



Health & Human Services Committee

**Tuesday, October 10, 2017
12:30 PM – 2:30 PM
Morris Hall (17 HOB)**

**Richard Corcoran
Speaker**

**W. Travis Cummings
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Health & Human Services Committee

Start Date and Time: Tuesday, October 10, 2017 12:30 pm
End Date and Time: Tuesday, October 10, 2017 02:30 pm
Location: Morris Hall (17 HOB)
Duration: 2.00 hrs

Medicaid managed care plan procurement update, by the Agency for Health Care Administration

Implementation update on SB 7022 (2017), state employee group health insurance reforms, by the Department of Management Services

NOTICE FINALIZED on 10/03/2017 3:23PM by Iseminger.Bobbye

Statewide Medicaid Managed Care Re-Procurement Update

Beth Kidder
Deputy Secretary for Medicaid

Presented to:
House Health & Human Services
Committee

October 10, 2017



Statewide Medicaid Managed Care

Eligibles	<ul style="list-style-type: none">• Fourth largest Medicaid population in the nation.• Approximately 4 million Floridians enrolled in the Medicaid program:• 85% of Florida's Medicaid population receives their services through a managed care delivery system.<ul style="list-style-type: none">• 3,132,032 in Managed Medical Assistance Component• 98,420 in Long-Term Care Component
Expenditures	<ul style="list-style-type: none">• Fifth largest nationwide in Medicaid expenditures.• \$26.8 billion estimated expenditures in Fiscal Year 2017-18<ul style="list-style-type: none">• Federal-state matching program – 61.62% federal, 38.38% state.• Average spending: \$6,619 per eligible.• \$17.5 billion estimated expenditure for managed care in 2017-2018



Statewide Medicaid Managed Care (SMMC) Program

- The 2011 Florida Legislature directed the Agency for Health Care Administration (Agency) to implement a statewide Medicaid managed care program.
- The Agency awarded contracts for the provision of managed long-term care (LTC) services and managed medical assistance (MMA) services in 2013 and 2014.
- Statute provides that these contracts be for a five-year period and must be competitively re-procured each five-year period.
- **The new 5-year contract has an estimated value of \$80-90 billion:**



- Estimated state share: \$31-\$35 billion
- Estimated federal share: \$49-\$55 billion

Re-procurement of SMMC Contracts

- July 14, 2017: Invitations to Negotiate (ITN) to re-procure Statewide Medicaid Managed Care health plan contracts released.
- We are in the statutory blackout period where respondents to the ITN or individuals acting on their behalf cannot contact the Agency or any state official about the ITN.
 - Violation of this law could disqualify the bidder.



