

# **Amendment Request for Florida's 1115 Managed Medical Assistance Waiver**

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Agency for Health Care Administration

**Presented at the April 29, 2015  
Medical Care Advisory Committee  
and Public Meeting  
Orlando, Florida**



# Medical Care Advisory Committee

- The Agency is asking for input on this amendment request from the members of the Medicaid Medical Care Advisory Committee (MCAC) and the public at large.
- Florida Medicaid's Medical Care Advisory Committee is mandated in accordance with Title 42, CFR s. 431.12, based on Section. 1902(a)(4) of the Social Security Act. The purpose of the MCAC is to provide input on a variety of Medicaid program issues, and to make recommendations to the Agency on Medicaid policies, rules and procedures.



# Federal Waiver Authorization

- **Initial 5-Year Period (2006-2011):** On October 19, 2005, Florida's 1115 Research and Demonstration Waiver named “Medicaid Reform” was approved by the Centers for Medicare and Medicaid Services (Federal CMS). The program was implemented in Broward and Duval Counties July 1, 2006 and expanded to Baker, Clay and Nassau Counties July 1, 2007.
- **Three-Year Extension Period (2011-2014):** An extension of the waiver was granted by Federal CMS to maintain and continue operations for the current program for the period December 16, 2011 to June 30, 2014.
- **Managed Medical Assistance Amendment (2013):** The amendment to implement the Managed Medical Assistance program as authorized Florida Statutes, was granted by Federal CMS on June 14, 2013.
- **Three-Year Waiver Extension (2014-2017):** On July 31, 2014, the State received federal approval to extend the waiver for the period July 31, 2014 until June 30, 2017.



# Amendment of the 1115 Waiver

- Changes related to features of the research and demonstration waiver must be submitted to CMS as amendments to the waiver.
- Types of changes requiring CMS approval are eligibility, enrollment, benefits, enrollee rights, delivery systems, cost sharing, evaluation design, Low Income Pool, sources of non-federal share of funding, budget neutrality, and other comparable program and budget elements.



# Amendment of the 1115 Waiver

- **Federal Waiver Amendment Requirements:** Florida is required to publish on the Agency's website a "Public Notice" document for public input 30 days prior to submitting the waiver amendment request. The document must include a comprehensive description of the program and the information outlined on the next slide.
- The public notice document is available at the following link for review and comment from April 21, 2015 to May 22, 2015.
- [http://ahca.myflorida.com/medicaid/statewide\\_mc/mma\\_fed\\_auth\\_amend\\_waiver\\_2015-04.shtml](http://ahca.myflorida.com/medicaid/statewide_mc/mma_fed_auth_amend_waiver_2015-04.shtml)
- Written comments may be e-mailed to [FLMedicaidWaivers@ahca.myflorida.com](mailto:FLMedicaidWaivers@ahca.myflorida.com) or mailed to:

1115 MMA Waiver Amendment Request  
Office of the Deputy Secretary for Medicaid  
Agency for Health Care Administration  
2727 Mahan Drive, MS #8  
Tallahassee, Florida 32308



# The Managed Medical Assistance Program



# The Statewide Medicaid Managed Care Program

- In 2011, the Florida Legislature required the Agency to expand managed care statewide for most Medicaid recipients.
- The program has two components: the Long-Term Care (LTC) program and the Managed Medical Assistance (MMA) program.
  - MMA covers most recipients of any age who are eligible to receive full Medicaid benefits.
  - LTC covers most recipients 18 years of age or older who need nursing facility level of care.
- The Agency successfully implemented the Statewide Medicaid Managed Care (SMMC) program August 1, 2013, through August 1, 2014.



# The Low Income Pool Program





# Current Low Income Pool Program

- The current LIP program total computable dollar limit for expenditures in DY9 is \$2,167,718,341. This total includes the following elements:
  - \$1 billion (for DY1 - DY8, LIP funding had a capped allotment of \$1 billion disbursed in quarterly payments to providers);
  - \$963,184,508 (historical spending amount for self-funded hospital rate exemptions and buybacks, conditional on the state's assurance that no such rate exemptions or buybacks will be executed apart from LIP in DY9);
  - \$204,533,833 (historical supplemental payment amount for physician groups with medical school affiliation, conditional on the state's assurance that no such supplemental payments will be made apart from LIP in DY9).



