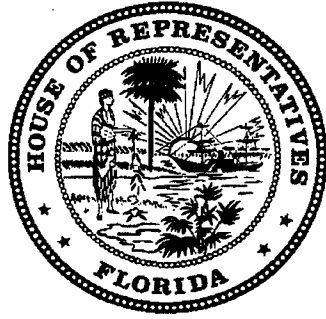


Health Care Appropriations Committee

Meeting Packet

**October 6, 2009
10:30 a.m. – 12:30 p.m.
Webster Hall
(212 Knott)**



AGENDA

Health Care Appropriations Committee

October 6, 2009

10:30 a.m. – 12:30 p.m.

Webster Hall

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Introduction
- IV. Health Care Appropriations Overview Presentation by Staff
- V. Medicaid Overview Presentation by Staff
- VI. Closing Remarks and Adjournment

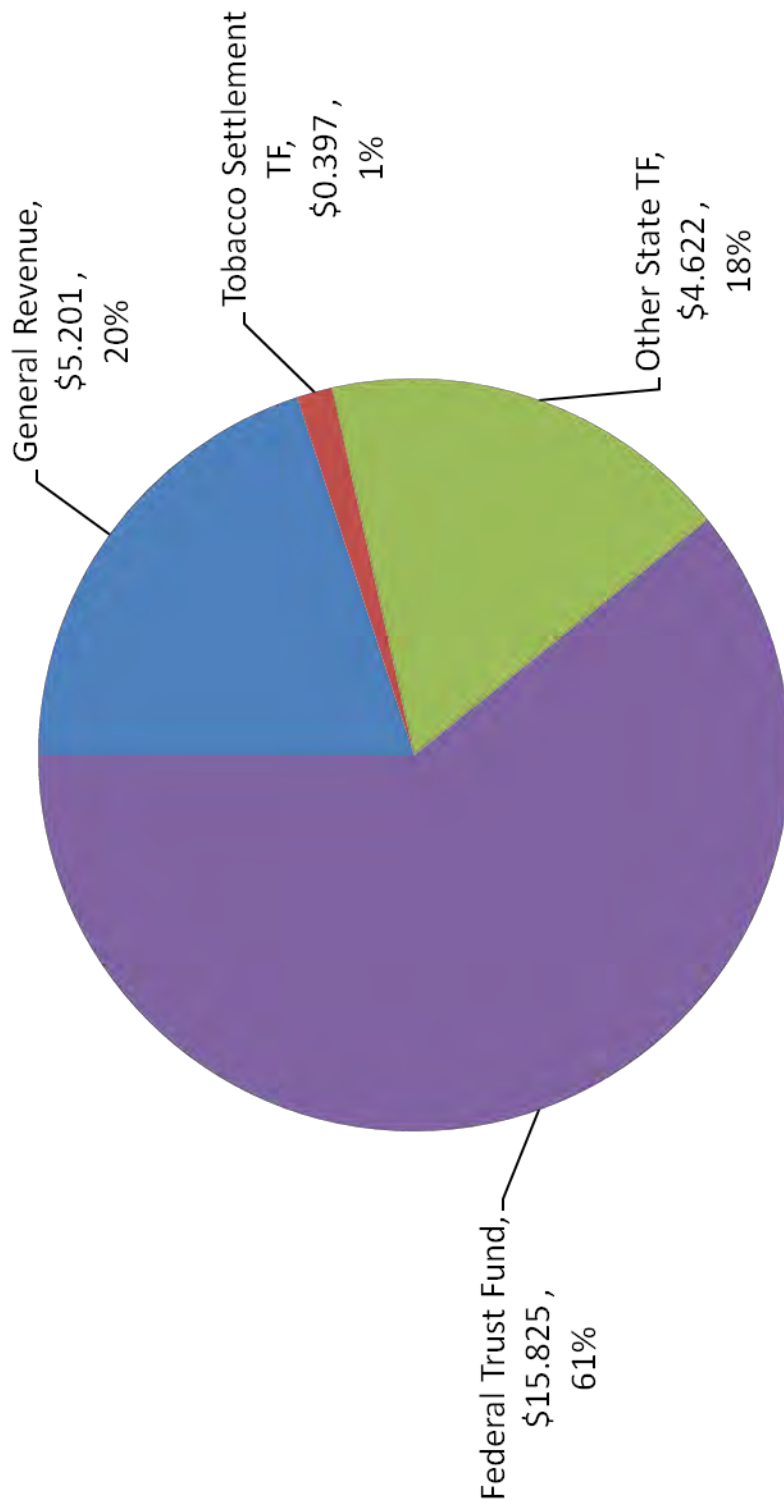
Health Care Appropriations Committee

Fiscal Year 2009-10

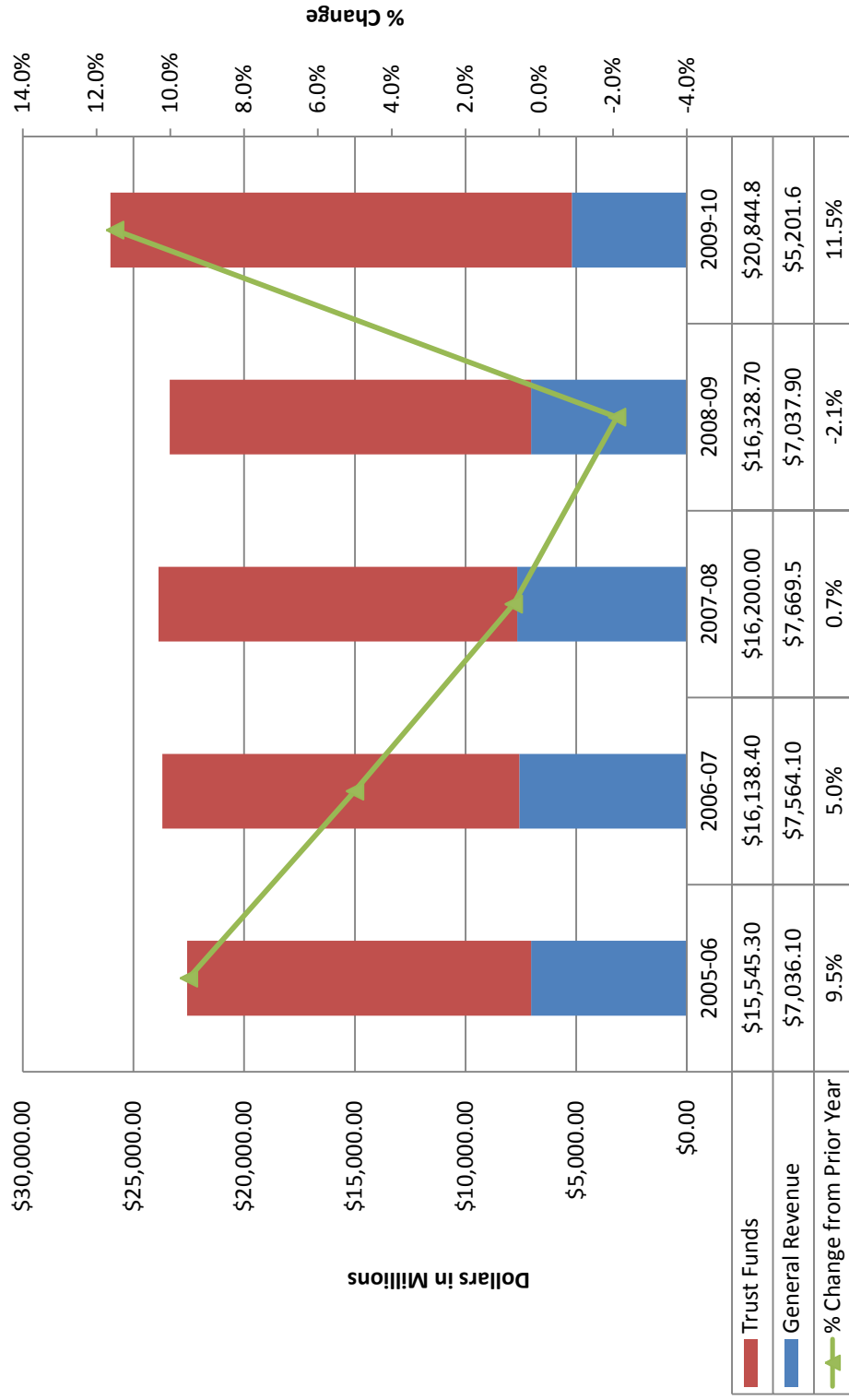
Health Care Appropriations

FY 2009-10

\$26 Billion All Funds



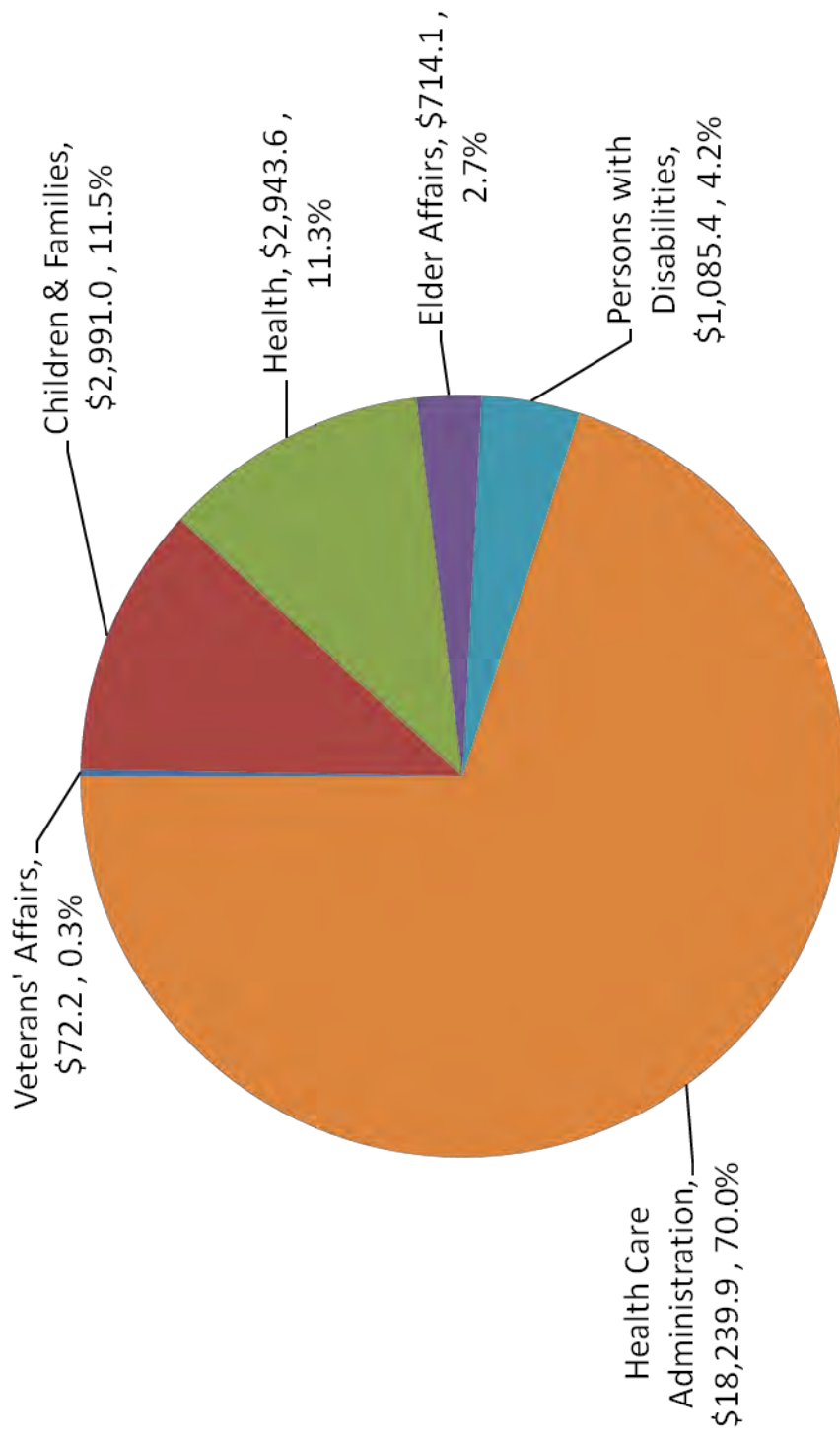
Health Care Appropriations 5 Year Funding History



Health Care Appropriations by Department

FY 2009-10 - \$26 Billion

(in millions)