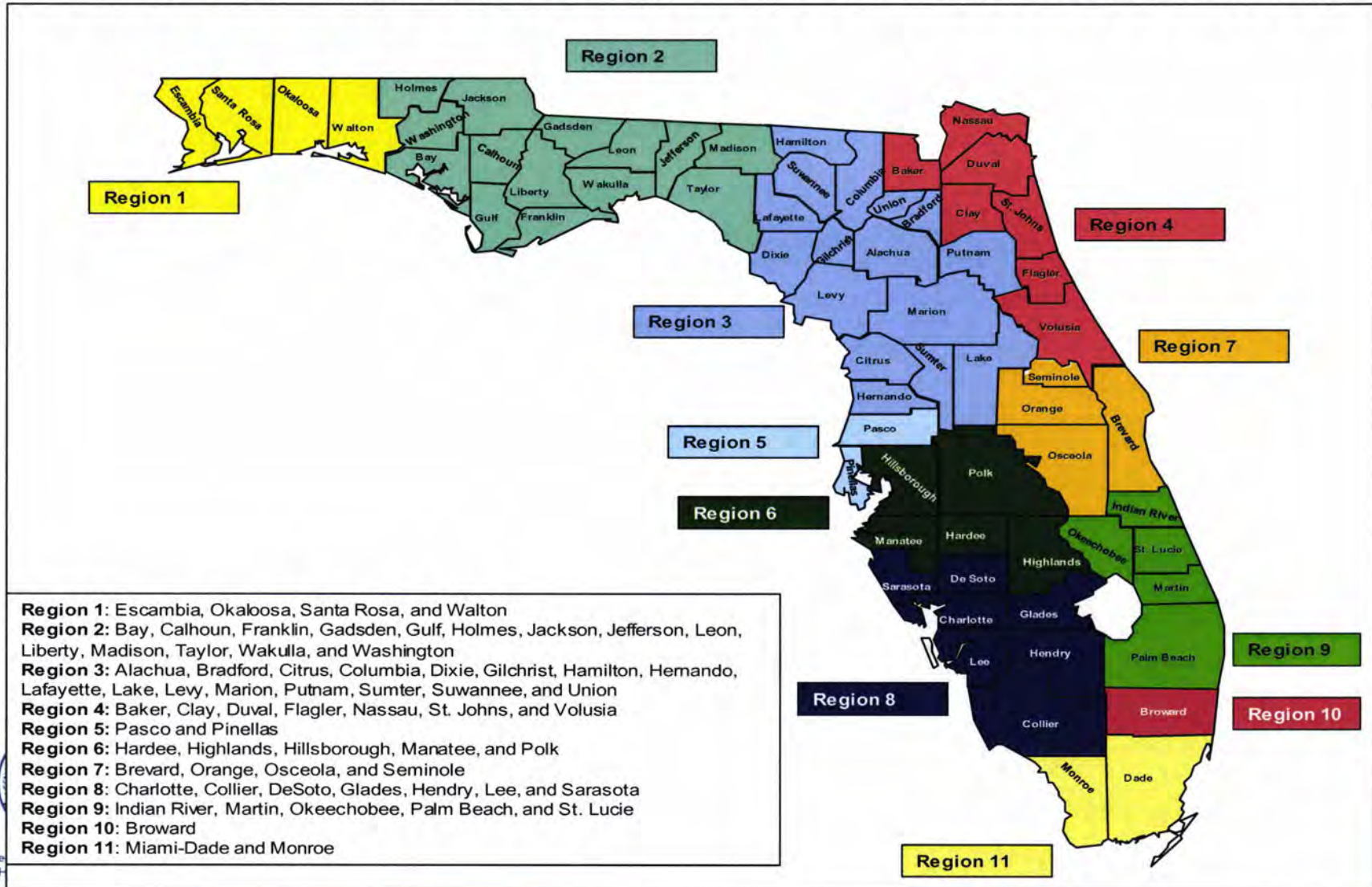
Anticipated ITN Dates

Activity	Date
Vendor Responses Due	November 1
Provider Comments Due	November 20
Posting of Notice of Intent to Award	April 16, 2018
Transition to New Plans	Late 2018/Early 2019



ITN Structure

11 separate regional procurements - one ITN per region for both Long-Term Care and Managed Medical Assistance services.



Reaching Medicaid Goals

- The ITN was structured to require plans to demonstrate how they can help the Agency reach these Medicaid goals:
 - Reduce potentially preventable hospital admissions, readmissions, and emergency department use and use of unnecessary ancillary services
 - Improve birth outcomes
 - Rebalance long-term services and supports systems by increasing the percentage of enrollees receiving services in the community instead of a nursing facility



Links to Medicaid Goals in ITN

- Evaluation criteria designed around goals
- Performance measure bonuses and liquidated damages tied to measures that relate to these goals
- Required health plan Performance Improvement Projects related to reducing potentially preventable events and improving birth outcomes

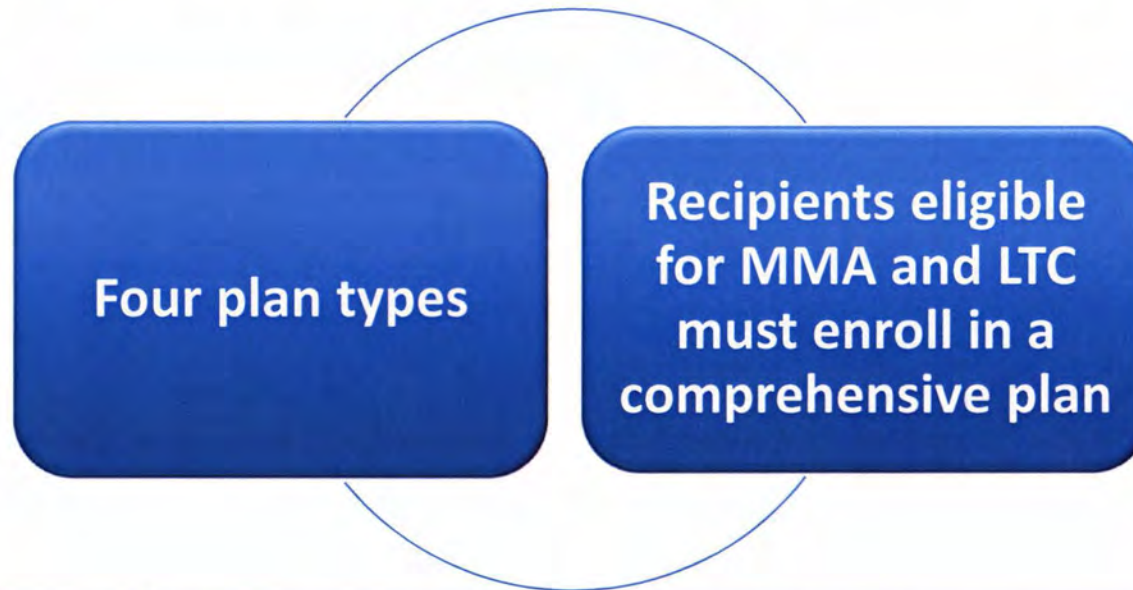


Additional Key Areas of Focus

- Comprehensive Provision of Services
- Provider Experience
- Subcontractor Oversight
- Claims Payment Provisions

