

# Update on Florida Designated State Health Program Project

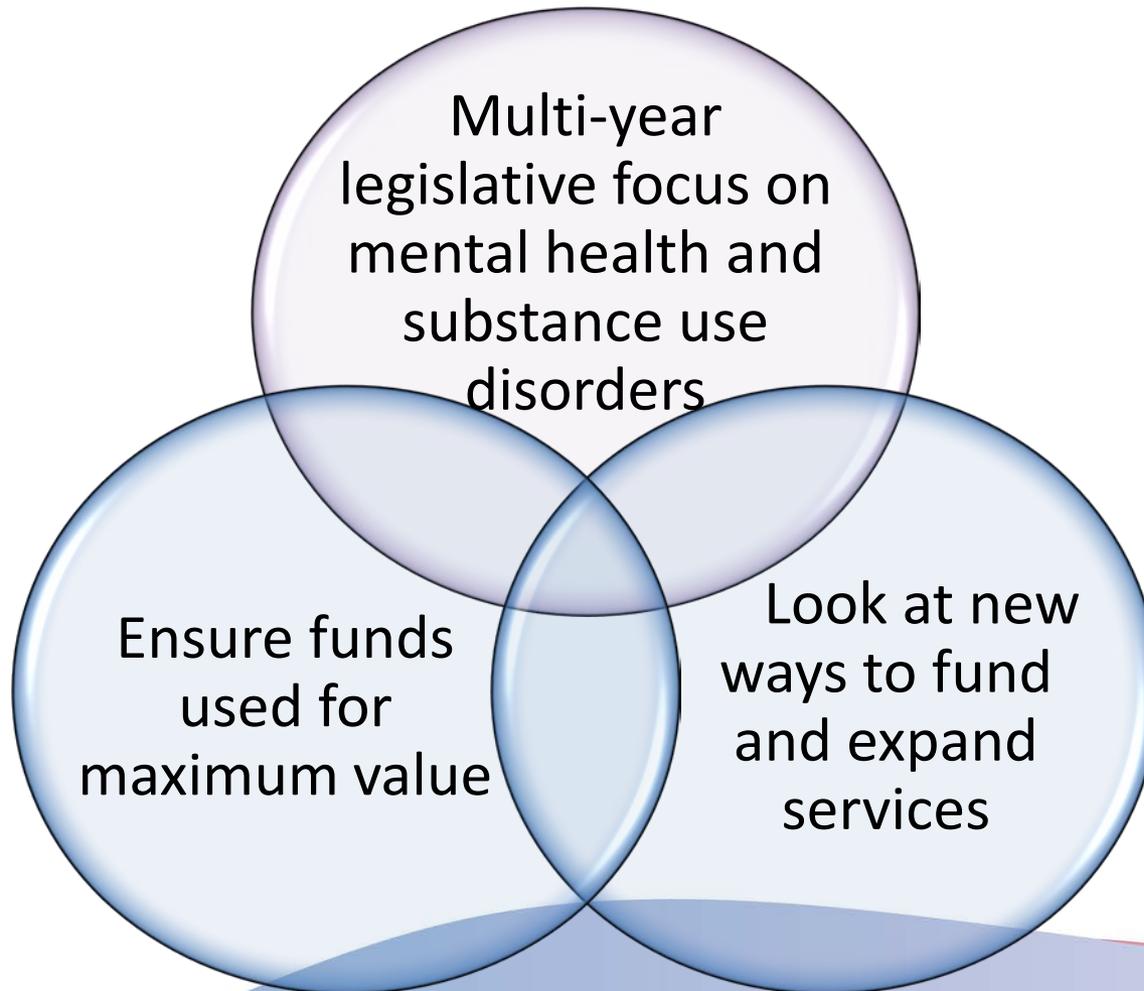
Beth Kidder  
Deputy Secretary for Medicaid

