Florida Medicaid Reform

1115 Research and Demonstration Waiver

1st Quarter Progress Report
(July 1, 2012 – September 30, 2012)
Demonstration Year 7

Agency for Health Care Administration

AHCA
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

This page intentionally left blank

Table of Contents

List of Tables

List of Charts

I. Waiver History

Background

Florida's Medicaid Reform is a comprehensive demonstration that seeks to improve the value of the Medicaid delivery system. The program is operated under an 1115 Research and Demonstration Waiver initially approved by the Centers for Medicare and Medicaid Services (Federal CMS) on October 19, 2005. State authority to operate the program is located in Section (s.) 409.91211, Florida Statutes (F.S.), which provides authorization for a statewide pilot program with implementation that began in Broward and Duval Counties on July 1, 2006. The program expanded to Baker, Clay and Nassau Counties on July 1, 2007.

On June 30, 2010, the Agency for Health Care Administration (Agency) submitted a three-year waiver extension request to maintain and continue operations of the demonstration waiver for the period July 1, 2011 through June 30, 2014. Federal CMS granted temporary extensions of the waiver from July 1, 2011 until December 15, 2011, when final approval of the waiver extension request was granted, for the period December 16, 2011 through June 30, 2014.

On August 1, 2011, the Agency submitted an amendment request to Federal CMS to implement the Managed Medical Assistance (MMA) program as specified in Part IV of Chapter 409, F.S. As of the date of this report, the Agency continues to work with Federal CMS to obtain approval of the MMA amendment. The amendment request, a description of the MMA program and additional information including correspondence with Federal CMS can be viewed on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/statewide_mc/index.shtml#MMA.

Florida expects to gain valuable information about the effects of allowing market-based approaches to assist the state in its service to Medicaid recipients. Key components of the demonstration include:

- Comprehensive choice counseling,
- Customized benefit packages,
- Enhanced benefits for participating in healthy behaviors,
- Risk-adjusted premiums based on enrollee health status, and
- Low Income Pool.

The reporting requirements for the 1115 Medicaid Reform Waiver are specified in Florida law and Special Terms and Conditions (STCs) #19 and #20 of the waiver. STC #19 requires that the state submit a quarterly progress report summarizing the events occurring during the quarter or anticipated to occur in the near future that affect health care delivery, including, but not limited to, approval and contracting with new plans, specifying coverage area, populations served, benefits, enrollment, grievances and other operational issues.

This report is the first quarterly report for Demonstration Year Seven covering the period July 1, 2012 – September 30, 2012. For detailed information about the activities that occurred during previous quarters of the demonstration, refer to the quarterly and the annual reports, which can be accessed at: http://ahca.myflorida.com/Medicaid/medicaid_reform/index.shtml.

II. Status of Medicaid Reform

A. Health Care Delivery System

1. Health Plan Contracting Process

Overview

All health plans, including contractors wanting to participate as demonstration health plans, are required to complete a Medicaid health plan application. The Agency uses an open health plan application process with submission guidelines to ensure applicants understand the contract requirements. The application process consists of four areas: (I) organizational and administrative structure; (II) policies and procedures; (III) on-site review; and (IV) contract execution, establishing a provider file in the Florida Medicaid Management Information System (FLMMIS), completing systems testing to ensure the health plan applicant is capable of submitting and retrieving HIPAA-compliant files and submitting accurate provider network files, and ensuring the health plan receives its first membership.

Current Activities

Health Plan Applications and Expansion Requests

Since the implementation of the demonstration, the Agency has received 28 health plan applications [20 health maintenance organizations (HMOs) and eight fee-for-service (FFS) provider service networks (PSNs)], of which 24 applicants sought and received approval to provide services to both the Temporary Assistance for Needy Families (TANF) and the Supplemental Security Income (SSI) populations. The following applications remain under Agency review:

- Healthease HMO (all five demonstration counties).
- Magellan Complete Care (Broward County).
- Simply Healthcare d/b/a Clear Health Alliance specialty plan for individuals living with HIV or AIDS (Broward County). Note, this is a specialty plan that is separate and distinct from the Simply Healthcare HMO as described below.

At the request of the applicant, review and implementation of Community Health Plan of South Florida FFS PSN (Broward County) has been placed on hold.

During this quarter, Simply Healthcare was approved as an HMO in Broward County and began providing services on September 1, 2012. Note, this is an HMO that is separate and distinct from the Simply Healthcare d/b/a Clear Health Alliance specialty plan. The Agency continues to review the request from Sunshine HMO to expand into Baker and Nassau Counties.

Remainder of page intentionally left blank.

Table 1 provides a comprehensive list since the implementation of the demonstration of all health plan applicants, the date each application was received, the date each application was approved, and the initial counties of operation requested by each applicant.

Table 1
Health Plan Applicants

Plan Name	Plan Type	Coverage Area		Receipt Date	Contract Date
		Broward	Duval		
South Florida Community Care Network	PSN	X		04/13/06	06/29/06
AMERIGROUP Community Care	HMO	X		04/14/06	06/29/06
HealthEase	HMO	X	X	04/14/06	06/29/06
Staywell	HMO	X	X	04/14/06	06/29/06
Preferred Medical Plan	HMO	X		04/14/06	06/29/06
United HealthCare	HMO	X	X	04/14/06	06/29/06
Humana	HMO	X		04/14/06	06/29/06
Freedom Health Plan	HMO	X		04/14/06	9/25/07
Total Health Choice	HMO	X		04/14/06	06/07/06
Buena Vista	HMO	X		04/14/06	06/29/06
Vista Health Plan of South Florida	HMO	X		04/14/06	06/29/06
Florida NetPASS	PSN	X		04/14/06	06/29/06
Universal Health Care	HMO	X	X	04/17/06	11/28/06
Shands Jacksonville Medical Center d/b/a First Coast Advantage	PSN		X	04/17/06	06/29/06
Children's Medical Services, Florida Department of Health	PSN	X	X	04/21/06	11/02/06
Access Health Solutions	PSN	X	X	05/09/06	07/21/06
Pediatric Associates	PSN	X		05/09/06	08/11/06
Better Health Plan	PSN	X	X	05/23/06	12/10/08
AHF MCO d/b/a Positive Health Care	HMO	X		01/28/08	02/18/10
Medica Health Plan of Florida	HMO	X		09/29/08	10/24/09
Molina Health Plan	HMO	X		12/17/08	03/06/09
Sunshine State Health Plan	HMO	X		01/14/09	05/20/09
Preferred Care Partners, Inc. d/b/a Care Florida	HMO	X		01/21/10	12/20/10
Community Health Plan of South Florida	PSN	X		06/14/11	*
Simply Healthcare	HMO	X		02/29/12	09/01/12
Healthease of Florida	HMO	X	X	03/23/12	*
Magellan Complete Care	HMO	X		03/30/12	*
Simply Healthcare d/b/a Clear Health Alliance	HMO	X		06/01/12	*

*The application is under Agency review.

Table 2 provides a list of the health plan contracts approved by plan name, effective date of the contract, type of plan and coverage area.

Table 2
Medicaid Reform Health Plan Contracts

Plan Name	Date Effective	Plan Type	Coverage Area		
			Broward	Duval	Baker, Clay, Nassau
AMERIGROUP Community Care	07/01/06	HMO	X****		
HealthEase	07/01/06	HMO	X***	X***	
Staywell	07/01/06	HMO	X***	X***	
Preferred Medical Plan	07/0106	HMO	X****		
United HealthCare	07/01/06	HMO	X*	X	X
Humana	07/01/06	HMO	X		
Access Health Solutions	07/21/06	PSN	X	X	X
Total Health Choice	07/01/06	HMO	X		
South Florida Community Care Network	07/01/06	PSN	X		
Buena Vista	07/01/06	HMO	X*		
Vista Health Plan SF	07/01/06	HMO	X*		
Florida NetPASS	07/01/06	PSN	X		
Shands Jacksonville Medical Center d/b/a First Coast Advantage	07/01/06	PSN		X	X******
Pediatric Associates	08/11/06	PSN	X**		
Children's Medical Services Network, Florida Department of Health	12/01/06	PSN	X	X	
Universal Health Care	12/01/06	HMO	X	X	
Freedom Health Plan	09/25/07	HMO	X		
Better Health Plan	12/10/08	PSN	X		
Molina Health Plan	04/01/09	HMO	X		
Sunshine State Health Plan	06/01/09	HMO	X	X*****	X*****+
Medica Health Plan of Florida, Inc.	11/01/09	HMO	X		
AHF MCO d/b/a Positive Health Care	05/01/10	HMO	X		
Preferred Care Partners, Inc. d/b/a Care Florida	01/01/11	HMO	X		
Simply Healthcare	09/01/12	HMO	X		

* During the fall of 2008, the plan amended its contract to withdraw from this county. The United withdrawal was effective November 1, 2008. The Vista / Buena Vista withdrawal was effective December 1, 2008.

** During the fall of 2008, the plan terminated its contract for this county effective February 1, 2009.

*** During the spring of 2009, the plan notified the Agency to withdraw from these counties. The withdrawals for Healthease and Staywell were effective July 1, 2010.

**** During the summer of 2009, the plan notified the Agency of its intent to withdraw from this county. The withdrawals for Amerigroup and Preferred were effective December 1, 2009.

***** Sunshine began providing services in these counties effective September 1, 2009.

****** First Coast Advantage expanded into these counties effective December 1, 2010.

\+ Sunshine withdrew from Nassau and Baker counties effective December 31, 2010.

Health Plan Capacity

Health plan capacity is monitored on an ongoing basis. Health plans must supply an up-to-date provider network information file each month. The Agency uses the file to monitor the health plans' compliance with required provider network composition and primary care physician (PCP)-to-member ratios. In addition, the choice counseling/enrollment broker contractor loads this information into its system for use as a choice selection tool and to enable PCP selection at the time of voluntary plan enrollment.

Additionally, the Agency monitors overall capacity to ensure recipients have a choice of at least two health plans in each demonstration county. This quarter, the Agency received a request from United HMO to increase its maximum enrollment levels in Clay and Duval Counties. This request is under Agency review.

Contract Amendments and Model Contracts

During this quarter, there was one general amendment to allow the use of telemedicine for dental and behavioral health and to specify the demonstration waiver-required Medical Loss Ratio requirements. In addition, the Agency executed a new three-year contract, effective September 1, 2012 through August 31, 2015.

Contract Conversions/Terminations

There were no conversions, terminations or acquisitions during this quarter, and no requests are pending.

FFS PSN Conversion Process

FFS PSNs are required to convert to capitation by the beginning of the final year of operation under the waiver extension, unless the FFS PSN opts to convert to capitation earlier as specified in s. 409.91211(3)(e), F.S. The Agency released an updated FFS PSN conversion application in April 2012 and continues to provide technical assistance to the FFS PSNs regarding conversion. Most FFS PSNs have submitted conversion applications. Table 3 provides the timeline to comply with the FFS PSN conversion-to-capitation requirement.

Table 3
PSN Conversion to Capitation Timeline

Deadline for current FFS PSNs to submit conversion applications to the Agency.	09/01/2013
Successful conversion of applicants and execution of capitated contracts for service begin date of 09/01/2014.	06/30/2014

Remainder of page intentionally left blank.

2. Benefit Package

Overview

Customized benefit packages are one of the fundamental elements of the demonstration. Medicaid recipients are offered choices in health plan benefit packages customized to provide services that better suit health plan enrollees' needs. The demonstration authorizes the Agency to allow capitated plans to create a customized benefit package by varying certain services for non-pregnant adults, varying cost-sharing and providing additional services. PSNs that chose a FFS reimbursement payment methodology cannot develop a customized benefit package, but can eliminate or reduce the co-payments and offer additional services. For more information about the design of the customized benefit packages, please refer to the most recent annual report posted on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/annual.shtml.

Current Activities

Customized Benefit Packages

The customized benefit packages became operational on January 1, 2012 and will remain valid until December 31, 2012, effectively overlapping Year Six and Year Seven of the demonstration. These benefit packages include 22 customized benefit packages for the HMOs and ten benefit packages for the FFS PSNs. Simply Healthcare HMO was added in September 2012 in Broward County with a benefit package for TANF and SSI.

Table 4 located on the following page lists the number of co-payments for each service type by each Demonstration Year. Benefit packages approved for Year Three of the demonstration were extended until December of 2009 in order to provide adequate notification to the recipients of any changes in their current health plan's benefit package as well as to allow time for the printing and distribution of the revised choice materials for Demonstration Year Four. As such, in Tables 4 and 5, Demonstration Year Three has been divided into three columns: July 1, 2008 through December 31, 2008; January 1, 2009 through November 30, 2009; and December 2009. These different columns reflect the departure of health plans that ceased operations during Demonstration Year Three. In addition, Table 4 has been updated to reflect the customized benefit packages effective January 2012 – December 31, 2012. Since Simply Healthcare's new benefit packages require no co-payments and, even with the addition of these two packages (starting in September 2012), there were no changes to the numbers in Table 4 in the July – September 2012 column as compared with the January – June 2012 column.

Remainder of page intentionally left blank.

Table 4 Number of Co-payments by Type of Service by Demonstration Year											
Type of Service	**Year One**	**Year Two**	**Year Three**			**Year Four**	**Year Five**		**Year Six**		**Year Seven**
	July 2006-June 2007	July 2007-June 2008	July-Dec 2008	Jan-Nov 2009	Dec-09	Jan-June 2010	July-Dec 2010	Jan-Aug 2011	July-Dec 2011	Jan-June 2012	July-Sept 2012
ARNP/Physician Assistant	0	0	5	1	0	0	0	0	0	0	0
Chiropractic	10	0	8	4	3	3	3	5	5	6	6
Clinic (FQHC, RHC)	0	0	6	2	1	0	0	0	0	0	0
Dental	4	4	4	0	0	2	2	2	2	2	2
Home Health	4	1	8	4	3	3	3	3	3	4	4
Hospital Inpatient: Behavioral Health	11	1	8	4	3	4	4	6	6	6	6
Hospital Inpatient: Physical Health	7	1	8	4	3	4	4	6	6	6	6
Hospital Outpatient Services (Non-Emergency)	7	1	7	3	3	2	2	2	2	2	2
Hospital Outpatient Surgery	7	1	8	4	3	2	2	2	2	2	2
Lab/X-Ray	5	1	7	3	3	2	2	2	2	2	2
Mental Health	7	3	6	2	1	4	4	4	4	5	5
Podiatrist	10	0	7	3	3	3	3	5	5	6	6
Primary Care Physician	0	0	5	1	0	0	0	0	0	0	0
Specialty Physician	1	1	6	2	1	0	0	2	2	2	2
Transportation	5	5	6	2	1	2	2	2	2	2	2
Vision	4	0	5	1	1	2	2	2	2	2	2
Total Number of Required Co-payments	**82**	**19**	**104**	**40**	**29**	**33**	**33**	**43**	**43**	**47**	**47**

Table 5 shows the number and percentage of benefit packages that do not require any co-payments, separated by demonstration year. The changes in the Year Seven column reflect the two new benefit packages for Simply Healthcare HMO, which have no co-payments.

Table 5 Number and Percent of Total Benefit Packages Requiring No Co-payments by Demonstration Year												
	Year One	**Year Two**	**Year Three**			**Year Four**		**Year Five**		**Year Six**		**Year Seven**
	July 2006-June 2007	July 2007-June 2008	July-Dec 2008	Jan-Nov 2009	Dec 2009	Jan-April 2010	May-June 2010	July-Dec 2010	Jan-June 2011	July-Dec 2011	Jan-June 2012	July-Sept 2012
Total Number of Benefit Packages	28	30	28	24	20	20	19	19	20	20	20	22
Total Number of Benefit Packages Requiring No Co-payments	12	16	20	20	17	16	15	15	14	14	13	15
Percent of Benefit Packages Requiring No Co-payments	43%	53%	71%	83%	85%	80%	79%	79%	70%	70%	65%	68%

Table 6 shows the number of benefit packages for Demonstration Year Four through Seven not requiring co-payments by population and area. Table 6 shows that for each area and target population, there is at least one benefit package to choose from that does not require co-payments. The changes in the Year Seven column reflect the two new benefit packages for Simply Healthcare HMO, which have no co-payments.

Table 6
Number of Benefit Packages Requiring No Co-payments by Target Population and Area

Target Population	List of Counties in Each Demonstration Area	Number of Benefit Packages Not Requiring Co-payments					
		Year Four		Year Five		Year Six	Year Seven
		Jan	May	July-Dec	Jan	July-June	July-Sept
SSI (Aged and Disabled)	Duval, Baker, Clay and Nassau	3	3	3	1	1	1
SSI (Aged and Disabled)	Broward	6	5	5	6	6	7
TANF (Children and Families)	Duval, Baker, Clay and Nassau	1	1	1	1	1	1
TANF (Children and Families)	Broward	6	5	5	6	5	6

Expanded Services

In Year Seven of the demonstration, all of the capitated health plans continue to offer expanded or additional benefits which were not previously covered by the state under the Medicaid State Plan in order to meet the needs of new enrollees. In the health plan contract, these are referred to as expanded services. The following is a list of the expanded benefits currently offered by the capitated health plans of which the over-the-counter drug benefits and adult preventive benefits are the most frequently offered.

- Over-the-counter drug benefit – $25 per household per month
- Adult preventive dental
- Circumcisions for male newborns
- Additional adult vision
- Nutritional Counseling

Plan Evaluation Tool

Since the implementation of the demonstration, no changes have been made to the sufficiency thresholds that were established for the first contract period of September 1, 2006 to August 31, 2007. After reviewing the available data – including data related to the plans' pharmacy benefit limits – the Agency decided to limit the pharmacy benefit in Demonstration Year Three to a monthly script limit only. Prior to Demonstration Year Three, plans had the option of having a monthly script limit or a dollar limit on the pharmacy benefit. This change was made to standardize the mechanism used to limit the pharmacy benefit. The Agency will continue to require the plans to maintain the sufficiency threshold level of pharmacy benefit for SSI and TANF at 98.5%. In addition, the Agency will ensure each plan's customized benefit package meets or exceeds, and maintains, a minimum threshold of 98.5% for benefits identified as sufficiency tested benefits as required by STC #39.