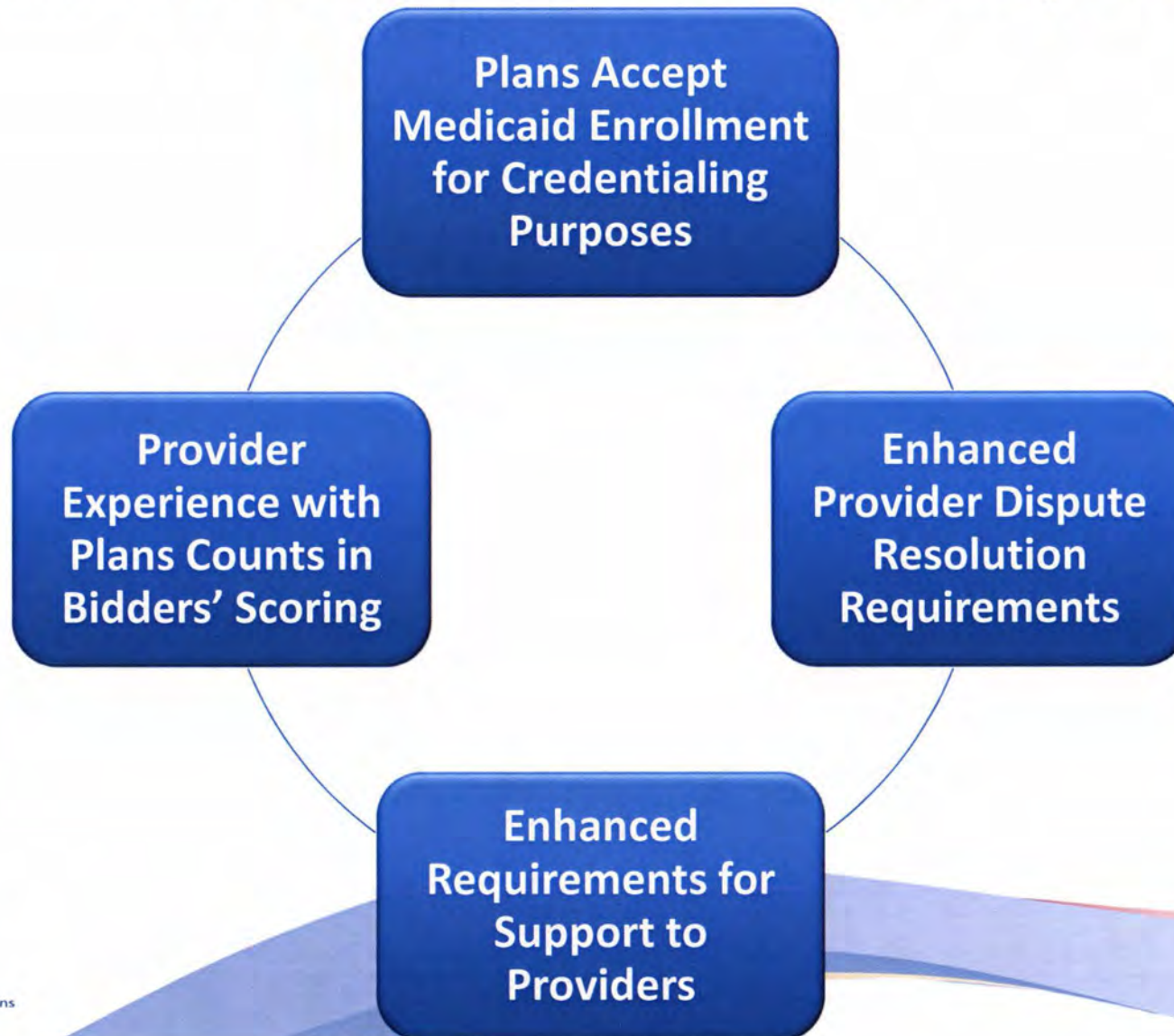


Additional Key Area of Focus: Comprehensive Provision of Service



Type of Plan	Description
Comprehensive	MMA to all members, plus LTC to anyone who qualifies
LTC Plus	Serves only LTC members, but provides all MMA services to them
MMA	MMA only
Specialty	MMA only; targeted populations