Presented to:  
House Health Care Appropriations  
Subcommittee

November 15, 2017



# Background: Legislative Focus on Substance Use Disorders and Mental Health

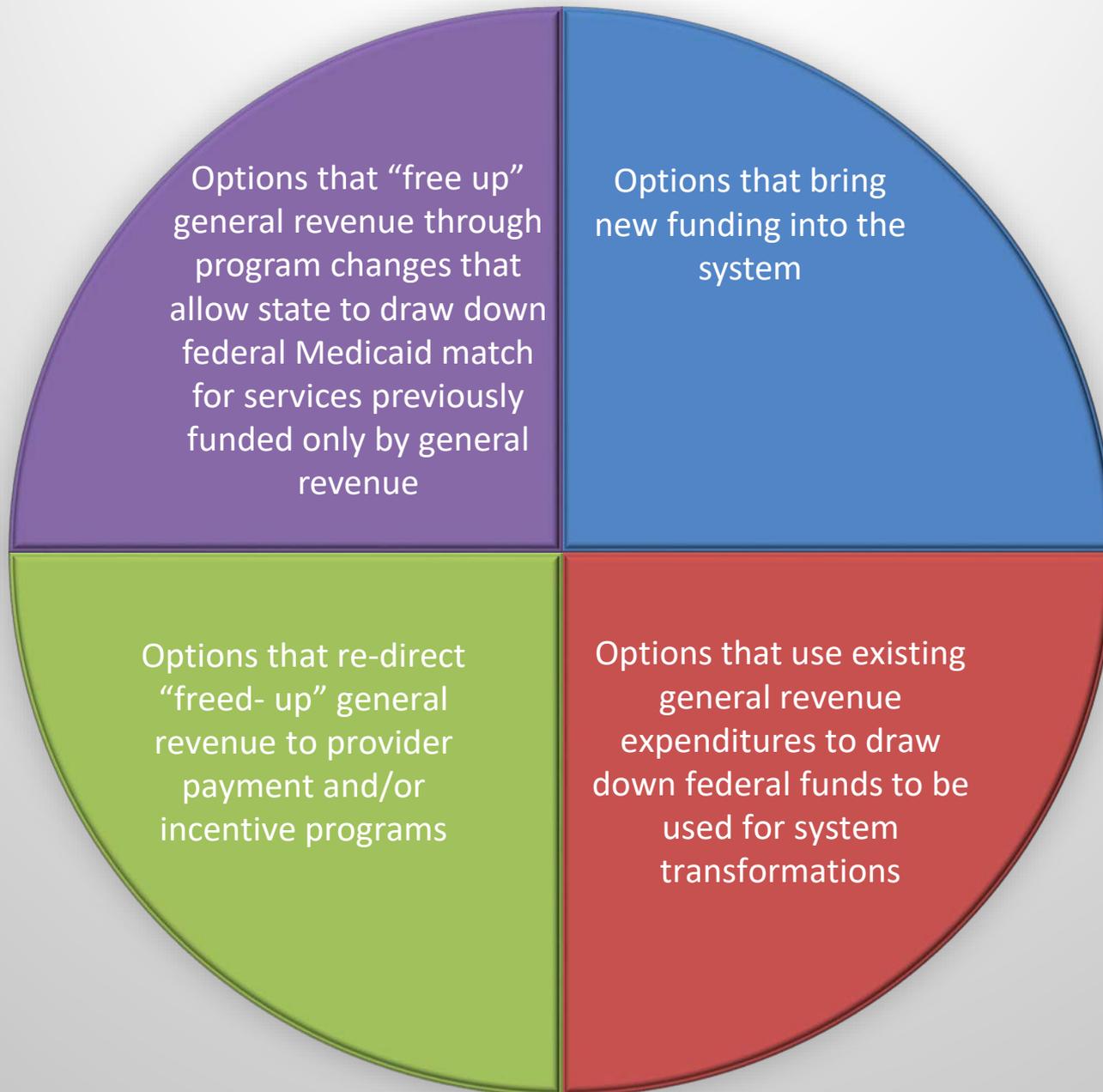


# 2016 Legislative Direction

- SB 12:
  - Directed the Agency to submit a plan evaluating alternative uses of increased Medicaid funding to advance the goal of improved integration of behavioral health services and primary care for individuals eligible for Medicaid.
  - The “Revenue Maximization Report”
- Collaborated closely with Department of Children and Families
- Submitted December 2016



