

# Florida Medicaid Managed Care Reforms

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# Florida Medicaid “Reform” Initiatives

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- 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

# PSN



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## 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

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- 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?

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- 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

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## **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)



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- The three demonstration programs reduced utilization overall
- However, only the MPN A was less expensive than MediPass



# Adjusted Expenditures (\$\$)

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	PCCM	MPN B	MPN A	PSN
Adjusted Mean Dollar Expenditure per Enrollee Paid Claims 2-Part Model	\$245.45	\$240.50	\$246.97	\$274.14





# Patient Satisfaction Results

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- Essentially no differences among plans for beneficiary satisfaction (CAHPS surveys).

# Physicians Like the Programs



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- 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

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- **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?

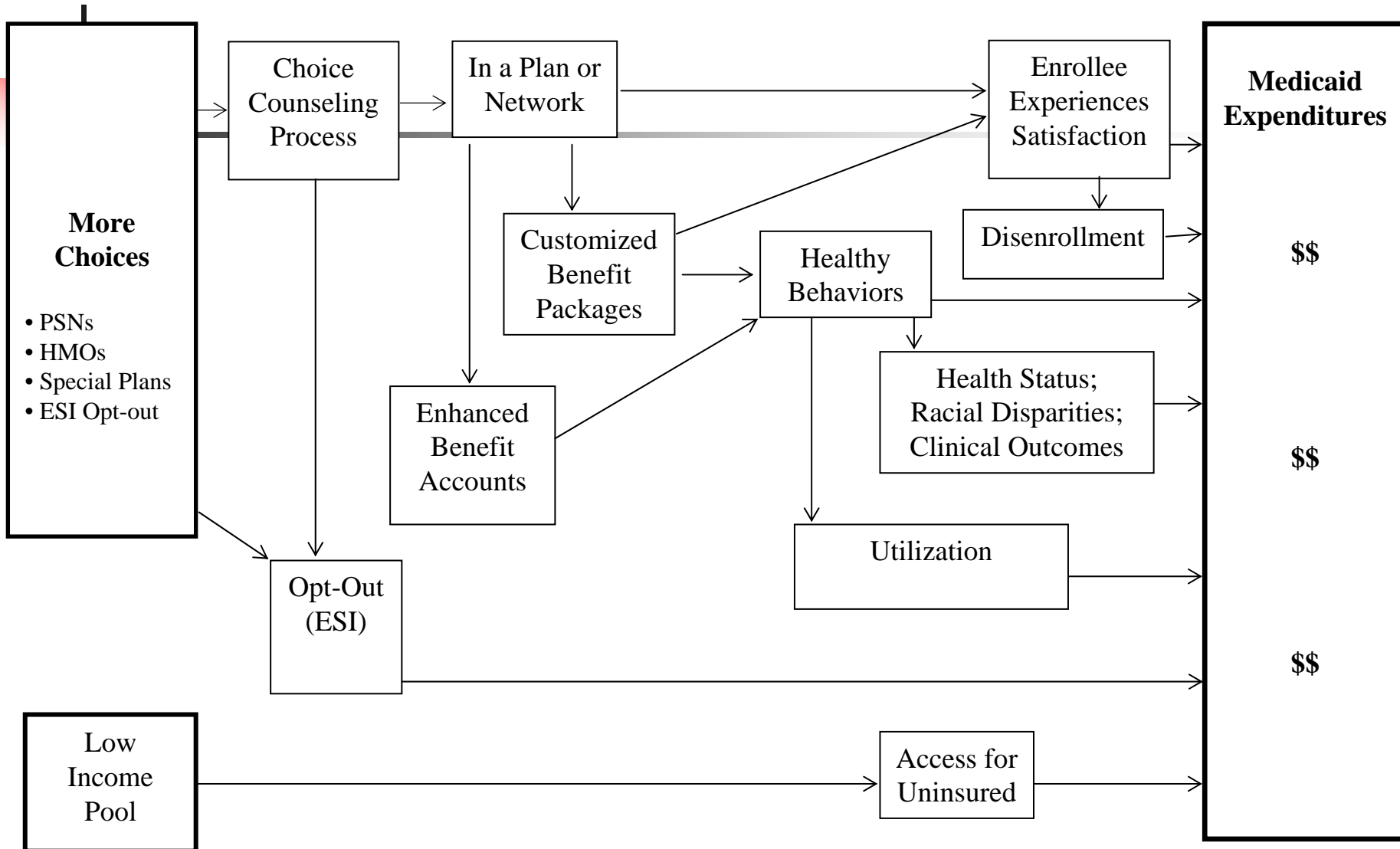
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- More Choices for Beneficiaries
  - HMOs and PSNs
  - Customized benefit packages
  - Opt-out to employer-sponsored plans
- Choice Counseling
- Enhanced Benefit Accounts
- Risk-adjusted Rates
- *Low-income Pool*

# Medicaid Reform in Florida – Key Reform Elements & Results

## Reform Program Elements

## Reform Program Results







# A Few Tidbits: Organizational Analysis

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## 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

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- 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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