



Ensuring Access to Better Healthcare

2009

Year in Review



**The 2009 Annual Report of
Medicaid Health Plans of America**



Medicaid
Health
Plans of
America

Ensuring Access to Better Health Care

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Message from the MHPA President & CEO

Thomas L. Johnson



Welcome to the Medicaid Health Plans of America's 2009 Annual Report. MHPA continued its recent success of growth. We have just completed a year in which we added new member plans; became heavily involved in health reform

efforts; retained additional advocacy and policy staff; furthered our clinical and health information technology resources and committees; and charted a new strategic path for future success. We also held the largest annual meeting in the history of the organization, as we exceeded 300 attendees for the first time. MHPA continues to serve as the leading trade association solely dedicated to representing the entire Medicaid health plan industry.

As I enter my sixth year with MHPA, we are poised to mirror the industry's current and future growth. Our industry has grown each year over the past 10 years, and more than 50 percent of those eligible for Medicaid are now enrolled in a health plan. Medicaid health plans continue to

make significant contributions to positive health outcomes of health plans members in an era where government resources are increasingly scarce. Our plans represent a strong set of public-private partnerships with states that have enjoyed the value of what our industry offers.

As we usher in a new decade, we will see Medicaid transform in a manner unseen since the program's creation. The twin challenges of increasing health coverage while controlling health costs have never been greater. The twin goals of reducing disparities and improving the health of our enrollees have never been more important. And the increased role that our industry will play in this era of health reform will never be more visible.

As we present you with the MHPA 2009 Annual Report, we are mindful of the transformation that will begin in this decade of health reform. I continue to marvel at the commitment and spirit of our membership in meeting all challenges, as well as our Board's commitment to this organization.

A handwritten signature in black ink, appearing to read "Thomas L. Johnson".

Thomas L. Johnson, MHPA President & CEO



About MHPA

History of the Organization

Medicaid Health Plans of America (MHPA) is the leading trade association solely focused on representing Medicaid health plans. MHPA is a nonprofit, tax-exempt organization formed in 1993 and incorporated in 1995. Initially known as the National Association of Urban-Based Health Maintenance Organizations (NAUHMO), the organization was based in Los Angeles until 2001, when it opened its Washington, DC-based offices, and hired its first full-time Executive Director, Cheryl A. Townsel. In September 2004, Thomas L. Johnson succeeded Ms. Townsel as Executive Director, and in October 2004, NAUHMO changed its name to MHPA. In March 2006, another new chapter opened at MHPA, when the organization moved its offices to the current Washington, DC location.



The Mission Statement of Medicaid Health Plans of America

“ *The mission of MHPA is to develop and advance public policy that controls costs and improves access and delivery of quality health care to Medicaid members.* ”

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Advocacy

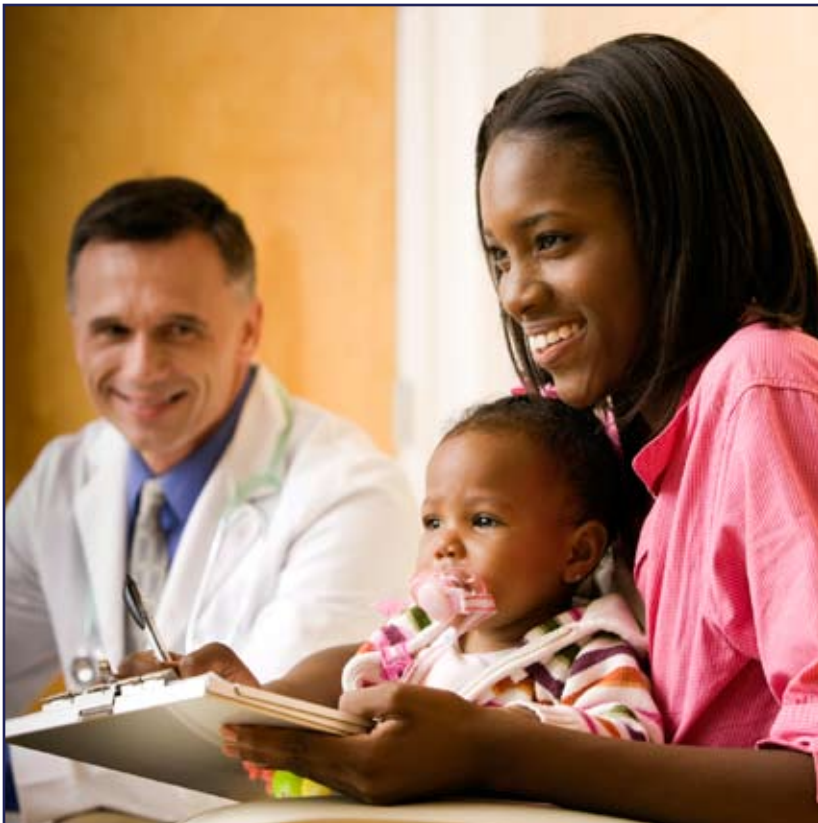
At MHPA, we aggressively advocate for Medicaid health plans by promoting the interests of the industry at the Executive Branch, in Congress, as well as at the state and local level.

