Health & Human Services Committee

Friday, January 23, 2015
9:00 AM - 11:00 AM
Morris Hall

Steve Crisafulli
Speaker

Jason Brodeur
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Health & Human Services Committee

Start Date and Time: Friday, January 23, 2015 09:00 am

End Date and Time: Friday, January 23, 2015 11:00 am

Location: Morris Hall (17 HOB)

Duration: 2.00 hrs

Statewide Medicaid Managed Care implementation update by the Agency for Health Care Administration

Briefing on Florida's health insurance market by the Office of Insurance Regulation

NOTICE FINALIZED on 01/16/2015 13:29 by Iseminger.Bobbye

Statewide Medicaid
Managed Care - AHCA

Update on the Statewide Medicaid Managed Care Program

Justin M. Senior
Deputy Secretary for Medicaid
Agency for Health Care Administration

House Health & Human Services
January 23, 2015

Better Health Care for All Floridians
AHCA.MyFlorida.com

The Statewide Medicaid Managed Care Program

- In 2011, the Florida Legislature required the Agency to expand managed care statewide for most Medicaid recipients.
- The Agency successfully implemented the Statewide Medicaid Managed Care (SMMC) program August 1, 2013, through August 1, 2014.
- The program has two components: the Long-Term Care (LTC) program and the Managed Medical Assistance (MMA) program.
  - MMA covers most recipients of any age who are eligible to receive full Medicaid benefits.
  - LTC covers most recipients 18 years of age or older who need nursing facility level of care.

SMMC Program Goals

The goals of the Statewide Medicaid Managed Care Program are:

- To improve coordination of care
- Improve the health of recipients, not just paying claims when people are sick
- Enhance accountability
- Allow recipients a choice of plans and benefit packages
- Allow plans the flexibility to offer services not otherwise covered
- Enhance prevention of fraud and abuse through contract requirements.

SMMC Program Elements

- Plan Choice
- HMOs and PSNs (provider service networks)
- Comprehensive Plans in LTC
- Specialty Plans in MMA
- Choice of Benefit Package
- Choice Counseling
- Risk Adjusted Rates
- Low Income Pool

SMMC Program Enhancements: Expanded Benefits

- The Agency negotiated with health plans to provide extra benefits at no cost to the state. These benefits include:
  - Adult dental
  - Hearing and vision coverage
  - Outpatient hospital coverage
  - Physician coverage, among many others.

SMMC Program Enhancements: Network Adequacy Standards

- Time and distance standards
- Ratios of patients to providers
- Increasing the number of primary care and specialist providers accepting new Medicaid enrollees
- Increasing the number of primary care providers that offer appointments after normal business hours
- Extremely low level of complaints/issues.

SMMC Program Enhancements: Network Adequacy Standards (cont.)

Managed Medical Assistance Provider Network Standards Table					
Urban County		Rural County		Regional Provider Ratios	
Required Providers	Maximum Time (minutes)	Maximum Distance (miles)	Maximum Time (minutes)	Maximum Distance (miles)	Providers per Recipient
Primary Care Providers	30	20	30	20	1:1,500 enrollees
Specialists					
Adolescent Medicine	100	75	110	90	1:31,200 enrollees
Cardiology (Pediatrics)	100	75	110	90	1:16,667 enrollees
Endocrinology (Pediatrics)	100	75	110	90	1:20,000 enrollees
Nephrology (Pediatrics)	100	75	110	90	1:39,600 enrollees
Neurology (Pediatrics)	100	75	110	90	1:22,800 enrollees
Pediatrics	50	35	75	60	1:1,500 enrollees
Therapist (Occupational)	50	35	75	60	1:1,500 enrollees
Therapist (Speech)	50	35	75	60	1:1,500 enrollees
Therapist (Physical)	50	35	75	60	1:1,500 enrollees
Therapist (Respiratory)	100	75	110	90	1:8,600 enrollees

SMMC Program Enhancements: Physician Pay Increase

- Plans must increase physician payment until rates equal or exceed Medicare rates for similar services.
  - The Agency may impose fines or other sanctions including liquidated damages on a plan that fails to meet this performance standard after 2 years of continuous operation.

SMMC Program Enhancements: Types of MMA Plans

- Standard Plan
  - Offers most Medicaid services
- Comprehensive Plan
  - Offers both Long-term Care and Managed Medical Assistance services
- Specialty Plan
  - Serves Medicaid recipients who meet specified criteria based on age, medical condition, or diagnosis.