The PET submission procedure for Demonstration Year Seven will be similar to that of the six previous years. The updated version of the data book and the new PET is scheduled to be

released by the Agency during the second quarter of Demonstration Year Seven. The health plans' Year Seven benefit packages to be approved next quarter will be effective no sooner than January 1, 2013.

3. Health Plan Reported Complaints, Grievances and Appeal Process

Overview

Health plan contracts include a grievance process, appeal process and Medicaid Fair Hearing (MFH) system. In addition, the health plan contracts include timeframes for submission, plan response and resolution of recipient grievances. This is compliant with federal grievance system requirements located in Subpart F of 42 CFR 438.

As defined in the health plan contracts:

- Action means the denial or limited authorization of a requested service, including the type or level of service, pursuant to 42 CFR 438.400(b); the reduction, suspension or termination of a previously authorized service; the denial, in whole or in part, of payment for a service; the failure to provide services in a timely manner, as defined by the state; the failure of the health plan to act within ninety (90) days from the date the health plan receives a grievance, or 45 days from the date the health plan receives an appeal; and for a resident of a rural area with only one (1) managed care entity, the denial of an enrollee's request to exercise his or her rights to obtain services outside the network.
- Appeal means a request for review of an action, pursuant to 42 CFR 438.400(b).
- Grievance means an expression of dissatisfaction about any matter other than an action. Possible subjects for grievances include, but are not limited to, the quality of care, the quality of services provided and aspects of interpersonal relationships such as rudeness of a provider or employee or failure to respect the enrollee's rights.

In accordance with Section 409.91211(3)(q), F.S., the Agency provides for an additional grievance resolution process for enrollees, upon completion of the health plan's internal grievance process, which is referred to as the Beneficiary Assistance Panel (BAP). The BAP will not consider a request that has already been to a MFH. The BAP reviews the requests within the following timeframes:

1. The state panel will review general grievances within 120 days.
2. The state panel will review grievances that the state determines pose an immediate and serious threat to an enrollee's health within 45 days.
3. The state panel will review grievances that the state determines relate to imminent and emergent jeopardy to the life of the enrollee within 24 hours.

Enrollees in a health plan may file a request for a MHF at any time and are not required to exhaust the plan's internal appeal process or file with the BAP.

Current Activities

The Agency recognizes the need to understand the nature of all issues, regardless of the level at which they are resolved. To better understand the issues recipients face and how and where they are being resolved, the Agency is reporting all grievances and appeals at the health plan level in the quarterly reports. The Agency also uses this information internally as part of the Agency's continuous improvement efforts.

Health Plan Reported Complaints

The health plan contract requires the health plans to report the number of member complaints received by plan by quarter.

Table 7 provides the number of complaints reported by plan type for this quarter. The health plan contract defines complaint as: any oral or written expression of dissatisfaction by an enrollee submitted to the health plan or to a state agency and resolved by close of business the following business day. The subjects for complaints include, but are not limited to, the quality of care, the quality of services provided, aspects of interpersonal relationships such as rudeness of a provider or health plan employee, failure to respect the enrollee's rights, health plan administration, claims practices or provision of services that relate to the quality of care rendered by a provider pursuant to the health plan's contract. A complaint is an informal component of the grievance system.

Table 7
Health Plan Reported Complaints
(July 1, 2012 – September 30, 2012)

Quarter	PSN Complaints	HMO Complaints
July 1, 2012 – September 30, 2012	311	517

PSN plan reported complaints decreased from 374 reported last quarter to 311 in this quarter. HMO plan reported complaints decreased from 2,111 reported last quarter to 517 in this quarter.

Grievances and Appeals

Table 8 provides the number of grievances and appeals by health plan type for this quarter.

Table 8
Grievances and Appeals
(July 1, 2012 – September 30, 2012)

Quarter	PSN Grievances	PSN Appeals	HMO Grievances	HMO Appeals
July 1, 2012 – September 30, 2012	21	52	117	96

PSN grievances increased from 15 reported last quarter to 21 in this quarter; and the PSN appeals increased from 38 reported last quarter to 52 in this quarter. HMO grievances increased from 57 reported last quarter to 117 in this quarter; and the HMO appeals decreased slightly from 98 reported last quarter to 96 in this quarter.

Medicaid Fair Hearings

Table 9 located on the following page provides the number of MFHs requested and held during this quarter. Medicaid Fair Hearings are conducted through the Florida Department of Children and Families and, as a result, health plans are not required to report the number of fair hearings requested by enrolled members; however, the Agency monitors the MFH process. There were a total of 15 MFHs; seven for PSNs and eight for HMOs. Of the 15 MFH requests relating to demonstration participants: one was related to the reduction/suspension/termination of benefits/services; four were related to denial/limitation of benefits/services; one was related to denial of medication; and one was related to the inability to change plans. The remaining eight

requests had not yet progressed to being classified prior to the end of the quarter. In regards to outcomes, two cases were abandoned, one case was resolved, and five cases were withdrawn. In two cases, a hearing was held, but no decision was announced prior to the end of the quarter. In five cases, a hearing was requested, but not yet scheduled.

Table 9
Medicaid Fair Hearing Requests and Medicaid Fair Hearings Held
(July 1, 2012 – September 30, 2012)

Quarter	Plan Type	Medicaid Fair Hearings Held	Medicaid Fair Hearings Requested
July 1, 2012 – September 30, 2012	**HMO**	5	8
	PSN	2	7
	Total	**7**	**15**

Beneficiary Assistance Program

No grievances were submitted to the BAP during this quarter as shown in Table 10.

Table 10
BAP Requests
(July 1, 2012 – September 30, 2012)

Quarter	HMO	PSN	Total
July 1, 2012 – September 30, 2012	0	0	0

4. Agency-Received Complaints/Issues Resolution Process

Overview

Complaints/issues received by the Agency regarding the health plans provide the Agency with feedback on the operation of managed care under the demonstration. Complaints/issues come to the Agency from recipients, advocates, providers and other stakeholders and through a variety of Agency locations. The primary locations where the complaints are received by the Agency are as follows:

- Medicaid Local Area Offices,
- Medicaid Headquarters Bureau of Managed Health Care,
- Medicaid Headquarters Bureau of Health Systems Development, and
- Medicaid Choice Counseling Helpline. Health plan complaints received by the Choice Counseling Helpline are referred to the Florida Medicaid headquarters offices specified above for resolution.

The complaints/issues are processed by Florida Medicaid Local Area Office and/or Headquarters staff depending on the nature and complexity of the complaint/issue. Some complaints/issues are referred to the health plan for resolution and the Agency tracks these to ensure resolution. Medicaid staff use the Complaints/Issues Reporting and Tracking System (CIRTS), which allows for real-time, secure access through the Agency's web portal. In addition, the Agency tracks the complaints by plan and plan type to review complaint data on

individual plans on a monthly basis and reviews complaint trends on a quarterly basis at the management level.

Table 11 provides the number of complaints/issues received by type of health plan during the quarter. Attachments I (PSN Complaints) and II (HMO Complaints) of this report provide a description of each complaint/issue received and the action(s) taken by the Agency and/or the health plan to resolve the issue.

Table 11
Agency-Received Complaints/Issues
(July 1, 2012 – September 30, 2012)

Quarter	HMO	PSN	Total
July 1, 2012 – September 30, 2012	26	11	**37**

This quarter, the complaints/issues received from recipients, advocates and other stakeholders primarily related to enrollees needing assistance in accessing providers, obtaining medications, and getting services authorized. The Agency worked with the enrollees and health plans to resolve these issues. The complaints/issues received from providers related to claims processing or payment delays/denials. The health plans were informed of the complaints/issues received this quarter and, in most cases, the health plans were instrumental in obtaining the information or service the enrollee or provider needed.

The Agency will continue to monitor the complaints/issues received for contractual compliance, plan performance, and trends that may require policy or operational changes.

5. Medical Loss Ratio

Overview

In accordance with STC #14, the Agency submitted to Federal CMS the draft Medical Loss Ratio (MLR) instructions and templates, the draft reporting schedule and the draft report guide on March 13, 2012. This information is posted on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/pdf/Special_Terms_Conditions_14_03-13-2012.pdf.

Current Activities

On June 25, 2012, the Agency submitted to Federal CMS the revised MLR instructions and templates, reporting schedule and the report guide that incorporated comments from the health plans and Federal CMS. The substantive change made to this policy was to extend the reporting deadline from 45 days to seven months after the end of each quarter or year for which the health plan is reporting. This change was made based on comments received by Federal CMS on June 15, 2012 to allow for the initial claims filing and claims adjudication to conclude so that the incurred but not reported (IBNR) ratio is lower. The revised MLR reporting schedule is outlined in Table 12 located on the following page, and is scheduled to become effective October 1, 2012.

Table 12 Health Plan Medical Loss Ratio Reporting Schedule			
Demonstration Year	**Quarter**	**Due to Agency**	**Due to CMS**
Demonstration Year 7 (07/01/12 – 6/30/13)	**Q1:** 07/01/12 – 09/30/12	04/30/2013	05/15/2013
	Q2: 10/01/12 – 12/31/12	07/31/2013	08/15/2013
	Q3: 01/01/13 – 03/31/13	10/31/2013	11/15/2013
	Q4: 04/01/13 – 06/30/13	01/30/2014	02/14/2014
	DY 7 Annual Report	01/30/2014	02/14/2014
Demonstration Year 8 (07/01/13 – 06/30/14)	**Q1:** 07/01/13 – 09/30/13	04/30/2014	05/15/2014
	Q2: 10/01/13 – 12/31/13	07/31/2014	08/15/2014
	Q3: 01/01/14 – 03/31/14	10/31/2014	11/15/2014
	Q4: 04/01/14 – 06/30/14	01/30/2015	02/14/2015
	DY 8 Annual Report	01/30/2015	02/14/2015

In addition, the draft plan contract amendment language was posted on the Agency's Managed Care website and provided to the health plans on July 1, 2012. After reviewing comments from Federal CMS and the health plans, the Agency revised the core contract provisions that became effective September 1, 2012 to reflect the following:

> In accordance with the Florida's Section 1115 Demonstration STCs, capitated health plans shall maintain an annual (July 1 through June 30) MLR of eighty-five percent (85%) for operations in the demonstration counties beginning July 1, 2012. The health plan shall submit data to the Agency quarterly to show ongoing compliance. The Federal CMS will determine the corrective action for non-compliance with this requirement.

An updated Health Plan Report Guide was posted by July 1, 2012 and will be effective 90 days later on October 1, 2012. As provided in the updated Report Guide, health plans will be expected to submit quarterly and annual MLR reports using the Agency supplied template and in accordance with the filing instructions in the draft version of Chapter 38. Quarterly reports will be due to the Agency no later than 7 months following the close of the quarter. The first Annual MLR report, for the waiver Demonstration Year Seven (July 1, 2012 – June 30, 2013), is due to the Agency on January 30, 2014.

The MLR calculation shall utilize uniform financial data collected from all capitated health plans operating in the demonstration areas and shall be computed for each plan on a statewide basis. For the purpose of calculating the MLR, "health care covered services" are defined as services provided by the health plan to Medicaid recipients in the demonstration area in accordance with the Health Plan Medicaid Contract and as outlined in Section V, Covered Services, and Section VI, Behavioral Health Care, and Attachment I (see below).

> "The method for calculating the MLR shall meet the following criteria:

a) Except as provided in paragraphs (b) and (c), expenditures shall be classified in a manner consistent with 45 CFR Part 158.

b) Funds provided by plans to graduate medical education institutions to underwrite the costs of residency positions shall be classified as medical expenditures, provided the funding is sufficient to sustain the position for the number of years necessary to complete the residency requirements and the residency positions funded by the plans are active providers of care to Medicaid and uninsured patients.

c) Prior to final determination of the medical loss ratio for any period, a plan may contribute to a designated state trust for the purpose of supporting Medicaid and indigent care and have the contribution counted as a medical expenditure for the period."

There have been no additional changes to the MLR reporting requirements or reporting template during this quarter.

6. On-Site Surveys and Desk Reviews

During this quarter, the Agency conducted ten medical on-site surveys of the health plans and one on-site focused review for fraud and abuse. The Agency continued to conduct desk reviews of health plan provider networks for adequacy; review financial reports; review medical, behavioral health, and fraud and abuse policies and procedures; and review and approve performance improvement projects, quality improvement plans, disease management programs, member and provider materials and handbooks. Table 13 provides the list of on-site survey categories that may be reviewed during an on-site visit.

Table 13
On-Site Survey Categories

➲ Services	➲ Provider Coverage/Services
➲ Marketing/Community Outreach	➲ Provider Records/Credentialing
➲ Utilization Management	➲ Claims Process
➲ Quality of Care	➲ Grievances and Appeals
➲ Member Services	➲ Financials

Remainder of page intentionally left blank.

B. Choice Counseling Program

Overview

A continual goal of the demonstration is to empower recipients to take responsibility for their own health care by providing information needed to make the most informed decisions about health plan choices.

Current Activities

1. Choice Selection Tools

The current enrollment system, referred to as Health Track, allows the choice counselor to provide basic information to the recipients on how well each plan meets his or her health needs when making a health plan selection. The system compares the preferred drug list (PDL), as well as primary care physician (PCP), specialist and hospital network information. This feature is also available to recipients by accessing the online enrollment website.

A brief description of each choice selection tool is outlined as follows:

- **PDL Comparison**: Each health plan's PDL is compared against the recipient's prescribed drug claims history, as well as any additional list of medications provided to the choice counselor by the recipient.
- **PCP Comparison**: Each health plan's provider network file is searched simultaneously for the name of PCPs provided by the recipient.
- **Specialist Comparison**: Each health plan's provider network file is searched simultaneously for the name of specialists provided by the recipient.
- **Hospital Comparison**: Each health plan's provider network file is searched simultaneously for the name of hospitals provided by the recipient.

PDL information is updated quarterly, prescription claims information is updated daily and provider network files are updated monthly, at a minimum.

Upon entering the search criteria for each choice selection tool, the system returns the results in an easy to read format, which sorts the health plans by those that meet the most of the recipients' criteria to those that meet the least amount of criteria, as shown in Chart A located on the following page.

Remainder of page intentionally left blank.

Chart A
Illustration of Choice Selection Tools in Health Track Enrollment System

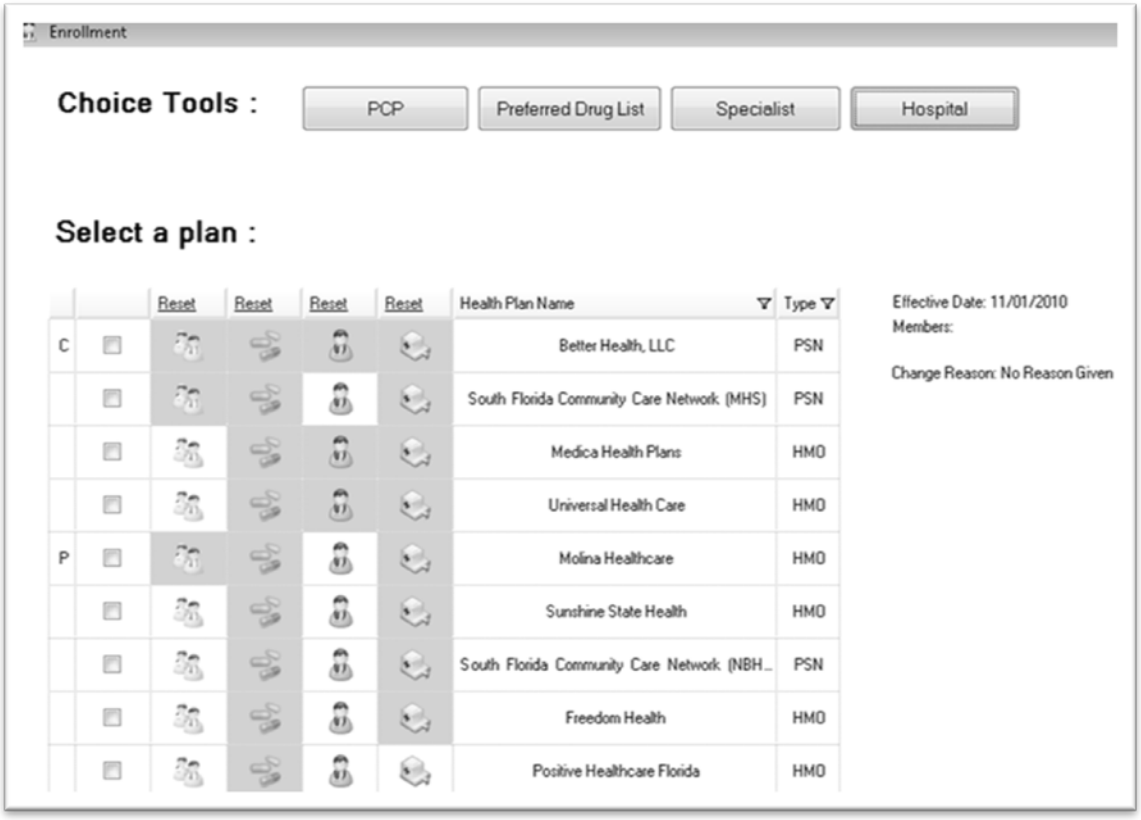
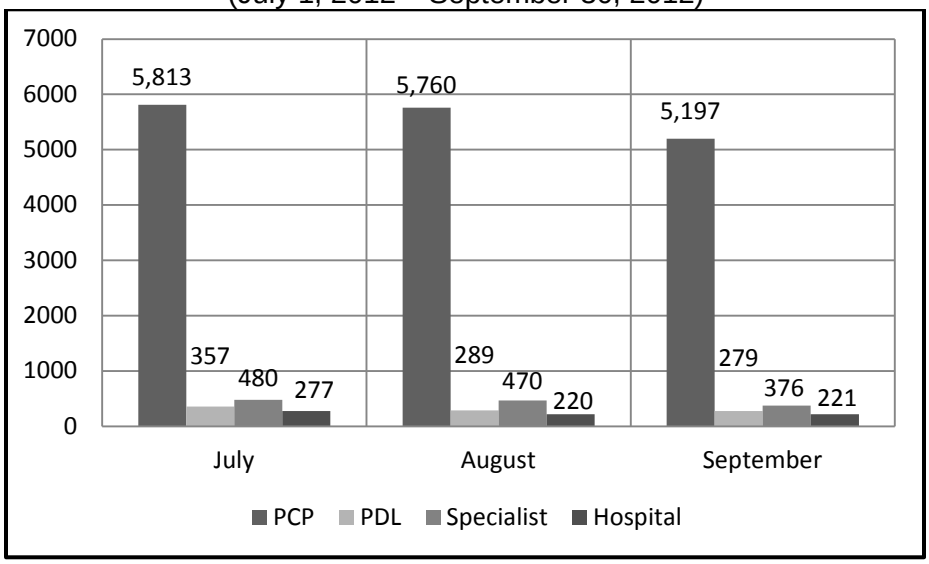


Chart B represents the number of times each choice selection tool was utilized during the enrollment or plan change process for this quarter. The results are broken out by choice tool type.

