

# Market-based advocates point to Florida Medicaid reform

**By James Carlson**

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Kansas passed a bill last session implementing a premium assistance program, an idea touted for its reliance on the private insurance market — not the government — for health coverage.

Ask Kansas legislators who want a more market-based approach to Medicaid, and they will point 1,000 miles away to Florida, a state that has enacted one of the biggest restructurings of the current system.

That state's reform hopes to offer more health care choices to recipients while containing costs by capping per-enrollee spending and fostering competition among private insurance carriers and provider networks.

In short, a market-driven approach.

The pilot cases began in Broward County, which includes Fort Lauderdale, and the more rural Duvall County, where 175,000 Medicaid recipients were required to choose from a list of private managed care plans.

The state should save money in the long run, said Florida Medicaid director Tom Arnold, because the managed care plans will have incentives to screen patients aggressively and treat problems before they become more costly.

At the same time, he said, competing plans will offer better benefits to gain an advantage over others. As evidence, he said many of the plans available in Broward County now offer benefits that Medicaid never offered before, such as dental service for adults.

"What resonates with our enrollees is the number of different plans from which they can choose to help meet their needs," Arnold said.

Prior to the reform, he said, Duvall County had one managed care organization. Now it has seven. Broward had 10 organizations. Now it has 15.

The cost savings to the state are supposed to come from a cap placed on the per-enrollee spending, though no reports on the cost savings have been released so far.

Florida, and its market-driven approach, is the pilot project for what many conservatives see as Medicaid's future. Florida has touted the increased number of choices in managed care organizations, but one group studying the Florida model says the reform ignores another choice.

"The choice many enrollees say they want is choice of doctor, which you don't get with managed care," said Joan Alker, deputy director of the Georgetown University Center

for Children and Families, who is studying the first two years of Florida's plan.

She said Medicaid is largely in place because the private insurance market wasn't working for poor Americans due to higher prices and isn't covering the needs of many poor health care consumers.

Jason Wesco, chief operating officer for the Community Health Clinic of Southeast Kansas in Pittsburg, was more blunt about his dislike of managed care organizations.

"It's stupid, it's insane because they're not created to care for patients. They're created to make money," he said.

But Kansas House Speaker Melvin Neufeld, R-Ingalls, said because of rising Medicaid costs, the program needs more efficiency injected into its operations.

"The private market can help a lot with cost containment," he said.

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