Florida Medicaid: An Overview

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Medicaid
A State and Federal Partnership

- In 1965, the federal Social Security Act was amended to establish two major national health care programs:
  - Title XVIII (Medicare)
  - Title XIX (Medicaid)
- Medicaid is jointly financed by state and federal funds.
- States administer their programs under federally approved State Plans.

The Medicaid Program
Major Federal Requirements

- States must submit a Medicaid State Plan to the federal Centers for Medicare and Medicaid Services (CMS).
  - Mandatory eligibility groups and services must be covered.
  - Services must be available statewide in the same amount, duration and scope.
- In order for states to implement programs which deviate from their State Plan (to vary by geographic areas, amount, duration and scope), the state must request a waiver.
  - A waiver is a program requested by a state and approved by federal CMS that waives certain provisions of the Social Security Act.

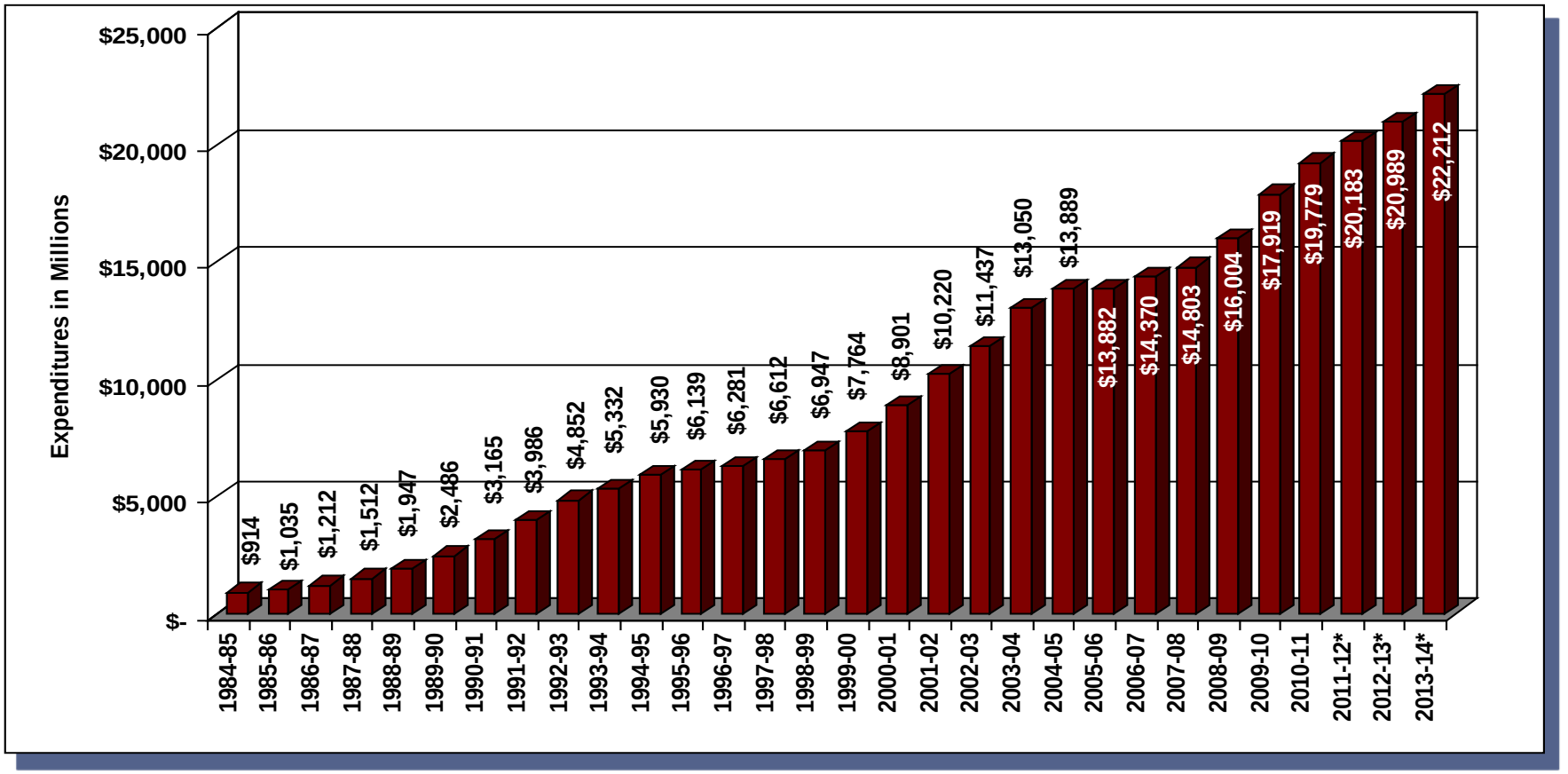
Types of Waivers

- There are three major types of waivers.
  - 1915(b)
    - Waive the requirement that "any willing qualified provider" can enroll and provide Medicaid reimbursable services.
  - 1915(c)
    - Cover services traditionally viewed as "long-term care" and provide them in a community setting instead of nursing facilities or Intermediate Care Facilities for the Developmentally Disabled.
  - 1115
    - To test or pilot a unique program or method of service delivery.