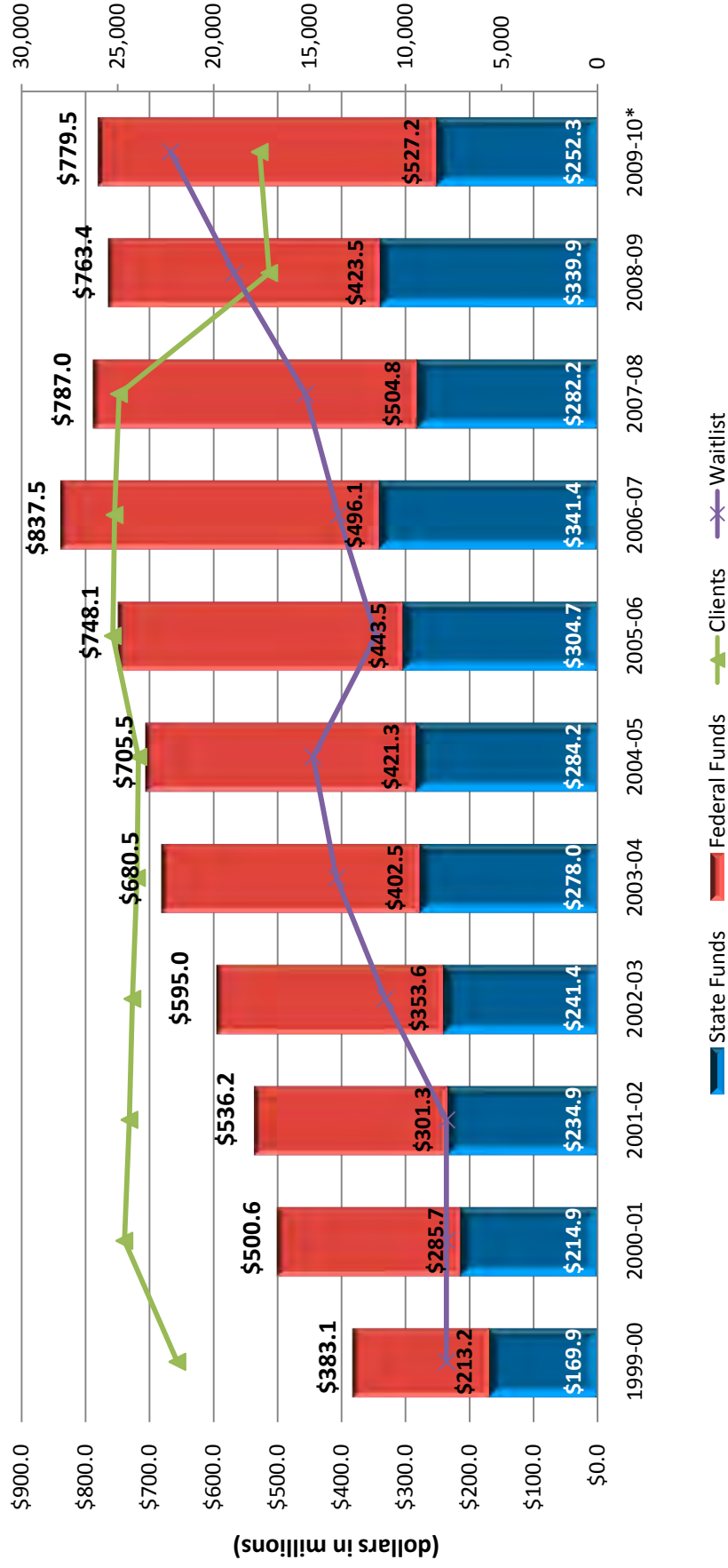


Health Care Appropriations – Major Programs

| | |
|---------------------------------------|---|
| Agency for Health Care Administration | <ul style="list-style-type: none">• Children’s Special Health Care (Kidcare)• Medicaid• Health Care Regulation |
| Agency for Persons with Disabilities | <ul style="list-style-type: none">• Home & Community Services• Developmental Disabilities Institutions |
| Department of Children & Families | <ul style="list-style-type: none">• Family Safety Services• Mental Health Services• Substance Abuse Services• Economic Self-Sufficiency Services |
| Department of Elder Affairs | <ul style="list-style-type: none">• Eligibility Assessment• Home & Community Services• Statewide Public Guardian/Long Term Care Ombudsman |
| Department of Health | <ul style="list-style-type: none">• County Health Departments• Statewide Health Services• Children’s Medical Services• Medical Quality Assurance• Community Resources• Disability Determinations |
| Department of Veterans’ Affairs | <ul style="list-style-type: none">• Veterans’ Homes• Veterans’ Benefits & Assistance |

Health Care Appropriations

Agency for Persons with Disabilities Home and Community Based Services Waiver (Tiers 1, 2 and 3)



*FY 2009-10 client information is projected through June 30, 2010.

Health Care Appropriations

Issues for Session

- Fiscal Years 2009-10 (\$10.5M) & 2010-11 (\$8.2M) APD GR Deficits
- Fiscal Year 2009-10 DCF Nonrecurring Appropriations-\$90M

Health Care Appropriations Committee

**Florida Medicaid:
Program Overview**

Medicaid

A State and Federal Partnership

- In 1965, the federal Social Security Act was amended to establish two major national health care programs:
 - Title XVIII (Medicare).
 - Title XIX (Medicaid).
- Medicaid is jointly financed by state and federal funds.
- States administer their programs under federally approved state plans.

The Medicaid Program Major Federal Requirements

- ▶ States must submit a Medicaid State Plan to the federal Centers for Medicare and Medicaid Services (CMS).
- ▶ Mandatory eligibility groups and services must be covered.
- ▶ Services must be available statewide in the same amount, duration and scope.

Medicaid Structure

- Federal Medicaid laws mandate certain benefits for certain populations.
- Medicaid programs vary considerably from state to state, and within states over time.
- State Medicaid programs vary because of differences in:
 - optional service coverage.
 - limits on mandatory and optional services.
 - optional eligibility groups.
 - income and asset limits on eligibility.
 - provider reimbursement levels.
- Medicaid does not cover all low income individuals.
- Florida Medicaid serves:
 - 27% of children.
 - 51.2% of deliveries.
 - 63% of nursing home days.
 - 1,094,709 adults - parents, aged and disabled.

Medicare vs. Medicaid

| | Medicare | Medicaid |
|------------------------|--|---|
| Enacted by Congress | 1965 | 1965 |
| Alternate Program Name | Title XVIII | Title XIX |
| Financing | Employee/Employer Payroll Tax; Premiums; Federal General Revenue | Federal and State Governments – Matching Rates Based on Per Capita Income |
| Eligibility | Not Income Based; All Persons Age 65+; Certain Younger Persons on Social Security Disability or Based on Disability and Specific Condition (ESRD); Totally and Permanently Disabled (24 months) | Income Based; All Ages; Mandatory Eligibility Groups; Optional Eligibility Groups |
| Cost Sharing | <p>Part A Premium For most there is no premium. Buy-in available for those not otherwise qualified (\$443 for 2009)</p> <p>Part A Deductible \$1,068/Benefit Period (2009)</p> <p>Part B Premium \$96.40 (2009)</p> <p>Part B Deductible \$135 (2009)</p> <p>Part B Coinsurance 20%</p> <p>Part D Coinsurance up to 25% / Annual Deductible \$295</p> <p>Co-payments are variable with Income</p> <p>Low Income Subsidies are provided for the above</p> | Nominal; Spend Down for Medically Needy Individuals |
| Administering Agency | HHS/CMS/Carriers – Financed by Federal Government and Beneficiary Cost Sharing | States – Jointly Financed by State and Federal Governments; Medicaid Programs Vary by State |
| Benefits | <p>Part A Hospital Insurance for Hospital Care, Skilled Nursing Facilities, Hospice and Some Home Health Care (Qualifying Contributions)</p> <p>Part B Medical Insurance for Physician Services, Outpatient Care and Other Medical Services</p> <p>Part C Medicare+Choice – Health Maintenance Organization Coverage</p> <p>Part D Medicare Prescription drug Insurance</p> | Acute and Long Term Care; Federal Mandated Services and State Optional Services |

