

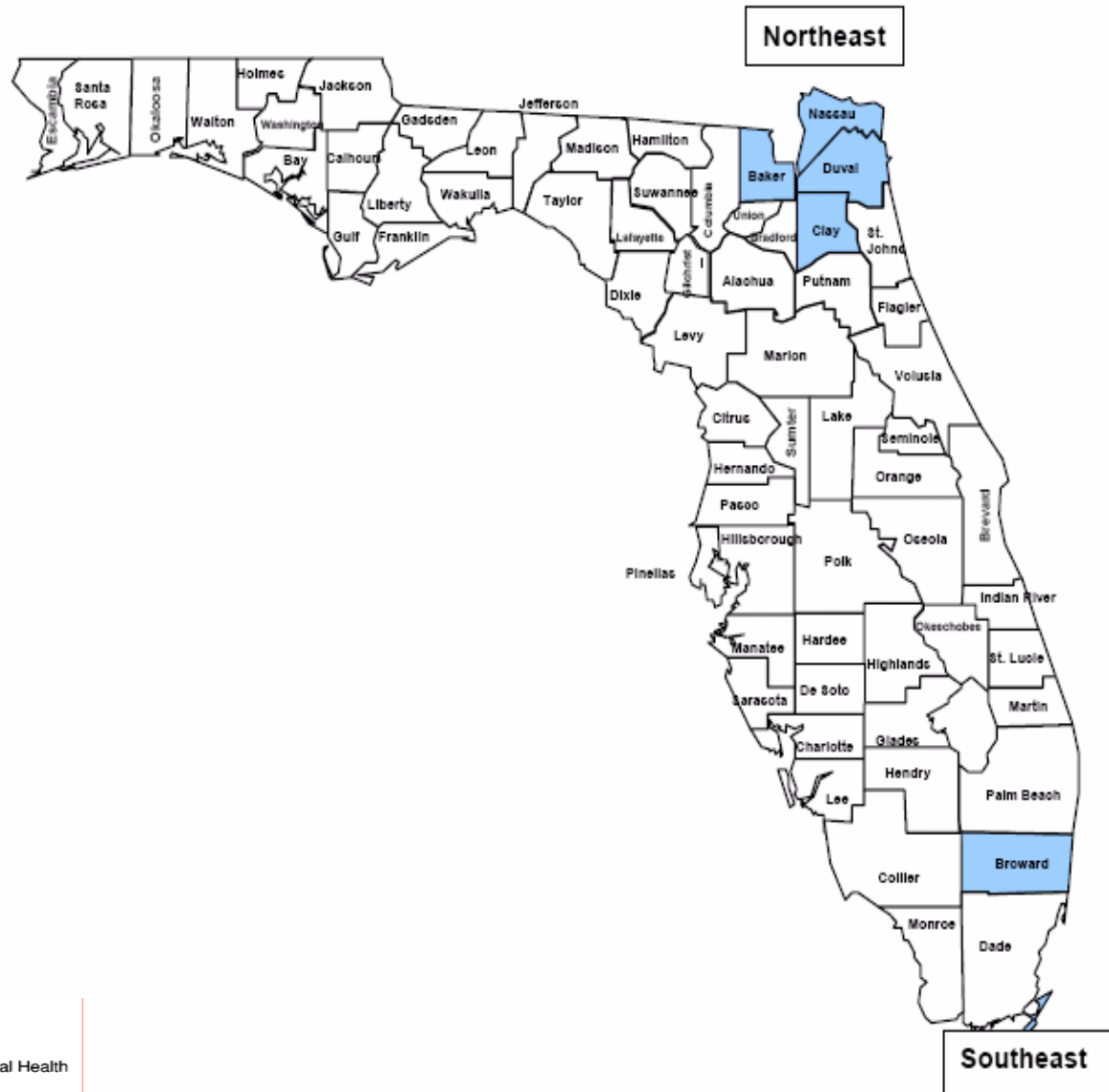
# **Medicaid Reform and Managed Care**

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**Florida Council for  
Community Mental Health**