Our staff and members provide policy recommendations through the presentation and discussion of topics, such as actuarial soundness, Medicaid managed care expansion and best practices in the industry. We distribute literature, policy briefs and studies that educate policy-makers and the general public on the growing need for better health care legislation and policies.

Through advocacy, public policy development and education, MHPA helps frame critical federal and state legislation that positively impacts the delivery of health care to our country's most vulnerable populations. Our relationships with government, corporations and nonprofit entities help to meet the needs of those we serve, while increasing our commitment to constituency-building and partnerships.

Our national programs and conferences serve as a platform for our members and give many the opportunities to disseminate recent findings and information on current health trends.

As part of our efforts, MHPA serves as Chair of the Partnership for Medicaid, a national coalition of 20 organizations dedicated to preserving and strengthening the safety-net. Some of the other members of the Partnership for Medicaid include the American Public Health Association, the AFL-CIO, the American Academy of Pediatrics, the American College of OB-GYNs, and the National Association of Community Health Centers.



2009 Highlights

- Thomas Johnson testified before Pennsylvania General Assembly
- MHPA and other advocates jointly published Drug Rebate Equalization (DRE) advertisement
- Commissioned detailed out-of-network and DRE policy analysis

Advocacy Activities

In 2009, MHPA was actively involved in Health Care Reform efforts, as well as passage of the Children's Health Insurance Program Reauthorization Act (CHIPRA) and the American Recovery and Reinvestment Act (ARRA).

2009 Successes

- Passage of CHIPRA, adding 4 million uninsured low-income children and providing \$32.8 billion in new funding over five years
- Enactment of ARRA, providing \$87 billion in Medicaid assistance to states and significantly advancing health information technology
- Inclusion of Medicaid expansion to 150% of poverty and drug rebate equalization in health reform legislation

Discussion of health reform dominated much of 2009. Under the direction of the Government Affairs Committee, MHPA established the following health reform recommendations:

1. Expand Medicaid eligibility for all Americans up to 150% of poverty while maintaining current categorical eligibility pathways.
2. Require CMS enforcement of actuarial soundness requirement.
3. Extend the Medicaid Prescription Drug Rebate Program to pharmacy benefits provided through Medicaid managed care organizations.
4. Add an automatic countercyclical trigger mechanism to the FMAP formula to increase the federal share in economic downturns.
5. Create a system that covers all kids regardless of income.
6. Allow a state option for mandatory managed care enrollment programs for all populations.



7. Craft a national strategy on long-term care.
8. Integrate Medicaid and Medicare programs for the dual-eligibles by enrolling them into managed care.
9. Improve Medicaid and SCHIP data collection at CMS on quality, outcomes, and cost for fee-for-service Medicaid and Medicaid managed care.
10. Use Medicaid health plan medical home model as the recommended medical home model in delivery system reform.
11. Encourage states to partner with Medicaid health plans to strengthen efforts to fight fraud.



Membership

Our members demonstrate significant depth of specialized Medicaid managed care industry experience. Many of our member plans have been listed among The Top 25 Medicaid HMOs in the annual publication, *"InterStudy Competitive Edge."*



Membership Categories

As a member of MHPA, you will join with some of America's leading health care professionals and help vulnerable populations gain access to quality health care. MHPA has five levels of membership: (1) Health Plan Members; (2) Supporting Members; (3) Individual Members; (4) Student Members; and (5) State Health Plan Association Members.

The health plan member category is open to organizations with a state license and/or contract to provide prepaid health services to publicly subsidized Medicaid managed care programs. As a health plan member, your voting rights are bestowed.

Membership Facts

MEMBERSHIP DETAILS

- Each MHPA member health plan has a seat on the Board of Directors
- MHPA member plans can have representatives join any of the MHPA committees.
- MHPA member plan membership is based upon the number of plan enrollees.
- Dues are sent no later than December 1st and are applicable to the following year. Payments are expected to be received by end of first quarter of the applicable year.

