



# *Florida Medicaid Reform*

***Thomas W. Arnold***  
***Deputy Secretary for Medicaid***

***Presented to the House Committee on***  
***Health Innovation***

***January 9, 2007***

## *Key Elements of Reform*

- Outreach Efforts.
- Choice Counseling.
- New Options / Choice:
  - Customized Plans.
  - Enhanced Benefits.
  - Opt-Out.
- Financing:
  - Premium Based.
  - Risk-Adjusted Premium.
  - Comprehensive and Catastrophic Component.
- Low Income Pool (LIP).

## *Reform Timeline ~ Year One*

- **May 2005:** Reform authorized by Florida Legislature in Senate Bill 838.
- **October 2005:** Waiver request submitted to and approved by the federal Centers for Medicare and Medicaid Services.
- **December 2005:** Waiver approved by the Legislature in House Bill 03B.
- **July 2006:** Choice counseling began for Duval and Broward Counties.
- **September 2006:** Enrollment began for Duval and Broward Counties.
- **December 2006:** First Quarterly Progress Report Filed with the Centers for Medicare and Medicaid Services and the Legislature.

## *Outreach to Plans, Providers, Beneficiaries and Advocates*

- Outreach
  - Prior to passage of reform, during development stage;
  - Prior to implementation of first phase;
  - Follow up after implementation of first phase;
  - Prior to implementation of second phase;
  - Ongoing.
- Targeted outreach to potential health care plans, Medicaid providers, beneficiaries, advocates, agencies and elected officials/community leaders.
- Training sessions held, specific to provider audiences such as MediPass Providers, Pharmacy Providers, Behavioral Health Providers, and other Specialty Providers.
- Articles Published in The Florida Medicaid Provider Bulletin.

## *Outreach to Plans, Providers, Beneficiaries and Advocates*

- Announcements of public meetings broadcast in the Florida Administrative Weekly and to an interested parties list.
- Collaborative effort with advocacy groups to provide materials/information to beneficiaries.
- Local Marketing/Outreach campaign activities conducted by Area Office staff and local marketing firm with brochures distributed at health fairs, public events, public transit sites, local businesses and local churches.
- Advertisements placed on buses, in local newspapers and with local radio spots.
- Reform Hotline and Medicaid Reform Website provided additional public access to information about Reform.
- Outreach workshops continue.

## *Choice Counseling*

- A free service to help beneficiaries understand their plan choices and make a choice that best fits their health care needs.
- Certified Choice Counselors.
  - Florida has the only certified program in the nation.
  - On-line 10 module course.
  - Comprehensive written exam.
  - Oral examination with live scenarios.
- 60 Certified Choice Counselors (44 call center, 16 field counselors).
  - The call center staff serve both Broward and Duval.
  - 10 field counselors in Broward.
  - 6 field counselors in Duval.

## *Choice Counseling*

### *Different Ways to Receive Help*

- Helpful Support Each Step of the Way:
  - By Phone.
    - Monday – Friday, 8:00am - 7:00pm.
    - Saturday, 9:00am – 1:00pm.
  - By mail.
    - Enrollments packets sent to Medicaid beneficiaries as they become eligible for Reform.
  - By Internet.
    - [www.flmedicaidreform.com](http://www.flmedicaidreform.com) (English, Spanish and Haitian - Creole)
  - In person, in the communities.
    - Offices located near residences of Medicaid beneficiaries.
    - Home visits available, if needed by the individual.

## *Call Center Statistics*

*(July 24 through December 18, 2006)*

- No blocked calls since Call Center began Choice Counseling
- Total Calls received 87,797
- Total outbound calls 22,144
- Total Calls abandoned 1,266
- Average call wait time 165.1 seconds
- Average talk time 7.1 minutes



## *Mandatory Population (Current Managed Care Eligibles)*

- Temporary Assistance for Needy Families (TANF).
- Temporary Assistance for Needy Families -Related Group: Low income single parent families.
- Aged and Disabled (not receiving Medicare).
- Specialty Populations:
  - Children with Chronic Conditions.
  - HIV / AIDS Patients (Capitated Plans).

## *Voluntary Population*

- Voluntary participation during the initial phase:
  - Foster care children / adoption subsidies.
  - Individuals diagnosed with developmental disabilities.
  - Pregnant women with incomes above the Temporary Assistance for Needy Families poverty level.
  - Individuals with Medicare coverage (dually eligible).

