



Medicaid Reform: Two-Thirds of the Initial Pilot Counties' Beneficiaries Are Enrolled in Reform Plans

at a glance

The Agency for Health Care Administration began providing Medicaid Reform managed care services to beneficiaries in Broward and Duval counties in September 2006, and began serving beneficiaries in Baker, Clay, and Nassau counties in September 2007. The agency used a phase-in process to transition beneficiaries into Reform plans. As of May 2008, about two-thirds of beneficiaries (187,264 or 65%) in Broward and Duval counties were enrolled in Medicaid Reform health plans. As of this same time, 13,419 beneficiaries, or 55% of the Medicaid population in Baker, Clay, and Nassau counties were enrolled in Reform health plans. Overall, most (73%) of those enrolled in Reform plans in the five counties are served by health maintenance organizations. However, in Baker, Clay, and Nassau counties, almost two-thirds (64%) of Reform beneficiaries are enrolled in provider service networks.

Medicaid Reform

The 2005 Legislature authorized the Agency for Health Care Administration (AHCA) to reform the state Medicaid program with the intent of improving health outcomes of Medicaid beneficiaries and achieving budget predictability.¹ AHCA obtained a federal waiver and legislative approval to implement a managed care pilot program, which began providing services to Medicaid beneficiaries in Broward and Duval counties in September 2006. AHCA expanded the pilot to Baker, Clay, and Nassau counties in September 2007.²

¹ Chapter 2005-133, *Laws of Florida*.

² AHCA received approval to implement an 1115 Research and Demonstration Waiver application from the Centers for Medicare and Medicaid Services in October 2005. The Legislature approved implementation of the waiver in December 2005 (Chapter 2005-358, *Laws of Florida*).

AHCA will need legislative approval to expand Medicaid Reform beyond these five counties.³

The major premise of Medicaid Reform is to improve health care services by giving managed care health plans flexibility to better meet the specific needs of Medicaid beneficiaries and to promote competition among these plans. Under Medicaid Reform, health plans can develop customized benefits packages for different beneficiary groups. Medicaid Reform is intended to empower beneficiaries by offering them more managed care options and encouraging them to take an active role in their health care. Medicaid Reform beneficiaries receive detailed information on their health plan choices and assistance from specially trained choice counselors to help them select a Reform plan that best fits their needs. Beneficiaries can earn monetary credits for participating in certain healthy behaviors that they can use to purchase health-related products.

Participation in Medicaid Reform in the pilot counties is mandatory for certain low income children and families and aged and disabled beneficiaries. These include families who have incomes at or below 23% of the federal poverty level, children who live in families that earn up to 200% of the federal poverty level (depending on the children's ages), and individuals who are age 65 and older or disabled and receive federal Supplemental Security Income.⁴ Other beneficiaries may choose to participate in Medicaid

³ Chapter 2005-358, *Laws of Florida*, established a goal of statewide implementation by June 2011 in accordance with waiver requirements but requires AHCA to obtain legislative approval to expand implementation beyond the pilot sites.

⁴ In 2008, 23% of the federal poverty level is \$4,048 per year for a family of three; 100% of the federal poverty level is \$17,600 for a family of three; and 200% of the federal poverty level for a family of three is \$35,200.

Reform, including children in foster care, individuals with developmental disabilities, and Medicare beneficiaries who are also eligible for Medicaid (dual eligibles).

As required by Ch. 2005-133, *Laws of Florida*, this is one of a series of reports presenting the results of OPPAGA's evaluation of the Medicaid Reform managed care pilot programs. This report reviews enrollment patterns within Medicaid Reform and addresses four questions.

- What process did AHCA use to manage enrollment of Medicaid beneficiaries into Reform health plans?
- How many beneficiaries in the initial and expansion pilot counties are enrolled in Reform health plans and what proportion of the total Medicaid population does this represent?
- Of those enrolled in Reform plans, what proportion are enrolled in health maintenance organizations and provider service networks, and does this proportion differ by pilot area or beneficiary group?
- What information has been collected related to reasons beneficiaries give for selecting their Reform health plan?

