



# *Managed Care in Florida Medicaid*

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## *Advantages of Managed Care*

- Improve access to health care services.
- Recipient choice.
- Reduce the administrative complexity of managing the Florida Medicaid Program.
- Slow the rate of growth of expenditures:
  - Improved care coordination
  - Reduction of over-utilization
  - Effective method of fighting fraud

## *Medicaid Enrollment in Florida Today*

- The Florida Medicaid program is growing at an unprecedented rate.
  - It is projected that enrollment for SFY 2010-11 will be 776,791 higher than it was in SFY 2007-2008.
  - Consequently, expenditures for SFY 2010-11 will be \$4.4 billion higher than in SFY 2007-2008.
- Medicaid recipients in Florida receive services through several different delivery systems, each with a different level of care coordination.

## *Fee-For-Service*

- The fee-for-service system serves those Medicaid recipients who are not eligible for or enrolled in MediPass, Managed Care or Disease Management.
  - The recipients include new eligibles, those in the Medically Needy program, the Family Planning Waiver, or residing in institutions.
- Fee-for-service recipients may receive services from any enrolled Medicaid provider, with limited coordination of care.
- Within the fee-for-service system enrolled Medicaid providers have the option to choose whether they accept a certain number of clients or whether they accept new Medicaid clients.
- Providers do not bear any financial risk for their patients.
- There are more than 69,000 active providers (providers who have had a paid claim within the past 12 months).

## *MediPass*

- MediPass is the Florida Medicaid primary care case management program.
- Services to MediPass members are reimbursed on a fee-for-service basis.
- MediPass primary care providers are paid a \$2.00 per member per month case management fee.
- Primary care providers (PCPs) are responsible for providing primary care and authorizing the specialty care provided to their MediPass enrollees.
- Services such as vision, hearing, dental, mental health and family planning services are not managed by the MediPass PCP.
- MediPass providers do not bear risk for their patients but do have requirements in place for case management, care coordination, and preventative care.
- There are 2,482 enrolled MediPass provider practices with 5,087 total individual providers.

## *Minority Physician Networks*

- Minority Physician Networks (MPNs) are defined in s. 409.912(49), F.S., and consist of a network of primary care physicians that is predominantly owned by minorities.
- Services to MPN members are reimbursed on a fee-for-service basis.
- Primary care providers are paid a \$2.00 per member per month case management fee.
- MPN is also paid an administrative fee and may share in savings.
- The networks must provide their primary care physicians with access to data and other management tools necessary to assist them in ensuring the appropriate use of services, including inpatient hospital services and pharmaceuticals.
- Services such as vision, hearing, dental, mental health and family planning services are not managed by the MPN.
- The MPN is at limited financial risk as it must repay administrative advance if there are not savings.
- There is currently 1 MPN participating in Florida Medicaid.

## *Medicaid Provider Service Networks*

- Provider Service Networks (PSN) are defined in s. 409.912 (4)(d), as an integrated health care delivery system owned and operated by a health care provider, or group of affiliated health care providers which provides a substantial proportion of the health care items and services under a contract directly through the provider or group of affiliated providers.
- PSNs are reimbursed on a fee-for-service or capitated basis.
- PSNs are required by contract to ensure that their enrollees have access to all Medicaid state plan services and a complete network of providers.
- The PSN does bear risk for enrolled recipients.
- Capitated PSNs must meet qualifications similar to HMOs.
- There are currently 5 PSNs participating in Florida Medicaid (reform and non-reform).

## *Health Maintenance Organizations*

- A Health Maintenance Organization (HMO) is an entity licensed under Chapter 641, Florida Statutes.
- HMOs provide comprehensive Medicaid services to a defined population of Medicaid recipients.
- The Agency contracts with HMOs on a prepaid fixed monthly rate per member (i.e. capitation rate) for which the HMO assumes all risk for providing covered services to their enrollees.
- HMOs are required by contract to ensure that their enrollees have access to all Medicaid state plan services and a complete network of providers. HMO networks are not limited to Medicaid participating providers.
- Some plans have expanded their benefits beyond those normally required; example: preventive adult dental.
- There are currently 18 HMOs participating in Florida Medicaid (reform and non-reform).

