Evaluating Medicaid Reform in Florida

Florida Department of Health Monthly Medicaid Reform Conference Call

Paul Duncan

February 26, 2007

Tallahassee, FL
Florida Medicaid Reform Principles

• Patient responsibility and empowerment
• Marketplace decisions
• Bridging public and private coverage
• Sustainable growth rate
What’s New?

• More Choices for Beneficiaries
  - HMOs and PSNs
  - Customized benefit packages
  - Opt-out to employer-sponsored plans

• Choice Counseling

• Enhanced Benefit Accounts

• Risk-adjusted Rates

• Low-income Pool
Low Income Pool → Opt-Out (ESI) → Choice Counseling Process → Enhanced Benefit Accounts → In a Plan or Network → Customized Benefit Packages → Healthy Behaviors → Health Status; Racial Disparities; Clinical Outcomes → Disenrollment → Enrollee Experiences Satisfaction → Medicaid Expenditures

More Choices
- PSNs
- HMOs
- Special Plans
- ESI Opt-out

 Reform Program Elements

 Reform Program Results
# Florida Medicaid Reform Chronology

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tr>
<td>March 30, 2004</td>
<td>AHCA requests public comment on Governor Bush’s intention to seek CMS waiver to reform Medicaid.</td>
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<td>May 6, 2005</td>
<td>Florida Medicaid Reform authorized by Florida Legislature in SB 838</td>
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<td>October 3, 2005</td>
<td>Formal submission of Florida’s Medicaid Reform waiver application to CMS.</td>
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<td>October 19, 2005</td>
<td>US Department of HHS Secretary Michael O. Leavitt and Governor Bush announce federal approval of Florida’s Medicaid Reform plan.</td>
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<td>December 8, 2005</td>
<td>Florida Legislature passed required legislation.</td>
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<td>December 16, 2005</td>
<td>Governor Bush signs Medicaid Reform Legislation (HB 3B) into law.</td>
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<td>July 1, 2006</td>
<td>Medicaid Reform Implementation begins.</td>
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Evaluation

• UF contracted by AHCA to conduct five-year evaluation study

• The evaluation studies will examine whether or not Reform achieves its stated objectives including
  ▪ better health outcomes
  ▪ enrollee satisfaction
  ▪ predictability in cost

• Several additional projects and collaborations also initiated
Evaluating Medicaid Reform in Florida: MED027
UF Evaluation Team

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Technical Advisory Committee
Organizational Analyses

• Investigators: Christy Lemak, Ph.D. and Amy Yarbrough, Ph.D.
• Tell the Story of Reform
• Understand various “organizations” involved in Reform:
  ▪ Health plans and networks
  ▪ Choice Counseling organization
  ▪ Enhanced Benefits organization
  ▪ Opt-out organization
  ▪ The Agency and its collaborating contractors
  ▪ Other interested persons or organizations

Evaluating Medicaid Reform in Florida

AHCA FLORIDA MEDICAID

UNIVERSITY of FLORIDA
Quality of Care, Outcomes, and Enrollee Experience Analyses

• Investigator: Allyson Hall, Ph.D.
• Enrollee satisfaction
• Experience of care
  ▪ Choice counseling
  ▪ Health plan and health information
  ▪ Making choices
    ❖ Plan selection
    ❖ Enhanced benefits
    ❖ Opt-out
  ▪ Access and health care utilization
• Health status and health outcomes
Fiscal Analyses

- Investigator: Jeff Harman, Ph.D.
- Preliminary Research Questions
  - What is the difference in per member per month expenditures for enrollees in reform plans before and after implementation of Medicaid Reform?
  - What are the costs of implementing and administering the reforms?
  - How well do the risk adjustment methods perform (pharmacy vs. encounter data)?
  - Do the financial safeguards of catastrophic component provide proper incentives to managed care?
  - Does the opt-out option impact Medicaid expenditures?
  - Do enhanced benefit accounts impact Medicaid expenditures?
Low-Income Pool Analyses

- Investigator: Niccie McKay, Ph.D.

- Annual “pool” of $1 billion (funded through IGTs and matching federal funds)

- Objective of LIP: “to ensure continued government support for the provision of healthcare services to Medicaid, underinsured, and uninsured populations”

- LIP evaluation plan submitted to AHCA November 2006
  - Objective: to examine link between LIP-related payments and provision of services to Medicaid, underinsured, and uninsured populations (“how much”)
  - Period of analysis: “reform” SFY 06-07 thru 10-11 (waiver), “pre-reform” SFY 01-02 thru 05-06
MRE Companion Studies

• University of Oregon—Centers for Health System Change/RWJ
  - Impact of Incentivizing Healthy Behaviors for Medicaid Recipients

• Urban Institute—Henry J. Kaiser Family Foundation
  - Health care experiences under Reform-focus on SSI
Preliminary Research Findings
Organizational Analyses

- **Broward County**
  - 10 HMOs
  - 6 PSNs
  - 74,804 total enrollment

- **Duval County**
  - 4 HMOs
  - 2 PSNs
  - 50,206 total enrollment

Choice Counseling

• ACS call center statistics (7/24/06-1/31/07)
  ▪ 105,827 total calls received
  ▪ 27,001 total outbound calls
  ▪ 1,513 or 1.4% abandoned calls
  ▪ 6.5 minutes average talk time
  ▪ no blocked calls

Enhanced Benefits

• Credits
  ▪ 11,997 beneficiaries received credits
  ▪ Total Credit amount to date: $652,620.50

• As of January 29, 2007, over 290 beneficiaries have used their accounts.

• Credited amounts used $ 3,869.44

Benchmarking Survey

• CAHPS style survey of enrollees prior to Reform implementation
• Field work completed Fall 2006
• Benchmarks submitted to AHCA April 2007
Low-Income Pool

• AHCA received approval from CMS regarding eligibility for and distribution of LIP funds for SFY 06-07
• Disbursements somewhat delayed due to new paperwork requirements by CMS
• Disbursements for first quarter currently in process