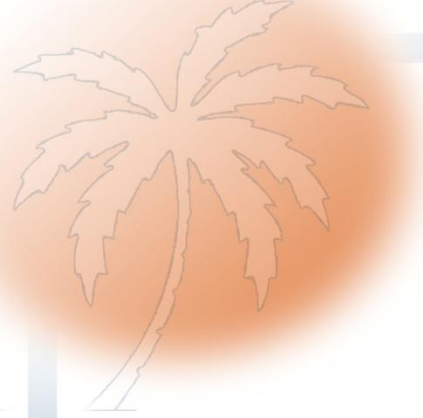


# Evaluating Medicaid Reform in Florida: Lessons for Other States

R. Paul Duncan, PhD  
University of Florida

The National Medicaid Congress  
Washington, DC  
June 8, 2010





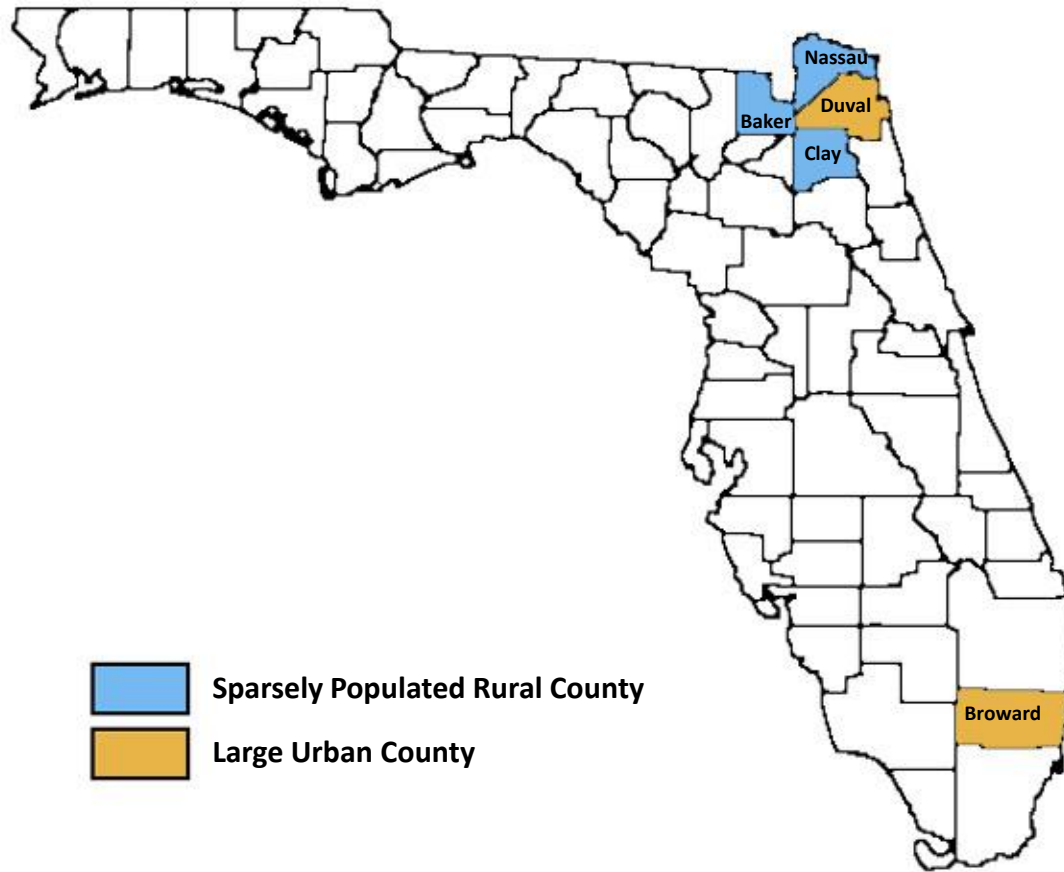
# MEDICAID REFORM OVERVIEW



# Florida's Medicaid Reform Pilot Program

- Florida began enrolling Medicaid enrollees in a Section 1115 Waiver demonstration in September 2006
  - Broward and Duval Counties (urban areas) were the first demonstration counties
  - Baker, Clay, and Nassau Counties (rural areas) were added in July 2007
  - Enrollees are required to enroll in a managed care organization (HMO or PSN)
    - HMOs are paid a risk adjusted monthly premium
    - PSNs are paid on a FFS basis with an additional administrative fee to manage care
      - PSNs are primarily comprised of safety-net hospitals or minority physician networks

