



Medicaid Reform: More Managed Care Options Available; Differences Limited by Federal and State Requirements

at a glance

Medicaid Reform seeks to provide beneficiaries with additional choices of managed care options tailored to meet their needs. While Reform has succeeded in increasing the number of managed care plans operating in the five Reform counties, there is limited variation in the health services offered by the plans, and they are also generally similar to managed care plan options offered in non-Reform counties. In addition, only one Medicaid Reform specialty plan (Children's Medical Services) has become available in Broward and Duval counties.

Medicaid Reform plans have customized their service offerings somewhat for different beneficiary groups, although this customization has been limited by federal and state requirements. Some Reform plans offer higher limits on some medical services and provide additional extra services to aged and disabled beneficiaries. Medicaid Reform benefits packages have generally remained similar over the first two years of the initiative, with a few plans offering higher benefit levels, additional extra services, and fewer co-payments in the second year.

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 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.

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*).

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.

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 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 the benefits provided by Medicaid Reform managed care plans and addresses three questions.

- Do beneficiaries have more choice under Reform?
- How do Reform plans’ benefits packages differ from non-Reform plans and from each other?
- How have Reform plans’ benefits packages changed from the first year to the second year of Reform?

Questions and Answers

Do beneficiaries have more choice under Reform?

Under Medicaid Reform, beneficiaries have more choice among managed care plan options than they did in the traditional Medicaid program. Before Reform, beneficiaries in the pilot counties could elect to receive their health care through managed care plans, various provider networks, or through MediPass, the state’s Medicaid primary care case management system. Under Reform, certain Medicaid beneficiaries must select a Health Maintenance Organization (HMO), a Provider Service Network (PSN), or a specialty plan, where

available.⁵ MediPass is no longer available for these beneficiaries.

While the number of managed care plans has increased under Reform, only one HMO (Freedom Health) emerged that did not previously serve Medicaid beneficiaries in Florida.⁶ All Reform HMOs and PSNs offer both a plan for children and families beneficiaries and a plan for aged and disabled beneficiaries.

Exhibit 1 lists the managed care options available in each Reform county. In Broward County, beneficiaries had 12 plans from which to choose before Reform, including eight HMOs and four defined provider networks that developed into Reform PSNs.⁷ In the first year of Reform two additional HMOs entered the marketplace (Vista Healthplan of South Florida and Universal Health Care), while one additional HMO began offering services in the second year of Reform (Freedom Health). Before Reform, Duval County beneficiaries could select from among three managed care plans, including two HMOs and one defined provider network that also developed into a Reform PSN. In the first year of Reform, a third and fourth HMO (Staywell and Universal Health Care) and a second PSN (First Coast Advantage) began serving Medicaid beneficiaries.⁸ In Baker, Clay, and Nassau counties, one defined provider network offered services prior to Reform and no HMOs operated in these counties. Under Reform, the existing defined provider network developed into a Reform PSN and these counties gained one HMO (United Healthcare).

⁵ An HMO is a managed commercial network that receives monthly capitated payments based on enrollment; a PSN is an organized network of care operated by a group of affiliated health care providers that AHCA currently pays on a fee-for-service basis; and a specialty plan serves beneficiaries with special health needs.

⁶ In year two of Reform, AHCA approved Freedom Health to begin serving children and families beneficiaries and aged and disabled beneficiaries in Broward County. Freedom Health has operated a Medicare Advantage HMO in Florida since 2005, but prior to Reform had not served Medicaid beneficiaries in Florida.

⁷ The defined provider networks that served Medicaid beneficiaries prior to Reform included provider service networks, minority physician networks, and pediatric emergency room diversion programs. These differ from Reform PSNs in that they are organized by agreement rather than contract and are not required to formally include specialty or hospital providers in their networks.

⁸ First Coast Advantage is based at Shands-Jacksonville, a provider system that has historically served Medicaid beneficiaries.

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.

**Exhibit 1
Under Medicaid Reform, Beneficiaries Have an Increased Number of Managed Care Plans from Which to Choose**

Reform Plan Name	Type	Before Reform	Year 1	Year 2
Broward				
AMERIGROUP	HMO	√	√	√
Buena Vista	HMO	√	√	√
Freedom Health	HMO			√
HealthEase	HMO	√	√	√
Humana	HMO	√	√	√
Preferred Medical Plan	HMO	√	√	√
Staywell	HMO	√	√	√
Total Health Choice	HMO	√	√	√
United Healthcare	HMO	√	√	√
Universal Health Care	HMO		√	√
Vista Healthplan of South Florida	HMO		√	√
Access Health Solutions ¹	PSN	√	√	√
Florida NetPASS ¹	PSN	√	√	√
Pediatric Associates ¹	PSN	√	√	√
South Florida Community Care Network ¹	PSN	√	√	√
Children's Medical Services (specialty plan) ²	PSN	√	√	√
Duval				
HealthEase	HMO	√	√	√
Staywell	HMO		√	√
United Healthcare	HMO	√	√	√
Universal Health Care	HMO		√	√
Access Health Solutions ¹	PSN	√	√	√
First Coast Advantage	PSN		√	√
Children's Medical Services (specialty plan) ²	PSN	√	√	√
Baker, Clay, Nassau				
United Healthcare	HMO		N/A	√
Access Health Solutions ¹	PSN	√	N/A	√

