

Medicaid Reform in Florida: Overview and Evaluation

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Why Medicaid Reform?

- Medicaid has not significantly changed since it was created almost four decades ago.
 - Different time
 - Different population
 - Different health care system
- Medicaid is not as effective as it should be in meeting the needs of its enrollees.
 - Too expensive
 - Rising costs that overwhelm state budget
 - Unpredictable growth

Florida Medicaid Reform Principles

- Patient responsibility and empowerment
- Marketplace decisions
- Bridging public and private coverage
- Sustainable growth rate



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What's New?

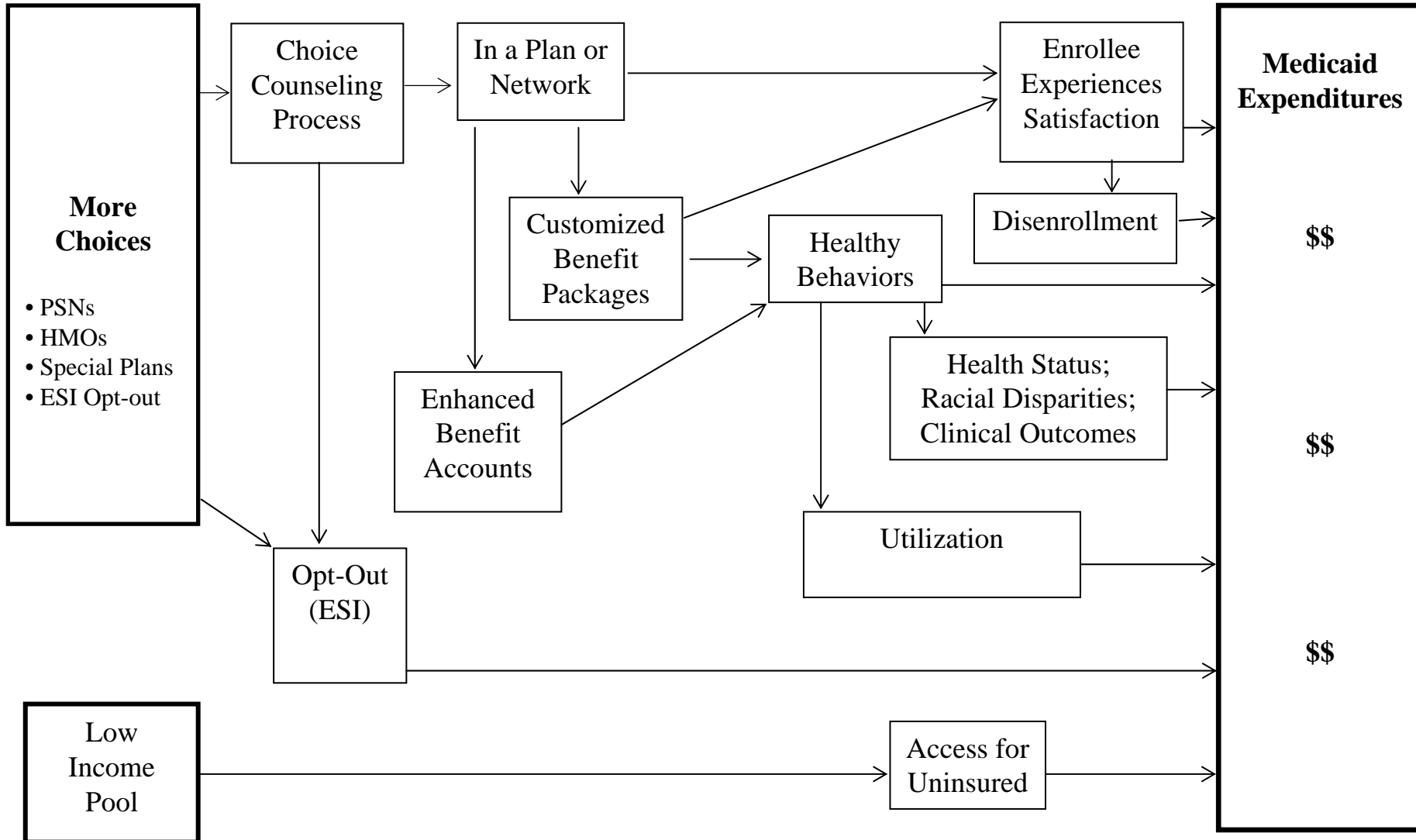
- More Choices for Beneficiaries
 - HMOs and PSNs
 - Customized benefit packages
 - Opt-out to employer-sponsored plans
- Choice Counseling
- Enhanced Benefit Accounts
- Risk-adjusted Rates
- Low-income Pool



