

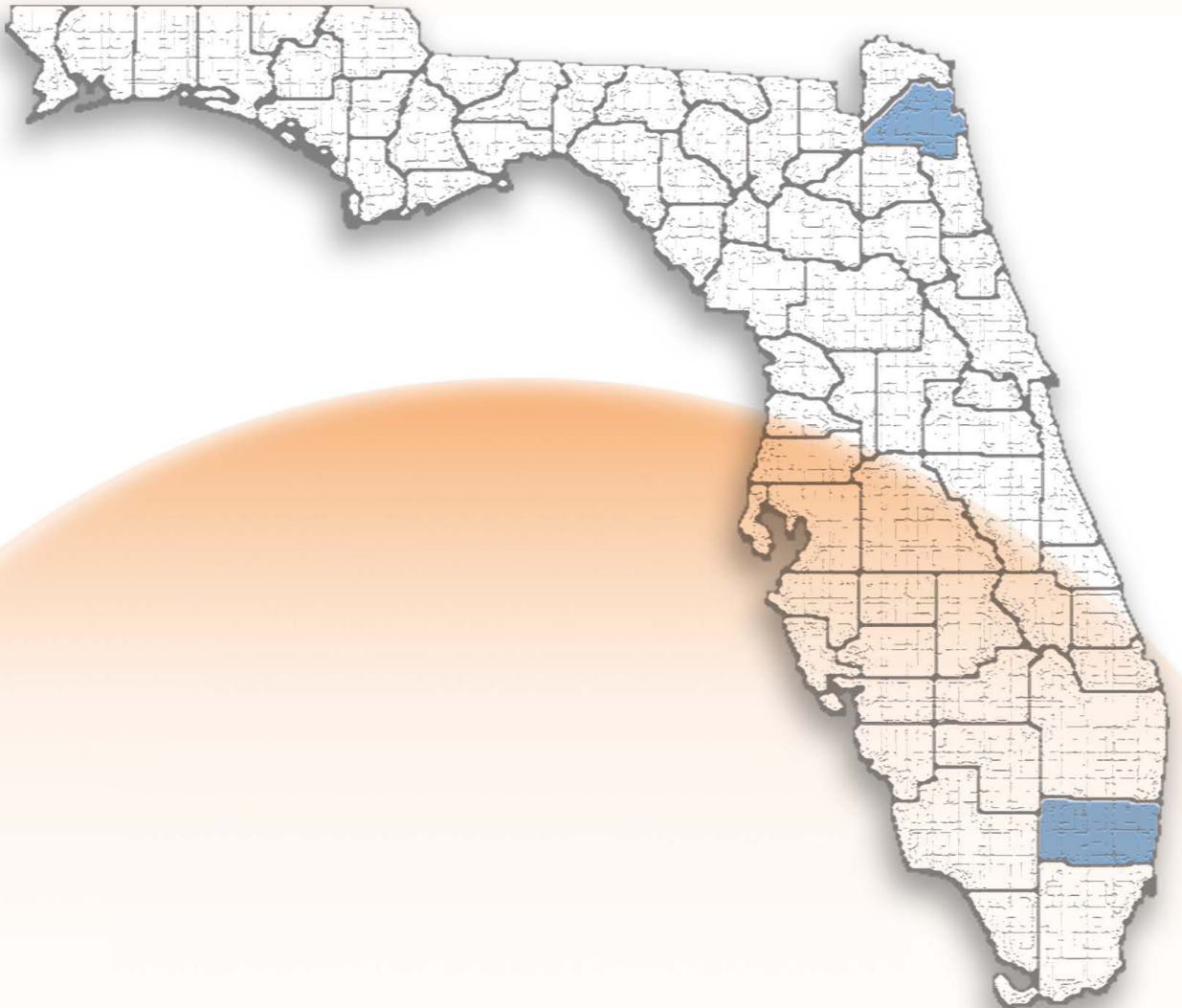


Evaluating Medicaid Reform in Florida



Medicaid Reform Health Plans and Networks

- As of July 1, 2006 -





MEDICAID REFORM

HEALTH PLANS AND NETWORKS

AS OF JULY 1, 2006

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SUMMARY REPORT ON THE MEDICAID REFORM MANAGED CARE ORGANIZATIONS

PREFACE

Florida's Medicaid Reform Initiative

Medicaid is the principal state and federal program that finances the health and medical care of low-income families, the elderly, and people with disabilities who meet eligibility requirements, do not have health insurance and otherwise cannot pay for their health care. Florida's Medicaid program, implemented on January 1, 1970, was modeled after the healthcare financing and delivery of the private sector at that time. Medicaid has grown to become the single largest healthcare program in the United States. In Fiscal Year (FY) 2004, Medicaid served 41 million people in the U.S., with expenditures of \$288 billion.¹ In Florida FY 2004, Medicaid served 2.1 million people, with expenditures of approximately \$13 billion.² Medicaid has remained largely unchanged since it was created almost four decades ago. Not only is the healthcare market in which it operates completely different, but the needs of the population it serves are constantly evolving as well. Florida Medicaid offers more than 47 different service types in its benefit package through 91 separate contract organizations and almost 70,000 participating providers and operates within the parameters of 20 different federal waivers.³

As a state, Florida has a significant history of making changes to its Medicaid program. The changes have varied in their scope, intensity, and results, including the degree to which those results are fully documented and understood. Some have been described in detail,⁴ others are ongoing, and some have effectively been forgotten. But each of these prior initiatives had its origin in an idea or cluster of ideas about how Medicaid might be improved. That is certainly the case in Florida's current Medicaid Reform initiative.