# Current Low Income Pool Program

- Demonstration Year 9 served as a “transition year” for the LIP program, to provide time to contract with a vendor (Navigant Consulting, Inc.) to complete the study required by STC 69a.
- Distributions in DY 9 are subject to new “participation requirements” that were added at the renewal of the waiver in STC #78.



# Current Low Income Pool Program Participation Requirements

- **Hospitals:**
  - Must contract with at least fifty percent of the Standard Plan Managed Care Organizations (MCOs) in their corresponding region;
  - Must contract with at least one Specialty Plan serving each specialty population in their corresponding region; and,
  - Participate in the Florida Event Notification program.



# Current Low Income Pool Program Participation Requirements

- **Medical School Physician Practices:** Must participate in the Florida Medical School Quality Network.
- **County Health Departments:** Non-hospital institutional providers must continue their participation in LIP programs that support specific projects to increase access to healthcare services for low income/indigent uninsured population in addition to providing access to the Medicaid population
- **Federally Qualified Health Centers:** Non-hospital institutional providers must continue their participation in LIP programs that support specific projects to increase access to healthcare services for low income/indigent uninsured population in addition to providing access to the Medicaid population.



# Amendment of the 1115 Waiver



# MMA Waiver Amendment - Overview

- The State is seeking federal authority to amend Florida's 1115 MMA Managed Medical Assistance (MMA) waiver.
- The amendment will redesign elements of the Low Income Pool (LIP) and extend the program until June 30, 2017.
- The newly redesigned LIP ensures access to care for low income populations that are not eligible to participate in Medicaid or other subsidized coverage programs and complements the MMA program by strengthening connections between critical safety net providers and the MMA program.