**April 2007**

# Medicaid Reform Areas



# Reform Implementation Timeline

Phase	Action	Timeframe
I	Broward and Duval County Pilots – Choice Counseling	7/06-9/06
I	Broward and Duval County Pilots - Implementation	10/06-6/07
II	Baker, Clay and Nassau County Pilots	7/07-6/08
III	Statewide Implementation – Mandatory and Voluntary Populations	7/08-6/10
IV	Statewide Implementation – Additional Populations	7/10-6/11

# Reform Plans in Broward/Duval Counties

HMOs	PSNs
AMERIGROUP Community Care (B)	Florida NetPASS (B)
Buena Vista (B)	Pediatric Associates (B)
Health Ease (B, D)	PhyTrust dba Access Health Solutions (B, D)
Humana (B)	South Florida Community Care Network (B)
Preferred Medical Plan (B)	Shands Jacksonville Medical Center dba First Coast Advantage (D)
Staywell (B, D)	Children's Medical Services Network (B)
Total Health Choice (B)	
United Healthcare (B, D)	
Vista Health Plan of South Florida (B)	
Universal Health Care (B, D)	
As of 12/31/06	

## Managed Care Enrollment Broward and Duval Counties

Plan Name	Plan Type	Total # Enrolled	Market Share
Amerigroup	HMO	4,756	4.20%
HealthEase	HMO	24,907	21.98%
Humana	HMO	4,507	3.98%
Preferred Medical Plan	HMO	1,139	1.01%
StayWell	HMO	12,655	11.18%
Total Health Choice	HMO	738	0.65%
United Healthcare	HMO	7,643	6.74%
Vista dba Buena Vista	HMO	2,844	2.51%
Vista South Florida	HMO	1,502	1.33%
Access Health Solutions	PSN	12,889	11.37%
CMS	PSN	141	0.12%
NetPass	PSN	5,727	5.05%
Pediatric Associates	PSN	11,749	10.37%
SFCCN	PSN	7,436	6.56%
Shands/Jax dba First Coast Advantage	PSN	14,678	12.95%
<b>Reform Enrollment Totals</b>		<b>113,321</b>	<b>100.00%</b>

# New Eligible - Voluntary Enrollment Rate

<b>Voluntary Enrollment Rate</b>	
<b>Broward and Duval Combined</b>	<b>60.0%</b>
<b>Broward Only</b>	<b>64.9%</b>
<b>Duval Only</b>	<b>55.3%</b>

# Early Effects of Medicaid Reform/Managed Care

Provider Revenues



HMO Enrollment



Cost Shifts



Service Menu



Use of Specialists



Provider Administrative Burden



Staff Layoffs



# What Else Do HMOs Want?

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- ◆ **Reduce Competition**
- ◆ **Impede Additional PSN Formation**
- ◆ **Guarantee Annual Rate Increases**
- ◆ **Delay Implementation of Risk Adjusted Rates**
- ◆ **Delay Calculation of Capitation Rates Based on Encounter Data**