SMMC Program Enhancements: MMA Plan Accreditation

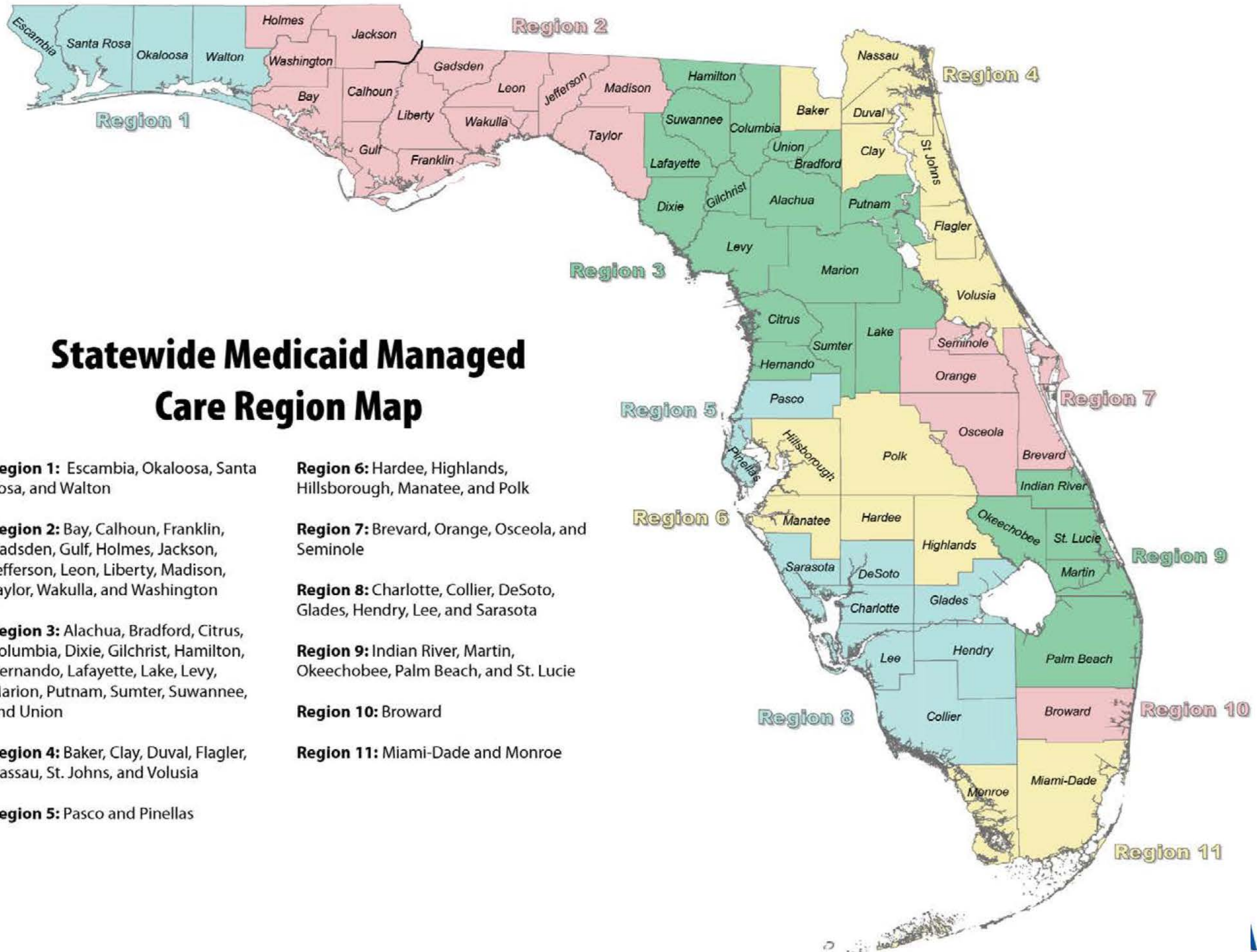
- Each managed care plan must be accredited by the National Committee for Quality Assurance, the Joint Commission, or another nationally recognized accrediting body, or have initiated the accreditation process, within 1 year after the contract is executed.
- For any plan not accredited within 18 months after executing the contract, the agency shall suspend automatic assignment.

Additional SMMC Program Enhancements

- More timely claims processing timeframes than required in state and federal regulations.
- More timely processing of standard and expedited prior authorization requests.
- Stringent call center performance standards.

