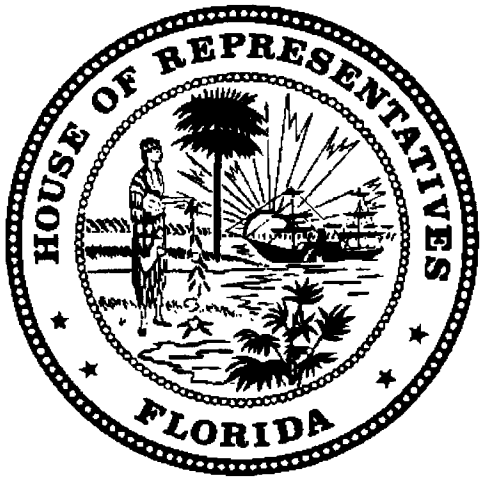


Healthcare Council

Tuesday, January 9, 2007
8:30 AM – 9:15 AM
Morris Hall

Marco Rubio
Speaker

Aaron Bean
Chair

Council Meeting Notice

HOUSE OF REPRESENTATIVES

Speaker Marco Rubio

Healthcare Council

Start Date and Time:	Tuesday, January 09, 2007 08:30 am
End Date and Time:	Tuesday, January 09, 2007 09:15 am
Location:	Morris Hall (17 HOB)
Duration:	0.75 hrs

I. Welcome

II. Member Introductions

III. Staff Introductions

IV. Comments of Chair

V. Comments of Democratic Ranking Member

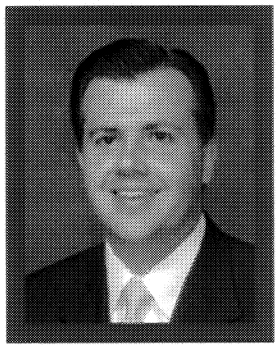
VI. Adjournment

NOTICE FINALIZED on 01/02/2007 15:29 by BAI

Florida House of Representatives

Healthcare COUNCIL

Rep. Bean
Chair

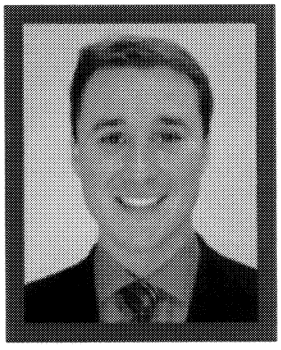


Rep. Zapata
Vice-Chair

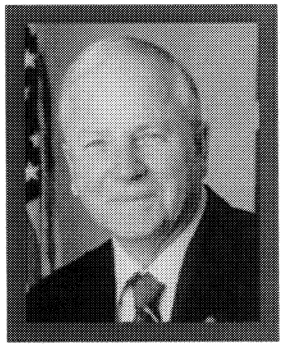
Rep. Anderson

Rep. Ausley

Rep. Galvano

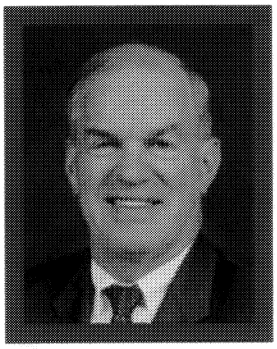


Rep. Garcia, R.

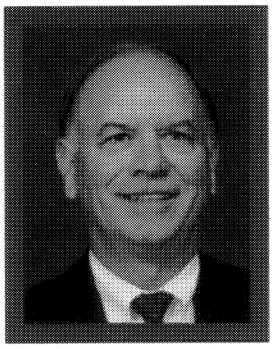


Rep. Gibson, H.