Chart B
Choice Tool Use by Type
(July 1, 2012 – September 30, 2012)



2. Online Enrollment

Table 14 shows the number of online enrollments and plan change by month for this quarter. The Agency continues to work on increasing recipient awareness of the availability of online enrollment.

Table 14
Online Enrollment Statistics
(July 1, 2012 – September 30, 2012)

	July	August	September
Enrollments	874	1,000	793

3. Call Center

The choice counseling call center, located in Tallahassee, Florida, operates a toll-free number and a separate toll-free number for the hearing-impaired callers. The call center uses a tele-interpreter language line to assist with calls in over 100 languages. The hours of operation are Monday through Thursday 8:00a.m. – 8:00p.m., Friday 8:00a.m. – 7:00p.m., and Saturday 9:00a.m. – 1:00p.m. During this quarter, the call center had an average of 29.5 full time equivalent employees who speak English, Spanish and Haitian Creole to answer calls.

The choice counseling call center received 47,866 calls during this quarter, which remains within the normal call volume. Table 15 located on the following page compares the call volume of incoming and outgoing calls during the first quarter of Demonstration Years Six and Seven.

Table 15
Comparison of Call Volume for First Quarter
(Demonstration Years Six and Seven)

Type of Calls	July 2011	July 2012	Aug 2011	Aug 2012	Sept 2011	Sept 2012	Year 6 1st Quarter Totals	Year 7 1st Quarter Totals
Incoming Calls	14,682	17,108	17,874	16,760	16,091	13,998	**48,647**	**47,866**
Outgoing Calls	6,831	4,921	6,796	4,675	4,676	3,804	**18,303**	**13,400**
Totals	21,513	22,029	24,670	21,435	20,767	17,802	**66,950**	**61,266**

Outbound and Inbound Mail

During this quarter, the choice counseling vendor mailroom mailed the following:

- New-Eligible Packets (mandatory and voluntary) 23,606
- Confirmation Letters 26,150
- Open Enrollment Packets 60,630
- Transition Packets (mandatory and voluntary) 2,424
- Plan Transfer Letters (mandatory and voluntary) 0

When return mail is received with no forwarding address from the post office, staff access the choice counseling vendor's enrollment system and the FLMMIS to locate a telephone number or

a new address in order to contact the recipient. The choice counseling staff re-addresses the packets or letters when possible, with the newly eligible mailings taking top priority.

During this quarter, the choice counseling vendor processed the following inbound mail:

- Plan Enrollments 669
- Plan Changes 47

The percentage of enrollments processed through the mail-in enrollment forms continues to be slightly less than the historical trend of 2 – 5%. Use of the form may continue to decline with increased use of the Online Enrollment Application.

Health Literacy

The choice counseling Special Needs Unit has primary responsibility for the health literacy function. The Special Needs Unit has a Registered Nurse and a Licensed Practical Nurse who have both earned their choice counseling certification.

Summary of cases taken by the Special Needs Unit

A 'case referral' is when a choice counselor refers a case to the Special Needs Unit through the choice counseling vendor's enrollment system (Health Track) or verbally via phone transfer, for follow-up. The Special Needs Unit conducts the research and resolves the referral.

A 'case review' is when the Special Needs Unit helps with questions from a choice counselor as they are on a call. Most reviews can be handled verbally and quickly. Some case reviews may end up as a referral if there is more research and follow-up required by the Special Needs Unit.

During this quarter, the Special Needs Unit documented and reported on the verbal reviews and referrals as shown in Table 16.

Table 16
Number of Referrals and Case Reviews Completed
(July 1, 2012 – September 30, 2012)

	July	August	September
Case Referrals	255	155	96
Case Reviews	161	126	89

The Special Needs Unit staff scope of work includes:

- Development of additional training for the choice counselors working with and serving the medically, mentally or physically complex;
- Enhancements to the scripts to educate recipients on how to access care in a managed care environment;
- Development of health related reference guides to increase the choice counselor's knowledge of Medicaid services (which is ongoing); and
- Participation in the development of the navigator choice selection tool script.

Face-to-Face/Outreach and Education

The Outreach Team conducts group sessions and makes choice counselors available after the session to assist recipients in plan choices and, if needed, provides the option for face-to-face choice counseling at the recipient's convenience. Table 17 provides the outreach activities that were performed this quarter.

Table 17
Choice Counseling Outreach Activities
(July 1, 2012 – September 30, 2012)

Field Activities	1st Quarter – Year 7
Group Sessions	406
Private Sessions	41
Home Visits and One-On-One Sessions	15
No Phone List*	743
Outbound Phone List	8,425
Enrollments	9,047
Plan Changes	378

*Attempts made by field counselors to contact recipients who do not have a valid phone number in the Health Track System.

The Mental Health Unit

The Mental Health Unit is designed to provide direct support to recipients who access mental health services. The Mental Health Unit completed 29 private sessions for a total of 172 attendees and made 122 visits, as well as 150 calls to community partners in an effort to strengthen and build relationships. A total of 62 partner staff members were trained this quarter.

The Mental Health Unit has increased the number of community partners to over 200 organizations that including the following key partnerships:

- Susan B. Anthony Recovery Center in Broward County,
- Bayview Mental Health Facility and Minority Development and Empowerment in Broward County,
- Mental Health Resource Center and River Region Human Services in Duval County,
- Clay County Behavioral Health, and
- Wolfson's Children's Hospital/Community Health in Duval County.

These groups provide mental health and substance abuse services and have been very receptive to working with the choice counselors.

Complaints/Issues

A recipient can file a complaint about the Choice Counseling program either through the choice counseling call center, Medicaid headquarters or the Medicaid area office. The choice counseling vendor's automated recipient survey allows complaints about the Choice Counseling

program to be filed and voice comments can be recorded to describe what occurred on the call. There were no complaints received related to the Choice Counseling program during this quarter. The primary contributing factor to the limited number of complaints is directly tied to the stability of the demonstration and the community presence the field choice counselors provide to resolve issues before they become a complaint, as well as efforts taken by the Agency field staff.

Quality Improvement

Recipient Customer Survey

Every recipient who calls the toll-free choice counseling number is provided the opportunity to complete a survey at the end of the call to rank their satisfaction with the choice counseling call center and the overall service provided by the choice counselors. The call center offers the survey to every recipient who calls to enroll in a plan or to make a plan change. A total of 1,367 recipients completed the automated survey this quarter.

Table 18 located on the following page shows a list of all questions that are asked during the survey and how recipients ranked their satisfaction (represented in percentages) with the choice counseling call center and the overall service provided by the choice counselors during this quarter. The number of recipients participating in the survey this quarter was as follows: July – 469, August – 480, and September – 418 (totaling 1,367).

Table 18
Choice Counseling Caller Satisfaction Results
Percentage of Satisfied Callers per Question

July 2012	***August 2012***	***September 2012***
How helpful do you find this counseling to be		
87%	87%	89%
Amount of time you waited		
82%	82%	86%
Ease of understanding information		
81%	81%	79%
Likelihood to recommend		
93%	93%	93%
Overall service provided by counselor		
94%	94%	95%
Quickly understood reason		
95%	95%	96%
Ability to help choose plan		
94%	94%	94%
Ability to explain clearly		
95%	95%	96%
Confidence in the information		
94%	94%	94%
Being treated respectfully		
97%	97%	98%

A key component of the Choice Counseling program is a continuous quality improvement effort. One of the primary elements of the quality improvement process involves the automated survey previously mentioned in this report. The survey results and comments help the choice counseling vendor and the Agency improve customer service to Medicaid recipients. It is imperative for recipients to understand their options and make an informed choice.

During this quarter, the survey results indicate that more than 94% are satisfied with their choice counseling experience. In addition, the results indicate that 95% are satisfied with the choice counselor's ability to clearly explain health plan choices, and 97% felt they were treated respectfully.

Survey scores and recipient comments are provided to supervisors and counselors. The positive comments encourage the choice counselor to keep up the good work and the negative comments help to point out possible weaknesses that may require coaching or training. The choice counseling vendor has an internal e-mail box, which enables the Agency and the choice counseling vendor to share information directly to resolve difficult cases, and hold regularly scheduled conference calls.

4. New Eligible Self-Selection Data[1]

From July 2010 to September 2012, 70% of recipients enrolled in the demonstration self-selected a health plan and 30% were auto-assigned.

Table 19 shows the current self-selection and auto-assignment rate for the current demonstration year.

Table 19
Self-Selection and Auto-Assignment Rate
(July 1, 2012 – September 30, 2012)

	July	August	September
Self-Selected	11,073	11,422	12,879
Auto-Assignment	5,455	4,821	4,967
Total Enrollments	16,528	16,243	17,846
Self-Selected %	67%	70%	72%
Auto-Assignment %	33%	30%	28%

Remainder of page intentionally left blank.

[1] The Agency revised the terminology used to describe voluntary enrollment data to improve clarity and understanding of how the demonstration is working. Instead of referring to new eligible plan selection rate as *"Voluntary Enrollment Rate,"* the data is referred to as *"New Eligible Self-Selection Rate."* The term *"self-selection"* is now used to refer to recipients who choose their own plan and the term *"assigned"* is now used for recipients who do not choose their own plan.

C. Enrollment Data

Current Activities

Monthly Enrollment Reports

The Agency provides a comprehensive monthly enrollment report, which includes the enrollment figures for all health plans in the demonstration. This monthly enrollment data is available on the Agency's website at the following link: http://ahca.myflorida.com/MCHQ/Managed_Health_Care/MHMO/med_data.shtml

The following is a summary of the monthly enrollment for this quarter, beginning July 1, 2012 and ending September 30, 2012. This section contains the following enrollment reports:

- Medicaid Reform Enrollment Report,
- Medicaid Reform Enrollment by County Report, and
- Medicaid Reform Voluntary Population Enrollment Report.

All health plans located in the five demonstration counties are included in each of the reports. During this quarter, there were a total of 14 health plans – ten HMOs and four FFS PSNs.

There are two categories of Medicaid recipients who are enrolled in the health plans: Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI). The SSI category is broken down further in the enrollment reports, based on the recipients' eligibility for Medicare. Each enrollment report and the process used to calculate the data they contain are described on the following pages.

1. Medicaid Reform Enrollment Report

The Medicaid Reform Enrollment Report is a complete look at the entire enrollment for the demonstration program for the quarter being reported. Table 20 provides a description of each column in Medicaid Reform Enrollment Report.

Table 20
Medicaid Reform Enrollment Report Column Descriptions

Column Name	Column Description
Plan Name	The name of the Medicaid Reform plan
Plan Type	The plan's type (HMO or PSN)
Number of TANF Enrolled	The number of TANF recipients enrolled with the plan
Number of SSI Enrolled – No Medicare	The number of SSI recipients who are enrolled with the plan and who have no additional Medicare coverage
Number of SSI Enrolled – Medicare Part B	The number of SSI recipients who are enrolled with the plan and who have additional Medicare Part B coverage
Number of SSI Enrolled – Medicare Parts A and B	The number of SSI recipients who are enrolled with the plan and who have additional Medicare Parts A and B coverage
Total Number Enrolled	The total number of recipients enrolled with the plan; TANF and SSI combined
Market Share for Reform	The percentage of the total Medicaid Reform population that the plan's recipient pool accounts for
Enrolled in Previous Quarter	The total number of recipients (TANF and SSI) who were enrolled in the plan during the previous reporting quarter
Percent Change from Previous Quarter	The change in percentage of the plan's enrollment from the previous reporting quarter to the current reporting quarter

The information provided in this report is an unduplicated count of the recipients enrolled in each health plan at any time during the quarter. Please refer to Table 21 for the State Fiscal Year 2012-13, First Quarter Medicaid Reform Enrollment Report.

Table 21
Medicaid Reform Enrollment
(July 1, 2012 – September 30, 2012)

Plan Name	Plan Type	Number of TANF Enrolled	Number of SSI Enrolled			Total Number Enrolled	Market Share for Reform	Enrolled in Previous Quarter	Percent Change from Previous Quarter
			No Medicare	Medicare Part B	Medicare Parts A and B				
Care Florida	HMO	3,021	630	1	83	**3,735**	**1.10%**	3,701	0.92%
Freedom Health Plan	HMO	3,935	586	1	95	**4,617**	**1.36%**	4,568	1.07%
Humana	HMO	6,108	1,575	5	253	**7,941**	**2.34%**	5,458	45.49%
Medica	HMO	3,187	825	2	138	**4,152**	**1.23%**	4,144	0.19%
Molina Health Plan	HMO	26,141	3,822	11	608	**30,582**	**9.03%**	30,643	-0.20%
Positive Health Care	HMO	17	173	-	11	**201**	**0.06%**	192	4.69%
Simply Healthcare	HMO	12	2	-	-	**14**	**0.00%**	-	-
Sunshine	HMO	84,409	8,314	8	1,010	**93,741**	**27.68%**	93,598	0.15%
United HealthCare	HMO	8,066	1,192	-	104	**9,362**	**2.76%**	9,316	0.49%
Universal Health Care	HMO	18,678	2,658	4	425	**21,765**	**6.43%**	21,820	-0.25%
HMO Total	**HMO**	**153,574**	**19,777**	**32**	**2,727**	**176,110**	**51.99%**	**173,440**	1.54%
Better Health Plan	PSN	35,050	4,145	3	642	**39,840**	**11.76%**	39,028	2.08%
CMS	PSN	5,260	3,892	-	16	**9,168**	**2.71%**	8,970	2.21%
First Coast Advantage	PSN	62,871	9,096	10	1,410	**73,387**	**21.67%**	72,080	1.81%
SFCCN	PSN	35,028	4,523	3	657	**40,211**	**11.87%**	40,004	0.52%
PSN Total	**PSN**	**138,209**	**21,656**	**16**	**2,725**	**162,606**	**48.01%**	**160,082**	1.58%
Reform Enrollment Totals		**291,783**	**41,433**	**48**	**5,452**	**338,716**	**100.00%**	**333,522**	1.56%

The demonstration market share percentage for each plan is calculated once all recipients have been counted and the total number of recipients enrolled is known.

The enrollment figures for this quarter reflect those recipients who self-selected a health plan, as well as those who were mandatorily assigned. In addition, some Medicaid recipients transferred from non-demonstration health plans to demonstration health plans. There were a total of 338,716 recipients enrolled in the demonstration during this quarter. There were 14 demonstration health plans with the addition of Simply Healthcare HMO in September 2012, with market shares ranging from 0.06% to 27.68% (excluding Simply Healthcare HMO).

2. Medicaid Reform Enrollment by County Report

During this quarter, the demonstration remained operational in the five counties: Baker, Broward, Clay, Duval and Nassau. The number of HMOs and PSNs in each of the demonstration counties is listed in Table 22.

Table 22
Number of Reform Health Plans in Demonstration Counties
(July 1, 2012 – September 30, 2012)

County Name	Number of Reform HMOs	Number of Reform PSNs
Baker	**1**	**1**
Broward	**9**	**3**
Clay	**2**	**1**
Duval	**3**	**2**
Nassau	**1**	**1**

The Medicaid Reform Enrollment by County Report is similar to the Medicaid Reform Enrollment Report; however, it has been broken down by county. The demonstration counties are listed alphabetically, beginning with Baker County and ending with Nassau County. For each county, HMOs are listed first, followed by PSNs. Table 23 provides a description of each column in the Medicaid Reform Enrollment by County Report.

Table 23
Medicaid Reform Enrollment by County Report Descriptions

Column Name	Column Description
Plan Name	The name of the Medicaid Reform plan
Plan Type	The plan's type (HMO or PSN)
Plan County	The name of the county the plan operates in (Baker, Broward, Clay, Duval or Nassau)
Number of TANF Enrolled	The number of TANF recipients enrolled with the plan in the county listed
Number of SSI Enrolled - No Medicare	The number of SSI recipients who are enrolled with the plan in the county listed and who have no additional Medicare coverage
Number of SSI Enrolled - Medicare Part B	The number of SSI recipients who are enrolled with the plan in the county listed and who have additional Medicare Part B coverage
Number of SSI Enrolled - Medicare Parts A and B	The number of SSI recipients who are enrolled with the plan in the county listed and who have additional Medicare Parts A and B coverage
Total Number Enrolled	The total number of recipients enrolled with the plan in the county listed; TANF and SSI combined
Market Share for Reform by County	The percentage of the demonstration population in the county listed that the plan's recipient pool accounts for
Enrolled in Previous Quarter	The total number of recipients (TANF and SSI) who were enrolled in the plan in the county listed during the previous reporting quarter
Percent Change from Previous Quarter	The change in percentage of the plan's enrollment from the previous reporting quarter to the current reporting quarter (in the county listed)

Table 24 located on the following page lists, by plan and county, for this quarter and compared to last quarter, the total number of TANF and SSI individuals enrolled and the market share for each county. In addition, the total Medicaid Reform enrollment counts are included at the bottom of the report.