Florida Medicaid – A Snapshot

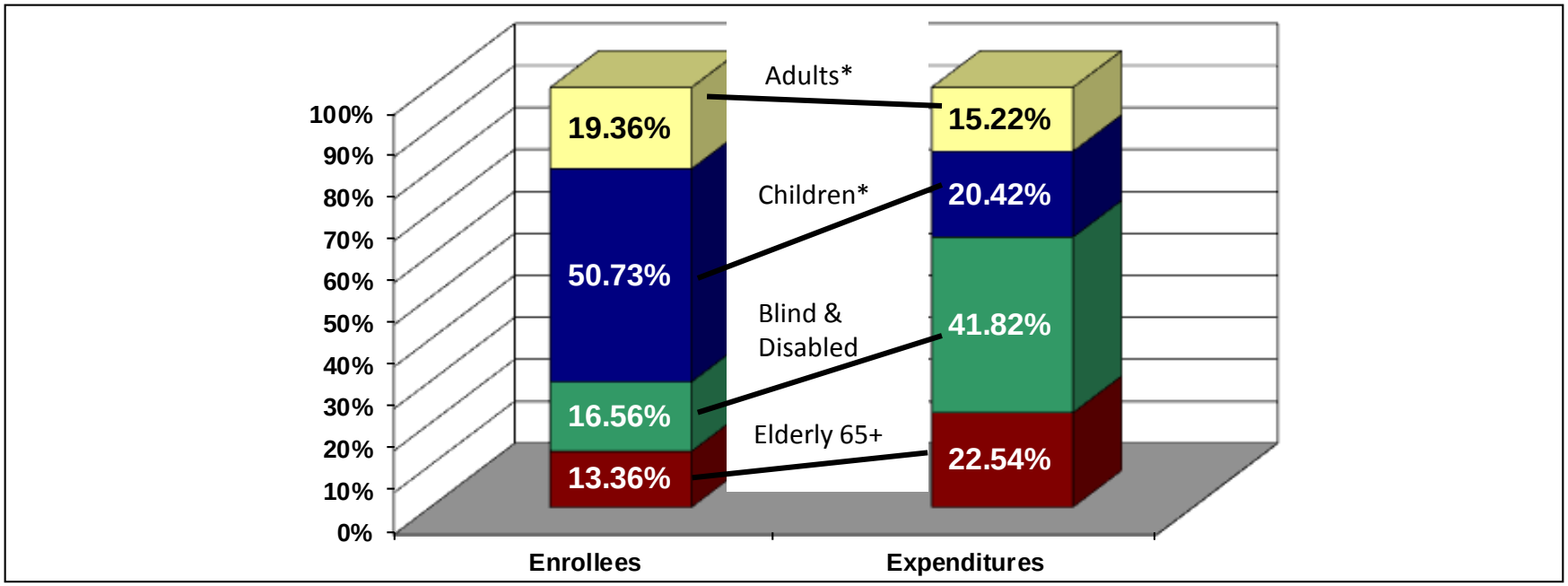
Expenditures	• $21.0 billion estimated spending in Fiscal Year 2012-13 • Federal-state matching program – 57.73% federal, 42.27% state. • Florida will spend approximately $6,324 per eligible in Fiscal Year 2012-2013. • 42% of all Medicaid expenditures cover hospitals, nursing homes, Intermediate Care Facilities for the Developmentally Disabled (ICF/DD's); Low Income Pool and Disproportionate Share Payments. • 10% of all Medicaid expenditures cover drugs. • Fifth largest nationwide in Medicaid expenditures.
Eligibles	• 3.2 million eligibles. • Elders, disabled, families, pregnant women, children in families below poverty. • Fourth largest Medicaid population in the nation.
Providers/Plans	• Approximately 76,000 active Fee-For-Service providers; 28 Medicaid Managed Care plans (19 HMOs and 9 PSNs).

