



Florida Medicaid Updates

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***Senate Health and Human Services
Appropriations Committee***

October 7, 2009

Florida Medicaid Updates:

- Low Income Pool Funding – Demonstration Year 5
- Low Income Pool: Independent Consultant Contract
- Low Income Pool: Membership and First Meeting
- Medicaid Fiscal Agent

Low Income Pool Funding Demonstration Year 5

Low Income Pool Funding Demonstration Year 5

➤ Background:

- The Low-Income Pool (LIP) program was implemented July 1, 2006 as part of the Medicaid Reform 1115 Research and Demonstration Waiver.
- The LIP consists of a broad annual allotment of \$1 billion, funded primarily by intergovernmental transfers from local governments matched by federal funds. The objective of LIP is to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured population.

Low Income Pool Funding Demonstration Year 5

- The Special Terms and Conditions for the demonstration outline program milestones upon which receipt of full LIP funds are contingent.
 - Special Term and Condition (STC) # 105 states: At the beginning of demonstration year 5, \$700 million will be available. An additional \$300 million will be available at the time the demonstration is operating on a statewide basis for a total of \$1 billion.
 - As a result of the concerns about meeting the milestone outlined in STC #105 in order to receive the final \$300 million of LIP Funds in year 5, proviso and implementing bill language were adopted during the 2009 Legislative Session to direct the Agency on the roll over of 2008-2009 LIP funds and actions needed with regards to obtaining the full \$1 billion in year 5 of the demonstration.

Low Income Pool Funding Demonstration Year 5

- Specifically, language adopted directed that the distribution of \$123.5 million in LIP roll over funds in SFY 2009-10 (from SFY 2008-09) is contingent upon the Agency obtaining an amendment to the Special Terms and Conditions of the Medicaid Reform waiver for \$1 billion in LIP distributions in year 5 of the waiver (SFY2010-11). If the amendment is not approved by January 31, 2010, then these funds shall be used in SFY 2010-11 for LIP as appropriated in the GAA for SFY 2010-11.

Low Income Pool Funding Demonstration Year 5

➤ Agency Actions

- The Agency held a conference call with the federal Centers for Medicaid and Medicare Services (CMS) in July of 2009 to discuss an amendment specific to STC 105.
- The Agency sent a letter to CMS September 2, 2009 specific to STC 105.
- The Agency held a follow up call September 30, 2009 with CMS to discuss the September 2nd letter.
- The Agency continues its dialogue with CMS and looks forward to their response prior to the January 31, 2010 deadline in the GAA.

Low Income Pool Independent Consultant Contract

Low Income Pool Independent Consultant Contract

- In accordance with Senate Bill 2600, 2009-10 General Appropriations Act, Specific Appropriation 171, the Agency for Health Care Administration is to contract with an independent consultant to prepare recommendations on the financing and the distribution of funds for the low-income pool and disproportionate share hospital program.
- The findings and recommendations shall be submitted to the Executive Office of the Governor, the chair of the Senate Policy and Steering Committee on Ways and Means, and the chair of House Full Appropriations Council on General Government and Health Care within 15 days after the Low Income Pool Council's recommendations are submitted for Fiscal Year 2010-2011.

Low Income Pool Independent Consultant Contract

- The Agency sent a Request for Quote (RFQ) regarding these services to entities on the state's vendors list on 9/9/09 and the deadline for responses was 9/23/09.
- The Agency received two responses to the RFQ for these services.
- The proposals are being evaluated and we anticipate the consultant being completely in place in time to fully participate in the first meeting of the Low Income Pool scheduled for October 29, 2009.

Low Income Pool Membership and Meeting Schedule

- The first meeting of the Low Income Pool is scheduled for October 29, 2009.
- A public notice announcing the date, time and location will publish in the Florida Administrative Weekly on October 9, 2009.
- All Council positions were appointed as of September 22, 2009.

*Update on Florida Medicaid Fiscal
Agent / Medicaid Management
Information System (FMMIS)
Transition*

FMMIS Fiscal Agent Transition

- Florida Medicaid: Contracts with a Fiscal Agent for services that include claims processing, provider enrollment, recipient benefit management, non-reform enrollment broker, and training.
- EDS went live with operations and the newly designed system June 26, 2008.
- Florida Medicaid has 100,462 enrolled providers
- Florida Medicaid has more than 2.7 million covered lives.