Table 24
Medicaid Reform Enrollment by County Report
(July 1, 2012 – September 30, 2012)

Plan Name	Plan Type	Plan County	Number of TANF Enrolled	Number of SSI Enrolled			Total Number Enrolled	Market Share for Reform by County	Enrolled in Previous Quarter	Percent Change from Previous Quarter
				No Medicare	Medicare Part B	Medicare Parts A and B				
First Coast Advantage	PSN	Baker	2,596	284	-	14	2,894	79.03%	2,745	5.43%
United HealthCare	HMO	Baker	672	84	-	12	768	20.97%	909	-15.51%
Baker			**3,268**	**368**	**0**	**26**	**3,662**	**100.00%**	**3,654**	**0.22%**
Better Health Plan	PSN	Broward	35,050	4,145	3	642	39,840	20.82%	39,028	2.08%
Care Florida	HMO	Broward	3,021	630	1	83	3,735	1.95%	3,701	0.92%
CMS	PSN	Broward	3,449	2,765	-	14	6,228	3.25%	5,993	3.92%
Freedom Health Plan	HMO	Broward	3,935	586	1	95	4,617	2.41%	4,568	1.07%
Humana	HMO	Broward	6,108	1,575	5	253	7,941	4.15%	5,458	45.49%
Medica	HMO	Broward	3,187	825	2	138	4,152	2.17%	4,144	0.19%
Molina Health Plan	HMO	Broward	26,141	3,822	11	608	30,582	15.98%	30,643	-0.20%
Positive Health Care	HMO	Broward	17	173	-	11	201	0.11%	192	4.69%
SFCCN	PSN	Broward	35,028	4,523	3	657	40,211	21.01%	40,004	0.52%
Simply Healthcare	HMO	Broward	12	2	-	-	14	0.01%	-	-
Sunshine	HMO	Broward	37,775	3,409	4	354	41,542	21.71%	40,805	1.81%
Universal Health Care	HMO	Broward	10,425	1,614	2	264	12,305	6.43%	12,470	-1.32%
Broward			**164,148**	**24,069**	**32**	**3,119**	**191,368**	**100.00%**	**187,006**	**2.33%**
First Coast Advantage	PSN	Clay	4,480	397	-	33	4,910	29.16%	4,684	4.82%
Sunshine	HMO	Clay	7,910	687	-	71	8,668	51.47%	9,422	-8.00%
United HealthCare	HMO	Clay	2,913	325	-	24	3,262	19.37%	2,547	28.07%
Clay			**15,303**	**1,409**	**0**	**128**	**16,840**	**100.00%**	**16,653**	**1.12%**
CMS	PSN	Duval	1,811	1,127	-	2	2,940	2.45%	2,977	-1.24%
First Coast Advantage	PSN	Duval	51,318	7,971	10	1,331	60,630	50.47%	59,863	1.28%
Sunshine	HMO	Duval	38,724	4,218	4	585	43,531	36.23%	43,371	0.37%
United HealthCare	HMO	Duval	2,935	589	-	53	3,577	2.98%	4,071	-12.13%
Universal Health Care	HMO	Duval	8,253	1,044	2	161	9,460	7.87%	9,350	1.18%
Duval			**103,041**	**14,949**	**16**	**2,132**	**120,138**	**100.00%**	**119,632**	**0.42%**
First Coast Advantage	PSN	Nassau	4,477	444	-	32	4,953	73.84%	4,788	3.45%
United HealthCare	HMO	Nassau	1,546	194	-	15	1,755	26.16%	1,789	-1.90%
Nassau			**6,023**	**638**	**0**	**47**	**6,708**	**100.00%**	**6,577**	**1.99%**
Reform Enrollment Totals			**291,783**	**41,433**	**48**	**5,452**	**338,716**		**333,522**	**1.56%**

As with the Medicaid Reform Enrollment Report, the number of recipients is extracted from the monthly Medicaid eligibility file and is then counted uniquely based on the most recent month in which the recipient was enrolled in a health plan. The unique recipient counts are separated by the counties in which the plans operate.

3. Medicaid Reform Voluntary Population Enrollment Report

The populations identified in Tables 25 and 26 may voluntarily enroll in a Medicaid Reform health plan. The voluntary populations include individuals classified as Foster Care, SOBRA, Refugee, Developmental Disabilities, or Dual-Eligible (enrolled in both Medicaid and Medicare). The Medicaid Reform Voluntary Population Enrollment Report provides a count of both the new and existing recipients in each of these categories who chose to enroll in a Medicaid Reform health plan. "New" enrollees are defined as those recipients who were not part of Medicaid Reform for at least six months prior to the start of the quarter. Table 25 provides a description of each column in this report.

Table 25
Medicaid Reform Voluntary Population Enrollment Report Descriptions

Column Name	Column Description
Plan Name	The name of the Medicaid Reform plan
Plan Type	The plan's type (HMO or PSN)
Plan County	The name of the county the plan operates in (Baker, Broward, Clay, Duval, or Nassau)
Foster, SOBRA and Refugee	The number of unique Foster Care, SOBRA, or Refugee recipients who voluntarily enrolled in a plan during the current reporting quarter
Developmental Disabilities	The number of unique recipients diagnosed with a developmental disability who voluntarily enrolled in a plan during the current reporting quarter
Dual-Eligibles	The number of unique dual-eligible recipients who voluntarily enrolled in a plan during the current reporting quarter
Total	The total number of voluntary population recipients who enrolled in Medicaid Reform during the current reporting quarter
Medicaid Reform Total Enrollment	The total number of Medicaid Reform recipients enrolled in the health plan during the reporting quarter

Remainder of page intentionally left blank.

Table 26 lists the number of individuals in the voluntary populations who chose to enroll in the demonstration, as well as the percentage of the Medicaid Reform population that they represent.

Table 26
Medicaid Reform Voluntary Population Enrollment Report
(July 1, 2012 – September 30, 2012)

Plan Name	Plan County	Reform Voluntary Population								Medicaid Reform Enrollment
		Foster, Adoption Subsidy, and SOBRA		Developmental Disabilities		Dual-Eligibles		Total Voluntary		
HMOs		New	Existing	New	Existing	New	Existing	Number	Percentage	
Care Florida	Broward	2	27	-	2	15	69	**115**	**3.08%**	**3,735**
Freedom Health Plan	Broward	2	17	1	9	4	92	**125**	**2.71%**	**4,617**
Humana	Broward	13	43	-	25	40	218	**339**	**4.27%**	**7,941**
Medica	Broward	3	19	1	11	13	127	**174**	**4.19%**	**4,152**
Molina Health Plan	Broward	11	204	3	40	36	583	**877**	**2.87%**	**30,582**
Positive Health Care	Broward	-	1	-	-	-	11	**12**	**5.97%**	**201**
Simply Healthcare	Broward	-	-	-	-	-	-	**-**	**0.00%**	**14**
Sunshine	Broward	20	281	1	44	23	335	**704**	**1.69%**	**41,542**
Sunshine	Clay	3	96	1	6	2	69	**177**	**2.04%**	**8,668**
Sunshine	Duval	23	570	1	54	18	571	**1,237**	**2.84%**	**43,531**
United HealthCare	Baker	-	3	-	1	-	12	**16**	**2.08%**	**768**
United HealthCare	Clay	7	20	-	5	2	22	**56**	**1.72%**	**3,262**
United HealthCare	Duval	-	80	-	17	-	53	**150**	**4.19%**	**3,577**
United HealthCare	Nassau	1	23	-	6	-	15	**45**	**2.56%**	**1,755**
Universal Health Care	Broward	4	81	1	15	11	255	**367**	**2.98%**	**12,305**
Universal Health Care	Duval	5	89	-	9	10	153	**266**	**2.81%**	**9,460**
HMO Total		**94**	**1,554**	**9**	**244**	**174**	**2,585**	**4,660**	**2.65%**	**176,110**
PSNs										
Better Health Plan	Broward	13	260	1	84	14	631	**1,003**	**2.52%**	**39,840**
CMS	Broward	3	69	11	238	1	13	**335**	**5.38%**	**6,228**
CMS	Duval	38	389	2	120	-	2	**551**	**18.74%**	**2,940**
First Coast Advantage	Baker	1	25	-	3	1	13	**43**	**1.49%**	**2,894**
First Coast Advantage	Clay	2	66	2	4	2	31	**107**	**2.18%**	**4,910**
First Coast Advantage	Duval	20	759	3	157	26	1,315	**2,280**	**3.76%**	**60,630**
First Coast Advantage	Nassau	1	31	-	4	4	28	**68**	**1.37%**	**4,953**
SFCCN	Broward	14	477	1	80	14	646	**1,232**	**3.06%**	**40,211**
PSN Total		**92**	**2,076**	**20**	**690**	**62**	**2,679**	**5,619**	**3.46%**	**162,606**
Reform Totals		**186**	**3,630**	**29**	**934**	**236**	**5,264**	**10,279**	**3.03%**	**338,716**

D. Enhanced Benefits Account Program

Overview

The Enhanced Benefits Account (EBA) program is designed as an incentive program to promote and reward participation in healthy behaviors. All Medicaid recipients who enroll in a health plan are eligible for the EBA program. No separate application or process is required to enroll in the EBA program.

Recipients enrolled in a health plan may earn up to $125.00 of credits per state fiscal year. Credits are posted to individual accounts that are established and maintained within the Florida Medicaid Fiscal Agent's [HP Enterprise Services, LLC (HP)] pharmacy point of sale system, currently maintained and managed by the HP subcontractor, Magellan. Earned credits may be used to purchase approved health related products and supplies at a Medicaid participating pharmacy. Purchases must be made at the pharmacy prescription counter using the recipient's Medicaid Gold Card or Medicaid identification number and a government issued photo ID.

The credits earned may be carried forward each demonstration year so the recipient does not lose access to accrued credits. Recipients who have earned credits prior to December 2011, and lose Medicaid eligibility for three consecutive years will lose access to their credits. Beginning January 2012, recipients who have earned credits and lose Medicaid eligibility for one year will lose access to their credits.

The Agency approves credits for participation of approved healthy behaviors using date of service, eligibility, and approved behavior edits within a database referred to as the Enhanced Benefits Information System (EBIS). All health plans are required to submit monthly reports for their enrollees who have paid claims for an approved healthy behavior within the prior month. These reports are uploaded into the EBIS database for processing and approval. Once a healthy behavior is approved and the appropriate credit is applied, the information is sent to the HP subcontractor, Magellan, to be loaded in the pharmacy point of sale system.

Current Activities

1. Call Center Activities

The enhanced benefits call center, managed by the choice counseling vendor [Automated Health Systems (AHS)], located in Tallahassee, Florida, operates a toll-free number and a toll-free number for hearing impaired callers. The call center answers all inbound calls relating to program questions, provides enhanced benefits account updates on credits earned/used, and assists recipients with utilizing the web-based over-the-counter product list. The call center is staffed with employees who speak English, Spanish and Haitian Creole. In addition, a language line is used to assist with calls in over 100 languages. The hours of operation are Monday – Thursday 8:00a.m. – 8:00p.m., Friday 8:00a.m. – 7:00p.m., and Saturday 9:00a.m. – 1:00p.m.

The Automated Voice Response System (AVRS), implemented in June 2010, provides recipients balance only information. The AVRS continues to be a success as 24,286 calls were handled during this quarter. The call center continues to perform outbound calls to recipients who have not spent any of their enhanced benefits account credits.

Table 27 highlights the enhanced benefits call center activities during this quarter.

Table 27
Highlights of the Enhanced Benefits Call Center Activities
(July 1, 2012 – September 30, 2012)

Enhanced Benefits Call Center Activity	July	August	September
Calls Received	5,458	5,860	5,240
Calls Answered	5,178	5,696	5,076
Abandonment Rate	5.13%	2.80%	3.13%
Average Talk Time (minutes)	3:56	3:54	4:10
Calls Handled by the AVRS	7,933	8,309	8,044
Outbound Calls	21	13	19
Enhanced Benefits Mailroom Activity			
EB Welcome Letters	11,640	10,896	10,304

Healthy Behavior Reports

The Agency receives monthly healthy behavior reports from the health plans as scheduled by the tenth day of each month. The reports are uploaded each month as designed for processing and credit approval. The monthly credit report is then made available to recipients who have completed healthy behavior activities during the month.

Outreach and Education for Recipients

During this quarter, the call center mailed 32,840 welcome letters and 218,964 coupon statements. A flyer or pharmacy billing instructions is included with the coupon statement. The choice counselors continue to provide up-to-date information for recipients regarding their enhanced benefits account balances and the opportunity to earn healthy behavior credits. The choice counseling vendor made 53 outbound calls to recipients who have never utilized their enhanced benefits account credits during this quarter.

Outreach and Education for Pharmacies

The pharmacy benefits manager, Magellan, provides ongoing technical assistance to pharmacies as needed related to all billing aspects of the EBA program.

Complaints

During this quarter, 26,493 recipients purchased one or more products with their enhanced benefits credits, and the EBA program received four recipient complaints. Table 28 provides a summary of the complaints received and actions taken to address these complaints.

Table 28
Enhanced Benefits Recipient Complaints
(July 1, 2012 – September 30, 2012)

Recipient Complaint	Action Taken
1. Three recipients called about pharmacy customer service issues.	➲ The three recipients were referred to another pharmacy.
2. One recipient called about their health plan was not reporting a healthy behavior.	➲ The call center staff contacted the recipient's health plan to ensure the healthy behavior was correctly reported to the Agency.

2. Enhanced Benefits Statistics

As of the end of this quarter, 13,789 recipients lost EBA eligibility resulting in losing EBA credits, totaling $619,561.03. Table 29 provides the EBA program statistics for this quarter.

Table 29
Enhanced Benefits Account Program Statistics
(July 1, 2012 – September 30, 2012)

First Quarter Activities – Year Seven		July	August	September
I.	Number of plans submitting reports by month in each county	25	26	26
II.	Number of enrollees who received credit for healthy behaviors by month	55,453	89,150	57,617
III.	Total dollar amount credited to accounts by each month	$1,190,565.00	$2,249,167.50*	$1,338,585.00
IV.	Total cumulative dollar amount credited through the end each month	$55,001,501.16	$57,250,668.66	$58,589,253.66
V.	Total dollar amount of credits used each month by date of service	$664,873.06	$625,942.05	$781,094.57
VI.	Total cumulative dollar amount of credits used through the month by date of service	$29,172,405.04	$29,798,347.09	$30,579,441.66
VII.	Total unduplicated number of enrollees who used credits each month	22,966	22,106	26,493

*During September EB reporting, Molina, First Coast Advantage (Duval County) and Better Heath health plans reported a higher number of healthy behaviors for the month of August, which increased the amount credited to recipients' accounts.

3. Enhanced Benefits Advisory Panel

There was not an Enhanced Benefits Advisory Panel meeting this quarter. To view information on previous panel meetings, please visit the Agency's EBA website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/enhab_ben/enhanced_benefits.shtml.

Remainder of page intentionally left blank.

E. Low Income Pool

Overview

One of the fundamental elements of the demonstration is the Low Income Pool (LIP) program. The LIP program was established and maintained by the state to provide government support to safety net providers in the state for the purpose of providing coverage to the Medicaid, underinsured, and uninsured populations. The LIP program is also designed to establish new, or enhance existing, innovative programs that meaningfully enhance the quality of care and the health of low-income populations, as well as increase access for select services for uninsured individuals.

The LIP funds are distributed to safety net providers that meet certain state and federal requirements outlined in the STCs of the waiver. The LIP program consists of a capped annual allotment of $1 billion total computable for each year of the demonstration. Availability of funds for the LIP program in the amount of $1 billion per year is contingent upon milestones being met during each demonstration year in order for the state and providers to have access to 100% of LIP funds. Funds in the LIP program are subject to any penalties that are assessed by Federal CMS for the failure to meet the milestones described in the STCs. The milestones established are intended to enhance the delivery of health care to low-income populations in Florida.

The LIP permissible expenditures, state authorized expenditures, and entities eligible to receive LIP reimbursement are defined in the Reimbursement and Funding Methodology document (RFMD). The RFMD limits LIP payments to allowable costs incurred by providers and require the state to reconcile LIP payments to auditable costs. By February 1, 2012, and each successive February 1st of the renewal period of the waiver, the state must submit an RFMD protocol to ensure that the payment methodologies for distributing LIP funds to providers support the goals of the LIP and those providers receiving LIP payments do not receive payments in excess of their cost of providing services.

The Agency established the LIP Council in accordance with s. 409.911(10), F.S. The LIP Council's purpose is to advise the Agency and Florida Legislature on the financing and distributions of the LIP and related funds. The 2009 Legislature amended the statutory provisions specific to the LIP Council to increase the number of members appointed, as well as specified criteria for the membership. The LIP Council is statutorily directed to:

- Make recommendations on the financing of the LIP and the disproportionate share hospital program and the distribution of their funds.
- Advise the Agency on the development of the low-income pool plan required by the federal Centers for Medicare and Medicaid Services pursuant to the Medicaid reform waiver.
- Advise the Agency on the distribution of hospital funds used to adjust inpatient hospital rates, rebase rates, or otherwise exempt hospitals from reimbursement limits as financed by intergovernmental transfers.
- Submit its findings and recommendations to the Governor and the Legislature no later than February 1 of each year."

Current Activities

1. LIP Council Meetings

During this quarter, the LIP Council held two meetings on August 30, 2012 and September 19, 2012. The following is a summary of these meetings. Information including agendas and meeting summaries for previous LIP Council meetings are posted on the Agency's LIP website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/lip/lip.shtml.

August 30, 2012 LIP Council Meeting

On August 30, 2012, a LIP Council meeting was held at the Agency in Tallahassee, Florida and the following items were discussed.

- *Special Terms and Conditions*

  The Agency provided an update on the STCs. The Agency listed which STCs have been completed and provided a review of upcoming STCs that have forthcoming due dates.

- *Reimbursement and Funding Methodology Document*

  The Agency provided an update on the RFMD. The RFMD must be approved prior to the release of Demonstration Year Seven LIP payments.

- *Letters of Agreement (LOAs)*

  The Agency discussed the status of the LOAs and the hospital rate development timeline. The Agency then summarized the ongoing discussion regarding the diagnostic related groups (DRGs) methodology for hospital inpatient reimbursement and the possible upcoming relationship with the LIP program funding.