## *Excluded Population*

- Medically Needy population.
- Aliens receiving emergency assistance.
- Enrollees diagnosed with breast and cervical cancer.
- Individuals enrolled in the following programs:
  - Family Planning Waiver,
  - Hospice and Institutional Care,
  - Residential commitment programs / facilities operated through the Department of Juvenile Justice
  - Residential group care operated by the Family Safety & Preservation Program of the Department of Children and Families.
  - Certain Substance Abuse and Mental Health residential programs.

## *Total Reform Enrollment: Broward and Duval Counties*

➤ Transition period:

▪ September 1, 2006:	7,604
▪ October 1, 2006:	47,520
▪ November 1, 2006:	79,724
▪ December 1, 2006:	106,873
▪ January 1, 2007:	129,073

**Total: 129,073**

▪ Broward :	77,594
▪ Duval:	51,479

- Remaining population to be phased in through March, 2007.
- Enrollment of new eligibles continues from that point forward.

*Enrollment by Plan as of January 1<sup>st</sup>*

*Broward: 10 Health Maintenance Organizations + 5  
Provider Service Networks*

Health Maintenance Organizations	Enrollment
HealthEase	9,410
Humana Family	6,494
Preferred Medical Plan, Inc.	1,426
Staywell	14,901
Total Health Choice	862
United Health Care	3,284
Vista Healthplan of South Florida	1,690
Amerigroup Community Care	6,241
Buena Vista	4,012
Universal Health Plan: NOTE: Mandatory Enrollments beginning in February 2007	
<b>Broward Health Maintenance Organization enrollment Total as of Jan. 1<sup>st</sup></b>	<b>48,320</b>

Provider Service Networks	Enrollment
Florida NetPASS	5,173
South Florida Community Care Network	7,128
Access Health Solutions (PhyTrust)	4,511
Pediatric Associates	10,559
CMS	1,903
<b>Broward Provider Service Network Enrollment Total as of Jan. 1<sup>st</sup></b>	<b>29,274</b>

*Enrollment by Plan as of January 1<sup>st</sup>*  
*Duval: 4 Health Maintenance Organizations + 2  
 Provider Service Networks*

Health Maintenance Organizations	Enrollment
Staywell	1,489
United Healthcare	5,582
Healthease	23,050
Universal Health Plan: NOTE: Mandatory Enrollments beginning in February 2007	2
Duval Health Maintenance Organization Enrollment Total as of Jan. 1 <sup>st</sup>	30,123

Provider Service Networks	Enrollment
First Coast Advantage (Shands Jax)	14,270
Access Health Solutions (Phytrust)	7,086
Duval Provider Services Network Enrollment Total as of Jan. 1 <sup>st</sup>	21,356

## *Customized Plans*

- **Benefits for Medicaid Eligible Individuals:**
  - **Variety of plan choices.**
  - **Increased access to care.**
  - **Ability to select a plan that best meets their needs.**
    - **Must provide coverage of all mandatory services and all optional services required by plan enrollees.**
    - **May vary in scope, amount and duration of benefits.**
    - **May cover services not traditionally covered by Medicaid.**
- **All medically necessary services for children and pregnant women are provided.**

## *Customized Benefit Packages Plan Design Guidelines*

- Levels of amount, scope and duration flexibility:
  - Certain services must be provided at or above current coverage levels.
  - Other services must be provided to meet sufficiency standards for the population.
  - Remaining services must be offered, but amount, scope and duration are flexible.
- Reform plans have expanded certain services above current levels.
- Reform plans have added services not currently covered.



## *Customized Plans/ benefits*

- New or expanded services available to beneficiaries include:
  - Over-the-counter drug benefits from \$10-\$25 per household, per month.
  - Adult preventative dental services.
  - Circumcisions for newborns.
  - Acupuncture/ Medicinal Massage.
  - Additional Adult Vision services – up to \$125 per year for upgrades such as scratch resistant lenses.
  - Additional Hearing services – up to \$500 per year for upgrades to digital, canal hearing aids.
  - Home-delivered meals for a period of time after surgery, providing nutrition essential for proper recovery for elderly and disabled.

## *Enhanced Benefits*

- The goal of the Enhanced Benefits program is to promote self involvement in one's health care needs.
- To achieve this, participation in healthy behaviors that have positive outcomes and can improve one's health status will be rewarded.
- Rewards are in the form of credit dollars that may be used to purchase health related products and supplies.
- Beneficiaries may earn up to a maximum of \$125 per year in credit dollars.
- The current Medicaid ID card will be used to access the accounts and may be used at any Medicaid participating pharmacy.