On May 6, 2005, the Florida Legislature authorized Medicaid Reform in Senate Bill 838. In accordance with Senate Bill 838, Florida's Agency for Health Care Administration (AHCA) formally submitted an application for an 1115 Research and Demonstration Waiver to the U.S. Department of Health and Human Service's Centers for Medicare and Medicaid Services (CMS) on October 3, 2005. That application was approved by CMS on October 19, 2005. On December 8, 2005, the Florida legislature passed legislation (House Bill 3B) to authorize the design and implementation of the reforms described in the Waiver Application.⁵

Effective July 1, 2006, AHCA began implementing Medicaid Reform in Broward and Duval Counties. Broward County is located in the southeast section of Florida and includes the city of Fort Lauderdale. Duval County is located in the northeast section of Florida and includes the city of Jacksonville. At the end of the first year of implementation Medicaid Reform will be extended to Nassau, Clay, and Baker Counties, all of which are somewhat more sparsely populated counties with extensive rural areas. All are in northeast Florida, adjacent to Duval County. The Reforms will then be phased in statewide, upon direction and approval by the State Legislature.

As envisioned by those responsible for designing and implementing the changes, Medicaid Reform will transform Florida's Medicaid program by empowering consumers to take control of their health care, providing more choices for consumers, and enhancing the health status of Medicaid enrollees through increased health literacy and incentives to engage in healthy behaviors. The expressed principles governing Medicaid Reform are:

- patient responsibility and empowerment,
- marketplace decisions,
- bridging public and private coverage, and
- sustainable growth rate.

Some of the elements of Medicaid Reform include a risk-based premium financing mechanism, customized benefit packages, an opt-out option, enhanced benefits accounts, and choice counseling.

Evaluating Medicaid Reform in Florida

It is critically important that any program change of this magnitude be independently evaluated. Such assessment will assist in achieving an understanding of the reform, including the challenges of program design and implementation, costs, quality, the impact on program enrollees, and the like. Indeed, federal approval of the Waiver includes a requirement for a comprehensive, independent evaluation. The evaluation is intended not only to provide information to assist the Florida Legislature as it considers possible expansion of Medicaid Reform but also to inform Medicaid programs in other states and other interested parties as they pursue their own reform initiatives.

To accomplish these goals, the health services research team at UF will gather data and complete a series of analyses. The research team will examine the evolution of Medicaid Reform, beginning with the earliest expressions of interest through the initial legislation, the Waiver application, the subsequent legislation, program design, and implementation. Many of the evaluation questions to be answered were included in Florida's "Application for 1115 Research and Demonstration Waiver" available at http://www.fdhc.state.fl.us/Medicaid/medicaid_reform/waiver/index.shtml.

The research team will pursue its analysis through inquiry in three major project areas: (1) organizational analyses; (2) fiscal analyses; and (3) quality of care, outcomes, and enrollee experience analyses. The organizational analyses will focus on the Reform implementation process, the Reform health plans, and the choice counseling organization. The fiscal analyses will assess pre and post reform Medicaid utilization and expenditures for both Reform and non-Reform plans. The quality of care, outcomes, and enrollee experience analyses will measure the changes to the enrollee experience and health status. In addition to the three major project areas, the research team has also determined that an analysis of the impact of the Low-Income Pool provisions, the new financing mechanism that provides reimbursement for the provision of services to the uninsured and underinsured, is critical to the evaluation project.

This report summarizes information from a comparative organizational analysis of Florida health plans and health plans that are participating in Medicaid Reform in Broward and Duval Counties.

INTRODUCTION

Medicaid Reform seeks to empower enrollees, create flexibility for plans and providers, and facilitate effective program management. One of the key principles through which Medicaid Reform will achieve its goals is “marketplace decisions.” Through the creation of a competitive marketplace among health plans, the state will cease to function as a centralized broker of healthcare services and become a purchaser of healthcare services that focus on high quality and efficiency.⁶ Reform health plans have the flexibility to develop and offer specialized benefit packages to foster competition. The state is contracting with several managed care Reform health plans to provide services in the Reform counties. The managed care plans include Health Maintenance Organizations (HMOs) and Provider Service Networks (PSNs). Medicaid HMOs are fully capitated entities licensed under Chapter 641 of the Florida Statutes. In 1997, AHCA was authorized to establish a Medicaid PSN, paid on a FFS basis, through which a provider organization or network of organizations provides medical care and assumes the insurance functions of a defined population.⁷ In this report, “health plan” and “managed care plan” include both HMO (capitated) and PSN (fee for service) entities. Appendix 1 of the Waiver Application describes HMOs and PSNs in detail.⁶

The report includes (1) a list of all Florida HMOs, (2) an organizational assessment of the Reform health plans in Broward and Duval Counties to date, and (3) an overview of Medicaid enrollment data in Broward and Duval Counties.

This report was researched and prepared during the period of March to July, 2006. It is based exclusively on information that was publicly available at that time, such as information from health plan websites and from AHCA data reports on health plans (e.g., 2005 HMO Report Card, June 2006 Florida Medicaid HMO Enrollment Report) and MediPass (e.g., June 2006 PSN Enrollment Report). As a consequence, the information provided regarding the health plans varies somewhat. The "Medicaid Reform Health Plans" described in this report include those plans and networks whose contracts with ACHA had an effective date of July 1, 2006. Some additional plans have begun participating since that time.

Future reports will include additional data on the plans and networks included in this report and those plans that become operational as Reform plans after July 1, 2006. Future reports will also draw upon new publicly available data and reports (e.g., ACHA Medicaid Reform reports) and information gathered from health plan applications, in-person interviews, and other sources. A consistent format for the provision of information regarding each participating plan will evolve.

Research Methods

Through a combination of quantitative and qualitative study designs, the organizational analyses will address a broad range of organizational and policy issues raised by the Reform process. For this particular report, data were collected from the following data sources: the official websites of each managed care organization selected as a Reform plan; Medicaid HMO enrollment reports; and each of the Reform plan applications submitted to AHCA. A complete list of references is included at the end of the report.

Future Reports

Following in-depth interviews with health plan leaders and analysis of Reform plan benefit packages, this report will be augmented by an additional report that will assess the reasons for Reform plan participation; compare pre and post Reform benefit packages, analyze the development of specialty plans and Reform plan performance, and provide a more in-depth profile of Reform health plans.

