

Medicaid waiver receives Federal approval

Christine Jordan Sexton, 12/15/2011 - 04:52 PM

Florida Agency for Health Care Administration in Tallahassee, Fla. Photo Credit: Ana Goni-Lessan

Florida's ongoing experiment with Medicaid will continue after the federal government gave the long-sought approval of a sweeping waiver.

The waiver applies only to a five county pilot program that initially started under former Gov. Jeb Bush. But the waiver will set the stage for Florida's pursuit of a statewide overhaul of the safety net health care program that is scheduled to take effect in 2014.

Gov. Rick Scott - a critic of many federal programs and how Medicaid is now handled - said the decision to approve the waiver "illustrates the federal government's recognition of the great successes we've experienced." Scott maintained that the existing pilot program had saved money and has improved access for Medicaid recipients.

"Because of these successes, I look forward to implementing Medicaid reform statewide and allowing all of Florida's Medicaid recipients to receive more efficient, higher quality care," Scott said in a statement.

Florida has been negotiating the waiver for 18 months and had to seek temporary extensions of the pilot program during the back and forth with federal officials. Various sticking points during the negotiations - known as a Medicaid 1115 waiver - had been over items such as the \$1 billion pot of money known as the low income pool as well as medical loss ratios for managed care organizations that participate.

In the end federal officials made several significant changes to the existing pilot program, including imposing a requirement that the health plans in the five pilot counties spend at least 85 percent on direct care to patients. The Republican-controlled Florida Legislature had rejected a similar requirement for the statewide plan that was approved earlier this year.

The new agreement also ends a cap on maximum annual benefits and it calls on the state to put in place restrictions that ensures that hospitals and other providers that receive low income pool money are not receiving payments in excess of the services they receive. Additionally, the state must spend \$50 million of the low income pool money that helps improve the health and care of Medicaid patients, including helping improve poor nutrition and physical inactivity among those enrolled in Medicaid.

The state will have 30 days to review the proposed agreement <http://ahca.myflorida.com/Medicaid/medicaid_reform/pdf/CMS_STCs_and_Authorities_12-15-2011.pdf> the Centers for Medicare and Medicaid Services sent to the state on Thursday.

According to a letter <http://ahca.myflorida.com/Medicaid/medicaid_reform/pdf/CMS_Approval_Letter_12-15-2011.pdf> sent to Agency for Health Care Administration Secretary Liz Dudek the state also chose not to continue the "opt out" program. The opt out program would allow Medicaid patients to direct their Medicaid premium toward employer sponsored health insurance.

The current pilot program operates in Broward, Duval, Nassau, Clay and Baker counties and it requires Medicaid recipients to enroll in managed care programs. While state officials have insisted the program is a success, some reports have pointed out how beneficiaries have had to move from one program to another especially after some health care plans withdrew from the five counties. (Florida Current, 12/15/11)