Medicaid Reform in Florida – Key Reform Elements & Results

Reform Program Elements

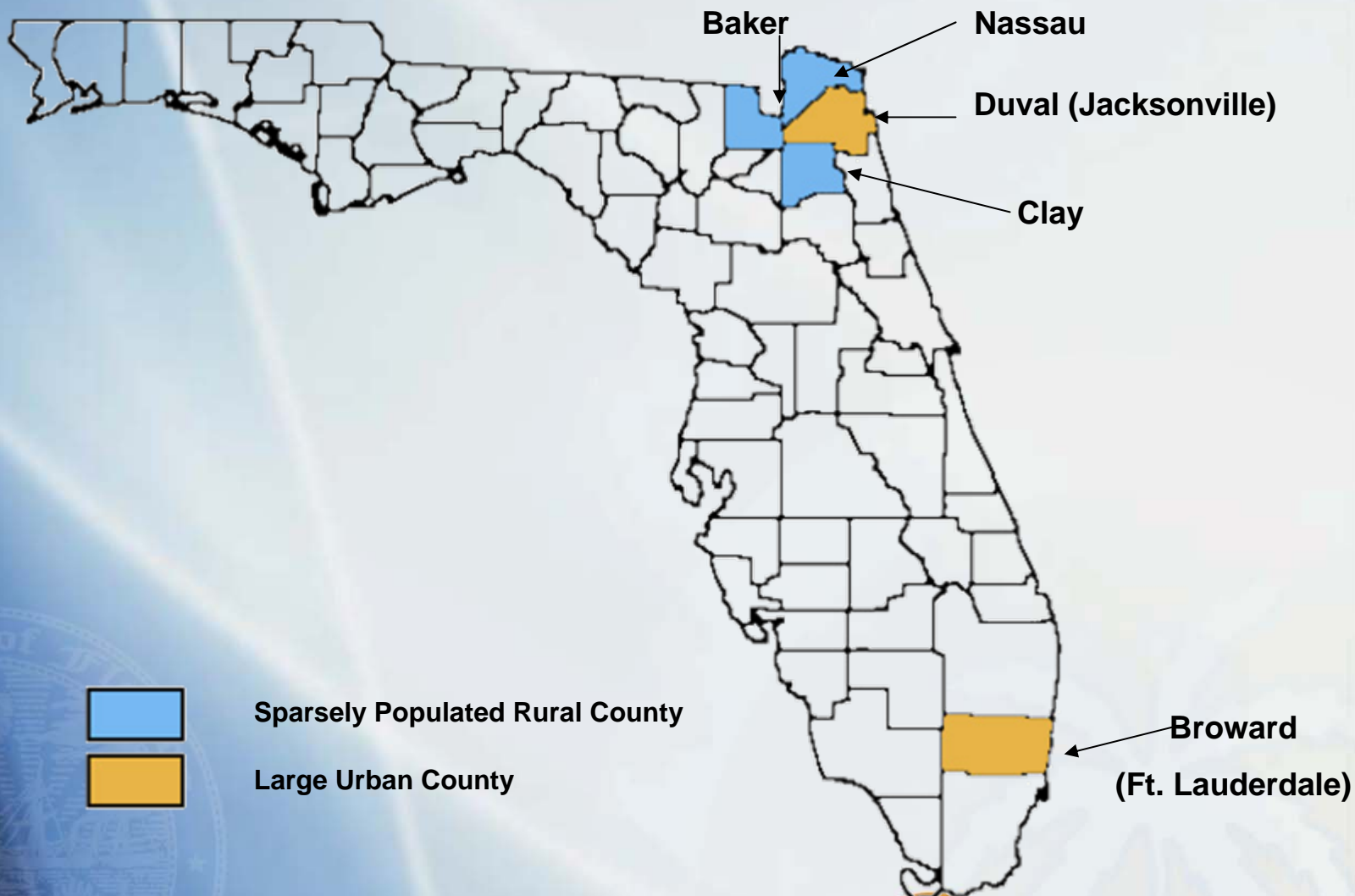
Reform Program Results



Reform Timeline

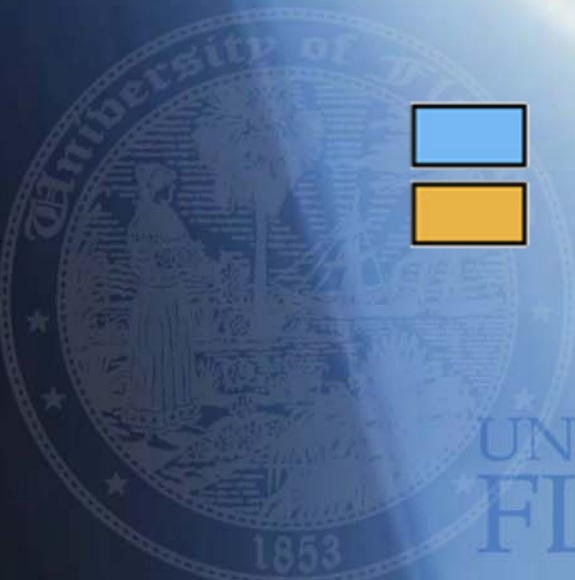
- Becomes effective in Broward and Duval Counties on July 1, 2006.
- Extends to Nassau, Clay, and Baker Counties after 1 year.
- State wide expansion
 - phased-in
 - dependent on legislative approval

Medicaid Reform Counties



Sparsely Populated Rural County

Large Urban County



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Evaluating Medicaid
Reform in Florida



Florida Medicaid Reform Chronology

Date	Activity
March 30, 2004	AHCA requests public comment on Governor Bush's intention to seek CMS waiver to reform Medicaid.
January 11, 2005	Governor Bush releases "Florida's Medicaid Modernization Proposal."
May 6, 2005	Florida Medicaid Reform authorized by Florida Legislature in SB 838
October 3, 2005	Formal submission of Florida's Medicaid Reform waiver application to CMS.
October 19, 2005	US Department of HHS Secretary Michael O. Leavitt and Governor Bush announce federal approval of Florida's Medicaid Reform plan.
December 8, 2005	Florida Legislature passed required legislation.
December 16, 2005	Governor Bush signs Medicaid Reform Legislation (HB 3B) into law.
July 1, 2006	Medicaid Reform Implementation begins.