FLORIDA HEALTH PLANS

HMOs

According to the March 2005 HMO Report,⁸ 31 plans operated in the state, serving 3.9 million enrollees. The largest plans in terms of members are Aetna Health, Inc.; Health Options, Inc.; and United Health Care of Florida, Inc. Each has 14.4%, 12.6%, and 12.0% of the state total enrollment respectively. (Table 1). Florida Medicaid began its managed care program in 1982. As of March 2005, 11 HMOs served 761,261 Medicaid beneficiaries in 33 counties.⁹ The biggest Medicaid HMO plans are HealthEase of Florida, Inc.; WellCare HMO, Inc.; and Amerigroup of Florida, Inc., with each having 27%, 24%, and 20% of the state Medicaid HMO enrollment respectively.

PSNs, MPNs, Other

Prior reforms to Florida Medicaid have included the development of PSNs, Minority Physician Networks (MPNs), and a Pediatric Emergency Room Diversion project. As of March 2006, the PSN (South Florida Community Care Network), MPNs (PhyTrust, Florida NetPASS) and the Pediatric Emergency Room Diversion project (Pediatric Associates) served 176,650 Medicaid beneficiaries. (Table 1).

Table 1: Florida Health Plans—Sorted by Percent State Total Enrollment

	Medicaid Enrollment	Percent State Medicaid Enrollment	Total Enrollment (State)	Percent State Total Enrollment
HMO Plans				
Aetna Health, Inc.	0	0.0%	557,674	14.4%
Health Options, Inc.	0	0.0%	490,078	12.6%
United Healthcare of Florida, Inc.	63,512	8.0%	465,862	12.0%
Humana Medical Plan, Inc.	55,538	7.0%	453,467	11.7%
WellCare HMO, Inc.	186,185	23.5%	299,218	7.7%
HealthEase of Florida, Inc.	216,072	27.3%	228,810	5.9%
Vista Health Plan, Inc.	27,789	3.5%	228,734	5.9%
Amerigroup of Florida, Inc.	160,849	20.3%	219,131	5.6%
AvMed, Inc.	0	0.0%	193,051	5.0%
Neighborhood Health Partnership, Inc.	0	0.0%	174,166	4.5%
Capital Health Plan, Inc.	0	0.0%	112,639	2.9%
Cigna HealthCare of Florida, Inc.	0	0.0%	76,579	2.0%
Vista Health Plan of South Florida, Inc.	14,121	1.8%	71,318	1.8%
Florida Health Care Plan, Inc.	0	0.0%	65,031	1.7%
Preferred Medical Plan, Inc.	16,011	2.0%	56,026	1.4%
Care Plus Health Plan, Inc.	50,243	6.4%	50,243	1.3%
Health First Health Plan, Inc.	0	0.0%	49,715	1.3%
Public Health Trust of Dade County	14,126	1.7%	26,398	0.7%
America's Health Choice Medical Plan	79	0.0%	15,938	0.4%
Total Health Choice, Inc.	0	0.0%	13,948	0.4%
Citrus Health Plan, Inc.	8,160	1.0%	9,565	0.2%
Universal Health Care, Inc.	92	0.0%	8,538	0.2%
Preferred Care Partners, Inc.	0	0.0%	7,276	0.2%
Quality Health Plans, Inc.	0	0.0%	5,049	0.1%

	Medicaid Enrollment	Percent State Medicaid Enrollment	Total Enrollment (State)	Percent State Total Enrollment
HMO Plans				
Healthy Palm Beaches, Inc.	5,055	0.6%	5,055	0.1%
Great West Healthcare of Florida, Inc.	0	0.0%	1,401	0.0%
Doctorcare, Inc.	0	0.0%	212	0.0%
Freedom Health, Inc.	0	0.0%	0	0.0%
Leon Medical Centers Health Plan, Inc.	0	0.0%	0	0.0%
Medical Healthcare Plans, Inc.	0	0.0%	0	0.0%
Optimum Health Plan, Inc.	0	0.0%	0	0.0%
TOTAL HMO PLANS (March 05)	791,006		3,885,122	
Other Plans				
PSNs				
South Florida Community Care Network	17,772			
MPNs				
PhyTrust (Access)	82,055			
NetPASS	57,587			
Pediatric Associates	19,236			
TOTAL OTHER PLANS (May 06)	176,650			

Florida Office of Insurance Regulation, Life and Health Financial Oversight, Managed Care. Enrollment Data for Florida HMOs, March 2005
Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report, May 2006.

MEDICAID REFORM HEALTH PLANS

Medicaid Reform Health Plan Application and Review Process

AHCA developed a standardized application that was used by all health plans interested in Reform. The application review process included four major steps: (1) organizational review—review of the health plan’s business plan, licenses, background checks, experience, and financial status; (2) comprehensive desk review—assessment of the health plan’s provider network policies and procedures, credentialing procedures, independent peer review, marketing, enrollment and enrollment reporting procedures, and other operational standards and procedures; (3) benefit package review—test for actuarial equivalence and benefit sufficiency; and (4) on-site review—AHCA officials formally visit the health plan to ensure that each health plan is capable of effectively meeting the needs of the enrollees.

As of February 15, 2006, 15 plans had submitted letters of intent to participate in Medicaid Reform. As of July 1, 2006, AHCA signed contracts with 12 plans as the initial set of Medicaid Reform plans in Broward and Duval Counties. Additional plans will be added as contracts are signed. Table 1b shows the plans that submitted letters of intent and those that officially signed contracts before July 1, 2006.