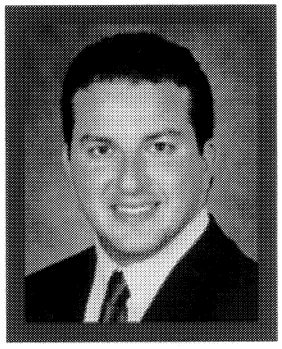
Rep. Harrell



Rep. Hays

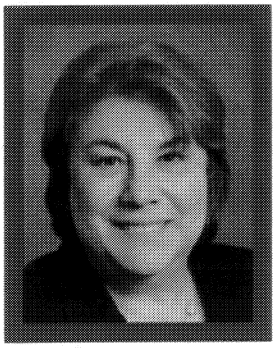


Rep. Hooper



Rep. Patronis

Rep. Porth



Rep. Schwartz

Rep. Skidmore

Rep. Taylor

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STAFF OF THE HEALTHCARE COUNCIL

Carol Gormley
Council Director

Carol Gormley is Council Director for the Healthcare Council. Prior to accepting this position, she served as Deputy Chief of Staff to Governor Jeb Bush with responsibility for advising the Governor on health and human service as well as criminal justice issues. Carol also served as Policy Coordinator for Health and Human Services in the Governor's Office of Policy and Budget. Before joining the Bush administration, Carol was employed by the Florida Hospital Association as the Director of Government Relations. She also served as Executive Director of the North Central Florida Health Planning Council, Inc. from 1983 to 1999

Stephanie Massengale
Budget Chief

Stephanie Massengale has been with House of Representatives for six years—two years as legislative analyst for Health and Human Appropriations and four years as staff director for Health Care Appropriations. Prior to her employment with the House of Representatives, she was chief budget analyst for Health and Human Services in the Governor's Office of Policy and Budget. She also spent a number of years in the Department of Health and Rehabilitative Services (now known as the Department of Children and Family Services) in a variety of accounting and budgeting positions.

Tony DePalma
Attorney/Budget Analyst

Tony DePalma is beginning his second year as a staff member of the Healthcare Council, and his first as a budget analyst. Last year, Tony was an attorney/analyst for the Elder and Long-Term Care Committee. Prior to joining the legislature, Tony performed legal internships with the Children's Advocacy Center and the Advocacy Center for Persons with Disabilities. Tony is a graduate of Florida State University, where he received both his Bachelor's and Master's Degrees in Communications and Communications Theory, as well as his JD in May 2005.

Lynn Ekholm
Chief Legislative Analyst

Lynn Ekholm has been with the House of Representatives for four years -- working on the Department of Children and Families' budget, with both the Human Services and Health Care Appropriations committees. Prior to her employment with the House of Representatives, she was the Budget Director at the Department of Children and Families for two years. She also worked for a number of years for the Department of Community Affairs and the Governor's Office of Policy and Budget handling administrative, planning, and budgeting functions.

Leah Hamrick
Legislative Analyst

Leah Hamrick has served as a legislative analyst for the Florida House of Representatives since 2004. Before coming to work for the Legislature, she worked for the U.S. Department of Veterans Affairs at the North Florida South/Georgia Veterans Health System in Gainesville. Ms. Hamrick is a veteran who served in a Combat Support Hospital and was assigned to Darnell Army Medical Center. Leah is a graduate from the University of Florida, were she earned a Master's degree in Public Health Management and Policy.

Bobbye Iseminger
Council Administrative Assistant

Bobbye Iseminger has been with the Legislature for approximately 27 years. She was initially with the House Minority Office starting in 1977, then served with the House Natural Resources Committee from 1978 through 1985. After living in Atlanta, GA from 1985-88, she returned to Tallahassee and returned to the Legislature in January 1989 as the Committee Administrative Assistant for the House Insurance Committee. She most recently served as the Council Administrative Assistant for the Health & Families Council; and now serves as the Council Administrative Assistant for the Healthcare Council.

Charlie Liem
Policy Chief

Charlie Liem is the Council Policy Chief, and will also serve as the Staff Director of our Committee on Health Innovation. He has had 30 years in administration of health care and human services programs. He has worked in both the House and the Senate as an analyst and as a staff director in health and human services committees. Prior to joining the Legislature Charlie worked as an administrator in Medicaid and at the Department of Elder Affairs; his area of specialization was in developing and operating Medicaid waivers and alternative health plans. He came back to the House about a month ago, most recently serving as Governor Jeb Bush's Coordinator for health and human services policy and budget. He is a Florida native, and grew up in Pensacola.

