.3%	61.3%	46.5%

		Blended CY 2014 Base Capitation Rates			
<b>Nursing Home Eligible</b>	Age 21 - 64	\$3,516.32	\$3,426.81	\$3,074.58	\$3,367.25
	Age 65 and Over	\$4,011.59	\$3,828.18	\$3,426.27	\$3,808.85
	<b>Average</b>	\$3,911.66	\$3,741.87	\$3,341.01	\$3,713.30

**Virginia Medicaid  
CY 2014 Dual Demonstration Capitation Rate Development  
Historical Fee-For-Service Data**

**Exhibit 5b**

**Summary of Central Virginia Base Capitation Rates Effective December 1, 2014 - December 31, 2014**

MEG	Age Group	Central Virginia			
		HealthKeepers	Humana	Virginia Premier	Regional Average
Nursing Home Eligible	Age 21-64	\$3,516.32	\$3,426.81	\$3,074.58	\$3,367.25
	Age 65 and Over	\$4,011.59	\$3,828.18	\$3,426.27	\$3,808.85
	<b>Average</b>	\$3,911.66	\$3,741.87	\$3,341.01	\$3,713.30
Community Well	Age 21-64	\$425.92	\$425.92	\$425.92	\$425.92
	Age 65 and Over	\$231.90	\$231.90	\$231.90	\$231.90
	<b>Average</b>	\$356.94	\$342.64	\$348.49	\$349.65
<b>Weighted Average</b>		\$1,208.90	\$1,241.78	\$976.70	\$1,159.36

Note:  
Weighted Averages are based on December 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**

**Exhibit 5d**

**Historical Fee-For-Service Data**

**Summary of Central Virginia Base Capitation Rates Effective December 1, 2014 - December 31, 2014**

**With 1% Savings Percentage**

		Central Virginia			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Average
<b>Nursing Home Eligible</b>	Age 21-64	\$3,481.16	\$3,392.54	\$3,043.84	\$3,333.58
	Age 65 and Over	\$3,971.48	\$3,789.90	\$3,392.01	\$3,770.76
	<b>Average</b>	\$3,872.54	\$3,704.45	\$3,307.60	\$3,676.17
<b>Community Well</b>	Age 21-64	\$421.66	\$421.66	\$421.66	\$421.66
	Age 65 and Over	\$229.58	\$229.58	\$229.58	\$229.58
	<b>Average</b>	\$353.37	\$339.21	\$345.00	\$346.15
<b>Weighted Average</b>		\$1,196.81	\$1,229.37	\$966.93	\$1,147.77

Note:

Weighted Averages are based on December 2014 Enrollment Distribution

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

**Exhibit 5e**

<b>MEG</b>	<b>Age Group</b>	<b>Central Virginia</b>
<b>Nursing Home Eligible</b>	Age 21-64	\$2.05
	Age 65 and Over	\$2.20
	<b>Average</b>	\$2.17
<b>Community Well</b>	Age 21-64	\$1.37
	Age 65 and Over	\$1.46
	<b>Average</b>	\$1.41
<b>Weighted Average</b>		<b>\$1.59</b>

Note:  
Weighted Averages are based on December 2014 Enrollment Distribution

**Virginia Medicaid  
CY 2014 Dual Demonstration Capitation Rate Development**

**Exhibit 5f**

**Historical Fee-For-Service Data**

**Summary of Central Virginia Base Capitation Rates Effective December 1, 2014 - December 31, 2014  
With Medicare Enhanced PCP Supplemental Payment and 1% Savings Percentage**

MEG	Age Group	Central Virginia			
		HealthKeepers	Humana	Virginia Premier	Regional Average
<b>Nursing Home Eligible</b>	Age 21-64	\$3,483.21	\$3,394.58	\$3,045.88	\$3,335.63
	Age 65 and Over	\$3,973.68	\$3,792.11	\$3,394.21	\$3,772.96
	<b>Average</b>	\$3,874.71	\$3,706.62	\$3,309.76	\$3,678.34
<b>Community Well</b>	Age 21-64	\$423.03	\$423.03	\$423.03	\$423.03
	Age 65 and Over	\$231.04	\$231.04	\$231.04	\$231.04
	<b>Average</b>	\$354.77	\$340.62	\$346.41	\$347.56
<b>Weighted Average</b>		\$1,198.40	\$1,230.98	\$968.50	\$1,149.36

Note:  
Weighted Averages are based on December 2014 Enrollment Distribution

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

**Exhibit 5g**

		Central Virginia			
MEG	Age Group	HealthKeepers	Humana	Virginia Premier	Regional Total
Nursing Home Eligible	Age 21 - 64	4.8%	5.7%	5.1%	5.2%
	Age 65 and Over	19.1%	20.8%	15.9%	18.9%
<b>Nursing Home Eligible Total</b>		<b>24.0%</b>	<b>26.5%</b>	<b>21.0%</b>	<b>24.1%</b>
Community Well	Age 21 - 64	49.0%	42.0%	47.5%	46.1%
	Age 65 and Over	27.0%	31.6%	31.5%	29.8%
<b>Community Well Total</b>		<b>76.0%</b>	<b>73.5%</b>	<b>79.0%</b>	<b>75.9%</b>
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**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	