Table 1b: Medicaid Reform Health Plans and Networks

Plan/Network Name	Plan Type	County Served		Target Population				Letter of Intent as of February 15, 2006	Reform Application Received as of June 30, 2006	Signed Contract July 1, 2006	
		Broward	Duval	TANF	SSI	CMS	HIV/AIDS			Broward	Duval
Amerigroup Community Care	HMO	X		X	X		X	X	X	X	
Archways	PSN	X		X	X		X				
Buena Vista	HMO	X	X	X	X			X	X	X	
Child Guidance Center Inc.	PSN		X	X	X		X				
Children's Medical Services	PSN	X	X	X	X	X	X	X	X		
Evercare	HMO	X			X		X				
Florida NetPASS	PSN	X	X	X	X	X	X	X	X	X	
HealthEase	HMO	X	X	X	X	X	X	X	X	X	X
Henderson Mental Health Center	PSN	X		X	X		X				
Humana Medical Plan	HMO	X		X	X		X	X	X	X	
JMH Health Plan	HMO	X		X	X	X	X				
Pediatric Associates	PSN	X		X	X			X	X		
Phytrust d/b/a Access Health Solutions	PSN	X	X	X	X		X	X	X		
Preferred Medical Plan	HMO	X		X	X		X	X	X	X	
Shands Jacksonville Medical Center dba First Coast Advantage	PSN		X	X	X		X	X	X		X
South Florida Community Care Network	PSN	X				X	X	X	X	X	
Staywell Health Plan	HMO	X	X	X	X		X	X	X	X	X
Total Health Choice	HMO	X		X	X		X	X	X	X	
United Health Care	HMO	X	X	X	X		X	X	X	X	X
Vista Health Plan of South Florida	HMO	X	X	X	X		X	X	X	X	

Agency for Health Care Administration. (June 29, 2006). Press Release. Agency for Health Care Administration announces new, expanded benefit packages for beneficiaries under Medicaid Reform.

Agency for Health Care Administration. (June 2006). Choice Counseling Brochure Broward and Duval Counties.

Agency for Health Care Administration. (February 2006) Health Plans Submitting Non-binding Letter of Intent to be a Reform Plan as of February 15, 2006.

In Broward County, 14 plans submitted letters of intent and 11 of had signed contracts with AHCA as Medicaid Reform plans by July 1, 2006. (Table 1b). Three plans including Children's Medical Services, Pediatric Associates, and Access Health Solutions had submitted letters of intent but did not sign contracts to become Medicaid Reform Plans effective July 1, 2006. All health plans that participated in Medicaid prior to reform in Broward County opted to participate in Medicaid Reform. (Table 2a). In Broward County, three new Medicaid plans opted to participate in Medicaid Reform. These include Staywell, Total Health Choice, Inc., and Vista Health Plan of South Florida, Inc. (Table 2a).

In Duval County, 9 plans submitted letters of intent and 4 had signed contracts with AHCA as Medicaid Reform plans by July 1, 2006. (Table 1b). Five plans including Buena Vista, Children's Medical Services, Florida NetPASS, Access Health Solutions and Vista Health Plan of South Florida had submitted letters of intent but did not have signed contracts by July 1, 2006. In Duval County, there were two Medicaid health plans prior to Reform (HealthEase and First Coat Advantage). As of July 21, 2006, there were five Medicaid Reform plans in Duval County with enrollment effective September 1, 2006. (Table 2b).

Table 2a: Health Plans and Networks—Broward County

	2005 Health Plan Enrollment Type				Medicaid Reform Contract on July 1, 2006
	Commercial	Medicare	Healthy Kids	Medicaid	
HMO Plans					
Aetna Health, Inc.	X				
America's Health Choice Medical Plan	X	X			
Amerigroup of Florida, Inc.	X		X	X	X
AvMed, Inc.	X	X			
Care Plus Health Plan, Inc.	X	X			
Cigna HealthCare of Florida, Inc.	X				
Great West Healthcare of Florida, Inc.	X				
Health Options, Inc.	X	X			
Healthease of Florida, Inc.				X	X
Humana Medical Plan, Inc.	X	X		X	X
Neighborhood Health Partnership, Inc.	X	X			
Preferred Care Partners, Inc.	X				
Preferred Medical Plan, Inc.	X			X	X
Public Health Trust/JMH Staywell	X				X
Total Health Choice, Inc.	X				X
United Healthcare of Florida, Inc.	X	X	X	X	X
Vista Health Plan of South Florida, Inc.	X	X			X
Vista Health Plan, Inc. (Buena Vista)	X	X	X	X	X
Well Care HMO, Inc.	X		X	X	
Networks (June 2006)					
Florida NetPASS				X	X
South Florida Community Care Network				X	X

Agency for Health Care Administration. State Center for Health Statistics. Florida HMO Report 2005.

Agency for Health Care Administration, MediPass/HMO/PSN Enrollment Report, June 2006

Agency for Health Care Administration. (June 2006). Choice Counseling Brochure Broward and Duval Counties.

Table 2b: Health Plans and Networks—Duval County

	2005 Health Plan Enrollment Type				Medicaid Reform Contract on July 1, 2006
	Commercial	Medicare	Healthy Kids	Medicaid	
HMO Plans					
Aetna Health, Inc.	X				
AvMed, Inc.	X				
Cigna HealthCare of Florida, Inc.	X				
Health Options, Inc.	X				
Healthease of Florida, Inc.			X	X	X
Humana Medical Plan, Inc.	X	X			
Staywell					X
United Healthcare of Florida, Inc.	X		X		X
Networks (June 2006)					
Shands Jacksonville Medical Center dba First Coast Advantage				X	X

Agency for Health Care Administration. State Center for Health Statistics. Florida HMO Report 2005.

Agency for Health Care Administration, MediPass/HMO/PSN Enrollment Report, June 2006

Agency for Health Care Administration. (June 2006). Choice Counseling Brochure Broward and Duval Counties.

Table 3 below, summarizes June 2006 Medicaid enrollment data for the 12 plans that will be the initial Reform health plans in Broward and Duval Counties. These plans collectively served 786,125 Medicaid enrollees statewide as of June 2006, with 80,191 in Broward and 40,721 in Duval Counties.

