

The

Florida Update

A Quarterly Publication of Health Management Associates

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Current Florida Medicaid Enrollment

As of February 2010, there are 2,659,311 Medicaid recipients in Florida. This represents an increase of 1.6 percent from December 2009. The majority of these recipients (68 percent, or 1,817,568 recipients) are enrolled in a Medicaid Managed Care program. A summary of the distribution of Florida's Medicaid enrollment during this current month is provided. Further summary details by county and health plan are provided as inserts to this newsletter.

The listing of Florida Medicaid Health Maintenance Organizations (HMOs) and other managed care information is maintained and updated by the Agency for Health Care Administration (AHCA), Bureau of Managed Health Care. Go to:

www.fdhc.state.fl.us/MCHQ/Managed_Health_Care/MHMO/index.shtml.

Florida Medicaid Enrollment Summary, February 2010	
Total Medicaid	2,659,311
Fee-for Service	825,916
Medicaid Managed Care	1,817,568
Nursing Home Diversion	15,827

Florida Medicaid Managed Care Summary, February 2010	
Total Medicaid Managed Care	1,817,568
Primary Care Case Management	624,537
MediPass	565,238
Access Health Solutions	59,299
Health Maintenance Organizations	1,052,965
Provider Service Networks	140,066

Important Notice

New National Electronic Newsletter and Florida Update Changes

Health Management Associates (HMA) will be issuing an electronic newsletter focused on national news and issues during 2010. The newsletter will be sent via email rather than hard copy. When this occurs, The Florida Update will also become an electronic only newsletter.

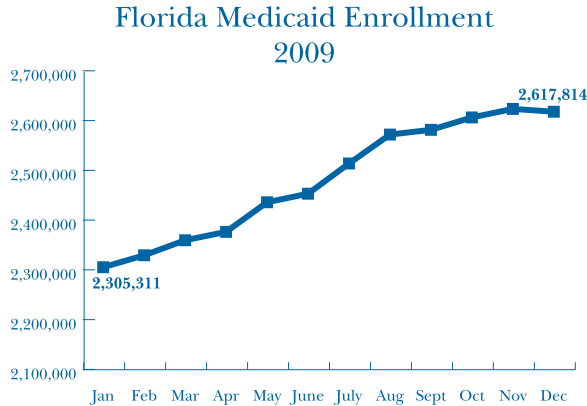
HMA is developing the distribution list for the electronic newsletters. Enclosed is a form for your use in providing contact information. Whether you are interested in both national and Florida news or only in The Florida Update, it is important that we receive your contact information. The enclosed form can be faxed to HMA or sent via email; details are included on the form.

Please complete this form even if you are already receiving The Florida Update electronically to confirm your interest in remaining on the email list.

Please send contact information by March 5, 2010

Florida Medicaid Enrollment in 2009

Florida Medicaid enrollment levels steadily increased throughout 2009. As of December 2009, there were 2,617,814 Medicaid recipients in Florida. This represents an increase of 14 percent from December 2008 enrollment levels. Enrollment in Florida's Medicaid Managed Care programs (including MediPass) realized an increase of approximately 27 percent during this same time period.



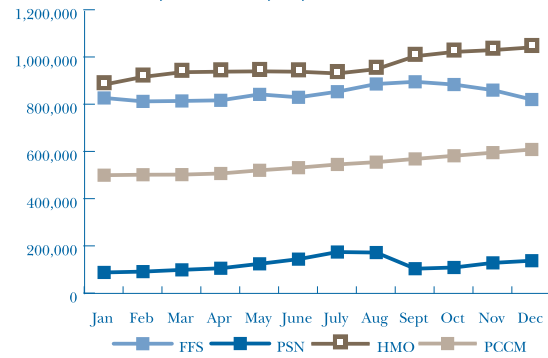
Sixty-eight percent of the state's Medicaid recipients are currently enrolled in a managed care program. The majority of the remaining 32 percent of the Medicaid population receives care on a fee-for-service (FFS) basis. These FFS recipients are primarily those who are not eligible for managed care enrollment. A small percentage of Florida's Medicaid population (less than one percent), are enrolled in Florida's Nursing Home Diversion program. The frail elders participating in Florida's Nursing Home Diversion program are more likely to delay entry into a nursing home than similar frail elders who are not enrolled in any Medicaid community-based waiver programs.

