Florida Medicaid Managed Care Reforms

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Allyson Hall, PhD
Associate Professor
University of Florida
College of Public Health and Health Professions
Florida Medicaid “Reform” Initiatives

- **1997 Provider Service Networks**
  - Designed to support safety net hospitals
  - Authorized up to 4; Only 1 implemented

- **2001 Minority Physician Networks**
  - Required physician ownership and majority members of racial and ethnic minorities (2 implemented)

- **2005 Major Reform of FL Medicaid**
  - PSNs key to expanding options for beneficiaries
Definition:

“an organized health system operated by health care providers offering integrated systems of care to Medicaid recipients”

- 1 PSN (formed by 3 large safety net systems, operating in 2 counties)
MPNs

- New approaches to better manage access and utilization
- Physician-owned and operated organizations with Medicaid/Medicare managed care experience
- At least one pilot be a predominately minority physician network
- FFS with shared savings
- Budget neutral
- 2 organizations formed (operated in 9 counties)
Why PSNs and MPNs?

- Support safety net hospitals
  - “They are our patients anyway”
- Tighter management and financial controls (compared to PCCM)
  - Without mandating “dreaded HMOs”
- Popularity of public-private partnerships and “outsourcing” concept
  - Smaller government
Different Organizations

**MPN A**
Medical Service Organization (MSO)
Develops and manages physician networks
Minority focus

**MPN B**
Administrative Services Organization (ASO)
Provides medical management and administrative services ("back office" support) to payers

**PSN**
3 large safety net hospitals and affiliated physicians
Some experience with insurance functions in provider HMO
Full continuum of care
Impact on Use and Expenditure (Feb 2002-Feb 2003)

- The three demonstration programs reduced utilization overall

- However, only the MPN A was less expensive than MediPass
### Adjusted Expenditures ($$)

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<tr>
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<th>PCCM</th>
<th>MPN B</th>
<th>MPN A</th>
<th>PSN</th>
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<tbody>
<tr>
<td>Adjusted Mean Dollar Expenditure per Enrollee Paid Claims 2-Part Model</td>
<td>$245.45</td>
<td>$240.50</td>
<td>$246.97</td>
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Patient Satisfaction Results

- Essentially no differences among plans for beneficiary satisfaction (CAHPS surveys).
Physicians Like the Programs

- Monthly reports permit increased monitoring of medications and patient contact with other providers
- Identify patients PCPs have never seen
- Aware of where he/she stands relative to peers
- Providers like the monetary incentives (MPN A)
- Contact person who can interface with AHCA
- Supports small practices and foreign trained doctors
Implications for Policy

- PSNs part of legislation for major Reform initiative of 2005
- Reform pilots includes several PSNs (and MPNs)
- Seen as alternative to HMOs and way to learn about managed care (but will eventually be capitated)
FL Medicaid Reform: 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)

Low Income Pool

Reform Program Results

Enrollee Experiences Satisfaction

Disenrollment

Healthy Behaviors

Health Status; Racial Disparities; Clinical Outcomes

Utilization

Medicaid Expenditures

$$_$$

Access for Uninsured

More Choices

Utilization

$$_$$

$$_$$

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A Few Tidbits: Organizational Analysis

Competition

- Broward – 10 HMOs; 6 PSNs
- Duval 4 HMOs; 2 PSNs
- Variety of ownership arrangements, organizational missions, enrollment size
- Level playing field?
- Information to consumers

Implementation

- Communication is key
A Few Tidbits: Enrollee Experiences

- Unclear whether beneficiaries understood there were changes

- Health care system is complicated.
  - Health care reform did not change that

- Getting and enrolling in Medicaid problematic

- For some, understanding information is difficult. Others quite savvy

- Process of getting care
  - E.g. waiting for an appointment or in the office still an obstacle

- Incentives may not lead to change in behavior
  - Have to ‘believe’ they can change
  - Have to have ‘will power’
  - Have to be able to ‘restructure thoughts’
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