Table 3: Medicaid Reform Plans and Networks Enrollment Data June 2006

Plan Name	Plan Type	Medicaid Enrollees June 2006		
		Broward	Duval	State
Amerigroup of Florida, Inc.	HMO	9,530	—	148,424
Buena Vista (Vista)	HMO	8,018	—	28,309
First Coast (Shands)	PSN	—	—	—
FL NetPASS	PSN	6,510	—	57,600
HealthEase of Florida, Inc.	HMO	10,682	38,292	208,323
Humana Medical Plan, Inc.	HMO	15,663	—	50,111
Preferred Medical Plan, Inc.	HMO	2,134	—	15,821
Staywell	HMO	21,420	—	182,731
South Florida Community Care Network	PSN	7,453	—	18,077
Total Health Choice, Inc.	HMO	258	—	450
United Healthcare of Florida, Inc.	HMO	5,976	2,429	79,960
Vista Health Plan of South Florida, Inc.	HMO	—	—	14,396
Total		80,191	40,721	786,125

Agency for Health Care Administration, Bureau of Managed Care, Data Analysis Unit. Florida Medicaid HMO Enrollment Report, June 2006.

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report, June 2006.

Medicaid Reform Plan Description

A critical part of understanding how these organizations will function in and influence the new Medicaid Reform environment involves a complete organizational assessment including their organizational structure, history, mission, vision, and values. The following section describes the organizational attributes of the Medicaid Reform Plan Organizations as of July 1, 2006.

Plan Name: Amerigroup

Reform Plan Type: HMO

Reform Area: Broward

Florida License Date: 8/25/1994

Corporate Office Headquarters: Virginia Beach, Virginia

Florida Office Headquarters: Tampa, Florida

Source: Amerigroup Website

www.amerigroupcorp.com

Introduction

The Amerigroup Corporation, headquartered in Virginia Beach, Virginia, improves healthcare access and quality for low-income Americans by developing innovative managed health services for the public sector. Through its subsidiaries, Amerigroup serves more than 1.1 million people in New York, New Jersey, Maryland, the District of Columbia, Virginia, Georgia, Florida, Texas, Ohio, and Illinois. Amerigroup was founded in 1994 to respond to the growing need for private-sector partners in states managing healthcare programs for lower-income families and people with disabilities. Since its inception, Amerigroup has been a proven leader in meeting the states' objectives of providing accountability and improving access to healthcare while still controlling care costs. Today, Amerigroup is the largest publicly traded company focused exclusively on the healthcare needs of Medicaid recipients and the uninsured.

Mission

To operate a community-focused managed care company with an emphasis on the public-sector healthcare market. The company will coordinate its members' physical and behavioral health care by offering a continuum of education, access, care, and outcome, resulting in lower costs, improved quality, and better health status for Americans.

Plan Name: First Coast Advantage

Reform Plan Type: PSN

Reform Area: Duval

Florida License Date: 07/01/2004

Corporate Office Headquarters: Jacksonville, Florida

Florida Office Headquarters: Jacksonville, Florida

Source: Shands Jacksonville Website, First Coast Advantage Reform Health Plan Application
www.shandsjacksonville.org

Applicant's Experience in Providing Services

First Coast Advantage's sponsor, Shands Jacksonville Medical Center, has significant experience in integrated healthcare delivery systems. Past and current (pre-paid) risk-based managed care agreements include 14,000+ Medicaid beneficiaries, 10,000+ Medicare beneficiaries, and approximately 3,000 commercial members. Shands Jacksonville Medical Center also currently services an indigent population of about 8,000 members through an agreement with the City of Jacksonville. As a result, Shands Jacksonville Medical Center has developed core competencies and staff in functional areas such as medical management, disease management, claims administration, and provider contracting.

Mission

The mission at Shands Jacksonville is to heal, to comfort, and to educate. They dedicate their work to improving life through innovations in health care. Their commitment is to provide constant attention to the needs of their patients, community, and each other.

Vision

Their vision is to be Jacksonville's most valued community asset, eliminating healthcare needs as a concern of the population. They will achieve this vision by

- Delivering patient-centered care that exceeds expectations of patients and families,
- Providing unrivaled medical education and research, and
- Developing partnerships that join their work to the community.

Core Values

In striving to fulfill their mission, they will be guided by the enduring values of

- Excellence in each and every customer experience,
- Respect for the critical nature of their work,
- Compassion for humanity and one another, and
- Stewardship of the trust and privilege to serve.

Plan Name: Florida NetPASS

Reform Plan Type: PSN

Reform Areas: Duval, Broward

Florida License Date: 11/21/2000

Corporate Office Headquarters: Hallandale, Florida

Florida Office Headquarters: Hallandale, Florida

Source: Florida NetPASS Website

www.floridanetpass.com

Introduction

The Florida NetPASS was organized to bring together the administrative and operational capabilities of three of Florida's largest managed care organizations. Its Board of Directors is comprised of representatives from each of these organizations. Essentially, Florida NetPASS exists to provide medical management and administrative services to large payers and providers. Florida NetPASS stakeholders referred to the importance of information technology and managed care "tools" that would improve on the existing MediPass program. They also described how their ultimate MediPass program would be very different from the original concept, mostly due to the rules, requirements, and limitations of working within the Medicaid program.

Mission and Philosophy

The mission of Florida NetPASS is to implement new information-based care management approaches to help make improvements in both the cost and quality of care within Florida's MediPass program. Its philosophy is that physicians are the "solution, not the problem." Florida NetPASS believes in giving physicians information to manage the care of their beneficiaries and then "leaving them alone to do their job."

Plan Name: HealthEase

Wellcare of Florida, Inc.

Reform Plan Type: HMO

Reform Areas: Broward, Duval

Florida License Date: 6/28/1997

Corporate Office Headquarters: Tampa, Florida

Florida Office Headquarters: Tampa, Florida

Source: HealthEase Website, HealthEase Reform Health Plan Application
www.wellcare.com/HealthPlans/Florida/HealthEase/Home.aspx

Introduction

HealthEase is a health plan offered by WellCare Health Plans. WellCare and HealthEase focus on government-sponsored health plans such as Medicare, Medicaid, State Children's Health Insurance Programs (SCHIP), and others.

