



*Governor's Budget  
Recommendations for  
Fiscal Year 2009-2010*

*Agency for Health Care Administration*

*Dyke Snipes, Deputy Secretary for Medicaid*

*Provided to the House Health Care Appropriations Committee*

*March 5, 2009*



## Governor's Budget Recommendations FY 2009-2010 Agency for Health Care Administration

Issue Title	General Revenue	Tobacco Trust Fund	Other Trust Funds	Total	Pg #
Physician Specialty Fee Increase	\$11,090,058	\$0	\$23,701,406	\$34,791,464	2
Dental Services Fee Increase	\$5,153,120	\$0	\$10,947,929	\$16,101,049	3
Transfer Low Income Pool Funding from the Department of Health to the Agency for Health Care Administration	\$25,796,174	\$0	\$0	\$25,796,174	4
Transfer Elder Related Waiver to Department of Elder Affairs	(\$103,143,704)	\$0	\$0	(\$103,143,704)	5
Institutional and Prescribed Drug Providers (Price Level)	\$76,362,086	\$0	\$47,756,234	\$124,118,320	6
Children's Special Health Care	\$18,728,024	\$0	\$32,853,793	\$51,581,817	7
Medicaid Services Workload	\$308,997,709	\$0	\$531,997,364	\$840,995,073	8
Florida Senior Care Pilot Program Implementation	(\$260,958)	\$0	(\$260,957)	(\$521,915)	9
Nursing Home Diversion Disenrollment Penalty	(\$4,043,550)	\$0	(\$4,968,150)	(\$9,011,700)	10
Restore coverage for Adults in the Medically Needy Program with Nonrecurring Funds	\$199,419,506	\$0	\$271,239,536	\$470,659,042	11
Restore coverage for the Medicaid for the Aged and Disabled Program with Nonrecurring Funds	\$128,476,739	\$0	\$165,243,802	\$293,720,541	12
Prepaid health Plans Medicaid Rate Increase	\$29,080,478	\$0	\$62,068,395	\$91,148,873	13
Cost Based Reimbursement for County Health Departments	\$2,902,763	\$0	\$3,605,674	\$6,508,437	14



## Physician Specialty Fee Increase

**\$34,791,464**

- Specialty Provider Shortages Identified:
  - Dermatologists: \$2,264,526
  - Neurosurgeons: \$5,036,254
  - Neurologists: \$16,501,601
  - Orthopedists: \$10,989,083
- Providers cite low reimbursement as one reason for non-participation or limited participation in the Medicaid Program.
- Issue requests increasing current fees halfway to the Medicare rate.
- **Examples:**

Specialty Type	Procedure	Current Fee	Proposed Fee
Dermatology	Biopsy of Tissue	\$43.96	\$62.00
Neurology	Electroencephalogram (EEG)	\$139.44	\$195.00
Neurosurgery	Laminectomy (spine surgery)	\$614.51	\$860.00
Orthopedists	X-Ray, Knee	\$16.33	\$23.00

<b>General Revenue</b>	<b>\$11,090,058</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$23,532,946</b>
<b>Refugee Assistance Trust Fund</b>	<b>\$ 168,460</b>



## Dental Services Fee Increase

**\$16,101,049**

- Dental rates have not kept pace with provider costs.
- Providers cite low reimbursement as one reason for non-participation or limited participation in the Medicaid Program.
- Issue requests an average 20% increase in Dental Rates.
- **Examples:**

<b>Procedure</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Prophylaxis-Child (Cleaning)	\$14.00	\$17.00
Topical Application of Fluoride	\$11.00	\$13.00

<b>General Revenue</b>	<b>\$ 5,153,120</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$10,890,750</b>
<b>Refugee Assistance Trust Fund</b>	<b>\$ 57,179</b>



## Transfer Low Income Pool From DOH to AHCA \$25,796,174

- This issue proposes to transfer the funds below from DOH to AHCA.
  - \$13,675,000 to remove Hospital Inpatient Reimbursement Ceilings from Teaching, Specialty, and CHEP providers. This is a Hospital Inpatient Services line item.
  - \$4,300,306 for Safety Net Hospitals which will be Shands Teaching Hospital and Clinic.
  - \$1,637,885 for Federally Qualified Health Centers.
  - \$5,373,263 for the Disproportionate Share Hospital Program which funds Shands Healthcare System.
  - \$825,000 for Graduate Medical Education Disproportionate Share Hospital Program which funds hospitals with CHEP programs.