What process did AHCA use to manage enrollment of Medicaid beneficiaries into Reform health plans?

To provide a reasonable workload for the Choice Counseling program that helps beneficiaries choose a health plan, AHCA developed a seven-month staggered process to enroll beneficiaries in Broward and Duval counties who were mandated to participate in Reform health plans.⁵ Starting in August 2006, this process involved enrolling newly eligible Medicaid beneficiaries from the mandatory groups as well as transitioning beneficiaries who were already receiving Medicaid services in a non-Reform health maintenance organization (HMO), a non-reform provider service network (PSN) or through MediPass.⁶ (For ease of presentation, non-Reform PSNs refers to defined provider networks that include minority physician networks, pediatric emergency room diversion programs, and PSNs in existence prior to Medicaid Reform).

As noted in Exhibit 1, AHCA enrolled approximately one-half of the MediPass beneficiaries in the pilot counties into Reform health plans during August 2006 so that they would begin receiving Reform plan services in September 2006.⁷ From October through December 2006, AHCA transitioned beneficiaries enrolled in non-Reform PSNs into Reform health plans. Finally, also beginning in October 2006 and continuing through March 2007, AHCA transitioned beneficiaries enrolled in non-Reform HMOs as well as the remaining MediPass beneficiaries.

Exhibit 1 Over Seven Months, AHCA Transitioned Mandatory Beneficiary Groups into Reform Health Plans

Transition Period	Non-Reform Health Plan		
	MediPass ¹	PSN ²	HMO ³
September 2006	X		
October	X	X	X
November	X	X	X
December	X	X	X
January 2007	X		X
February	X		X
March ⁴	X		X

¹ AHCA transitioned about one-half of the MediPass beneficiaries in September 2006 and the remaining MediPass beneficiaries over the next six months.

² AHCA transitioned one-third of the non-Reform PSN beneficiaries each month between October and December 2006.

³ AHCA transitioned about one-twelfth of the non-Reform HMO beneficiaries each month between October and December 2006 and the remaining HMO non-Reform beneficiaries over the first three months in 2007.

⁴ Beneficiaries who did not select a Reform health plan in time to begin receiving services as of March 1, 2007, were assigned to a Reform health plan by AHCA and began receiving Reform health plan services on April 1, 2007.

Source: AHCA transition plan, OPPAGA analysis.

AHCA used a similar process to transition mandatory Medicaid beneficiaries in the three expansion counties (Baker, Clay, and Nassau) in Reform health plans. AHCA implemented this enrollment transition over four months, from September through December 2007.

Mandatory beneficiaries in the Reform counties must choose a health plan within 30 days from the date that AHCA mails their enrollment packets.^{8,9} If beneficiaries do not select a plan within this time,

⁵ Beneficiaries enrolled in August 2006 began receiving services in September 2006.

⁶ MediPass is a primary care case management system, PSNs are an organized system of care operated by a group of affiliated health care providers, and HMOs are managed commercial networks receiving monthly capitated payments based on enrollment.

⁷ The first MediPass beneficiaries to transition into Reform were those whose primary care physicians had not joined a Medicaid Reform health plan.

⁸ Enrollment packets contain information about Medicaid Reform, participating health plans, and instructions for selecting a health plan.

⁹ AHCA also sends enrollment packets to beneficiaries in voluntary groups but instructs these individuals that they do not have to select a health plan.

AHCA enrolls them in a Reform plan as described below.

- For beneficiaries enrolled in a non-Reform HMO or PSN that has also established a Reform health plan, AHCA enrolls them in that Reform HMO or PSN.
- For beneficiaries enrolled in MediPass whose primary care physicians have joined one or more Reform plans, AHCA enrolls them in the first PSN the provider joined. If their primary care physicians did not join a Reform plan, AHCA randomly assigns the beneficiaries to a Reform plan.
- For newly eligible beneficiaries who were in a Medicaid non-Reform HMO or PSN at some point in the past 60 days, AHCA enrolls them in the Reform version of the same health plan.
- For all newly eligible beneficiaries, if they had a prior Medicaid enrollment and relationship with a plan, AHCA assigns them to that plan; otherwise, AHCA randomly assigns and enrolls them (by family unit) in a Reform health plan.