WellCare was founded in 1985. Its team of 2,000 associates, over 25,000 physician partners, and 47,000+ pharmacies serve nearly three quarters of a million members across the states of Connecticut, Georgia, Illinois, Indiana, Florida, Louisiana, and New York. The WellCare Group of Companies operates under the WellCare, StayWell, HealthEase, Harmony and PreferredOne brands. WellCare most recently launched national stand-alone Prescription Drug Plans under the Medicare Prescription Drug Plan. WellCare is committed to the sound principles of corporate governance. In furtherance of this commitment, WellCare has adopted and operates pursuant to the principles set forth in its corporate ethics and compliance program, the Trust Program.

According to WellCare, the HealthEase Medicaid Plan offers more features and more freedom, including:

- No co-pay ever,
- Large network of private doctors plus inpatient and outpatient hospitals,
- Maternity care, prenatal medical services, well-baby and well-child care,
- Unlimited generic prescription drugs and home delivery for non-prescription items
- More benefits like dental, vision and hearing care, and
- \$10 value for-over-the-counter health supplies, one time each month

Plan Name: Humana

Reform Plan Type: HMO

Reform Area: Broward

Florida License Date: 6/1/1987

Corporate Office Headquarters: Louisville, Kentucky

Florida Office Headquarters: Miramar, Florida

Source: Humana Website, Humana Reform Health Plan Application
www.humana.com

Introduction

Humana Inc., headquartered in Louisville, Kentucky, is one of the nation's largest publicly traded health benefits companies, with approximately nine million medical members. Humana offers coordinated health insurance coverage and related services to employer groups, government-sponsored plans, and individuals. Humana maintains a government segment consisting of members enrolled in government-sponsored programs and includes three lines of business: Medicare Advantage, TRICARE, and Medicaid. Humana also provides "one-stop" shopping for a complete benefits package. Their specialty products—dental, life, and disability insurance—complement their core health offerings. Humana provides health benefits and related services to companies ranging from two to tens of thousands of employees.

Health Insurance Coverage and Related Services

- Consumer-driven health plans
- Administrative services products
- Health maintenance organizations
- Preferred provider organizations
- Government-sponsored plans
- Products for individuals

Humana's Financial Statistics (as of 12/31/05)

- Fortune 200 company with annual revenues of approximately \$14.4 billion
- Total assets of \$6.9 billion
- Net income for 2005 of \$308 million rose 10% over net income for 2004
- Investment grade credit ranking by Moody's, Standard & Poor's, and Fitch Ratings
- Medical membership of approximately nine million as of January 1, 2006.

Plan Name: Preferred Medical Plan

Reform Plan Type: HMO

Reform Area: Broward

Florida License Date: 10/4/1972

Corporate Office Headquarters: Tallahassee, Florida

Florida Office Headquarters: Coral Gables, Florida

Source: Preferred Medical Plan Website, Preferred Medical Plan Reform Health Plan Application
www.pmphmo.com

Introduction

Preferred Medical Plan (PMP) has the largest individual HMO membership in the state of Florida. In September 2002, Consumer Reports featured Preferred Medical Plan, Inc., in its report by stating that PMP “tops” the local list of the best individual policies and awarded PMP its highest coverage index for offering the most comprehensive set of benefits.

PMP was established on October 4, 1972, and is Florida’s oldest independently-owned managed care organization. Preferred was originally incorporated in the state of Florida under the name Greater Miami Health Care Center, Inc., a for-profit health care organization. For over 30 years, Preferred has been in the business of arranging healthcare services and goods for low-income working families and individuals. Historically, the company’s primary business has centered on arranging for the provision of healthcare goods and services to South Florida’s Medicaid clients and working families who do not receive employer-sponsored health benefits. Preferred offers these products as an HMO through its network of contracted physicians, institutional, and ancillary providers.

Plan Name: South Florida Community Care Network (SFCCN)

Reform Plan Type: PSN

Reform Area: Broward

Florida License Date: 03/25/1998

Corporate Office Headquarters: Miami, Florida

Florida Office Headquarters: Miami, Florida

Source: AHCA Website, South Florida Community Care Network Reform Health Plan Application
ahca.myflorida.com

Introduction

The South Florida Community Care Network (SFCCN) is a unique partnership of three large public healthcare systems in Miami-Dade and Broward counties: the Public Health Trust of Miami-Dade County, Memorial Healthcare System, and the North Broward Hospital District. In addition to the three public healthcare systems, the partnership also includes the University of Miami Miller School of Medicine.

The SFCCN has been the only Medicaid PSN until now and has managed Medicaid recipients in Miami-Dade and Broward County since 2000. In its first year of operation, SFCCN enrollment grew to over 24,000 enrollees.

The community providers contract directly with the PSN, while the hospitals and specialists ensure local communication. If Medicaid eligibility is lost, beneficiaries remain with the safety net providers. However, the continuity of care is maintained, due to continued access to their historical Medicaid providers—a key feature to hospital ownership of a PSN.

Administrative Structure

The annual allocation is estimated at six percent per year. Approximately 15 percent is maintained by SFCCN administration and 85 percent is passed to sub-network administration.

SFCCN Responsibilities

- Overall administration
- Liaison with AHCA
- Member services
- Quality oversight

Sub network Responsibilities

- Network administration
- Claims administration
- Provider contracting/relations
- Quality review/studies
- Disease management
- Medical management/utilization review

Accountability for Quality

The PSN's Quality Improvement Program monitors additional outcomes and measures. Clinical performance, health outcomes, and administrative performance are measured.