Additional Key Area of Focus: Enhanced Focus on Provider Experience



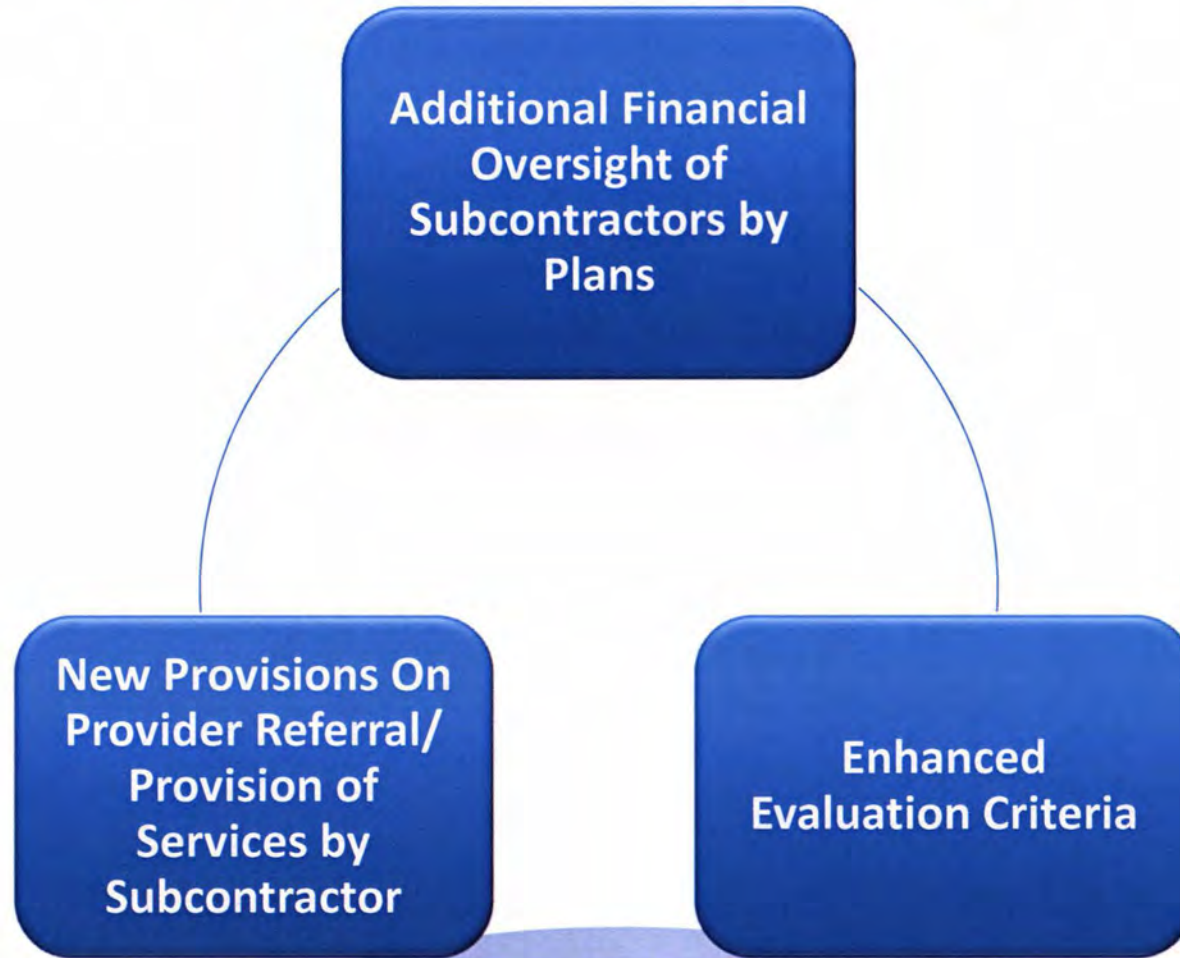
Additional Key Area of Focus: Claims Payment

Included multiple evaluation criteria specific to claims payment and processing

Enhanced reporting requirements related to suspended and denied claims for nursing facilities



Additional Key Area of Focus: Subcontractor Oversight



Questions?



Overview of the State Group Health Insurance Program



FLORIDA DEPARTMENT of

management
SERVICES

We serve those who serve Florida

House Health & Human Services Committee
October 10, 2017

Erin Rock, Secretary

- Division of State Group Insurance
- Financial View
 - Actual/Projected Health Program Spend
- Program View
 - Enrollment, Coverage Options, Premiums
- Status Update on SB 7022

Procures and administers a comprehensive package of tax-favored insurance benefits pursuant to s. 110.123, F.S.

- Health Plan
 - Standard
 - High deductible health plan with an Health Savings Account (HSA)
- Life, dental, vision and disability insurance
- Other supplemental plans
- Medical and dependent care reimbursement accounts

Participants

Covered Lives: 368,471

Policyholders: 175,654

Universities
24.5%



Retirees &
Other
Former
Employees
20.4%



Agencies
54.8%



Statutorily
Defined
Agencies
0.3%

Percentages based on policyholders

Participants

Covered Lives: 368,471

Policyholders: 175,654

Active Employees
(Universities, Agencies, & Statutorily Defined Agencies)
79.6%

Retirees &
Other
Former
Employees
20.4%



PPO

HMO

- Deductible, copayments, and coinsurance
- Nationwide network
- In- and out-of-network benefits
- No referrals for specialists

Same for Both

- Monthly contribution
 - Copay for Rx
- Free preventive care services
- Annual out-of-pocket maximum for medical and Rx combined
- Copay for urgent care or emergency room visit

- Copayments
- Service area network
- In-network benefits
- Referrals for specialists

Contracted Service Areas (2018)