## *Managed Care in Florida Medicaid Medicaid Enrollment Today*

- 1,259,393 recipients are currently enrolled in Medicaid Managed Care in Florida, and 1,356,576 enrolled in fee-for-service or the MediPass program.

<b>Delivery System</b>	<b>Enrollment as of January 1, 2010</b>
Health Maintenance Organization	1,045,649
FFS Provider Service Network	98,508
Capitated Provider Service Network	40,165
Minority Physician Network	59,716
Nursing Home Diversion	15,355
Fee-For-Service	800,576
MediPass	556,000

## *Managed Care in Florida Medicaid*

- Managed Care in Florida is operated under two waivers
  - 1915(b) Managed Care waiver
  - 1115 Medicaid Reform Demonstration waiver
  
- Medicaid managed care in Florida is regulated primarily under state law and federal regulations. Statutory authority:
  - 409.912,
  - 409.9122, and
  - 409.91211
  - 409.908
  - 641

## *Managed Care in Florida Medicaid Florida's 1915(b) Managed Care Waiver*

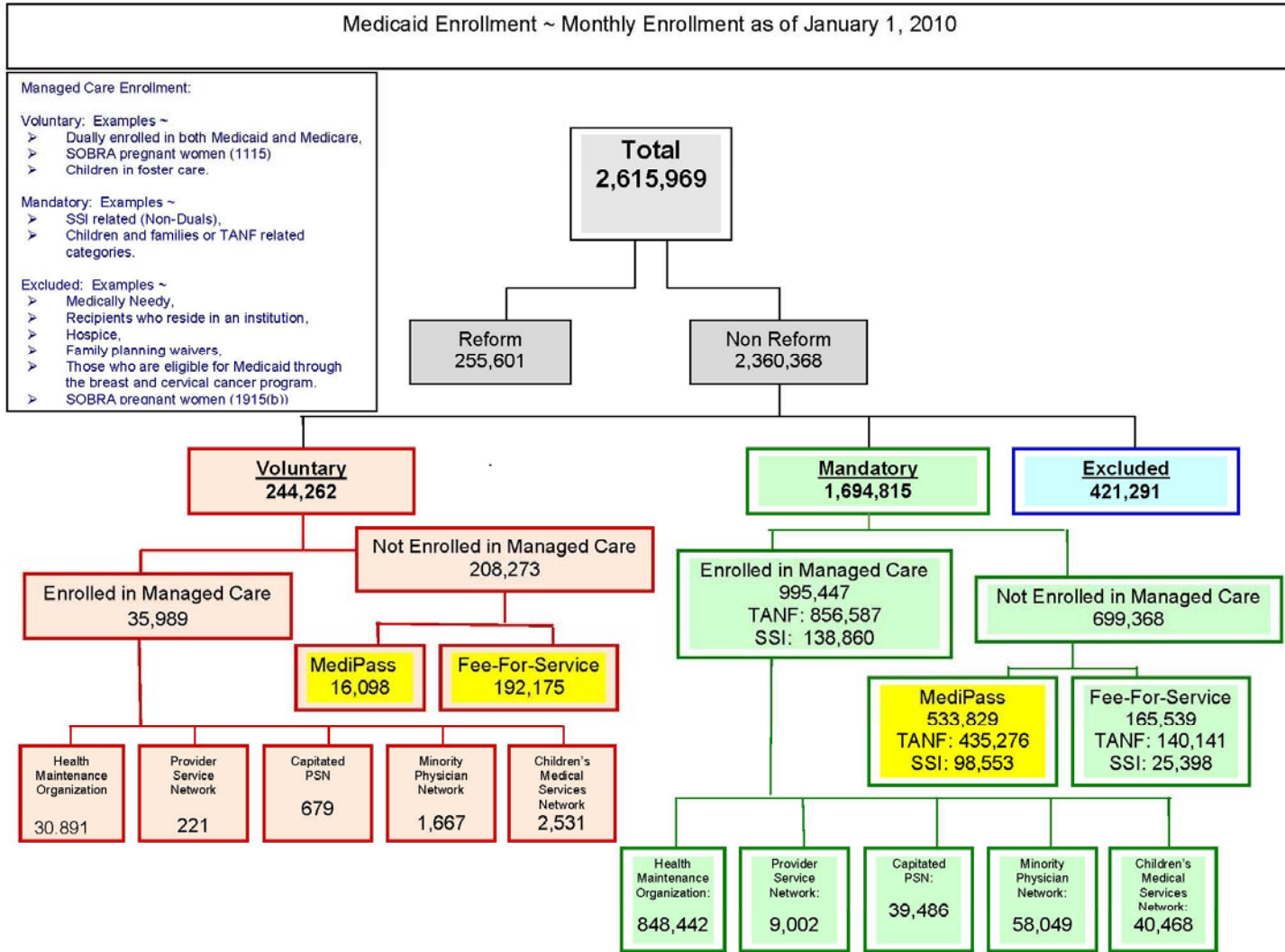
- Florida's 1915(b) Managed Care Waiver (non-reform) provides the State with the authority to mandatorily assign eligible beneficiaries and, within specific areas of the state (counties with 2 or more managed care plans), limit choice to approved providers.
- Some beneficiaries are *required* to enroll with a managed care provider, some have the *option* of enrolling with a managed care provider and some are *prohibited* from enrolling with a managed care provider. These beneficiaries can be referred to as “mandatory”, “voluntary”, or “excluded” from managed care enrollment.