Most beneficiaries have 90 days after they enroll to change health plans for any reason. After the 90-day period, beneficiaries must remain in the same health plan for nine months.¹⁰ However, during this nine-month period, AHCA allows beneficiaries to change health plans for “good cause” reasons. Examples of good cause reasons are that the beneficiary’s primary care provider no longer participates in the Reform health plan, the beneficiary moved out of the service area, or the beneficiary becomes eligible for a specialty health plan.

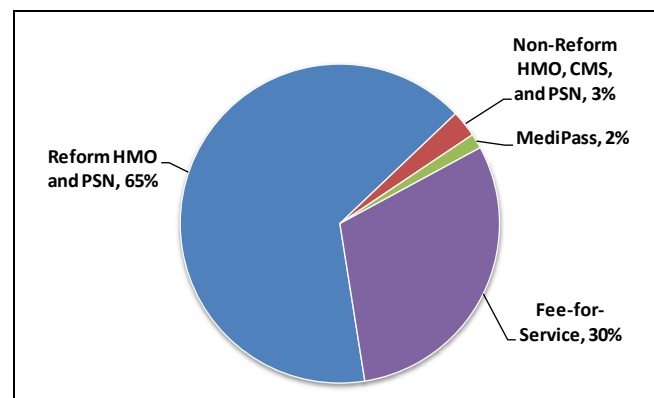
How many beneficiaries in the initial and expansion pilot counties are enrolled in Reform health plans and what proportion of the total Medicaid population does this represent?

As of May 2008, 200,683 individuals were enrolled in a Medicaid Reform health plan in the five pilot counties.¹¹ A little more than a year and a half after implementing Reform in Broward and Duval counties, 187,264 Medicaid beneficiaries were enrolled in a Reform health plan, which represented 65% of all Medicaid beneficiaries in those counties. (See Exhibit 2.) Of the remaining Medicaid beneficiaries in these two counties, most (30% of the

total population) are in the fee-for-service population which includes individuals who are exempt from participating in a Reform health plan.¹² The remaining 5% of the counties’ Medicaid population receive services through MediPass or through non-Reform HMOs, PSNs, or the Children’s Medical Services (CMS) Network, which serves children with complex medical needs. Beneficiaries in non-Reform plans are in eligibility groups that are not yet required to enroll in a Medicaid Reform plan, including developmentally disabled persons and dual eligibles who prefer to stay with their plans rather than being served through fee-for-service. These beneficiaries can also include individuals who lost eligibility for 60 days or less and must select a Reform health plan.

Exhibit 2

As of May 2008, About Two-Thirds of the Medicaid Beneficiaries in Broward and Duval Counties Were Enrolled in a Medicaid Reform Plan



Source: OPPAGA analysis of AHCA Medicaid enrollment data, May 2008.

In the expansion counties, (Baker, Clay, and Nassau) where enrollment began in September 2007, AHCA had enrolled 13,419 Medicaid beneficiaries in Reform health plans as of May 2008, representing slightly over half (55%) of the 24,374 Medicaid beneficiaries in these counties. (See Exhibit 3.) Of the remaining beneficiaries, the largest group (35% of the total Medicaid population) is in the fee-for-service population, while 6% receive services through MediPass and 4% are served through either a non-Reform PSN or the CMS Network.