¹ Prior to Reform, these networks were defined provider networks, which included provider service networks, minority physician networks, and pediatric emergency room diversion programs. These differ from Reform PSNs in that they are organized by agreement rather than contract and are not required to formally include specialty or hospital providers in their networks.

² The Children's Medical Services Network provided services to this same population prior to Reform.

Source: OPPAGA analysis of Medicaid managed care enrollment data.

As of May 2008, only one specialty plan has been established in the Reform counties. The Children's Medical Services Network, administered by the Department of Health, has developed specialty PSNs to serve the needs of children with chronic conditions in Broward and Duval counties. ⁹

⁹ The Children's Medical Services Network provided services to this same population prior to Reform. The Children's Medical Services Network continues to provide services to non-Reform beneficiaries in Baker, Clay, and Nassau counties as well as the rest of the state.

No other specialty plans have emerged to serve the unique needs of other populations identified in the Florida Medicaid Reform waiver. These populations include children in foster care, individuals with developmental disabilities, and persons with HIV/AIDS. ¹⁰

How do Reform plans' benefits packages differ from non-Reform plans and from each other?

Medicaid Reform health plans can customize benefits packages to meet the needs of different beneficiary populations while non-Reform plans must offer the same levels of services to all beneficiaries as prescribed by Florida's Medicaid state plan. Reform health plans may offer health benefits packages that differ from non-Reform plans in three essential ways: (1) Reform plans that receive capitated payments can vary the amount, scope, or duration of some medical services (currently only HMOs accept this payment structure); (2) both Reform HMOs and PSNs can offer extra services under certain conditions; and (3) both Reform HMOs and PSNs can vary co-payment requirements. ¹¹

However, Reform plans' ability to customize benefits is constrained by federal and state requirements. The federally approved Medicaid Reform waiver requires health plans to include all mandatory Medicaid services and AHCA requires that certain optional services must also be included. The waiver also requires that Reform plans provide all medically necessary services included in the Medicaid state plan to pregnant women and children under age 21 and that only non-pregnant adults can be charged co-payments. In addition, AHCA's policy to not compensate plans that are paid on a fee-for-service basis for providing extra services has limited Reform PSNs' ability to offer additional benefits to beneficiaries.

Our analysis concluded that although Medicaid Reform plans have taken some advantage of the flexibility to customize benefits, the services they offer differ minimally from those prescribed under the Medicaid state plan. Specifically, Reform HMOs have altered the limits for some medical services and

¹⁰ AHCA has received an application from an HIV/AIDS specialty plan and is currently reviewing that application.

¹¹ Because all Reform PSNs are currently reimbursed on a fee-for-service basis, they cannot vary the amount, scope, or duration of medical services but instead must offer all medical services at least to the limits prescribed in Florida's Medicaid state plan.

some Reform HMOs and PSNs offer more extra services than their non-Reform counterparts.

Reform HMOs can vary the amount, scope, and duration of some medical services, but plans have generally not taken full advantage of this flexibility. Medicaid Reform encourages HMOs to develop customized benefits to attract and better serve beneficiaries. Although they must cover most services at the levels prescribed by the Medicaid state plan, Reform HMOs can customize their benefits packages by varying the amount, duration, and scope of 10 medical services. However, the extent to which plans can vary four of these services—home health, durable medical equipment, hospital outpatient, and prescription drugs—is constrained by AHCA’s requirement that service levels meet the needs of 98.5% of each beneficiary population.^{12, 13} Reform HMOs are authorized to vary another six services for adults (chiropractic, podiatric, outpatient therapy, dental, vision, and

hearing) without having to meet any specified limits. (See Exhibit 2.)

This permitted flexibility has resulted in plans adjusting benefits levels to better ensure they meet the needs of at least 98.5% of each beneficiary population. For example, United Healthcare offers aged and disabled beneficiaries up to 210 home health visits annually, while children and families beneficiaries can receive up to 15 home health services visits per year. Staywell similarly offers its aged and disabled beneficiaries up to 120 visits per year, while its children and families beneficiaries are limited to 24 home health visits annually.