MHPA COMMITTEES

- Board of Directors – Each MHPA plan is a member of the MHPA Board of Directors.
- Executive Committee – Committee chairs are members of MHPA's Executive Committee.
- Annual Meeting Committee – Involved in planning for MHPA Annual Meeting.
- Clinical Leadership Committee – Reviews and addresses clinical and quality issues of interest to the industry.
- Best Practices and Compliance Committee – Reviews best practices of industry and compliance issues of industry.
- Finance Committee – Reviews financial matters pertaining to MHPA.
- Government Affairs Committee – Reviews and makes recommendations on government affairs issues affecting the Medicaid health plan industry.
- Health IT Committee – Reviews and addresses health information technology issues of interest to the industry.
- Marketing & Communications Committee – Reviews and makes recommendations regarding marketing and communications issues for MHPA and the industry.
- Membership Committee – Addresses membership issues and concerns of MHPA.
- Nominations Committee – Makes nomination recommendations for MHPA.
- Strategic Planning Committee – Reviews and updates the MHPA Strategic Plan

2009 Annual Meeting

This past year, MHPA held its most successful Annual Meeting to date. With more than 300 attendees, MHPA greeted featured speakers such as **Tommy G. Thompson**, former Wisconsin Governor & HHS Secretary; **Mark Shields**, Political Analyst, Commentator and Columnist; **David Plouffe**, Campaign Manager for President Barack Obama's 2008 Presidential Campaign; and former U.S. Congresswoman **Heather Wilson**. This year's 2010 MHPA Annual Meeting – our organization's sixth meeting – will again be a must-attend industry event for Medicaid health plan executives. MHPA's Annual Meeting provides attendees with the latest information on Medicaid policy, health care reform, best practices, cost containment, and discusses issues on the latest Medicaid trends.



The 2010 Annual Meeting will be held on November 4-5 at the Hyatt Regency Crystal City in Arlington, Virginia. The 2010 MHPA Annual Meeting promises to provide you with the opportunity to network with leaders from in the Medicaid health plan industry, as well as with other MHPA Members and Partners.



Clinical Leadership

MHPA's Clinical Leadership Committee was launched in April 2009. The Committee is chaired by MHPA Board Member Donna Carris and staffed by Liza Greenberg, RN, MPH. Our target membership is the clinical leadership of MHPA member organizations, including medical directors, quality improvement staff, and other representatives with responsibility for clinical policy. The CLC has representation from diverse member plans and meets monthly by conference call. Our first face-to-face meeting was held November 17, 2009 immediately following the MHPA Annual Meeting. We expect to meet in person at least yearly.



Through committee activities, MHPA will have a greater influence on regulatory initiatives impacting clinical quality of Medicaid managed care plans and will help members to understand and address trends in medical management and clinical policy. The charge of the Committee is to engage members in national performance measurement and accountability initiatives, and identify and disseminate best practices in Medicaid clinical management. A member survey identified member priorities as performance measurement, accreditation, engagement with national organizations and reduction of disparities. The survey also identified member areas of expertise so that we can call on members to represent MHPA.

CLC accomplishments to date include:

- Secured an MHPA seat on the National Committee for Quality Assurance (NCQA) Medicaid Accreditation Advisory Committee (MAAC), which is charged with updating and reorganizing the Medicaid Health Plan Accreditation Standards in 2009.
- Solicited member feedback on NCQA performance measurement and accreditation and provided input to NCQA verbally and through the MAAC.

- Secured an MHPA seat on the CMS / Agency for Healthcare Research and Quality (AHRQ) Subcommittee of the National Advisory Committee on Performance Measurement, a group leading effort to develop Medicaid performance measures for use by CMS. MHPA is represented on that committee by Board Member Carroll Carlson, RN, of Group Health Cooperative of Eau Claire.

Convened monthly conference calls with expert presenters. Topics have included:

- Strategies for improving culturally and linguistically appropriate care;
- State Medicaid survey data on quality and reporting priorities;
- ICD-10 implementation readiness;
- NCQA Comprehensive Child Health Performance measure development and pilot testing

Provided timely updates to CLC members on important reports and policy developments impacting clinical delivery and quality of care.

Examples of topics include:

- Commonwealth Fund Child Health Measures and Medicaid Reports
- NCQA Culturally and Linguistically Appropriate Care Award information
- AHRQ National Health Care Disparities and National Health Care Quality reports
- Kaiser Family Foundation and Robert Wood Johnson Foundation toolkits and information on reduction of disparities, obesity prevention, and other topics
- CMS initiatives relating to quality demonstration projects.