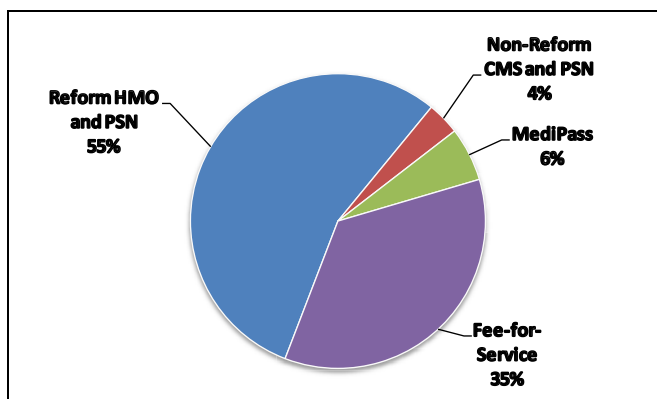
¹⁰ Disabled children under 19 and beneficiaries who voluntarily participate in Reform, including dual eligibles, persons with developmental disabilities, and children in foster care, can change plans at any time.

¹¹ Although the majority of these beneficiaries were required to enroll in a Medicaid Reform plan, 4,651 enrollees (2%) represent voluntary populations.

¹² This group includes beneficiaries who reside in institutional settings such as intermediate care facilities for the developmentally disabled, nursing homes, state mental hospitals, or state-operated residential programs; beneficiaries under age 18 in sub-acute inpatient psychiatric programs; beneficiaries receiving hospice services; and beneficiaries who are only eligible for limited Medicaid under such programs as the Family Planning waiver, Medically Needy or Qualified Medicare Beneficiary coverage groups.

Exhibit 3

As of May 2008, Slightly Over Half of the Medicaid Beneficiaries in Baker, Clay, and Nassau Counties Were Enrolled in a Medicaid Reform Plan



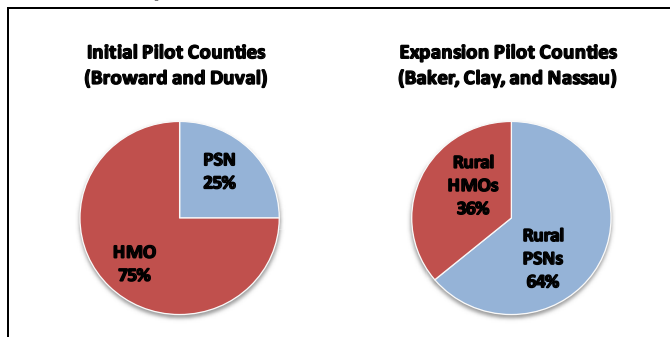
Source: OPPAGA analysis of AHCA Medicaid enrollment data, May 2008.

Of those enrolled in Reform plans, what proportion are enrolled in HMOs and PSNs, and does this proportion differ by pilot area or beneficiary group?

Of the total Medicaid beneficiaries enrolled in Medicaid Reform health plans in the five Reform counties, most (73%) were enrolled in Reform HMOs as of May 2008. This proportion varies between the initial pilot counties and the expansion counties, with the initial pilot counties (Broward and Duval) having a majority of their beneficiaries enrolled in HMOs (75%). In contrast, the majority of beneficiaries in the expansion counties (Baker, Clay, and Nassau) are enrolled in PSNs. (See Exhibit 4.)

Exhibit 4

As of May 2008, the Percentage of Medicaid Reform Beneficiaries Enrolled in HMOs and PSNs Differs by Initial and Expansion Pilot Areas



Source: OPPAGA analysis of AHCA Medicaid Reform enrollment data, May 2008.

The higher overall HMO enrollment in the initial pilot counties is likely because HMOs have traditionally served more Medicaid beneficiaries than have PSNs in