# Reform Counties



-  Sparsely Populated Rural County
-  Large Urban County



# Principles of Medicaid Reform

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

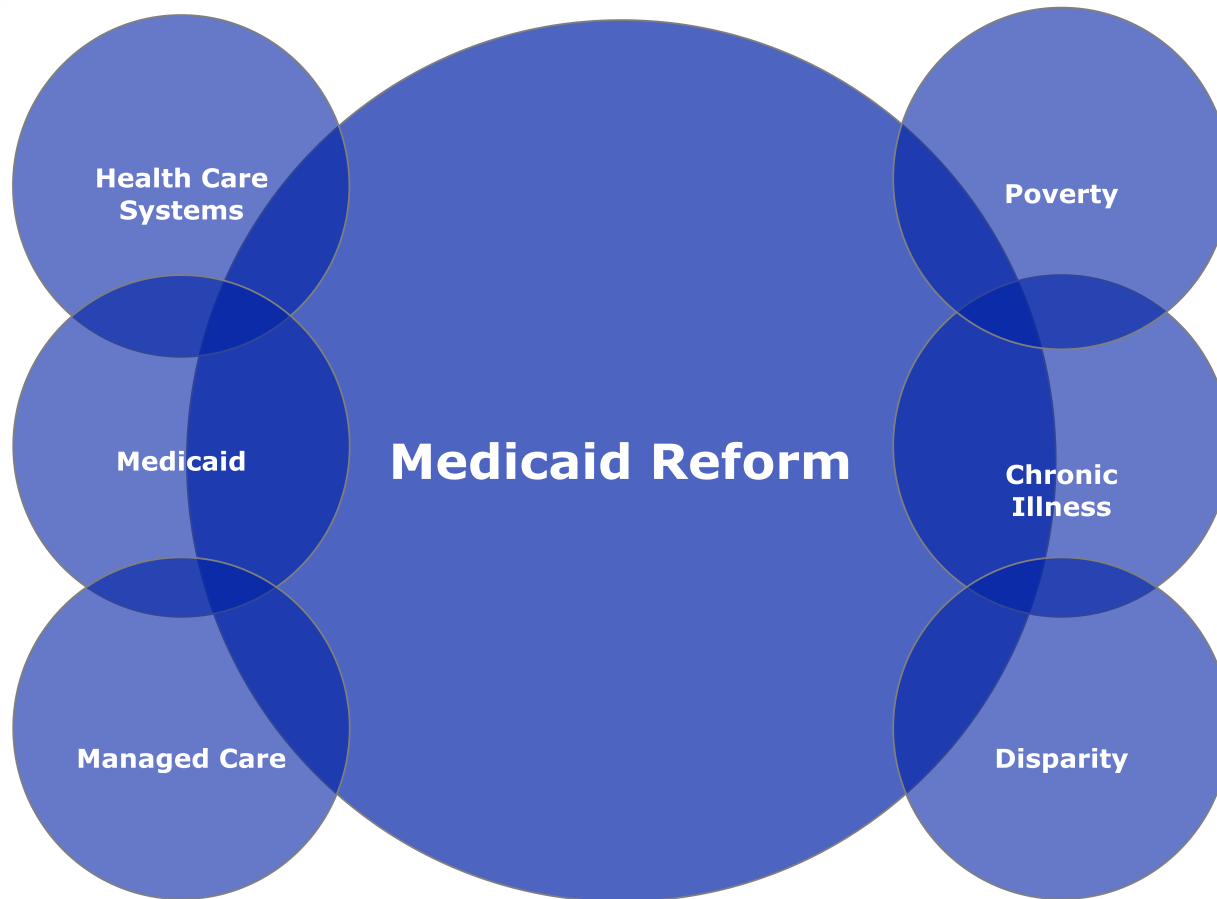


# Elements of Medicaid Reform

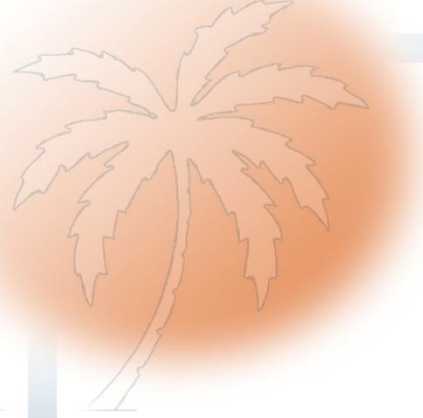
- Customized and variable benefit packages
- Opt-Out option
- Enhanced Benefits Reward\$ program
- Choice Counseling
- Risk adjusted payments
- Carve-in for management of mental health care