At the November 17 face-to-face meeting, the MHPA Clinical Leadership Committee had dialogue with Patricia Barrett, Vice President of Product Delivery at NCQA; Ann Kohler, Director of the National Association of State Medicaid Directors; and John Young, Acting Director of the CMS CMSO Division of Quality, Evaluation and Health Outcomes.

Communications

MHPA communications efforts, under the supervision of the Communications & Marketing Committee, continue in full swing.

All members receive MHPA's e-newsletter, *MHPA's Industry Update* three times a week. *The Industry Update* highlights activity of interest at the federal and state levels, as well as news about Medicaid health plans in the industry, compliance issues and issues about special needs plans.

MHPA Board members also receive a biweekly *MHPA Board of Directors Update* every other Friday. *The MHPA Board of Directors Update* is directly from the MHPA Executive Director, and highlights what is happening with MHPA.

In addition, MHPA published for the third consecutive year, the 2008-2009 *Best Practices Compendium*, and for the first time, introduced an annual report last year, which was well received and will continue to be published each year.

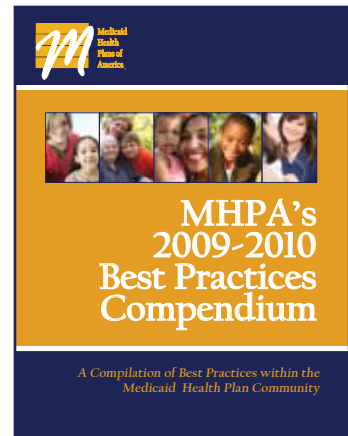


Health Information Technology

MHPA formed its Health IT Advisory Committee in 2009 to focus on health information technology issues of importance to MHPA members. This committee meets monthly to address some of the major challenges facing Medicaid health plans, including but not limited to: (1) the proposed definition of "meaningful use" under the incentive programs created by the American Recovery and Reinvestment Act ("ARRA"), which will set forth the initial standards, implementation specifications and certification criteria for electronic health records with federally funded programs – along with accompanying incentive programs; (2) the upcoming ICD-10 coding adoption; and (3) adoption of HIPAA 5010. MHPA will be submitting comments regarding the proposed "meaningful use" definition.

Best Practices

MHPA serves as a center for best practices for the Medicaid health plan industry. Every fall, we release our *Best Practices Compendium* during the MHPA Annual Meeting. The Compendium highlights the best programs and services that Medicaid health plans offer recipients in terms of health coverage. The Compendium provides many examples of successful outcomes of enrollees with Medicaid health plans, with significant measurable results. The compendium also includes statistical data about the industry, as well as important contact information.



The Future

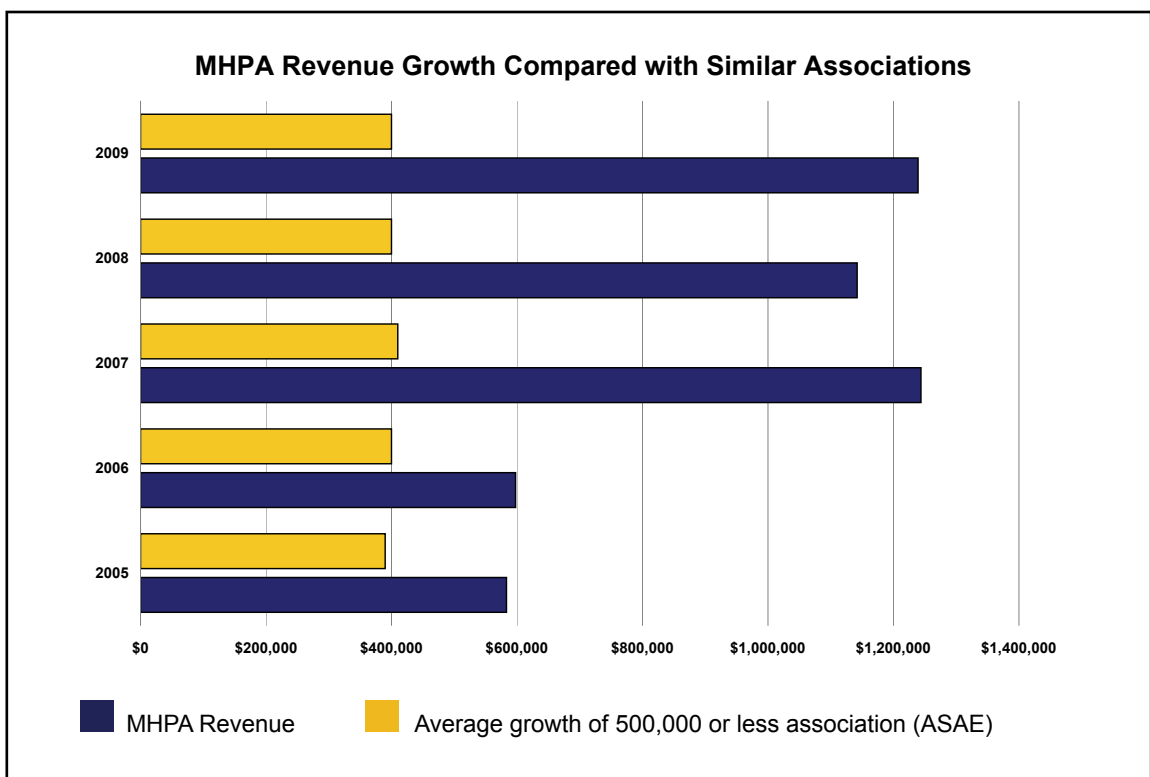
The future of MHPA is bright and MHPA will be at the forefront of health care reform measures in the coming years. MHPA is different in that it is solely focused on Medicaid health plans, but it also represents the entire Medicaid health plan universe. It also draws upon many experts from the business community to health plans grow and prosper in these challenging times. MHPA is unique to its members' needs and concerns, and offers an ideal place for professional development, education and advocacy.





