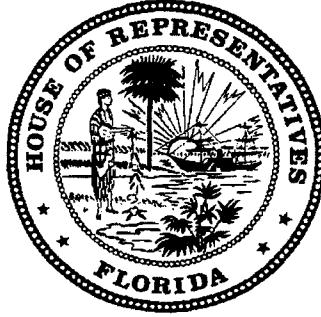# Health Care Appropriations Committee

Meeting Packet

February 11, 2010
9:00 a.m. – 12:00 p.m.
212 Knott

AGENDA
Health Care Appropriations Committee
February 11, 2010
9:00 a.m. – 12:00 p.m.
212 Knott

I.   Call to Order/Roll Call

II.   Opening Remarks

III.   Encounter Data Implementation Update presentation by Roberta Bradford, Deputy Secretary of Medicaid, AHCA

IV.   Budget Prioritization Exercise—Phase II

         o   Chair's Proposal for ranking lowest priorities

V.   Closing Remarks and Adjournment

Medicaid Encounter Data – Status Update

**Roberta K. Bradford,
Deputy Secretary for Medicaid**

**Presented to the House Health Care Appropriations
Committee
February 11, 2010**

Encounter Data

➤ **Encounter data** are electronic records of covered services provided to the enrollees of a health plan

➤ **An encounter record captures the face to face interaction between a patient and provider** (i.e. health plan, physician, pharmacy, hospital, laboratory, transportation, home health services, etc.) who delivers services or is professionally responsible for services delivered to a patient

➤ Encounter data documents the patient's diagnosis and all of the services rendered to the patient during the visit

Compared to Fee-for-Service

➤ Encounter data are comparable to fee-for-service (FFS) claims data; with one significant difference – services reported in encounter data **have already been paid for** by the State or by the managed care organizations (MCOs).

- Florida Medicaid pays contracted managed care organizations (MCOs) a monthly per-enrollee amount (capitation payment) before services are delivered.

- MCOs employ or subcontract with primary care physicians and other provider types to deliver health services to recipients.

- Medicaid MCOs are required by contract to collect encounter data from their providers, including subcapitated providers.

- MCOs must include the encounter data collection requirement in their contracts with providers.
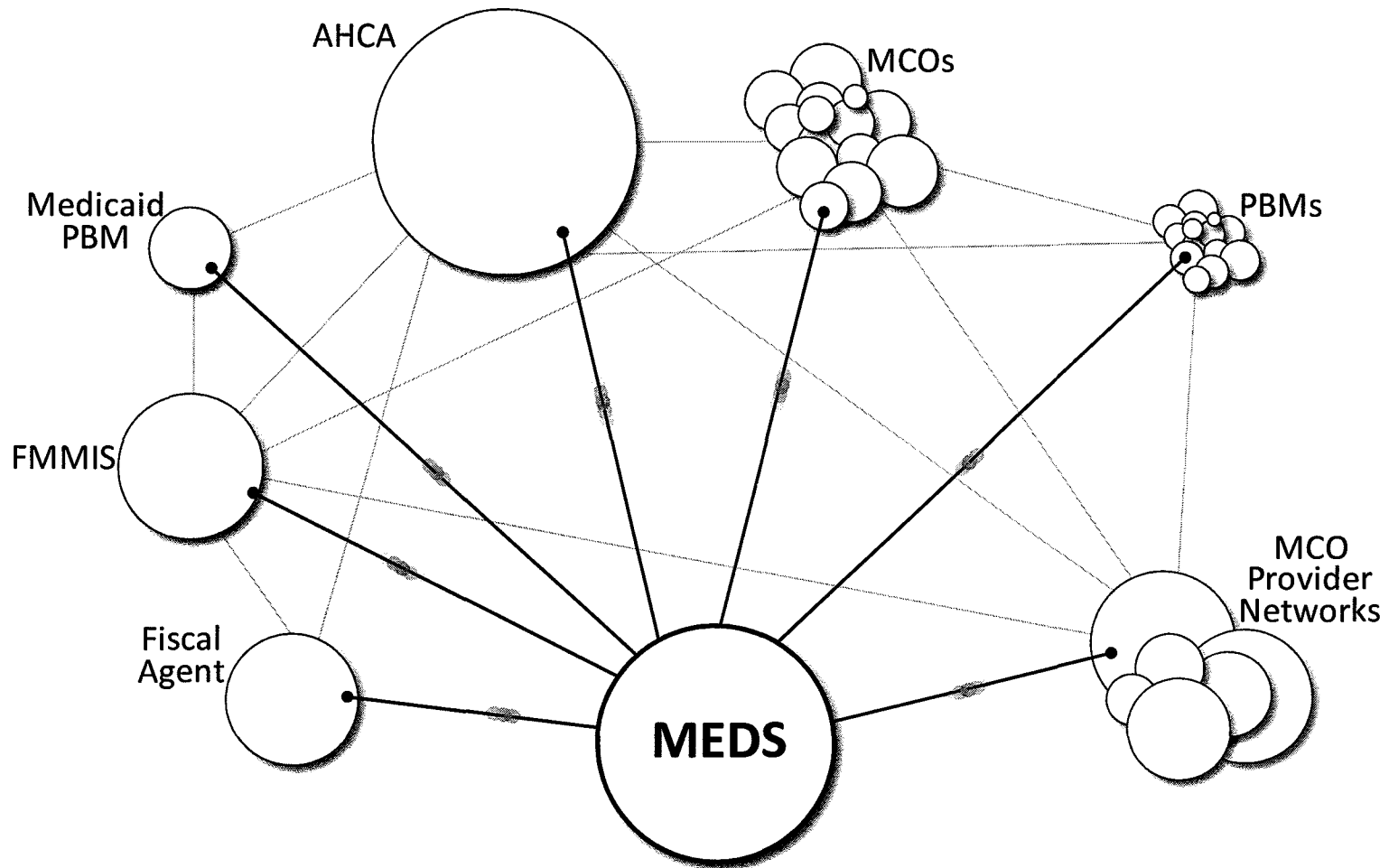
Encounter Data Format

