Evaluating Medicaid Reform: Update

Paul Duncan, Ph.D.

Medical Care Advisory Committee Meeting
August 19, 2009
Principles of Medicaid Reform

- Patient responsibility and empowerment
- Marketplace decisions
- Bridging public and private coverage
- Sustainable growth rate
Elements of Medicaid Reform

► Customized benefit packages
► Opt-Out option
► Enhanced Benefit Reward$ program
► Choice Counseling
► Risk adjusted payments
Reform Evaluation
Evaluation Team

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Context of Medicaid Reform

- Health Care Systems
- Medicaid
- Managed Care
- Poverty
- Chronic Illness
- Disparity

Medicaid Reform
What’s Working?

- Managed care organization participation/contracts
- Basic program implementation
- Choices and Choice Counseling
- Enhanced Benefits Rewards
- Risk adjusted payments with Rx data
What’s Not Working (As Well as it Might)?

- Opt Out
- Enrollee access to information on drug formularies
- Enrollee access to meaningful panel membership/composition information
- Performance measures/HEDIS data
- Using encounter data for risk adjustment
What Do We Know?

► Lower expenditures in Years 1 and 2 of the demonstration
► No dramatic differences in enrollee satisfaction (Benchmark to Year 1)
► Concerns about the impact of literacy on plan selection
What Don’t We Know?

► Quality/quantity of care being delivered
► Sustainability of the initial lower expenditures
► Level of competition among plans/impact of competition
► Impact on mental health services
► Impact of EBR on enrollees’ behaviors or ultimately their health
Enrollee Experiences & Satisfaction

Paul Duncan, Ph.D.
Allyson Hall, Ph.D.
Research Methodology

Variation of Consumer Assessment of Healthcare Providers and Systems (CAHPS)

Survey elements
- measure health care experiences and satisfaction levels
- Broward, Duval, Baker, Clay, and Nassau Counties
- Pre- and post-Reform
CAHPS-Like Telephone Surveys

- Benchmark Survey
  - Broward and Duval
  - Fielded Fall/Winter 2006
  - 5,767 completed interviews

- Year 1 Follow-Up Survey
  - Broward and Duval
  - Baker, Clay, Nassau (Benchmark Survey for expansion counties)
  - Fielded Winter 2007/2008
  - 7,206 completed interviews

- Year 2 Follow-Up Survey
  - Broward and Duval
  - Baker, Clay, Nassau (Year 1 Follow-up for expansion counties)
  - Fielded Winter 2009
  - 6,904 completed interviews
### Select Satisfaction Measures: Broward and Duval

<table>
<thead>
<tr>
<th>Percent Rating 9-10</th>
<th>Weighted %</th>
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<tbody>
<tr>
<td></td>
<td>Benchmark Survey</td>
</tr>
<tr>
<td>Overall plan satisfaction</td>
<td>58.10</td>
</tr>
<tr>
<td>Overall satisfaction with care</td>
<td>66.54*</td>
</tr>
<tr>
<td>Personal doctor rating</td>
<td>70.19*</td>
</tr>
<tr>
<td>Specialist rating</td>
<td>60.39</td>
</tr>
</tbody>
</table>

* Statistically significant difference pre-post at the 0.05 level
Primary Findings

- Comparing Benchmark & Year 1 Follow-Up for Broward and Duval
  - Overall satisfaction with care was lower (66.54 vs. 59.63)
  - Personal doctor ratings were higher (70.19 vs. 73.41)
Summary

Some differences in enrollee satisfaction pre vs. post Reform were observed. However

- No statistically significant differences were observed for majority of pre-post comparisons
- Among the minority of comparisons that revealed statistically significant differences, some were positive, some were negative, and none were dramatic in magnitude
- Where differences were observed, lower satisfaction scores during the demonstration were noted with reference to health plans & overall care (especially among SSI enrollees) but higher scores were observed during the demonstration for satisfaction with one’s personal doctor
Fiscal Analyses