# 2007 Legislation of Interest

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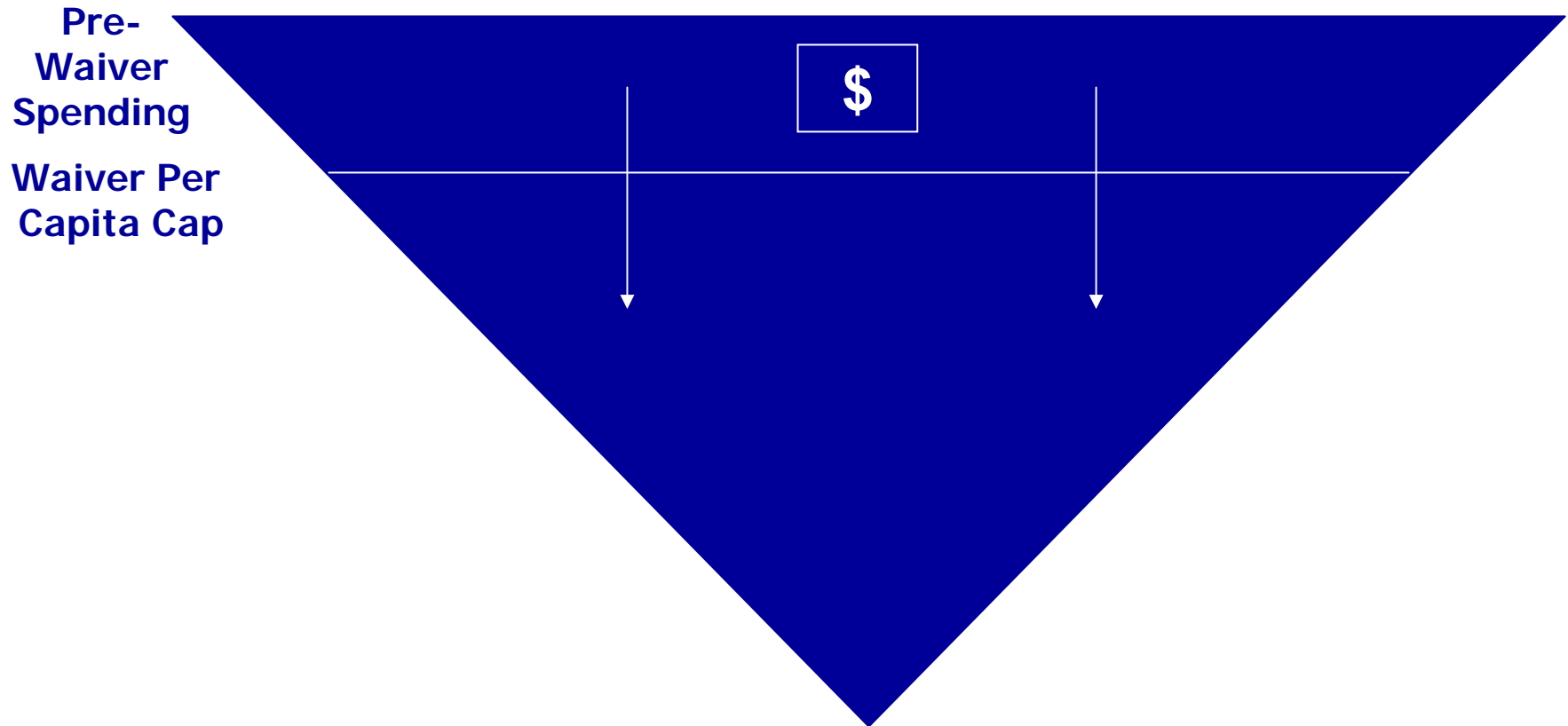
- ◆ **SB 542 (Margolis)/HB 1477 (Ausley) – Local/State Investment Grant Program**
- ◆ **SB 1690 (Rich) – PSN**
- ◆ **House PCB – PSN/Self-Directed Care**
- ◆ **Multiple Affordable Housing Related Bills**
- ◆ **SB 2182 (Bennett)/HB 899 (Troutman) – HMO/PSN Restrictions**
- ◆ **SB 430 (Saunders)/HB 587 (Grimsley) – Mental Health Facilities - Substitute Strike All Amendment**

