



Looking Back, Looking Ahead: Medicaid Reform in Florida

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Background

Our Study Methods for the Evaluation

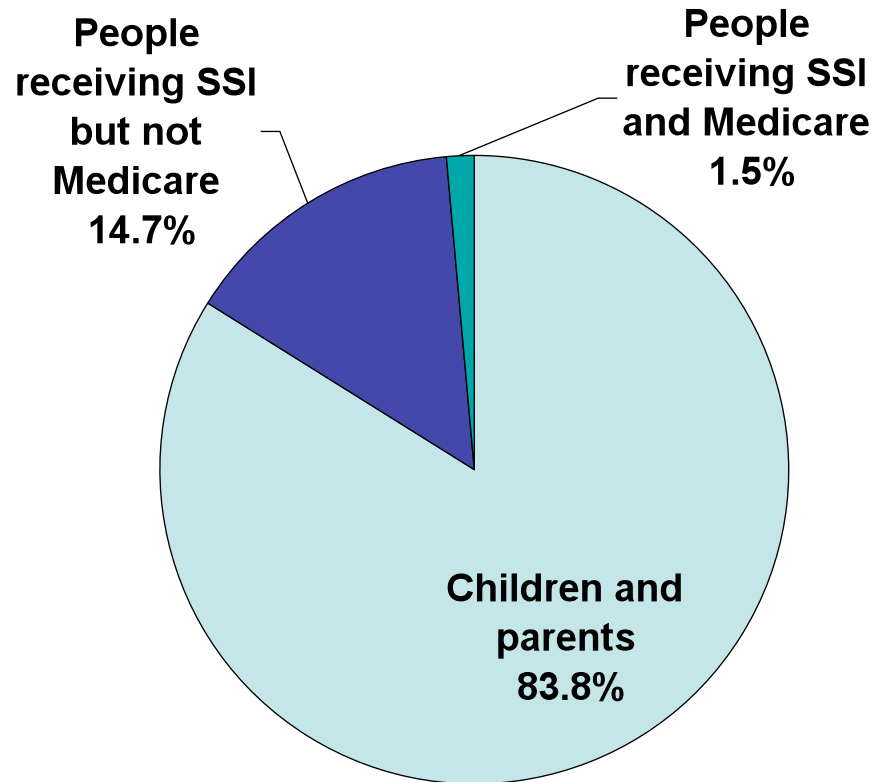
- “Before” and “after” site visits
- Ongoing interviews with stakeholders
- 2008 survey of physicians (N=276)
- Focus groups with about 120 Medicaid beneficiaries
- Analysis of AHCA’s plan enrollment data and other materials

Who is Affected by the Medicaid Pilots?

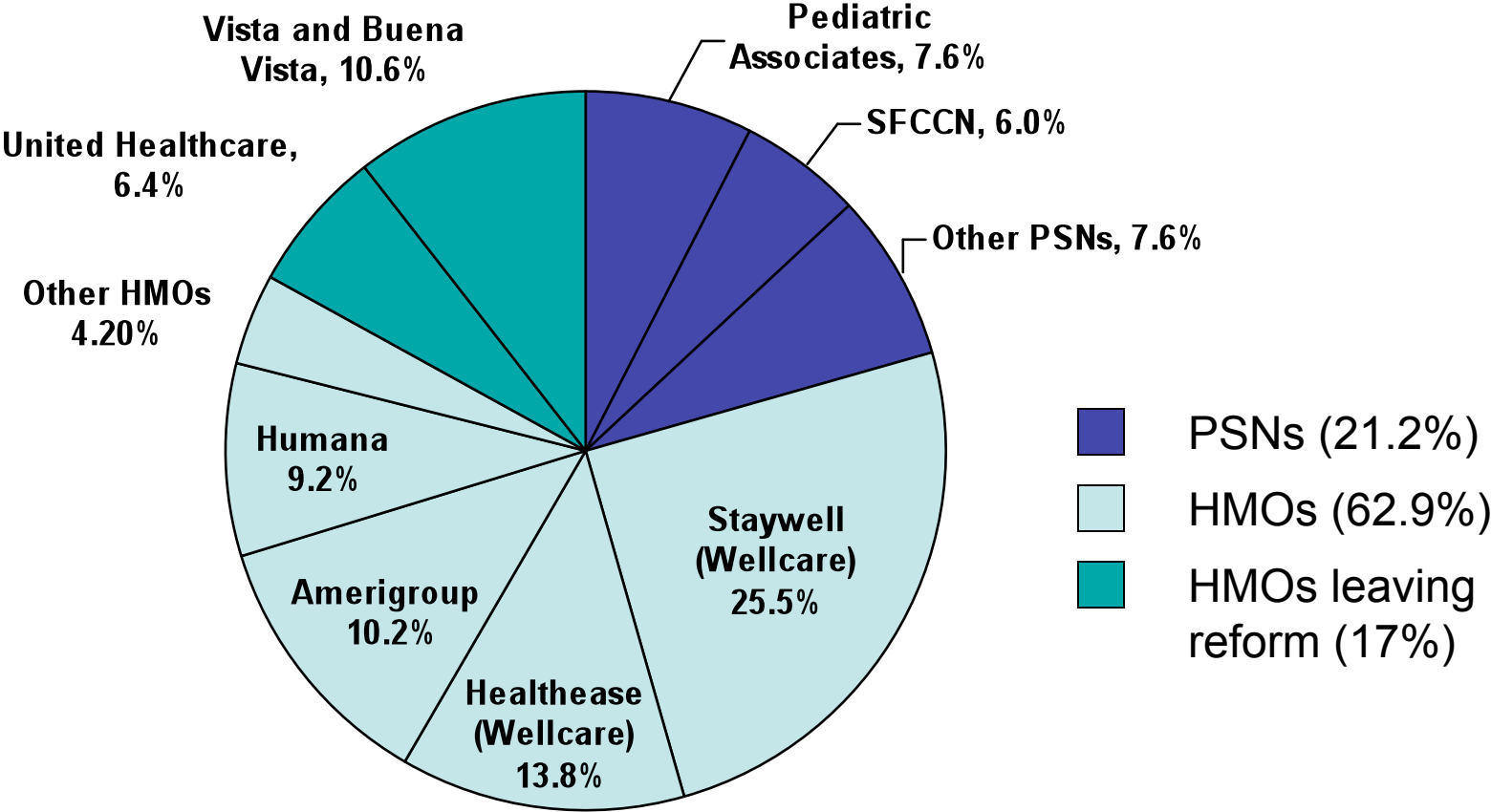
Total enrollment as of September 2008: 202,881

<i>County</i>	<i>Enrollment</i>	<i>Percentage</i>
» Baker	2,441	1.2%
» Broward	113,773	56.1%
» Clay	8,355	4.1%
» Duval	74,813	36.9%
» Nassau	3,599	1.8%

Who is Affected by the Medicaid Pilots?



