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
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
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
# Florida Medicaid Reform Chronology

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<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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<tr>
<td>May 6, 2005</td>
<td>Florida Medicaid Reform authorized by Florida Legislature in SB 838</td>
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<tr>
<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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<tr>
<td>December 16, 2005</td>
<td>Governor Bush signs Medicaid Reform Legislation (HB 3B) into law.</td>
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<tr>
<td>July 1, 2006</td>
<td>Medicaid Reform Implementation begins.</td>
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Aspects of the Reform Process

- Innovative Elements
  - Opt-out
  - Enhanced Benefits
  - Aspects of Choice Counseling
- Rapid Ramp-up and Implementation
  - Getting Staff Motivated
  - Management Changes
  - Technical Issues
- Political Issues
  - State Elections in November

Consumer Behavior

Organizational and Administrative Challenges
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

Evaluating Medicaid Reform in Florida

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## Organizational Analyses

<table>
<thead>
<tr>
<th>Research Focus</th>
<th>Data Sources</th>
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</thead>
<tbody>
<tr>
<td><strong>Reform Implementation Analysis</strong></td>
<td>Key informant interviews: the State, legislators, Reform health plans and networks, others in demonstration counties, Choice Counseling organization</td>
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<tr>
<td>Reform Legislative Process</td>
<td></td>
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<tr>
<td>Reform Implementation Process</td>
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<tr>
<td>Lessons Learned in Florida</td>
<td></td>
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<tr>
<td><strong>Reform Health Plan Organization Analyses</strong></td>
<td>Reform health plans: organization data, member data, HEDIS and HEDIS-like data, CAHPS data</td>
</tr>
<tr>
<td>Reform Plans (#/Distribution/Types)</td>
<td>Choice Counseling organization data</td>
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<tr>
<td>Reasons for Plan Participation</td>
<td>Documents, literature reviews</td>
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<tr>
<td>Services Offered</td>
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<tr>
<td>Specialty Plans</td>
<td></td>
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<tr>
<td>Plan Performance</td>
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<tr>
<td>Mandatory Assignment/Plan Selection/Plan Changes/Disenrollment</td>
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</table>

- Reform Health Plan Enrollees
- Choice Counseling Organization

Reform health plans—CAHPS data
Choice Counseling organization
## Fiscal Analyses

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<tr>
<th>Research Focus</th>
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<tbody>
<tr>
<td>Managed Care Programs (HMOs, PSNs)</td>
<td>Florida Medicaid Management Information System (FMMIS)</td>
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<tr>
<td>Opt-Out Program</td>
<td>Managed Care Organizations’ reporting systems</td>
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<tr>
<td>Enhanced Benefit Accounts</td>
<td>AHCA’s State Center for Health Statistics</td>
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<td>Medical Encounter Data System (MEDS)</td>
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# Quality of Care, Outcomes, and Enrollee Experience Analyses

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<tr>
<th>Research Focus</th>
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<tbody>
<tr>
<td>Enrollee Satisfaction</td>
<td>Enrollee telephone survey (CAHPS)</td>
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<tr>
<td>Enrollee Experiences</td>
<td>Longitudinal panel</td>
</tr>
<tr>
<td>Enrollee Health Status/Health Outcomes</td>
<td>HEDIS data</td>
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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?
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
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