Financial Performance

As most nonprofit revenues continue to decline, MHPA continues to enjoy extraordinary financial growth over the past five years. Compared to like-sized organizations as categorized by the American Society of Association Executives, MHPA has more than doubled its revenue since 2005. This will bode well for MHPA as it builds its resources to represent Medicaid health plans.





2009 Vice Chair of MHPA's Board of Directors **Karen Clark** of Horizon NJ Health (center) presents the 2009 Joy Wheeler Leadership Award during the Annual Meeting. From left, the four recipients are: **Brian Coyne** (AmeriGroup); **Jill Bell** (Passport Health Plan); **Kevin Hayden** (WellPoint) and **Cliff Barnes, Esq.** (Epstein, Becker & Green).

MHPA Board Members and Member Plans

CHAIR: **Karen Clark**, President & COO, **Horizon NJ Health** (West Trenton, NJ)

VICE CHAIR: **Mark Saffer, MD**, President & CEO, **Midwest Health Plan** (Dearborn, MI)

TREASURER: **Kearline McKellar-Jones**, Vice President, Government Relations & Compliance, **Health Partners of Philadelphia** (Philadelphia, PA)

SECRETARY: **Jill Joseph Bell**, Vice President of Public Affairs, **Passport Health Plan** (Louisville, KY)

Bryan Baier, JD, Vice President, Government & Regulatory Affairs, **WellCare Health Plan** (Tampa, FL)

Danny Bellamy, COO, **Health Services for Children with Special Needs** (Washington, DC)

Carroll Carlson, Director of Government Programs, **Group Health Cooperative of Eau Claire** (Eau Claire, WI)

Donna Carris, President & CEO, **Health Right, Inc.** (Washington, DC)

Brian Coyne, Vice President, Federal Government Relations, **AmeriGroup** (Washington, DC)

Christopher Drumm, Senior Vice President, Government and External Affairs, Ex-Officio, **AmeriHealth Mercy Health Plan** (Philadelphia, PA)

Gabriel J. Hanna, President & CEO, **DC Chartered Health Plan** (Washington, DC)

Cindy Helling, Vice President & COO, **Select Health of South Carolina** (Charleston, SC)

Rita Johnson-Mills, Senior Vice President, Regional Operations, **AmeriChoice** (Minnetonka, MN)

Kevin Hayden, President of State Sponsored Business, **WellPoint** (Camarillo, CA)

Alan Krigstein, CFO, Independence Blue Cross, representing **Keystone Mercy Health Plan** (Philadelphia, PA)

John Lovelace, Vice President for Medicaid Services and Special Needs Plans, **University of Pittsburgh Medical Center Health Plan** (Pittsburgh, PA)

Charlotte MacBeth, President & CEO, **MDWise** (Indianapolis, IN)

Joseph Musker, Senior Director, Federal Affairs, **Centene** (Washington, DC)

Sonya Nelson, President & CEO, **Volunteer State Health Plan** (Chattanooga, TN)

Ken Preede, Director of Federal Affairs, **Molina Healthcare** (Sacramento, CA)

Michael Rashid, President & CEO, **The AmeriHealth Mercy Family of Companies** (Philadelphia, PA)

Paul Rothman, President, **Prestige Health Choice** (Fort Meyers, FL)



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