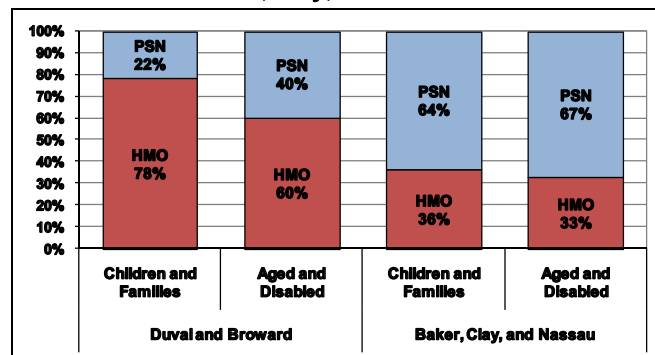
Broward and Duval counties. Many of the HMOs in these counties have served Medicaid and other populations for a number of years, thus are known to the communities. For example, Staywell and United have served Medicaid beneficiaries in Broward County since at least 1998 and HealthEase has served Duval County beneficiaries since 2000. In contrast, no HMOs served beneficiaries in any of the three expansion counties prior to September 2007.

However, one PSN, Access Health Solutions (formerly PhyTrust) operated in Baker, Clay, and Nassau counties prior to Reform implementation, which could account for the higher enrollment in this plan (64% of beneficiaries) compared to United Health Care (an HMO).¹³

While the majority of Reform beneficiaries in Broward and Duval counties receive services from Reform HMOs, the proportion of beneficiaries enrolled in HMOs versus PSNs in those counties varies considerably by beneficiary group. Exhibit 5 shows that as of May 2008, 78% of children and families beneficiaries in Duval and Broward counties enrolled in HMO Reform health plans, with 22% enrolling in a PSN plan. In contrast, 60% of aged and disabled beneficiaries in Duval and Broward counties enrolled in Reform HMOs while 40% enrolled in a Reform PSN health plan. However, in the expansion counties similar percentages of children and families beneficiaries and aged and disabled beneficiaries enrolled in both HMOs and PSNs.

Exhibit 5

Enrollment in HMOs Versus PSNs Differs Significantly for Children and Families Beneficiaries Compared to Aged and Disabled Beneficiaries in Duval and Broward Counties, But Is Similar in Baker, Clay, and Nassau Counties



Source: OPPAGA analysis of AHCA Medicaid Reform enrollment data, May 2008.

¹³ Although the majority of beneficiaries in each of these counties are currently enrolled in Access Health Solutions, the percentage of beneficiaries enrolled differs among these three counties, with 71% in Baker, 62% in Clay, and 64% in Nassau.

A summary of individual plan enrollments, by county for children and families and aged and disabled populations is found in Appendix A.

What information has been collected related to the reasons beneficiaries give for selecting their Reform health plan?

During the first year of Medicaid Reform, Florida State University collected information related to why beneficiaries choose their plans. As part of a contract with AHCA, Florida State University periodically surveyed a sample of Reform health plan beneficiaries in the initial pilot counties (Broward and Duval) who used the choice counseling program to select their Reform health plan.^{14,15} The university mailed a total of 4,914 surveys to samples of beneficiaries in November 2006, December 2006, February 2007, March 2007, and April 2007. The university received a total of 578 completed surveys from these mailings.¹⁶ Of these surveys, 555 beneficiaries answered the question “Why did you pick the plan you did?” Beneficiaries could select more than one reason. Exhibit 6 shows that the two reasons selected most often were “because of the benefits” (29.7%) and “my doctor was in the plan (23.1%).”

Reasons for selecting a health plan varied somewhat between beneficiaries who were newly eligible for Medicaid and those who were already receiving services but were transitioning to a Reform HMO or PSN.¹⁷

¹⁴ AHCA contracted with Florida State University to develop choice counseling training materials and to evaluate the choice counseling program. The contract ended in June 2008.

¹⁵ Florida State University used a stratified sampling approach to reflect how beneficiaries enrolled (telephone, in-person, or mail), primary language (English, Spanish, or Creole), and whether the enrolled beneficiary is an adult or minor. Depending upon the number of enrollments for each stratum, the university selected either a random sample from the strata, or surveyed all beneficiaries in the strata.

¹⁶ The overall response rate was 13.7% based on 578 completed surveys out of 4,205 delivered from the 4,914 surveys mailed. The post office returned the remaining 709 as “undeliverable”.