# 2016 Legislative Direction: Revenue Maximization Options



## Revenue Maximization Options

Options that “free up” general revenue

- Seeking Medicaid eligibility for people with severe mental illness and/or substance use disorder (SUD)
- Covering additional services through Medicaid for people with SUD
- Covering additional services through Medicaid that DCF currently covers using general revenue

Options that re-direct “freed- up” general revenue

- Adjust the capitation rate for Medicaid enrollees with mental illness and SUD to increase provider payment
- Increase reimbursement rates for Medicaid behavioral health treatment services
- Increase reimbursement rates to providers through incentive payments

## Revenue Maximization Options

Options that use existing general revenue expenditures to draw down federal funds to be used for system transformations

- Designated State Health Program model
- Innovative programs to provide incentives for improved outcomes for behavioral health conditions through a Delivery System Reform Incentive Payment (DSRIP) model

Options that bring new funding into the system

- Supplemental payments to providers using Intergovernmental Transfers or Certified Public Expenditures



# 2017 Legislative Direction

- Presentation of Revenue Maximization report at Legislative committee meetings
- 2017 General Appropriations Act directed the Agency to seek federal approval for a Designated State Health Program



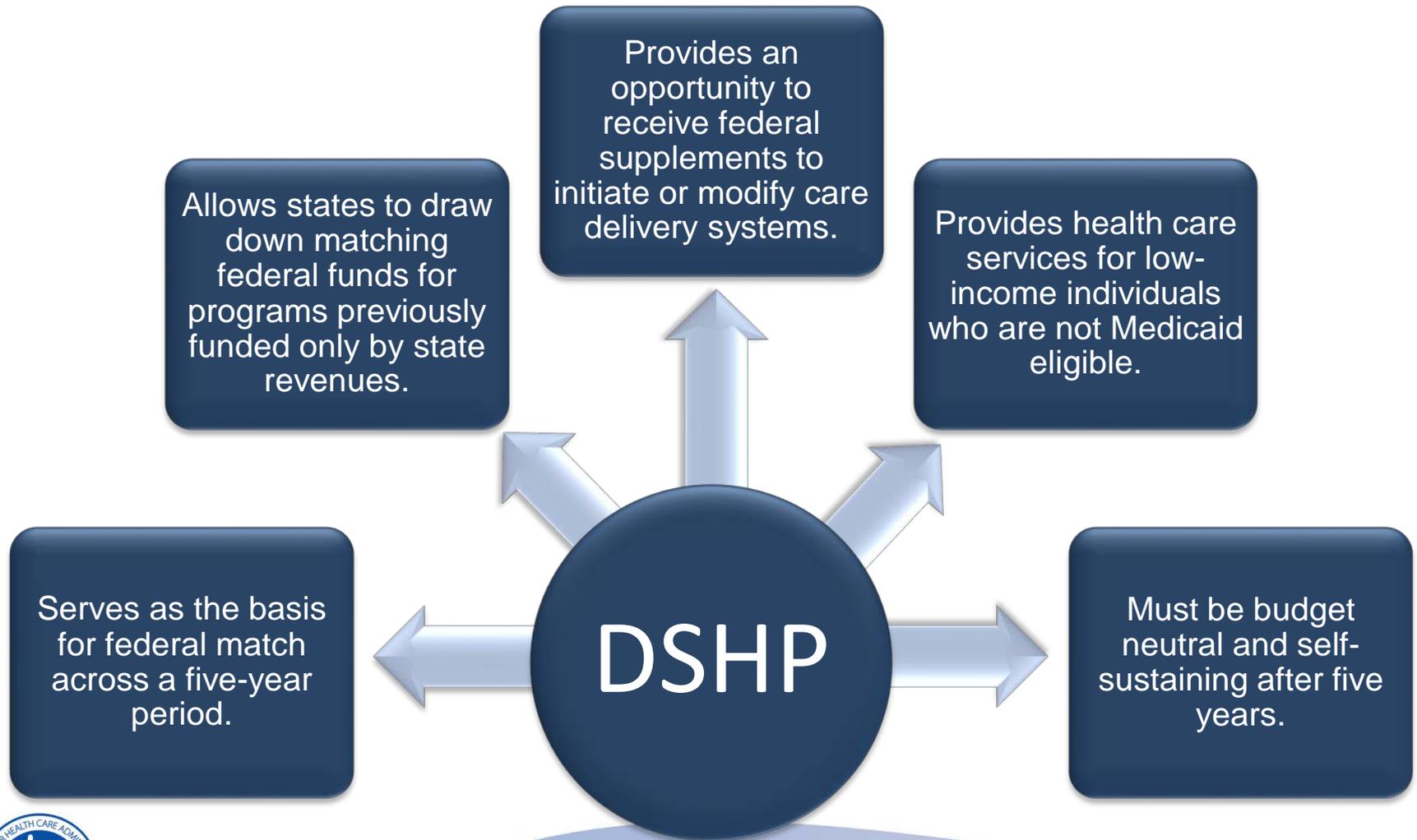