Prescription drug benefits also vary among HMO plans, with higher benefits generally available to the aged and disabled population. Six HMOs (AMERIGROUP, HealthEase, Humana, Staywell, Total Health Choice and United Healthcare) offer aged and disabled beneficiaries higher drug benefits than they offer to children and families beneficiaries. For example, AMERIGROUP, HealthEase, and Staywell offer children and families beneficiaries up to nine prescriptions per month, while aged and disabled beneficiaries may receive up to 17 prescriptions per month. Similarly, Humana offers aged and disabled beneficiaries up to \$40,000 in prescription drugs annually but limits prescription drug benefits to children and families beneficiaries to \$5,350 per year.

¹² AHCA determined that all durable medical equipment services could vary in amount, duration and scope except for prosthetic and orthotic supplies priced over \$3,000 and motorized wheelchairs, which must be provided when needed. AHCA further limited variability of home health care services for children and families beneficiaries by requiring that this service meet the needs of 99.85% of these beneficiaries.

¹³ If a plan varies service limits below those of the state plan, AHCA requires the plan to increase the limits on other state plan services, reduce or eliminate co-payments, or add extra services to ensure that the plan’s total value is at least equal to the value of the state plan.

Exhibit 2 HMO Reform Plans Can Vary Some Medical Services Within Specified Limits and Others Without Limits

Services That Plans Must Cover at Current Medicaid State Plan Levels

- Physician and physician extender services (e.g., ARNP, PA)
- Hospital inpatient care
- Emergency care
- EPSDT and other services for children ¹
- Maternity care and other services for pregnant women
- Transplant services
- Medical/drug therapies (e.g., chemotherapy, dialysis)
- Family planning
- Laboratory and radiology
- Transportation (emergency and non-emergency)
- Outpatient mental health services
- Outpatient surgery

Services That Plans Must Offer at a Level That Meets the Needs of at Least 98.5% of Beneficiaries

- Hospital outpatient services
- Prescription drugs
- Durable medical equipment ²
- Home health care ³

Services That Plans Must Offer But Do Not Have to Meet any Specified Levels

- Chiropractic services
- Podiatry services
- Outpatient therapy for adults
- Adult dental
- Adult vision
- Adult hearing

¹ EPSDT: Early and Periodic Screening, Diagnosis, and Treatment.

² AHCA determined that all durable medical equipment services could vary in amount, duration and scope except for prosthetic and orthotic supplies priced over \$3,000 and motorized wheelchairs, which must be provided when needed.

³ AHCA further limited variability of home health care services for children and families beneficiaries by requiring that this service meet the needs of 99.85% of these beneficiaries. Source: AHCA.

Reform HMOs, however, have not taken advantage of the ability to customize the six medical services that are not required to meet specified limits (chiropractic, podiatry, outpatient therapy, dental, vision, and hearing). For these services, plans’ benefits packages are similar for both children and families and aged and disabled beneficiaries. Rather than setting different limits for dental, vision, hearing, and chiropractic services for these two beneficiary populations, most Reform HMOs offer these benefits at Florida’s Medicaid state plan levels.¹⁴ For example, all Reform HMOs offer the same level of benefits for vision and hearing services to both children and families and aged and disabled beneficiaries. Similarly, all but one HMO offers both children and families and aged and disabled beneficiaries up to 24 chiropractic visits per year. The remaining HMO, Total Health Choice, offers all beneficiaries up to 35 chiropractic visits annually.

Reform HMOs and PSNs offer beneficiaries extra benefits not required by the Medicaid state plan, although some of these benefits are also offered by HMOs in non-Reform counties. In the Reform counties, both HMOs and PSNs can offer beneficiaries extra services to attract beneficiaries and provide them more choice. This differs from non-Reform counties, where only HMOs can offer extra services. For both Reform and non-Reform plans, AHCA must approve a plan’s extra services

¹⁴ The state plan provides the same level of service to all beneficiaries.

and requires them to be health-care related and not already included in the Medicaid state plan.¹⁵ It is important to note that Reform PSNs are less likely than Reform HMOs to offer extra services. Because PSNs are currently paid on a fee-for-service basis, they cannot fund extra services in the same way as HMOs that fund these services through their capitated payments.

AHCA has approved the 12 health-related extra services that Reform plans currently offer.¹⁶ Exhibit 3 lists these 12 services and the range of service limits offered by the health plans. Six of these extra services (expanded adult dental, circumcision, over-the-counter pharmacy, respite care, expanded vision, and expanded hearing services) are also offered by HMOs in non-Reform counties.¹⁷ Four Reform HMOs currently provide additional extra services not offered by HMOs in non-Reform counties, including acupuncture, adult nutrition therapy, and home-delivered meals.