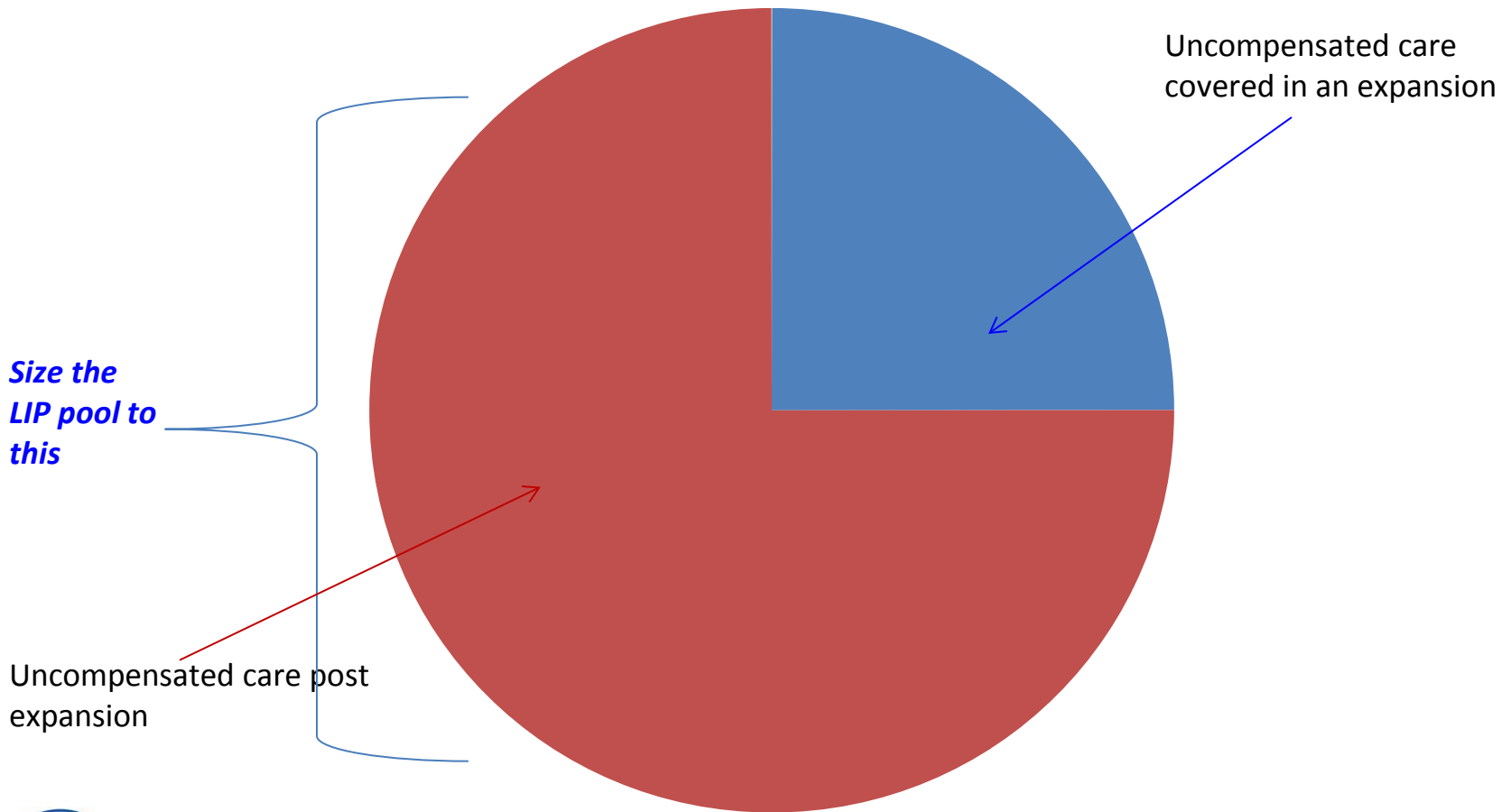


# MMA Waiver Amendment: Objectives

- The Agency is not asking for continuation of a Low Income Pool program as a substitute for expansion of the Medicaid program in any way.



# MMA Waiver Amendment: Objectives



## ***Total Uncompensated Care***

Note: Ratios reflected in this chart are representational only





# MMA Waiver Amendment: Objectives

- The program objectives of this waiver amendment are to redesign the LIP program to ensure that it meets the continuing needs of low income and vulnerable populations in Florida, while adapting to the changing health care delivery environment brought about through ACA implementation.
- Safety net hospitals, rural hospitals, trauma centers, other provider access systems, and physicians that have historically played a critical role in serving the Medicaid and uninsured populations will continue to do so, and significant amounts of uncompensated care are expected to be incurred, despite all coverage opportunities available under the ACA.



# MMA Waiver Amendment: Objectives

- This redesigned LIP program targets funding more broadly over hospitals that provide care to vulnerable populations, as compared to the current LIP program.
- It is paired with a general increase in hospital payments in the Medicaid program, which also more broadly disperses payment and strengthens the proportion of hospital payment directly related to Medicaid utilization.



# MMA Waiver Amendment: Objectives

- Finally, it continues to include funding for teaching physicians and other provider types that have unique and critical roles in the health care system that cannot be fully addressed through market-based payments. These include County Health Departments and Federally Qualified Health Centers, among others.
- The State recognizes that a significant additional objective associated with the redesigned LIP is enhanced reporting of LIP activities and fund flows. Florida expects details of those enhancements to be developed jointly between the State and CMS over the coming months.



# MAA Waiver Amendment – Limited Changes

- The State is not requesting authority to make any changes to the MMA program as authorized under this waiver. The State is seeking waiver and expenditure authority to redesign and extend the LIP program. Specifically, the State seeks expenditure authority of Section 1115(a)(2) of the Social Security Act for expenditures for uncompensated care costs incurred by providers for health care services to uninsured and or underinsured, and associated projects to support such care through the redesigned LIP program.
- Under the proposed amendment there is no change to:
  - Who is eligible to enroll
  - Who is required to enroll
  - Services offered under the MMA program



# MMA Waiver Amendment

- Historically, the goal of the LIP program has been to provide additional support to safety net hospitals, rural hospitals, trauma centers, and other provider access systems that have served the Medicaid and uninsured populations. Since implementation in 2006, the LIP program has increased emphasis on primary care, emergency room diversion, and other quality initiatives. Teaching physicians were added for the period July 1, 2014 to June 30, 2015, Demonstration Year (DY) 9, for continued support of these practices that contribute vitally to ensure a strong Florida physician workforce.



# MMA Waiver Amendment

- The redesigned program is critical to sustained access in a higher health care coverage environment. The State's LIP program goals are specified in Section 409.91211(1)(c), Florida Statutes.
- The redesigned LIP program will accomplish the following access and Medicaid payment goals alongside an initiative to increase Medicaid hospital payment rates:
  - Reduced linkage of payments to local source of funding and
  - Continued focus on maintaining access and quality of care to vulnerable populations



# MMA Waiver Amendment

- The following table provides the funding for the redesigned LIP program with a description of the different subcomponents provided in the narrative.

