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Subject: Letter to AHCA RE: RFI for Re-Procurement of the Statewide Medicaid Managed Care Program
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Attachments: [image001.png](#)
[FAHCS Letter AHCA SMMC 0520 2022 Final.pdf](#)

Please consider our recommendations. Letter attached.

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2022:
June 13-15: VGM Heartland – Waterloo, IA
Aug 4-5: FAHCS Annual Meeting/Exhibits, Renaissance Seaworld, Orlando
Oct 24-26: Medtrade East, Atlanta



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Secretary Simone Marstiller
Agency for Health Care Administration
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C/O Cody Massa
Procurement Officer
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**Re: AHCA RFI for Re-Procurement of the Statewide Medicaid Managed Care Program
(RFI 014-21/22)**

Dear Secretary Marstiller:

This letter is the official response of the Florida Alliance of Home Care Services (FAHCS) to the Agency for Health Care Administration's RFI for Re-Procurement of the Statewide Medicaid Managed Care Program (RFI 014-21/22).

FAHCS is led by a board of industry experts and maintains a high standard of advocacy. Established in January 2009, we fight to protect and preserve the integrity of our industry as providers and the beneficiaries we serve. We are working with providers and government agencies to enhance the industry and we serve home medical equipment providers and suppliers across the state of Florida.

The State of Florida has, in the past, expressed its strong support of a 'robust' Home Medical Equipment (HME) industry, in order to provide for the many and ever-growing needs of the citizenry of the state. The recommendations below are essential to rebuild and ensure a robust HME industry which has proven its worth in times of natural disasters, pandemics and economic crisis, while saving the state money.

After a thorough review of the SMMC program, how Managed Care Organizations work within it, and its effects of providers and beneficiaries alike, the board of FAHCS, along with providers

and vendors, has crafted this response. The result of each comment will conform with AHCA desire to improve the recipients' and providers' experiences by increasing timely access to services while achieving cost savings. Please consider our comments during the procurement process:

Fee Schedule Changes:

- Rate Floor - Implement 100% rate floor payments to Durable Medical Equipment Complex Rehab, and medical supply providers by MCOs. The current practice is that the MCO plans pay DME provider services by discounting a percentage of the Medicaid fee schedule which was drafted for a Fee for Service program. The State should implement alternative payer models instead of discounting a percentage off the FFS. The discounts are not based on need, costs, market conditions or alike. They are based solely on tradition from a time when there was flexibility within the rates to adjust to a weak code structure. The current standard of practice saved money in that one area for a brief period of time, but in the long-term it has and continues to cause access to care issues.
- DME providers were already struggling to survive with the rates that were in place prior to the pandemic; the strain on America's supply chain has translated to the DME provider community now with increased product, materials, and labor costs that are forcing providers to shut their doors or cease offering some medically necessary equipment.
- Code Schedule - The Fee Schedule is over 25 years old, and is not aligned with changes in equipment, technology, services and alike. Unit counts are often inaccurate based on current needs, many updated codes are missing and there have been no inflation or CPI adjustments to the current fees. As a result, MCOs must use miscellaneous codes which contribute to claims issues for providers. Florida must revise and update the DME procedure codes on the Florida Medicaid fee schedule.

Add CPI Increase each Year

- Many rising costs affect the ability to do business. Cost of goods, exorbitant shipping fees, and rising fuels costs are hard to absorb with the set prices paid to providers. Due to the way in which DME is reimbursed, providers are not able to pass increased costs on to payers. Managed Care Organizations must be contractually obligated by AHCA to implement cost of living increase into their provider contracts. Adjusting Medicaid rates to allow for CPI increases at the beginning of each year will ensure that providers can continue to focus on ensuring Florida Medicaid beneficiaries have access to the products & services they need.

Performance Audit for Plans:

- Many managed care organizations have system edits and errors that cause clean claims, those filed by the provider without error, to be 'kicked out' or rejected inappropriately forcing provider to fight for money owed, leading to months and years of battles to be paid accordingly. There is a need for compliance on clean claims and mandated interest payments to give restitutions to those who are not at fault yet burdened by incompetent systems. FACHS recommends increasing the penalties on delayed claims (which is now 1%) to 10% a month and allowing providers to receive a portion of these penalties. There should be consistent application of medical necessity, criteria and guidance for reimbursement. Electronic authorization and claims processes must be required of the MCOs through contractual obligation by AHCA . AHCA should also evaluate eliminating medical necessity audits on items that have had prior approval issued which substantiates the medical necessity of the item.

Florida Medical Care Representative:

- FAHCS requests a member slot for a representative of FAHCS to speak on behalf of the DME industry. This should be someone who represents, and is selected by, the state association as they would represent the voice of the largest DME stakeholder group in the state. Having the voice of the DME community participate in the Medical Care Advisory Committee will ensure that the appropriate level of attention is given to policies impacting Florida residents who require DME.

Oversight of MCOs :

- Although there is a position at AHCA which has direct responsibility for oversight of the Managed Care Plans, it is essential that some person at AHCA have oversight over MCO Authorizations and Claims. The currently MCOs employ different mechanisms and models for prior authorization review and claims payment. The processes vary radically as does the outcomes, with exceedingly high percentages of fundamental errors when it comes to DME, which can and does result in access issues.
- Regular meetings with the stakeholders in partnership with leadership from AHCA, and a person in a role that has this particular oversight, will help identify and prevent problematic policies that lead to access to care issues. In the last year there have been extreme examples of access to care problems due to a lack of oversight or MCO use of resources that impede the provision of DME in a timely manner. These challenges resulted in delayed discharges with increased costs to the state, insufficient equipment access for patients, and limited access during the PHE. Inappropriate claims submissions cause delays as well.

Self-Referral and TPAs

The current contract between AHCA and MCO forbids self-referral by MCOs and Third-Party Administrators (TPA) in regard to DME and other ancillary services. This is a direct result of lessons learned after Univita, one of the largest Medicaid failures in the history of America, which nearly collapsed all ancillary services in Florida, and created situations of access to care for their beneficiaries. This situation can occur again, especially due current to economic factors leading to massive consolidation in health care. Therefore, we urge AHCA to continue the prohibitions on self-referral that currently exist.

There are TPA arrangements working in Medicaid today that actively self-refer to entities with common ownership and those entities need to be subject to oversight by AHCA, in addition to MCO oversight, which has been lacking in the past.

We request a meeting with discuss the above in further detail and will make our experts available to you if there are any questions . Thank you for your consideration and we look forward to hearing from you.

Sincerely,



Beth Bowen
Executive director, FAHCS

CC:
Tom Wallace, Deputy Secretary, Division of Medicaid
Cody L. Farrill, Chief of Staff