

Agency for Health Care Administration

Legislative Budget Request Fiscal Year 2018-2019

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House Health Care Appropriations
Subcommittee

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Legislative Budget Request Overview

Total Budget Request for Fiscal Year 2018-2019:

- \$28.81 billion
- Includes 1,536.5 FTEs

Funding the Agency's requests will:

- Improve efficiency and effectiveness of current processes,
- Address state and federal mandates,
- Address access to care, and
- Attract and retain qualified staff.



Legislative Budget Request Overview

Funding to address mandates:

- Medicaid Enterprise System – \$25.2 million
 - Funding to support the modernization of the current Florida Medicaid Management Information System (FMMIS). This funding will support Year 2 of 6 for this project.
- Medicaid Management Information System Enhancements – \$632,000
 - (\$300,000) - Funding to support enhancements to the current Florida Medicaid Management Information System (FMMIS) to address enrollment and screening of certain providers in the Medicaid program.
 - (\$332,000) - Funding to support enhancements to the current Florida Medicaid Management Information System (FMMIS) to address masking of personally identifiable information.



Legislative Budget Request Overview

Funding to address access to care:

- Prepaid Dental Health Program – \$700,000
 - Funding to implement a statewide Medicaid Prepaid Dental Health program for children and adults based upon chapter 2016-109, Laws of Florida.
- Supplemental Payments – \$1.8 billion
 - (\$246 million) - Funding to continue medical school faculty physician supplemental payments.
 - (\$1.51 billion) - Funding to continue the Low Income Pool (LIP) charity care program.
- Children Medical Services Network (CMSN) Specialty Plan Deficit – \$66.2 million
 - Funding to cover the CMSN Specialty Plan deficit from Fiscal Year 2016-2017.



Legislative Budget Request Overview

Funding to improve efficiency and effectiveness of current processes:

- Preadmission Screening and Resident Review (PASRR) – \$1.5 million
 - Funding to contract with a vendor to implement, operate, and coordinate the Preadmission Screening and Resident Review (PASSR) program.
- Bureau of Financial Services Enterprise Financial System – \$950,000
 - Funding to continue the transition of the Agency’s legacy and stand-alone financial systems to a modernized web-based enterprise solution.
- Claims Data Analytics Solution – \$925,000
 - Funding to contract with a vendor to provide comprehensive analytics services that will allow the Agency to collect health care claims data.
- Health Facility Inspection Scheduling System - \$500,000
 - Funding to procure an automated survey inspection scheduling system.



Schedule VIII-B

Reductions for Fiscal Year 2018-2019



Reduction Target and Proposals

The following proposed reductions are presented in the event of a revenue shortfall

- The Agency's target reduction is 10% in General Revenue and State Trust Fund:

– General Revenue	\$760,982,940
– State Trust Fund	\$82,872,413
– Federal Funds	\$1,331,397,823
– Total	\$2,175,253,176
- Agency proposes the following reductions:
 - Eliminate Medicaid Hospital Rate Enhancement
 - Eliminate Medicaid Retroactive Eligibility
 - Limit Medicaid Medically Needy Program to Children and Pregnant Women
 - Eliminate Medicaid MEDS-AD Waiver
 - Reduce Prepaid Health Plan Capitation Rate (by reducing eligibility or services)
 - Companion to Issue Proposed by Agency for Persons with Disabilities



Reduction Detail

Issues	General Revenue	State Trust Funds	Federal Funds	Total All Funds
Eliminate Medicaid Hospital Rate Enhancement	(\$121,988,276)		(\$196,186,675)	(\$318,174,951)
Eliminate Medicaid Retroactive Eligibility	(\$37,538,287)	(\$257,192)	(\$60,630,375)	(\$98,425,854)
Limit Medicaid Medically Needy Program to Children and Pregnant Women	(\$206,857,973)	(\$29,354,840)	(\$353,764,227)	(\$589,977,040)
Eliminate Medicaid MEDS-AD Waiver	(\$213,131,858)	(\$1,443,742)	(\$344,225,557)	(\$558,801,157)
Reduce Prepaid Health Plan Capitation Rate (by reducing eligibility or services)	(\$181,466,546)		(\$293,257,292)	(\$474,723,838)
Companion to Issue Proposed by Agency for Persons with Disabilities		(\$51,816,639)	(\$83,333,697)	(\$135,150,336)
Total Reductions	(\$760,982,940)	(\$82,872,413)	(\$1,331,397,823)	(\$2,175,253,176)



Eliminate Medicaid Hospital Rate Enhancement

Background	<ul style="list-style-type: none">• Prior to SFY 2017-18 Medicaid hospital inpatient and outpatient rates included a combined automatic rate enhancement of over \$817 million.• The 2017 Florida Legislature reduced both the hospital inpatient and hospital outpatient automatic rate enhancements on a recurring basis by over \$499 million.<ul style="list-style-type: none">• \$86.9 million restored with non-recurring funds.• The automatic rate enhancement does not improve access to quality care for Medicaid recipients and is based on obsolete methodologies that predate current rate-setting methodologies.
Overview of Issue	<p>Eliminates the remaining recurring automatic rate enhancement for hospital inpatient and outpatient services</p> <ul style="list-style-type: none">• Includes impact on the prepaid health plans