Eric Pridgeon
Chief Legislative Analyst

Eric Pridgeon recently came to the Healthcare Council after serving as a Chief Analyst for Health and Human Services in the Governor's Office of Policy & Budget. Prior to his work at the Governor's Office, he served as the Agency Budget Director at the Agency for Health Care Administration and worked in a variety of positions in the Florida Medicaid Program and in the AHCA Office of the Inspector General. Prior to his work with AHCA, he was employed by the Department of Financial Services. Eric is a graduate of the University of Florida.

Christina Scaringe
Legislative Intern

Christina Scaringe is a second year law student at Florida State University. Recently she completed studies abroad in international economics and institutions for sustainable development. Christina graduated with honors from the University of Florida with degrees in architecture and physical therapy. Her work in these fields the last fifteen years included a successful startup company and led to her interest in environmental health law and policy.

Valerie C. Dominique
Legislative Intern

STAFF OF THE HEALTH INNOVATION COMMITTEE

Charlie Liem
Staff Director

Charlie Liem has had 30 years in administration of health care and human services programs; He has worked in the House and the Senate as an analyst and as a staff director in health and human services committees. Prior to joining the Legislature Charlie worked as an administrator in Medicaid and at the Department of Elder Affairs. His area of specialization was in developing and operating Medicaid waivers and alternative health plans. He served as Governor Jeb Bush's Coordinator for health and human services policy and budget and came back to the House about a month ago.

Lucy Ciccone
Senior Staff Analyst

Lucy Ciccone has a similarly strong health care policy background. Lucy has 20 years in the legislative process in the analytical and administrative areas in the health and human services area. She served and an analyst in the House Health Care Committee and Policy Coordinator for the Speaker overseeing health and human services. She was the legislative affairs director for the Agency for Health Care Administration, and Unit Manager of the Medicaid Choice Counseling Unit. For the past two years she has been the senior analyst for the House Health Care General Committee.

Cindy Alison
Committee Administrative Assistant

Cindy Alison is our administrative assistant. Cindy has been with the House for 24 years, and has been involved with health care policy for 20 of those years.

STAFF OF THE HEALTH QUALITY COMMITTEE

Paul Lowell
Staff Director

Paul comes to us from the Executive Office of Governor Jeb Bush, where he was the Health and Human Services Policy Chief for two years. Before that time, Paul worked at the House of Representatives in the Speaker's Office, focusing on parliamentary procedure, for three years. Paul is an attorney licensed in Florida, Maryland, and Washington, D.C. and received his Juris Doctorate from the Thomas M. Cooley Law School.

Jennifer Guy
Legislative Analyst

Jennifer Guy has nine (9) years experience working in governmental relations having worked for both national and statewide law firms in numerous legislative practice areas. Ms. Guy also worked for President George W. Bush at the Office of Management & Budget in the legislative affairs department. Ms. Guy earned her bachelor's of science from Florida State University.

Cheryl Randolph
Committee Administrative Assistant

Cheryl has been employed by the Florida Legislature for 17 years. She serves as a Senior Administrative Assistant. She has previously worked with 9 different committees. Ms. Randolph received an AA Degree and will receive her AS Degree in early childhood education this summer from Tallahassee Community College, and plans to continue her education majoring in Social Work.

STAFF OF THE HEALTHY FAMILIES COMMITTEE

Glenn Mitchell
Staff Director

Glenn Mitchell serves as Staff Director of the Healthy Families Committee. Mr. Mitchell has served the House of Representatives since 1999. He has served as Staff Director of the Health Care Regulation Committee (2004-2006), and as Senior Legislative Analyst for the Committee on Children & Families (1999-2002) and the Health Care Committee (2003-2004). Before joining the House, Mr. Mitchell worked for Legislative Office of Program Policy Analysis and Government Accountability (OPPAGA) and for the Department of Children and Families, Office of Evaluation. He has experience evaluating health and early education programs for children, treatment of mental health and substance abuse, and job training.