➤ In compliance with federal requirements, the Medicaid Encounter Data System (MEDS) requires MCOs to submit encounter data electronically and in HIPAA-compliant format

- HIPAA is a national standard that strictly defines the data elements, file structure, and format for health care claims

➤ Prior to MEDS, Medicaid MCOs were not required to submit HIPAA-compliant information to the Agency on services provided to recipients

➤ For the MCOs, learning to create and submit outbound HIPAA-compliant transactions was technically challenging

Medicaid Encounter Data System

➤ **Florida's Medicaid Encounter Data System** (**MEDS**) is the statewide operation of collecting and validating encounter data and storing it in a centralized location for program use

- "System" does not mean hardware and software but describes the complex interconnection between the Agency and the Medicaid MCOs

- MEDS consists of the Agency, each of the Medicaid MCOs, each of the MCO network providers rendering covered services, the Medicaid fiscal agent, the Medicaid pharmacy benefits manager (PBM), and the Florida Medicaid Management Information System (FMMIS)

Medicaid Encounter Data System

Historical Data Submission

➤ The Agency notified all health plans in May 2009 that encounter data submission would begin in July 2009 for both historical and current day encounter data.

➤ Medical services encounter data submissions resumed July 9, 2009. Pharmacy services encounter data submissions started August 14, 2009.

➤ All historical encounter data were due to AHCA in FMMIS by October 31, 2009.

Submission Status

- System processing for the encounter claims submitted by the October 31, 2009 deadline continued through November 2009
  - 24 Plans submitting encounter data.
  - Plans required to submitted letter certifying accuracy and completeness of their encounter data.
- Plans continued to remediate and submit additional historical encounter data through December 2009
- MCOs are now submitting their ongoing (current day) encounter data beginning with the July 1, 2009 paid dates
  - The majority of MCOs are submitting current day encounter data as required by the Medicaid HMO contracts

System Processing

➤ MCOs submit their encounter claims to FMMIS in the same way Medicaid providers submit their fee-for-service (FFS) claims to FMMIS

➤ Encounter claims are processing successfully in the system and moving to claims history

➤ To date, the Agency has received and processed **over 20 million** encounter claims (medical services and pharmacy) from capitated MCOs statewide

