



Advancing Excellence Together



January 24, 2008

Paul Belcher
Senior Vice President
Florida Hospital Association
306 E. College Avenue
Tallahassee, FL. 32301

Dear Mr. Belcher:

The Miami-Dade County Office of Countywide Healthcare Planning (MDC OCHP) and BlueCross BlueShield of Florida (BCBSF) are pleased to jointly submit to the Low Income Pool Council a formal response to your follow up questions. Led by Commissioner Joe Martinez, OCHP and BCBSF presented our joint request for \$20 million in Low Income Pool Funding (State FY 2008-2009) which will partially fund the County's creation of a subsidy program that enable its poorest residents to participate in our new collaborative, low cost insurance product.

This low cost product represents a unique and innovative partnership between MDC, BCBSF (the State's largest private insurer) and the State of Florida. This partnership is designed to jointly create and promote a limited benefit plan attracting 20,000 to 50,000 uninsured residents in the first year of the MDC Pilot Health Insurance Product. Please note that this program is still under design. The final design of the program is subject to the approval of the Miami-Dade County Board of County Commissioners.

The program directly supports the Medicaid Waiver strategy enabling LIP funding to be used to subsidize health insurance premiums for low-income residents, promotes wellness, improved access to primary care and personal responsibility. Perhaps most importantly, it creates a significant learning opportunity to test a new public policy approach to financing indigent health care in the State of Florida.

Attached you will find a complete PowerPoint description of the program and responses to the questions that were asked by the LIP Council during our presentation on January 11th. Please note that the projected enrollment and premium included in this transmittal will change as we continue to advance the development of the insurance product that will be offered. The projected enrollment and premium required reflect our best available estimates at this time.

We want to thank you for your thoughtful consideration of our request for funding to support this innovative partnership. Should you have any questions regarding this program please let us know.

Sincerely,



Janet Perkins
Executive Director
Office of Countywide Healthcare Planning



V. Sheffield Kenyon
Director
BlueCross BlueShield of Florida

Cc: The Honorable Charles Crist, Governor of the State of Florida
Miami-Dade County Commissioner Joe Martinez
Alina Hudak, Assistant County Manager, Miami-Dade County
Marvin O'Quinn, President and CEO Jackson Health System
Andrew Agwonobi, M.D. Secretary of the Agency for Health Care Administration
Ana M. Viamonte Ros, M.D., Secretary of the Department of Health and State Surgeon General

Low Income Pool Council Questions and Answers
Miami-Dade County Pilot Limited Benefit Health Insurance Product

1. What amount of local match is required to generate \$20 million in total funding?

The FMAP match ratio is approximately 55.4 % Federal, 44.6% IGT. In order to “hold harmless” the Public Health Trust (PHT), \$16.145 million in IGT is required to net \$20 million for the subsidy program via the federal match.

2. How will the \$20 million be used?

\$20 million will be used to subsidize health insurance premiums for individuals with incomes in two tiers up to 200% of FPL and potentially for administrative costs of “means testing” people applying for the subsidy.

How will you market the product to the low-income population?

BCBSF and Miami-Dade County will jointly develop and execute an aggressive grass roots marketing plan. The plan will target the low income (working and non-working) uninsured residents in Miami-Dade County (Individual and Small Group segments). Features of the marketing plan include, but are not limited to:

- Public Announcements/Press Conferences
- Public Service Announcements
- Community Outreach through Community Safety Net Organizations
- Navigator Application Assistance
- Experiential Marketing
- Community Leader & County Promotions Efforts
- Direct Mail
- Web Sales
- Telemarketing
- Other Distribution Channel Sales

How many people will be covered by the pilot?

The Miami-Dade County enrollment will consist of two distinct groups; 1) members who qualify for a subsidized premiums and 2) members who purchase coverage either directly or through their employers.

The projected enrollment for the first year of the pilot is approximately 20,000 to 50,000 members, depending on available funding for the Subsidy Program. The available funding for Subsidy Program will drive projections for years 2 and 3 of the pilot.

3. What experience does BCBSF have with Limited Benefit Plans?

BCBSF was selected by MDC through a rigorous competitive bid process. BCBSF’s extensive experience with Limited Benefit Products was a critical factor in their selection.