Prior to working for the state, Mr. Mitchell taught at a small college in North Carolina. He has carried out research on economic and community development in the U.S., Spain, and the Dominican Republic. He earned a Ph.D. in Anthropology from the University of Michigan, and B.A. in Psychology from the University of Texas.

Carol Preston
Chief Legislative Analyst

Carol Preston serves as Chief Legislative Analyst with the Healthy Families Committee. She began working for the House in 1995 as an Intern while working on a Ph.D. in social work policy. She has worked for the House for the past 11 years on issues related to family law, child protection, and child welfare.

She holds both undergraduate and graduate degrees in biology from Florida State University and an MSW, also from FSU. A former volunteer Guardian ad Litem, Carol has 2 grown sons and shares her home with 5 retired racing greyhounds.

Terri Hinds
Administrative Assistant

Terri Hinds serves as Administrative Assistant for the Healthy Families Committee. Ms. Hinds has worked for the Legislature since 1989. For the past two years, Ms. Hinds worked with the Future of Florida's Families Committee. She has worked with the Judiciary Committee (2002-2004) and the Health Care Licensing & Regulation and the Health Regulation Committees (1998-2002).

From 1995 -1998 Ms. Hinds worked for the Senate. She was hired by Senate President Designate Toni Jennings to work with the Select Committee on Social Services Reform in 1995. After the passage SB 1662 – Welfare Reform/WAGES Program, Ms. Hinds worked with the Senate Governmental Reform and Oversight Committee and the Senate Health Care Committee before coming back to the House in 1998.

Prior to working in the Senate, Ms. Hinds worked with the House Select Committee on Environmental Regulation and the Education Committee.

STAFF OF THE HEALTHY SENIORS COMMITTEE

Kerry Schoolfield
Staff Director

Kerry Schoolfield, Staff Director to the Committee on Healthy Seniors is new this year to the House. Kerry has 30-years of experience with Florida state government human service agencies. Highlights of his experience includes serving as the Planning Director for the Department of Elder Affairs, Bureau Chief for DCF Developmental Disabilities and most recently as Deputy Director for Operations at the Agency for Persons with Disabilities.

Theresa G. (Terry) Walsh
Chief Legislative Analyst

Terry graduated with a B.A. in Economics from the University of Central Florida. She worked for the Governor's Energy Office and the Public Service Commission prior to her graduation from FSU Law School. After admission to the Bar, she was in private practice before resuming her career in public service. Terry worked for three years at the Office of the Comptroller, where she was Chief Counsel with responsibility for matters relating to auditing and accounting, mortgage brokers, funeral and cemetery services, and state procurement. Immediately prior to coming to the House, she served at the Department of Children and Families, leaving as Deputy General Counsel with oversight of children's issues, contracting and employment matters. Since 2003, Terry has served the House in various capacities in the social services areas. Terry and her husband, Mike, have one daughter, Kelly, who attends the Harriet L. Wilkes Honors College at Florida Atlantic University in Jupiter.

Karen Manning
Committee Administrative Assistant

Karen Manning is the Administrative Assistant for the Healthy Seniors Committee. Karen has been with the House for 4 years, and has been involved with Health Care all 4 of those years.

IDEA 67

"We are stronger because we recognize that government isn't the sole answer to the most important questions, and we welcome community and faith-based organizations as partners to serve the needs of Florida families." Jeb Bush

IDEAS 68-69

Localize and Streamline the Department of Children and Families

Problem: Community-based care for foster children is enmeshed in procedural and financing regulations that hamper flexibility and impede innovation.

In 1996, the Florida Legislature launched a pilot program to redesign the child welfare system by outsourcing foster care services to qualified service agencies led by community leaders. Under the leadership of Governor Jeb Bush, this program was expanded to include contracts with twenty-two lead agencies covering all sixty-seven counties. Funding and contract oversight remain the responsibility of the Department of Children and Families.

The development of the community-based care initiative revealed the natural tension between central accountability and local control. The early days of community-based care relied heavily on the department's

and developed organizational skills and capabilities. As CBCs have gained experience, they have sought greater independence and a broader span of control. The department's successful application for a IV-E waiver allowing more flexibility in the use of federal funds for child welfare creates new opportunities for Florida to pursue innovative strategies.