Growth In Medicaid Service Expenditures



Source: Medicaid Services' Budget Forecasting System Reports.
*FY 2011-12 January 2012 Social Services Estimating Conference.
*FY 2012-13 July 2012 Social Services Estimating Conference.
*FY 2013-14 July 2012 Social Services Estimating Conference.

Florida Medicaid Budget - How it was Spent
Fiscal Year 2011-12

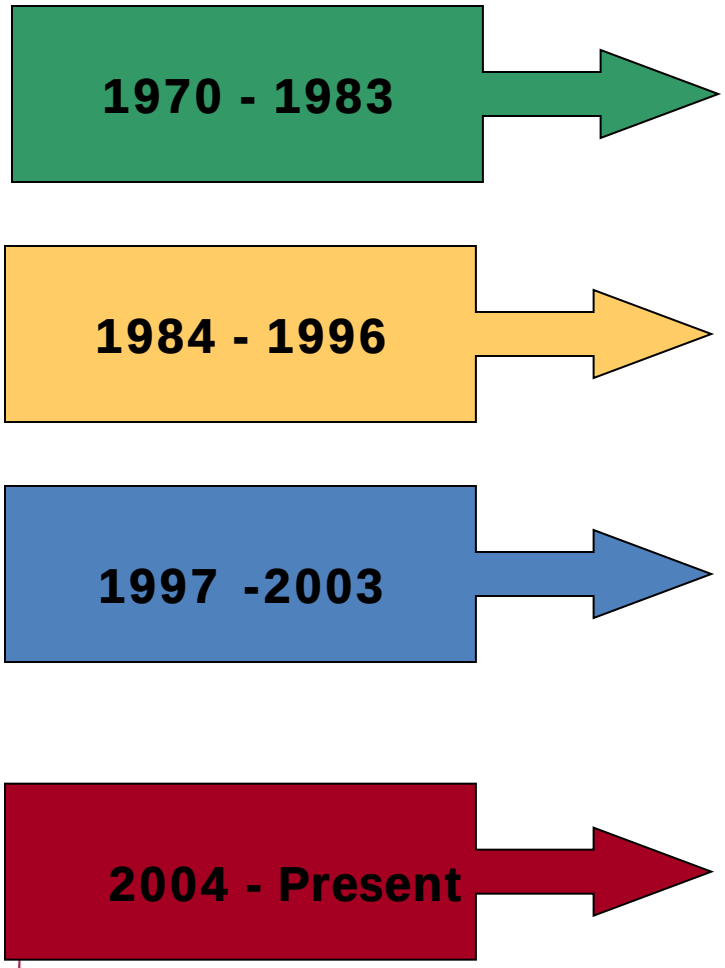


* Adults and children refers to non disabled adults and children.

Florida Medicaid Enrollment Today

- The Florida Medicaid program is growing at an unprecedented rate, with enrollment anticipated to grow to more than 3.5 million enrollees during 2013-2014.
  - Note: October 31, 2007, enrollment was 2,117,174. Increase of 52% over 5 year period (ending October 31, 2012).
- Medicaid recipients in Florida receive services through several different delivery systems, each with a different level of care coordination.

The Evolution of Florida Medicaid Delivery Systems



Fee-for-Service

HMOs – Since 1984
MediPass (PCCM) – Since 1991
Prepaid Mental Health Plans – Since 1996

Fee-for-service Provider Service Network - Since 2000
Disease Management
Nursing Home Diversion
Prepaid Dental Plans – Since 2004

Improvements in:

- **Integrated Care Management/ Care Coordination**
- **Outcomes Management/Improved Clinical Decision Making**
- **Quality Assurance**
- **Enhancements to Fraud and Abuse Controls**

New:

- **Medicaid Reform Pilot (2006)**
- **Specialty Plan (HIV/AIDS)**
- **Capitated Provider Service Networks (Since 2008)**

Florida's Current Medicaid Enrollment

November 1, 2012

Medicaid Enrollment As of November 2012		% of total Enrollment
HMO	1,220,774	37.9%
PSN	261,460	8.11%
MediPass (PCCM)	593,009	18.4%
Fee-For-Service	1,127,177	35%
Nursing Home Diversion	19,968	.62%
Total	**3,222,388**	

Note: 46.6% of recipients receive their care through a managed care plan today.