Selecting SMMC Plans

- Health plan contracts were competitively procured in each of 11 regions.
- The Agency received bids and awarded contracts to HMOs and Provider Service Networks (PSNs).
- Contracts are for a five-year contract period.


Statewide Medicaid Managed Care Region Map
Region 1: Escambia, Okaloosa, Santa Rosa, and Walton
Region 2: Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Madison, Taylor, Wakulla, and Washington
Region 3: Alachua, Bradford, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Putnam, Sumter, Suwannee, and Union
Region 4: Baker, Clay, Duval, Flagler, Nassau, St. Johns, and Volusia
Region 5: Pasco and Pinellas
Region 6: Hardee, Highlands, Hillsborough, Manatee, and Polk
Region 7: Brevard, Orange, Osceola, and Seminole
Region 8: Charlotte, Collier, DeSoto, Glades, Hendry, Lee, and Sarasota
Region 9: Indian River, Martin, Okeechobee, Palm Beach, and St. Lucie
Region 10: Broward
Region 11: Miami-Dade and Monroe
Region 1
Region 2
Region 3
Region 4
Region 5
Region 6
Region 7
Region 8
Region 9
Region 10
Region 11
Escambia
Santa Rosa
Okaloosa
Walton
Holmes
Jackson
Washington
Gadsden
Bay
Calhoun
Liberty
Leon
Jefferson
Madison
Wakulla
Gulf
Franklin
Taylor
Hamilton
Suwannee
Columbia
Baker
Nassau
Duval
Union
Bradford
Clay
St Johns
Lafayette
Dixie
Gilchrist
Alachua
Putnam
Flagler
Levy
Marion
Volusia
Citrus
Lake
Sumter
Seminole
Hernando
Orange
Pasco
Osceola
Pinellas
Hillsborough
Polk
Brevard
Indian River
Manatee
Hardee
Okeechobee
St. Lucie
Highlands
Sarasota
DeSoto
Martin
Glades
Charlotte
Hendry
Lee
Palm Beach
Collier
Broward
Monroe
Miami-Dade
Revised 09-26-2013

MMA: Standard and Comprehensive Plans

Region	Amerigroup	Better Health	Coventry	Humana	Integral	Molina	Preferred	Prestige	SFCCN	Simply	Sunshine	United Healthcare	Staywell
1				X	X								
2								X					X
3								X			C	C	X
4						X					C	C	X
5	X							X			C		X
6	X	X		X	X			X			C		X
7	X					X		X			C	C	X
8					X			X			C		X
9				X		X		X			C		
10		X		C					X		C		
11	C		C	C		C	X	X		X	C	C	X

MMA: Specialty Plans

Region	Children's Medical Services Network Children with Special Health Care needs	Clear Health Alliance HIV/AIDS	Freedom Health, Inc. Chronic Duals	Magellan Complete Care Serious Mental Illness	Positive Healthcare Florida HIV/AIDS	Sunshine Health Plan, Inc. Child Welfare
1	X	X				X
2	X	X		X		X
3	X	X	X			X
4	X			X		X
5	X	X	X	X		X
6	X	X	X	X		X
7	X	X	X	X		X
8	X	X	X			X
9	X	X	X	X		X
10	X	X	X	X	X	X
11	X	X	X	X	X	X

LTC: Plans

Region	LTC Plans						
	American Eldercare, Inc.	Amerigroup Florida, Inc.	Coventry Health Plan	Humana Medical Plan, Inc.	Molina Healthcare of Florida, Inc.	Sunshine Health Plan	United Healthcare of Florida, Inc.
1	X					X	
2	X						X
3	X					X	X
4	X			X		X	X
5	X				X	X	X
6	X		X		X	X	X
7	X		X			X	X
8	X					X	X
9	X		X			X	X
10	X	X		X		X	
11	X	X	X	X	X	X	X

SMMC Rollout: Transition Goals

- Long-term Care:
  1. No missed services
  2. No enrollee forced to move from their residence
  3. Providers get paid
  4. Plans get paid
- Managed Medical Assistance:
  1. Preserve Continuity of Care
  2. Plans have sufficient provider networks
  3. Providers get paid
  4. Choice Counseling have sufficient capacity to handle the transition volume