The 2005 Legislature authorized a pilot program in Miami-Dade and Broward Counties to test certain changes in the roles of the department and the lead agencies. The intent of the pilot is to create a block-grant structure that establishes a fixed price contract with an independent, outcome-based evaluation. Other CBCs are also interested in participating in the pilot.

Solution: Expand the block-grant pilots authorized by the 2005 Legislature.

The primary intent of the community-based care initiative is to mobilize local communities and enlist local leaders throughout Florida to improve our child welfare system and better serve our abused, abandoned, and neglected children, including those in foster care and those awaiting adoptions. Significant progress has been made, but greater opportunities exist in the movement toward block-grant, outcome-driven operations. These programs should be modified as necessary and expanded as soon as feasible. These fundamental changes will increase community involvement, enhance efficiency through a refocusing of monitoring activities, and encourage investment in service delivery. Flexible administration of community-based care

while optimizing the use of federal funds.

IDEA 68

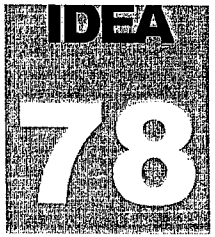
Florida should enhance independence and flexibility in community-based care. This would require expansion of the pilot program in Miami-Dade and Broward counties, while similar three-year contracts should be offered to other CBCs. The Department of Children and Families, as the single state agency for child welfare services, retains overall responsibility. The pilot envisions the establishment of an independent evaluation process focusing on outcome measurement. The department and the CBCs should collaborate to develop resources for technical assistance and diffusion of best practices.

IDEA 69

Building on the idea of community empowerment, Florida should create a statutory mechanism for communities to create "Children's Zones." Children's Zones bring together the religious, social, educational, and recreational organizations in a disadvantaged community in order to provide a variety of activities that help children succeed. The model for this initiative is the Harlem Children's Zone. The initiative is based on two principles: first, that early intervention leads to better results; and second, that at-risk children can benefit from living in a neighborhood where a large number of adults participate with them in organized, community-based activities. Working through the CBC lead agencies, community alliances, and Healthy Families organizations, the state should support the development of such efforts in targeted neighborhoods.

By fostering a more flexible approach to the administration of state programs, including child welfare services, Florida will benefit by increasing local control and concentrating on achieving better results.

"Medicaid is a vital safeguard for America's most needy citizens, but inefficiencies in the system are leading to inadequacies in coverage." Paul Gillmor



Expanded Choice in Medicaid

Problem: Medicaid reform is limited to two counties, while the old program is complex, unresponsive to unique consumer needs, and costly.

For over thirty-five years, Florida's low-income families have relied on the Medicaid program for critical health services. In fiscal year 2006–2007, Florida is spending $16 billion to provide services for more than two million residents. This is more than double the $7 billion spent in 1998–1999. Despite a host of service-enhancing and cost-containing initiatives, spending and dissatisfaction among both consumers and providers continues to grow.

In 2005, after significant debate and two legislative sessions, the Legislature, with bipartisan support, authorized sweeping Medicaid reform based on Governor Bush's proposal. The new Medicaid offers consumers meaningful choices in benefits, creates incentives for wellness, and enables a variety of insurers and provider organizations to

participate. Under the reform program, seventeen plans are offering innovative services to 220,000 Medicaid participants in Broward and Duval Counties. Further expansion of the program requires legislative action.

Solution: Expand Medicaid reform to empower more consumers with meaningful choices of providers and services.

The purpose of the Medicaid program is to provide access to healthcare for people with low incomes who otherwise might go without healthcare for themselves and their children. To this end, the 2005 Florida Legislature authorized a sweeping reform of the Medicaid program and directed the Agency for Health Care Administration to implement a more efficient delivery system that enhances quality of care and client outcomes. This reform began July 1, 2006, in Broward and Duval Counties, and there are plans to expand it to Baker, Clay, and Nassau Counties in the near future. With legislative approval, this reform can be expanded statewide.