## *Managed Care in Florida Medicaid Florida's 1115 Medicaid Reform Waiver*

- Allows Florida Medicaid to conduct a demonstration Pilot requiring managed care plan enrollment for most Medicaid eligibles in certain areas of the state.
- Provides the State with the authority to mandatorily assign eligible beneficiaries.
- Provides authority to enroll additional populations not included under the 1915(b) Managed Care Waiver:
  - Individuals with Medicare Coverage
  - SOBRA Pregnant Women
  - Children in Foster Care
  - Children with Chronic Conditions

## *Managed Care in Florida Medicaid Provider Participation*

- Under Federal requirements, Medicaid recipients must have a choice of providers.
  - Under Florida's 1915(b) Managed Care waiver:
    - 17 HMOs participating
    - 3 PSNs participating (2 capitated, 1 FFS)
    - 1 MPNs participating
    - MediPass
  - Under Florida's 1115 Medicaid Reform Demonstration Waiver:
    - 8 HMOs participating
    - 5 PSNs participating





## *Managed Care in Florida Medicaid Possible Expansion*

- Transition recipients from MediPass into managed care plans in counties with two or more plans:
  - Include populations eligible under the 1915(b) waiver
  - Include populations eligible under the 1115 waiver



Counties with two or more managed care plans and the capacity to absorb additional populations

Potential Expansion Under the 1115 Waiver Counties with 2 or More Plans : Capacity to Absorb Mandatory and Voluntary Population						
	Mandatory	Voluntary	Transition Population	% of Total Population	Potential Savings	General Revenue Savings
BREVARD	4,857	3,228	8,085	1.09%	(\$784,657)	(\$300,688)
CITRUS	4,152	1,000	5,152	0.70%	(\$276,788)	(\$106,067)
DADE	119,239	75,706	194,945	26.33%	(\$41,833,891)	(\$16,031,116)
HERNANDO	2,713	1,441	4,154	0.56%	(\$223,171)	(\$85,521)
HILLSBOROUGH	23,166	12,441	35,607	4.81%	(\$2,930,056)	(\$1,122,823)
JEFFERSON	475	165	640	0.09%	(\$8,337)	(\$3,195)
LAKE	5,858	2,031	7,889	1.07%	(\$423,832)	(\$162,416)
MADISON	896	346	1,242	0.17%	(\$16,179)	(\$6,200)
MANATEE	2,597	1,624	4,221	0.57%	(\$347,341)	(\$133,104)
ORANGE	14,423	9,346	23,769	3.21%	(\$2,306,805)	(\$883,988)
OSCEOLA	3,325	2,127	5,452	0.74%	(\$529,122)	(\$202,764)
PASCO	7,743	3,515	11,258	1.52%	(\$1,261,955)	(\$483,592)
PINELLAS	13,719	7,379	21,098	2.85%	(\$2,364,960)	(\$906,274)
POLK	8,751	4,764	13,515	1.83%	(\$1,112,133)	(\$426,179)
SEMINOLE	2,836	1,914	4,750	0.64%	(\$460,992)	(\$176,656)
WAKULLA	790	303	1,093	0.15%	(\$14,238)	(\$5,456)
<b>Total</b>	<b>215,540</b>	<b>127,330</b>	<b>342,870</b>	<b>46.31%</b>	<b>(\$54,894,459)</b>	<b>(\$21,036,039)</b>