Jeff Harman, Ph.D.
Primary Analysis

- Compares Florida Medicaid expenditures (PMPM) before and during Reform
  - Expenditures are payments Medicaid made to health plans
  - Pre-Reform (SFY0405, SFY0506) to Reform (SFY0607 and SFY0708)
  - Urban Reform counties: Broward and Duval
  - Control counties: Hillsborough and Orange

- Difference in PMPM expenditures between the Reform and pre-Reform periods were calculated
  - Focus is on the difference in difference (Reform counties difference minus non-Reform counties difference)
The Data: Pre-Reform

- **Inclusion criteria**
  - Medicaid enrollee for at least 1 month between July 1, 2004 and June 30, 2006
  - SSI (MEG #1), TANF (MEG #2)

- **Exclusion criteria**
  - Received SIPP services
  - Children in CMS
  - Retroactive claims payments
  - Enrollees in waiver programs (AIDS, Home Safenet, etc.)

- 5.2M member months from SFY0405 and SFY0506 combined in Reform counties
- 4.8M member months SFY0405 and SFY0506 combined in control counties
The Data: Reform

Inclusion criteria
- Reform/Control County Medicaid enrollee for at least 1 month between September 1, 2006 – June 30, 2008
- SSI (MEG #1), TANF (MEG #2)

Exclusion criteria
- Received SIPP services
- Children in CMS
- Retroactive claims payments
- Voluntary enrollees not automatically eligible but opted into Reform
- Enrollees in waiver programs (AIDS, Home Health, etc.)

- PSN expenditures based on claims paid (include administrative payments)
- HMO expenditures based on risk-adjusted capitated payments
- 2.9M member months for SFY0607 and SFY0708 in Reform counties
- 4.0M member months for SFY0607 and SFY0708 in control counties
Table 1: Average PMPM Expenditure for All Enrollees

<table>
<thead>
<tr>
<th></th>
<th>Broward/Duval (Reform Counties)</th>
<th>Hillsborough/Orange (Control Counties)</th>
<th>Difference-in-Difference (Control minus Reform)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Enrollees</td>
<td>SSI</td>
<td>TANF</td>
<td>SSI</td>
</tr>
<tr>
<td>Pre-Reform Period</td>
<td>809</td>
<td>127</td>
<td>683</td>
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<tr>
<td>Reform Period</td>
<td>783</td>
<td>131</td>
<td>833</td>
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<tr>
<td>Reform minus Pre-Reform</td>
<td>-26</td>
<td>4</td>
<td>150</td>
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<tr>
<td>HMO Enrollees</td>
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<td></td>
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<tr>
<td>Pre-Reform Period</td>
<td>668</td>
<td>126</td>
<td>512</td>
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<tr>
<td>Reform Period</td>
<td>772</td>
<td>138</td>
<td>623</td>
</tr>
<tr>
<td>Reform minus Pre-Reform</td>
<td>104</td>
<td>12</td>
<td>111</td>
</tr>
<tr>
<td>PSN Enrollees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Reform Period</td>
<td>894</td>
<td>128</td>
<td>860</td>
</tr>
<tr>
<td>Reform Period</td>
<td>799</td>
<td>112</td>
<td>1038</td>
</tr>
<tr>
<td>Reform minus Pre-Reform</td>
<td>-95</td>
<td>-16</td>
<td>178</td>
</tr>
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Pre-Reform Period is SFY0405 and SFY0506. Reform Period is SFY0607 and SFY0708.
Implications

► Medicaid Reform in Florida has resulted in lower PMPM expenditures paid to health plans during its first two years

► Medicaid encounter data are needed to determine
  – How lower expenditures are being achieved
  – How predictable and sustainable these lower expenditures might turn out to be
Limitations

► Includes data from first two years of demonstration
► Does not measure pre-and post-Reform changes in expenditures for individual enrollees over time
► Does not include patient utilization measures
► Does not include costs to health plans
► Does not factor case-mix
Questions
Further Information

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