The new Medicaid provides increased choices for consumers and incentives for early identification and management of chronic diseases like asthma, heart disease, and diabetes, particularly in children. Consumers have the option to choose the plans that best fit their medical needs. In addition, the new Medicaid encourages healthy habits by rewarding healthy behavior with spending accounts for health items such as over-the-counter medicine. Florida Medicaid Reform health plans will continue to offer many current Medicaid services such as vital services for children and pregnant women, hospital inpatient care, emergency care, outpatient surgery, prescription drugs, and more.

Medicaid reform modifies the financing system to ensure appropriate levels of financial support to meet patients' needs. More money is provided for consumers who have more significant healthcare needs. Initially, reform participants are those in two eligibility categories—low-income families and persons who are elderly and disabled. The remaining Medicaid patients should be able to benefit from the reform initiative as soon as possible. A critical step in this process is the development of a risk-adjusted rate structure inclusive of both medical and home and community-based services. With this step, truly coordinated systems of care can develop.

Even with legislative action to encourage statewide implementation, preliminary steps are important for the effective adoption of this model statewide. Reform relies on capitated managed care systems to achieve fiscal accountability and better value for patients. While HMOs are important participants in the reform process, the plan also invites active provider participation through the development of provider service networks (PSNs), an innovative method of service delivery in which providers offer expertise in care management. The Medicaid program should work with newly formed PSNs to ensure a variety of choices for consumers.

Florida should give Medicaid participants control over their own health while encouraging healthy habits. Medicaid reform encourages individuals to make healthy decisions by rewarding those choices with credits in enhanced benefit accounts used to purchase health-related over-the-counter items at participating pharmacies. In the initial phase, the maximum credit will be $125 per year. This incentive for healthy behavior should be expanded by increasing the total value of available credits and the types of services that can be purchased with these credits.

The Medicaid reform initiated by Governor Bush and the 2005 Legislature seeks to do more than tinker with the current system; it reinvents the way healthcare is provided and financed. This means ending paternalistic and centralized decision-making on behalf of Medicaid patients. Empowering consumers with meaningful choices and stimulating continuous improvement in quality requires that providers be allowed to find new ways to improve service through more flexible plans.

"Our challenges are not marginal and their solutions are not incremental. The sooner we get honest about those facts, the sooner we can get on with the job."
Donald M. Berwick, M.D.

IDEAS 79-80

Value-Based Financial Support for Florida's Hospitals

Problem: Tax support for Florida's hospitals is uneven, and public subsidies may support inefficient hospital operations.

Florida licenses 280 acute care and specialty hospitals. These facilities are generally classified in three ownership categories: public, private nonprofit, and investor-owned. However, these groupings fail to convey the complexity of ownership arrangements and the mixture of public and private resources used to support hospital care. Management contracts and other forms of public-private partnerships complicate the ownership landscape. Public support for hospitals flows through Medicare and Medicaid coverage of eligible recipients, local tax supports, and various forms of service-specific subsidies. Florida communities offer differing amounts and types of local tax support, while hospitals provide various kinds and scopes of services to indigent and charity patients. With all these variations in form,

function, and financing, it is nearly impossible to determine whether the result is fair to Florida taxpayers and prudent for Florida's patients.

Hospitals contribute to the public good in two primary ways: first, they offer essential medical services to meet community needs; and second, they provide services to uninsured and low-income patients even when these individuals cannot afford the care. To continue meeting these important public needs, hospitals rely on various forms of public support and subsidies. The most common form of support is Medicare and Medicaid coverage that pays for individual care and also provides additional supplemental payments. In Florida, Medicaid distributes more than $1 billion in payments to hospitals through its Medicaid Low Income Pool and disproportionate share program.

Various forms of local tax support are also available, such as the establishment of tax districts. Dependent tax districts derive their revenue from ad valorem taxes when such levies are approved by their respective county commissions. Independent districts have authority to levy taxes without the additional approval of the county, although in many cases local referenda must initially approve the tax. The governing bodies of tax districts can be appointed or elected. The structure of each district depends on its local charter, which is codified in state law. Millage rates are set locally and vary from district to district. Although hospital tax districts generally rely on property taxes, counties are also authorized to levy sales tax surcharges to support healthcare.