Aspects of the Reform Process

- Innovative Elements

- Opt-out
- Enhanced Benefits
- Aspects of Choice Counseling

**Consumer
Behavior**

- Rapid Ramp-up and Implementation

- Getting Staff Motivated
- Management Changes
- Technical Issues

**Organizational
and
Administrative
Challenges**

- Political Issues

- State Elections in November



Progress So Far

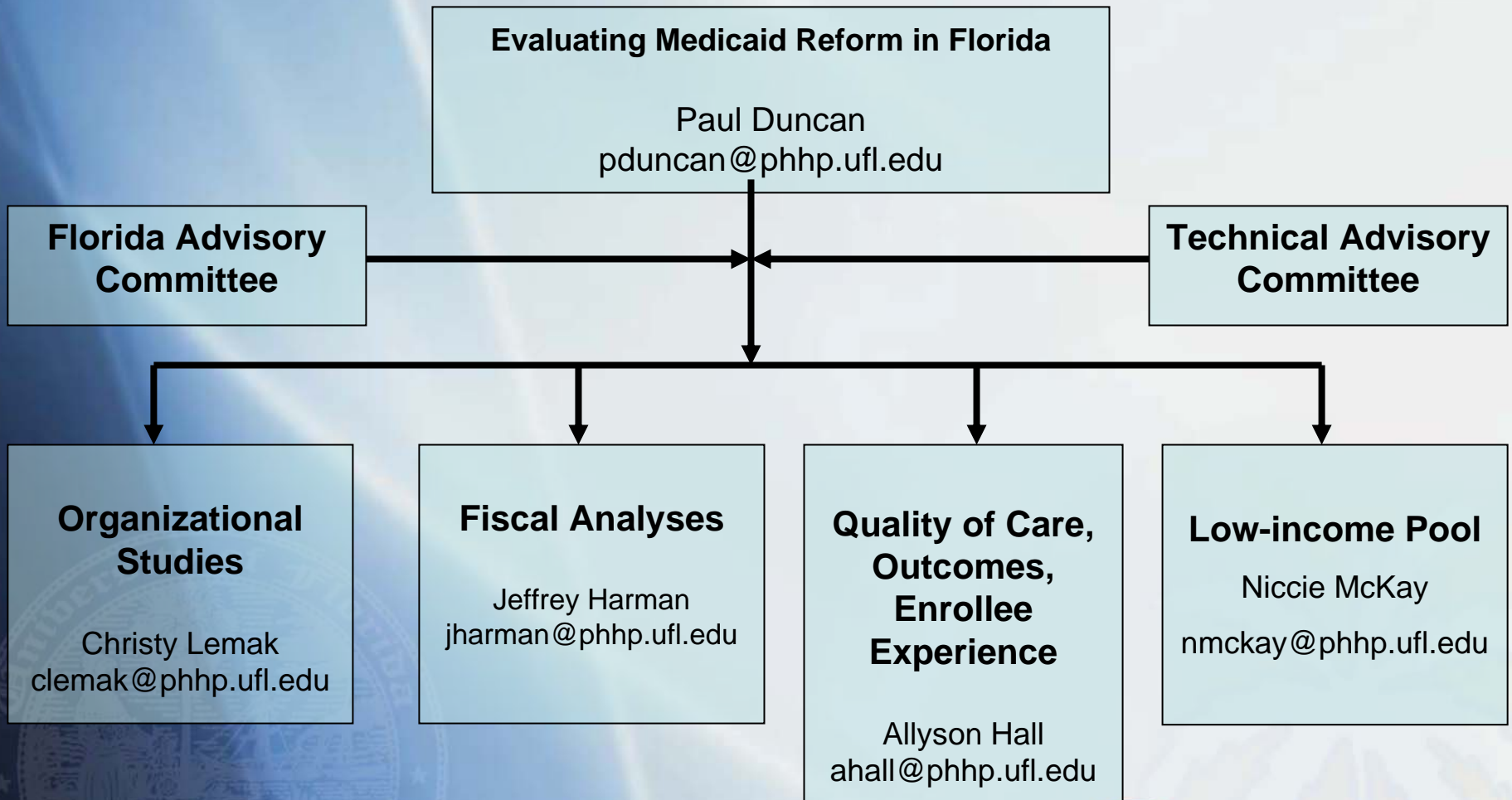
As of July 1, 2006

- More Choices for Beneficiaries
 - In Broward County: 11 organizations (9 HMOs and 2 PSNs)
 - In Duval County: 4 organizations (3 HMOs and 1 PSN)
 - Variation in benefit packages, co-pays, other aspects
 - Opt-out to ESI: contract signed with firm to manage and track this process
- Choice Counseling
 - Counseling “live” as of July 1
 - Extensive outreach efforts in both counties
- Enhanced Benefit Accounts
 - Maximum \$125 annual earning per recipient per year
 - List of healthy behaviors
 - List of eligible purchases at Medicaid pharmacies
- Risk-adjusted Rates
 - Medicaid Rx model now; moving towards full encounter system

Evaluation

- UF contracted by AHCA to conduct five-year evaluation study.
- The evaluation study will examine whether or not Reform achieves its stated objectives:
 - better health outcomes,
 - enrollee satisfaction,
 - predictability in cost.
- Several additional projects and collaborations also initiated.

The Evaluation Team



Organizational Analyses

Research Focus	Data Sources
<p>Reform Implementation Analysis Reform Legislative Process</p> <ul style="list-style-type: none"> ❖ Reform Implementation Process ❖ Lessons Learned in Florida 	<p>Key informant interviews: the State, legislators, Reform health plans and networks, others in demonstration counties, Choice Counseling organization</p>
