Florida Medicaid Reform

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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 1st

Broward: 10 Health Maintenance Organizations + 5 Provider Service Networks

<table>
<thead>
<tr>
<th>Health Maintenance Organizations</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HealthEase</td>
<td>9,410</td>
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<tr>
<td>Humana Family</td>
<td>6,494</td>
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<tr>
<td>Preferred Medical Plan, Inc.</td>
<td>1,426</td>
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<tr>
<td>Staywell</td>
<td>14,901</td>
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<tr>
<td>Total Health Choice</td>
<td>862</td>
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<tr>
<td>United Health Care</td>
<td>3,284</td>
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<tr>
<td>Vista Healthplan of South Florida</td>
<td>1,690</td>
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<tr>
<td>Amerigroup Community Care</td>
<td>6,241</td>
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<tr>
<td>Buena Vista</td>
<td>4,012</td>
</tr>
<tr>
<td>Universal Health Plan: NOTE: Mandatory Enrollments beginning in February 2007</td>
<td></td>
</tr>
<tr>
<td>Broward Health Maintenance Organization enrollment Total as of Jan. 1st</td>
<td>48,320</td>
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<thead>
<tr>
<th>Provider Service Networks</th>
<th>Enrollment</th>
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<tbody>
<tr>
<td>Florida NetPASS</td>
<td>5,173</td>
</tr>
<tr>
<td>South Florida Community Care Network</td>
<td>7,128</td>
</tr>
<tr>
<td>Access Health Solutions (PhyTrust)</td>
<td>4,511</td>
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<tr>
<td>Pediatric Associates</td>
<td>10,559</td>
</tr>
<tr>
<td>CMS</td>
<td>1,903</td>
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| Broward Provider Service Network Enrollment Total as of Jan. 1st | 29,274   |
### Enrollment by Plan as of January 1st

#### Duval: 4 Health Maintenance Organizations + 2 Provider Service Networks

<table>
<thead>
<tr>
<th>Health Maintenance Organizations</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Staywell</td>
<td>1,489</td>
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<tr>
<td>United Healthcare</td>
<td>5,582</td>
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<tr>
<td>Healthease</td>
<td>23,050</td>
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<td>Universal Health Plan: NOTE: Mandatory Enrollments beginning in February 2007</td>
<td>2</td>
</tr>
<tr>
<td>Duval Health Maintenance Organization Enrollment Total as of Jan. 1st</td>
<td>30,123</td>
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<table>
<thead>
<tr>
<th>Provider Service Networks</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Coast Advantage (Shands Jax)</td>
<td>14,270</td>
</tr>
<tr>
<td>Access Health Solutions (Phytrust)</td>
<td>7,086</td>
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<tr>
<td>Duval Provider Services Network Enrollment Total as of Jan. 1st</td>
<td>21,356</td>
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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.
- 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:
- 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?