# Context of Medicaid Reform

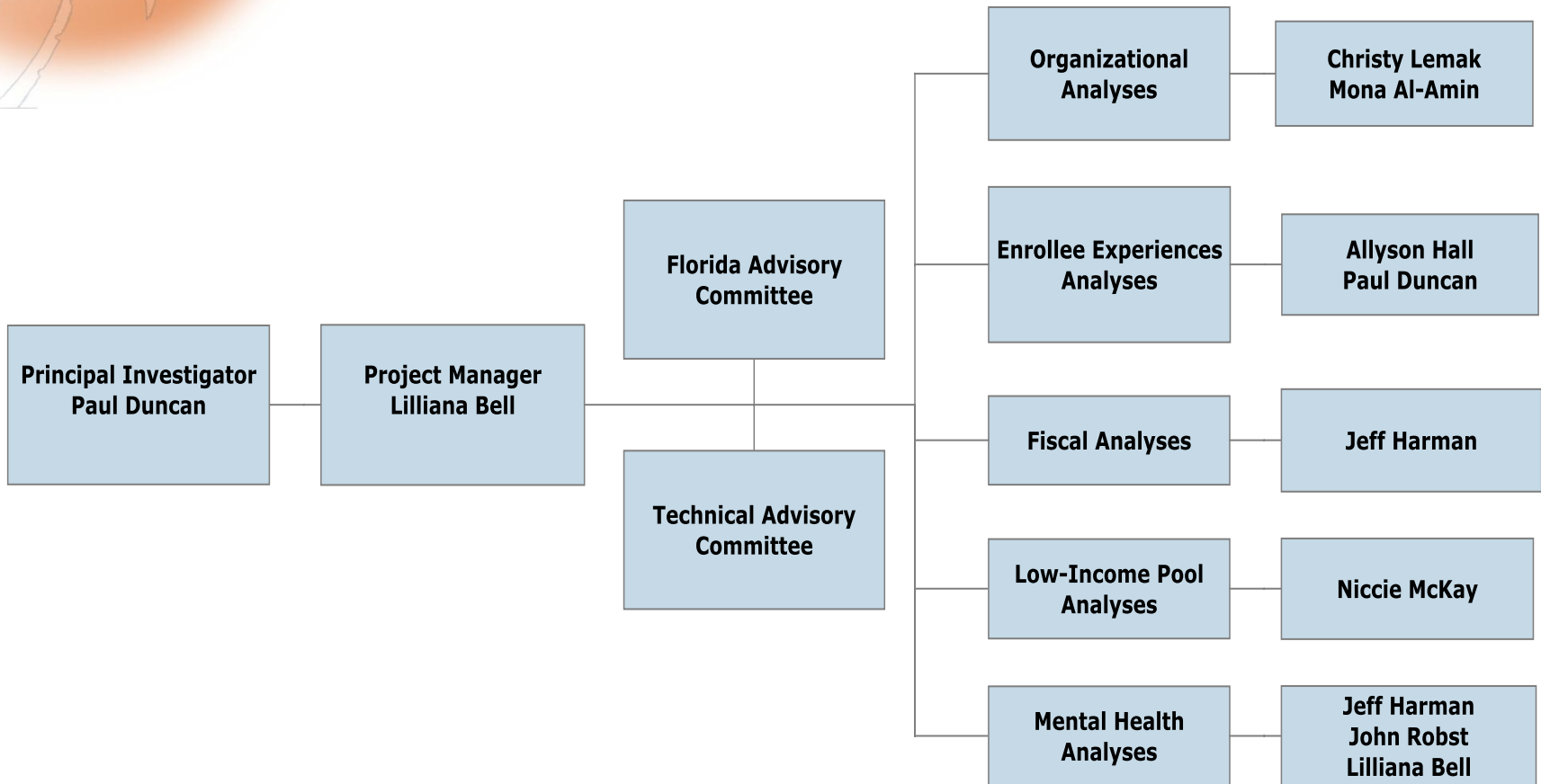




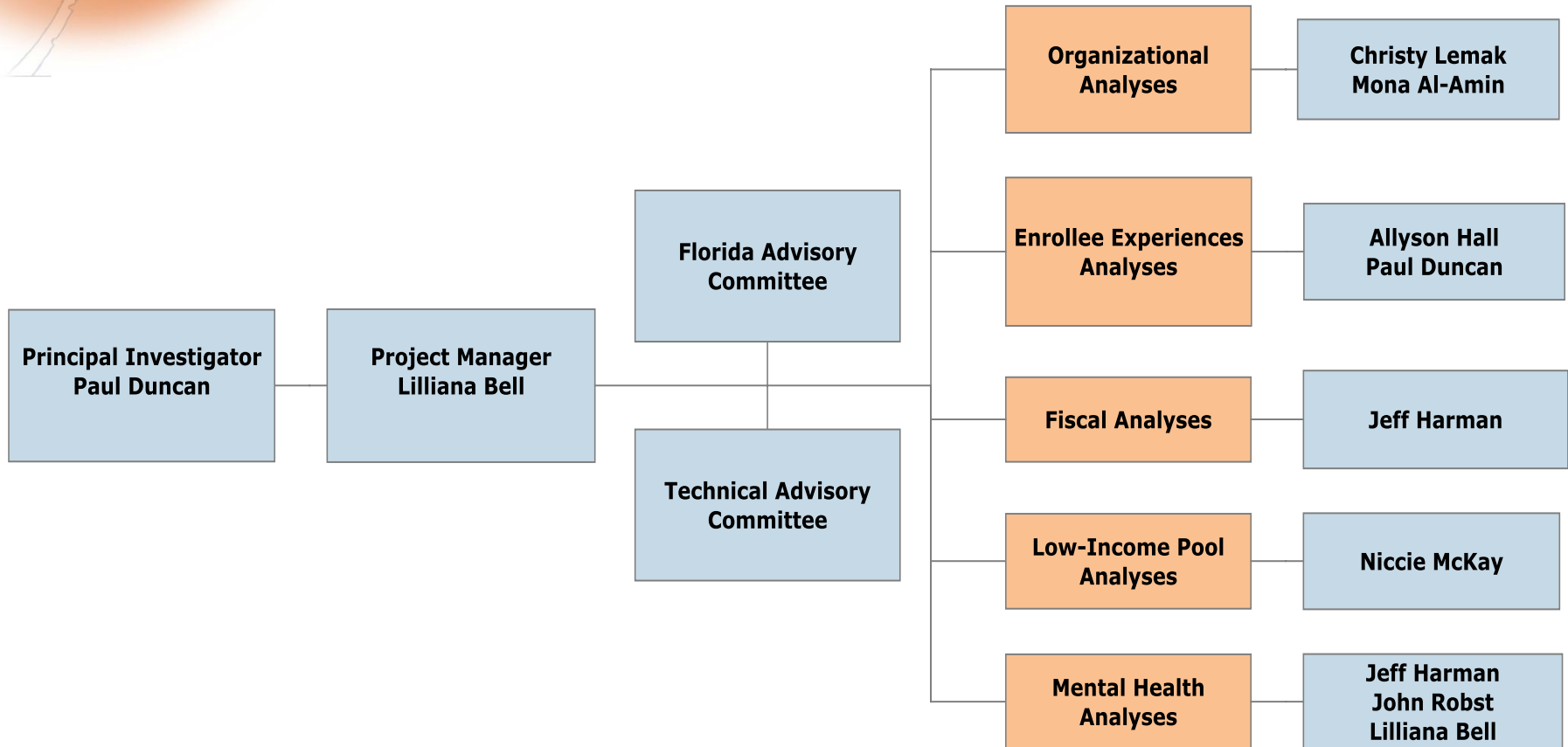


# REFORM EVALUATION

# Evaluation Team



# Evaluation Team





# Organizational Analyses

- Changing cast of organizations and characteristics
- Not as much variation in plan benefit packages as originally anticipated
- Energetic enrollee participation in EBR program
- AHCA up to the task
- Key elements of implementation accomplished as intended



# Enrollee Experiences Analyses

- No change for most indicators
  - Specialty care ratings, ER visits, communication, courtesy and respect of staff
- Downward change in some ratings
  - Health care satisfaction
  - Health plan satisfaction
- Upward change in personal doctor satisfaction
  - Experiences with personal doctor and getting care



# Fiscal Analyses

- Preliminary indication of reduced expenditures