¹⁵ In addition, AHCA requires that extra services offered by Reform plans have a predetermined (specific) per-member per-month value.

¹⁶ One plan offered massage therapy in the first year of Reform but no longer offers that service. In addition, although United Healthcare has listed Frail Elder Support as an extra service in both years, AHCA pays United Healthcare separately for this waiver program and Reform beneficiaries must separately qualify to enroll in the waiver.

¹⁷ Each HMO in a non-Reform county offers at least two of these six services.

**Exhibit 3
Medicaid Reform Plans Offer Some Additional Extra Services Not Offered by Medicaid Non-Reform Plans**

Extra Services	Description	Offered by Non-Reform Plans	Offered by Reform Plans
Expanded Adult Dental	Varied levels of service that can include exams, cleanings, x-rays, extractions, sealants, crowns(limited), fillings, clear fillings, and additional discounts	√	√
Circumcision	For babies ranging in age from up to 12 weeks to one year	√	√
Over the Counter Pharmacy	Ranges from \$10 - \$25 in over the counter pharmacy goods per household per month	√	√
Respite Care	Varies from 16 hours per month to 32 hours per year	√	√
Expanded Vision	Up to \$125 for eyeglass upgrades	√	√
Expanded Hearing	Up to \$500 for hearing aid upgrades	√	√
Acupuncture	12 visits per year		√
Adult Nutrition Therapy	15 visits per year		√
Meals On Wheels	Home delivery of up to 10 meals post hospital discharge		√
Adult Hospital Inpatient Days	Extra 20 inpatient days at Shands Jacksonville only		√
Adult Outpatient Services	Extra \$3,500/year for outpatient services at Shands Jacksonville only		√
Maternity Meal Delivery Services	Home delivered meals for families of newborns; two meals delivered to up to four people		√

Source: OPPAGA analysis of Medicaid non-Reform and Reform plan benefits.

Some Reform PSNs also offer extra services that are not available to beneficiaries in non-Reform counties. For example, First Coast Advantage provides additional allowances for inpatient and outpatient hospital services to its beneficiaries in Duval County, while the South Florida Community Care Network in Broward County offers home delivered meals to families of newborns.

Some HMO plans have further customized their benefits by offering different extra services to children and families than to aged and disabled populations. Typically, these plans provide more extra services to aged and disabled beneficiaries.¹⁸ For example, two of the four HMOs in Duval County offer at least one more extra service to aged and disabled beneficiaries than to children and families beneficiaries. In Broward County, 5 of the 11 Reform HMOs offer from one to three additional extra services to aged and disabled beneficiaries.

Tables provided in Appendix A list the available extra services for each eligibility group by location for each Reform health plan.

Medicaid Reform plans have more flexibility than non-Reform plans in establishing co-payments for medical services, but most Reform plans do not exercise this flexibility. Both Medicaid Reform HMOs and PSNs can choose whether or not to charge co-payments up to the limits allowed by the Medicaid state plan.¹⁹ In contrast, non-Reform HMOs cannot charge co-payments for any services, while non-Reform PSNs must either charge non-pregnant adult beneficiaries co-payments as specified in Florida’s Medicaid state plan or waive all co-payments.²⁰ For the most part, however, Medicaid Reform plans charge co-payments largely as they do in other areas of the state.²¹

Our analysis identified some exceptions. Three of the 16 Medicaid Reform HMOs currently charge co-payments for some services. For example, in both

Broward and Duval counties Universal Healthcare requires co-payments for dental services and non-emergency transportation. Similarly, in Broward County Humana charges co-payments to aged and disabled beneficiaries for mental health services and charges children and families beneficiaries co-payments for a range of other services.²² In addition, one Medicaid Reform PSN that serves non-pregnant adults (First Coast Advantage in Duval County) does not charge any co-payments. The other Medicaid Reform PSNs generally charge co-payments consistent with the state plan. Additional information about co-payments is provided in Appendix B.

How have Reform plans’ benefits packages changed from the first year to the second year of Reform?

Overall, Medicaid Reform HMO benefits packages have remained mostly the same during the first two years of the Reform pilot, with some plans offering higher benefit levels, additional extra services, and/or fewer co-payments in the second year. For example, five health plans have increased benefit limits for some services that are allowed to vary.²³ AMERIGROUP increased its durable medical equipment benefit for aged and disabled beneficiaries from \$3,675 in year one to \$4,275 in year two of Reform. Total Health Choice similarly increased its annual limit for chiropractic services from 24 visits per year to 35 visits per year for all beneficiary populations. United Healthcare began offering an additional nine home health visits to children and families beneficiaries in Duval County in the second year of Reform. In addition, AMERIGROUP, HealthEase, and Staywell raised the limit on prescription drugs for their aged and disabled beneficiaries while United Healthcare raised this limit for its children and families beneficiaries.