   ➤ 17 Florida Medicaid HMOs

   ➤ 5 Florida Medicaid Provider Service Networks

   ➤ 1 Florida Prepaid Dental Plans

System Edits

➤ During processing, encounter claims must successfully pass several editing steps in order to be accepted by FMMIS

➤ Encounter claims accepted by FMMIS are sent to claims history and are then available for Agency use

➤ Edits help keep "bad" data out of the system (i.e., duplicates, unknown recipients, invalid diagnosis or procedure codes, etc.) and/or identify encounter claims that must be corrected and resubmitted by the MCOs

➤ FMMIS edits cannot validate that the encounter data accurately represent services a recipient actually received

Data Validation

➤ Encounter data are self-reported by the MCOs and represent services for which the State has already paid

- A comprehensive back-end validation system is crucial for identifying statistical anomalies and evaluating data integrity and reasonableness

➤ Data that are not validated can be used for some activities; other uses will require reliable data to be fully validated

➤ Encounter data must be assessed for completeness and accuracy before they are used to make management or policy decisions

- The quality and completeness of the self-reported data will contribute to the length of time needed for validation

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MEDS Data Usage Progression

◗ Data Unverified & Un-validated

Data Uses
- Capitation rate setting for SFY 2010 - 11
- Compare pharmacy encounter data to risk adjustment submissions
  - Submission volume
  - Risk scores in MedRx model
- Track initial adult PCP visit within 90 days of MCO enrollment
- Verify MCO provider networks and services provided
- Analyze MCO enrollment, encounter volume, and encounters per recipient (PM/PM)
- Send EOMBs to managed care recipients
- Review completeness – At least 95% of submissions contain complete information
- Review accuracy – At least 95% submissions are accepted by FMMIS
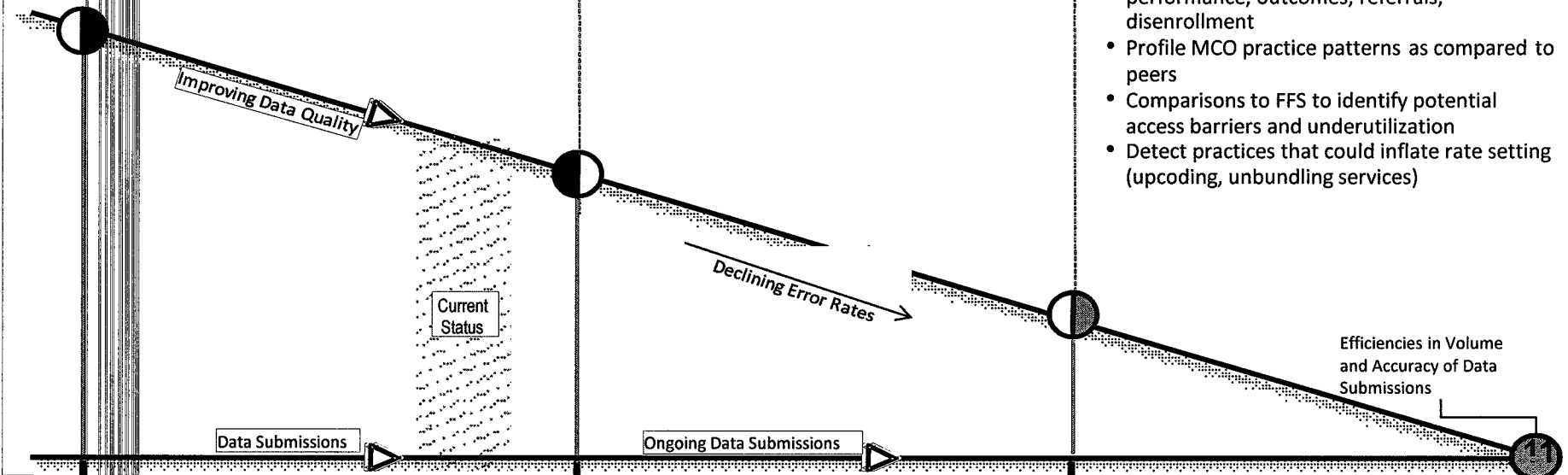
◗ Data Partially Verified/Validated