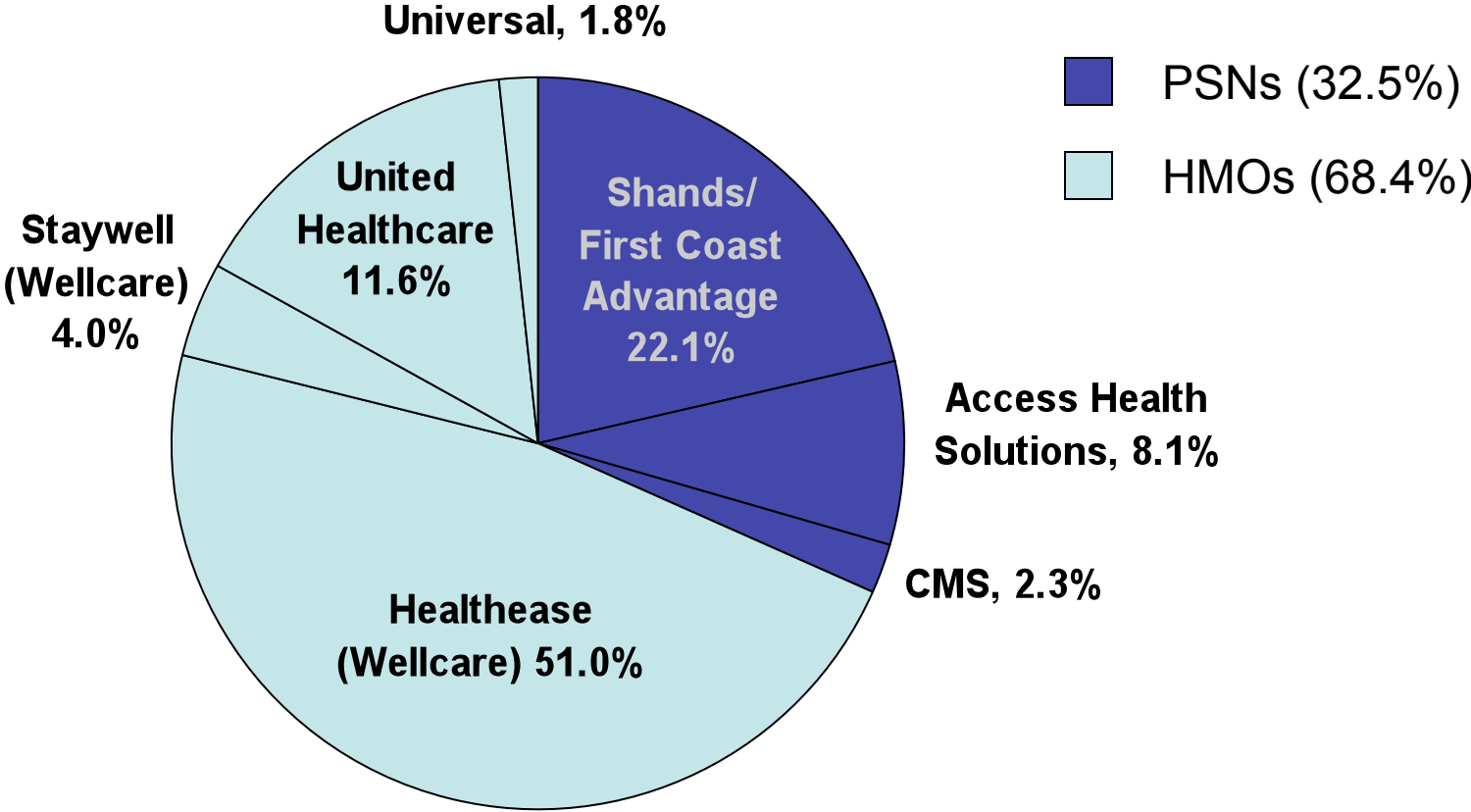
Broward County Plan Enrollment, September 2008



Note: PSN and HMO totals do not equal 100% due to rounding error.

Source: September 2008 Florida Medicaid Reform Enrollment Report, AHCA

Duval County Plan Enrollment, September 2008



Note: PSN and HMO totals do not equal 100% due to rounding error.

Source: September 2008 Florida Medicaid Reform Enrollment Report, AHCA



The Consumer Perspective:

**What Do Beneficiaries Think?
Has Access Been Affected?**

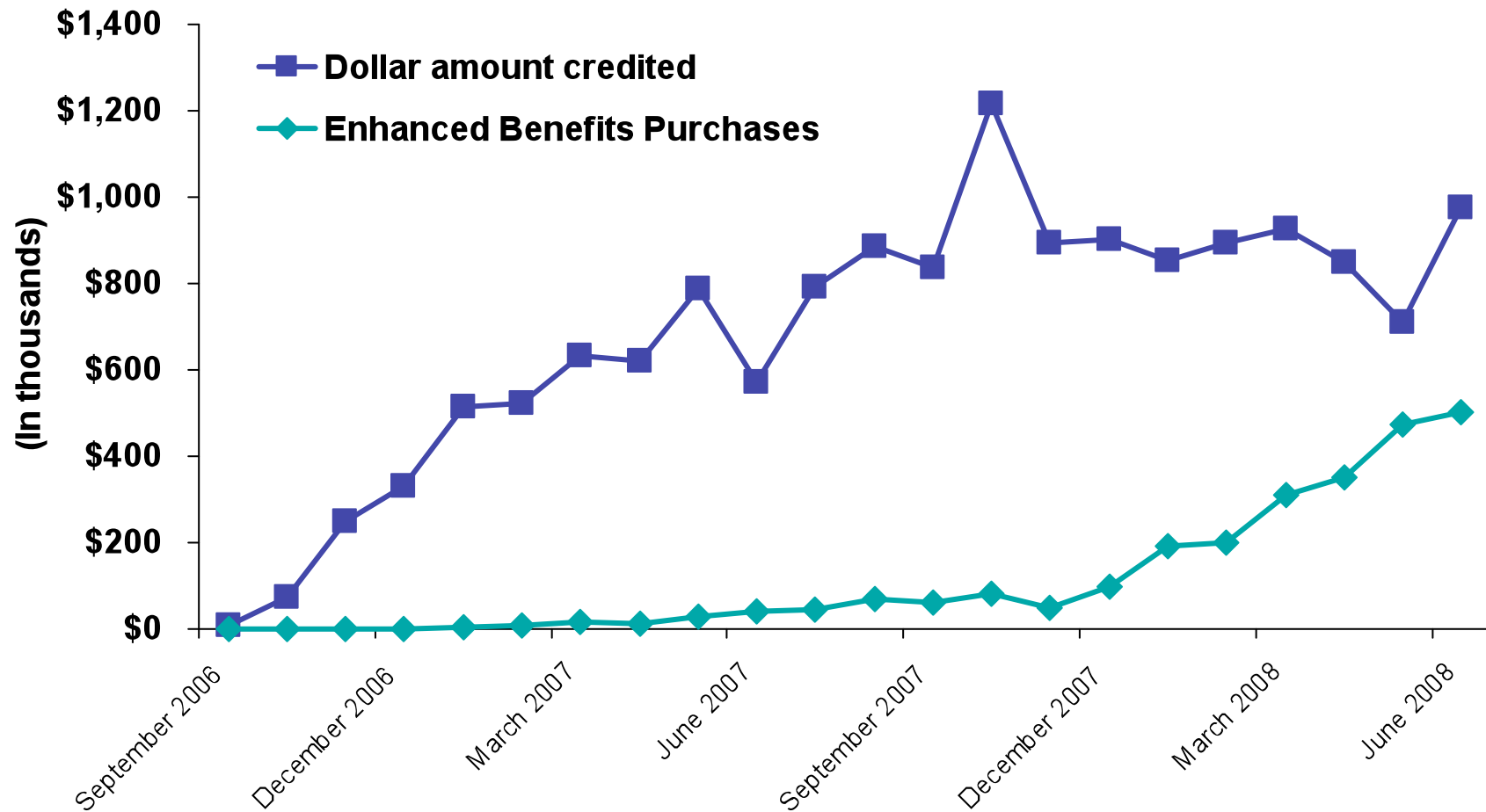
Beneficiary Choices

- 92 percent chose plan themselves
 - Includes those rolled over from pre-reform plan or based on MediPass primary physician
 - 83 percent of newly eligible beneficiaries selected a plan (service delay if no choice)
- Opt-out program
 - 23 beneficiaries currently enrolled
 - Focus group participants generally unaware
 - When asked, not likely to consider

Enhanced Benefits Rewards Accounts

- Focus group findings:
 - Low – but increasing – level of awareness
 - Considerable interest when explained
- One in four beneficiaries has spent credits
- 17 percent of credits earned have been spent
- Skepticism that credits change behavior
- Providers mostly unaware and skeptical

Enhanced Benefits Credits and Purchases, by Month



Source: Florida's Medicaid Reform Enhanced Benefits Program, data from AHCA presentations at Technical Advisory Panel Meeting presentation, April 11, 2008 and October 9, 2008.

Prescription Drug Benefits

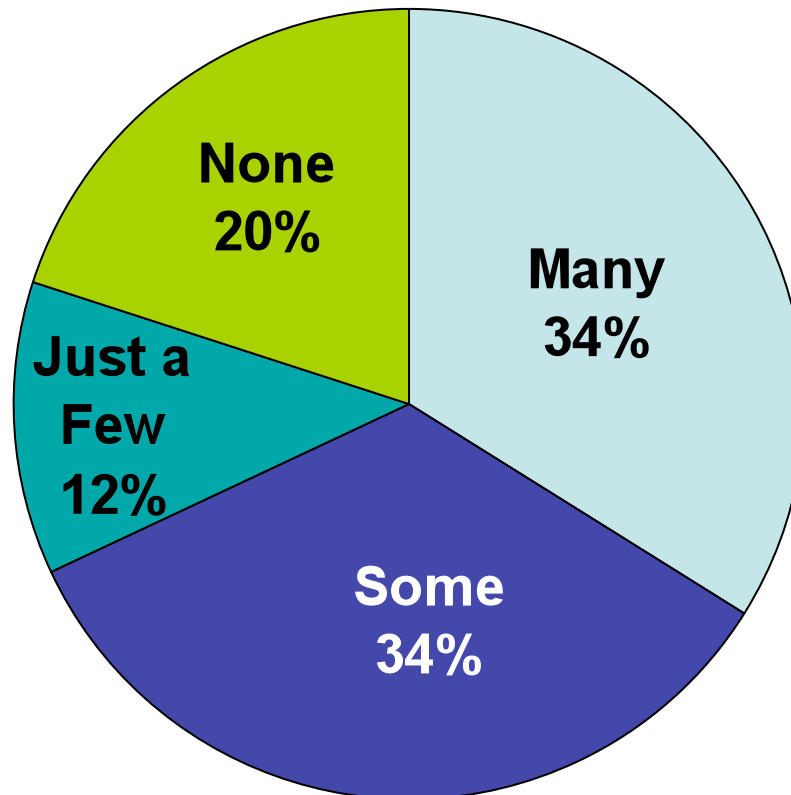
- Viewed as key benefit by consumers
- Plan benefit limits on the drug benefit
 - Year 1: half of HMOs imposed caps
 - Year 3: all plans, including PSNs, have caps
 - Mostly set at 17 prescriptions per month
 - First 2 years: about 60 people reached caps
 - Some plans opted to waive limits

Access to Prescription Drugs

- Focus group participants reported some improvement in drug access, 2007-08
 - “Doctor has to request authorizations, but medications are not delayed”
 - “Drugs won’t come through”
 - “No problem with asthma drugs for my kids”
 - “Relied on samples, because plan won’t cover my blood pressure medication”
 - “Managing with less effective alternatives because drugs are not on plan lists”