Some Medicaid Reform HMOs also added extra services in the second year of Reform. Four of the

¹⁸ PSNs that offer extra services to beneficiaries offer the same extra services to both children and families and aged and disabled populations.

¹⁹ Co-payments generally range from \$1 - \$3 for designated services. Exceptions include a 5% co-payment per dental procedure for adults, and a 5% hospital emergency room co-payment up to the first \$300 for each non-emergency visit. In addition, Reform plans can charge a pharmacy co-payment of 2.5% up to the first \$300 per month for a maximum of \$7.50, but no plan has charged this co-payment.

²⁰ Federal law exempts children under 21 and pregnant women from all co-payments.

²¹ Reform plans that charge co-payments do not enforce collection efforts.

²² Humana charges children and families non-pregnant adult beneficiaries co-payments for inpatient and outpatient hospital services, outpatient surgery, laboratory and x-ray services, specialty physician visits, non-emergency transportation, and mental health services.

²³ Our analysis examined four services for which plans reported comparable measures (for example, visits per year) in both year one and year two of Reform. Those services are: durable medical equipment, home health care, chiropractic services, and podiatric services.

16 HMOs added extra services for their children and families beneficiaries and 7 HMOs added extra services for aged and disabled beneficiaries. During the first year of Reform, half of the HMO plans offered the three most prevalent extra services—over-the-counter pharmacy products, expanded adult dental coverage, and infant circumcision. In the second year of Reform, close to two-thirds of the HMO plans offer benefits packages that include these extra services. One HMO began offering a new extra service (adult nutrition therapy) in year two of Reform.

Because Medicaid Reform PSNs are currently paid on a fee-for-service basis, they have less financial flexibility to offer extra services than do HMOs. As a result, only one PSN offered an extra service in the first year of Medicaid Reform (First Coast Advantage offered circumcision for newborns). However, in the second year of Reform, two PSNs (First Coast Advantage and South Florida Community Care Network) began offering extra services to their beneficiaries. Three of these services (extra adult hospital inpatient days, extra adult outpatient services, and maternity meal delivery) are not offered by any Medicaid Reform or non-Reform HMOs.

Over the first two years of Medicaid Reform, HMOs were more likely to drop than to add co-payments. For example, United Healthcare stopped requiring co-payments in Duval County altogether, and reduced the number of services for which it charges co-payments in Broward County. AMERIGROUP also stopped requiring any co-payments. In contrast, Humana added a new co-payment for mental health services for its aged and disabled beneficiaries. The only HMO new to Reform in the second year, Freedom Health, chose not to charge co-payments. No Reform PSNs changed their co-payment requirements from the first to the second year of Reform.

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 his review and response.

The Secretary's written response has been reproduced in Appendix C.

Appendix A

Medicaid Reform Plans Offer Similar Extra Services

Tables A-1, A-2, and A-3 below show that although Medicaid Reform plans differ somewhat in the extra services they provide to Medicaid beneficiaries, the majority of plans offer similar extra services to beneficiaries in the children and families eligibility category. (Extra services added by health plans in Broward and Duval counties during the Reform initiative’s second year are highlighted in Tables A-1 and A-2.)

In Broward County (Table A-1), all HMOs offer at least one extra service to their children and families beneficiaries. In year two of Reform, four HMOs added circumcision as an extra service. As a result, 5 of the 11 HMOs now offer the most popular extra services: over-the-counter medications, circumcision, and expanded adult dental care. All 11 HMO plans cover over-the-counter medications while 7 of the plans also cover circumcision and expanded adult dental services. AMERIGROUP is the only plan that offers expanded vision services and Total Health Choice is the only plan that offers adult nutrition therapy. Only one PSN offers any extra services. The South Florida Community Care Network began offering two extra services in year two of Reform, maternity home delivered meals and expanded dental services for adults.

Table A-1
Broward County: The Most Popular Extra Services Offered by Reform HMOs to Children and Families Beneficiaries Are Over-the-Counter Drugs, Circumcision, and Expanded Adult Dental Services; Only One PSN Offers Extra Services

Broward	None	Over the Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3500/year)
Health Maintenance Organizations									
AMERIGROUP		✓	✓	✓	✓				
Buena Vista		✓	✓						
Freedom Health		✓		✓					
HealthEase		✓	✓	✓					
Humana		✓							
Preferred Medical Plan		✓		✓					
Staywell		✓	✓	✓					
Total Health Choice		✓	✓	✓			✓		
United Healthcare		✓	✓	✓					
Vista Healthplan of South Florida		✓	✓						
Universal Health Care		✓							
Provider Service Networks (PSNs)									
Access Health Solutions	✓								
Florida NetPASS	✓								
Pediatric Associates	✓								
SFCCN ¹				✓		✓			
PSN – Specialty Plan									
Children’s Medical Services	✓								

¹ SFCCN: South Florida Community Care Network.