Florida's Medicaid Managed Care Programs

- Enrollment into:
  - Health Maintenance Organizations (HMO) since 1984 and MediPass since 1991
  - Addition of Provider Service Networks (PSN) in 2000
- Medicaid Managed Care Reform Pilot Program
  - July 1, 2006 through June 30, 2014
- Statewide Medicaid Managed Care Program
  - Beginning 2013/2014

Florida's Medicaid Managed Care Program: Goals

- Improve access to health care services.
- Provide more choices (plans and services) for Medicaid recipients.
- Provide opportunities for recipients to take a more active role in their health care decisions.
- Reduce the administrative complexity of managing the Florida Medicaid Program.
- Slow the rate of growth of expenditures:
  - Better care coordination
  - Reduction of over-utilization
  - Reduction of fraud and abuse

Medicaid Managed Care Pilot Program
(July 1, 2006 – June 30, 2014)

The Agency for Health Care Administration (Agency) was directed by the 2005 Florida Legislature, through Section 409.91211, Florida Statutes, to implement the Medicaid Managed Care Pilot Program.

~ 1115 Demonstration Waiver

Medicaid Managed Care Pilot Program (2006-2014): Choice of Plan Types

- HMO
  - HMO: Agency contracts with HMOs on a prepaid fixed monthly rate per member (e.g. capitation rate) for which the HMO assumes all risk for providing covered services to their enrollees.
- PSN
  - Provider Service Network (PSN) is a network established or organized 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.
- Specialty Plans
  - The Agency currently contracts with two HIV/AIDS specialty plans.

Medicaid Managed Care Pilot Program (2006-2014): Choice of Benefit Packages

- Expanded Benefits: Health plans may provide benefits in addition to the state plan benefit package.
  - over the counter drug benefits
  - preventative dental care for adults
  - adult eyeglass upgrades
  - circumcision
  - respite care
  - nutrition therapy
  - health and wellness benefit
  - Meals on Wheels for families of newborns
- Flexible Benefits: Plans may vary some benefits within an actuarially sound range.

Medicaid Managed Care Pilot Program (2006-2014): Choice Counseling

- Choice Counseling is designed to assist Medicaid recipients to choose a health care plan that meets their needs.
- Features unique to Pilot:
  - Online enrollment
  - Comprehensive plan comparison information
  - Home visits available upon request
  - Services available in many languages
  - Plan prescription drug formulary comparison tool
  - Special Needs Unit staffed with nurses to assist the medically complex

Medicaid Managed Care Pilot Program (2006-2014): Enhanced Benefits

- Participation in healthy behaviors that have positive outcomes and can improve one's health status are rewarded.
- Rewards are in the form of credit dollars that may be used to purchase health related products and supplies.
- Recipients may earn up to a maximum of $125 per year in credit dollars.
- Recipients may use credits for up three years after losing Medicaid eligibility if the credits were earned before January 1, 2012, or for up to 1 year after losing Medicaid eligibility if the credits were earned after January 1, 2012.

Medicaid Managed Care Pilot Program (2006-2014): Risk Adjusted Rates

- Risk Adjusted Rates:
  - A process to predict health care expenses based on chronic diagnoses.
  - Distributes capitation payments across health plans based on the health risk of the members enrolled in each health plan.
  - Captures adverse selection without using experience rating (health status, not health use).
  - Rate allocation, not rate setting; are budget neutral
- Risk Adjustment Process:
  - Better matches payment to risk.
  - Pay for the risk associated with each plan's enrolled population.

Low Income Pool (LIP) Program

- The Low-Income Pool (LIP) program provides $1 billion annually to certain Florida Medicaid providers.
- Per Special Term and Condition (STC) #51 of the 1115 Wavier:
  - "The Low Income Pool provides government support for the safety net providers that furnish uncompensated care to the Medicaid, underinsured and uninsured populations. The LIP is also designed to establish new, or enhances existing, innovative programs that meaningfully enhance the quality of care and the health of low income populations."

Statewide Medicaid Managed Care
(Beginning 2013/2014)

During the 2011 Florida Legislative Session, the House and Senate passed House Bill 7107 and HB 7109, which require the state Medicaid program to implement a Statewide Medicaid Managed Care Program.