HMO

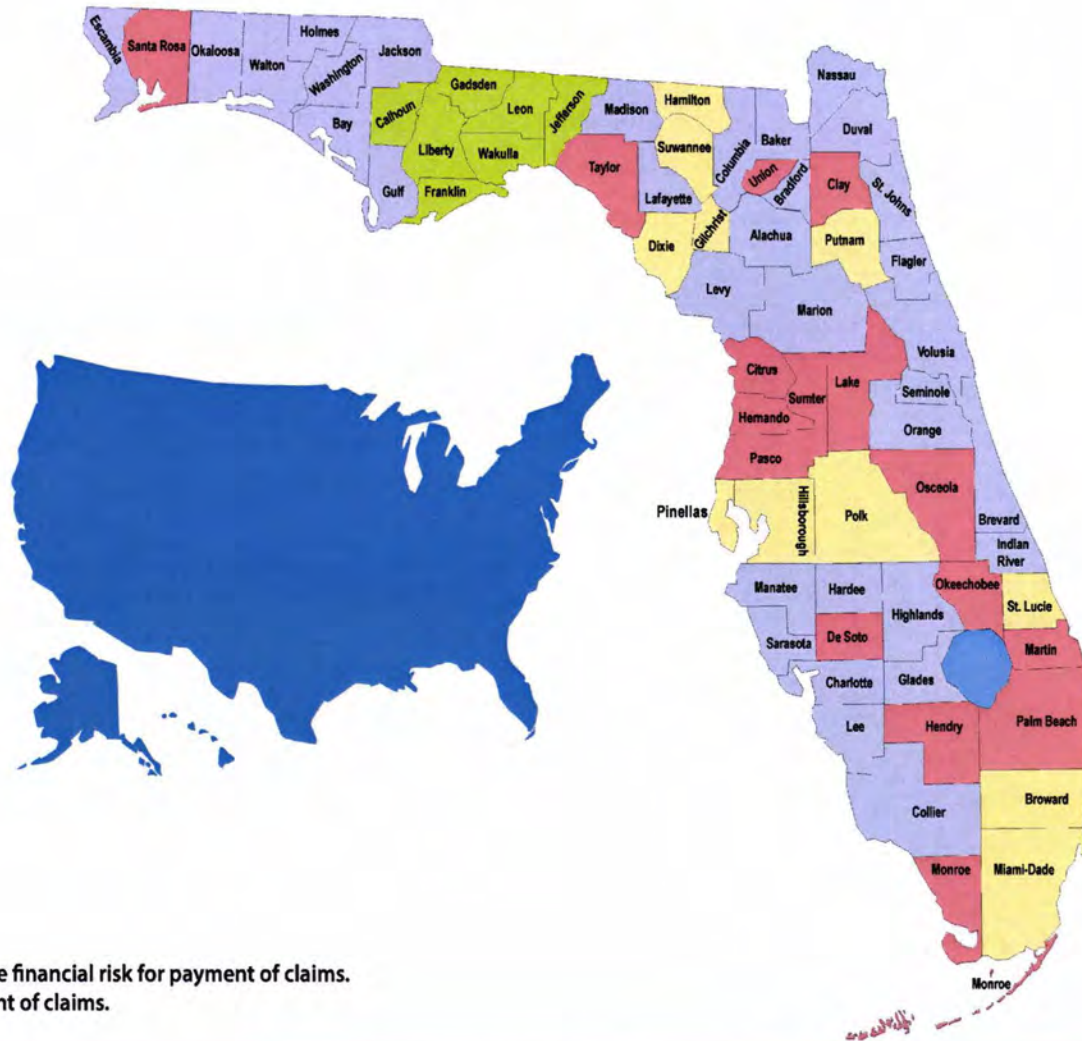
- Capital Health Plan²
- AvMed¹
- UnitedHealthcare¹
- Aetna¹

PPO¹

- Florida Blue

Prescription Drug Program¹

- CVS/Caremark



¹Self-insured/third-party administrator: the state bears the financial risk for payment of claims.

²Fully insured: the HMO bears the financial risk for payment of claims.

- Automatic enrollment in the self-insured Prescription Drug Program when enrolled in a health plan
- Open formulary – Covers all federal legend drugs
- National network of participating retail pharmacies and a mail order program
- Three-tier copayment structure:
 - Generic | Preferred Brand | Non-Preferred Brand
- FY 2017-18 projected prescription drug spend: \$693.1 million (an increase of \$81.4 million over FY 2016-17)
- Prescription drug trend is on the rise
 - Generics have peaked
 - Generic price inflation
 - Brand inflation
- CVS/Caremark: contracted pharmacy benefit manager

Monthly Premiums & Contributions

Subscriber Category	Coverage Type	PPO & HMO Standard			PPO & HMO High Deductible		
		Employer	Enrollee	Total	Employer ¹	Enrollee	Total
Career Service ² & OPS	Single	\$642.84	\$50.00	\$692.84	\$642.84	\$15.00	\$657.84
	Family	\$1,379.60	\$180.00	\$1,559.60	\$1,379.60	\$64.30	\$1,443.90
	Spouse	\$1,529.60	\$30.00	\$1,559.60	\$1,413.92	\$30.00	\$1,443.92
SES & SMS	Single	\$684.50	\$8.34	\$692.84	\$649.50	\$8.34	\$657.84
	Family	\$1,529.60	\$30.00	\$1,559.60	\$1,413.90	\$30.00	\$1,443.90
Pre-Medicare Retiree	Single	\$0.00	\$692.84	\$692.84	\$0.00	\$616.18	\$616.18
	Family	\$0.00	\$1,559.60	\$1,559.60	\$0.00	\$1,360.57	\$1,360.57
Over-age Dependent	Single	\$0.00	\$692.84	\$692.84	\$0.00	\$616.18	\$616.18