SMMC Rollout: Achieving Transition Goals

- The Agency put into place several provisions to ensure goals were achieved and pitfalls avoided:
  - Regional rollout (LTC and MMA)
  - Choice counseling (LTC and MMA)
  - Continuity of care provisions (LTC and MMA)
    - Pharmacy Services (MMA)
    - Data Transfer (LTC and MMA)
  - Outbound calls to HCBS recipients (LTC)
  - Special efforts with assisted living facilities (LTC)
  - Centralized issues hub (LTC and MMA)
  - Comprehensive outreach approach (LTC and MMA)

SMMC Rollout:
Regional Rollout Schedule

- The Agency used a regional rollout schedule to ensure adequate bandwidth for Choice Counseling.
- Provided the Agency an opportunity to make adjustments based on "lessons learned" if needed.

SMMC Rollout: Choice Counseling

- Assists recipients to select plans that best meets their needs based on:
  - Provider network
  - Additional benefits available under each plan
- Assists recipients by phone, internet, and in person:
  - Interactive phone voice response system 24 hours a day.
  - Direct phone access to a choice counselor.
  - Choice counseling website.
  - Recipients with special needs can request a face-to-face meeting.
  - During the LTC rollout, choice counselors performed extensive face-to-face counseling both with individual residents and at LTC facilities.

SMMC Rollout: Choice Levels are High

- Nearly 70% of the people chose the plan they joined.
  - 34% of Medicaid recipients actively chose their plan in the MMA choice period, either by phone, or on the web.
  - 31% remained in a plan they had previously chosen.
  - 3% called and were choice counseled, but then made no selection and stayed in plan in which they were auto assigned.
  - Many recipients also visited the Choice Counseling website, but did not change the plan to which the Agency auto-assigned them.

SMMC Rollout: Enrollment

- LTC Program:
  - 85,169 recipients enrolled in LTC plans as of December 1, 2014.
- MMA Program:
  - 3,053,463 recipients enrolled in MMA plans, or pending enrollment as of December 31, 2014

SMMC Rollout: Continuity of Care

- Plans were required to continue payments to existing providers – including non-participating providers - at the prior rate during this period or until the provider entered into contract with the health plan.
- Ensured that recipients did not experience a break in services or care coordination while transitioning:
  - From one service delivery system to another;
  - From one managed care plan to another; or
  - From one service provider to another.

SMMC Rollout: Continuity of Care (cont.)

- **<u>Pharmacy Services:</u>** Ensure recipients receive their prescriptions on day one of enrollment.
  - Allowed open pharmacy networks (rather than contract-only limited networks) for the first 60 days of operation in each region.
  - Communicated to plans that existing approved prescriptions must be allowed without prior authorization during the transition period.
  - Gave pharmacies recipient plan enrollment information at point of sale
- Virtually eliminated problems accessing pharmacy services during the transition to the MMA program.

SMMC Rollout: Continuity of Care (cont.)

- **Data Transfer:** Provided health plans with specific data about each new enrollee.

MMA	• Data assisted plans with continuing ongoing treatments.
LTC	• Data assisted plans in completing assessments of transitioning recipients.

SMMC Rollout: Calls to Home and Community Based Recipients

- Following each regional rollout, the Agency and DOEA staff contacted HCBS recipients (living in the community) via phone calls.
  - Contacted most recipients in small regions
  - Contacted a large sample of recipients in large regions
- Recipients were asked if they were having any issues receiving services.
  - Any issues were submitted to the SMMC centralized hub for further handling.
- Approximately 9,800 calls were made.

SMMC Rollout: Special Efforts with Assisted Living Facilities

- Gave plans lists of ALFs with number of Medicaid LTC enrollees in residence.
- Six weeks prior to rollout in a region, began weekly calls with plans on their progress towards contracting with ALFs.
- Master tracking sheet reviewed weekly by management team.
- Medicaid staff called or visited ALFs that were not contracted.

SMMC Rollout: Centralized Issues Hub

- Allows the Agency to streamline and better track and respond to all complaints and issues received.
- Provides a mechanism to review trends in related to specific issues, or complaints against specific plans.

SMMC Rollout: Additional Challenges

- Some services are being provided across the state by managed care plans for the first time.
  - Includes dental, non-emergency transportation, behavioral health.
- Some populations who were not required to enroll in managed care previously must enroll.
  - Includes dual-eligibles, those who are eligible for Medicaid because of pregnancy, and those formerly enrolled in the MediPass program.