Data Uses
- Analyze/compare encounter claims to FFS
  - Encounter PMPM per recipient
  - FFS claims to encounter ratio
  - Comparisons MCO to MCO and to other states
- Transition to pharmacy encounter data in MedRx model for risk adjustment
- Test CDPS model for risk adjustment
- Analyze data integrity:
  - Referential integrity
  - Review FMMIS edits on encounters
    - ○ Rejections -distribution /types
    - ○ Correctable errors -distribution/types
  - Relationship between diagnoses and procedures

◗ Data Fully Verified/Validated

Data Uses
- Analysis over time:
  - Overall volume by file/claim type
  - Volume per recipient
  - Service utilization
  - Completeness analysis of key data elements
- Verify MCO compliance with contract requirements
- Compare preventive services provided to audited HEDIS measures
- Identify recipients with chronic illnesses based on HEDIS guidelines
- Analyze specialty services provided by plans by areas of the State
- Support electronic health record
- Support managed care fraud and abuse prevention such as:
  - Comparative analyses of MCO utilization, performance, outcomes, referrals, disenrollment
  - Profile MCO practice patterns as compared to peers
  - Comparisons to FFS to identify potential access barriers and underutilization
  - Detect practices that could inflate rate setting (upcoding, unbundling services)

Improving Data Quality

Current Status

Data Submissions ▷

Declining Error Rates →

Ongoing Data Submissions ▷

Efficiencies in Volume and Accuracy of Data Submissions

Encounter Data in Rate Setting

➤ The Agency is performing initial testing and analysis of the FY 2008-09 encounter data for use as a contributing data source for the FY 2010-11 capitated managed care rates

➤ The plan is to use encounter data in setting capitation rates effective September 2010; however, the percentage is dependent upon encounter data actuarial soundness when compared to FFS data

➤ Goal is to use the source(s) that provide the best prediction of capitated MCO costs for FY 2010-11

➤ Ideally, encounter data should be used in conjunction with MCO financial data and FFS data to predict MCO costs—per Managed Care Workgroup report

  ▪ Encounter data tell us the services provided and help the MCOs better manage their recipients

Prevention and Detection Programs

➤ Effective managed care fraud and abuse prevention and detection programs should consist of the following:

- Formal plans

- Coordination activities

- Prevention strategies

- Detection strategies

- Enforcement strategies

AHCA
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

Detection Using Encounter Data

➤ Encounter data are one tool used to detect MCO fraud and abuse

➤ Use of encounter data is dependent upon the accuracy and validity of the data elements needed for fraud and abuse pattern detection:

- Service provider and recipient identifiers

- Procedure codes

- Product and service descriptions

- Provider payment on capitated vs. FFS basis

➤ Encounter data validation is proceeding steadily; however, sufficiently validated data are not available for all detection / prevention activities

Questions?