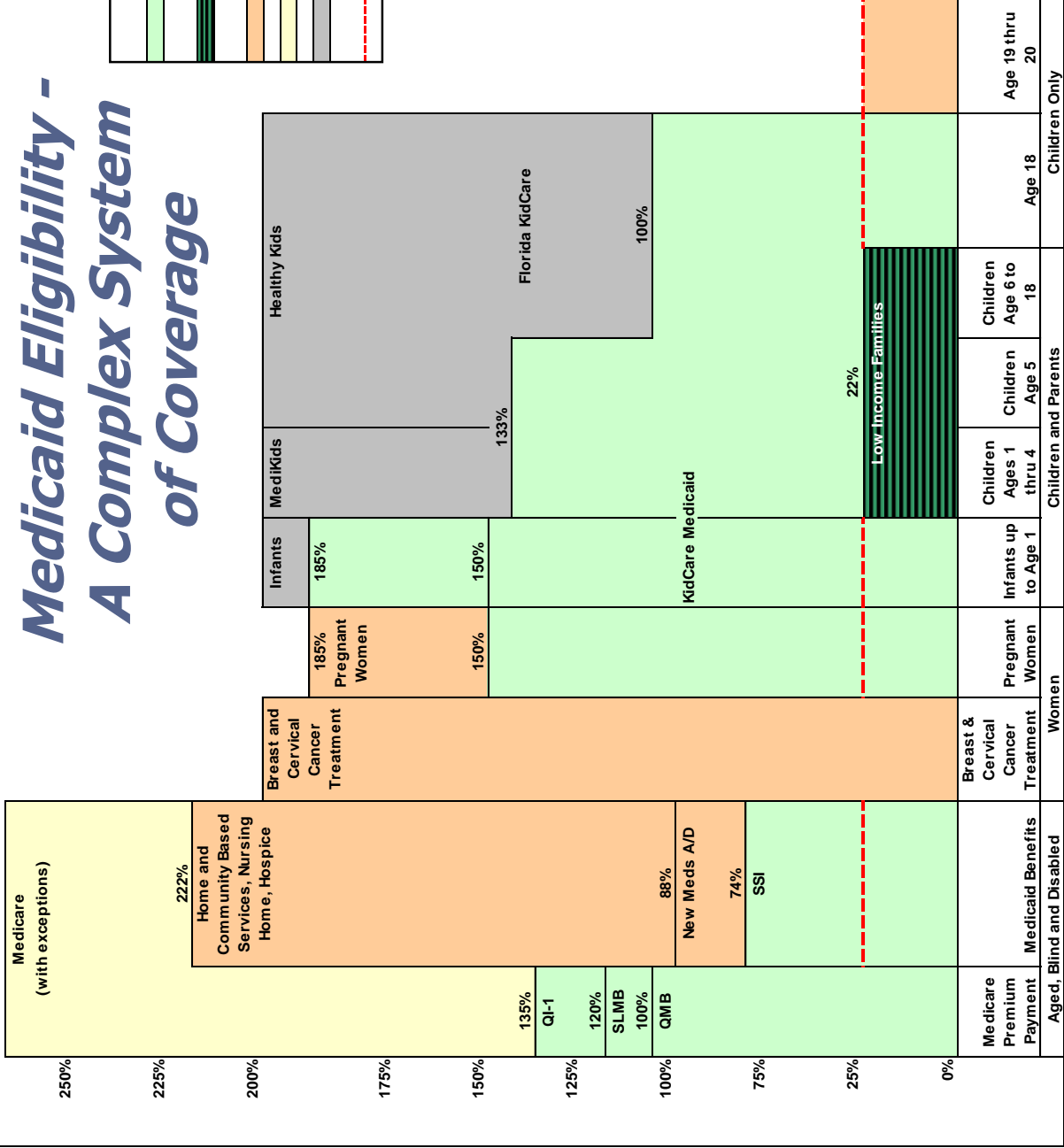
Florida Medicaid – A Snapshot

| | |
|-------------------------------|--|
| <p>Expenditures</p> | <ul style="list-style-type: none"> • \$17.9 billion estimated spending in Fiscal Year 2009-10 • Federal-state matching program –67.64% federal, 32.36% state. • Florida will spend approximately \$6,625 per eligible in Fiscal Year 2009-2010. • 45% of all Medicaid expenditures cover hospitals, nursing homes, Intermediate Care Facilities for the Developmentally Disabled (ICF/DD's); Low Income Pool and Disproportionate Share Payments. • 10% of all Medicaid expenditures cover drugs. • Fifth largest nationwide in Medicaid expenditures. |
| <p>Eligibles</p> | <ul style="list-style-type: none"> • 2.7 million eligibles. • Elders, disabled, families, pregnant women, children in families below poverty. • Fourth largest Medicaid population in the nation. |
| <p>Providers/Plans</p> | <ul style="list-style-type: none"> • Approximately 80,000 Fee-For-Service providers; 23 Medicaid Managed Care plans (16 HMOs and 7 PSNs). |

Who's Eligible?

- Medicaid eligibility is determined by:
 - Categorical groups, i.e., pregnant women; families and children; and aged, blind, and disabled individuals.
 - Income.
 - Assets.
 - Citizenship.
 - Residency.
 - Cooperation with Child Support Enforcement (when one or both parents are absent from the home).
 - Medical need for home and community-based services, and persons in nursing facilities.
 - Level of medical bills (for Medically Needy).

Medicaid Eligibility - A Complex System of Coverage



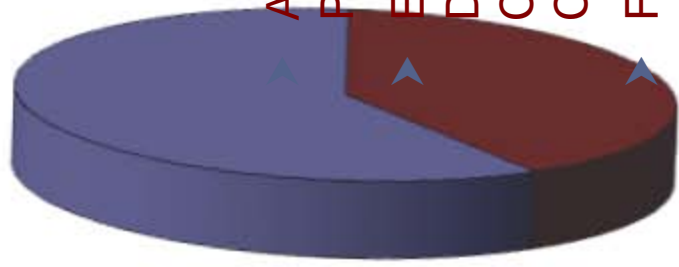
| |
|--|
| Mandatory Medicaid coverage (entitlement). |
| Mandatory Medicaid coverage for low-income families using 1996 AFDC income standard (entitlement). |
| Optional Medicaid coverage (entitlement). |
| Federal Medicare coverage (entitlement). |
| Optional child insurance coverage (non-entitlement). |
| Optional Medically Needy income spend down level (entitlement). |

| Family Size | **Monthly Income |
|-----------------|------------------|
| 1 | \$903 |
| 2 | \$1,214 |
| 3 | \$1,526 |
| 4 | \$1,838 |
| 5 | \$2,149 |
| 6 | \$2,461 |
| 7 | \$2,773 |
| 8 | \$3,084 |
| Each Additional | \$312 |

* Coverage for infants up to 185% Federal Poverty Level is required in order for states to receive Title XXI funding.

** Federal Poverty Level as of January 2009

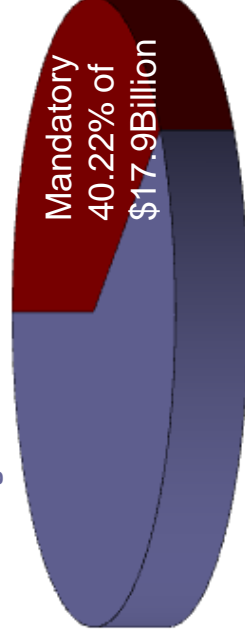
Florida Medicaid Mandatory Services



- Advanced Registered Nurse Practitioner Services
- Early & Periodic Screening, Diagnosis and Treatment of Children (EPSDT)/Child Health Check-Up
- Family Planning
- Home Health Care
- Hospital Inpatient
- Hospital Outpatient
- Independent Lab
- Nursing Facility
- Personal Care Services

- Physician Services
- Portable X-ray Services
- Private Duty Nursing
- Respiratory, Speech, Occupational Therapy
- Rural Health
- Therapeutic Services for Children
- Transportation

Florida Medicaid Mandatory Services for All Eligibles FY 2009-10



Florida Medicaid

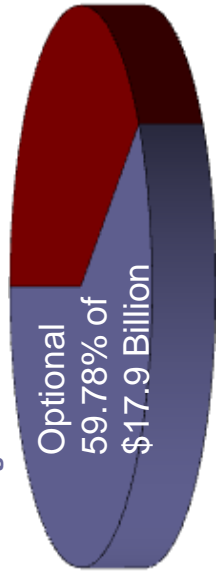
Optional Services*



- Adult Dental Services
- Adult Health Screening
- Ambulatory Surgical Centers
- Assistive Care Services
- Birth Center Services
- Children's Dental Services
- Hearing Services
- Vision Services
- Chiropractic Services
- Community Mental Health
- County Health Department
- Clinic Services
- Dialysis Facility Services
- Durable Medical Equipment
- Early Intervention Services
- Healthy Start Services
- Home and Community-Based Services
- Hospice Care

- Intermediate Care Facilities/ Developmentally Disabled
- Intermediate Nursing Home Care
- Optometric Services
- Orthodontic Services
- Physician Assistant Services
- Podiatry Services
- Prescribed Drugs
- Primary Care Case Management (MediPass)
- Registered Nurse First Assistant Services
- School-Based Services
- State Mental Hospital Services
- Subacute Inpatient Psychiatric Program for Children
- Targeted Case Management)

Florida Medicaid Optional Services for All Eligibles FY 2009-10



*States are required to provide any medically necessary care required by child eligibles.