# Medicaid Managed Care/Reform

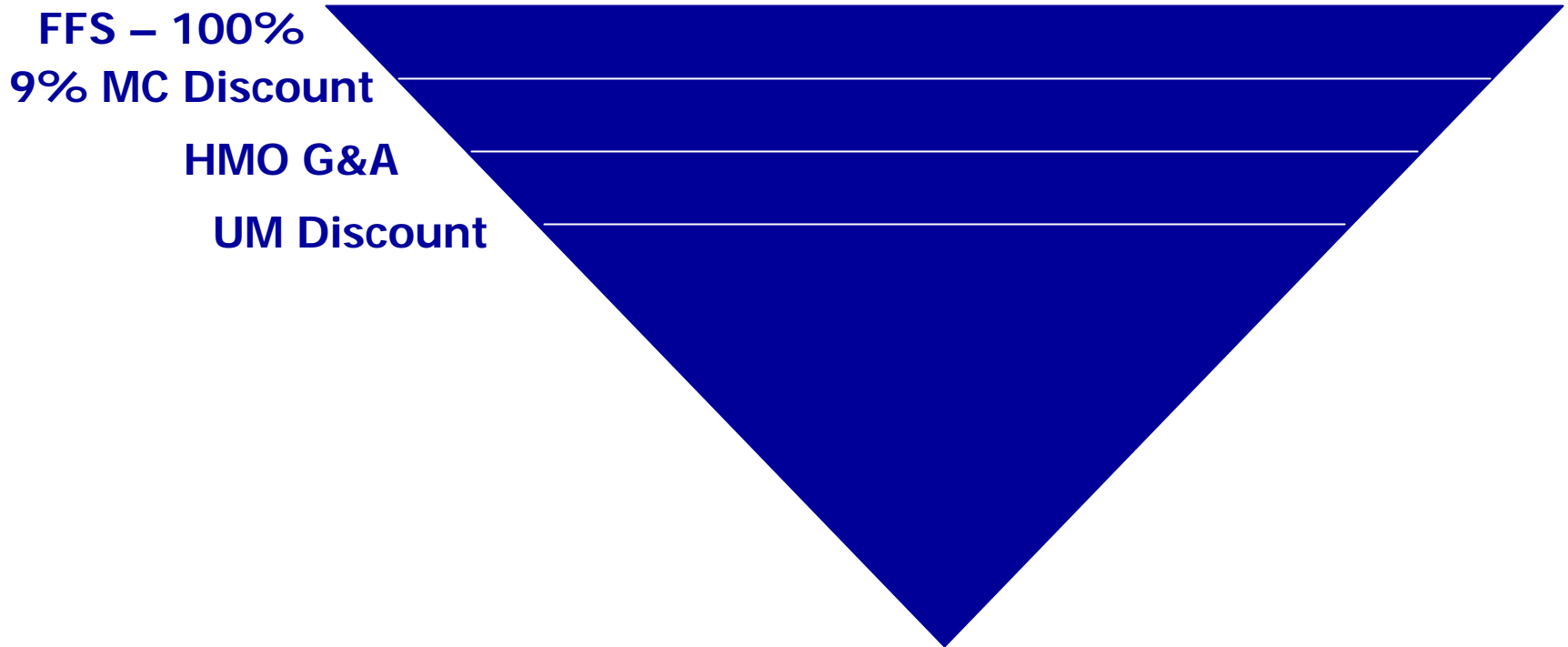
<b>HMO</b>	<b>645,873</b>
<b>MediPass</b>	<b>596,794</b>
<b>Other Beneficiaries</b>	<b>786,113</b>
<b>Total</b>	<b>2,028,780</b>
<b>As of 2/07</b>	

- ◆ **FY 2006-07 MCO Reform Population – 201,000**
- ◆ **Estimated 2008 HMO/PSN Enrollment - 1,500,000**
- ◆ **FFS/PMHP Phase Out - 2006-2008**

# Initial Discounting of Health Benefit



# Further Discounting of the Medicaid Benefit



# The HMO Proposal

**FFS**

**80% Medical-Loss  
Requirement**

**HMO Proposal:  
No Medical Loss Ratio  
No Mental Health  
Spending Minimum**

# Implications of Medicaid Reform Accelerated Managed Care Implementation

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- ◆ **Reduced Funding for Mental Health Care**
- ◆ **Loss of Federal Funding**
- ◆ **Loss of Certain Services/Coverages/Programs**
- ◆ **Maintenance of/Reversion to Medical Model of Care**
- ◆ **Consumer Harm**
- ◆ **Cost Shifts**
- ◆ **Damage to Safety Net**
- ◆ **Loss of Infrastructure**
- ◆ **Less DCF Influence on Public Mental Health System**