~ 1915 (b)(c) Waiver
~ 1115 Demonstration Waiver
~ State Plan Amendment

Statewide Medicaid Managed Care (2013/2014): Maintains Elements from Pilot

- Plan Choice
- Choice of Benefit Package
- Choice Counseling
- Healthy Behaviors
- Risk Adjusted Rates
- Low Income Pool

Statewide Medicaid Managed Care (2013/2014): Program Improvements

- Integrates long-term care for a more comprehensive and coordinated delivery system
  - Long-term care managed care program component
    - Will begin in the fall of 2013
  - Managed Medical Assistance program component
    - Will begin in mid-2014
- Comprehensive Plans
  - Ensure comprehensive care for recipients receiving both long-term care and managed medical assistance services

Statewide Medicaid Managed Care (2013/2014): Program Improvements

- Achieved Savings Rebate
  - Ensures appropriate medical services expenditures
- Access to Care Partnership
  - Ensures appropriate distribution of local funds (intergovernmental transfers) and Low Income Pool funds
- Florida Medical Schools Quality Network
  - Ensures continued involvement of medical schools and graduate medical education programs to improve clinical outcomes of managed care plans

Statewide Medicaid Managed Care Program: Program Improvements

- Increased access to quality providers:
  - Plan selection based on the Agency's 11 regions in the state
  - Selection of the most qualified plans through competitive procurement
  - Expanding services available in rural areas.
- Increased access to quality services:
  - Increased access to participant direction
  - Plans can offer expanded benefits
  - Increased opportunity for integration between Medicaid and Medicare through enhanced care coordination

Statewide Medicaid Managed Care Program: Program Improvements

- Increased predictability for recipients and providers:
  - Five year contracting period - less confusion for providers and recipients
  - Penalties for plan withdrawals
  - Maintenance of role of critical community-based providers
  - Parameters for payments to certain providers (nursing facilities, hospice)
  - Limited number of plans ensures adequate market share for plan stability

Statewide Medicaid Managed Care Program: Program Improvements

- Increased accountability:
  - Enhanced quality measures
  - Enhanced access to encounter data for long-term care services and other services
  - Enhanced contract compliance tools, including liquidated damages, sanctions, and statutory penalties and terminations
  - Additional integrity functions and activities to reduce the incidence of fraud and abuse

Statewide Medicaid Managed Care (2013/2014): Status of Federal Approval

- **Long-term Care Managed Care Program:**
  - The Agency submitted the 1915b/c application for the Long-term Care Managed Care waiver program on August 1, 2011.
  - On July 24, 2012, the Centers for Medicare and Medicaid Services (CMS) directed the Agency to submit a Transition Plan, Quality Measure Crosswalk, and Action Plan. The Agency initially submitted the Transition Plan, Quality Measures Crosswalk and Action Plan to CMS on August 30, 2012. Updated versions of these same documents were submitted to CMS on October 5, 2012, based on feedback received from CMS.
  - The LTC SMMC waiver went "back on the clock" for the final 90 day review period on November 9, 2012.

- **The Long-term Care Managed Care Invitation to Negotiate (ITN):**
  - The Long-term Care Managed Care Invitation to Negotiate (ITN) was released June 29, 2012, and the deadline for receipt of responses was August 28, 2012.
  - Anticipated awards in January 2013.
  - We are in the statutorily mandated black-out period for this ITN (section 287.057(3), F.S.).

Statewide Medicaid Managed Care (2013/2014): Status of Federal Approval

- **Managed Medical Assistance Program:**
  - The Agency submitted a request to amend the 1115 Medicaid Reform Demonstration Waiver for implementation of the Managed Medical Assistance Managed Care waiver program on August 1, 2011.
  - On January 3, 2012, CMS sent the Agency informal questions relating to this request and the Agency submitted responses on April 13, 2012.
  - On September / October, 2012, the Agency submitted Florida's Medicaid Managed Care Quality Assessment and Improvement Strategies (QAIS) and draft implementation plan for the MMA program to Federal CMS. The draft implementation plan summarizes the key implementation activities the Agency has undertaken or will undertake to implement the MMA program.
  - The Managed Medical Assistance ITN will be released no later than January 1, 2013.

Statewide Medicaid Managed Care (2013/2014): Status of Federal Approval

- **Medically Needy Program: Seeking Section 1115 Research and Demonstration Waiver**
  - The Agency submitted a concept paper to federal CMS on August 1, 2011, and submitted the final waiver application on November 21, 2012.

- **State Plan Amendment**
  - To authorize the Health Insurance Premium Payment Program
  - Approved by federal CMS September 2011
  - Rulemaking is in process

Public Input and Program Improvements

- Florida Medicaid is open to feedback from any stakeholder, including recipients, providers, advocates and researchers.
- Based on this feedback, the program has taken advantage of opportunities to adapt and improve components of the Reform Pilot, including:
  - Focus groups and public meetings
  - Revision of publications and call center scripts
  - Choice Counseling Special Needs Unit
  - Choice Counseling Navigator System
  - Centralized Complaint Tracking System
- Email your comments and suggestions to: FLMedicaidManagedCare@AHCA.myflorida.com.

Questions?