Who Can Provide Medicaid Services?

- Any willing health care practitioner or entity who:
 - provides one of the Medicaid covered services;
 - submits an application to Medicaid;
 - is licensed or certified to practice in the State of Florida;
 - is not terminated from any government health care program; and
 - signs an agreement with Medicaid.
- Managed Care plans with appropriate provider networks.

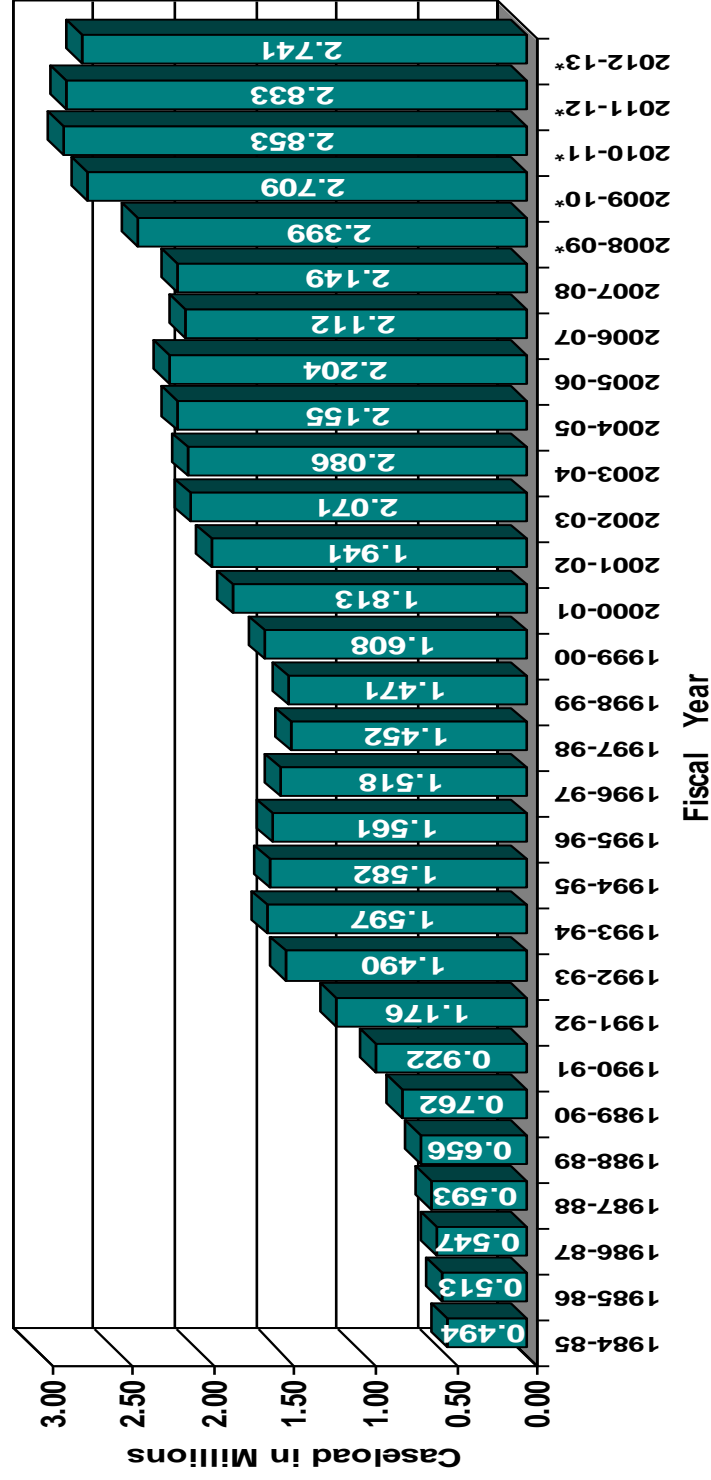
Institutional Providers / Other

- Institutional Providers / Other
 - Examples of provider types:
 - Inpatient Hospitals
 - Outpatient Hospitals
 - Nursing Homes
 - Intermediate Care Facilities for Developmentally Disabled (ICF/DD)
 - Rural Health Clinics (RHCs)
 - County Health Departments
 - Federally Qualified Health Centers
 - Pharmacy

Fee For Service Providers

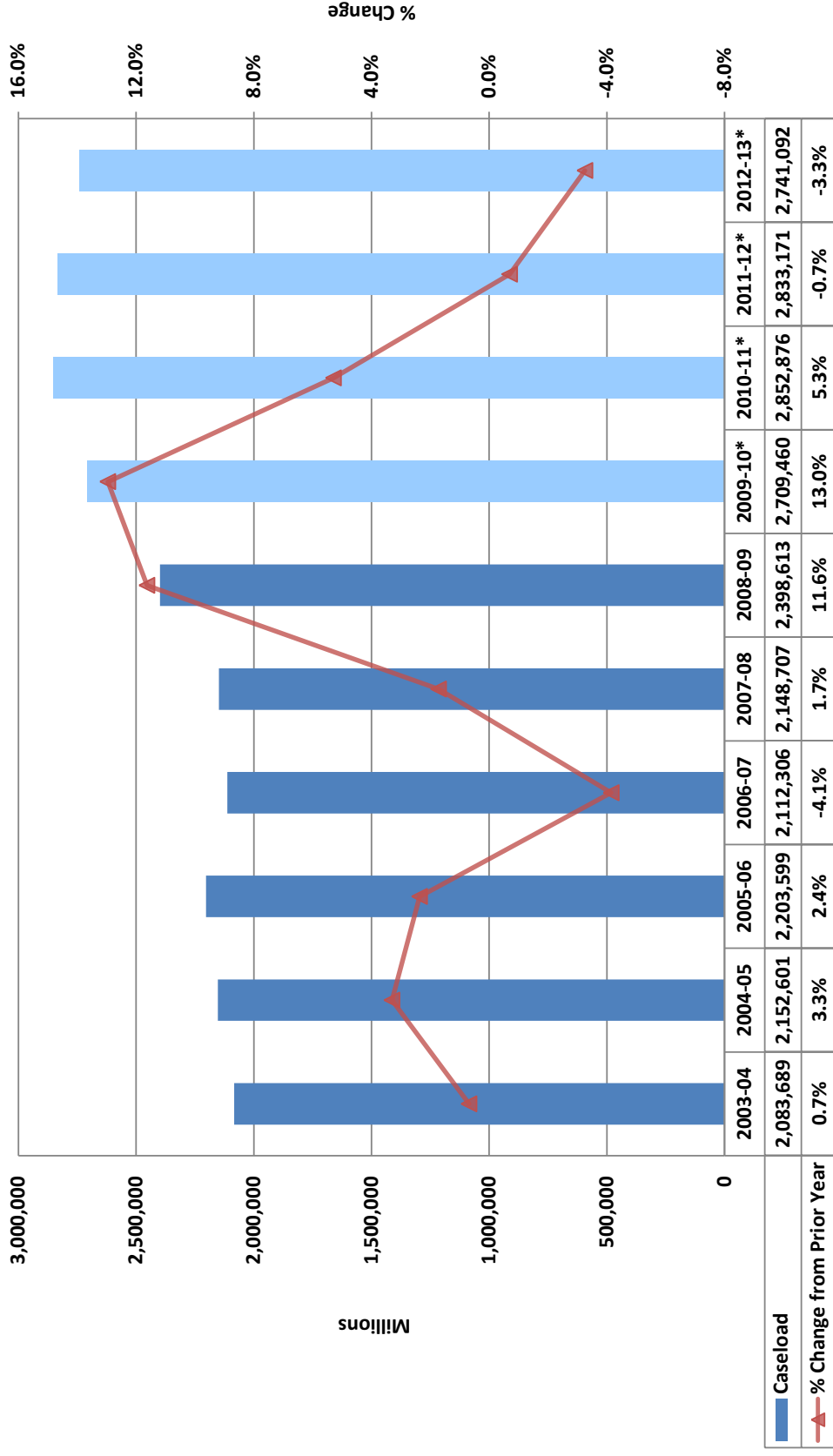
- Fee for Service Providers
 - Examples of provider types:
 - Physician Services
 - Home Health Services
 - Dental Services
 - Transportation (Emergency and Non-Emergency)
 - Dialysis
 - Nurse Practitioners
 - Laboratory and X-Ray