Trends in Florida's Medicaid Delivery System

Florida's Medicaid Managed Care program enrollment levels steadily increased throughout 2009. Sixty-one percent of Florida's Medicaid population was enrolled in managed care in December 2008, this increased to 68 percent in December 2009.

In general, the increase in Medicaid managed care enrollment was realized across Florida's PCCM program, HMOs, and the Provider Service Networks (PSNs). The PSNs and HMOs realized the most

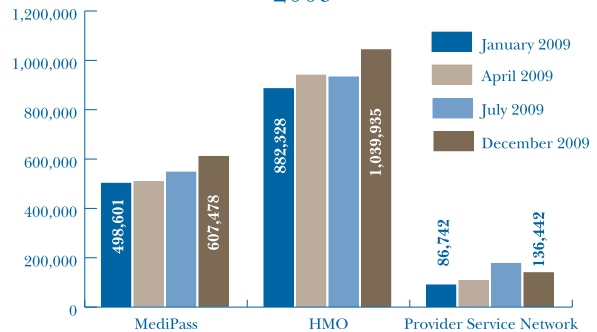
Trends in Florida Medicaid Enrollment by Delivery System, 2009



significant increases when compared to December 2008 levels (PSN enrollment increased by 30 percent; HMO enrollment increased by 25 percent). PCCM enrollment also increased substantially during this time period (22 percent).

As of December 2009, approximately eight percent of Florida Medicaid's managed care enrollees were enrolled in a PSN and 58 percent were enrolled in one of the 18 HMOs serving the Medicaid population throughout Florida. This includes enrollees in an HMO or PSN operating in Medicaid Pilot (formerly called Reform) counties. Additional information, by plan and Florida county, is provided in the inserts with this newsletter.

Florida Medicaid Managed Care Enrollment 2009



The remaining 34 percent of the Florida Medicaid managed care population (607,478 enrollees in December 2009) receives care Florida's PCCM program, mostly through the MediPass component. MediPass includes special needs children receiving services from Children's Medical Services (CMS) who are not enrolled in the CMS Provider Service Network operating in two Pilot counties. The PCCM program also includes the Minority Physician Networks operating as Access Health Solutions and NetPass. The distribution of Florida's PCCM population continued to change during 2009. In January 2009, 77 percent of the PCCM population

was enrolled in MediPass. As of December 2009, approximately 90 percent of the PCCM population was enrolled in MediPass, almost ten percent is enrolled with Access Health Solutions and less than one percent is enrolled with NetPass.

Florida KidCare

As of January 2010, there were 1,774,089 children enrolled in Florida KidCare, the state’s health insurance program for uninsured children under age 19. Of this total 237,180 children were enrolled through the Children’s Health Insurance Program (CHIP) and 1,516,208 were enrolled through Medicaid. Total enrollment in Florida KidCare has increased by 257,356 since January 2009. The majority of this increase relates to children enrolled in Medicaid, where enrollment grew by 239,432 during this timeframe. More than half of this increase took place in the last six months since a new state law, effective July 1, 2009, made changes to the KidCare program and simplified the enrollment process. To obtain more detail on Florida KidCare data and enrollment trends and see meeting materials from the Florida KidCare Coordinating Council, go to: www.floridakidcare.org/resources.html.

Managed Care Summary Report

Managed care data reported by Insurance Carriers is compiled quarterly by the Florida Office of Insurance Regulation. The compiled report provides financial and enrollment information by line of business (for example, commercial small group and large group, individual, Healthy Kids, Medicare, Medicaid, etc.), by carrier, and by county. The latest report, Second Quarter 2009, reflects data retrieved October 7, 2009. The following table compares some of the reported data from 2007 and 2008 with the first and second quarter of 2009.

To view the Second Quarter 2009 or previous “Managed Care Summary” reports and other insurance industry data compiled by the Office of Insurance Regulation visit: www.flair.com/DataReports/DataReports.aspx.