Next Steps:
Report Cards

- Enrollees will soon be able to choose plans based upon quality.
- In the early part of 2015, Medicaid will begin publishing a consumer-focused Medicaid health plan report card.
- The report card will include ratings on how Florida's managed care plans are doing on getting children into well-child visits and to dental care.

Next Steps: Achieved Savings Rebate

- A percentage of savings achieved by health plans is retained by the plan and a percentage of savings achieved is returned to the state.
- The Agency is responsible for verifying achieved savings through compliance audits on plan financial reports conducted by an independent certified public accountant. Plans are responsible for the costs of the audits.

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Next Steps: Encounter Data

- Encounter data are electronic records of services provided to Medicaid enrollees by a capitated health plan.
- Encounter data are submitted in a federally-mandated HIPAA-compliant format from health plans to the Florida Medicaid Management Information System.
- The Agency has collected encounter data since 2008, but the data will be used more prominently in the SMMC program.

Next Steps: Encounter Data (cont.)

- The Agency will use encounter data for three primary purposes:
  - **Transparency:** Information from encounter data will be available to external stakeholders.
  - **Performance and Quality:** Monitoring plans on a variety of metrics to ensure performance and quality measures are being met.
  - **Rate Setting:** Encounter data will be critical in setting appropriate plan reimbursement levels.

Next Steps: Encounter Data (cont.)

- Possible performance measures:
  - Diabetes Short-Term Complications Admission Rate
  - Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate
  - Heart Failure Admission Rate
  - Asthma in Younger Adults Admission Rate

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Questions?

Briefing on FL's Health
Insurance Market - OIR

FLORIDA OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
Insurance Commissioner

Patient Protection & Affordable Care Act (PPACA)

House Health & Human Services Committee
January 23, 2015

Rich Robleto
Deputy Commissioner - Life & Health

PPACA Overview

- Guaranteed issue
- Prohibition on rating for gender or pre-existing medical condition
- Compression ratio for age rating (3-to-1)
- Essential Health Benefits
- Employer mandate - delayed one year/two years
- Individual mandate - "delayed for certain individuals"
- PPACA taxes and fees
- Exchange subsidies for 100% - 400% of poverty level
- Transitional plans authorized to be renewable until October 2016

Florida Office of Insurance Regulation

SB 1842 --- Primary Provisions

- Rate filings informational for Major Medical products during plan years 2014/2015
- Dissolution of Florida Comprehensive Health Association (FCHA)
- Allows bifurcation of non-grandfathered/grandfathered plans
- Authorized a State/Federal Collaborative Arrangement
- Different pooling for grandfathered/non-grandfathered plans
- September 1, 2013 - PPACA premium notice requirement

Collaborative Arrangement

OIR reviews all form and rate filings

- Establishes compliance with Florida laws and rules
- Identifies issues with Federal laws and regulations
- Notifies the U.S. Department of Health & Human Services (HHS) if filer does not voluntarily remedy potential federal non-compliance

OIR conducts Market Conduct investigation or exams

- Establishes compliance with Florida laws and rules
- Identifies issues with Federal laws and regulations
- Notifies HHS if insurer does not voluntarily remedy potential federal non-compliance

FLORIDA OFFICE OF INSURANCE REGULATION

Average Individual Market Premiums

2013	2014	2015	Percentage Change
$234	$364	$412	76.1%

2013

- Varied Benefit Scope
- 98% Health Underwritten

2014/2015

- Minimum Essential Coverage
- Guaranteed Issue

- Source - 2013 GAP Report, 2014/15 PPACA Rate Filings

Centers for Medicare & Medicaid Services (CMS) Rules Issued in 2014

PPACA Exchange and Insurance Market Standards for 2015 and Beyond

- Established fixed indemnity as secondary products
- Addressed federal and state navigator regulation
- Product withdrawal and modifications
- Coordinated Health Insurance Portability and Accountability Act (HIPAA) and PPACA
- Clarified premium stabilization programs
- Civil money penalty clarifications
- Technical changes to Minimum Loss Ratio calculations

CMS Rules Issued in 2014 (continued)

Summary of 2016 Benefit Payment and Parameters Rule

- Modifications to premium stabilization programs
- New cost sharing maximums
- Federally-facilitated Exchange (FFE) User fee
- Enhanced transparency and effectiveness of rate review program
- Modified rules for minimum essential coverage
- New open enrollment period
- Minor amendments to Small Business Health Options Program (SHOP) provisions
- Enhanced Summary of Benefits
- Marketplace suppression guidelines
- Network adequacy modifications