Growth in Medicaid Average Monthly Caseload



Source: Medicaid Services Eligibility Subsystem Reports.
 * July 2009 Social Services Estimating Conference Caseload Estimate.

Growth in Medicaid Average Monthly Caseload



*Estimates based on July 2009 Social Services Estimating Conference

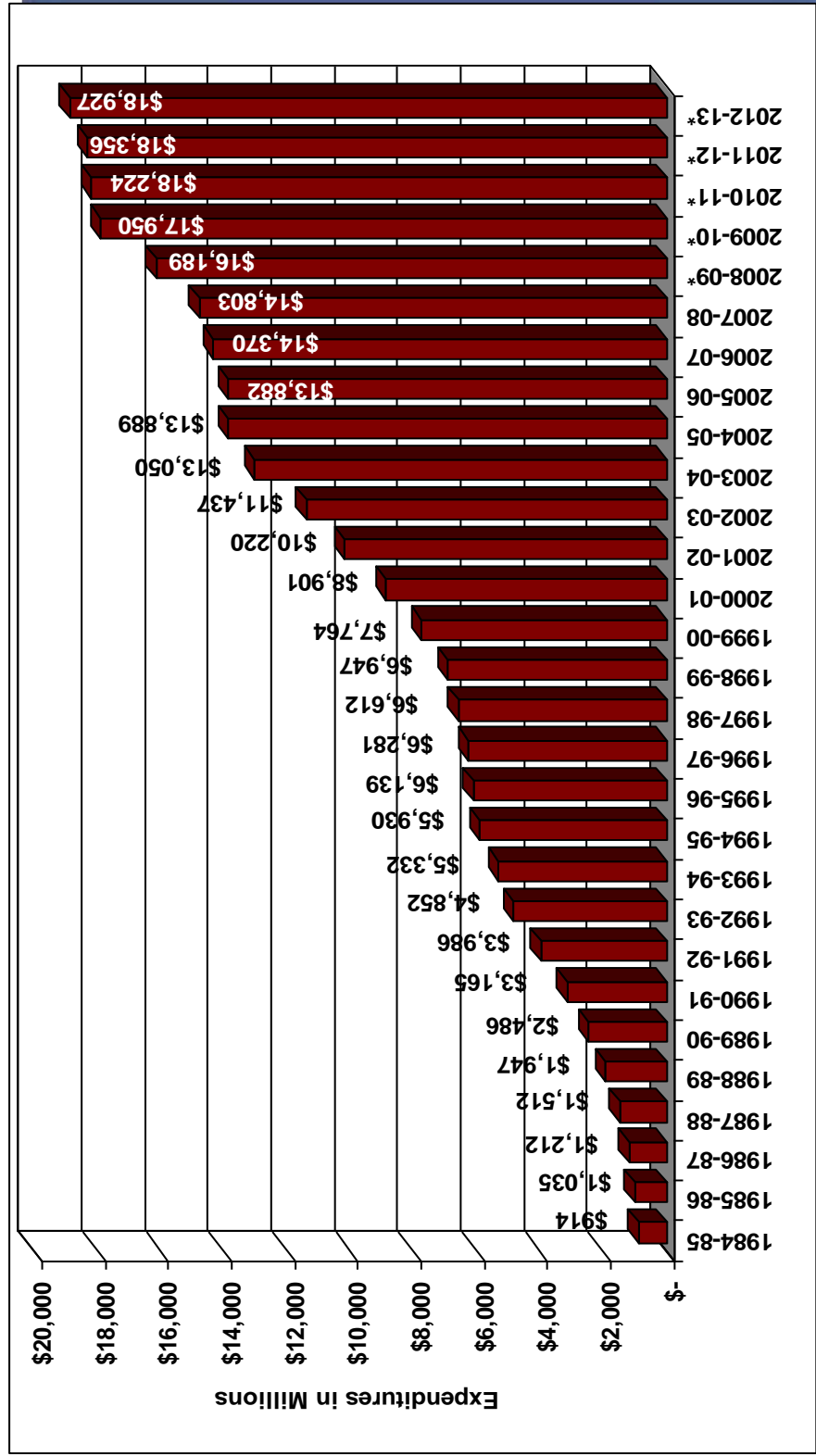
TANF and SSI Related Eligibility Groups for 2009-10

| | Total Budget | Avg Monthly Caseload | PMPM |
|--|-------------------------|----------------------|--------------|
| Supplemental Security Income (SSI) | \$10,067,890,630 | 569,947 | \$1,472 |
| Temporary Assistance for Needy Families (TANF) | \$2,284,211,520 | 813,834 | \$234 |
| Medically Needy | \$900,474,023 | 30,892 | \$2,429 |
| Children < = 100% of Poverty | \$905,881,537 | 589,546 | \$128 |
| Children > 100% of Poverty | \$134,416,245 | 65,423 | \$171 |
| Children – Medicaid Expansion Under Title XXI | \$2,903,600 | 754 | \$321 |
| Pregnant Women < = 100% of Poverty | \$582,931,247 | 64,447 | \$754 |
| Pregnant Women > 100% of Poverty | \$134,629,769 | 14,439 | \$777 |
| Family Planning Waiver | \$7,761,544 | 60,940 | \$11 |
| Categorically Eligible | \$479,368,960 | 218,447 | \$183 |
| Elderly and Disabled (MEDS AD) | \$465,892,486 | 28,861 | \$1,345 |
| Qualified Medicare Beneficiaries (QMB/SLMB/QI) | \$390,640,215 | 243,373 | \$134 |
| Refugee General Assistance | \$20,262,806 | 8,558 | \$197 |
| Other | \$1,572,356,190 | N/A | N/A |
| Total | \$17,949,620,772 | 2,709,461 | \$552 |

