Evaluating Medicaid Reform in Florida: Lessons for Other States

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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

Counties: Baker, Nassau, Duval, Clay, Broward
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
Evaluation Team

- Principal Investigator: Paul Duncan
- Project Manager: Lilliana Bell
- Florida Advisory Committee
  - Organizational Analyses: Christy Lemak, Mona Al-Amin
  - Enrollee Experiences Analyses: Allyson Hall, Paul Duncan
  - Fiscal Analyses: Jeff Harman
  - Low-Income Pool Analyses: Niccie McKay
  - Mental Health Analyses: Jeff Harman, John Robst, Lilliana Bell
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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