¹⁷ Initially Florida State University sent different forms of the survey to newly-eligible Medicaid beneficiaries and beneficiaries who were transitioning into Reform plans. The university stopped this practice beginning with its March 2007 survey since AHCA had transitioned most continuing Medicaid beneficiaries by that time.

For newly-eligible beneficiaries, the most frequent reason for selecting a plan was “because of the benefits” (34%). The two other common reasons were by “my doctor was in the plan” (15%), and “someone told me it was the best plan” (13%).¹⁸ For beneficiaries already receiving Medicaid, but who were transitioning into Reform, the most common reasons for selecting a plan were “my doctor was in the plan” (37%) and “because of the benefits” (26%).

Exhibit 6

The Two Most Common Reasons Given by Beneficiaries in Broward and Duval Counties for Selecting Their Reform Health Plans Were “Because of the Benefits” and “My Doctor Was in the Plan”

Reasons for Health Plan Selection	Number	Percentage
Because of the benefits	275	29.7%
My doctor was in the plan	214	23.1%
Someone told me it was the best plan	113	12.2%
Because of the co-payments	84	9.1%
I know someone with the same plan	75	8.1%
The name was familiar to me	56	6.1%
Other	55	5.9%
I just picked one	34	3.7%
I did not pick my plan	19	2.1%
Total	925	100.0%

Source: Florida State University, MediRITE project July 2007 evaluation report, and OPPAGA analysis.

Agency Response

In accordance with the provision s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Secretary of the Agency for Health Care Administration for her review and response.

The Secretary’s written response has been reproduced in Appendix B.

¹⁸ Another 13% reported their most common reason for selecting a plan was “other”.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

Florida Monitor: www.oppaga.state.fl.us

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Appendix A

Reform Health Plan Enrollment Patterns Differ

Tables A-1, A-2, and A-3 show the distribution of Medicaid beneficiaries into Reform health plans as of May 2008. In Broward County (Table A-1), three HMOs together (Staywell, HealthEase, and AMERIGROUP) serve half of all beneficiaries whereas in Duval County (A-2), two plans, HealthEase, an HMO, and First Coast Advantage, a PSN serve the majority of beneficiaries (69%). Enrollment patterns also differ for children and families beneficiaries compared to aged and disabled beneficiaries.

Of the 16 Reform health plans operating in Broward County (Table A-1), Staywell serves one-fourth (25.7%) of the Reform beneficiaries. Another four Reform health plans (HealthEase, AMERIGROUP, Humana, and Pediatric Associates) serve from 13% to 8.2% of the beneficiaries. Enrollment preferences for children and families beneficiaries differ from aged and disabled beneficiaries. Children and families beneficiaries have primarily enrolled in Staywell, HealthEase, and AMERIGROUP, with each serving over 10% of this beneficiary group. In contrast, while the highest percentage of aged and disabled beneficiaries also enrolled in Staywell (16.4%), similar percentages of this eligibility group enrolled in the South Florida Community Care Network (11.8%) and Humana (11.5%).

Table A-1
As of May 2008, 3 of 16 Health Plans Together Serve 50% of the Beneficiaries in Broward County

Health Plan	Plan Type	Percentage Enrollment		
		Children and Families	Aged and Disabled	Total
Staywell	HMO	27.4%	16.4%	25.7%
HealthEase	HMO	13.8%	9.1%	13.0%
AMERIGROUP	HMO	12.0%	9.5%	11.6%
Humana	HMO	8.0%	11.5%	8.5%
Pediatric Associates Health Plan	PSN	9.2%	2.8%	8.2%
United Healthcare of Florida	HMO	6.8%	7.0%	6.9%
Buena Vista	HMO	5.6%	4.0%	5.4%
SFCCN ¹	PSN	3.8%	11.8%	5.0%
Vista Healthplan of South Florida	HMO	4.9%	2.8%	4.6%
NetPASS	PSN	2.6%	8.3%	3.5%
Access Health Solutions	PSN	1.9%	4.5%	2.3%
CMS Specialty Plan	PSN	1.0%	7.4%	2.0%
Preferred Medical Plan	HMO	1.3%	2.5%	1.5%
Total Health Choice	HMO	1.4%	1.8%	1.5%
Universal	HMO	0.2%	0.3%	0.2%
Freedom	HMO	0.2%	0.2%	0.2%

¹SFCCN: South Florida Community Care Network.