September 19, 2012 LIP Council Meeting

On September 19, 2012, a LIP Council meeting was held at the Agency in Tallahassee, Florida and the following items were discussed.

- *Reimbursement and Funding Methodology Document*

  The Agency provided an update on the RFMD. The Agency is still awaiting Federal CMS's approval of the RFMD. The RFMD must be approved prior to the release of Demonstration Year Seven LIP payments.

- *Letters of Agreement (LOAs)*

  The Agency discussed where the Agency is with the LOAs process and Hospital Rate Development Timeline.

- *Presentations*

  - Representatives from Community Health Centers of Pinellas County presented their program funded by the Primary Care Award.
  - Representative from South Broward Hospital District briefed the Council on South Broward Hospital District's twelve initiatives required by STC 62 for the Top 15 LIP Providers.
  - Representatives from the Florida Hospital Association, Florida Association of Community Health Centers, and the Florida Department of Health presented recommendations for

re-contracting the state's $34 Million Primary Care Award that was followed by a discussion by the LIP Council.

Future LIP Council Meetings

The LIP Council anticipates holding the following additional six meetings prior to June 30, 2013:

- October 10, 2012
- November 14, 2012
- December 4, 2012
- December 20, 2012
- January 9, 2013
- January 22, 2013

2. LIP STCs - Reporting Requirements

The following is an abbreviated list of the LIP STCs that required action during this quarter. The complete list of STCs as approved by Federal CMS on December 15, 2011, for the period December 16, 2011 to June 30, 2014, are posted on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/pdf/CMS_STCs_and_Authorities_12-15-2011.pdf

STC #52 – LIP Funds Distributed – All LIP funds must be expended by June 30, 2014. LIP dollars that are lost as a result of penalties or recoupment are surrendered by the state and not recoverable.

STC #53 – LIP Reimbursement and Funding Methodology (RFMD)

- **DY1 – DY3 LIP Reconciliations Finalized –** Federal CMS and the Agency will finalize DY1-DY3 reconciliations within 60 days of the acceptance of the STCs (by March 14, 2012).
  - On March 8, 2012, the Agency received a written description from Federal CMS outlining the findings of their review of DY1-DY3 LIP reconciliations.
  - This quarter, Federal CMS did not provide the Agency any feedback or request additional information regarding LIP reconciliations for DY1-DY3 LIP reconciliations.
- **DY4 LIP Reconciliations –** The Agency submitted the LIP reconciliations for DY4 to Federal CMS on May 30, 2012. This quarter, Federal CMS did not provide the Agency any feedback or request additional information regarding LIP reconciliations for DY4 this quarter.
- **Finalize Modifications to RFMD –** By February 1 of each Demonstration Year, the Agency must submit a RFMD that ensures the payment methodologies for distributing LIP funds to providers supports the goals of the LIP program.
  - On January 31, 2012, the Agency submitted the revised RFMD for DY6 to Federal CMS which only included updated references since the results of Federal CMS's review of DY1-DY3 LIP reconciliations were not available prior to the February 1st submission due date specified in STC #53.
  - On May 5, 2012, and June 6, 2012, the Agency submitted revised RFMDs for DY6 to Federal CMS. The revisions to the document were made based on comments from Federal CMS

- On August 7, 2012, the Agency submitted a revised RFMD for DY6 to Federal CMS. This version included additional changes requested by Federal CMS.
- On September 27, 2012, Federal CMS indicated that the final version of the RFMD for DY6 was routing for final approval.

– **Claiming LIP Payments –** The Agency may claim LIP payments based on the existing methodology during the 60-day reconciliation finalization period. Claims after that period can only be made on the final RFMD for DY6 as approved by Federal CMS. Changes to the RFMD for DY6 requested by the Agency, must be approved by Federal CMS and are only applicable for DY6 LIP expenditures.

- As of the end of this quarter, the Agency had not received written approval from Federal CMS for the RFMD for DY6.
- The Agency cannot begin the distribution of DY7 LIP payments until the RFMD for DY6 is finalized and written approval from Federal CMS has been received.

– **RFMD Protocol –** By February 1, 2012, and each successive February 1st of the waiver renewal period, the state must submit a RFMD protocol to ensure that the payment methodologies for distributing LIP funds to providers supports the goals of the LIP.

- As previously noted above, the Agency continued to work with Federal CMS to finalize the RFMD for DY6 and Federal CMS indicated final written approval was routing.

STC #60 – Aggregate LIP Funding – At the beginning of each demonstration year, $1 billion in LIP funds will be available to the state. These amounts will be reduced by any milestone penalties that are assessed by Federal CMS. Penalties will be determined by December 31st of each demonstration year and assessed to the state in the following demonstration year.

STC #61 – LIP Tier-One Milestone

61.a. – Allocation of Funds, Program Development, Implementation for DY7 – DY8

STC #61.a. references $50 million in LIP funds. A total of $35 million appears in the Other Provider Access System category, also known as the non-hospital section, in the SFY 2012-13 General Appropriations Act (GAA) (Primary Care Initiatives per Tier-One Milestone). A total of $20 million will be used for the start-up of new primary care programs and the remaining total of $15 million will be used to meaningfully enhance existing primary care programs. There is a cap of $4 million per grant proposal. The Agency will determine the distribution and requirements for these programs.

The remaining $15 million (Quality Measures) of the $50 million falls under the Special LIP for Hospital Provider Access System category listed in the GAA. This $15 million or Quality Measures category is broken down into three smaller amounts. Of the total, $400,000 is provided for the specialty children's hospitals to be distributed based on an allocation methodology incorporating quality measures that shall be developed by the Agency. The second amount is $7,300,000 and shall be allocated using the core measures as determined by Federal CMS. The remaining amount of $7,300,000 shall be distributed equally using the following six outcome measures:

1. Mortality Hospital Risk Adjusted Rate (HRAR) Acute Myocardial Infarction (AMI) without transfers.
2. Mortality HRAR Congestive Heart Failure (CHF)
3. Mortality HRAR Pneumonia
4. Risk Adjusted Readmission Rate (RARR) AMI
5. RARR CHF
6. RARR Pneumonia

Hospitals receiving an allocation in this Quality Measures category are required to enhance existing, or initiate new, quality-or-care initiatives to improve their quality measures and identified patient outcomes. Hospitals are also required to provide documentation of this to the Agency.

- On June 29, 2012, the Agency posted the LIP Primary Care Application for the $35 million (SFY 2012-13) up for bid on the Agency's LIP website at: http://ahca.myflorida.com/Medicaid/medicaid_reform/lip/lip.shtml.
- During this quarter, the Agency received 50 applications for the $35 million LIP Primary Care Award and is in the process of reviewing the proposals.

61.b. – Proposed and Final Schedule for DY6 – DY8 Reconciliations – The state will provide timely submission of all hospital, FQHC, and County Health Department LIP reconciliations in the format required per the LIP Reimbursement and Funding Methodology protocol. The state is required to submit to Federal CMS, within 30 days from the date of formal approval of the waiver extension request, a schedule for the completion of the LIP Provider Access Systems (PAS) reconciliations for the 3-year extension period. Federal CMS will provide comments to the state on the reconciliation schedules within 30 days. The state will submit the final reconciliation schedule to Federal CMS within 60 days of the original submission date.

- On January 14, 2012, the Agency submitted a proposed schedule to Federal CMS. Federal CMS accepted the proposed schedule with no edits on February 27, 2012.

61.c. – Timely Submission of Deliverables – Timely submission of all demonstration deliverables as described in the STCs including the submission of Quarterly and Annual Reports.

- As of September 30, 2012, the Agency submitted all deliverables on schedule as specified in the STCs.

61.d. – Reporting Templates – Within 60 days following the acceptance of the STCs, the state is required to submit templates for the development and submission of an annual "Milestone Statistics and Findings Report" and a "Primary Care and Alternative Delivery Systems Expenditure Report".

- On February 9, 2012, the Agency sent the draft templates to Federal CMS.
- On March 13, 2012, the Agency submitted the final templates to Federal CMS.

- On March 14, 2012, the Agency was notified that Federal CMS had no comments and the final templates were posted on the Agency's LIP website at: http://ahca.myflorida.com/Medicaid/medicaid_reform/lip/lip.shtml.
- The PAS providers are required to submit individual Milestone Reports to the Agency on October 31, 2012. The Agency will review and compile the data for analysis by UF. The Agency will send the final Milestone Statistics and Findings Report to Federal CMS on April 1, 2013.
- The Primary Care and Alternative Delivery Systems Expenditure Report requires that the providers submit the required data to the Agency by August 31, 2013. The Agency will provide a final report to Federal CMS January 1, 2014.

STC #62 – LIP Tier-Two Milestones – STC #62 requires the top 15 hospitals receiving LIP funds to choose three initiatives that follow the guidelines of the Three-Part Aim. These hospitals must implement new, or enhance existing, health care initiatives, investments, or activities with the goal of meaningfully improving the quality of care and the health of populations served. The three initiatives should focus on: infrastructure development; innovation and redesign; and population-focused improvement.

- During the third quarter of Demonstration Year Six, the Agency worked with the top 15 hospitals in developing the Three-Tier Initiatives. Each of the 15 hospitals were required to submit three proposals to the Agency, for a total of 45 proposals.
- On April 9, 2012, the Agency submitted 44 proposals to Federal CMS; the 45th proposal was exempted. Federal CMS approved the proposals on June 29, 2012.
- The Agency is awaiting submission of the first quarter reporting for the 44 Hospital initiatives on October 15, 2012.

Remainder of page intentionally left blank.

F. Monitoring Budget Neutrality

Overview

In accordance with the requirements of the approved Florida 1115 Medicaid Reform Waiver, the state must monitor the status of the program on a fiscal basis. To comply with this requirement, the state will submit waiver templates on the quarterly CMS 64 reports. The submission of the CMS 64 reports will include administrative and service expenditures. For purposes of monitoring the Budget Neutrality of the program, only service expenditures are compared to the projected without-waiver expenditures approved through the waiver.

MEGS

There are three Medicaid Eligibility Groups established through the Budget Neutrality of waiver. Each of these groups is referred to as a MEG.

MEG #1 – SSI Related
MEG #2 – Children and Families
MEG #3 – Low Income Pool program

It should be noted that for MEG 3, the Low Income Pool, there is no specific eligibility group and no per capita measurement. Distributions of funds are made from the Low Income Pool to a variety of Provider Access Systems.

Explanation of Budget Neutrality

The Budget Neutrality for the waiver is based on closed years of historical data using paid claims for services provided to the eligible populations throughout the state. The data is compiled using a date of service method, which is required for 1115 waivers. Using the templates provided by Federal CMS, the historical expenditures and case-months are inserted into the appropriate fields. The historical data template is pre-formulated to calculate the five-year trend for each MEG. This trend is then applied to the most recent year (5^{th} year), which is known as the base year, and projected forward through the waiver period. Additional negotiations were involved in the final Budget Neutrality calculations set forth in the approved waiver packet.

Florida's 1115 Medicaid Reform Waiver is a program that provides all services to the specified populations. If a person is eligible for the waiver, he or she is eligible to receive all services that would otherwise be available under the traditional Medicaid program. There are a few services and populations excluded from the waiver.

To determine if a person is eligible for the waiver, the first step is identifying his or her eligibility category. Each person who applies for and is granted Medicaid eligibility is assigned an eligibility category by the Florida Department of Children and Families. Specific categories are identified for each MEG under the waiver. If the person has one of the identified categories and is not an excluded eligible, he or she is then flagged as eligible for the waiver. Dual eligibles and pregnant women above the TANF eligibility may voluntarily enroll in a Medicaid Reform health plan. All voluntary enrollment member months and expenditures subject to the waiver are included in the reporting and monitoring of Budget Neutrality of the waiver.

Excluded Eligibles:

- Refugee Eligibles
- Dual Eligibles
- Medically Needy
- Pregnant Women above the TANF eligibility (>27% FPL, SOBRA)
- ICF/DD Eligibles
- Unborn Children
- State Mental Facilities (Over Age 65)
- Family Planning Eligibles
- Women with breast or cervical cancer
- MediKids

All expenditures for the flagged eligibles are subject to the Budget Neutrality of the waiver unless the expenditure is identified as one of the following excluded services. These services are specifically excluded from the waiver and the Budget Neutrality calculation.

Excluded Services:

- AIDS Waiver Services
- DD Waiver Services
- Home Safe Net (Behavioral Services)
- Behavioral Health Overlay Services (BHOS)
- ICF/DD Institutional Services
- Family and Supported Living Waiver Services
- Katie Beckett Model Waiver Services
- Brain and Spinal Cord Waiver Services
- School Based Administrative Claiming
- Healthy Start Waiver Services

Expenditure Reporting:

The 1115 Medicaid Reform Waiver requires the Agency to report all expenditures on the quarterly CMS 64 report. Within the report, there are specific templates designed to capture the expenditures by service type paid during the quarter that are subject to the monitoring of the Budget Neutrality. There are three MEGs within the waiver. MEGs 1 and 2 are statewide populations, and MEG 3 is based on Provider Access Systems. Under the design of the waiver, there is a period of transition in which eligibles continue to receive services through Florida's 1915(b) Managed Care Waiver programs. The expenditures for those not enrolled in the 1115 Medicaid Reform Waiver, but eligible for the waiver and enrolled in Florida's 1915(b) Managed Care Waiver, are subject to both the monitoring of the 1915(b) Managed Care Waiver and the 1115 Medicaid Reform Waiver. To identify these eligibles, an additional five templates [one for each of the 1915(b) Managed Care Waiver MEGs] have been added to the waiver templates for monitoring purposes.

When preparing for the quarterly CMS 64 report, the following method is applied to extract the appropriate expenditures for MEGs 1 and 2:

I. Eligibles and enrollee member months are identified;

II. Claims data for included services are identified using the list created through 'I' above;

III. The claims data and member months are separated into appropriate categories to report on the waiver forms of the CMS 64 report:

a. MEG #1 SSI - Related
b. MEG #2 Children and Families
c. Reform – Managed Care Waiver SSI - no Medicare
d. Reform – Managed Care Waiver TANF
e. Reform – Managed Care Waiver SOBRA and Foster Children
f. Reform – Managed Care Waiver Age 65 and Older;

IV. Using the paid claims data extracted, the expenditures are identified by service type within each of the groupings in 'III' above and inserted on the appropriate line on the CMS 64 waiver templates;

V. Expenditures that are also identified as Home and Community Based (HCBS) Waiver services are identified and the corresponding HCBS waiver template expenditures are adjusted to reflect the hierarchy of the demonstration waiver reporting.

All queries and work papers related to the quarterly reporting of waiver expenditures on the CMS 64 report are maintained by the Agency. In addition, all identified expenditures for waiver and non-waiver services in total are checked against expenditure reports that are generated and provided to the Agency's Finance and Accounting unit, which certifies and submits the CMS 64 report. This check sum process allows the state to verify that no expenditures are being duplicated within the multiple templates for waiver and non-waiver services.

Statistics tables below show the current status of the program's Per Capita Cost per Month (PCCM) in comparison to the negotiated PCCM as detailed in STC #76.

Definitions:

- **PCCM** - Calculated per capita cost per month which is the total spend divided by the case months.
- **WOW PCCM** - Is the without waiver PCCM. This is the target that the state cannot exceed in order to maintain Budget Neutrality.
- **Case months** - The months of eligibility for the populations subject to the waiver as defined as included populations in the waiver. In addition, months of eligibility for voluntary enrollees during the period of enrollment within a Medicaid Reform health plan are also included in the case month count.
- **MCW Reform Spend** - Expenditures subject to the Reform Budget Neutrality for those not enrolled in a Reform Health Plan but subject to the Reform Waiver (currently all non dual-eligibles receiving services through the 1915(b) Managed Care Waiver).
- **Reform Enrolled & Non-MCW Spend** - Expenditures for those enrolled in a Reform Health Plan.
- **Total Spend** - Total of MCW Reform Spend and Reform Enrolled Spend.

The quarterly totals may not equal the sum of the monthly expenditure data due to adjustments for disease management programs, rebates and other adjustments which are made on a quarterly basis. Without the adjustment of drug rebates, the quarterly expenditure reform totals match the expenditures reported on the CMS 64 report, which is the amount that will be used in the monitoring process by Federal CMS.

Current Activities

Budget Neutrality figures included in this report are through the first quarter (July 1, 2012 – September 30, 2012) of Demonstration Year Seven. The 1115 Medicaid Reform Waiver is budget neutral as required by the STCs of the waiver. In accordance with the monitoring and reporting requirements of 1115 demonstration waivers, the Budget Neutrality is tracked by each demonstration year.

Budget Neutrality is calculated on a statewide basis. For counties where Medicaid Reform is operating, the case months and expenditures reported are for enrolled mandatory and voluntary individuals. For counties where Medicaid Reform is not operational, the mandatory population and expenditures are captured and subject to the budget neutrality. However, these individuals receive their services through the Medicaid State Plan, the providers of the 1915(b) Managed Care Waiver and/or providers of 1915(c) Home and Community Based Waivers.

Although this report will show the quarterly expenditures for the quarter in which the expenditure was paid (date of payment), the Budget Neutrality as required by STC #64, is monitored using data based on date of service. The PMPM and demonstration years are tracked by the year in which the expenditure was incurred (date of service). The STCs specify that the Agency will track case months and expenditures for each demonstration year using the date of service for up to two years after the end of the demonstration year.

In the following tables (Tables 30 through 35), both date of service and date of payment data are presented. Tables that provide data on a quarterly basis reflect data based on the date of payment for the expenditure. Tables that provide annual or demonstration year data are based on the date of service for the expenditure.

Table 30 shows the PCCM Targets established in the 1115 Medicaid Reform Waiver as specified in STC #76. These targets will be compared to actual waiver expenditures using date of service tracking and reporting.