Florida Medicaid

**4th largest program in terms of eligibles and
5th largest program in terms of expenditures**

FMMIS Fiscal Agent Transition

Operations Statistics

Category	Historical (2007/08)	February 2009	Current (August 2009)
Claims Processed – Average per Month	11,250,000	11,000,000	12,682,229
Pay/Deny Ratio	69% paid and 31% denied	60% paid and 40% denied	71% paid and 29% denied
Provider Enrollment Applications Processed	300 per week	400 per week	350 per week

FMMIS Fiscal Agent Transition

- Contingency special interim payment plans put into place:
 - Advanced Interim Payments (AIP - response to systematic problem to multiple providers) and
 - Emergency Advance Payments (EAP - response to individual providers with payment issues).

	July '08 – December '08	January '09 – June '09
AIP	2.44%	0%
EAP	5.17%	3.78%
Regular Payment Cycle	92.39%	96.22%

FMMIS Fiscal Agent Transition

Hospital Claims Processing

- Good progress made in the past several months addressing processing issues
- Approximately 200,000 retro rate adjusted claims are being released over the next several weeks
- Working with individual hospitals to assist with clearing older accounts, including an opportunity in October for facilities to bill older accounts electronically (typically require a paper process through the Medicaid Area Offices)
- Recent suspense processing change resulted in the release of over 80,000 claims
- Remaining issues are prioritized based on severity and assigned for correction

FMMIS Fiscal Agent Transition

Recipient Call Center Processing

- Current staff level at 114, numerous changes to staff organization improving overall productivity.
- Typical call processing
 - January, 2009: 3,300+ calls per day
 - Currently handling 4,800+ calls per day
- Medicaid Area Offices continue to support any callers that may have difficulty reaching a representative.
- Special Technical Team hired to explore ways to further enhance the system to provide improved communication – leading to reduced call volume in the future.
- Currently adding phone lines to support higher call volume.

FMMIS Fiscal Agent Transition

Suspended Claims

The Agency and EDS are working together to respond to a high volume of suspended claims, concentrating in these areas:

- Claims suspended for medical review where a large percentage normally pay were released systematically.
- Inventory of claims suspended for special handling from the AHCA Area Offices has been worked down to normal processing times.
- Claims for Nursing Home 7/09 Retro Rate changes were released .
- Outstanding Hospital Retro Rate claims expected to be resolved by end of October.

FMMIS Fiscal Agent Transition

Medicaid Management Information System (MMIS) Certification

- Centers for Medicare and Medicaid Services (CMS) will conduct an on-site review of the new system to assess compliance with Federal requirements.
- Certification review includes an intense review of system and operational documentation that the system meets federal guidelines for an MMIS.
- The most recent Florida MMIS Certification was in 1991.
- When certification review has been completed successfully, AHCA will qualify for the highest eligible rate for federal financial participation (FFP) retroactive to Day One of operations.
- The Agency sent a letter September 30, 2009, requesting the CMS on-site visit; CMS will discuss with the Agency in the next 30 days the timing of the visit.

FMMIS Fiscal Agent Transition

Medicaid Information Technology Architecture Assessment

- The Medicaid Information Technology Architecture (MITA) is an initiative of the federal Centers for Medicare and Medicaid Services that will provide common technology and business solutions for Medicaid systems to communicate with other health payer systems.
- CMS requires that state Medicaid programs conduct a State Self-Assessment based on MITA concepts
- The assessment will determine where the state is relative to the MITA concepts and develop a plan to transition the Florida system over the next 5 to 10 years to a more automated data enterprise.
- CMS is not willing to continue to provide enhanced FFP for Medicaid Management Information System (MMIS) endeavors without State Self-Assessments of MITA maturity levels and plans to transition to more mature IT models over time.

FMMIS Fiscal Agent Transition

Federally Mandated Updates to Transactions and Code Sets

- These are major changes that will impact every aspect of Medicaid, including coverage policies and reimbursement procedures
- Electronic Health Care Transactions – claims, remittance advice, eligibility inquiries, claim processing inquiries – all have been updated and all payers are mandated to install the updated versions by January 2011
- ICD-10-CM – code set for diagnosis codes used for health care transactions – all payers are mandated to install the updated code set by October 2013

Questions?