Doctors on Access to Drugs

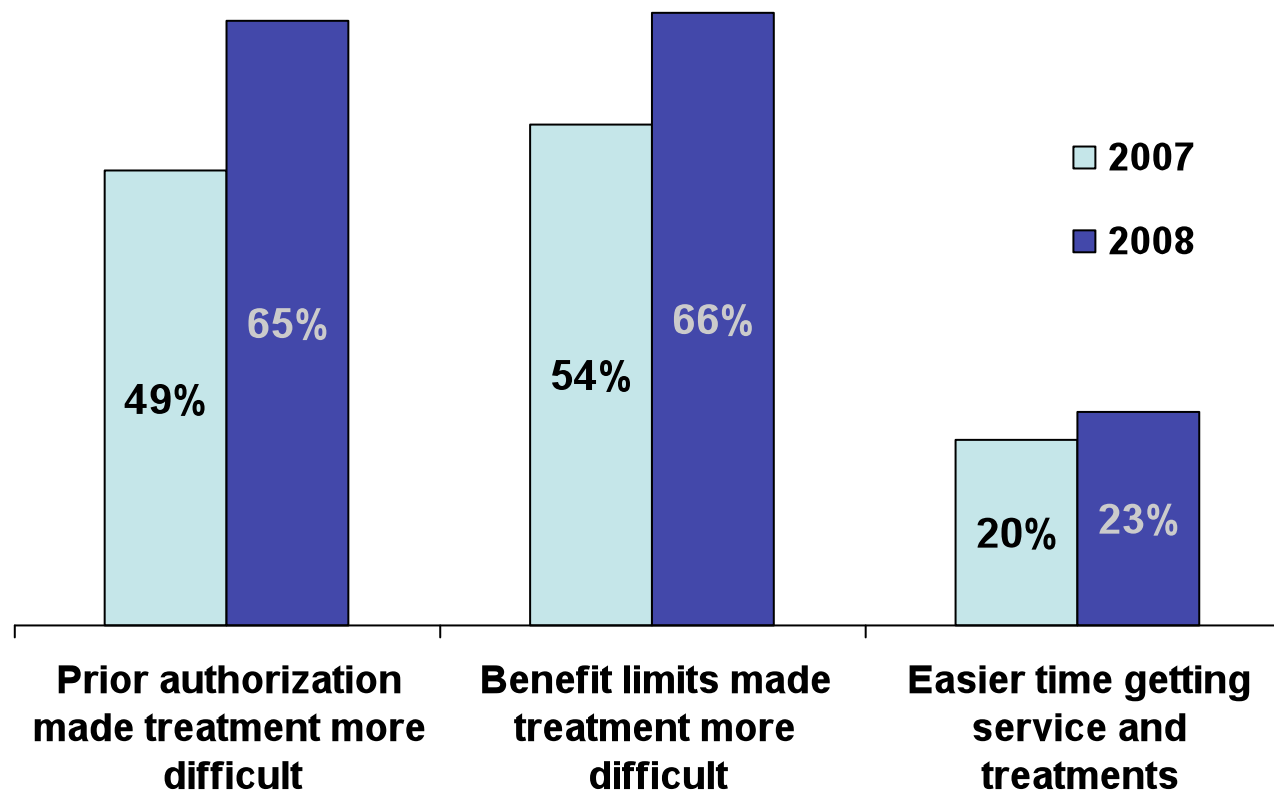
Formularies Impeded Ability to Provide Treatment for How Many Patients



Source: Georgetown analysis of 2008 physician survey. N= 193

Has Reform Affected Patient Care?

Share of Physicians who reported “many” or “some” cases where:



Source: Georgetown analysis of 2007 and 2008 physician surveys.

2007: N = 111/108/108

2008: N = 202/204/203

Focus Group Findings on Overall Impact of Reform

- Most stressed value of Medicaid coverage before and after reform
- Some preferred flexibility to choose doctors in MediPass
- Others thought little had changed.



Provider Service Networks:

Big Questions Lie Ahead

Provider Service Networks (PSNs)

- Operated by a health care provider or group of providers
- Deliver a substantial portion of services to enrollees through these providers.

PSNs versus HMOs

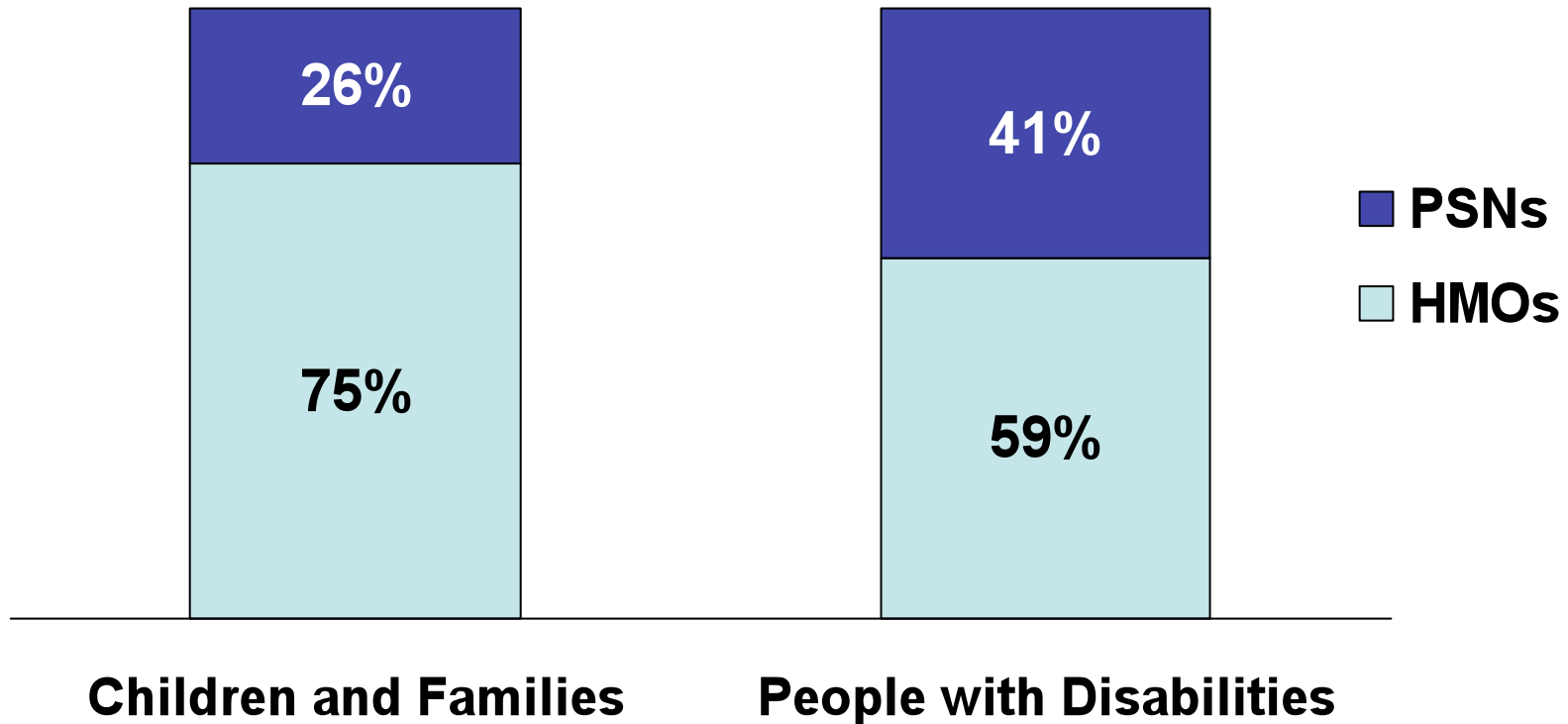
PSNs:

- First 3 years: option of not taking financial risk
 - Thus paid by state based on actual costs
- May not reduce benefit offerings below state plan levels if not at risk

HMOs:

- Paid on per-enrollee basis
- Profit if expenses are less than projected
- Lose money if expenses are higher

Enrollment in PSNs and HMOs by Enrollment Group, September 2008



Note: Some percentages do not total 100% due to rounding error.

Source: September 2008 Florida Medicaid Reform Enrollment Report, AHCA http://www.fdhc.state.fl.us/MCHQ/Managed_Health_Care/MHMO/med_data.shtml

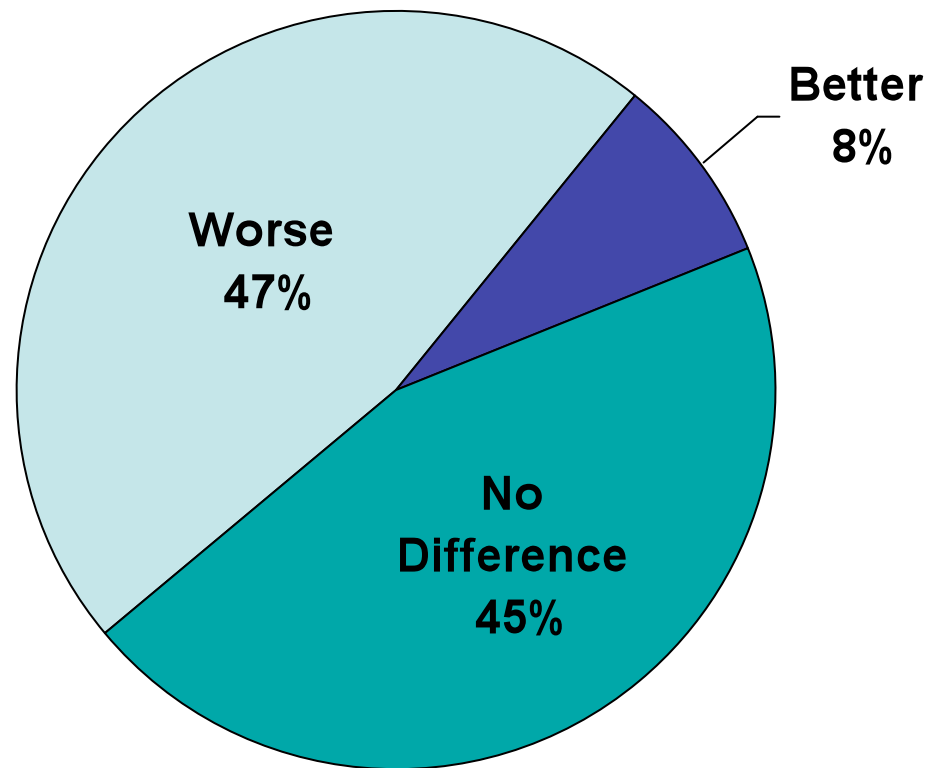
Consequences for Persons with Disabilities

- Beneficiaries with disabilities apparently seek PSNs more often because:
 - Close relationships with certain providers
 - No added limits on plan benefits
- As a result,
 - Potentially sheltered from benefit reductions or gaps in drug lists
 - Possibly easier time getting referrals to specialists
- Questions in future when PSNs go at risk
 - Do higher risk scores adequately reflect average costs?