- Multivariate analyses confirm the expenditure reductions and indicate they are primarily among PSN enrollees
  - Specifically SSI enrollees in PSNs
- Caution regarding slope
  - Bending the curve?



# Low-Income Pool Analyses

- Total funding and number of hospitals receiving LIP funding increased compared to SMP program
- Non-hospital providers began receiving funding under the LIP program in SFY0607
- Hospitals receiving LIP payments served an estimated 3.6 – 3.7 million Medicaid, Underinsured, and Uninsured (MUU) individuals in all three years





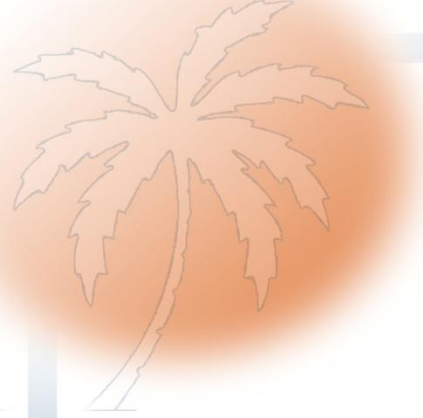
# Low-Income Pool Analyses (cont'd)

- Non-hospitals receiving LIP payments served an estimated 700,000 – 800,000 MUU individuals in all three years
- For hospitals average payments for MUU individuals declined over the three year period
- For non-hospital providers average payments for MUU individuals declined over the two year period



# Mental Health Analyses

- Few substantial differences observed comparing Reform to non-Reform counties for
  - Baker Act rates, arrest rates, juvenile justice recidivism
- Enrollee satisfaction with mental health services
  - Enrollees in Reform counties were more satisfied than those in the control county
  - In the Reform counties, enrollees in PSNs tended to be more satisfied than those in HMOs
- Pharmacotherapy
  - Little difference between Reform counties and control county
  - PSNs may be more experienced at managing SMI population (particularly enrollees using antipsychotics and mood stabilizers), than HMOs



# Questions?



# Further Information

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AHCA Florida Medicaid Reform Website  
[http://ahca.myflorida.com/Medicaid/medicaid\\_reform/index.shtml](http://ahca.myflorida.com/Medicaid/medicaid_reform/index.shtml)