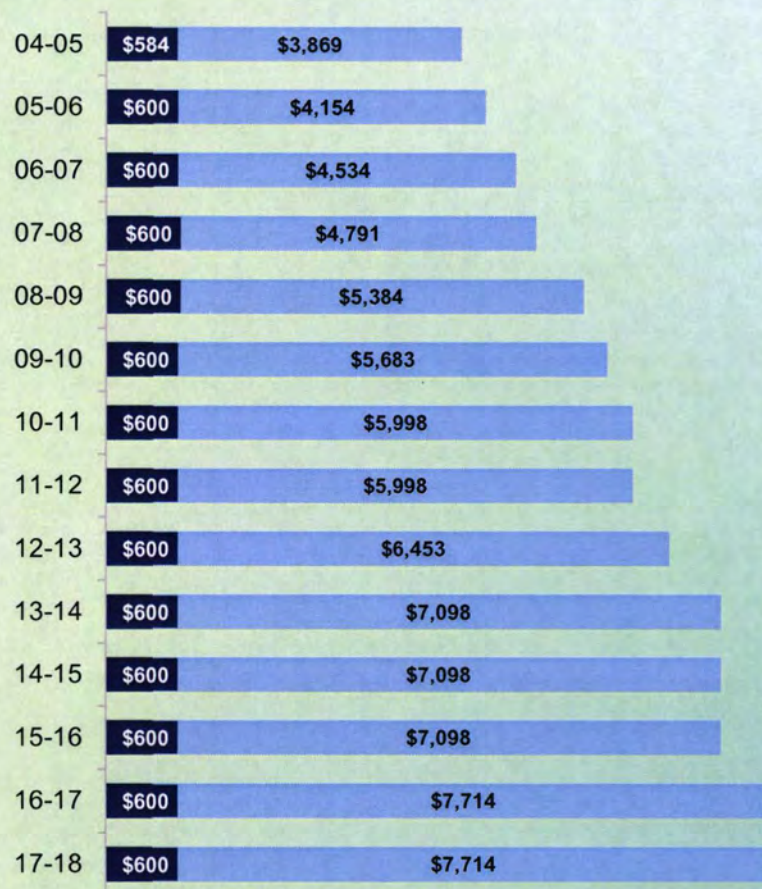
¹ Includes employer tax-free Health Savings Account (HSA) contribution - \$41.66 and \$83.33 per month for single and family coverage, respectively.

² COBRA participants pay the full single or family premium plus a 2 percent administrative fee.