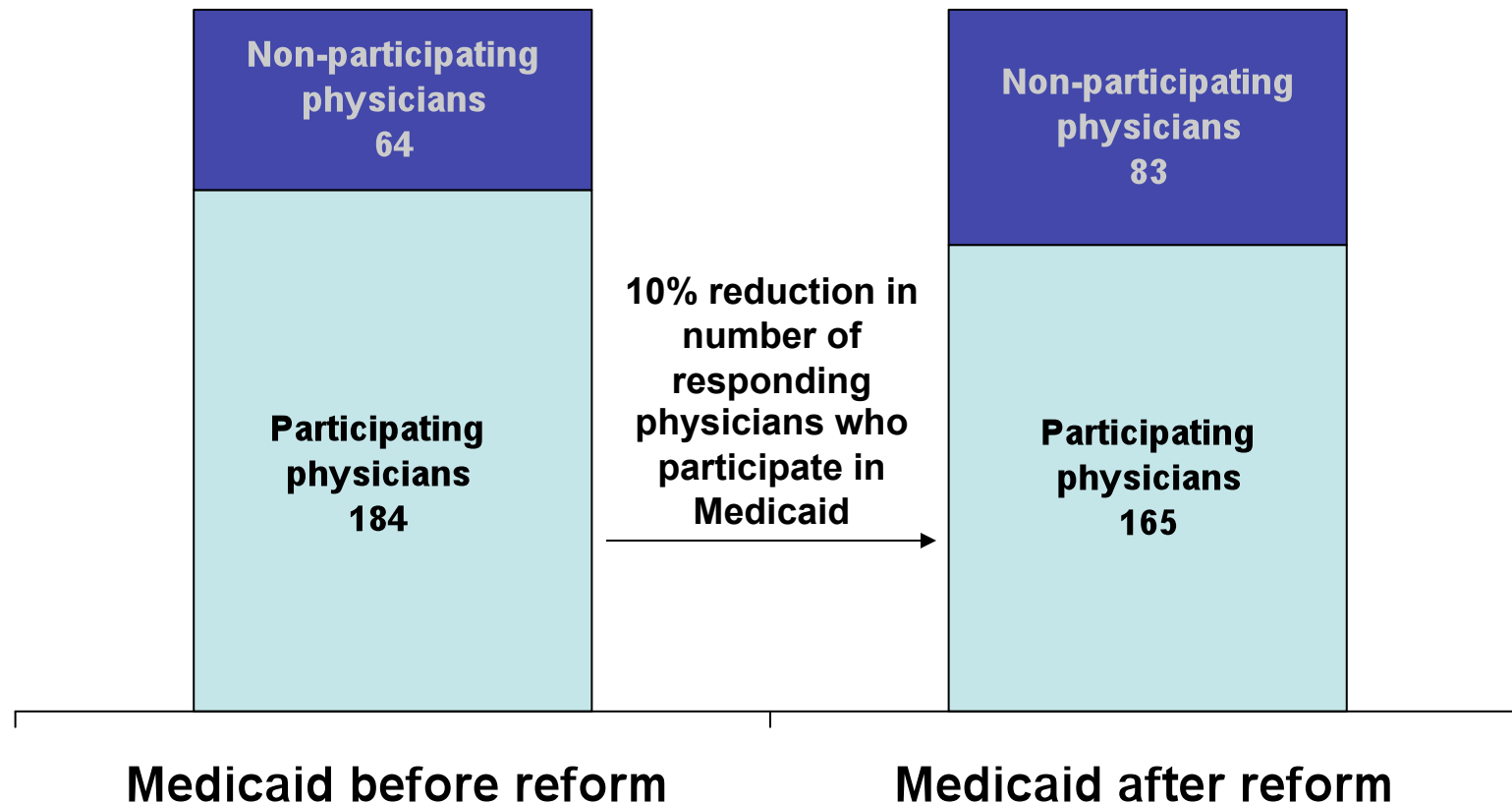
What Do Physicians Think?

In Your View, Has Medicaid Reform Made the Program:



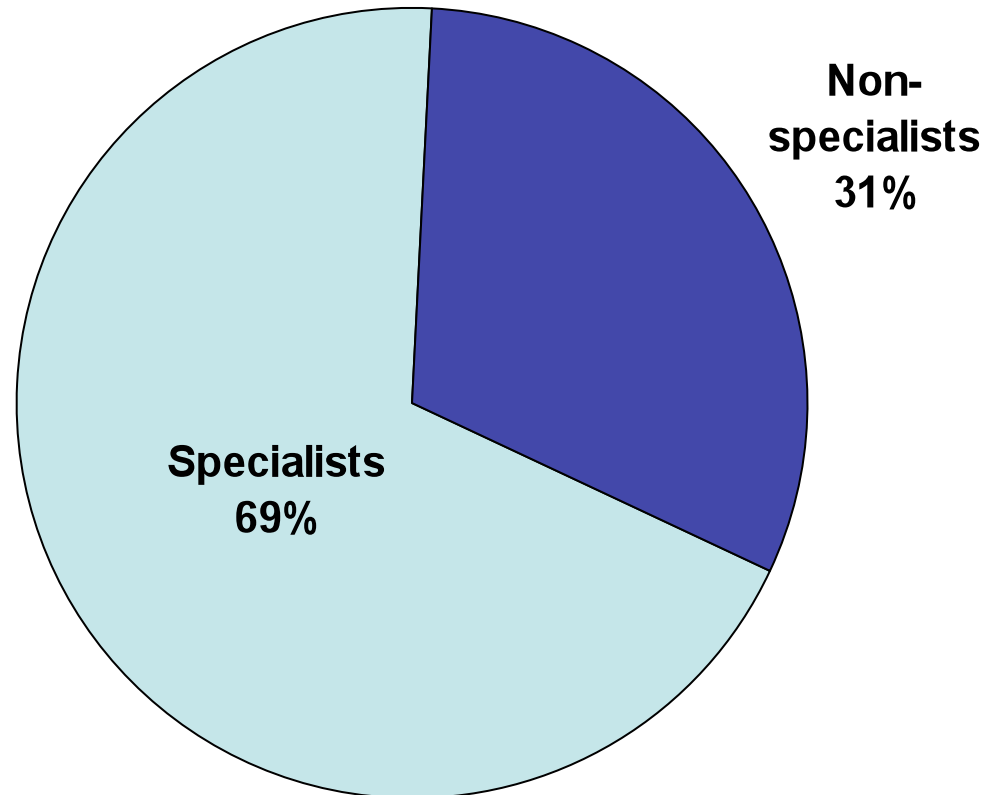
Source: Georgetown analysis of 2008 physician survey. N = 210

Physicians' Participation in Medicaid: Before and After Reform



Source: Georgetown analysis of 2008 physician survey. N = 248

Which Doctors are Leaving Medicaid?