Florida’s Budget and Medicaid Projections

The Revenue Estimating Conference for the General Revenue Fund met December 4, 2009. Increased current year estimates mark the end to three consecutive years of decline. Total collections have been running slightly above expectations since the August, 2009 conference. In response, the Revenue Estimating Conference made adjustments to each year of its forecast. Fiscal Year 2009-10 was revised upward by 1.64 percent or \$338.4 million. For Fiscal Year 2010-11, expected revenues were increased by 1.41 percent or \$312.6 million above the earlier forecast.

The Social Services Estimating Conference for Medicaid Caseloads and Expenditures met on October 19, 2009 to revisit Medicaid caseload projections and on November 10, 2009, to adopt a new expenditure forecast for Fiscal Years 2009-10 and 2010-11. The Social Services Estimating Conference convened again on January 26 to revisit the projections of Medicaid caseloads, and then reconvened on February 12, 2010 to adopt a new expenditure forecast for FY 2009-10 through FY 2010-11.

The Estimating Conference for Medicaid Caseloads made estimates for both FY 2009-10 and 2010-11. The estimated average monthly caseload for FY 2009-10 is 2,760,034. This compares to the estimate of 2,624,013 used for budgeting purposes during the 2009 Legislative session. The difference of 136,021 is due primarily to increased enrollment of children. For FY 2010-11 the caseload estimate increases to 2,925,493, an increase of 165,459 over this year’s estimate. The FY 2010-11 estimated increase is primarily in Temporary Assistance for Needy Families (TANF) and Medicaid expansion groups for children. The combined increase in caseload for the two years is estimated to result in the need for additional funding to cover health care costs for 301,480 enrollees over the current year budgeted amount.

The anticipated caseload increase is a primary factor contributing to the increased expenditure estimates for FY 2009-10 and 2010-11. For FY 2009-10 there is a

Category	2007	2008	Jan. 1 - Mar 31, 2009	April 1 - June 30, 2009
Managed Care Organizations	38	39	39	39
MCOs Reporting Loss	10	13	9	9
Overall Net Income	\$641,513,100	\$491,152,736	\$152,821,115	*\$342,073,795
Total Enrollment	3,441,058	3,419,116	3,481,717	2,493,329
Medicare Enrollment	662,406	710,304	746,951	750,336
Medicaid Enrollment	762,278	871,274	939,866	946,066

projected budget deficit of \$1.341 billion, with \$450.1 million of this amount from state general fund revenues. The primary Medicaid service categories showing a deficit are Hospital Inpatient, Hospital Outpatient, Physician, and Nursing Home Services. The estimated increase in budget needed for FY 2010-11 is \$2.760 billion over the current fiscal year budget, with \$1.735 billion of this amount from state general fund revenues.

The Medically Needy and MEDS AD (Medicaid expansion for the aged and disabled) programs are scheduled to be eliminated on January 1, 2011, in accordance with current Florida law. If these programs are renewed, budget needs for FY 2010-11 will be increased even further.

The Social Services Estimating Conference also assumed that the enhanced Federal Medical Assistance Percentages (FMAP) available as a result of federal stimulus funding will end on January 1, 2011, in accordance with the American Recovery and Reinvestment Act of 2009. If the federal government extends the enhanced FMAP, it would result in a corresponding reduction in needed state general fund revenue.

The Social Services Estimating Conference met on November 19, 2009 and adopted the Long Term Medicaid Forecast through state fiscal year 2012-13. The Medicaid Long-Term Forecast projects total Medicaid expenditures in FY 2012-13 to be \$19.652 billion of which \$4.920 billion is state general fund revenue (an increase of \$2.330 billion in general fund revenue the current year total of \$2.590 billion). The Medicaid caseload for FY 2012-13 is projected to be 2,852,296, an increase compared to current year projections, but a decline compared to the forecast for FY 2010-11. This Medicaid Long-Term Forecast may be revised based on the new expenditure forecast adopted on February 12, 2010.

Information on any of Florida's Estimating Conferences along with reports, minutes, work papers, and conference schedules are available on the Florida Legislature, Office of Economic and Demographic Research web site:

<http://edr.state.fl.us/conferences.htm>.

State Agency Long Range Program Plans and Budget Requests

All state agencies have submitted their Long Range Program Plans (LRPP) and Legislative Budget Requests (LBR) for Fiscal Year 2010-2011 and they can be found on Florida's Fiscal Portal web site.