Table 30
PCCM Targets

WOW PCCM	MEG 1	MEG 2
DY01	$ 948.79	$ 199.48
DY02	$ 1,024.69	$ 215.44
DY03	$ 1,106.67	$ 232.68
DY04	$ 1,195.20	$ 251.29
DY05	$ 1,290.82	$ 271.39
DY06	$ 1,356.65	$ 285.77
DY07	$1,425.84	$300.92
DY08	$1,498.56	$316.87

Tables 30 through 35 provide the statistics for MEGs 1, 2 and 3 for the period beginning July 1, 2006 and ending September 30, 2012. Case months provided in Tables 31 and 32 for MEGs 1 and 2 are actual eligibility counts as of the last day of each month. The expenditures provided are recorded on a cash basis for the month paid.

Table 31
MEG 1 Statistics: SSI Related

Quarter		MCW Reform	Reform Enrolled		
Actual MEG 1	Case months	Spend*	Spend*	Total Spend*	PCCM
Q1 Total	737,829	$534,465,763	$13,022,287	$547,488,050	$742.03
Q2 Total	741,024	$656,999,737	$40,270,607	$697,270,344	$940.96
Q3 Total	746,739	$627,627,027	$74,363,882	$701,990,909	$940.08
Q4 Total	752,823	$627,040,703	$98,024,915	$725,065,618	$963.13
Q5 Total	755,417	$630,937,251	$101,516,732	$732,453,983	$969.60
Q6 Total	755,837	$648,757,106	$106,374,845	$755,131,951	$999.07
Q7 Total	758,014	$651,490,311	$111,968,931	$763,459,242	$1,007.18
Q8 Total	764,701	$661,690,100	$115,206,649	$776,896,750	$1,015.95
Q9 Total	818,560	$708,946,109	$116,393,637	$825,339,746	$1,008.28
Q10 Total	791,043	$738,232,869	$128,914,992	$867,147,861	$1,096.21
Q11 Total	810,753	$783,046,121	$125,741,442	$908,787,564	$1,120.92
Q12 Total	829,386	$676,381,576	$120,999,077	$797,380,652	$961.41
Q13 Total	822,396	$846,747,351	$153,763,674	$1,000,511,025	$1,216.58
Q14 Total	830,530	$769,968,776	$137,267,631	$907,236,407	$1,092.36
Q15 Total	847,324	$781,783,604	$141,815,963	$923,599,567	$1,090.02
Q16 Total	852,445	$732,226,661	$129,489,247	$861,715,907	$1,010.88
Q17 Total	868,873	$880,557,949	$163,583,238	$1,044,141,187	$1,201.72
Q18 Total	876,564	$823,362,358	$147,720,232	$971,082,591	$1,107.83
Q19 Total	851,488	$793,116,969	$137,115,775	$930,232,743	$1,092.48
Q20 Total	902,833	$730,735,500	$137,409,896	$868,145,395	$961.58
Q21 Total	933,661	$897,184,808	$165,500,587	$1,062,685,395	$1,138.19
Q22 Total	916,713	$780,812,437	$149,928,159	$930,740,596	$1,015.30
Q23 Total	871,050	$806,728,589	$161,201,346	$967,929,935	$1,111.22
Q24 Total	932,443	$878,147,146	$168,609,996	$1,046,757,142	$1,122.60
July 2012	315,498	$280,532,187	$53,658,168	$334,190,356	$1,059.25
August 2012	313,545	$410,042,922	$78,756,160	$488,799,082	$1,558.94
September 2012	310,627	$186,393,513	$36,558,286	$222,951,799	$717.75
Q25 Total	939,670	$876,968,622	$168,972,615	$1,045,941,236	$1,113.09
MEG 1 Total	20,712,562	$18,543,955,443	$3,115,176,355	$21,659,131,798	$1,045.70

* Quarterly expenditure totals may not equal the sum of the monthly expenditures due to quarterly adjustments such as disease management payments. The quarterly expenditure totals match the CMS 64 Report submissions without the adjustment of rebates.

Table 32 MEG 2 Statistics: Children and Families					
Quarter		MCW Reform	Reform Enrolled		
Actual MEG 2	Case months	Spend*	Spend*	Total Spend*	PCCM
Q1 Total	3,944,437	$491,214,740	$1,723,494	$492,938,235	$124.97
Q2 Total	3,837,172	$590,933,703	$21,021,285	$611,954,988	$159.48
Q3 Total	3,728,063	$559,579,323	$44,697,737	$604,277,060	$162.09
Q4 Total	3,653,147	$524,161,918	$57,096,383	$581,258,301	$159.11
Q5 Total	3,588,363	$520,316,242	$57,360,334	$577,676,576	$160.99
Q6 Total	3,648,832	$553,763,665	$63,871,154	$617,634,819	$169.27
Q7 Total	3,736,212	$570,477,394	$69,992,290	$640,469,684	$171.42
Q8 Total	3,856,584	$564,601,990	$70,899,271	$635,501,261	$ 164.78
Q9 Total	4,080,307	$586,455,736	$70,031,931	$656,487,667	$160.89
Q10 Total	4,174,698	$659,100,473	$71,936,704	$731,037,178	$175.11
Q11 Total	4,298,379	$708,620,481	$73,835,227	$782,455,708	$182.04
Q12 Total	4,541,456	$581,030,798	$60,822,514	$641,853,312	$141.33
Q13 Total	4,703,528	$824,013,811	$98,637,714	$922,651,526	$196.16
Q14 Total	4,959,454	$768,385,369	$89,723,473	$858,108,842	$173.02
Q15 Total	5,098,381	$773,609,163	$93,647,855	$867,257,018	$170.10
Q16 Total	5,203,143	$677,050,335	$73,362,678	$750,413,013	$144.22
Q17 Total	5,356,742	$883,082,807	$108,653,963	$991,736,769	$185.14
Q18 Total	5,470,396	$848,694,828	$99,937,769	$948,632,597	$173.41
Q19 Total	5,247,390	$787,922,115	$91,638,763	$879,560,878	$167.62
Q20 Total	5,611,671	$673,700,632	$90,712,877	$764,413,510	$136.22
Q21 Total	5,695,156	$965,461,910	$121,274,250	$1,086,736,159	$190.82
Q22 Total	5,773,020	$778,633,250	$99,802,883	$878,436,134	$152.16
Q23 Total	5,441,054	$860,576,398	$115,331,882	$975,908,280	$179.36
Q24 Total	5,895,265	$922,979,983	$122,296,078	$1,045,276,061	$177.31
July 2012	2,005,046	$285,197,648	$38,426,279	$323,623,927	$161.40
August 2012	2,012,553	$463,745,803	$66,342,696	$530,088,499	$263.39
September 2012	1,995,529	$135,187,936	$16,904,691	$152,092,627	$76.22
Q25 Total	6,013,128	$884,131,387	$121,673,666	$1,005,805,053	$167.27
MEG 2 Total	117,777,016	$ 17,558,498,452	$1,989,982,178	$19,548,480,630	$165.98

* Quarterly expenditure totals may not equal the sum of the monthly expenditures due to quarterly adjustments such as disease management payments. The quarterly expenditure totals match the CMS 64 Report submissions without the adjustment of rebates.

For Demonstration Year One, MEG 1 has a PCCM of $972.13 (Table 33), compared to WOW of $948.79 (Table 30), which is 102.46% of the target PCCM for MEG 1. MEG 2 has a PCCM of $160.23 (Table 33), compared to WOW of $199.48 (Table 30), which is 80.32% of the target PCCM for MEG 2.

For Demonstration Year Two, MEG 1 has a PCCM of $1,022.14 (Table 33), compared to WOW of $1,024.69 (Table 30), which is 99.75% of the target PCCM for MEG 1. MEG 2 has a PCCM of $169.85 (Table 33), compared to WOW of $215.44 (Table 30), which is 78.84% of the target PCCM for MEG 2.

For Demonstration Year Three, MEG 1 has a PCCM of $1,057.86 (Table 33), compared to WOW of $1,106.67 (Table 30), which is 95.59% of the target PCCM for MEG 1. MEG 2 has a PCCM of $166.96 (Table 33), compared to WOW of $232.68 (Table 30), which is 71.76% of the target PCCM for MEG 2.

For Demonstration Year Four, MEG 1 has a PCCM of 1077.30 (Table 33), compared to WOW of $1,195.20 (Table 30), which is 90.14% of the target PCCM for MEG 1. MEG 2 has a PCCM of $166.91 (Table 33), compared to WOW of $251.29 (Table 30), which is 66.42% of the target PCCM for MEG 2.

For Demonstration Year Five, MEG 1 has a PCCM of $1,096.28 (Table 33), compared to WOW of $1,290.82 (Table 30), which is 84.93% of the target PCCM for MEG 1. MEG 2 has a PCCM of $167.03 (Table 33), compared to WOW of $271.39 (Table 30), which is 61.55% of the target PCCM for MEG 2.

For Demonstration Year Six, MEG 1 has a PCCM of $1,084.90 (Table 33), compared to WOW of $1,356.65 (Table 30), which is 79.97% of the target PCCM for MEG 1. MEG 2 has a PCCM of $171.95 (Table 33), compared to WOW of $285.77 (Table 30), which is 60.17% of the target PCCM for MEG 2.

For Demonstration Year Seven, MEG 1 has a PCCM of $776.25 (Table 33), compared to WOW of $1425.84 (Table 30), which is 54.44% of the target PCCM for MEG 1. MEG 2 has a PCCM of $138.45 (Table 33), compared to WOW of $300.92 (Table 30), which is 46.01% of the target PCCM for MEG 2.

Tables 33 and 34 provide cumulative expenditures and case months for the reporting period for each demonstration year. The combined PCCM is calculated by weighting MEGs 1 and 2 using the actual case months. In addition, the PCCM targets as provided in the STCs are also weighted using the actual case months.

For Demonstration Year One, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $322.50. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $293.53. Comparing the calculated weighted averages, the actual PCCM is 91.02% of the target PCCM.

For Demonstration Year Two, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $352.88. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $314.60. Comparing the calculated weighted averages, the actual PCCM is 89.15% of the target PCCM.

For Demonstration Year Three, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $372.29. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $309.27. Comparing the calculated weighted averages, the actual PCCM is 83.07% of the target PCCM.

For Demonstration Year Four, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $386.76. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $297.57. Comparing the calculated weighted averages, the actual PCCM is 76.94% of the target PCCM.

For Demonstration Year Five, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $413.05. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $296.15. Comparing the calculated weighted averages, the actual PCCM is 71.70% of the target PCCM.

For Demonstration Year Six, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $432.81. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $297.31. Comparing the calculated weighted averages, the actual PCCM is 68.69% of the target PCCM.

For Demonstration Year Seven, the weighted target PCCM for the reporting period using the actual case months and the MEG specific targets in the STCs (Table 34) is $452.95. The actual PCCM weighted for the reporting period using the actual case months and the MEG specific actual PCCM as provided in Table 34 is $224.65. Comparing the calculated weighted averages, the actual PCCM is 49.60% of the target PCCM.

Remainder of page intentionally left blank.

Table 33 MEG 1 and 2 Annual Statistics					
DY01 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY01 Total	2,978,415	$2,631,566,388	$263,851,544	$2,895,417,932	$972.13
WOW DY1 Total	2,978,415			$2,825,890,368	$948.79
Difference				$69,527,564	
% of WOW PCCM MEG 1					102.46%
DY01 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY01 Total	15,162,819	$2,293,656,191	$135,864,711	$2,429,520,901	$160.23
WOW DY1 Total	15,162,819			$3,024,679,134	$199.48
Difference				$(595,158,233)	
% of WOW PCCM MEG 2					80.32%
DY02 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY02 Total	3,033,969	$2,655,180,625	$445,971,300	$3,101,151,925	$1,022.14
WOW DY2 Total	3,033,969			$3,108,877,695	$1,024.69
Difference				$(7,725,769)	
% of WOW PCCM MEG 1					99.75%
DY02 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY02 Total	14,829,991	$2,254,071,149	$264,786,465	$2,518,857,614	$169.85
WOW DY2 Total	14,829,991			$3,194,973,261	$215.44
Difference				$(676,115,647)	
% of WOW PCCM MEG 2					78.84%
DY03 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY03 Total	3,249,742	$2,937,427,184	$500,344,974	$3,437,772,158	$1,057.86
WOW DY3 Total	3,249,742			$3,596,391,979	$1,106.67
Difference				$(158,619,822)	
% of WOW PCCM MEG 1					95.59%
DY03 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY03 Total	17,094,840	$2,572,390,668	$281,844,467	$2,854,235,134	$166.96
WOW DY3 Total	17,094,840			$3,977,627,371	$232.68
Difference				$(1,123,392,237)	
% of WOW PCCM MEG 2					71.76%

Table 33 Continued MEG 1 and 2 Annual Statistics					
DY04 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY04 Total	3,357,141	$3,066,429,103	$550,235,443	$3,616,664,546	$1,077.30
WOW DY4 Total	3,357,141			$4,012,454,923	$1,195.20
Difference				$(395,790,377)	
% of WOW PCCM MEG 1					90.14%
DY04 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY04 Total	20,033,842	$2,992,091,000	$351,770,759	$3,343,861,760	$166.91
WOW DY4 Total	20,033,842			$5,034,304,156	$251.29
Difference				$(1,690,442,397)	
% of WOW PCCM MEG 2					66.42%
DY05 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY05 Total	3,499,758	$3,246,714,922	$590,012,045	$3,836,726,967	$1,096.28
WOW DY5 Total	3,499,758			$4,517,557,622	$1,290.82
Difference				$(680,830,655)	
% of WOW PCCM MEG 1					84.93%
DY05 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY05 Total	21,686,199	$3,224,300,189	$397,885,503	$3,622,185,693	$167.03
WOW DY5 Total	21,686,199			$5,885,417,547	$271.39
Difference				$(2,263,231,854)	
% of WOW PCCM MEG 2					61.55%
DY06 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY06 Total	3,653,867	$3,325,719,067	$638,369,746	$3,964,088,813	$1,084.90
WOW DY6 Total	3,653,867			$4,957,018,666	$1,356.65
Difference				$(992,929,853)	
% of WOW PCCM MEG 1					79.97%
DY06 – MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY06 Total	22,956,197	$3,494,394,140	$452,903,291	$3,947,297,431	$171.95
WOW DY6 Total	22,956,197			$6,560,192,417	$285.77
Difference				$(2,612,894,986)	
% of WOW PCCM MEG 2					60.17%

Table 33 Continued MEG 1 and 2 Annual Statistics					
DY07 – MEG 1	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 1 - DY07 Total	939,670	$603,030,555	$126,391,303	$729,421,858	$776.25
WOW DY7 Total	939,670			$1,339,819,073	$1,425.84
Difference				$(610,397,215)	
% of WOW PCCM MEG 1					54.44%
DY07– MEG 2	Actual CM	Actual Spend MCW & Reform Enrolled		Total	PCCM
MEG 2 - DY07 Total	6,013,128	$727,595,115	$104,926,982	$832,522,097	$138.45
WOW DY7 Total	6,013,128			$1,809,470,478	$300.92
Difference				$(976,948,380)	
% of WOW PCCM MEG 2					46.01%

Remainder of page intentionally left blank.

Table 34 MEG 1 and 2 Cumulative Statistics					
DY 01	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	18,141,234	$4,925,222,579	$399,716,255	$5,324,938,833	$293.53
WOW	18,141,234			$5,850,569,502	$322.50
Difference				$(525,630,669)	
% Of WOW					91.02%
DY 02	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	17,863,960	$4,909,251,774	$710,757,766	$5,620,009,540	$314.60
WOW	17,863,960			$6,303,850,956	$352.88
Difference				$(683,841,416)	
% Of WOW					89.15%
DY 03	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	20,344,582	$5,509,817,851	$782,189,441	$6,292,007,292	$309.27
WOW	20,344,582			$7,574,019,350	$372.29
Difference				$(1,282,012,059)	
% Of WOW					83.07%
DY 04	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	23,390,983	$6,058,520,103	$902,006,202	$6,960,526,306	$297.57
WOW	23,390,983			$9,046,759,079	$386.76
Difference				$(2,086,232,774)	
% Of WOW					76.94%
DY 05	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	25,185,957	$6,471,015,111	$987,897,548	$7,458,912,659	$296.15
WOW	25,185,957			$10,402,975,168	$413.05
Difference				$(2,944,062,509)	
% Of WOW					71.70%
DY 06	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	26,610,064	$6,820,113,206	$1,091,273,037	$7,911,386,243	$297.31
WOW	26,610,064			$11,517,211,082	$432.81
Difference				$(3,605,824,839)	
% Of WOW					68.69%
DY 07	Actual CM	MEG 1 & 2 Actual Spend MCW & Reform Enrolled		Total	PCCM
Meg 1 & 2	6,952,798	$1,330,625,670	$231,318,285	$1,561,943,955	$224.65
WOW	6,952,798			$3,149,289,551	$452.95
Difference				$(1,587,345,595)	
% Of WOW					49.60%

Table 35 MEG 3 Statistics: Low Income Pool	
MEG 3 LIP	**Paid Amount**
Q1	**$1,645,533**
Q2	**$299,648,658**
Q3	**$284,838,612**
Q4	**$380,828,736**
Q5	**$114,252,478**
Q6	**$191,429,386**
Q7	**$319,005,892**
Q8	**$329,734,446**
Q9	**$165,186,640**
Q10	**$226,555,016**
Q11	**$248,152,977**
Q12	**$178,992,988**
Q13	**$209,118,811**
Q14	**$172,524,655**
Q15	**$171,822,511**
Q16	**$455,671,026**
Q17	**$324,573,642**
Q18	**$387,535,118**
Q19	**$180,732,289**
Q20	**$353,499,776**
Q21	**$57,414,775**
Q22	**$346,827,872**
Q23	**$175,598,167**
Q24	**$227,391,753**
Q25	**$189,334,002**
Total Paid	**$5,992,315,759**

Table 36 shows that the expenditures for the first twenty-five quarters for MEG 3, the Low Income Pool (LIP), were $5,992,315,759 (74.90% of the $8 billion cap).