LIP Overview	
Special LIP	\$115,742,353
LIP 4	\$1,249,597,300
LIP 5	\$2,419,573
LIP 6	\$244,372,316
LIP 7	\$233,719,378
Other Provider Programs	\$321,867,421
Total	\$2,167,718,341



# MMA Waiver Amendment: Special LIP

- Special LIP is a subcomponent within the LIP program that designates funding to cover certain hospital provider type access systems, with associated requirements to enhance existing, or initiate new, quality-of-care initiatives to improve their quality measures and identified patient outcomes, and to provide required documentation of this to the Agency. This component of the LIP program is proposed to continue in similar fashion as it does in the current program.
  - Rural hospital LIP distributions are provided to statutorily defined rural hospitals. These facilities ensure access to medical care for individuals in the state's rural areas.
  - Trauma hospital LIP distributions are provided to hospitals that have designated or provisional trauma centers.
  - Safety-net hospital LIP distributions are provided to safety-net hospitals to help ensure critical access to medical care throughout the state.
  - Hospital Specialty Pediatric LIP distributions are made to free-standing children's hospitals.





# MMA Waiver Amendment: Special LIP

- Funding for hospitals that meet specific quality measures. These hospital distributions are provided for the specialty children's hospitals based on an allocation methodology incorporating both quality and core measures as well as the following six outcome measures:
  - Mortality Hospital Risk Adjusted Rate (HRAR) Acute Myocardial Infarction (AMI) without transfers.
  - Mortality HRAR Congestive Heart Failure (CHF)
  - Mortality HRAR Pneumonia
  - Risk Adjusted Readmission Rate (RARR) AMI
  - RARR CHF
  - RARR Pneumonia



# MMA Waiver Amendment: LIP 4: Provider Access Systems

- Funds in LIP 4 are first allocated to hospitals where local government funds are transferred to the State of Florida for use in the LIP program and former exemption programs. Distributions in LIP 4 are contingent upon a Letter of Agreement (LOA) between the Agency and the local government.



# MMA Waiver Amendment: LIP 5: Distribution Pool

- Funds in the LIP 5 category are provided to statutorily defined rural hospitals that ensure access to medical care for those individuals in the rural parts of Florida, where access can be particularly challenging. Rural hospitals that receive this distribution report a combined uncompensated care amount of \$66.8 million based on the reported FY 2013 FHURS data.



# MMA Waiver Amendment: LIP 6: Distribution Pool

- The LIP 6 category was added in DY9 to accommodate funding that had previously been associated with self-funded rate enhancements. The LIP program funds in this new LIP 6 category are significantly reduced from the current program to reduce the linkage between distributions and direct local government contribution, one of the primary goals of the redesign. Residual funding in this category is left in place to assist with a two year transition.



# MMA Waiver Amendment:

## LIP 7: Distribution Pool

- The funds in LIP 7 are provided for hospitals that target areas with particular access challenges. This distribution is not linked to the amount of local government contributions an individual hospital provides. Hospitals will participate in one of four groups based on the defined criteria below:
  - Essential Community Providers (ECP) as defined by CMS;
  - Regional Perinatal Intensive Care Centers (RPICC);
  - Statutory Teaching Hospitals (ST); and
  - Trauma Centers.
- Group 1 – Any hospital that is an ECP, RPICC, ST, and a Level I Trauma Center.
- Group 2 – Any hospital that meets three of the defined criteria.
- Group 3 – Any hospital that meets two of the defined criteria.
- Group 4 – Any hospital not included in Groups 1 through 3.



# MMA Waiver Amendment: Other Provider Programs

- Other LIP Provider programs is a component within the LIP program that designates funding to cover mostly non-hospital provider type access systems that play critical roles in maintaining health care access and quality for low income populations. This component of LIP program is proposed to continue in similar fashion as it does in the current program.
  - Teaching Physicians
  - Primary Care Initiatives
  - Tier-one Milestone Distributions
  - Premium Assistance Programs
  - Poison Control Programs



# MMA Waiver Amendment: Other Provider Programs

- Teaching Physicians – Funding for teaching physicians are for services provided by doctors of medicine and osteopathy, as well as other licensed health care practitioners acting under the supervision of those doctors pursuant to existing statutes and written protocols, employed by or under contract with a medical school in Florida. This funding is necessary to sustain needed practical training to the physician work force which is important to access to care, and even more critical as more Floridians gain coverage through newly available opportunities. These distributions are for medical schools that meet participation requirements in the LIP program.