Budget Prioritization Exercise
Phase II

Health Care Appropriations Committee

	A	B	C	D	E	F	G	H	I	J	K	N
					Lowest Priorities Chair's Proposed Ranking						**TARGET AMOUNT: $704.48**	
1												
2											**Selection Amount**	**$1,354.09**
3	**Agency**	**Priority Number**	**Program/ Service/ Activity**	**FTEs**	**GR**	**State TFs**	**Total Funds**	**Federal Match/MOE Y/N**	**Lowest Priorities Y**	**Partial Funding %**	**FTEs**	**Total Funds**
4	HCA	1	Florida Center for Health Information & Policy Analysis	45.00	$0.95	$3.15	$4.09	N	Y	84%	37.80	$3.44
5	DOH	2	County Health Department Local Needs/Primary Care Services	7,531.00	$139.96	$440.25	$580.20	Y	Y	37%	2,786.47	$214.68
6	DOH	3	Statewide Public Health Support Services-Executive Leadership/Support Services	79.00	$0.67	$25.45	$26.12	N	Y	72%	56.88	$18.81
7	DCF	4	Adult Substance Abuse Services	0.00	$30.34	$8.19	$38.53	Y	Y	30%	0.00	$11.56
8	DCF	5	Executive Direction & Support Services - Substance Abuse	81.00	$3.07	$0.01	$3.08	N	Y		81.00	$3.08
9	DEA	6	Local Service Programs	0.00	$7.02	$0.00	$7.02	N	Y	80%	0.00	$5.61
10	DOH	7	Executive Direction & Support	398.50	$12.80	$5.41	$18.20	N	Y	23%	89.66	$4.10
11	DOH	8	County Health Department Local Needs/Environmental Health	1,278.00	$9.28	$91.29	$100.56	N	Y		1,278.00	$100.56
12	DOH	9	County Health Department Local Needs/Projects	0.00	$1.59	$0.00	$1.59	N	Y		0.00	$1.59
13	HCA	10	Medicaid Executive Direction & Support	747.50	$33.92	$22.90	$56.82	Y	Y	18%	130.81	$9.94
14	DCF	11	Executive Direction & Support Services - Family Safety	302.50	$16.86	$0.36	$17.22	Y	Y	20%	60.50	$3.44
15	DCF	12	Adult Mental Health Services	0.00	$237.47	$1.66	$239.13	Y	Y	33%	0.00	$77.72
16	DCF	13	Adult Mental Health Treatment Facilities - Civil	2,302.00	$103.39	$1.23	$104.62	Y	Y	23%	517.95	$23.54
17	DCF	14	Restore Nonrecurring Mental Health Services	0.00	$21.48	$0.00	$21.48	Y	Y	83%	0.00	$17.90
18	DEA	15	FCO-Senior Centers	0.00	$6.70	$0.00	$6.70	N	Y		0.00	$6.70
19	DOH	16	Office of Minority Health	3.00	$3.36	$0.00	$3.36	Y	Y		3.00	$3.36
20	DOH	17	Family Health Projects	0.00	$3.49	$0.00	$3.49	N	Y		0.00	$3.49
21	DOH	18	Infectious Disease Control	415.50	$55.63	$3.08	$58.71	Y	Y	50%	207.75	$29.36
22	DOH	19	Infectious Disease Projects	0.00	$0.96	$0.00	$0.96	N	Y		0.00	$0.96
23	DOH	20	Environmental Health Services	218.50	$5.67	$17.65	$23.33	Y	Y	50%	109.25	$11.66
24	DOH	21	Environmental Health Projects	0.00	$0.09	$0.00	$0.09	N	Y		0.00	$0.09
25	DOH	22	Vital Statistics	135.00	$0.69	$7.07	$7.76	N	Y	15%	20.25	$1.16
26	DOH	23	Children's Medical Services-Executive Leadership/Support Services	44.00	$1.85	$0.16	$2.01	Y	Y	15%	6.60	$0.30
27	DOH	24	Cancer Research	0.00	$0.00	$50.00	$50.00	N	Y		0.00	$50.00
28	HCA	25	Administration & Support	256.00	$3.55	$11.91	$15.46	Y	Y	15%	38.40	$2.32