Potential Expansion Under the 1915(b) or 1115 Waiver Counties with 2 or More Plans : Capacity to Absorb Only the Mandatory Population						
	Mandatory	Voluntary	Transition Population	% of Total	Potential Savings	General Revenue Savings
GADSDEN	2,383		2,383	0.32%	(\$31,043)	(\$11,896)
LIBERTY	389		389	0.05%	(\$5,067)	(\$1,942)
PALM BEACH	29,359		29,359	3.96%	(\$3,753,389)	(\$1,438,332)
<b>Total</b>	<b>32,131</b>		<b>32,131</b>	<b>4.34%</b>	<b>(\$3,789,500)</b>	<b>(\$1,452,170)</b>

Grand Total Potential Transition FY 2010-2011						
	Mandatory	Voluntary	Transition Population	% of Total	Potential Savings	General Revenue Savings
<b>Total</b>	<b>247,671</b>	<b>127,330</b>	<b>375,001</b>	<b>50.65%</b>	<b>(\$58,683,959)</b>	<b>(\$22,488,209)</b>

## *Managed Care in Florida Medicaid Possible Expansion*

- Savings reflect a 12 month phase in of transition population for counties with sufficient plan presence and capacity.
- Savings reflect the current HMO discount rates.
- Savings for Dade county reflect the current HMO discount rate and an additional discount of 4.5% to account for any fraud or overutilization in the fee-for-service system in that county.
- Assumes continued receipt of all IGTs associated with:
  - Low Income Pool
  - Hospital Exempt Rates
  - Rate reduction buy-backs for hospitals and County Health Departments
  - DSH Payments
- Administrative costs/ resources for the Agency are not included.

- Increased plan capacity needed prior to any expansion

Counties with 2 or More Plans WITHOUT Capacity to Absorb New Populations								
	Mandatory	Voluntary	Transition Population	Capacity	Capacity Deficit	% Total Transition Population	Potential Savings IF Capacity	General Revenue Savings
<b>HIGHLANDS</b>	5,224	1,036	6,260	1,146	-5,114	0.85%	(\$343,203)	(\$131,519)
<b>LEE</b>	12,883	3,264	16,147	5,075	-11,072	2.18%	(\$1,206,793)	(\$462,454)
<b>LEON</b>	6,296	1,657	7,953	4,463	-3,490	1.07%	(\$69,043)	(\$26,458)
<b>MARION</b>	18,225	3,299	21,524	17,655	-3,869	2.91%	(\$770,780)	(\$295,370)
<b>MARTIN</b>	2,339	524	2,863	493	-2,370	0.39%	(\$244,010)	(\$93,507)
<b>ST. LUCIE</b>	10,761	2,514	13,275	291	-12,984	1.79%	(\$1,131,413)	(\$433,567)
<b>SARASOTA</b>	4,150	1,778	5,928	3,736	-2,192	0.80%	(\$443,046)	(\$169,779)
<b>VOLUSIA</b>	10,513	4,102	14,615	6,993	-7,622	1.97%	(\$945,651)	(\$362,382)
<b>Total</b>	<b>70,391</b>	<b>18,174</b>	<b>88,565</b>	<b>39,852</b>	<b>-48,713</b>	<b>11.96%</b>	<b>(\$5,153,939)</b>	<b>(\$1,975,036)</b>