Contractual Measures

- Emergency room usage
- Child health check-up
- Prenatal visit
- Cesarean sections
- Diabetic retinal exams
- Enrollee satisfaction survey
- Provider satisfaction survey
- Medical record review
- Childhood immunizations
- Cervical cancer screenings
- Low birth weight

SFCCN Initiated

- Pediatric preventive care
- Adult preventive care
- Access/availability of care/services
- Home health services audit
- Complaints and grievances
- Disease management—outcome reports
 - Diabetes
 - Asthma
 - HIV/AIDS
 - High-risk pregnancy

Plan Name: StayWell

Reform Plan Type: HMO

Reform Areas: Broward, Duval

Florida License Date: 05/17/1985

Corporate Office Headquarters: St. Paul, Minnesota

Florida Office Headquarters: Tampa, Florida

Source: StayWell Website

www.staywellhealthmanagement.com

Introduction

StayWell Health Management delivers comprehensive health management programs and services that help organizations maximize business results by improving employee health and productivity. Since 1978, StayWell Health Management has focused on the needs of large employers, and is a recognized leader in:

- Providing scientific evidence of program effectiveness,
- Providing evidence of an organization's return on investment (ROI), and
- Offering consumer-tailored solutions that employees can use at work, at home, or online.

Every day, millions of consumers seek comprehensive, reliable health information. To meet this growing demand, StayWell Health Management and its sister companies offer publications, educational materials, training programs, and web-based services that enable healthcare providers, hospitals, employers, managed care organizations, and the pharmaceutical industry to reach consumers at multiple touch points. According to StayWell, their materials are helping to improve the lives of over 50 million individuals each year.

Plan Name: Total Health Choice

Reform Plan Type: HMO

Reform Area: Broward

Florida License Date: 12/18/1997

Corporate Office Headquarters: Miami, Florida

Florida Office Headquarters: Miami, Florida

Source: Total Health Choice Website, Total Health Choice Reform Health Plan Application
www.totalhealthchoiceonline.com

Introduction

Total Health Choice, Inc. is a non-profit licensed HMO in the state of Florida. The organization was established in 1997 and is located in southeastern Florida with its headquarters in the Kendall area. Total Health Choice, Inc. provides HMO services to commercial, individual, and Medicaid members in Florida.

Total Health Choice is a wholly owned subsidiary of Total Health Care, Inc., of Michigan and was awarded its Certificate of Authority from the Florida Department of Financial Services. Additionally, the Plan achieved full, three-year accreditation from the state of Florida-recognized Accreditation Association for Ambulatory Health Care (AAHC) for the second time in 2001.

Total Health Choice's parent, Total Health Care, Inc., has served a vital role in the provision of managed care in Michigan for more than 25 years and is the second oldest HMO in the state. The organization was first incorporated in 1973 as one of the President's federally subsidized model neighborhood programs and received federal qualification as an HMO in 1982. Total Health Care, Inc., has a current membership in Michigan of 53,000 members.

Membership

The membership at Total Health Choice, Inc., is comprised of approximately 21,000 commercial members representing individuals, as well as small and large groups. Total Health Choice, Inc., offers a comprehensive healthcare delivery system that includes healthcare networks comprised of most area hospitals as well as specialty and primary care physicians within its service area of Miami-Dade, Broward and Palm Beach Counties. The healthcare services are delivered via the combination of Independent Physicians Associations and directly contracted groups of physician networks.

Total Health Choice, Inc., is managed by a professional and administrative services company and includes individuals with extensive experience in the field of managed care. Other staff provides the necessary oversight and services in the areas of quality improvement, utilization management, information services, marketing, membership services, credentialing, and provider relations.

Plan Name: UnitedHealthcare

Reform Plan Type: HMO

Reform Areas: Broward, Duval

Florida License Date: 3/06/1973

Corporate Office Headquarters: Minnetonka, Minnesota

Florida Office Headquarters: Maitland, Florida

Source: UnitedHealthcare Website, UnitedHealthcare Reform Health Plan Application
www.uhc.com

Introduction

Through its network-based offerings, UnitedHealthcare organizes, supports, and facilitates access to health and well-being services and information for individuals and small and mid-sized employer groups. UnitedHealthcare of Florida, Inc., was initially licensed in 1996 as a Florida Managed Care Organization. It is a wholly owned subsidiary of UnitedHealth Group, a national leader in healthcare management that has served users, purchasers, managers, and providers of health care since 1974.

History

According to UnitedHealthcare, their reputation of practical innovation and embracing technology fuels their reputation as a leader in the health care industry.

1984: UnitedHealthcare pioneered a “non-gatekeeper” model for health care with the introduction of Open Access.

1998: UnitedHealthcare introduced an improved method of gathering and evaluating clinically meaningful data. Clinical Profiles were developed to provide physicians with important information about current practice patterns in comparison to nationally accepted best practices in medicine. With the help of physician feedback, UnitedHealthcare is continually improving their reporting system and expanding the program to include more specialties and screenings.

1999: Care Coordination was introduced, focusing on improving the health of individuals by offering education, accelerated access to care, coordination of services, measurement of outcomes, and careful monitoring of individuals who have chronic and/or complicated medical conditions. Care Coordination is now an entire system of proactive programs and services that identify and fill the gaps in care that occur when a patient’s healthcare needs are not being met. UnitedHealthcare is playing a significant role in managing costs by proactively supporting the small percentage of people who consume the most health care.

2004: United HealthCare acquired Golden Rule Health Plans, the premier Health Savings Account organization. Health Savings Accounts are offered to individuals through Golden Rule Health Plans and to groups through UnitedHealthcare’s Plan.

UnitedHealth Group's Reputation and Recognition

Through its family of businesses, UnitedHealth Group provides a diverse and comprehensive array of services designed to advance improved health and well-being. *Fortune Magazine* (April 14, 2003) ranked UnitedHealth Group No. 63 in the 2003 rankings of the 500 largest U.S. corporations based on 2002 revenues. *Forbes* (January 2003) included UnitedHealthcare Group on its 2003 list of the 400 best companies in America, based on long-and-short-term growth, return on capital, and other performance measures. *Computerworld Magazine* (May 6, 2002) listed United Health Group on its annual list of the 100 Best Places to Work in IT for the ninth consecutive year.