# 2017 Legislative Direction: Proviso

... the Agency for Health Care Administration shall seek federal approval for a designated state health program which allows the state to use general revenue funds expended on behavioral health services for non-Medicaid eligible individuals in the substance abuse and mental health safety net system administered by the Department of Children and Families as state match for federal funds.

...use the federal funds to improve the quality of and access to behavioral health services for Medicaid and non-Medicaid eligible individuals served by either the state Medicaid program or the safety net system, as allowable.

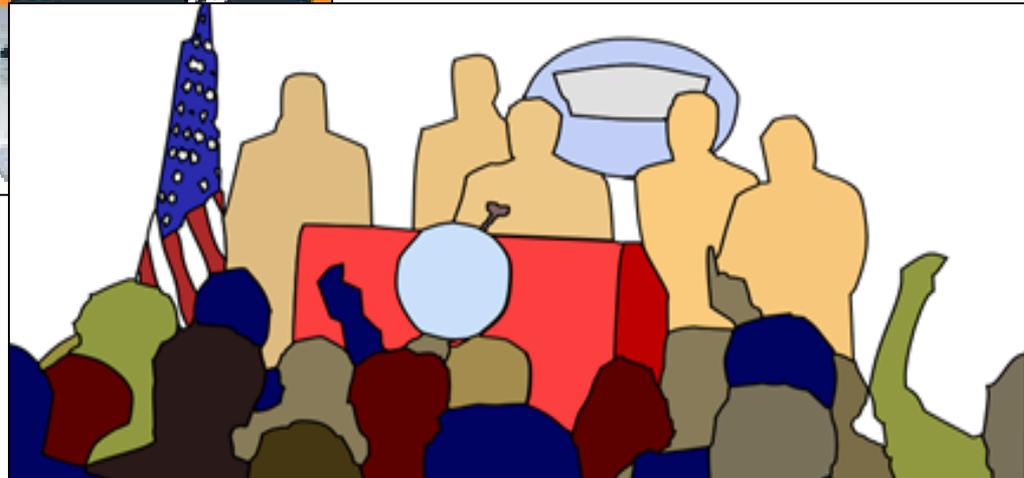
The goal for the use of funds generated by the designated state health program is to enhance long-term outcomes and improve value by increasing the use of coordinated, community-based services and supports and reducing the use of intensive services.

# What is a Designated State Health Program (DSHP)?



# Design of Florida's DSHP

Agency and DCF collaborated on an initial concept.



The Agency hosted two public meetings to gather input from stakeholders.



# Status of Florida's DSHP Proposal

- The Agency, in collaboration with DCF, submitted a concept paper to the federal Centers for Medicare and Medicaid Services (CMS) at the beginning of August.
- CMS has strongly encouraged the Agency to consider alternative approaches to address state goals
- Some alternatives include:
  - Covering additional services through Medicaid for people with substance use disorder
  - Covering additional services through Medicaid that DCF currently covers with general revenue
  - Supplemental payments to providers using intergovernmental transfers or certified public expenditures.



# Questions?