# Medicaid Managed Mental Health Care HMO/PSN Issues

- ◆ Loss of essential services
- ◆ Disruption of continuity of care
- ◆ Frequent denials of needed services
- ◆ Lack of plan understanding of SPMI/SED populations
- ◆ Failure to meet prompt pay requirements
- ◆ Multiple prior authorization forms/procedures
- ◆ Excessive paperwork requirements
- ◆ Frequent plan audits of providers
- ◆ Decline in provider productivity
- ◆ Increased provider administrative costs
- ◆ Different staff credentialing protocols/requirements
- ◆ Required service termination dates for severely and persistently mentally ill
- ◆ Poor plan communications
- ◆ Sharp drop in beneficiary referrals
- ◆ Sharp drop in community mental health agency Medicaid revenues

# Medicaid Mental Health Managed Care Recommendations

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- ◆ Transition from medical necessity criteria to psychosocial criteria for service authorizations
- ◆ Convert from medical model of care to a recovery-based model of care
- ◆ Redesign Medicaid mental health benefit package to support strong disease management approach
- ◆ Preserve and strengthen application of 80% medical loss ratio
- ◆ Enhance SPMI/SED consumer protections
- ◆ Establish model mental health programs for SPMI/SED populations
- ◆ Expand MCO contract standards relative to mental health benefits and delivery



# Medicaid Mental Health Managed Care Recommendations

## Monitoring

- ◆ Monitor plan adherence to prompt pay requirements
- ◆ Expand AHCA monitoring of plan mental health service authorization and service delivery
- ◆ Closely monitor plan adherence to 80% medical loss ratio throughout the year
- ◆ Increase monitoring/audits of care provided to SPMI/SED individuals (medical record audits)
- ◆ Seek to standardize plan service authorization processes and forms

## Service Model

- ◆ Assess plan mental health service orientation and service protocols
- ◆ Assess plan application of 'medical necessity' criteria

## Planning

- ◆ Convene group of HMOs/PSNs and community mental health agencies to address managed care issues

# **An Integrated Managed Care Option for People with Psychiatric Disabilities**

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- ◆ **Eligibility: Severe or Disabling Psychiatric Disorder – Adults and Children**
- ◆ **Statewide Plan/Guaranteed Access**
- ◆ **Comprehensive Benefits**
- ◆ **Enhanced Care Coordination**
- ◆ **Focus on Treatment of Chronic and Co-Morbid Conditions**
- ◆ **Safety Net Provider-Based Model**
- ◆ **Continuum of Health, Social and Support Services**
- ◆ **Consumer Driven and Responsive**

**ANOTHER CHOICE FOR CONSUMERS**

# The Special Needs Plan

## A Commitment to...

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>◆ Integration, Coordination, Collaboration</li><li>◆ Improved Management of Mental Illness and Co-Morbid Conditions</li><li>◆ Disability Competent Plan</li><li>◆ Intensive Care Management/Health Management</li><li>◆ Early Intervention</li><li>◆ A Comprehensive and Individualized Benefit Package</li><li>◆ Improved Access to Community-Based Services and Supports</li><li>◆ Enhanced Quality Management and Accountability</li><li>◆ Best Practices</li></ul> | <ul style="list-style-type: none"><li>◆ Improved Support for Families/Caregivers</li><li>◆ Reinvestment of Savings</li><li>◆ A New Consumer- and Provider-Friendly Managed Care Model</li><li>◆ Acting as a Primary Link to the Disability Community</li><li>◆ Improved Consumer Outcomes</li><li>◆ Protection of Community Safety Net</li><li>◆ One-Stop Service</li><li>◆ Model System of Care</li><li>◆ Service Innovations</li><li>◆ A Community Affiliated Plan</li></ul> |
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