Table 36 MEG 3 Total Expenditures: Low Income Pool			
DY*	**Total Paid**	**DY Limit**	**% of DY Limit**
DY01	$998,806,049	$1,000,000,000	99.88%
DY02	$999,632,926	$1,000,000,000	99.96%
DY03	$877,493,058	$1,000,000,000	87.75%
DY04	$1,122,122,816	$1,000,000,000	112.21%
DY05	$997,694,341	$1,000,000,000	99.77%
DY06	$807,232,567	$1,000,000,000	80.72%
DY07	$189,334,002	$1,000,000,000	2.37%
DY08		$1,000,000,000	
Total MEG 3	$5,992,315,759	$8,000,000,000	74.90%

*DY totals are calculated using date of service data.

During Demonstration Year Three, the Florida Legislature directed the Agency to carry forward approximately $123 million dollars from the Demonstration Year Three LIP appropriation until an amendment of the STC #105 could be negotiated. Upon approval of the amendment, approximately $123 million dollars in carry forward funding was provided to the Agency through appropriations for Demonstration Year Four. The appropriations for Demonstration Year Four totaled $1,001,250,000 plus the $123,577,163 of carry forward LIP funds for a grand total of $1,124,827,163. Due to the payment process and the reporting period, payments made after June 30, 2010, were not captured in the Fourth Quarter report of Year Four or the Year Four Annual Report. The report for the first quarter of Demonstration Year Five included the final LIP payment totals for Demonstration Year Four.

Remainder of page intentionally left blank.

G. Encounter and Utilization Data

Overview

The Agency is required to capture medical services encounter data for all Medicaid covered services in compliance with Title XIX of the Social Security Act, the Balanced Budget Act of 1997, 42 CFR 438, and Chapters 409 and 641, F.S. In addition, Section 409.91211(3)(p), F.S., requires a risk-adjusted methodology be a component of the rate setting process for capitated payments to the demonstration health plans. Risk adjustment was phased in over a period of three years beginning July 1, 2006, using the Medicaid Rx (MedRx) model.

Current Activities

Encounter Data

An Encounter Data Compliance Report using analytical measures to report the completeness, accuracy, and timeliness of encounter data submissions was developed this quarter. The processes for analysis were put through iterative reviews and validation checks. This report will be modified as needed to address any issues and incorporate additional functionality. Initial distribution of the reports is scheduled to occur next quarter.

Enforcing encounter data timeliness compliance demands the ability to accurately distinguish encounter data resubmissions from original submissions. The Agency accomplished this through the design and construction of an encounter data lexicon which uses an arithmetical approach to the elements in the data fields.

An Auto Regressive Integrated Moving Average (ARIMA) and multivariate statistical analysis model is being used to analyze all health plans using 15 data points (months) to trend encounter data volume. The methodology and results were peer reviewed this quarter.

Rate Setting/Risk Adjustment

Outpatient encounter data was incorporated in the September 2012 through August 2013 rate setting process. Inpatient, pharmacy and mental health encounter data continue to be utilized for rate setting.

This quarter, the National Council for Prescription Drug Programs (NCPDP) pharmacy encounter claims for the January 1, 2011 – December 31, 2011 measurement period (paid through March 31, 2012) were provided to the Agency's actuary for use in the MedRx model to generate risk scores for September, October and November 2012.

Remainder of page intentionally left blank.

H. Demonstration Goals

Objective 1: *To ensure there is an increase in the number of plans from which an individual may choose, an increase in the different type of plans, and increased patient satisfaction.*

Broward and Duval Counties

Tables 37 and 38 provide the number and types of health plans the Agency contracted with prior to the implementation of the demonstration.

Table 37
Broward County
Number and Type of Plans
(Pre-Demonstration 2006)

Type of Plan	Number of Plans
HMOs	8
PSNs	1
Total	**9**

Table 38
Duval County
Number and Type of Plans
(Pre-Demonstration 2006)

Type of Plan	Number of Plans
HMOs	2
PSNs	0
Total	**2**

The Agency also contracted with a Pediatric Emergency Room (ER) Diversion program and two Minority Physician Networks (MPNs) that operated as prepaid ambulatory health plans offering enhanced medical management services to recipients enrolled in MediPass, Florida's primary care case management program. One MPN operated in Duval County, and both MPNs operated in Broward County. The Pediatric ER Diversion program operated only in Broward County.

Tables 39 and 40 provide the number and types of health plans the Agency currently has under contract in Broward and Duval Counties.

Table 39
Broward County
Number and Type of Plans
(July 1, 2012 – September 30, 2012)

Type of Plan	Number of Plans
HMOs	9
PSNs	3
Total	**12**

Table 40
Duval County
Number and Type of Plans
(July 1, 2012 – September 30, 2012)

Type of Plan	Number of Plans
HMOs	3
PSNs	2
Total	**5**

Baker, Clay and Nassau Counties

Prior to expansion of the demonstration into Baker, Clay and Nassau Counties on July 1, 2007, the Agency contracted with one MPN that operated in all three counties as a prepaid ambulatory health plan. The Agency had no contracts with HMOs, PSNs or the Pediatric ER Diversion program in these counties.

Currently, the Agency contracts with two HMOs and one PSN, for a total of three health plans in Baker, Clay, and/or Nassau Counties.

Health Plan Applications and Expansion Requests

Four health plan applications and one health plan request to expand to Baker and Nassau Counties remain under Agency review this quarter. See Section A.1 of this report for additional information on the pending applications and expansion request.

Please note that patient satisfaction is addressed in Objective 4.

Objective 2: *To ensure that there is access to services not previously covered and improved access to specialists.*

Access to Services Not Previously Covered

In Year Seven of the demonstration, all of the capitated health plans continue to offer expanded or additional benefits which were not previously covered under Florida's Medicaid State Plan in order to meet the needs of new enrollees. The customized benefit packages and expanded benefits became operational on January 1, 2012 and will remain valid until December 31, 2012, effectively overlapping Years Six and Seven of the demonstration. These benefit packages include 22 customized benefit packages for the HMOs and ten benefit packages for the FFS PSNs. Simply Healthcare HMO was added in September 2012 in Broward County with a benefit package for TANF and SSI.

The following is a list of the expanded benefits currently offered by the capitated health plans of which the over-the-counter drug benefits and adult preventive benefits are the most frequently offered.

- Over-the-counter drug benefit – $25 per household per month
- Adult preventive dental
- Circumcisions for male newborns
- Additional adult vision
- Nutritional Counseling

Improving Access to Specialists

During this quarter, the Agency reviewed and documented methodologies for analyses begun in the last quarter of Demonstration Year Six, intended for future analytics of access to care and a basis for identifying opportunities for health plan performance improvements. Encounter data improvements intended to enhance the analyses are ongoing. Specifically, health plans must refine billing and rendering provider information to provide necessary detail. A new analysis and comparison to the last quarter's analysis is planned to be completed during the next quarter.

Objective 3: *To improve enrollee outcomes as demonstrated by: (a) improvement in the overall health status of enrollees for select health indicators, (b) reduction in ambulatory sensitive hospitalizations, and (c) decreased utilization of emergency room care.*

(3)(a) Improvement in the overall health status of enrollees for selected health indicators.

The Agency received the fifth year of performance measure submissions from the health plans this quarter. The following results are highlights of the fifth year of performance measures:

- Of the 34 HEDIS measures for which plans may need to do Performance Measure Action Plans (PMAPs), the statewide average results for the demonstration plans improved for 15

of the measures compared to the previous year. A statewide weighted average for one measure was not calculated for the demonstration plans as only three of the 13 plans had sufficient eligible members to report the measure. Thus, only 33 of the measures have statewide averages for the demonstration plans.

- Demonstration plans' rates for 11 of the measures stayed about the same, while their performance on seven of the measures dropped.
- For 22 of the 33 measures, the statewide average results for the demonstration plans were higher than the average results for the non-demonstration plans. Performance measures with notable improvement include:

  – Well-Child Visits in the First 15 Months – 6 or more: the statewide weighted average for demonstration plans increased from 46.5% in 2011 (representing measurement year 2010) to 58.4% in 2012 (representing measurement year 2011).
  – Controlling Blood Pressure: the statewide weighted average for demonstration plans increased from 46.3% in 2011 to 52.9% in 2012.
  – Frequency of Prenatal Care: the statewide weighted average for demonstration plans increased from 44% in 2011 to 54.4% in 2012.
  – Diabetes – HbA1c Poor Control: the statewide weighted average for demonstration plans dropped from 48.6% in 2011 to 43.6% in 2012. Please note that this is an inverse measure, meaning that a lower rate is more desirable.
  – Lead Screening in Children: the statewide weighted average for demonstration plans increased from 54.1% in 2011 to 59.6% in 2012.

Results of the fifth year of performance measures can be viewed in Attachment III of this report.

Next quarter, the Agency will be sending lists of measures requiring PMAPs to the health plans. The PMAPs are required for all measures that scored below the 50th percentile as identified in the National Committee for Quality Assurance's National Means and Percentiles for Medicaid plans. The Agency will also be obtaining the most recent National Means and Percentiles in order to compare the Florida Medicaid health plans' performance measure rates to the 2012 Means and Percentiles.

(3)(b) Reduction in ambulatory sensitive hospitalizations.

The Agency continues to run a model to analyze the utilization of Ambulatory Care Sensitive Conditions (ASCS) using the Agency for Healthcare Research and Quality (AHQR) quality indicators (QI). The model enables the Agency to analyze the prevalence of ACSCs that lead to preventable hospitalizations. Aggregation of utilization data across multiple FFS and managed care delivery systems fosters the comparison by county or by plan. The model includes morbidity scoring (MedRx), utilization by per member per month normalized to report per 1,000 recipients, and a distribution by category of the QI's for statewide (FFS and Managed Care), demonstration, non-demonstration and, and per-health plan basis.

The model is being updated to support the latest version (4.4) provided by AHQR. Reports will be generated using the updated model for designated Florida counties possessing similar Standard Metropolitan Statistical Areas characteristics, classified as small rural, medium rural, medium urban and large urban. Reports can also be generated for a plan to plan comparison.

(3)(c) Decreased utilization of emergency room care.

The Agency uses a model to analyze the utilization of emergency departments (ED) based on the New York University ED algorithm. The model is setup to process data generating comparable results across the fee for service recipients and managed care enrollees. The reports include a volumetric with morbidity scoring (MedRx), utilization per member per month per 1000, and distribution by reporting ED utilization category on a statewide (FFS and Managed Care), demonstration, non-demonstration and per plan basis. Portions of the report are designed to produce a county comparison based on managed care eligible recipient utilization or report according to plan member utilization. Currently, the model is being updated to support the latest version 2.0 provided by New York University.

The ED algorithm developed by New York University is used to identify conditions for which an emergency department visit may have been avoided, either through earlier primary care intervention or through access to non-emergency department care settings.

Objective 4: *To ensure that patient satisfaction increases.*

The Agency continues to contract with UF to conduct patient satisfaction surveys of recipients enrolled in the demonstration. The survey instrument used by UF is based on the *Consumer Assessment of Healthcare Providers and Systems* (CAHPS) *Survey*. The CAHPS Survey is one of a family of standardized instruments used widely in the health care industry to assess enrollees' experiences and satisfaction with their health care. UF has adapted the CAHPS telephone survey component by adding questions specific to the demonstration.

During this quarter, the Agency posted the report, *Medicaid Reform Enrollee Satisfaction Year Two Follow-Up Survey, Volume 3: Enrollee Characteristics,* which assesses enrollee satisfaction differences by enrollee subgroup (race/ethnicity demographics). The Agency reviewed the report, *Medicaid Reform Enrollee Satisfaction Year 3 Follow-Up Survey*, during this quarter and will be providing feedback to UF next quarter. Findings from this report were included in the Final Evaluation Report, which the Agency submitted to Federal CMS on December 15, 2011.

Next quarter, UF will submit a comprehensive draft report on CAHPS Survey results to the Agency based on the SFY 2011-2012 surveys. This draft report will include survey results for both the demonstration and non-demonstration health plans. The results of past reports and all other evaluation reports conducted by UF can be viewed at: http://ahca.myflorida.com/Medicaid/quality_management/mrp/contracts/med027/index.shtml.

Objective 5: *To evaluate the impact of the low income pool on increased access for uninsured individuals.*

Prior to the implementation of the demonstration, Florida's State Plan included a hospital Upper Payment Limit (UPL) program that allowed for special Medicaid payments to hospitals for their services to the Medicaid population. The demonstration created the LIP program, which provides for payments to PAS, which may include hospital and non-hospital providers. The inclusion of the new PAS providers allows for increased access to services for the Medicaid, underinsured and uninsured populations. For information on activities that occurred prior to this quarter, please see the previous quarterly and annual reports posted on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/medicaid_reform/lip/lip.shtml.

Current Activities

STC #61 – Tier-One Milestone

Two reports correspond to STC 61:

- The *Milestone Statistics and Findings Report* covering SFY 2011-12. This quarter, the Agency initiated the process of collecting the milestone data for this report from the PAS. The deadline for the PAS providers to submit their milestone data is October 31, 2012. The Agency will submit the milestone data through the *Milestone Statistics and Findings Report* to Federal CMS on April 1, 2013.
- The *Primary Care and Alternative Delivery Systems Expenditure Report*. There are many different primary care and alternative delivery systems operating with LIP funds. Programs range from: Recipients Outreach; Emergency Room Diversion; Insurance Products; Primary Care Extensions; and Disease Management Initiatives. Although each program contains certain measures and reporting that are similar (i.e. Number of recipients served, Number of services provided, Program expenditures), there are also measures that will be unique for each program. These programs are required to submit reporting to the Agency on August 31, 2013. The Agency will submit the data to Federal CMS on January 1, 2014.

Both the *Milestone Statistics and Findings Report* and the *Primary Care and Alternative Delivery Systems Report* will show the increased access to medical care for this population in Florida.

STC #62 – Tier-Two Milestone

STC #62 requires that the top 15 LIP hospitals which are allocated by the Florida Legislature the largest annual amount of LIP funding participate in initiatives that broadly driven by the three overarching goals of Federal CMS' Three-Part Aim:

a) Better care for individuals including safety, effectiveness, patient centeredness, timeliness, efficiency, and equity;

b) Better health for populations by addressing areas such as poor nutrition, physical inactivity, and substance abuse; and,

c) Reducing per-capita costs.

These initiatives focus on: infrastructure development; innovation and redesign; and population focused improvement. Participating facilities have implemented new, or enhanced existing, health care initiatives, investments, or activities with the goal of meaningfully improving the quality of care and the health of populations served (including low income populations) and meet established hospital specific targets, to receive 100 percent of allocated LIP funding.

Tier-Two milestones apply to facilities that receive the largest annual allocations of LIP funds and put at risk 3.5 percent of each of these facilities' annual LIP allocation. The milestones apply to the 15 hospitals which are allocated the largest annual amounts in LIP funding. If the total annual LIP funds allocated for the 15 hospitals, do not total at least $700 million, the population of hospitals must be expanded until $700 million is reached.

The top 15 hospitals were required to select and participate in 3 initiatives. Federal CMS exempted one facility from providing three initiatives, requiring only two initiatives, bringing the total number of initiatives to 44 initiatives or programs. All 44 initiatives were submitted to Federal CMS on April 10, 2012, and the Agency received Federal CMS approval for the

initiatives on June 29, 2012. During this quarter, the Agency is collecting the quarterly reports for the initiatives which are due to the Agency on October 15, 2012.

STC #81 – Final Evaluation Plan

The required demonstration evaluation will include specific studies regarding access to care and quality of care as affected by the Tier-One and Tier-Two initiatives. When available, the results of the evaluation will be reported under Section I, Evaluation of Medicaid Reform, of this report.

I. Evaluation of Medicaid Reform

Overview

The evaluation of the demonstration is an ongoing process to be conducted during the life of the demonstration. The Agency is required to complete an evaluation design that includes a discussion of the goals, objectives and specific hypotheses that are being tested to determine the impact of the demonstration during the period of approval.

In 2005, the Agency contracted for the initial demonstration evaluation for the period July 1, 2006-June 30, 2011, with an independent entity, the University of Florida (UF). This initial evaluation was a five-year "over-arching" study that presented its major findings in the Final Evaluation Report that was submitted to Federal CMS on December 15, 2011. The report can be viewed on the Agency's website at the following link: http://ahca.myflorida.com/Medicaid/quality_management/mrp/contracts/med027/FL_1115_Final_UF_Eval_Report_12-15-11.pdf.

With the renewal of the demonstration on December 15, 2011, the Agency is required to conduct an evaluation of the demonstration during the renewal period, December 16, 2011 – June 30, 2014. STC #80 required the Agency to submit a draft evaluation design to Federal CMS 120 days (April 14, 2012) after receiving approval to renew the demonstration. STC #81 required Federal CMS to provide comments within 60 days (June 20, 2012) of receiving the draft evaluation design and for the Agency to submit the final evaluation plan to Federal CMS within 60 days (August 11, 2012) of receiving comments from Federal CMS.

Current Activities

During this quarter, the Agency submitted the final evaluation design to Federal CMS on August 9, 2012, in accordance with STC #81. The final evaluation design will be posted on the Agency's website when final approval from Federal CMS is received. The final evaluation design included a discussion of the goals, objectives and specific hypotheses that are being tested, including those that focus specifically on target populations for the demonstration.

The Agency's contract with a state university for certain evaluation activities routed for approval this quarter and will be executed next quarter. The Agency continues working with another state university to determine the scope of work for its part of the evaluation, and will develop and route the contract during the next quarter. Once the contracts are executed, the Agency will provide the universities with the data needed for their evaluation activities.

Remainder of page intentionally left blank.

J. Policy and Administrative Issues

Current Activities

The Agency continues to identify and resolve various operational issues for capitated health plans and FFS PSNs. During this quarter, the Agency's internal and external communication processes continue to play a key role in managing and resolving issues effectively and efficiently.

Policy, administrative and operational issues are generally addressed by six different processes:

- Technical Advisory Panel regular meetings
  - The Technical Advisory Panel (TAP) was created by the 2005 Florida Legislature, and appointed by the Agency with the directive of advising the Agency on various implementation issues relative to the demonstration.
- Policy transmittals and "Dear Provider" letters and e-mails
  - Policy transmittals and "Dear Provider" letters and emails are used to send key policy and operational information to health plans.
- Health Plan Technical and Operational Issues conference calls
  - The purpose of these calls is to communicate the Agency's response to issues addressed at a higher level in the TAP meetings and to respond to plan questions posed through e-mail, telephone inquiries and previous technical calls. Previously, these calls occurred biweekly, but with the demonstration being fully operational, the need for biweekly calls has significantly lessened. As discussed with the health plans in June 2010, a decision was made to change to monthly calls beginning in July 2010. Unless a particular need arises for calls to occur more often, the Technical and Operational Issues conference calls are now monthly.