Source: OPPAGA analysis of Medicaid Reform plan benefits.

In Duval County (Table A-2), three of the four Reform HMOs offer their children and families beneficiaries over-the-counter medications, circumcision, and expanded adult dental services. The other HMO, Universal Health Care, offers only over-the-counter medications. The only plan that offers more extra services in the second year of Reform than it did in the first year is First Coast Advantage, a PSN. This plan offered circumcision for newborns in its first year of Reform and added two additional services in the second year, up to 20 extra days of hospital inpatient care, and up to an additional \$3,500 in outpatient services.

Table A-2
Duval County: Three of Four Reform HMOs Offer Over-the-Counter Medications, Circumcision, and Expanded Adult Dental Services to Children and Families Beneficiaries; One PSN Now Offers Three Extra Services

Duval	None	Over the Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3,500/year)
Health Maintenance Organizations									
HealthEase		✓	✓	✓					
Staywell		✓	✓	✓					
United Healthcare		✓	✓	✓					
Universal Health Care		✓							
Provider Service Networks (PSNs)									
Access Health Solutions	✓								
First Coast Advantage			✓					✓	✓
PSN – Specialty Plan									
Children’s Medical Services	✓								

Source: OPPAGA analysis of Medicaid Reform plan benefits.

Table A-3 shows the extra services offered to children and families beneficiaries by Reform plans in Baker, Clay, and Nassau counties, which joined the Medicaid Reform pilot in the second year. United Healthcare (an HMO), like the majority of HMOs in Duval and Broward counties, offers over-the-counter products, circumcision, and expanded adult dental benefits to children and families beneficiaries in these counties. Access Health Solutions (a PSN) is similar to most PSNs in Duval and Broward counties in not offering any extra services.

Table A-3
Baker, Clay, and Nassau Counties: The Reform HMO Serving These Counties Offers the Three Most Popular Extra Services to Its Children and Families Beneficiaries; the Reform PSN Does Not Offer Any Extra Services

Duval	None	Over the Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3,500/year)
Health Maintenance Organization									
United Healthcare		✓	✓	✓					
Provider Service Network (PSN)									
Access Health Solutions	✓								

Source: OPPAGA analysis of Medicaid Reform plan benefits.

Tables A-4, A-5, and A-6 display the extra services offered by Reform plans for aged and disabled beneficiaries. HMOs offer additional extra services to aged and disabled beneficiaries compared to children and families beneficiaries. These additional extra services include respite care, expanded hearing, acupuncture, and Meals On Wheels for those recovering from a hospitalization. (Extra services added by health plans in Broward and Duval counties during the second year of Reform are highlighted in Tables A-4 and A-5).

In Broward County (Table A-4), 5 of the 11 Reform HMOs offer from one to three additional extra services to their aged and disabled population, including respite care, expanded hearing, Meals On Wheels, acupuncture, and adult dental. In year two of Reform, Humana stopped offering massage therapy and acupuncture as extra services, while 4 of the 11 HMOs added circumcision as an extra service to their benefits packages.

Table A-4
Broward County: Reform HMOs Offer Additional Extra Services to Their Aged and Disabled Beneficiaries

Broward	Over the None Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3,500/year)	Respite Care	Expanded Hearing	Acupuncture	Meals On Wheels
Health Maintenance Organizations												
AMERIGROUP	✓	✓	✓	✓					✓	✓	✓	
Buena Vista	✓	✓	✓									
Freedom Health			✓									
HealthEase	✓	✓	✓						✓			✓
Humana ¹	✓											
Preferred Medical Plan	✓		✓									
Staywell	✓	✓	✓						✓			✓
Total Health Choice	✓	✓	✓			✓						
United Healthcare	✓	✓	✓									
Vista Healthplan of South Florida	✓	✓	✓									
Universal Health Care	✓											
Provider Service Networks (PSNs)												
Access Health Solutions	✓											
Florida NetPASS	✓											
Pediatric Associates	✓											
South Florida Community Care Network			✓			✓						
PSN – Specialty Plan												
Children's Medical Services	✓											

¹ Humana offered massage therapy and acupuncture in year one but stopped offering these services in year two.

Source: OPPAGA analysis of Medicaid Reform plan benefits.