Health Care Appropriations Committee

	A	B	C	D	E	F	G	H	I	J	K	N
1				Lowest Priorities Chair's Proposed Ranking							TARGET AMOUNT: $704.48	
2											Selection Amount	$1,354.09
3	Agency	Priority Number	Program/ Service/ Activity	FTEs	GR	State TFs	Total Funds	Federal Match/MOE Y/N	Lowest Priorities Y	Partial Funding %	FTEs	Total Funds
29	HCA	26	Statewide Advocacy Council	6.00	$0.55	$0.00	$0.55	N	Y		6.00	$0.55
30	HCA	27	Pharmaceutical Expense Assistance	0.00	$0.45	$0.00	$0.45	N	Y		0.00	$0.45
31	HCA	28	Workers' Compensation Program	6.00	$0.00	$0.57	$0.57	N	Y	20%	1.20	$0.11
32	APD	29	G/A-Individual & Family Supports	0.00	$3.98	$0.00	$3.98	N	Y		0.00	$3.98
33	APD	30	Room & Board Payments	0.00	$4.00	$0.00	$4.00	N	Y		0.00	$4.00
34	APD	31	Developmental Disabilities Centers - Forensic	517.00	$25.52	$0.00	$25.52	N	Y	5%	25.85	$1.28
35	DCF	32	Executive Leadership & Support Services	1,101.00	$58.49	$34.31	$92.80	Y	Y	20%	220.20	$18.56
36	DCF	33	Adult Mental Health Treatment Facilities - Forensic	1,694.50	$149.45	$0.69	$150.13	N	Y	10%	169.45	$15.01
37	DCF	34	Executive Direction & Support Services - Mental Health	115.00	$8.74	$0.00	$8.74	Y	Y	15%	17.25	$1.31
38	DCF	35	Executive Direction & Support Services - Economic Self Sufficiency	192.00	$19.08	$0.00	$19.08	Y	Y	60%	115.20	$11.45
39	DCF	36	Restore Nonrecurring Substance Abuse Services	0.00	$9.28	$0.00	$9.28	Y	Y		0.00	$9.28
40	DCF	37	FCO - Maintenance/Repair of Buildings	0.00	$6.10	$0.00	$6.10	N	Y		0.00	$6.10
41	DEA	38	Long-Term Care Ombudsman Program	32.50	$1.35	$0.00	$1.35	Y	Y		32.50	$1.35
42	DEA	39	Statewide Public Guardianship Program	3.00	$2.19	$0.41	$2.60	N	Y		3.00	$2.60
43	DOH	40	Family Health Outpatient Services	116.00	$41.71	$22.97	$64.69	Y	Y	33%	37.70	$21.02
44	DOH	41	Healthy Start	26.00	$41.43	$0.00	$41.43	Y	Y		26.00	$41.43
45	DOH	42	County Health Department Local Needs/Communicable Disease Control	3,662.00	$24.17	$197.12	$221.28	Y	Y	35%	1,281.70	$77.45
46	DOH	43	Biomedical Research	0.00	$0.00	$2.20	$2.20	N	Y		0.00	$2.20
47	DOH	44	Children's Medical Services	683.50	$57.85	$62.20	$120.04	Y	Y	15%	102.53	$18.01
48	DOH	45	Children's Medical Services Projects	0.00	$1.04	$0.00	$1.04	N	Y	50%	0.00	$0.52
49	DOH	46	Medical Quality Assurance	640.50	$0.00	$61.58	$61.58	N	Y		640.50	$61.58
50	DOH	47	Comprehensive Tobacco Prevention Education and Prevention Use	28.00	$0.00	$61.54	$61.54	N	Y		28.00	$61.54
51	DOH	48	Community Health Access - Projects	0.00	$1.25	$0.00	$1.25	N	Y		0.00	$1.25
52	DOH	49	Capital Improvement/Maintenance and Repair	0.00	$6.70	$0.00	$6.70	N	Y		0.00	$6.70
53	DVA	50	Executive Direction & Support Services	28.00	$3.27	$0.10	$3.37	N	Y	20%	5.60	$0.67
54	DVA	51	Risk Management/Transfers to DOAH & DMS	0.00	$0.26	$0.64	$0.90	N	Y		0.00	$0.90