## *Enhanced Benefits*

- Beneficiaries began earning credits September 1, 2006
- First healthy behaviors were reported by Plans October 10, 2006.
- First credits were posted to accounts November 1, 2006.
- Enhanced Benefits call center went live, November 1, 2006.
- First account statements sent to beneficiaries (who have reported approved healthy behaviors) November 6, 2006
- Over 11,000 beneficiaries have received credits, totaling \$333,132 in credit dollars, for healthy behaviors to date. (For healthy behaviors recorded by Plans through November 30, 2006, reported to the Agency by December 10, 2006.)
- Beneficiaries have made purchases with earned credits.

## *The Opt-Out Program*

- Employed Medicaid beneficiaries are offered the choice to opt-out of Medicaid and direct their premium paid by Medicaid to an employer-sponsored plan.
- If a beneficiary chooses to opt-out, the state pays up to the amount it would have paid a Medicaid Plan towards the employee's share of the premium.
- Families can combine premiums to purchase family coverage through their employer.
- This option helps bridge the gap to independence as Medicaid beneficiaries who work now have a new option for health insurance.

## *Premium Based*

- Changes to the premium calculation along with the risk adjustment process allow for more accurate allocation of funds.
- Plans that are paid fee-for-service are monitored against the capitated premium as a benchmark.
- The use of encounter data and full risk adjustment for premium calculation will be phased in over the next two to three years.

## *Risk Adjusted Rates*

- Risk Adjusted Rates:
  - A process to predict health care expenses based on chronic diagnoses.
  - Distributes capitation payments across health plans based on the health risk of the members enrolled in each health plan.
  - Captures adverse selection without using experience rating (health status, not health use).
  - Rate allocation, not rate setting.
- Risk Adjustment Process:
  - Better matches payment to risk.
  - Pay for the risk associated with each plan's enrolled population.

## *Risk Adjustment*

- Effective September 1, 2006, the Agency began risk adjusting plan premiums in accordance with Statute.
- Initially the Agency is using the Medicaid Rx model to risk adjust rates.
- Risk scores are run for each Medicaid beneficiary. These risk scores are updated every quarter using new pharmaceutical claims and encounter experiences.
- Higher variation across plan factors are more likely to occur with small numbers of enrollees (occurred in the first month of enrollment in Reform plans.)
- Variation across plan factors is expected to decrease as plan enrollment increases (occurred in second month of enrollment in Reform plans.)

## *Low Income Pool*

- Under Medicaid Reform, the Upper Payment Limit becomes the Low Income Pool.
- Low Income Pool Funding:
  - \$5 billion available over five year waiver period.
  - \$1 billion per year, for five years.
    - Roll over provision allows to exceed \$1 billion in a given year.
- A Low Income Pool Council was created, per statute, to advise the Agency, the Governor and the Legislature on funding methodology and allocation of the Low Income Pool funds.
  - The Council was appointed by the Secretary on May 26, 2006.



## *Reform Timeline ~ Year Two*

Authorized to expand into Baker, Clay, and Nassau Counties within 1 year after the Duval County program becomes operational.

- **October 2006:** Targeted Outreach to beneficiaries in Baker, Clay and Nassau Counties begins.
- **November 2006:** Letter sent to health plans inviting them to submit their (non-binding) letter of intent to the Agency to participate in Medicaid Reform expansion.
- **December 2006:** Application for Reform Plans in Baker, Clay and Nassau Counties available.

## *Reform Timeline ~ Year Two*

- February 2007: Brochures and Area Office Training Schedule flyers mailed to beneficiaries.
- May 2007: Second mailing of brochures and Area Office Training Schedule to beneficiaries.
- July 2007: Choice Counseling hotline available for beneficiaries in Baker, Clay and Nassau Counties.
- September 2007: Enrollment to begin in Baker, Clay and Nassau Counties.

## *Letters of Intent*

- Letter of Intent have been received for Baker, Clay and Nassau from the following:
  - Florida NetPass, LLC (PSN)
  - PhyTrust of Florida LLC, d/b/a Access Health Solutions (PSN)
  - Better Health, LLC (PSN)
  - United Healthcare of Florida, Inc. (HMO)
  - Wellcare of Florida Inc. d/b/a/ Staywell Health Plan of Florida (HMO)
  - HealthEase Health Plans of Florida, Inc. (HMO)
  - Citrus Health Plan (HMO)
  - USMD, LLC/ FLMD, LLC (PSN)
  - Universal Health Care, Inc. (HMO)
  - Children's Medical Services (Specialty PSN)

*Questions?*