Plan Name: Vista Health Plan South Florida

Vista Health Plan, Inc. d/b/a Buena Vista

Reform Plan Type: HMO

Reform Areas: Broward, Duval

Florida License Date: 2/28/1995

Corporate Office Location: Hollywood, Florida

Florida Office Location: Sunrise, Florida

Source: Vista Health Plan Website

www.vistahealthplan.com

Introduction

Vista Health Plan of South Florida is a division of Vista Health Plan, Inc., one of the largest managed care organizations in Florida. Vista of South Florida ensures the delivery of health plan coverage to approximately 110,000 members in the South Florida service area. In total, the combined membership of the Vista Health Plan divisions nears 400,000. Vista Health Plan of South Florida received in 2004 a three-year accreditation from the Accreditation Association Ambulatory Health Care (AAAHC). Vista company revenues exceeded \$1 billion in 2005 and membership neared 300,000. Vista's extensive network of more than 5,000 participating physicians and hospitals is one of the largest in South Florida. For North Florida, more than 1,500 participating physicians and 16 hospitals deliver healthcare services to 50,000 plan members.

Through its affiliated companies, Vista provides health benefit plans that deliver the best total value for customers, including *Buena Vista*. Employers and individuals have many affordable plans and products to choose from including Health Maintenance Organizations, Point of Service Plans, Preferred Provider Organizations, Medicare, Medicaid, Florida Healthy Kids, and Vista's individual health benefit plans. In addition, Vista offers consumer-driven health plans providing members with more choice, flexibility and control over their healthcare decisions.

Mission Statement

Vista will be the health benefits company of choice, providing the value and service we want for our own families.

MEDICAID REFORM COUNTIES

Medicaid Enrollment in Reform Counties: Broward and Duval

As shown in Table 4, in June 2006, Broward County had approximately 176,000 Medicaid recipients, down from 218,130 in January 2005 (a 19.4 percent decrease). Fifty-eight percent of Broward's Medicaid beneficiaries were in Medicaid HMOs and six percent in PSNs, up from 48 percent in January 2005. In June 2006, Duval County had approximately 109,923 Medicaid recipients, a nine percent increase from January 2005. Fifty percent of Duval's Medicaid beneficiaries were in Medicaid HMOs in June 2006 compared to 53 percent in January 2005. There were no Medicaid beneficiaries in a PSN in January 2005 or June 2006.

Table 5 shows the enrollment trends for all Medicaid Reform plans by eligibility category for June 2006 and January 2006 in Broward County. The largest Medicaid plans are Staywell, Humana, and HealthEase.

Table 6 shows the enrollment trends for all Medicaid Reform plans by eligibility category for June 2006 and January 2006 in Duval County. The largest Medicaid plans are HealthEase and United Healthcare.

Table 4: Medicaid Enrollment Trends (January 2005, January 2006, June 2006)

Medicaid Recipients	January 2005 Medicaid Enrollment		January 2006 Medicaid Enrollment		June 2006 Medicaid Enrollment	
	Total #	Percent Enrolled (State)	Total #	Percent Enrolled (State)	Total #	Percent Enrolled (State)
Medicaid Recipients: Broward	218,130		182,728		175,916	
Total Medicaid HMO	71,860	47.9%	75,824	57.0%	73,888	58.2%
Total MediPass	71,728	47.8%	51,092	38.4%	45,734	36.0%
Total PSN	6,576	4.4%	6,108	4.6%	7,453	5.9%
Medicaid Recipients: Duval	100,731		109,779		109,923	
Total Medicaid HMO	40,318	52.9%	42,020	49.0%	40,721	49.9%
Total MediPass	35,835	47.1%	40,345	51.0%	40,709	50.0%
Total PSN	0	0.0%	0	0.0%	0	0.0%
Medicaid Recipients: State	2,102,085		2,149,629		2,116,833	
Total Medicaid HMO	763,592	50.7%	781,971	51.0%	764,995	51.5%
Total MediPass	725,179	48.1%	723,879	48.0%	702,856	47.3%
Total PSN	18,948	1.3%	17,330	1.0%	18,077	1.2%

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report January 2005.

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report January 2006.

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report June 2006.

Table 5: Medicaid Reform Plans Enrollment Trends—Broward (January 2006, June 2006)

Plan Name	January 2006 Medicaid Enrollment				June 2006 Medicaid Enrollment			
	TANF	SSI	Other	Total	TANF	SSI	Other	Total
HMO								
Amerigroup	8,745	1,348	0	10,093	8,175	1,355	0	9,530
Healthese	9,763	1,113	0	10,876	9,502	1,180	0	10,682
Humana	13,542	2,938	0	16,480	12,709	2,954	0	15,663
Preferred Medical Plan	1,915	442	0	2,357	1,650	484	0	2,134
Staywell	19,450	2,217	0	21,667	19,124	2,296	0	21,420
Total Health Choice	—	—	—	—	227	31	0	258
United Health Care	4,876	840	0	5,716	5,015	961	0	5,976
Vista Health Plan (Buena Vista)	7,656	771	0	8,427	7,211	807	0	8,018
Vista Health Plan of South Florida	—	—	—	—	—	—	—	—
PSN								
Florida NetPASS	5,283	1,734	0	7,017	4,818	1,692	0	6,510
South Florida Community Care Network	2,597	1,527	1,984	6,108	3,037	1,838	2,578	7,453

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report June 2006

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report January 2006

Agency for Health Care Administration. Bureau of Managed Care. Data Analysis Unit. Florida Medicaid HMO Enrollment Report June 2006.

Agency for Health Care Administration. Bureau of Managed Care. Data Analysis Unit. Florida Medicaid HMO Enrollment Report January 2006.

Table 6: Medicaid Reform Plans Enrollment Trends—Duval (January 2006, June 2006)

Plan Name	January 2006 Medicaid Enrollment				June 2006 Medicaid Enrollment			
	TANF	SSI	Other	Total	TANF	SSI	Other	Total
HMO								
Healthease	36,883	5,137	0	42,020	33,257	5,035	0	38,292
Staywell	0	0	0	0	0	0	0	0
United Healthcare	0	0	0	0	2,273	156	0	2,429
PSN								
First Coast (Shands)	0	0	0	0	0	0	0	0

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report June 2006

Agency for Health Care Administration. MediPass/HMO/PSN Enrollment Report January 2006

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