Eliminate Medicaid Hospital Rate Enhancement

Mandatory or Optional	N/A
General Revenue Impact	Proposes a total reduction in General Revenue of \$121.9 million
Current Recipients Impacted	N/A
Statutory Changes Needed	Yes
Federal Authority Needed	No



Eliminate Medicaid Retroactive Eligibility

<p>Background</p>	<p>Retroactive eligibility: Eligibility that is granted for a time period prior to the date an individual applied for Medicaid.</p> <ul style="list-style-type: none">• Florida currently makes eligibility effective on the first day of the month the person applied and allows for up to an additional 90 days of retroactive eligibility.• Florida pays the claims during this retroactive period on a fee-for-service basis, and thus pays for uncoordinated and potentially inappropriate utilization of medical services.
<p>Overview of Issue</p>	<p>This issue eliminates coverage of retroactive eligibility except for the period during first month of eligibility</p>



Eliminate Medicaid Retroactive Eligibility

Mandatory or Optional	Mandatory: Federal Medicaid law requires states to include coverage of retroactive eligibility in their state plans.
General Revenue Impact	Proposes a total reduction in General Revenue of \$37.5 million.
Current Recipients Impacted	N/A
Statutory Changes Needed	No
Federal Authority Needed	Yes, a waiver, and a State Plan Amendment



Limit Medicaid Medically Needy Program to Children and Pregnant Women

Background	<ul style="list-style-type: none">• Medically Needy program is available to individuals who have income or assets that exceed the normal limits for Medicaid.• Individuals must incur a monthly share of cost for medical expenses before becoming Medicaid eligible for the month.<ul style="list-style-type: none">• Share of cost is similar to an insurance deductible.• Share of cost amount varies depending on the family's size and income.
Overview of Issue	Limits eligibility for Medically Needy program to pregnant women and children only.
Mandatory or Optional	Optional



Limit Medicaid Medically Needy Program to Children and Pregnant Women

General Revenue Impact	Proposes a total reduction in General Revenue of \$206.8 million.
Current Recipients Impacted	Estimated 26,954 individuals would no longer be eligible. Estimated 1,599 individuals would continue to receive services through the Medically Needy program.
Statutory Changes Needed	Yes
Federal Authority Needed	Yes, a State Plan Amendment



Eliminate Medicaid MEDS-AD Waiver

Background	<ul style="list-style-type: none">• The MEDS-AD program is available to individuals:<ul style="list-style-type: none">• With a disability or who are at least 65 years old• With an income up to 88% of the Federal Poverty Level that is within the State asset limits; and• Not eligible for Medicare or dually eligible and meet specific waiver criteria.• Many program enrollees do not otherwise qualify for Medicaid.<ul style="list-style-type: none">• All affected individuals will be from the Supplemental Security Income (SSI) eligibility group.• These individuals are aged, blind, or disabled with incomes above the SSI level but below 88% of the Federal Poverty Level.
Overview of Issue	Eliminates the MEDS-AD program.



Eliminate Medicaid MEDS-AD Waiver

Mandatory or Optional	Optional
General Revenue Impact	Proposes a total reduction in General Revenue of \$213.1 million.
Current Recipients Impacted	Estimated 51,057 would no longer be eligible.
Statutory Changes Needed	Yes
Federal Authority Needed	Yes, approval of waiver transition plan



Reduce Prepaid Health Plan Capitation Rate (by reducing eligibility or services)

Background	The Agency pays Statewide Medicaid Managed Care health plans a fixed, monthly, per member per month, capitated payment to furnish all covered services to Medicaid recipients.
Overview of Issue	Decreases the capitation rate paid to the Medicaid Managed Care plans for providing Medicaid benefit packages to Medicaid recipients by 2.21%. Eligibility or services will need to be reduced to achieve this reduction.
Mandatory or Optional	Services provided through the health plans include both optional and mandatory services



Reduce Prepaid Health Plan Capitation Rate (by reducing eligibility or services)

General Revenue Impact	Proposes a total reduction in General Revenue of \$181.4 million.
Current Recipients Impacted	Depends on what eligibility or service reductions are enacted.
Statutory Changes Needed	Yes, a statutory change would be needed to achieve this reduction if eligibility or services are reduced or eliminated.
Federal Authority Needed	Yes, a waiver or a State Plan Amendment



Companion to Issue Proposed by Agency for Persons with Disabilities

Background	Currently, there is double budget authority in the Medical Care Trust Fund that is used for the payment of claims for individuals enrolled in the developmental disabilities iBudget waiver administered by the Agency for Persons with Disabilities.
Overview of Issue	This reduction will keep the budget authority in the Home and Community Based Services waiver category in balance based upon the federal financial participation (FFP) rate.
Mandatory or Optional	N/A



Companion to Issue Proposed by Agency for Persons with Disabilities

General Revenue Impact	Proposes a total reduction in State Trust Funds of \$51.8 million.
Current Recipients Impacted	None
Statutory Changes Needed	No
Federal Authority Needed	No



Questions?

