Evaluating Medicaid Reform in Florida

Public Policy Forum

Institute for Public Policy & Leadership

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Sarasota, 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
Medicaid Reform in Florida - Key Reform Elements & Results

Reform Program Elements

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

Choice Counseling Process → In a Plan or Network → Customized Benefit Packages → Enhanced Benefit Accounts → Opt-Out (ESI)

Reform Program Results

- Enrollee Experiences Satisfaction
- Disenrollment
- Healthy Behaviors
- Health Status; Racial Disparities; Clinical Outcomes
- Utilization
- Medicaid Expenditures
  - $$
  - $$
  - $$

Low Income Pool → Access for Uninsured
<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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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
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 the catastrophic component provide proper incentives to manage 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 through 05-06
MRE Companion Studies

- University of Oregon—Centers for Health System Change/RWJ
  - Impact of incentivizing healthy behaviors for Medicaid recipients
  - Focus groups and telephone survey
  - Analysis currently underway

- Urban Institute—Henry J. Kaiser Family Foundation
  - Health care experiences under Reform -- focus on SSI
  - Telephone survey of 1850 enrollees
  - Analysis currently underway
Organizational Analyses

- **Broward County**
  - 10 HMOs
  - 6 PSNs
  - 101,115 total enrollment

- **Duval County**
  - 4 HMOs
  - 2 PSNs
  - 64,559 total enrollment

Choice Counseling

• ACS call center statistics (7/24/06-2/28/07)
  ▪ 119,053 total calls received
  ▪ 29,482 total outbound calls
  ▪ 1,581 or 1.33% abandoned calls
  ▪ 6.3 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 5467 Duval and Broward County enrollees prior to Reform implementation
- Field work completed Fall 2006
- County level 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
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