Source: OPPAGA analysis of AHCA Reform plan enrollment data, May 2008.

Table A-2 shows that as of May 2008, HealthEase is serving nearly one-half (48.3%) of the Reform plan beneficiaries in Duval County. Another 20.8% of the beneficiaries are enrolled in First Coast Advantage. However, like Broward County, the proportion enrolled in these two plans varies by eligibility group. One-half (50.5%) of all children and families' beneficiaries are enrolled with HealthEase, while only 18.8% of this beneficiary group enrolled with First Coast Advantage. This pattern differs for the aged and disabled group, with both HealthEase and First Coast Advantage serving similar percentages of this population.

Table A-2
As of May 2008, Two Health Plans Serve Nearly 70% of the Beneficiaries in Duval County

Health Plan	Plan Type	Percentage Enrollment		
		Children and Families	Aged and Disabled	Total
HealthEase	HMO	50.5%	36.5%	48.3%
First Coast Advantage	PSN	18.8%	31.3%	20.8%
United Healthcare of Florida	HMO	17.4%	12.1%	16.5%
Access Health Solutions	PSN	7.3%	9.3%	7.6%
Staywell	HMO	4.1%	3.6%	4.1%
CMS Specialty Plan	PSN	1.2%	6.7%	2.1%
Universal	HMO	0.7%	0.5%	0.6%

Source: OPPAGA analysis of AHCA Reform plan enrollment data, May 2008.

Medicaid Reform expanded in September 2007 to include three rural counties (Baker, Clay, and Nassau). Each county has two reform plans from which beneficiaries can choose, Access Health Solutions (a PSN) and United Healthcare (an HMO). Table A-3 shows that as of May 2008, the majority of Medicaid Reform beneficiaries in these counties have enrolled in Access Health Solutions. This pattern differs from the urban Duval and Brevard counties, where each has greater numbers of beneficiaries enrolled in HMOs.

Table A-3
As of May 2008, Access Health Solutions Serves the Majority of Reform Beneficiaries in Baker, Clay, and Nassau Counties

Health Plan	Plan Type	Percentage Enrollment		
		Children and Families	Aged and Disabled	Total
Baker County				
Access Health Solutions	PSN	72.0%	65.4%	71.2%
United Healthcare of Florida	HMO	28.0%	34.6%	28.8%
Clay County				
Access Health Solutions	PSN	60.7%	71.8%	62.0%
United Healthcare of Florida	HMO	39.3%	28.2%	38.0%
Nassau County				
Access Health Solutions	PSN	65.4%	58.7%	64.5%
United Healthcare of Florida	HMO	34.6%	41.3%	35.5%

Source: OPPAGA analysis of AHCA Reform plan enrollment data, May 2008.

Appendix B



CHARLIE CRIST
GOVERNOR

HOLLY BENSON
SECRETARY

June 13, 2008

Gary R. VanLandingham, Director
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Claude Pepper Building
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

Thank you for the opportunity to review the draft report entitled: *"Medicaid Reform: Two-Thirds of the Initial Pilot Counties' Beneficiaries Are Enrolled in Reform Plans."* The Agency's review found the report to be an accurate representation of the transition of existing Medicaid beneficiaries to reform health plans during the initial months of reform, as well as an accurate summary of the current enrollment in Medicaid Reform Health Plans.

The Agency would like to thank OPPAGA for their diligent efforts to understand Medicaid Reform enrollment. As always, we appreciate the opportunity to respond and look forward to working with OPPAGA again in the future.

Sincerely,

Holly Benson
Secretary

HB/co
Enclosure