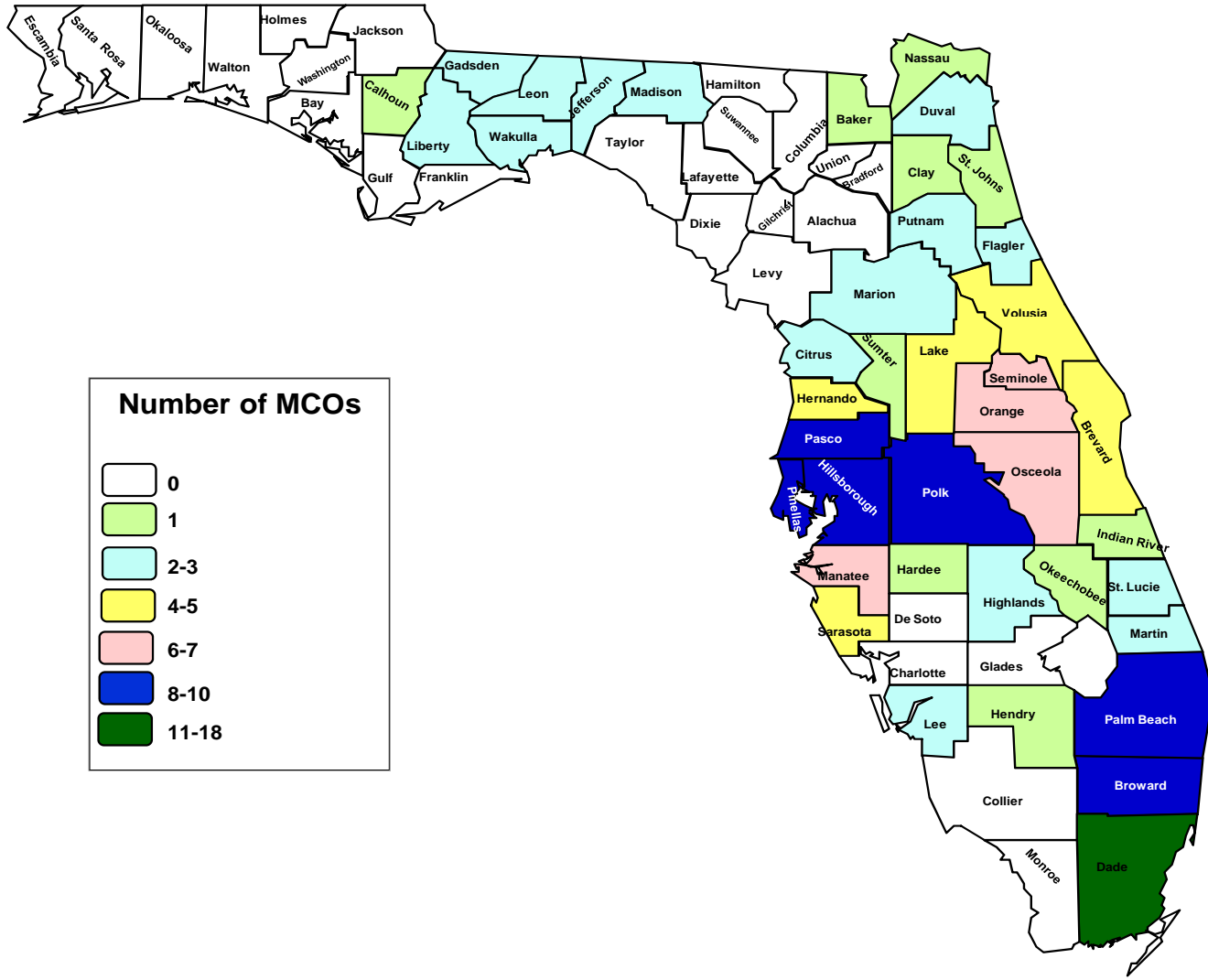
Options to increase managed care presence in underserved areas:

- Procurement
- Anchor counties

COUNTIES WITH FEWER THAN TWO MANAGED CARE PLANS						
COUNTY	Mandatory	Voluntary	Potential Transition Population	% Total Transition Population	Savings	General Revenue Savings
ALACHUA (0)	19,468	2,658	22,126	2.99%	(\$792,338)	(\$303,631)
BAY (0)	14,963	1,885	16,848	2.28%	(\$146,265)	(\$56,050)
BRADFORD (0)	3,022	389	3,411	0.46%	(\$122,149)	(\$46,809)
CALHOUN (1)	848	227	1,075	0.15%	(\$9,333)	(\$3,576)
CHARLOTTE (0)	9,640	1,128	10,768	1.45%	(\$804,778)	(\$308,398)
COLLIER (0)	22,080	1,721	23,801	3.21%	(\$1,778,837)	(\$681,666)
COLUMBIA (0)	8,912	1,141	10,053	1.36%	(\$360,001)	(\$137,955)
DESOTO (0)	4,311	404	4,715	0.64%	(\$352,389)	(\$135,039)
DIXIE (0)	2,228	314	2,542	0.34%	(\$91,030)	(\$34,883)
ESCAMBIA (0)	25,721	3,962	29,683	4.01%	(\$257,691)	(\$98,749)
FLAGLER (1)	5,823	682	6,505	0.88%	(\$420,900)	(\$161,293)
FRANKLIN (0)	1,103	174	1,277	0.17%	(\$11,086)	(\$4,248)
GILCHRIST (0)	1,812	229	2,041	0.28%	(\$73,089)	(\$28,008)
GLADES (0)	557	67	624	0.08%	(\$46,636)	(\$17,872)
GULF (0)	1,372	177	1,549	0.21%	(\$13,448)	(\$5,153)
HAMILTON (0)	1,843	262	2,105	0.28%	(\$75,381)	(\$28,887)
HARDEE	3,243	423	3,666	0.50%	(\$200,987)	(\$77,020)
HENDRY (1)	5,053	520	5,573	0.75%	(\$416,514)	(\$159,612)
HOLMES (0)	3,057	361	3,418	0.46%	(\$29,673)	(\$11,371)
INDIAN RIVER (1)	8,784	873	9,657	1.30%	(\$823,055)	(\$315,402)
JACKSON (0)	5,259	946	6,205	0.84%	(\$53,868)	(\$20,643)
LAFAYETTE (0)	738	50	788	0.11%	(\$28,218)	(\$10,814)
LEVY (0)	4,941	535	5,476	0.74%	(\$196,097)	(\$75,146)
MONROE (0)	3,784	748	4,532	0.61%	(\$648,944)	(\$248,681)
OKALOOSA (0)	8,697	1,423	10,120	1.37%	(\$87,856)	(\$33,667)
OKEECHOBEE (1)	1,985	386	2,371	0.32%	(\$202,078)	(\$77,438)
PUTNAM (1)	6,970	1,106	8,076	1.09%	(\$289,204)	(\$110,825)
ST. JOHNS (1)	7,158	1,021	8,179	1.10%	(\$529,215)	(\$202,800)
SANTA ROSA (0)	7,906	1,163	9,069	1.22%	(\$78,732)	(\$30,171)
SUMTER (1)	3,067	585	3,652	0.49%	(\$130,779)	(\$50,116)
SUWANNEE (0)	5,662	610	6,272	0.85%	(\$224,602)	(\$86,070)
TAYLOR (0)	1,581	302	1,883	0.25%	(\$16,347)	(\$6,264)
UNION (0)	1,670	161	1,831	0.25%	(\$65,569)	(\$25,126)
WALTON (0)	4,065	376	4,441	0.60%	(\$38,554)	(\$14,774)
WASHINGTON (0)	3,014	472	3,486	0.47%	(\$30,263)	(\$11,597)
<b>TOTAL</b>	<b>207,094</b>	<b>27,058</b>	<b>234,152</b>	<b>31.62%</b>	<b>(\$9,445,906)</b>	<b>(\$3,619,755)</b>



# Managed Care in Florida Medicaid Plan Penetration by County as of January 2010



## *Statutory and Federal Change Needed for Expansion of Managed Care*

- Renew Current 1115 waiver and expand geographically with the current population (i.e., eliminate MediPass)
  - Amend 409.91211
  - Do not need to amend the 1115 waiver
  - Could require voluntary populations to enroll (requires notification to CMS and/or waiver amendment)
- Use 1915(b) waiver to Eliminate MediPass in select counties:
  - Amend 409.912, 409.9121, 409.91188, 409.9122, 409.9123, 409.91297, 409.91211
  - Amend 1915(b) waiver
  - Could not enroll voluntary populations

## *Statutory and Federal Change Needed for Expansion of Managed Care*

- In rural areas, procure for managed care plan capacity:
  - Amend 1915(b) waiver or Amend 1115 waiver.
  - Options include:
    - Using existing community based resources to form new managed care organizations which may include medical home components
    - Competitively procure managed care entities using the hub/anchor counties to ensure critical mass.

## *Key Elements of Expansion*

- Issues needing resolution:
  - Hospital Rate Negotiation with Managed Care plans
  - Impact on “carve outs” (Behavioral Health, Dental, Transportation)
  - Impact on Intergovernmental Transfers (exempt rate, buy-backs, DSH)
  - Low Income Pool funding



*Questions?*