Other documents posted on this site include the Governor's Budget Recommendations, House and Senate Appropriations Bills, and a variety of other fiscal publications. Browse the Florida Fiscal Portal at: <http://floridafiscalportal.state.fl.us>.

AHCA Medical Home Task Force

The fall 2009 edition of *The Florida Update* announced the establishment of a Florida Medical Home Task Force and provided a link to information from the task force's initial meeting. Since then the task force has met three times, and has recently issued the final Medicaid Medical Home Task Force Report. The report was released February 2010, and is available on the AHCA web site at: www.fdhc.state.fl.us/Medicaid/deputy_secretary/recnt_presentations/index.shtml.

2010 Legislative Session

More than 800 bills have already been pre-filed for the Regular 2010 Session, March 2, 2010 through April 30, 2010. Examples of filed bills include:

HB 291 Provider Contracts: Proscribes specified fee setting provisions in patient services contracts between health care practitioners and health insurers, prepaid limited health service organizations, or health maintenance organizations. (Related to SB 302 that covers health care and provider contracts)

SB 516 Prescription Drugs Insurance Coverage: Prohibits health insurance policies or contracts for a health care service plan from limiting, reducing, or denying coverage for a prescription drug under certain circumstances. Provides that a change to any health insurance policy or contract for a health care service plan is effective upon the renewal of the policy or contract. Requires insurers to communicate the change and its effective date to the insured, etc.

SB 958 Electronic Health Information: Requires the State Consumer Health Information and Policy Advisory Council to develop AHCA's strategic plan relating to electronic health records. Requires AHCA to develop a uniform enterprise integration agreement. Requires AHCA to coordinate with regional extension centers, develop guidelines for center services and Medicaid participation and use of such services, etc.

For more information on the legislative session or to search for bills, visit the House and Senate website at: www.leg.state.fl.us/Welcome.

HMA Welcomes Carlton Dyke Snipes as a Principal

Dyke Snipes has joined the Florida HMA Office. He has over 29 years of experience in health and human services including Medicaid and other government-financed health care programs with an emphasis on budgeting, reimbursement, and data analysis. Prior to joining HMA in October 2009, Mr. Snipes was the Florida Medicaid Director with the Agency for Health Care Administration. He was responsible for overseeing the \$18 billion Medicaid program that serves over 2.6 million Floridians. Mr. Snipes also served as a Legislative Analyst with the Florida Legislature in the Senate Appropriations Committee on Health and Human Services and worked with the Florida Department of Health, Children's Medical Services program which provides care for children with special health care needs and their families.

Combating Fraud Fraud Enforcement and Recovery Act of 2009

On May 20, 2009, President Barack Obama signed the federal Fraud Enforcement and Recovery Act of 2009 (FERA), which expands the federal government's authority to investigate and prosecute financial fraud. The Act appropriates \$532 million over the next two years for federal financial fraud enforcement.

The Act is focused primarily on misuse of government stimulus and Troubled Asset Relief Program (TARP) funds in the mortgage and banking area. However Section 4, "Clarifications to the False Claims Act to Reflect the Original Intent of the Law," has major significance for health care providers and managed care plans. This section:

- Redefines "claim" to include claims submitted "to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government's behalf, or to advance a Government program or interest." This language gives both the federal government and whistleblowers the ability to pursue subcontractors for claims they submit to contractors and grantees. This could have a significant effect on health care providers that contract with Medicaid or Medicare managed care plans as they could be liable to the federal government for inappropriate claims.
- Redefines "obligation" to include "an established

duty, whether or not fixed," arising from a variety of relationships and specifically includes obligations "arising from statute or regulation, or from the retention of any overpayment." This change allows the government and whistleblowers to pursue violations of selected regulatory statutes as False Claims Act cases and to pursue false documents that are "material to an obligation to pay or to transmit money ... to the Government" regardless of whether a false claim has been submitted.

- Expands the anti-retaliation provisions from only employees to include "contractors and agents" (e.g. network physicians in a managed care plan) that "act to stop one or more violations."

The new law can be viewed at <http://thomas.loc.gov>. Specify "S 386" in the Search field.