Change in Premiums

Single Coverage Annual Premium

■ Employee ■ State



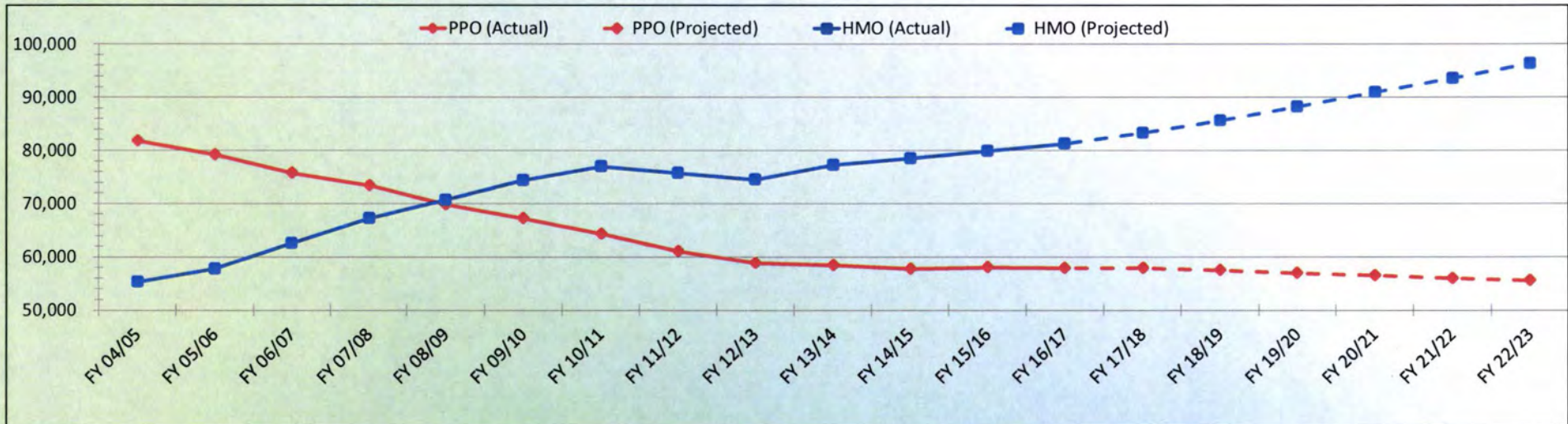
Family Coverage Annual Premium

■ Employee ■ State

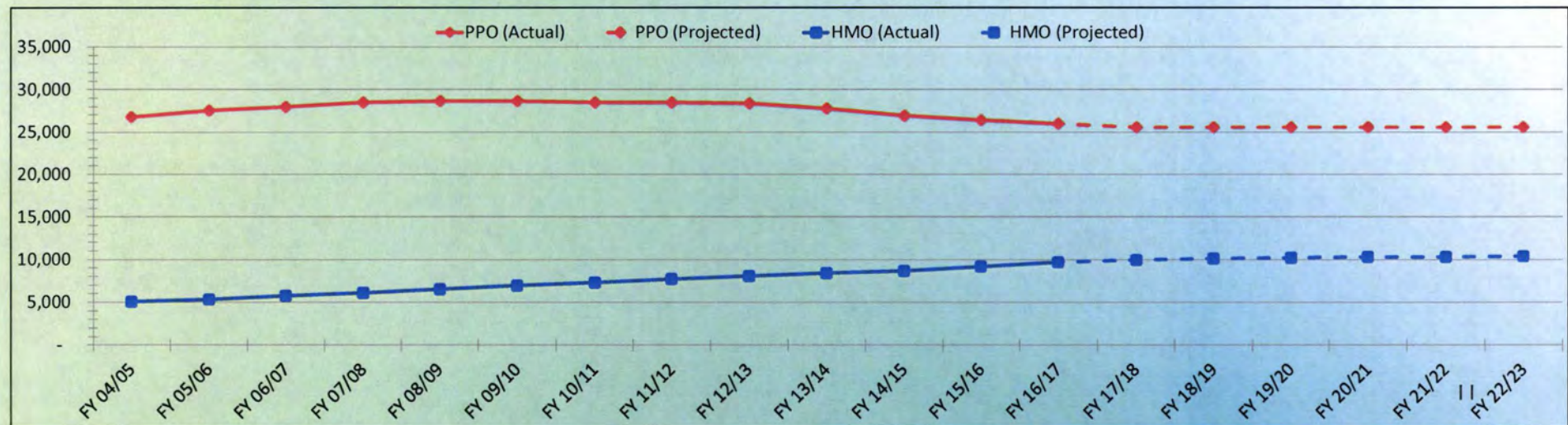


Represents rates for Career Service employees

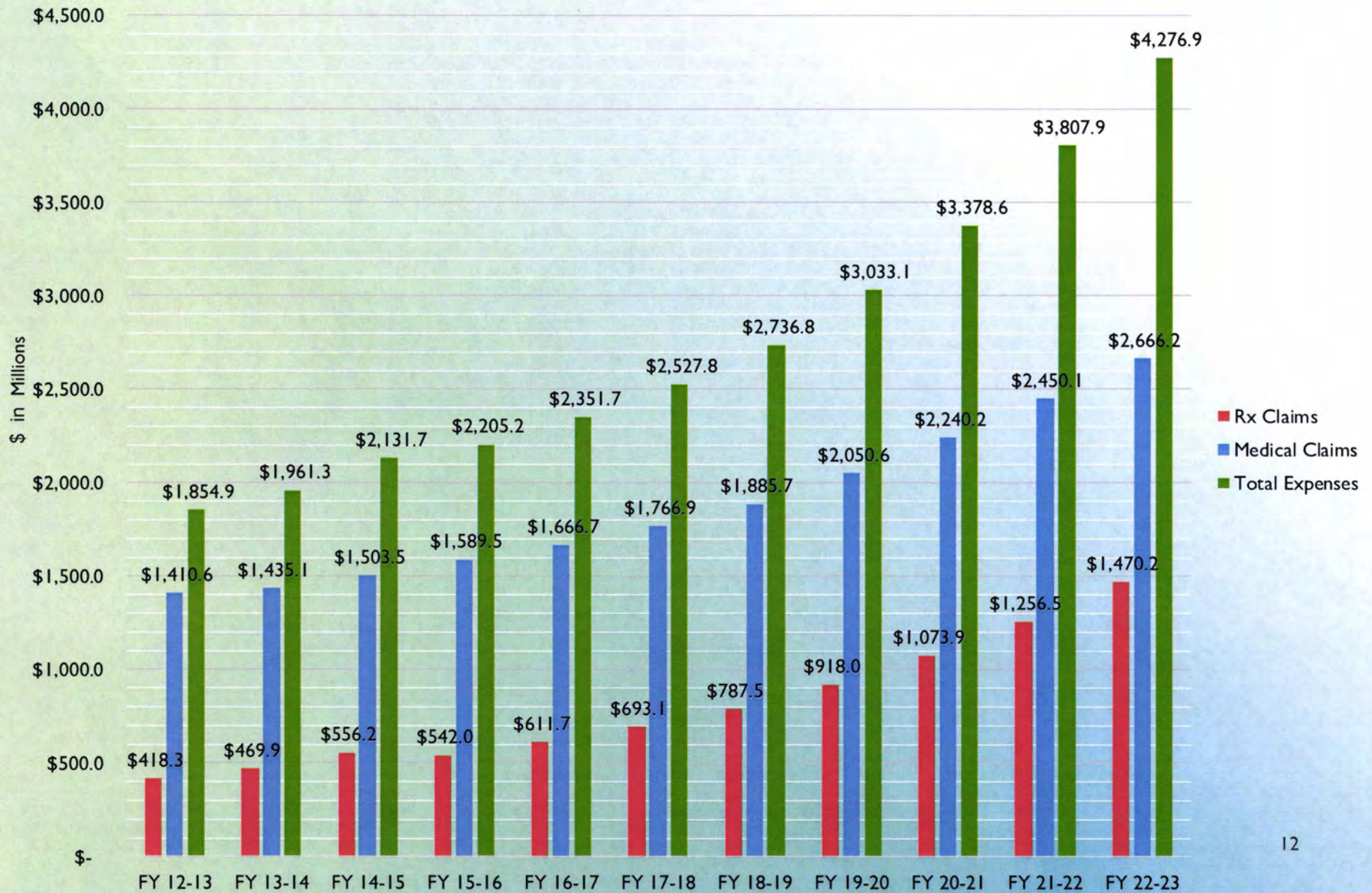
Employee Enrollment



Retiree Enrollment

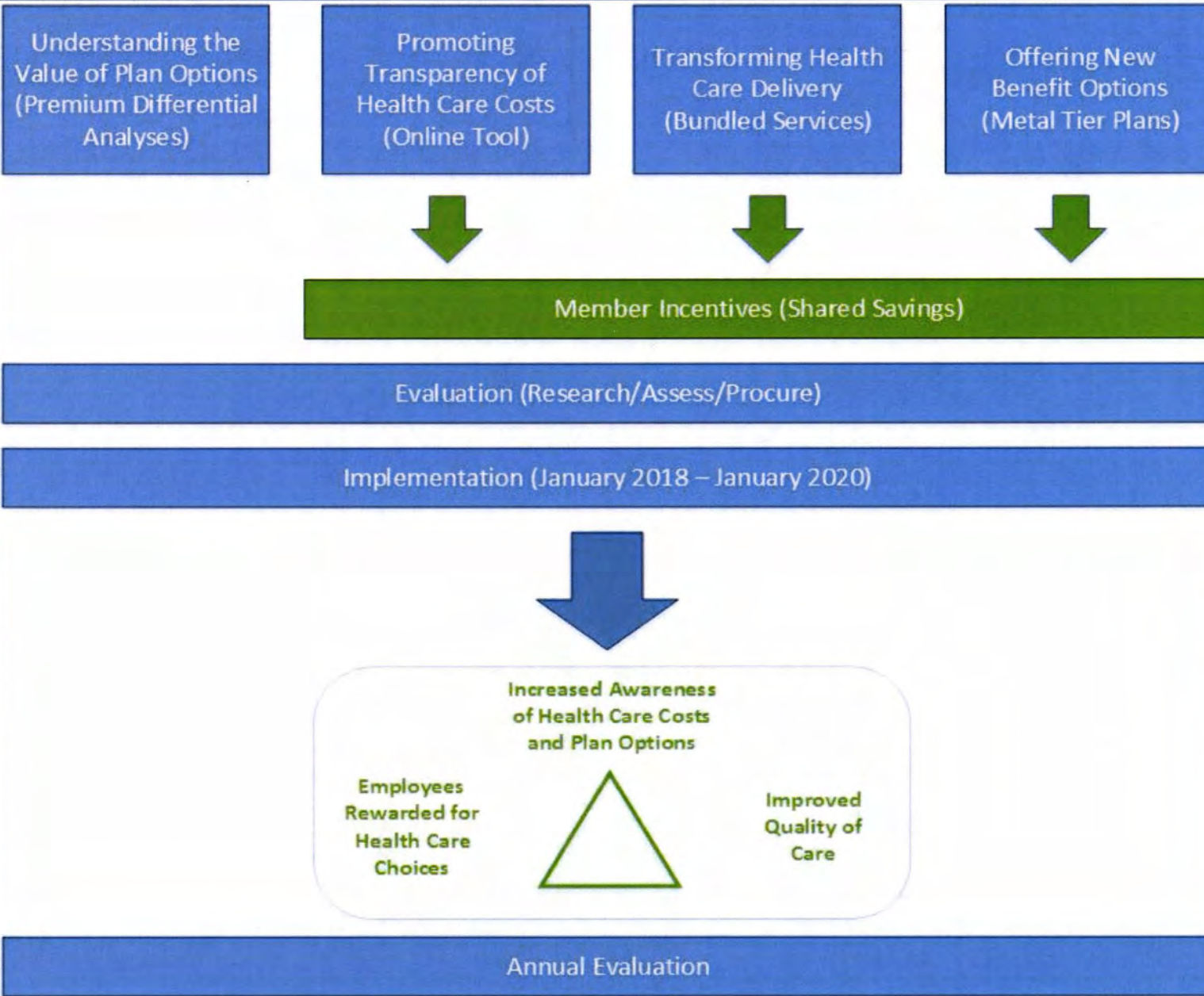


Actual/Projected Health Program Spend



Chapter 2017-88, Laws of Florida

- Premium Differential Analyses
- Transparency Entity
- Comprehensive Surgical and Medical Procedures
“Bundled Services” Entity
- Metal Tier Health Plans



Independent Benefits Consultant (IBC)

- Assessment of State Group Insurance Program
- Transparency Entity
- Bundled Services Entity
- Additional Benefit Options
- Report and Implementation Plan for Metal Tier Benefit Levels

Independent Benefits Consultant (IBC)

Action	Timeframe
Request for Proposals (RFP) Issued	August 4, 2017
Contract Executed	October 6, 2017
Assessment of State Group Insurance Program Due	December 1, 2017
Consult on Transparency Entity and Comprehensive Surgical Services Entity	December 2017 – January 2018
Develop Shared Savings Program	January – April 2018
Report and Implementation Plan for New Metal Tier Health Plans due to the Legislature and Governor	By January 1, 2019

Transparency Entity

- Online transparency tool on cost and quality of health care services
- Incorporate a shared savings program with employees
- Multiple vendors with various approaches
- Competitively procure and implement

Bundled Services Entity

- Entity that offers "bundled" price for healthcare services for an episode of care (e.g., knee replacement)
- Incorporate a shared savings program with employees
- Multiple vendors with various approaches
- Competitively procure and implement

Transparency and Bundled Services Entities

Action	Timeframe
Invitations to Negotiate (ITNs) Issued	January 2018
Execute Contracts	April 2018
Project Plan and Implementation	April – September 2018
Transparency Portal Online	October 2018
Bundled Services Entity Available	October 2018
Report on Transparency and Bundled Services Entities due to the Legislature and Governor	By January 15, 2019

Metal Tier Health Plans

- Metal Tier Health Plans in 2020 Plan Year
 - Platinum (Actuarial Value of at least 90%)
 - Gold (Actuarial Value of at least 80%)
 - Silver (Actuarial Value of at least 70%)
 - Bronze (Actuarial Value of at least 60%)
- Shared Savings
 - Flexible Spending Account (currently available)
 - Health Savings Account (currently available)
 - Used to purchase additional benefits offered through the state group insurance program
 - Salary Supplement

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Florida Department of Management Services

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