Title XIX Federal Medical Assistance Percentage (FMAP)

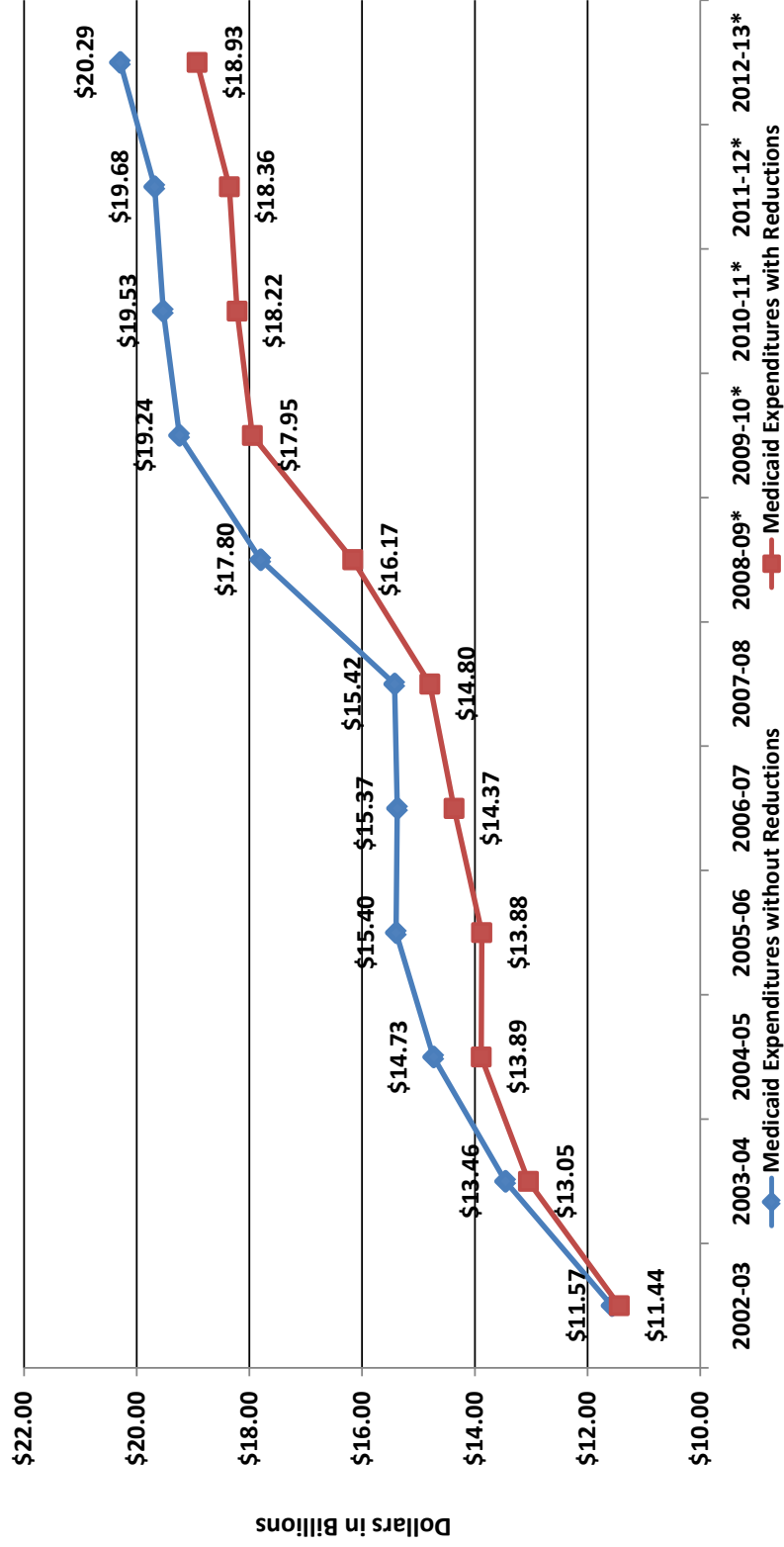
| Federal Fiscal Year | Federal Share | State Share | Total |
|----------------------------|----------------------|--------------------|--------------|
| 2005 | 58.89% | 41.11% | 100% |
| 2006 | 58.76% | 41.24% | 100% |
| 2007 | 56.83% | 43.17% | 100% |
| 2008 | 55.40% | 44.60% | 100% |
| 2009 | 67.64% | 32.36% | 100% |
| 2010 | 60.71% | 39.29% | 100% |

Growth In Medicaid Service Expenditures



Source: Medicaid Services' Budget Forecasting System Reports.
 * August 2009 Social Services Estimating Conference Long Term Medicaid Forecast.

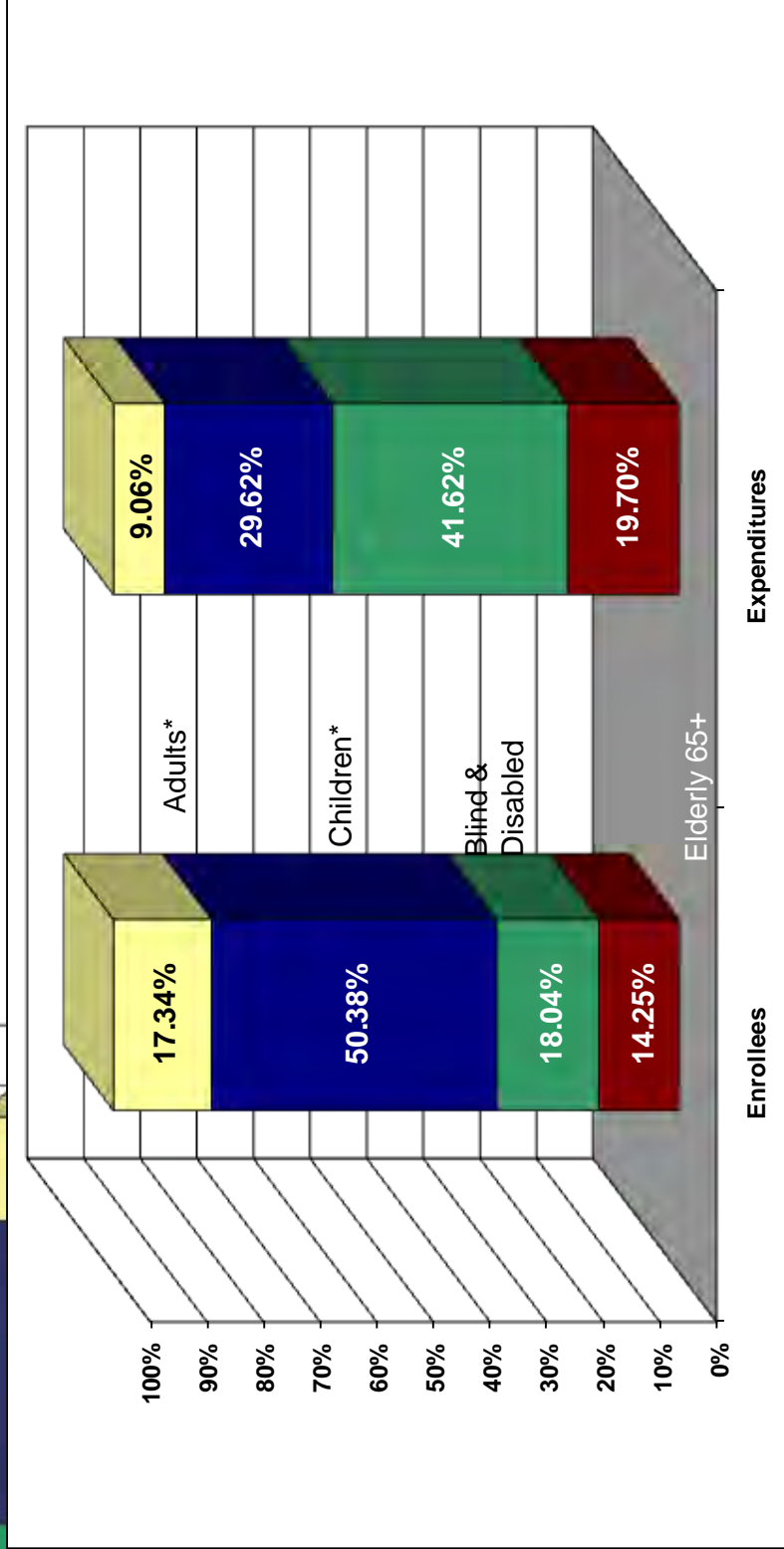
Medicaid Service Expenditures Savings vs. No Savings