AHCA Announces Steps to Combat Healthcare Fraud in Florida

Tom Arnold, Secretary of the Agency for Health Care Administration recently said the "Medicare and Medicaid programs are working hard to find and eliminate waste, fraud and abuse to ensure scarce healthcare resources are spent appropriately." Florida is working in partnership with the federal government to curb healthcare fraud. Examples of this were March and October 2009 sweeps of Miami-Dade County home-health agencies by teams of state and federal investigators, and trained medical personnel. Passage of the 2009 Senate Bill 1986 will strengthen this effort as this law increases standards that must be met before home-health agencies receive payments, adds penalties, and provides new authority to impose sanctions and suspend or revoke licenses. In 2010 the agency plans to inspect all home-health agencies in Miami-Dade County that provide services to Medicaid recipients and to randomly inspect other selected agencies statewide. For more information on the state's efforts, read Florida's annual Medicaid Fraud and Abuse Report released January 7, 2010. The report can be found at: http://ahca.myflorida.com/Executive/Inspector_General/docs/The_States_Efforts%20to_Control_Medicaid_Fraud_and_Abuse_FY2008_09_signed.pdf

America's Best Health Plans

In its November 11, 2009 issue, the *US News & World Report* magazine published the fifth annual Best Health Plans report, a collaborative effort with the National Committee for Quality Assurance (NCQA).

The report ranks commercial, Medicare, and Medicaid health plans on their performance in a number of areas, including member satisfaction, prevention, and treatment. Each plan reporting sufficient data for analysis received a score from 0 to 100 based on a multitude of measures. Member satisfaction made up 25 percent of the score, prevention and treatment together contributed 60 percent and the remaining 15 percent was based on a health plan's NCQA accreditation status.

Florida's Capital Health Plan ranked 5th in the nation among both commercial and Medicare plans, moving up from 23rd for commercial plans and 7th for Medicare Plans in the 2008 report.

No other Florida plan ranked among the top 50 commercial or Medicaid plans. Health First Health Plans (HMO), the only other Medicare plan in the top 50, ranked 31st down from 22nd in the 2008 report. To see the report or search for plan rankings go to:
<http://health.usnews.com/sections/health/health-plans>

H1N1 and Providers

The Declaration of National Emergency issued by President Obama on October 24, 2009 allowed the Department of Health and Human Services (HHS) to temporarily waive certain requirements as they relate to provider participation in the Medicare, Medicaid, and Children's Health Insurance Program (CHIP). Healthcare facilities, such as hospitals and skilled nursing facilities, may request a "Section 1135 Waiver" if necessary to assure that resources for the care and treatment of persons with H1N1 Influenza are available.

The Centers for Medicare & Medicaid Services (CMS) has established a web site and continues to develop information including a comprehensive set of Medicare coverage and payment questions and

answers, a fact sheet for requesting a waiver, Emergency Medical Treatment and Labor Act (EMTALA) information, and more. The site is found at: www.cms.hhs.gov/H1N1.

Additional H1N1 information and resources can be found on the Florida Department of Health web site at: www.Myflusafety.com; and the Centers for Disease Control and Prevention has made information available on its website at: www.cdc.gov/H1N1. A page on the CDC site provides Questions and Answers on 2009 H1N1 Vaccine Financing, including questions regarding private health insurance plans, Medicare Fee for Service, Medicaid and CHIP, and pharmacies. The Q & As can be found at: www.cdc.gov/H1N1flu/vaccination/statelocal/vaccine_financing.htm.

AHCA Expands Health Information Available to the Public

On January 5, 2010, Florida's Agency for Health Care Administration announced several enhancements to its interactive web site that provides information for healthcare consumers and providers. Recent enhancements include a multimedia health encyclopedia, an improved facility locator tool with expanded search functions and more detailed facility/provider profile pages, simplified access to data, and more current information on quality measures and hospital data.

The web site also provides links to *My Florida Health eBook*, a free Internet-based personal health record for Medicaid recipients and to the *Florida Medicaid Health Information Network*, a Medicaid claims-based electronic health record portal for providers. For more information or to access the web site, go to: www.FloridaHealthFinder.gov.

The Florida Update

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