<p>Reform Health Plan Organization Analyses Reform Plans (#/Distribution/Types)</p> <ul style="list-style-type: none"> ❖ Reasons for Plan Participation ❖ Services Offered ❖ Specialty Plans ❖ Plan Performance ❖ Mandatory Assignment/Plan Selection/Plan Changes/Disenrollment 	<p>Reform health plans: organization data, member data, HEDIS and HEDIS-like data, CAHPS data Choice Counseling organization data Documents, literature reviews</p>
<p>Reform Health Plan Enrollees</p>	<p>Reform health plans—CAHPS data</p>
<p>Choice Counseling Organization</p>	<p>Choice Counseling organization</p>

Fiscal Analyses

Research Focus	Data Sources
Managed Care Programs (HMOs, PSNs)	Florida Medicaid Management Information System (FMMIS)
Opt-Out Program	Managed Care Organizations' reporting systems
Enhanced Benefit Accounts	AHCA's State Center for Health Statistics Medical Encounter Data System (MEDS)

Quality of Care, Outcomes, and Enrollee Experience Analyses

Research Focus	Data Sources
Enrollee Satisfaction	Enrollee telephone survey (CAHPS) Longitudinal panel
Enrollee Experiences	
Enrollee Health Status/Health Outcomes	HEDIS data

Key Questions

- Will there be competition among plans for Medicaid business?
- What will influence health behavior/utilization among low-income populations?
- Will access to care be enhanced/preserved?
- How will the role of the state agency change?
- What will the impact be on:
 - the larger insurance market?
 - providers?
 - employers?

Questions?



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Additional information including legislation, waiver application, and implementation plan can be found at AHCA's official website:

[http://ahca.myflorida.com/
Medicaid/medicaid_reform/index.
shtml](http://ahca.myflorida.com/Medicaid/medicaid_reform/index.shtml)



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