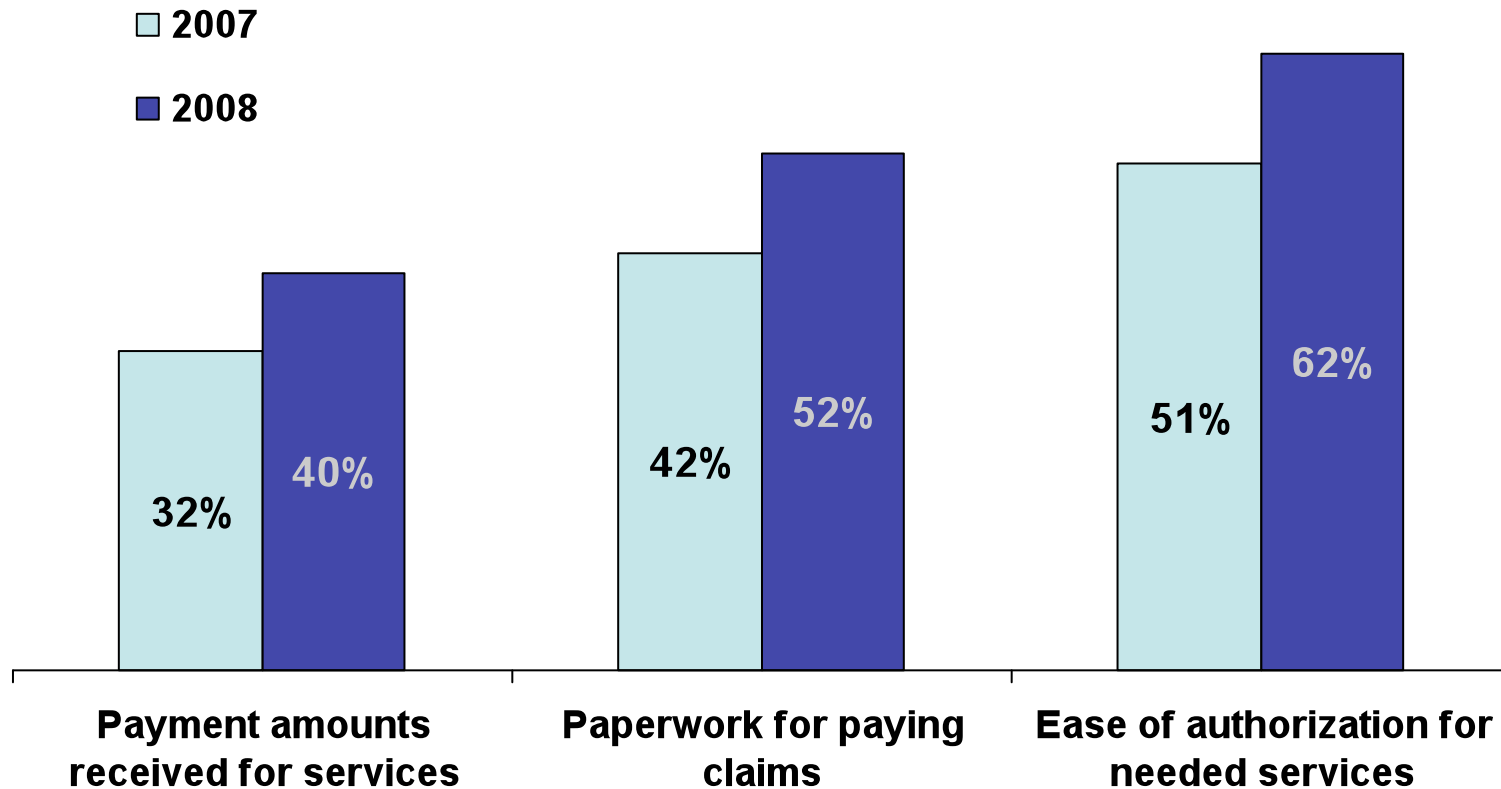


Note: "Non-specialists" include doctors in emergency medicine, family/general practice, general surgery, internal medicine, OB/GYN, and pediatrics

Source: Georgetown analysis of 2008 physician survey. N= 31

Comparing Reform Plans to Medicaid Prior to Reform:

Proportion of physicians responding that experience with reform plans was “worse”



Source: Georgetown analysis of 2007 and 2008 physician surveys.

2007: N=99/103/101

N = 167/168/175



Is Reform Saving Money?

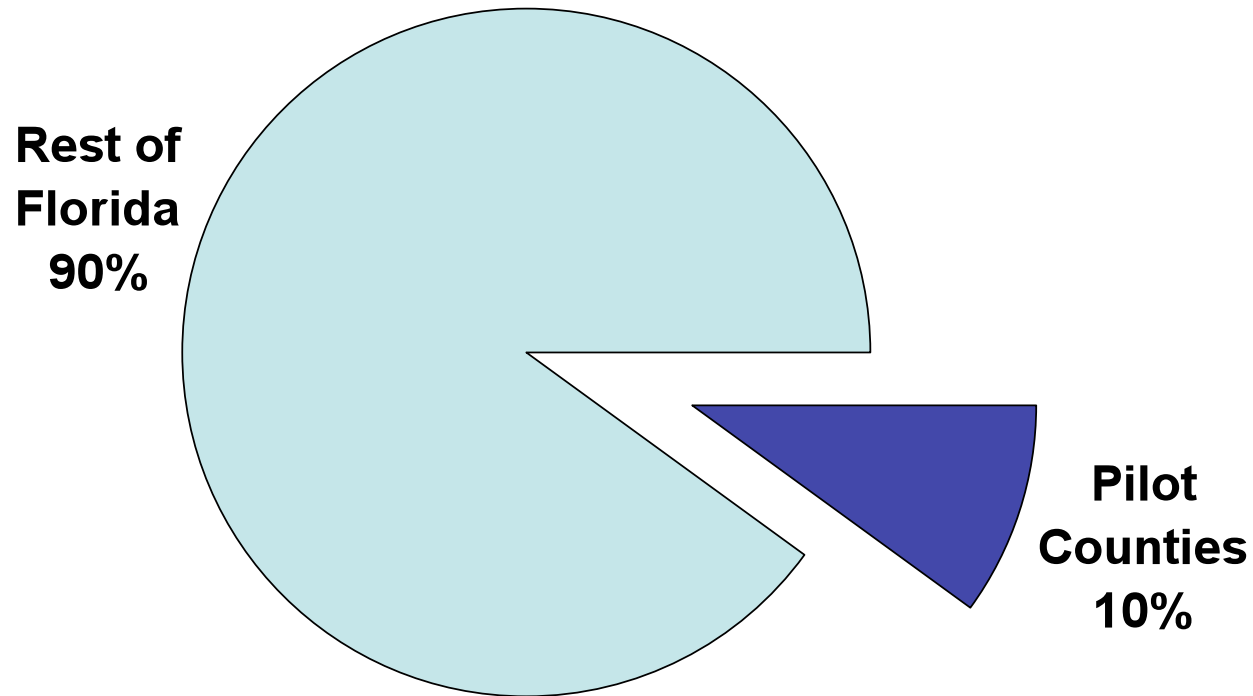
Federal Funding: Implications of the Waiver

