FLORIDA MEDICAID REFORM

Question & Answers

STATEMENT OF PURPOSE AND FLORIDA MEDICAID REFORM

Question 1: Why is Florida making changes to the program?

- Today's program is a large, complex, and cumbersome system—difficult for people to navigate and manage.
- The current system is often incapable of meeting participants' specific health care needs, and is costly and inefficient.
- The system lacks incentives for early identification of illness, disease management, and access to specialty care.
- Beneficiaries are not currently empowered to make choices or rewarded for responsible behavior.
- Patients lack the information they need to make informed decisions about their healthcare.

Question 2: What does Florida hope to achieve with this reform plan?

- Consumers will be active participants in the Medicaid marketplace.
- Consumers will have new flexibility in determining the specific disease management programs and preventive services they need.
- Consumers will also have the opportunity to opt-out of Medicaid into an employer-sponsored insurance program.
- Consumers will use their Medicaid premium to purchase insurance products similar to those in the private market.
- Consumers will be able to gain supplemental benefits never before available through Medicaid.
- Consumers will have access to provider evaluations and consumer satisfaction reports to assist them in customizing their healthcare choices.

Question 3: What are the key elements of the Florida reform plan?

- Patient Responsibility and Empowerment
- Marketplace Decisions
- Bridging Public and Private Coverage
- Sustainable Growth Rate

PATIENT RESPONSIBILITY AND EMPOWERMENT

Question 4: How will Florida's Medicaid reform plan empower beneficiaries?

- Medicaid consumers will have a choice in the marketplace and will be able to choose plans and the methods of accessing services.
- Choices available will be meaningful because the system will offer new flexibility in determining the programs and services that can be purchased.
- Participants will be assisted by choice counselors in choosing a plan that is right for them.

Question 5: What are the fundamental components of Florida's premium-based system?

- Risk-Adjusted Premiums will be developed for Medicaid enrollees in managed care plans.
- The premium will have two components, comprehensive care and catastrophic care.
- Coverage will be actuarially equivalent to all services covered under the current Florida Medicaid program.
- Enhanced Benefits accounts will also be established to provide incentives to Medicaid reform enrollees for healthy behaviors. As enrollees earn access to these incentives, funds will be deposited into individual Enhanced Benefits Accounts.
- Enrollees may use these funds to offset healthcare related costs, such as over-the-counter pharmaceuticals, smoking cessation, weight reduction and other non-covered healthcare services.
- If a beneficiary leaves the Medicaid program, they will be able to continue using the remaining funds in their Enhanced Benefit Account for up to 3 years.

Question 6: How will catastrophic coverage impact recipients?

- Catastrophic coverage will be seamless to the individual as it is solely a financing mechanism to reduce the amount of risk a plan may have to undertake.
- From the individual's perspective, coverage will be provided through one package of benefits.

Question 7: What will individuals need to know about catastrophic coverage?

- Individuals need to know that catastrophic coverage is included in their plan—regardless of who is paying for it.
- This financing mechanism is similar to commercial coverage. Specifically, benefit packages are based on different coverage provisions.
- Regardless of the financing, individuals only need to understand what benefits are covered.

Question 8: Will beneficiaries with special health care needs have the ability to choose customized benefit plans?

- Plans may craft benefit packages that meet the needs of specific consumers and increase access to care.
- More specialized programs are anticipated for people with AIDS, chronically ill children and other populations that need specific types of services.
- There also will be opportunities for plans to offer case management, counseling and other services not currently provided by Medicaid.

Question 9: Will eligibility change for those beneficiaries that qualify for Medicaid today?

- Medicaid reform will NOT change who receives Florida Medicaid. The current eligibility categories and income and asset limits will be the same.

MARKETPLACE DECISIONS

Question 10: How will Florida expand consumer choice in the new marketplace?

- Health care is local, and it is important for local systems of care to form, with those care networks accountable to the Medicaid beneficiaries for the quality of their services. The state will exercise an aggressive oversight role.
- Managed care plans will have the ability to create customized packages to meet the needs of specific Medicaid groups.
- Medicaid consumers will be able to choose among HMOs, Community Provider Service Networks, Minority Physician Networks or other organized provider networks.

BRIDGING PUBLIC AND PRIVATE COVERAGE

Question 11: Under Florida's plan, will Medicaid beneficiaries have access to employer-sponsored insurance (ESI) coverage?

- For the first time, employed Medicaid recipients will be offered the choice to opt-out of Medicaid and direct their premiums to an employer-sponsored plan.
- This option will help bridge the gap to independence.
- An enrollee also has the option to reenroll in Medicaid if they desire.

Question 12: If a participant "opts out" of Medicaid into an employer-sponsored plan, that does not cover a service, will Medicaid pay for it?

- No. Through comprehensive choice counseling, participants who opt out of Medicaid into employer-sponsored plans will understand the differences in the availability of services from regular Medicaid.

SUSTAINABLE GROWTH RATE

Question 13: How will Florida's reform plan protect the sustainability of the Medicaid program?

- The program will move to a premium-based coordinated system of care based on the concept of giving consumers a medical home.
- Medicaid expenditures will become more predictable.

Question 14: Does Florida's reform plan "cut" the Medicaid budget?

- Medicaid Reform will not cut the Medicaid budget.
- In fact, the Medicaid budget will continue to grow under reform while linking growth to improved measurable outcomes.

- The fiscal aim of Florida's Medicaid reform is to bring predictability to Medicaid spending and reduce Medicaid's rate of growth, while providing better quality of care and patient choice.

