



Statewide Medicaid Managed Care (SMMC) New Program Highlight: Value - Based Purchasing

The Agency for Health Care Administration (Agency) contracts with health and dental plans to provide Medicaid services to health plan enrollees. The Agency recently entered into new contracts with health and dental plans that will greatly benefit enrollees and providers. This document is part of a series that highlights the program changes in the new Statewide Medicaid Managed Care (SMMC) health and dental plan contracts. [Under the new SMMC contracts, the Agency has developed a more robust approach to drive quality improvements for Medicaid recipients using Value-Based Purchasing \(VBP\). The strategy aims to promote healthier outcomes and ensure cost efficiency through progressive benchmarks over the life of the contract and the expansion of transparency requirements to include all providers.](#)

The Agency will transition to the new contracts in February of 2025. The plans will operate in 9 Regions throughout the state.

Region	Counties
A	Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Madison, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington
B	Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Nassau, Putnam, St. Johns, Sumter, Suwannee, Union, and Volusia
C	Pasco and Pinellas
D	Hardee, Highlands, Hillsborough, Manatee, and Polk
E	Brevard, Orange, Osceola, and Seminole
F	Charlotte, Collier, DeSoto, Glades, Hendry, Lee, and Sarasota
G	Indian River, Martin, Okeechobee, Palm Beach, and St. Lucie
H	Broward
I	Miami-Dade and Monroe

Florida Medicaid has a program called the Managed Medical Assistance (MMA) program. This program provides Medicaid state plan services through a managed care plan. Within the MMA program the managed care plan is required to utilize VBP agreements with the providers within its provider network.

What is Value-Based Purchasing?

VBP is a reimbursement strategy that links provider payments to high quality performance by health care providers. VBP arrangements include contractual agreements between payers, in this instance the plans, and health care providers. This agreement holds the providers accountable for both the quality and cost of care that they provide. VBP supports a holistic approach to care that addresses both mental and physical health needs. The program focuses on providing a more comprehensive care that improves the overall health outcomes for Medicaid enrollees. VBP promotes the use of innovative health care models, such as telehealth and patient-centered medical homes, that enhance accessibility and coordination of care.

Value-Based Purchasing in SMMC 3.0

Under the new contract, for the first time managed care plans are required to submit their agreements and corresponding claims with providers and subcontractors to the Agency for review and documentation. The agreements must fit within the tenets of the Agency’s contract requirements for VBP and are arranged in either a broad or targeted agreement between the plan and the provider.

Type of VBP Arrangement	Broad	Targeted
Population-Based	✓	✓
Enhanced Primary Care	✓	✓
Episode Care-Based		✓
Quality Performance	✓	✓
Infrastructure & Operations		✓

All VBP agreements executed by the plans require that providers participate in the Florida Health Information Exchange (HIE) Encounter Notification Service (ENS). The ENS allows providers to securely track and facilitate patient care management that may assist with reducing duplicative treatments.

The Tenets of the Agency's VBP program

Maximize High-Value Care

Reduce Inappropriate Care

Reward Best-Performing Providers

Transparency Requirements for VBP Agreements in the Contract

Plans are required to have a value-based purchasing program that includes certain elements to ensure transparency to providers so that they understand the reimbursement that they receive. All agreements must include:

- A detailed methodology on how enrollees are assigned to providers for calculation of final payment.
- A detailed methodology on how each provider's target budget is calculated.
- A detailed methodology on how data will be shared, at least quarterly, between the plan and the provider.
- A detailed list of quality measures used for calculating shared savings or losses.

Progressive Benchmarks for VBP Agreements Over the Life of the Contract

The Managed Care Plan shall use the Learning Action Network (LAN)'s alternative payment framework to categorize its value-based purchasing agreements with providers.

The contract contains established benchmarks that increase with each year of the contract.

Managed Medical Assistance

INCREMENTAL INCREASE IN EXPENDITURES IN VALUE-BASED PURCHASING AGREEMENTS WITH PROVIDERS*			
Contract Period	VBP LAN 3A+	VBP LAN 3B+	VBP LAN 4A+
Year 1	10%	5%	0%
Year 2	20%	10%	1%
Year 3	25%	15%	2.5%
Year 4	30%	20%	5%
Year 5	35%	25%	7.5%
Year 6	40%	30%	10%

Dental

INCREMENTAL INCREASE IN EXPENDITURES IN VALUE-BASED PURCHASING AGREEMENTS WITH PROVIDERS		
Contract Period	VBP LAN 2A+	VBP LAN 3A+
Year 1	Reporting	Reporting
Year 2	10%	5%
Year 3	15%	10%
Year 4	20%	15%
Year 5	30%	20%
Year 6	40%	25%

* The percentages are minimum targets. The plus sign indicates the inclusion of greater risk levels. For example, "2A+" includes LAN risk Levels 2AA, 2B, 2C, 3A, 3B, 4A, 4C

For more information on the SMMC program, visit: ahca.myflorida.com/medicaid/statewide-medicaid-managed-care.

What to Expect:

Late September 2024	The Agency will mail all voluntary Florida Medicaid recipients a letter explaining that the Statewide Medicaid Managed Care program is transitioning and that they will need to either select a managed care, opt not to enroll in a managed care plan, or be automatically enrolled in a managed care plan.
Mid-November 2024 (Regions F-J)	The Agency will inform all recipients of their managed care plan assignments via letter, which will include additional information on how to disenroll or change plans if desired. Recipients may change their assigned plan by visiting flsmmc.com or calling 1-877-711-3662.
Early December 2024 (Regions A-E)	
February 1, 2025	All recipients, including voluntary recipients who have opted to enroll in a managed care plan will begin receiving their Florida Medicaid services through the Statewide Medicaid Managed Care program.