<b>General Revenue</b>	<b>\$25,796,174</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Other Trust Funds</b>	<b>\$ 0</b>



## Transfer Elder Related Waivers to Department of Elder Affairs

**(\$0)**

- This issue proposes to transfer the following Medicaid funded waivers to the Department of Elder Affairs. The General Revenue would now be with DOEA and AHCA would draw down the federal share as is currently done with the other waivers.
  - Adult Day Health Care
  - Channeling
  - Nursing Home Diversion including PACE

<b>General Revenue</b>	<b>(\$103,143,704)</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Other Trust Funds</b>	<b>\$ 103,143,704</b>



## **Institutional and Prescribed Drug Providers (Price Level)**

**\$124,118,320**

- Based on the adopted projection from the November 6, 2008 Social Services Estimating Conference. The estimated price level increase is subject to revision at future Social Services Estimating Conferences.
- Price level increase for drugs includes the estimated increase in reimbursement to pharmacies due to increase in the wholesale acquisition costs of drugs.
- Price level increases are required to continue current programs and remain in compliance with Title XIX regulations and/or the state's reimbursement plans.
- Effective July 1, 2009.

<b>General Revenue</b>	<b>\$ 76,362,086</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$ 47,837,456</b>
<b>Refugee Assistance Trust Fund</b>	<b>\$ 81,222</b>



## Children's Special Health Care

**\$51,581,817**

- This issue provides funding for the KidCare program as a result of increases in enrollment and increase in price as projected in the October 2008 Social Service Estimating Conference.
- Based on the October 2008 Social Service Estimating Conference, FY 2009-10 Children's Medical Service (includes Bnet) caseload is projected to increase from 18,721 to 20,234. The per member per month cost will average \$446.52. The cost remain the same as 2008-2009.
- Based on the October 2008 Social Service Estimating Conference, FY 2009-10 Florida Healthy Kids caseload is projected to increase from 211,270 to 233,614. The per member per month sot is projected to increase from \$118.66 in 2008-2009 to \$124.74 in 2009-2010.

<b>General Revenue</b>	<b>\$18,728,024</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$34,164,591</b>
<b>Grants and Donations Trust Fund</b>	<b>\$1,310,798</b>



## Medicaid Services Workload

**\$840,995,073**

- Proposes Medicaid funding due to changes in caseloads and utilization over FY 2008-09.
- Based on the adopted projection from the November 6, 2008 Social Services Estimating Conference. The estimated workload increase is subject to revision at future Social Services Estimating Conferences.
- Consists of caseload and utilization changes:
  - Comparing the Budgeted caseload for 08-09 to the projected caseload for 09-10 indicates that:
    - The average monthly caseload for SSI increased 20,522 from 542,725 to 563,247; and
    - The average monthly caseload for TANF increased 103,106 from 645,946 to 749,052.
    - Allows the program to continue in FY 2009-10 as currently administered for recurring programs.
- Effective July 1, 2009.

