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WEDNESDAY, DECEMBER 14, 2011

Studies point to flaws in Florida's Medicaid managed care

By Christine Vestal, Stateline Staff Writer

HEALTH BEAT

Like many other states in fiscal duress, Florida sliced a large portion of its Medicaid budget this fiscal year, primarily by cutting payments to hospitals, nursing homes and other health care providers. Next year, Governor Rick Scott wants to double the size of reductions to the federal-state program — again by cutting provider fees.

Within the next two years, however, the Republican governor expects to shave billions from the state budget by letting private health plans take over the care of all of Florida's Medicaid patients — more than 3 million people. Scott's plan is a statewide expansion of a controversial five-county managed care pilot started by Republican former Governor Jeb Bush in 2006. The state Medicaid office sought approval for the plan in August and a decision by the U.S. Department of Health and Human Services is expected soon.

But two new reports suggest the federal government may need some answers before it approves Florida's plan. Georgetown University's Health Policy Institute — which has been studying Florida's Medicaid managed care experiment since it was launched — [predicted](#) the state's proposed \$10 monthly premium for Medicaid recipients would result in 800,000 low-income parents and children dropping the coverage.

In addition, the authors point to a proposed \$100 co-payment for any use of an emergency room that doesn't involve an emergency. That is sure to raise some federal concerns. No other state has proposed such a high fee for low-income Medicaid beneficiaries.

In another [study](#), the Florida Center for Fiscal and Economic Policy, a consumer group, asserts that Medicaid beneficiaries in the managed care pilot program had a harder time making appointments with doctors after the program began than before it. The report — which analyzed claims data from January 2008 through December 2010 — found that the number of primary care visits per person was “alarmingly worse” under some private health plans.

As for saving the state money, Georgetown's Health Policy group found in previous studies that Medicaid costs were about the same under the pilot, but only when substantial administrative expenses were discounted.

In its most recent [report](#), Georgetown argued that Florida may have a hard time squeezing any further savings out of a Medicaid program that is already more efficient than the private sector. Premiums for employer-sponsored health plans have gone up more than 31 per cent in the past five years, while Florida's per person Medicaid costs under public coverage have decreased 5 percent, according to the study's authors.

Florida's most serious Medicaid problem isn't higher costs per patient, but increased numbers of patients coupled with reduced state funds. Florida's Medicaid budget has declined 10 percent over the past five years, combined with an enrollment growth of more than 1 million people. Florida ranks sixth-lowest in the nation in the amount it spends per Medicaid enrollee — behind Nevada, Arkansas, Georgia, Alabama and California, according to data compiled by the Kaiser Family Foundation.

Still, in his proposed 2013 budget, Scott wants to cut Medicaid costs further by reducing hospital fees and limiting the number of hospital visits covered by the plan. Scott's budget would cut the number of Medicaid-subsidized hospital days nearly in half, from 45 to 23 per year. Emergency room visits would be limited to 12. For Medicaid patients who exceed the allowed number of visits, hospitals would have to provide the needed service without Medicaid compensation.

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Florida Medicaid

By Melvin Chambless on Dec 14, 2011 10:31:24 AM

In 1979, I was hired by Governor Graham's office to conduct a complete audit of the Florida Medicaid Office. We had three months to complete the audit. At the end of the field work, I authored a report that led to the conclusion that HRS staff was not administering the program properly and I determined there was substantial waste. A large portion of the waste was due to the billing practices of health providers. Based on the report, the Governor removed 31 - mostly high level - staff persons from the HRS Medicaid Office. I was rewarded by a picture of crossed swords dripping with the blood of the 31 staffers. I gladly posted it to my office door.

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