# MMA Waiver Amendment: Other Provider Programs

- Primary Care Initiatives – Funds are provided to make payments to Federally Qualified Health Centers (FQHCs), County Health Departments, county and local community initiatives. These payments support primary care services in medically underserved areas targeting low-income, uninsured, and underinsured individuals, as well as providing funding towards ER diversion programs.





# MMA Waiver Amendment: Other Provider Programs

- The three year 1115 waiver extension in place from 2011-2014 contained additional LIP distributions to two tiers of providers (known as “tier-one” and “tier-two”).
- Tier-one was continued in the extension of the LIP program through June 30, 2015.
- Distributions are proposed to continue in similar fashion to the current program.
- This funding is for the establishment of new, or enhancement of existing, innovative primary care programs that meaningfully enhance the quality of care and the health of low-income populations.
- The programs will be required to create new or enhance primary care programs to provide the services most needed by the local community, such as needed physician, dental, nurse practitioner, or pharmaceutical services; expand local capacity to treat patients; and provide for extended service hours.
- Additionally, reduction of unnecessary emergency room visits and preventable hospitalizations will be components of new or enhanced primary care programs.



# MMA Waiver Amendment: Participation Requirements

- All provider access systems who will receive LIP funds will be required to meet certain participation requirements as a condition of receiving funds. Participation will be tested on a quarterly basis. Exemptions to the requirements may be granted by the State if a hospital can provide documentation that demonstrates a good faith effort was made in contract negotiations.



# MMA Waiver Amendment: Participation Requirements

- **Hospitals.**
  - Must contract with at least one Specialty Plan serving each specialty population in their corresponding region; and,
  - Continue to participate in the Florida Event Notification program.
- **Medical School Physician Practices.** Must participate in the Florida Medical School Quality Network.
- **County Health Departments.** Non-hospital institutional providers must continue their participation in LIP programs that support specific projects to increase access to healthcare services for low income/indigent uninsured population in addition to providing access to the Medicaid population.
- **Federally Qualified Health Centers.** Non-hospital institutional providers must continue their participation in LIP programs that support specific projects to increase access to healthcare services for low income/indigent uninsured population in addition to providing access to the Medicaid population.



# MMA Waiver Amendment: Quality

- The proposed LIP program includes quality initiatives related to encouraging primary care, reducing unnecessary emergency room visits, and preventing unnecessary hospital readmissions through better discharge planning and patient follow up.



# MMA Waiver Amendment: Independent Evaluation

- The Agency proposes revising a portion of the evaluation to reflect the redesign of the LIP to:
  - Include examining and describing the number of people receiving services, and the numbers and types of services provided by providers receiving LIP funds through Pools 4, 5, 6, and 7, that would otherwise be uncompensated.
  - Look at many physicians are being trained through the funding of teaching physicians and in what area of medicine (e.g., primary care, particular specialties).
  - Examine the impact of participation in the Event Notification Service in terms of LIP provider participation, Medicaid managed care plan participation, and how the managed care plans are using the Event Notification Service to follow up with and better coordinate care for enrollees who have been served by the hospitals receiving LIP funding.



# Public Meetings

## Schedule of Public Meetings

Location	Date	Time
<p><b>Orlando</b>  <b>University of Central Florida College of Medicine Lewis Auditorium Health Sciences Campus</b>  <b>6850 Lake Nona Blvd</b>  <b>Orlando, FL 32827-7408</b></p> <p><b>Conference Call in # 1-877-809-7263</b>  <b>Participant Code #498 365 37</b></p>	<p>April 29, 2015</p>	<p>2:00pm – 4:00pm</p>
<p><b>Miami</b>  <b>Agency for Health Care Administration</b>  <b>8333 NW 53rd Street</b>  <b>Suite 200</b>  <b>Doral, FL 33166</b></p> <p><b>Conference Call in # 1-877-299-4502</b>  <b>Participant Code 229 029 90#</b></p>	<p>April 30, 2015</p>	<p>2:00pm – 4:00pm</p>
<p><b>Tallahassee</b>  <b>Agency for Health Care Administration</b>  <b>2727 Mahan Drive</b>  <b>Building 3</b>  <b>Conference Room A</b>  <b>Tallahassee, FL 32308</b></p> <p><b>Conference Call in #1-877-299-4502</b>  <b>Participant Code #265 591 27#</b></p>	<p>May 1, 2015</p>	<p>2:00pm – 4:00pm</p>



# Begin Public Comment Period