Market Update

Individual Market			
	Carriers		Premium Increase
	2014	2015	
On-Exchange	11	14	13.5%
Off-Exchange Only	6	7	0.0%

Small Group Market			
	Carriers		Premium Increase
	2014	2015	
On-Exchange	5	6	11.4%
Off-Exchange Only	15	13	5.7%

- Source - PPACA Rate Filings

Enrollment by Market
2013 vs. 2014

	12/31/13	8/31/14
Individual	814,531	1,561,919
Small Group	746,408	604,871

- Source - 12/31/13 Accident & Health Markets Gross Annual Premium & Enrollment (GAP) Report , 8/31/14 Office Data Call
- For GAP Data – Conversion is considered individual; Sole Proprietor-Group of one considered to be small group

Florida Office of Insurance Regulation

Individual Market Enrollment By Product Type - 2014

	PPACA Compliant	Transitional	Grandfathered	Total
Total	1,008,057	409,206	144,656	1,561,919
On-Exchange	850,351	N/A	N/A	850,351
Off-Exchange	157,706	409,206	144,656	711,568

• Source - Based on Office Data Call (as of August 31, 2014)

Small Group Market Enrollment By Product Type - 2014

	PPACA Compliant	Transitional	Grandfathered	Total
Total	108,042	326,432	170,397	604,871
On-Exchange	459	N/A	N/A	459
Off-Exchange	107,583	326,432	170,397	604,412

- Source - Based on Office Data Call (as of August 31, 2014)

Sample Individual Market Premiums & Net Costs

Sumter County – Silver Plan

Individual Age 28 $27,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$303	$252	$32	$219
	2015	$307	$288	$75	$214
	% Change	1%	15%	132%	-3%

Family 2 Aged 40 Adults 2 Children $51,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$1,067	$886	$417	$469
	2015	$1,081	$1015	$567	$448
	% Change	1%	15%	36%	-4%

- Source - 2015 PPACA Rate Filings

Florida Office of Insurance Regulation

Sample Individual Market Premiums & Net Costs

Hillsborough County – Silver Plan

Individual Age 28 $27,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$267	$251	$37	$220
	2015	$287	$270	$32	$238
	% Change	7%	5%	-14%	8%

Family 2 Aged 40 Adults 2 Children $51,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$941	$905	$435	$470
	2015	$1,010	$949	$417	$533
	% Change	7%	5%	-4%	13%

- Source - 2015 PPACA Rate Filings

Florida Office of Insurance Regulation

Sample Individual Market Premiums & Net Costs

Miami-Dade – Silver Plan

Individual Age 28 $27,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$319	$305	$60	$245
	2015	$309	$308	$47	$261
	% Change	-3%	1%	-20%	7%

Family 2 Aged 40 Adults 2 Children $51,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$1,123	$1072	$514	$559
	2015	$1,086	$1085	$471	$615
	% Change	-3%	1%	-8%	10%

• Source - 2015 PPACA Rate Filings

Sample Individual Market Premiums & Net Costs

Brevard County – Silver Plan

Individual Age 28 $27,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$261	$261	$52	$208
	2015	$307	$296	$82	$214
	% Change	17%	14%	57%	3%

Family 2 Aged 40 Adults 2 Children $51,000/yr. income		Off-Exchange Only	On-Exchange		
		Average Premium/ Net Cost	Average Premium	Subsidy	Net Cost
	2014	$920	$917	$487	$430
	2015	$1,079	$1042	$592	$450
	% Change	17%	14%	22%	5%

- Source - 2015 PPACA Rate Filings

Florida Office of Insurance Regulation

How Premium Changes Affect Subsidies

[Decline in Second-Lowest Silver Premium]

Example: A single person
Salary $1,000 a month (100% of the poverty level)
Calculated premium payment - $20 a month

2014

	Plan A	Plan B	Plan C
Rank	3rd Lowest	2nd Lowest	Lowest
Premium	$300	$250	$225
Subsidy	$230	$230	$230
Final Cost	$70	**$20**	$0

2015

	Plan A	Plan B	Plan C
Rank	2nd Lowest	3rd Lowest	Lowest
Premium	**$230**	$250	$225
Subsidy	$210	$210	$210
Final Cost	$20	**$40**	$15

Florida Office of Insurance Regulation

Questions?

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