Health Care Appropriations Committee

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55	HCA	52	Medicaid Fiscal Agent	0.00	$23.00	$0.77	$23.77	Y	Y		0.00	$23.77
56	HCA	53	Risk Management/Transfers to DOAH & DMS	0.00	$0.58	$1.58	$2.16	Y	Y		0.00	$2.16
57	HCA	54	Children's Special Health Care/Kidcare-Increased Caseload Funding	0.00	$17.13	($1.33)	$15.81	Y	Y		0.00	$15.81
58	APD	55	Home & Community Services Administration	322.50	$12.75	$0.00	$12.75	Y	Y	15%	48.38	$1.91
59	APD	56	Developmental Disabilities Medicaid Waiver Services	0.00	$269.22	$0.00	$269.22	Y	Y	10%	0.00	$26.92
60	APD	57	Program Management & Compliance	326.00	$18.30	$0.00	$18.30	Y	Y		326.00	$18.30
61	APD	58	Developmental Disabilities Centers - Civil	2,237.50	$37.28	$2.45	$39.73	Y	Y	5%	111.88	$1.99
62	APD	59	Risk Management/Transfers to DOAH & DMS	0.00	$4.26	$0.05	$4.31	Y	Y		0.00	$4.31
63	APD	60	Maintain Information Technology Recurring Infrastructure	0.00	$0.90	$0.00	$0.90	N	Y		0.00	$0.90
64	DCF	61	Child Care Licensing & Regulation	129.50	$2.53	$0.53	$3.06	Y	Y	15%	19.43	$0.46
65	DCF	62	Adult Protective Investigations/Services	618.50	$24.30	$0.00	$24.30	Y	Y	15%	92.78	$3.64
66	DCF	63	Independent Living Services - 13-17 years	0.00	$4.24	$0.00	$4.24	Y	Y		0.00	$4.24
67	DCF	64	Independent Living Services - 18-23 years	0.00	$19.32	$2.50	$21.81	Y	Y	50%	0.00	$10.91
68	DCF	65	Eligibility Determination	4,206.00	$119.65	$1.87	$121.52	Y	Y	15%	630.90	$18.23
69	DCF	66	Fraud Prevention/ Benefit Recovery	200.50	$3.06	$2.65	$5.71	Y	Y		200.50	$5.71
70	DCF	67	Homelessness/Housing Programs	3.00	$2.81	$0.00	$2.81	Y	Y		3.00	$2.81
71	DCF	68	Optional State Supplementation/ Personal Care Allowance	0.00	$15.85	$0.00	$15.85	Y	Y		0.00	$15.85
72	DCF	69	Cash Assistance	0.00	$125.13	$0.00	$125.13	Y	Y	20%	0.00	$25.03
73	DCF	70	Risk Management/Transfers to DOAH & DMS	0.00	$20.33	$0.42	$20.75	Y	Y		0.00	$20.75
74	DCF	71	Restore Nonrecurring Maintenance Adoption Subsidies	0.00	$7.23	$0.00	$7.23	Y	Y		0.00	$7.23
75	DCF	72	Sexually Violent Predator Program Growth	0.00	$8.00	$0.00	$8.00	N	Y		0.00	$8.00
76	DCF	73	TANF Cash Assistance	0.00	$23.06	$0.00	$23.06	Y	Y		0.00	$23.06
77	DEA	74	Alzheimer's Projects/Services	0.00	$12.70	$0.00	$12.70	N	Y		0.00	$12.70
78	DEA	75	Medicaid Waivers	0.00	$143.84	$13.00	$156.84	Y	Y	25%	0.00	$39.21
79	DEA	76	Program Management Support Staffing	49.50	$2.38	$0.14	$2.52	Y	Y	15%	7.43	$0.38

Health Care Appropriations Committee

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1					**Lowest Priorities**						**TARGET AMOUNT: $704.48**	
2					**Chair's Proposed Ranking**						**Selection Amount**	**$1,354.09**
3	**Agency**	**Priority Number**	**Program/ Service/ Activity**	**FTEs**	**GR**	**State TFs**	**Total Funds**	**Federal Match/MOE Y/N**	**Lowest Priorities Y**	**Partial Funding %**	**FTEs**	**Total Funds**
80	DEA	77	Executive Leadership and Support	76.00	$2.37	$0.00	$2.37	Y	Y	15%	11.40	$0.36
81	DEA	78	Risk Management/Transfers to DOAH & DMS	0.00	$0.34	$0.00	$0.34	Y	Y		0.00	$0.34
82	DOH	79	Statewide Pharmaceutical Services	32.50	$24.14	$0.37	$24.51	Y	Y		32.50	$24.51
83	DOH	80	Laboratory Services	282.00	$9.06	$11.18	$20.24	Y	Y	20%	56.40	$4.05
84	DOH	81	Community Health Access	25.00	$12.70	$14.34	$27.03	Y	Y		25.00	$27.03
85	DOH	82	Risk Management/Transfers to DOAH & DMS	0.00	$4.15	$9.19	$13.35	Y	Y		0.00	$13.35
86	DOH	83	Rural Hospital Capital Improvement	0.00	$2.00	$0.00	$2.00	N	Y		0.00	$2.00
87	DVA	84	FCO Maintenance & Repair	0.00	$0.00	$1.60	$1.60	N	Y		0.00	$1.60
88	HCC	85	Tobacco Settlement Trust Fund Shortfall	0.00	$11.90	$0.00	$11.90	Y	Y		0.00	$11.90
89			**GRAND TOTAL**	**31,196.00**	**$2,152.15**	**$1,195.39**	**$3,347.54**				**9,702.58**	**$1,354.09**