In Duval County (Table A-5), in addition to over-the-counter medications, circumcision, and expanded dental services, two HMOs also provide up to 10 meals through Meals On Wheels to aged and disabled beneficiaries following a hospital discharge. These HMOs, HealthEase and Staywell, added respite care in the second year of Reform. First Coast Advantage, a PSN, offers three extra services with two of these added in the second year.

Table A-5
Duval County: In Year Two of Reform, Two HMOs Added One Extra Service and One PSN Added Two Extra Services for Aged and Disabled Beneficiaries

Duval	None	Over the Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3,500/year)	Respite Care	Expanded Hearing	Acupuncture	Meals On Wheels
Health Maintenance Organizations													
HealthEase		✓	✓	✓						✓			✓
Staywell		✓	✓	✓						✓			✓
United Healthcare		✓	✓	✓									
Universal Health Care		✓											
Provider Service Networks (PSNs)													
Access Health Solutions	✓												
First Coast Advantage			✓					✓	✓				
PSN – Specialty Plan													
Children’s Medical Services	✓												

Source: OPPAGA analysis of AHCA Medicaid Reform plan benefits.

In Baker, Clay, and Nassau counties (Table A-6), United Healthcare (an HMO) like the majority of HMOs in Duval and Broward counties, offers over-the-counter products, circumcision, and expanded adult dental benefits. Access Health Solutions (a PSN) is similar to most PSNs in Duval and Broward counties in not offering any extra services.

Table A-6
Baker, Clay, and Nassau Counties: The Extra Services Offered by the Only HMO in These Counties to Aged and Disabled Beneficiaries Are the Most Popular Extra Services in Other Reform Counties

Baker, Clay, Nassau	None	Over the Counter	Circumcision	Expanded Adult Dental	Expanded Vision	Maternity Home Delivered Meals	Adult Nutrition Therapy	Adult Hospital Inpatient (20 extra days)	Adult Outpatient Services (\$3,500/year)	Respite Care	Expanded Hearing	Acupuncture	Meals On Wheels
Health Maintenance Organization													
United Healthcare		✓	✓	✓									
Provider Service Network (PSN)													
Access Health Solutions	✓												

Source: OPPAGA analysis of Medicaid Reform plan benefits.

Appendix B

Medicaid Reform Plans Vary as to Whether They Charge Beneficiaries Co-Payments

Tables B-1 and B-2 show which Medicaid Reform plans currently charge co-payments to their beneficiaries and how co-payments have changed over the first two years of Medicaid Reform.

In Broward County (Table B-1), 14 of the 16 Reform health plans can charge co-payments (Pediatric Associates and the Children’s Medical Services specialty plan cannot charge co-payments as they serve only children). Of these 14 plans, 6 require co-payments for at least some services in year two. For example, Humana charges a co-payment for mental health services for all non-pregnant adult children and families and aged and disabled beneficiaries. Humana also charges co-payments to children and families beneficiaries over age 21 for hospital admission, outpatient hospital services, laboratory services, specialists, and transportation. United Healthcare charges its aged and disabled beneficiaries a co-payment for mental health services and its children and families beneficiaries a co-payment for home health services. Universal Health Care charges all non-pregnant beneficiaries over age 21 co-payments for dental care and non-emergency transportation.

Table B-1
In Broward County, the Three Reform PSNs That Can Charge Co-Payments Do So, While Only 3 of the 11 Reform HMOs Charge Co-Payments

Broward	No Co-Payments		Co-Payments for Selected Services		State Schedule of Co-Payments	
	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled
Health Maintenance Organizations						
AMERIGROUP	Year 2	Year 2	Year 1	Year 1		
Buena Vista	Both	Both				
Freedom Health	Year 2	Year 2				
HealthEase	Both	Both				
Humana		Year 1	Both	Year 2		
Preferred Medical Plan	Both	Both				
Staywell	Both	Both				
Total Health Choice	Both	Both				
United Healthcare			Both	Both		
Universal Health Care			Both	Both		
Vista Healthplan of South Florida	Both	Both				
Provider Service Networks (PSNs) ¹						
Access Health Solutions					Both	Both
Florida NetPASS					Both	Both
Pediatric Associates ²	Both	Both				
South Florida Community Care Network ³					Both	Both
PSN - Specialty Plan						
Children’s Medical Services ²	Both	Both				

¹ The PSNs in Broward County that can charge co-payments eliminated the co-insurance requirement for non-emergency use of a hospital emergency room, but charge all other co-payments according to the state schedule.

² This plan only serves children and co-payments cannot be charged to this population.

³ South Florida Community Care Network eliminated the co-payment for transportation, but charges all other co-payments.

Source: OPPAGA analysis of Medicaid Reform plan benefits.