FOSTERING AND PROTECTING SAFETY NET PROVIDERS

Question 15: How will Florida protect its safety net providers?

- A Low Income Pool (LIP) will be established to ensure availability of needed health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1B for each year of the five-year demonstration period.

Question 16: What is the LIP?

- The LIP's purpose is to provide access for Florida's most vulnerable, low-income population at their most acute time of need.
- It will assure reasonable payment to the providers for those services.

Question 17: Does Florida expect the number of uninsured to grow?

- Florida is proud that the rate of uninsured children has dropped to the lowest levels since the state began measuring the rate of uninsured children (9% uninsured).
- Florida's safety net system of public and private teaching hospitals, rural hospitals, rural health clinics, federally qualified health centers, county health departments, and other safety net providers do a remarkable job of caring for those without insurance.
- The newly established LIP will be an important tool in continuing to address the needs of the uninsured.
- These various strategies for dealing with the uninsured are working together to create access.

LONG-TERM CARE

Question 18: Does Medicaid Reform include Long Term Care (LTC) services?

- Yes. Before the end of the five-year demonstration waiver, Medicaid Reform will include LTC services including nursing home institutional services, and community based waiver services.

Question 19: When will Long Term Care services become part of Medicaid Reform?

- Long Term Care Services including nursing home, institutional and community based waiver services will not be included in year 1 or year 2 of the demonstration waiver.
- It is anticipated that these services will likely be included in year 3 or year 4 of the waiver to provide sufficient time to evaluate provider interest and ensure adequacy of services.

OTHER COMMONLY ASKED QUESTIONS

Question 20: Is there a maximum benefit?

- Today, there are limits on Medicaid services.
- Under reform, there will still be limits, and there will be a maximum dollar amount of coverage each year per person.
- The maximum amount will be very high, and very few people will ever reach the maximum benefit allowed.
- The maximum dollar amount will NOT apply to children or pregnant women.

Question 21: How will Florida's reform plan affect children accessing services under EPSDT?

- The state has NOT asked to waive Early and Periodic Screening Diagnosis and Treatment (EPSDT) for children.
- This means children will be able to access all medically necessary services.

Question 22: How will Florida's reform plan affect services for pregnant women?

- Medicaid reform does not take services away from pregnant women.
- The state will NOT limit medically necessary services for pregnant women.

Question 23: If a plan denies a health care service to a beneficiary, what will the appeal process look like?

- Participants will continue to have opportunities to appeal if their health plan denies a service or coverage.
- Each plan must have a process for its enrollees to appeal if a service is denied.
- If the beneficiary does not get the result they want by appealing to the plan, they will be able to bring their appeal to a state panel for a further hearing.
- Expedited appeal procedures are available in critical circumstances.

Question 24: What will the implementation timeline be for Florida's Medicaid reform plan?

- Following approval by the Florida Legislature, the first phase of the plan will be in Broward and Duval Counties.
- Within one year of the start of operations in Duval County, the program is authorized to expand to Baker, Clay and Nassau Counties.
- The Legislature will determine when the program is expanded to other parts of the state.

Question 25: How will Florida's reform proposal be more flexible and creative than Medicaid is today?

- Florida's Medicaid reform plan will allow participating plans to target services to meet the needs of specific populations.
- The state will approve all plans to ensure that services are sufficient and provide value to each enrolled beneficiary group. If the plan submits a benefit package that does not meet the needs of the group, then the state will not approve the benefit package.
- This will eliminate the "one-size-fits-all" approach and encourage innovation.
- Flexibility will create opportunities for delivery of specialized health care services to patients with chronic illness.

Question 26: Will Medicaid Reform force all participants into HMOs?

- No. The state will promote competition by allowing other managed care entities to participate including Provider Service Networks and other licensed insurers.
- HMOs and licensed insurers will also be permitted to compete for participants by offering benefit plans.

Question 27: Will managed care plans have discretion over whom they pick to enroll?

- Plans may not "cherry pick" enrollees.
- A plan must accept all enrollees who choose their plan.

Question 28: Isn't Florida just turning the system over to for-profit HMOs?

- No. Medicaid reform is designed to promote competition among managed care plans and is not limited to HMOs.
- The reform financing structure provides incentives for traditional Medicaid providers to partner and form provider service networks and participate as a managed care entity.

Question 29: What will prevent providers from collecting state-paid premiums and then making services difficult to access?

- Provider groups will be required to undergo a rigorous qualification process in which they must demonstrate, among other things, an appropriate network of providers, and adequate managed care and disease management programs as appropriate for the population served.
- Transparent outcome measures, a participant-friendly grievance process and the competitive demands of the market make it extremely unlikely that a provider group would attempt to systematically deny services to participants.
- The Florida Agency for Health Care Administration will closely monitor all providers and will impose sanctions for inappropriately limiting access to medically necessary services.

Question 30: Does allowing plans to risk adjust premiums create an incentive for fraud?

- No. Plans do not risk adjust premiums.
- The state will risk adjust based on enrollee health status.
- The state will require submission of detailed encounter data and will aggressively monitor plans and evaluate encounter data accuracy.

Question 31: What about the rural communities? How is Florida going to get managed care there?

- Rural areas will benefit from greater flexibility in the type of managed care plans that can serve Medicaid participants.
- Not just HMOs, but also provider service networks and traditional insurance products can provide coverage.
- In addition, the financing structure associated with comprehensive/catastrophic benefits will further encourage competition in rural areas by limiting financial risk associated with small group coverage.