<b>General Revenue</b>	<b>\$ 308,997,708</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$ 359,731,710</b>
<b>Grants &amp; Donations Trust Fund</b>	<b>\$ 128,726,465</b>
<b>Public Medical Assistance Trust Fund</b>	<b>\$ 46,950,000</b>
<b>Refugee Assistance Trust Fund</b>	<b>\$ 3,410,810</b>



## Florida Senior Care Pilot Program

**(\$521,915)**

- This issue proposes not implementing Florida Senior Care Pilot Program which was approved under Section 409.912(5), Florida Statutes.
- Pilot Program to provide integrated care to voluntary populations in Miami and Orlando areas.
- AHCA and DOEA will continue to work together to improve current programs by increasing access to home and community based services and improving care coordination for elders.

**General Revenue**

**(\$260,958)**

**Other Trust Fund**

**(\$260,957)**



## **Nursing Home Diversion Disenrollment Penalty**

**(\$9,011,700)**

- This issue proposes to penalize Nursing Home Diversion providers by assessing a disenrollment fee when plan members disenroll from the program and enroll in the Medicaid fee-for-service nursing facility program within two months.
- The disenrollment fee would encourage Nursing Home Diversion providers to be more pro-active in meeting the needs of their plan members who select nursing facility care.
- Providers would have additional incentives to increase the nursing facility options available to plan members and reduce the need for plan members to disenroll from the program.

**General Revenue**

**(\$4,043,550)**

**Medical Care Trust Fund**

**(\$4,968,150)**



## Restore Coverage for Adults in the Medically Needy Program

**\$470,659,042**

- The Medically Needy program helps families or pregnant women who have income or assets that exceed the limits for regular Medicaid. Individuals enrolled in Medically Needy have a monthly share of cost (which is like an insurance deductible) and the amount varies depending on the family's size and income. There is no income limit to qualify for the Medically Needy program, however, there is an asset limit, which varies based upon the family's size.
- Current policy (Florida Statute) reduces the Medically Needy program to coverage of only pregnant women and children as of July 1, 2009.
- Proposes to restore the full program and provides non-recurring funding to restore the program effective July 1, 2009.

<b>General Revenue</b>	<b>\$199,419,506</b>
<b>Tobacco Trust Fund</b>	<b>\$ 0</b>
<b>Medical Care Trust Fund</b>	<b>\$236,835,001</b>
<b>Grants and Donations Trust Fund</b>	<b>\$34,404,535</b>



## Restore Coverage for Medicaid for the Aged and Disabled Program

**\$293,720,541**

- The Medicaid for the Aged and Disabled waiver (Meds AD) extends eligibility and full Medicaid coverage to individuals who are disabled or age 65 older and non-dual (with some exceptions) with incomes are at or below 88% of the Federal poverty level and provides high intensity pharmacy case management for its enrollees.
  - 27,000 eligibles
- Under current law, the Meds AD program will terminate July 1, 2009.
- Proposes to continue the program, and provides non-recurring funding to restore the program effective July 1, 2009.

**General Revenue**

**\$128,476,739**

**Medical Care Trust Fund**

**\$155,460,771**

**Grants and Donations Trust Fund**

**\$9,783,030**



## Prepaid Health Plans Medicaid Rate Increase

**\$91,148,873**

- Provides funding to increase capitation rates for prepaid health plans that serve Medicaid beneficiaries in order to provide better access to health care services.
- Under this proposal, along with pass through increases for dental and specialty care, prepaid health plan rates will increase approximately 4%.

**General Revenue**

**\$29,080,478**

**Medical Care Trust Fund**

**\$61,653,098**

**Refugee Assistance Trust Fund**

**\$415,297**



## **Cost Based Reimbursement for County Health Departments**

**\$6,508,437**

- Funds are provided so that the Agency can provide cost based reimbursement for Medicaid recipients that receive primary care or clinical services in county health departments regardless of whether the recipient is enrolled in a Medicaid prepaid health plan or prepaid provider service network plan, effective July 1, 2009.
- Implementing this policy will necessitate that Medicaid reimbursement to CHDs not be included in the calculations used to determine capitation rates paid to HMOs.

**General Revenue**

**\$2,902,763**

**Medical Care Trust Fund**

**\$3,605,674**

*Questions?*