Delivering Value to Every Day



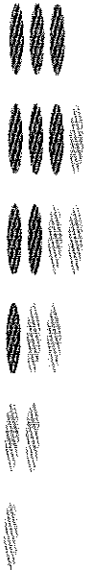
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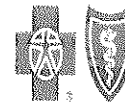
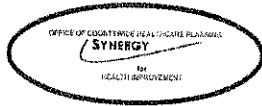
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Pilot -- Limited Benefit Health Insurance Product

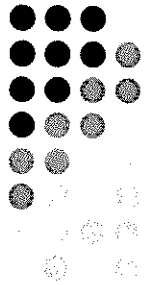
***Discussion Document
January 24, 2008***





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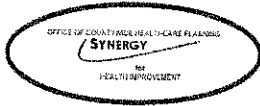


How We Got Here:

**More Than 600,000 Uninsured/400,000 of these
below 200%FPL**

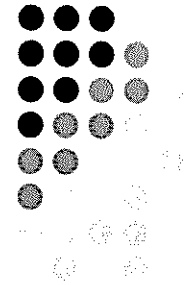
Nearly a Year in Development:

- **Request for Proposal for a Public/Private Partnership for a Limited Benefit Insurance Product Developed w/“Expert Consortium”**
- **RFP Issued June 2007**
- **BCBSF won the competitive bid in December 2007 & executed a contract to partner with the County to design a Limited Benefit Product Pilot**
- **MDC BCC final action on Plan components projected for April 2008 (including Subsidy Program)**



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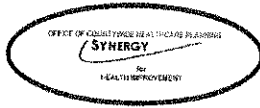
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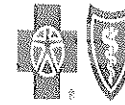
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Vision

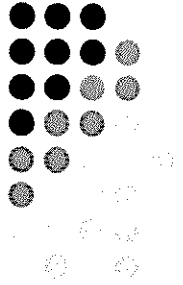
- **Thru Public/Private Partnership -- jointly design a low cost, comprehensive insurance product**
 - designed to meet public health requirements
 - builds capacity (and sustainability) of safety net providers – hospitals & clinics
 - operates as a private sector insurance product
- **Accessible for Lowest Income** – leveraging Low Income Pool (LIP), Employer contributions and potentially other funds to subsidize premiums
- **Pilot Implementation** – up to 3 years to test & refine the program as driven by the results of the evaluation & feedback



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Goals

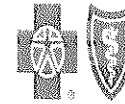
Develop a National Model Private Health Insurance Product that Utilizes the Best of Private & Public Sector Expertise

- **Increase the Number of Insured (Individuals & Small Group Market)**
- **Increase Number of residents having a “medical home”**
- **Reduce Demand & Costs for Charity Care**
- **Reduce Avoidable ER Use**
- **Ultimate ‘System’ Goal -- increase viability of Safety Net Providers (hospitals & clinics) by replacing financial drain with a revenue source**

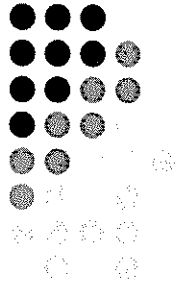
Long-term Goal → Healthier Residents



Advancing well-being for all

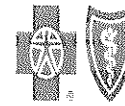
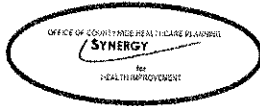


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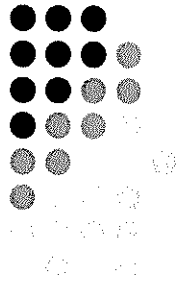


Features of the Pilot

- **Swipe Card Technology will be used to facilitate eligibility, benefits, and payment to providers**
- **Limited Benefit Plan will be offered to Individuals under 65 and Small Group Employers and their Employees**
- **BCBSFs' network will provide access to care**
 - **Safety net providers will be included**
- **ER diversion and Chronic Disease Management Programs will be in place**
- **Target Population for the Pilot**
 - **Under 65 years of age**
 - **Not eligible for government programs**
 - **Small Group Employers & their employees will also be targeted**
 - **Limited Benefit Plan will be available for any qualifying consumer to purchase**
 - **Low income working and non-working uninsured residents of MDC**
 - **Subsidy Program will offset the cost of the premium for people with incomes under 200% FPL**
 - **Undocumented residents (including children) who do not qualify for existing insurance products (Subject to identifying a source of funding)**
 - **Projected number of enrollees in year one between 20,000 - 50,000**



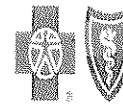
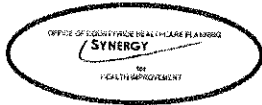
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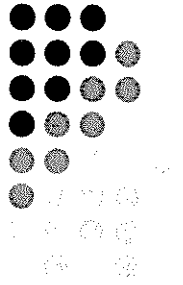
Informing, Enriching, Every Day