*Estimates based upon August 2009 Long-Term Medicaid Forecast

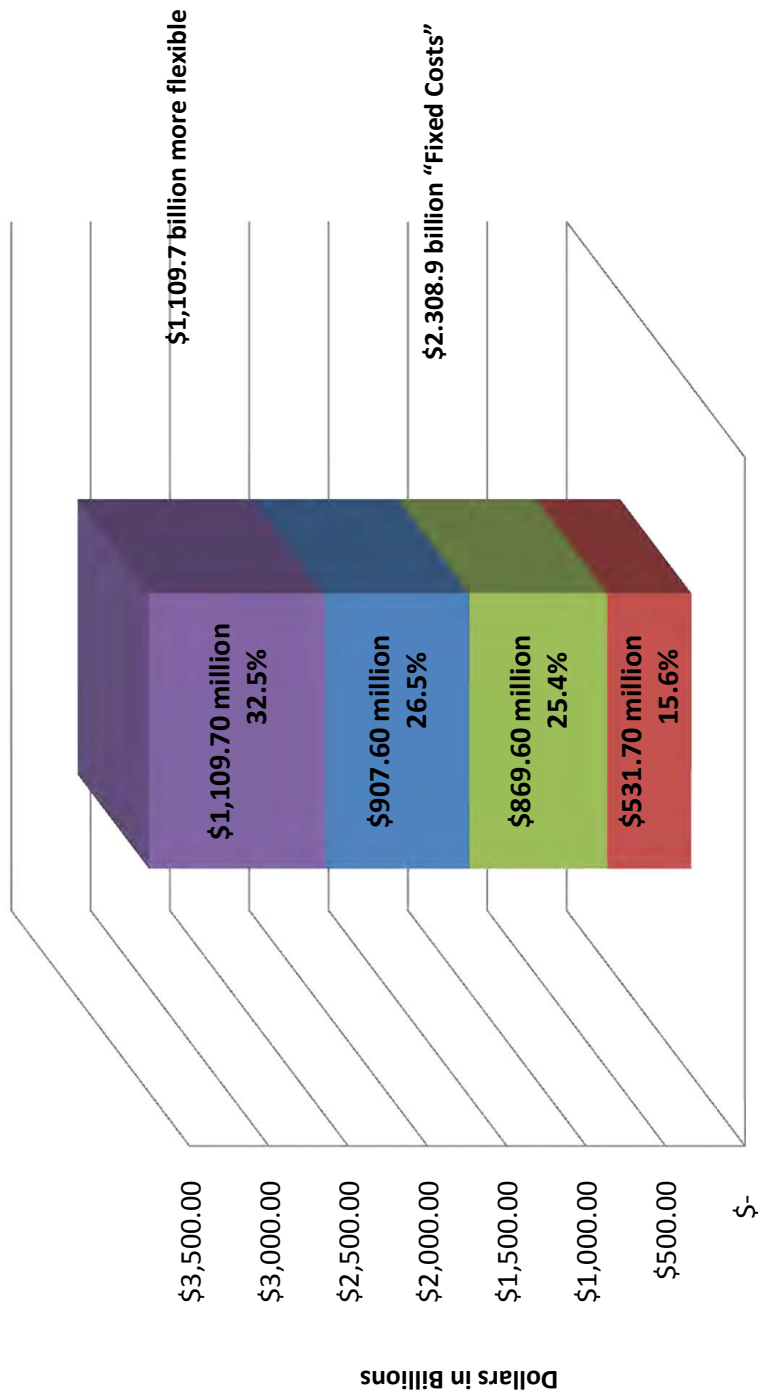
Medicaid Budget - How it is Spent

Fiscal Year 2008-09



* Adults and children refers to non disabled adults and children.

Allocation of State Funds in Medicaid Services



Total Medicaid General Revenue/Tobacco Surcharge= \$3,418,537,785

Other Prepaid Health Plans Medicare Subsidies Nursing Home Care

Medicaid Spending for Fiscal Year 2009-10

| Service | FY 2009-10 Estimated Spending | Percent of Total |
|--|-------------------------------|------------------|
| Prepaid Health Plans | \$3,049,822,245 | 16.99% |
| Nursing Home Care | \$2,731,595,595 | 15.22% |
| Hospital Inpatient Services | \$2,652,939,259 | 14.78% |
| Prescribed Medicine/Drugs & Part D | \$1,750,639,097 | 9.75% |
| Low Income Pool | \$1,123,827,163 | 6.26% |
| Supplemental Medical Insurance | \$1,012,090,511 | 5.64% |
| Home & Community Based Services | \$1,007,403,380 | 5.61% |
| Physician Services | \$845,256,049 | 4.71% |
| Hospital Outpatient Services | \$757,610,037 | 4.22% |
| Intermediate Care Facility/DD | \$353,147,413 | 1.97% |
| Nursing Home Diversion Waiver | \$338,177,730 | 1.88% |
| Hospice Services | \$326,477,115 | 1.82% |
| Disproportionate Share Hospital Payments | \$246,570,577 | 1.37% |
| Home Health Services | \$182,424,528 | 1.02% |
| Hospital Insurance Benefits | \$160,656,859 | 0.90% |
| Other | \$1,410,983,214 | 7.86% |
| Total | \$17,949,620,772 | 100.00% |

Medicaid

Issues for Session

- Fiscal Years 2008-09 & 2009-10 Medicaid Deficits-\$224.8M GR
- Fiscal Year 2010-11 AARA “Flameout” due to FMAP Change-\$1.07B GR
- Fiscal Year 2010-11 Medicaid Price Level and Workload Need-\$286.8M GR
- Fiscal Year 2010-11 Medically Needy & MEDS AD Restoration-\$500.4M GR
- Fiscal Year 2010-11 KidCare Growth-\$22.4M GR
- Fiscal Year 2010-11 Low Income Pool Roll Over-\$125M