- Medicaid is a federal/state matching program
 - Florida's match rate for FY2009 is 55%
- Feds require that no more federal dollars are spent under Section 1115 waivers than would have been spent without the waiver
- Enforced through a per capita or per person cap
 - 8 percent growth rate
 - GAO study found this to be high
- “Budget neutrality” enforced, waiver renegotiated at the end of the five year period (July 2011)

Budget Neutrality Agreement is Statewide

- The scope of the budget neutrality agreement depends on the scope of the waiver agreement
- Budget neutrality agreement is statewide for the affected populations despite the pilots only operating in a few counties

Most Waiver Spending is Outside the Pilot Counties



Source: Georgetown Health Policy Institute analysis of data from AHCA's Florida Medicaid Reform Quarterly Progress Report, 4/1/08-6/30/08

Key Questions to Ask

- State reports spending statewide, compared to “without waiver”:
 - 91 percent (first year)
 - 82 percent (second year)
- Since pilot spending is only 10 percent of total spending, what accounts for this lower level of spending?
- Meeting budget neutrality is not the same as saving money

Key Questions to Ask

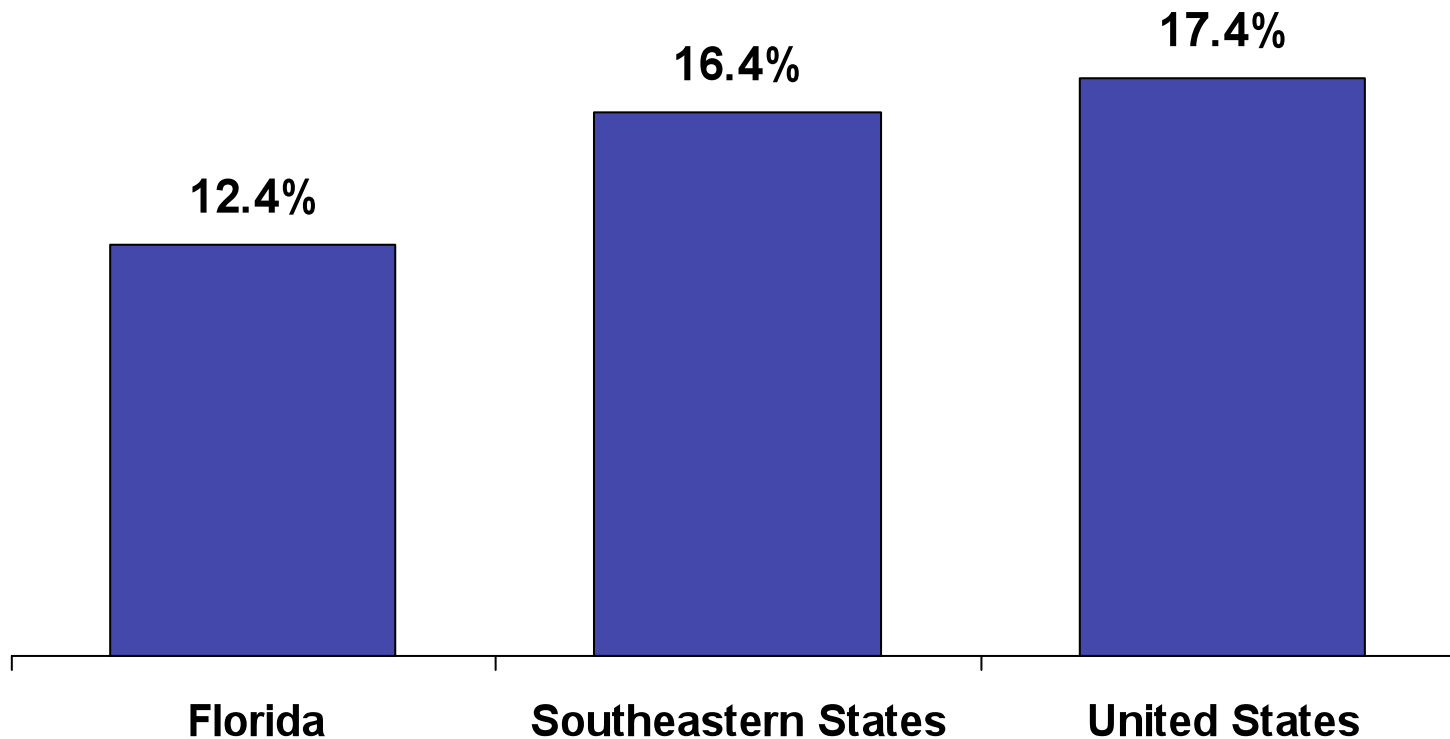
- What are the administrative costs associated with the implementation of the pilots?
 - Smaller features of waiver have had very high administrative costs and limited success
 - Opt-out program
 - Few enrollees
 - High admin costs: thousands a year per person
 - Enhanced benefits
 - \$1.1 million in first-year administrative costs
 - Low redemption rate by beneficiaries - \$2.5 million (as of October 2008).

Key Questions to Ask

- If the pilots are saving money, is access to needed services being compromised?

Florida's Program is Relatively Underfunded

Medicaid Spending as a Percentage of Health Care Spending



Source: Exhibit 2, Martin A, et al. 2007. Health Spending by State of Residence, 1991-2004. *Health Affairs* 26(6): w651-663.

Data Not Yet Available on Savings

- How does per-person spending for same groups compare in pilot counties and elsewhere around the state?
- Do these calculations include administrative costs?
- If HMOs are saving money, how much are they spending on care?
- Do safeguards exist for fraud and abuse?



Conclusion

Key Findings

- ***Beneficiaries and providers***
 - Medicaid has become more complex with more paperwork
 - Some signs that access is worsening
- ***Saving money***
 - No data on whether reform has saved money
 - If savings are achieved, is access being compromised?
- ***Success or failure***
 - Too early to say
 - Available data suggest that reform has not achieved many of its objectives



Additional Information

All publications and presentations from this Florida Medicaid evaluation are available on our website:

<http://hpi.georgetown.edu/floridamedicaid/>

All briefs in this series can also be found on the Jessie Ball duPont Fund website under the topic “Health Care”:

<http://www.dupontfund.org/research/index.asp#topic>



Webcast

A webcast of this conference will be archived and posted online with the support of the Florida Health Policy Center:

<http://hpi.georgetown.edu/floridamedicaid/>

<http://www.floridahealthpolicycenter.org/>