Features of Subsidy Program Under the Pilot

- **Eligibility for the Subsidy Program**
 - Resident of MDC – proof of County residency required
 - Less than 65 years of age (non-Medicare eligible)
 - Annual income up to 200% of the FPL – two cost-sharing tiers (\$10 premiums up to 125% FPL; \$35 premiums for 125% to 200% FPL)
 - Applicants not eligible for government programs – Medicaid, Kid Care, CMS, etc.
 - Means Testing – Proof of annual income required for Subsidy
 - Uninsured for defined period pre-application -- 6 months
- **Application**
 - Application assistance by Navigators and other trained professionals at multiple points of entry (including FQHCs, JHS & other safety net provider sites)
 - Community outreach & education – using Navigators & others
- **Subsidy Program Parameters**
 - Not an entitlement program
 - Participation in Subsidy Program limited by available funds



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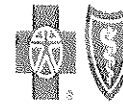
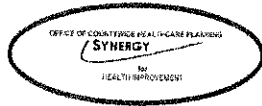


Possible Funding for Subsidy

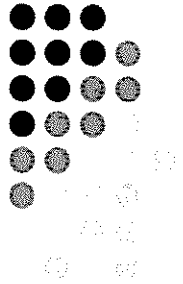
- Funding sources currently being pursued
 - Low Income Pool funds
- Potential Funding Sources
 - Lawton Chiles Endowment Trust Fund
- Other Sources
 - Sin-tax
 - Private Foundations



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Limited Benefit Plan – Individual Plan Illustration

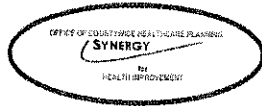
Benefit	Copayment Range
Primary Care	\$10 - \$15
Specialist Care	\$20 - \$35
Inpatient Hospital	\$50 - \$100
ER	\$50 - \$75
Outpatient Diagnostic	\$15 - \$20
Outpatient Surgery	\$30 - \$50
RX	\$5 - \$10
Annual Benefit Maximum	\$10,000

▪Average premium for non-smoking male 26 years old Miami-Dade = \$125.- \$170.

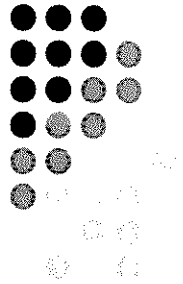
▪Please note that this rate is provided for illustration purposes only and is subject to change as the plan design and final rating are not completed.



Ensuring Excellence Every Day



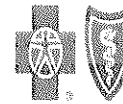
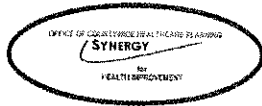
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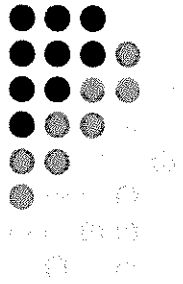
Marketing Plan

BCBSF, together with the County, will develop a comprehensive marketing and education plan to reach the target populations. The Marketing Plan will include:

- **Market Strategy**
- **Positioning -- Value Proposition**
- **Distribution – Existing channels, Internet, Direct/Telesales, neighborhood marketing events and safety net providers**
- **Outreach & application support (e.g.. Social Service Agencies, Navigators)**
- **Promotion/events**
- **Advertising**
- **Publicity**
- **Market Research – testing (focus groups to test benefit plan designs)**
- **Promotion by County leaders & through official communication channels (MDC 311, BCC & Mayor websites, County Departments)**



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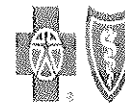
Monitoring and Evaluation Plan

A formal monitoring & evaluation plan will be developed. Primary objective of the evaluation plan will be to refine the Pilot (using lessons-learned during the pilot) & enable the product to be extended to a broader market base. Elements of the plan that will be evaluated:

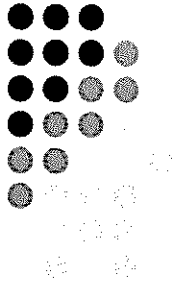
- Member enrollment & participation
- Member service utilization
- Changing County expenditures on charity care & population-based health statistics
- Average Retention (Number of Months)
- Improvements in access to health care
- Reasons for retaining & dropping coverage
- Customer Satisfaction
- Marketing Plan Effectiveness
- Member understanding
- Impact on inappropriate emergency room utilization
- Chronic Disease Management Program Compliance



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Success Criteria for the Pilot

- Enrollment
- Good customer value proposition for the program
- Customer satisfaction
- Financially viable model
- Reduction in County/State and Federal expenditures for the uninsured
- Low Cost Administrative Model
- Positive impact on social safety net
- Evaluation & Monitoring