    All health plans are invited to participate, whether they are currently operating in the demonstration counties. Additionally, the calls are publicly noticed in the Florida Administrative Register to allow all interested parties to participate. The Agency staffs these calls with administrative experts in all areas of the demonstration and participants include a variety of stakeholders, such as health plan chief executive staff, government relations and compliance managers, health plan information systems managers, and health plan subcontractors.
- PSN Systems Implementation monthly conference calls
  - The purpose of these calls is to provide a forum to discuss claims processes and enrollment file issues that are unique to the FFS PSN model. The PSNs are encouraged to submit questions and/or issues in advance in order for systems research to occur internally at the Agency (or between the Agency and the Agency's Medicaid Fiscal Agent). Agency participants included management and key technical staff of the Agency's PSN Policy and Contracting Unit, Data Unit, Bureau of Contract Management, Area Office staff, and Bureau of Managed Health Care staff responsible for monitoring the health plans. PSN participants included managing staff as well as key staff responsible for oversight of claims processing functions and key staff at the PSNs' contracted Third Party Administrators. Unresolved issues include those that are in the systems change queue for implementation and anecdotal issues pending examples to be submitted from PSNs for Agency research. While these calls were originally bi-

weekly, then monthly, they now occur on an as-needed basis. If there is nothing new to report or discuss, then the monthly call is cancelled.

- General amendment/contract overview calls
  - When new contract changes are being considered or are implemented, the Agency holds conference calls with the health plans to discuss the changes. These calls are periodic in nature, depending on the particular items needing discussion.
- Fraud and abuse meetings
  - As an effort to enhance the program integrity function required by contract, the Agency typically holds quarterly meetings with the health plans and other state agencies involved with health care fraud and abuse in order to discuss fraud and abuse initiatives and current health plan processes.

    These forums continue to provide excellent discussion and feedback on proposed processes, and provide finalized policy in the form of our "Dear Provider" letters and policy transmittals. Through these forums, the Agency continues its initiatives on process and program improvement. In conference call forums, the focus during this quarter has been on operational updates and information exchange.

Medicaid Reform Technical Advisory Panel

The seven-member TAP did not hold a meeting during this quarter.

Policy Transmittals and "Dear Provider" Letters

During this quarter, there were no "Dear Provider" letters and one policy transmittal released to the health plans. The policy transmittal advised FFS health plans of updated paper claims processing information.

There were also several "Dear Provider" e-mails sent to provide updated information on the Medicaid program. Issues addressed in the "Dear Provider" e-mails included the following:

- Information regarding quarterly changes to the electronic Report Guide for the contract covering the period September 1, 2012 through August 31, 2015;
- Information on health plan capitation rate development for the September 1, 2012 through August 31, 2013 contract year; and
- Notice regarding distribution of the final draft of the 2012-15 Medicaid Health Plan Contract, effective September 1, 2012.

Technical and Operational Issues Conference Calls

During this quarter, the Agency conducted three Technical and Operational Issues conference calls with health plans and health plan applicants. Two additional calls were held by the Agency to discuss encounter data requirements.

Approximately 20 participants attended in person and the popularity of these calls continues to be shown by over 150 phone lines in active use on the calls. The agenda items discussed on this quarter's calls were as follows:

- Direct secure messaging reminder and update;

- General amendment, report guide, and 2012-15 contract updates;
- Health plan rate development update regarding September 2012 rates;
- Medicaid Fiscal Agent call center support for encounter data inquiries and pharmacy encounter claim submission; and
- Enrollment file, assignment process and provider mass registration updates.

Two additional meetings/calls were held by the Agency to discuss capitation rate development.

FFS PSN Systems Implementation Issues Conference Calls

There was one call held during this quarter, attended by over 40 participants.

A summary of key items addressed on this call included the following:

- Medicaid Fiscal Agent transition issues relative to PSN enrollment and claims processing,
- Revisions requested by the PSNs in terms of the electronic remittance advice that they receive, and
- Claims processing changes in the queue until their priority status for systems change reaches a higher priority level.

In addition to this call, the Agency continued to coordinate technical assistance between specific providers and their PSNs to assist providers in getting their claims issues addressed. However, while this function is still available, it has been needed only occasionally. Modification of the current claims process (to streamline the claims processing function) for FFS PSNs remains under consideration.

General Amendment/Contract Overview/Training Calls and Meetings

During this quarter, there were no general amendment/contract overview or training calls and meetings with all health plans. Regarding the 2012-2015 Medicaid Health Plan Model Contract draft, the Agency provided the health plans with a final draft contract and indicated areas where the contract had changed. Contracts were sent to the health plans for execution in August 2012.

Fraud and Abuse Meetings

During this quarter, the Agency held a fraud and abuse meeting on September 13, 2012, for all health plans. The training was located in Tampa, Florida at one of the health plan's offices. The fraud and abuse meeting included the following:

- Government agencies sharing about processes that are integral to the health plans' anti-fraud efforts;
- Discussion about operational issues (Agency site visits, provision of information regarding terminated providers, registration processes);
- Health plans sharing concerns or needs about more effectively addressing fraud,
- Presentations by the Agency on current program integrity projects; and

- Presentations by various health plans regarding fraud schemes seen or anticipated, and discussion on how best to address (prevention, detection, investigation, enforcement, and prosecution).

Over 60 persons attended the training, with representation from most Medicaid health plans. The next meeting is tentatively scheduled for December 2012.

Remainder of page intentionally left blank.

Attachment I
PSN Complaints/Issues

PSN Complaints/Issues (July 1, 2012 – September 30, 2012)	
PSN Informal Issue	**Action Taken**
1. A PSN enrollee experienced a problem in obtaining necessary medication.	The PSN authorized the medication.
2. The parent of a PSN enrollee needed assistance in gaining approval for their child to receive a non-generic medication.	The PSN contacted the enrollee's doctor and gave the parent the information needed to obtain authorization for the medication.
3. A provider complained that they were not paid for claims because the health plan reported that an enrollee was inactive.	The PSN reported that enrollee files were updated and the claims were approved and forwarded to the Medicaid Fiscal Agent for payment.
4. A PSN enrollee complained about paying out of pocket for a hospital visit.	The PSN approved the claims and advised the hospital to cease attempts to bill the enrollee.
5. A PSN enrollee complained about being billed for services.	The PSN updated their records and processed the claim for payment.
6. A PSN enrollee experienced a problem obtaining medication.	The PSN reported that the pharmacy denied refill of the prescription because the enrollee was not eligible for a refill at the time requested.
7. A PSN enrollee experienced difficulty in obtaining a provider after moving to a new location.	The PSN contacted the enrollee with a list of providers in her area.
8. A PSN enrollee complained about obtaining authorization for a medical procedure.	The PSN authorized the request for the procedure.
9. A PSN enrollee complained about the length of time incurred to receive authorization for services.	The PSN contacted the enrollee and explained to process of obtaining authorization.
10. A provider complained about the health plan's credentialing procedure.	The PSN contacted the provider and explained the process.
11. The parent of a PSN enrollee experienced difficulty in obtaining child's medication.	The PSN authorized the medication.

Attachment II
HMO Complaints/Issues

HMO Complaints/Issues (July 1, 2012 – September 30, 2012)	
HMO Informal Issue	**Action Taken**
1. An HMO enrollee requested a translator for medical appointments.	The HMO made arrangements for a translator.
2. A provider complained that an HMO has not paid claims for six months.	The HMO corrected the claims and reprocessed the payment.
3. A provider complained of lack of payment.	The HMO made an adjustment and the provider was paid.
4. A provider experienced difficulty having a medical claim paid.	The HMO paid the claim.
5. An HMO enrollee requested a new Primary Care Provider (PCP).	The HMO assisted the enrollee in obtaining a PCP.
6. The parent of an HMO enrollee complained they were unable to obtain medication for their child.	The HMO arranged an appointment with the enrollee's physician and the physician authorized the medication.
7. A provider experienced problems in receiving payment for claims.	An adjustment was made and the HMO paid the claims.
8. An HMO enrollee needed assistance in arranging follow-up care.	The HMO authorized the request for follow-up care.
9. An HMO enrollee complained that they were denied medication and access to a dentist and a podiatrist.	The HMO upheld the denial of medication because it was prescribed for a diagnosis that is not covered. The HMO assisted the enrollee in finding the necessary providers.
10. An HMO enrollee reported difficulty finding a pediatric dentist.	The HMO provided the information of a suitable provider.
11. An HMO enrollee complained that their current provider does not participate in their new health plan.	The HMO authorized the use of the current provider.
12. A provider complained that an HMO was not properly adhering to the guidelines of paying for services.	The HMO upheld the denial of payment because it was properly adhering to guidelines.
13. The guardian of an HMO enrollee required authorization to obtain an out-of-network provider.	The HMO authorized the care and assisted the guardian in arranging an appointment.
14. An HMO enrollee complained about an issue obtaining medication.	The HMO approved the medications.
15. An HMO enrollee requested approval for transplant services.	The HMO authorized the services.

HMO Complaints/Issues (July 1, 2012 – September 30, 2012)	
HMO Informal Issue	**Action Taken**
16. The parent of an HMO enrollee requested dental spacers for their child.	The HMO upheld the denial of the request for spacers because it is not a covered service.
17. An HMO enrollee complained that the translator services provided for medical appointments were not sufficient.	The HMO informed the enrollee that they needed contact the plan three days prior to an appointment to request a specific translator.
18. The guardian of an HMO enrollee complained that the enrollee was denied medication and received a substitute medication that was ineffective.	The HMO authorized the original medication and called the enrollee's pharmacy directly to have the medication prepared.
19. An HMO enrollee complained about being denied the refill of a previously used medication.	The HMO authorized the refill of the medication.
20. An HMO enrollee experienced difficulty in obtaining a provider for her medical condition and medication.	The HMO was unable to find a provider for the enrollee but was able to authorize the supply of medication.
21. The parent of an HMO enrollee was billed for services rendered prior to being retro-enrolled into the plan.	The HMO contacted the provider and made arrangements for the provider to submit the claim for payment.
22. An HMO enrollee needed assistance in having a prior authorization approved.	The HMO was unable to contact the provider and, therefore, could not authorize the prior authorization.
23. An HMO enrollee requested translator services.	The HMO provided the services.
24. A provider requested access to the HMO's provider claims website.	The Agency reported to the provider that they are unable to access the website because they are a non-participating provider.
25. An HMO enrollee experienced issues in securing appointments with a specialist.	The HMO assisted the enrollee in obtaining an appointment.
26. An HMO enrollee complained that they were billed for services provided while they were enrolled in another health plan.	The HMO submitted the claims for payment.

Attachment III
2008 – 2012 Managed Care Performance Measures

	Non-Reform Plans*						Reform Plans*					
Measure	**2008**	**2009**	**2010**	**2011**	**2012**	**Trend**	**2008**	**2009**	**2010**	**2011**	**2012**	**Trend**
Annual Dental Visit**	n/a	n/a	n/a	16.1%	17.6%	increase	15.2%	28.5%	33.4%	34.0%	35.3%	increase
Adolescent Well-Care	41.9%	46.0%	45.7%	49.2%	48.2%	drop	44.2%	46.5%	46.3%	46.2%	47.6%	increase
Controlling Blood Pressure	52.7%	51.6%	53.0%	54.3%	51.5%	flat	46.3%	55.9%	53.4%	46.3%	52.9%	increase
Cervical Cancer Screening	56.6%	53.8%	55.3%	55.6%	55.0%	flat	48.2%	52.2%	50.8%	53.2%	56.8%	increase
Diabetes - HbA1c Testing	74.7%	75.1%	76.4%	79.6%	77.3%	drop	78.9%	80.1%	82.8%	81.9%	82.2%	flat
Diabetes - HbA1c Poor Control (INVERSE)	48.5%	51.7%	46.4%	42.5%	46.6%	drop	48.3%	46.8%	44.9%	48.6%	43.6%	increase
Diabetes - HbA1c Good Control	31.7%	41.4%	44.6%	49.6%	45.5%	drop	32.2%	48.0%	47.5%	43.7%	47.9%	increase
Diabetes - Eye Exam	36.3%	41.9%	48.3%	52.1%	45.2%	drop	35.7%	44.0%	45.4%	49.3%	50.2%	flat
Diabetes - LDL Screening	75.6%	76.3%	77.9%	80.0%	77.4%	drop	80.0%	80.2%	83.5%	81.8%	81.9%	flat
Diabetes - LDL Control	29.5%	29.4%	33.8%	32.8%	34.2%	increase	29.3%	35.5%	36.1%	36.9%	37.8%	flat
Diabetes - Nephropathy	77.1%	76.1%	77.1%	79.0%	77.7%	drop	79.2%	80.3%	81.9%	83.1%	82.3%	flat
Follow-up after Hospitalization for Mental Illness – 7-day	30.5%	37.0%	24.2%	28.4%	37.5%	increase	20.6%	29.3%	25.4%	23.1%	22.7%	flat
Follow-up after Hospitalization for Mental Illness – 30-day	47.0%	51.9%	41.4%	47.9%	56.5%	increase	35.5%	46.6%	41.3%	44.3%	41.2%	drop
Prenatal Care	71.7%	69.1%	69.5%	71.7%	73.1%	increase	66.6%	67.4%	75.2%	68.4%	72.1%	increase
Postpartum Care	58.5%	50.1%	52.7%	54.6%	51.8%	drop	53.0%	51.5%	52.1%	49.3%	52.9%	increase
Well-Child First 15 Months - 0 Visits (INVERSE)	2.8%	3.0%	4.2%	3.3%	3.2%	flat	4.9%	1.6%	6.0%	3.0%	2.1%	increase
Well-Child First 15 Months - 6(+) Visits	44.0%	51.0%	46.1%	51.2%	56.2%	increase	44.4%	49.3%	35.4%	46.5%	58.4%	increase
Well-Child 3-6 Years	71.1%	72.5%	74.9%	74.8%	75.6%	flat	71.3%	75.7%	72.7%	75.0%	75.5%	flat
Adults' Access to Preventive Care – 20-44 Years	n/a	69.1%	67.9%	68.1%	66.2%	drop	n/a	71.8%	71.2%	71.2%	69.8%	drop
Adults' Access to Preventive Care – 45-64 Years	n/a	82.2%	81.2%	81.5%	80.5%	drop	n/a	84.7%	84.9%	85.5%	84.9%	flat
Adults' Access to Preventive Care – 65+ Years	n/a	74.7%	66.9%	69.9%	64.1%	drop	n/a	83.6%	83.7%	84.2%	73.9%	drop
Adults' Access to Preventive Care - total	n/a	73.7%	71.5%	71.9%	69.9%	drop	n/a	77.2%	77.6%	77.0%	75.0%	drop
Antidepressant Medication Mgmt - Acute	n/a	45.6%	46.8%	47.0%	50.4%	increase	n/a	52.0%	56.3%	56.3%	57.4%	increase

	Non-Reform Plans*						Reform Plans*					
Measure	**2008**	**2009**	**2010**	**2011**	**2012**	**Trend**	**2008**	**2009**	**2010**	**2011**	**2012**	**Trend**
Antidepressant Medication Mgmt - Continuation	n/a	31.2%	29.2%	31.4%	33.6%	increase	n/a	29.8%	43.8%	44.0%	43.1%	flat
Appropriate Medications for Asthma***	n/a	87.0%	87.0%	86.6%	82.1%	drop	n/a	83.6%	87.6%	86.0%	81.1%	drop
Breast Cancer Screening	n/a	47.5%	50.1%	50.9%	50.1%	flat	n/a	51.4%	56.9%	59.2%	52.3%	drop
Childhood Immunization Combo 2	n/a	61.8%	71.4%	73.8%	79.1%	increase	n/a	63.6%	70.0%	74.0%	74.8%	flat
Childhood Immunization Combo 3	n/a	52.0%	63.7%	67.6%	72.8%	increase	n/a	53.8%	62.7%	66.9%	69.2%	increase
Frequency of Prenatal Care	n/a	51.6%	54.3%	60.6%	60.2%	flat	n/a	52.6%	46.9%	44.0%	54.4%	increase
Lead Screening in Children	n/a	46.0%	53.1%	53.5%	59.5%	increase	n/a	54.8%	52.0%	54.1%	59.6%	increase
Adult BMI Assessment	n/a	n/a	31.2%	48.3%	58.6%	increase	n/a	n/a	41.9%	52.7%	47.9%	drop
Follow-up Care for Children Prescribed ADHD Medication - Initiation	n/a	n/a	37.8%	37.1%	40.8%	increase	n/a	n/a	43.6%	44.5%	44.4%	flat
Follow-up Care for Children Prescribed ADHD Medication - Continuation****	n/a	n/a	46.6%	46.7%	54.8%	increase	n/a	n/a	n/a	n/a	n/a	N/A
Immunizations for Adolescents Combo 1	n/a	n/a	43.9%	50.2%	56.1%	increase	n/a	n/a	44.1%	43.6%	47.3%	increase

* Data are submitted to the Agency by HMOs and PSNs and are audited by NCQA-certified HEDIS auditors. Data do not include Medicaid FFS or MediPass. Each rate presented for Non-Reform (and for Reform) is the weighted mean across Non-Reform (and Reform) health plans, weighted by the number of eligible members each plan has per measure.

** Annual Dental Visits - only seven of 21 Non-Reform plans cover dental services. Only six of the plans had sufficient denominators to report on this measure in 2012.

*** The specifications for the Appropriate Medications for People with Asthma measure changed this year; therefore, it may not be appropriate to compare results reported in 2012 to prior years.

**** Follow-up Care for Children Prescribed ADHD Medication - Continuation: only three of the 13 Reform plans had sufficient eligible members to report this measure; therefore, no weighted mean has been calculated.

This page intentionally left blank