In Duval County (Table B-2), two of the six health plans that can charge co-payments currently do so (the Children’s Medical Services specialty plan cannot charge co-payments because the plan serves only children). In the first year of Reform, United Healthcare charged co-payments for selected services, namely for chiropractic, podiatric, and inpatient and outpatient mental health services. United Healthcare eliminated all co-payments in the second year of Reform. Access Health Solutions charges co-payments for all services specified in the state plan except non-emergency use of a hospital emergency room. These include the four services previously listed as well as hospital outpatient surgery or services, laboratory and x-ray services, adult dental, physician and physician extender services, home health, vision services and non-emergency transportation. Universal Health Care charges co-payments for dental care and non-emergency transportation.

**Table B-2
In Duval County, One HMO and One PSN Charge Co-Payments**

Duval	No Co-Payments		Co-Payments for Selected Services		State Schedule of Co-Payments	
	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled
Health Maintenance Organizations						
HealthEase	Both	Both				
Staywell	Both	Both				
United Healthcare	Year 2	Year 2	Year 1	Year 1		
Universal Health Care			Both	Both		
Provider Service Networks (PSN)						
Access Health Solutions ¹					Both	Both
First Coast Advantage	Both	Both				
PSN - Specialty Plan						
Children’s Medical Services ²	Both	Both				

¹ Access Health Solutions eliminated the co-insurance requirement for non-emergency use of a hospital emergency room, but charges all other co-payments according to the state schedule.

² This plan only serves children and co-payments cannot be charged to this population.

Source: OPPAGA analysis of Medicaid Reform plan benefits.

In Baker, Clay, and Nassau counties (Table B-3), two plans, an HMO and a PSN, offer Medicaid services. United Healthcare, the HMO, does not charge co-payments, while Access Health Solutions, the PSN, charges co-payments as defined by the Medicaid state plan except that it does not charge a co-payment for non-emergency use of a hospital emergency room.

**Table B-3
In Baker, Clay, and Nassau Counties, Only the PSN Plan Charges Co-Payments**

Baker, Clay, and Nassau Counties	No Co-Payments		Co-Payments for Selected Services		State Schedule of Co-Payments	
	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled	Children and Families	Aged and Disabled
Health Maintenance Organization						
United Healthcare	Year 2	Year 2				
Provider Service Network (PSN)						
Access Health Solutions ¹					Year 2	Year 2

¹ Access Health Solutions eliminated the co-insurance requirement for non-emergency use of a hospital emergency room, but charges all other co-payments according to the state schedule.

Source: OPPAGA analysis of Medicaid Reform plan benefits.

Appendix C



CHARLIE CRIST
GOVERNOR

HOLLY BENSON
SECRETARY

May 30, 2008

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

Re: Office of Program Policy Analysis and Government Accountability's Draft Report
"Medicaid Reform: More Managed Care Options Available; Differences Limited by Federal and
State Requirements"

Dear Mr. VanLandingham:

Thank you for the opportunity to review and comment on the referenced report. We appreciate
OPPAGA's continued interest in the Medicaid program and thank you for the thorough and
thoughtful analysis included in your report.

We believe Medicaid Reform is achieving its goal of providing beneficiaries with additional
choices of managed care options and we also believe that as health plans and providers continue
to organize their delivery systems, these options will be increasingly tailored to the needs of
beneficiaries.

The report indicates there is limited variation in the health services offered by plans and also that
only one specialty plan is available in Reform counties. We believe it is important to note that
one of the improvements introduced by Medicaid Reform is that all Reform health plans are
required to provide disease management services for common chronic health conditions. This
same requirement does not exist for health plans that operate outside of Medicaid Reform.
Additionally, in order to better meet the needs of special populations, we actively support the
development of specialty plans. We understand that potential specialty plans face significant
hurdles in serving small populations with highly-complex health care needs and we are pleased
that in the second year of Medicaid Reform, we are processing our first application for a
condition-specific specialty plan.

We also believe that Medicaid Reform is achieving its goal of providing beneficiaries with better
information so that they can make informed decisions about their care and that as we continue to
organize and report the additional information provided by Medicaid Reform health plans (e.g.
quality measures), this information will be increasingly used by beneficiaries to make decisions
that best suit their needs.

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Visit AHCA online at
<http://ahca.myflorida.com>

Mr. Gary VanLandingham
May 30, 2008
Page Two

Again, we thank OPPAGA for your efforts in completing this report, which will provide valuable information to stakeholders on Medicaid Reform.

Sincerely,



Holly Benson
Secretary

HB/baa

cc: Carlton D. Snipes, Deputy Secretary for Medicaid

The Florida Legislature
Office of Program Policy Analysis
and Government Accountability



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- Visit OPPAGA's website, the Florida Monitor, at www.oppaga.state.fl.us

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