Scope of services, patterns of utilization, quality of care, and operations efficiency vary widely among hospitals that receive public subsidies as well as those that do not. Tax support for hospitals is not spent in

a way that promotes value. Some publicly funded hospitals may deliver value (defined as efficient, quality care), but we have not created a financial framework that consistently generates improved efficiency and outcomes.

Solution: Develop the infrastructure for value-based competition in providing publicly funded hospital services.

Measuring patient care results is the first step in building a healthcare system that persistently improves cost effectiveness. Consequently, Florida should develop a system to measure care results for specific medical conditions and require hospitals to participate in reporting as a condition of receiving public funds. We should then use the result measurements to assess value delivered by publicly funded providers, thus ensuring that tax dollars help improve outcomes for patients.

Value-based competition, as described in *Redefining Health Care*, is a powerful vision to transform today's dysfunctional competition into a system that rewards good results without micromanaging facilities or second-guessing the clinical judgment of providers. The authors call for a realignment of fundamental incentives by making value—that is, patient outcomes per unit of cost—the focal point of financing decisions. They argue that competition should be centered on the results produced for patients over a full cycle of care for specific medical conditions.

In the current system, public financing for hospital services is linked to specific institutions or geopolitical entities, and the primary goal of public spending is to protect the financial viability of those entities. Value-based competition, in contrast, calls for spending decisions to

reward providers that achieve the best patient outcomes. Such a fundamental change in the way tax funding supports healthcare requires basic changes to the organization and delivery of healthcare. Publicly funded providers, including hospitals in tax districts chartered in state law as well as other tax-exempt hospitals, can lead this transformation, particularly if they provide significant care to the uninsured.

IDEA 79

Florida should secure accountability for quality and costs from hospitals receiving tax support. This approach requires a redefinition of business goals, careful assessment of services and functions, systematic improvement of processes, and development of the capacity to measure results. The state should pilot this initiative by creating the opportunity for providers to voluntarily participate in "Enterprise Zones." An Enterprise Zone is a deregulated catchment area in which all hospitals (both those already in the community and any new hospitals opening in the area) make two important commitments to the public good: first, they agree to participate in the collection, analysis, and comparison of patient value; and second, they commit to either provide or pay for a specified amount of healthcare for uninsured Floridians. The exemptions available in the Enterprise Zone should include freedom from market-entry and other government regulations so long as essential protections for public health and safety are retained.

Another way Florida could maximize state resources while ensuring efficient, high-quality healthcare would be to evaluate outsourcing the management and operation of all state-owned hospitals. The evaluation process will enable the state to streamline and modernize the management and operation of these institutions. The state has already realized savings and service improvements from the privatization of South Florida State Hos-

pital, a 350-bed psychiatric hospital. Another facility, the South Florida Evaluation and Treatment Center, was slated for privatization in 2005. The state, however, continues to operate several facilities, including a 100-bed specialty hospital for tuberculosis, three institutions for persons with severe and persistent mental illness, and three facilities for persons with significant developmental disabilities. Florida should improve efficiency and performance at state-owned and operated facilities by evaluating outsourcing and other potential operational changes.

IDEA 80

"Health is the first of all liberties."
Henri Amiel

IDEA 81

Coordinated Care for Florida's Seniors

Problem: Long-term care is fragmented and lacks sufficient incentives for appropriate placement and use of home and community care.

Florida has the highest 65+ population percentage in the nation and the fourth-highest proportion of persons age eighty-five and older. Of the three million seniors living in Florida, over one million have at least one type of disability. Many of these disabilities, while hampering self-care, can be managed using home and community-based services.

Family members provide the vast majority of long-term care services assisting elders with daily activities and basic needs. When needs exceed the abilities and resources of family members, services are sought from paid providers. Few elders have insurance coverage for long-term care, and these services can be costly. As a result, many seniors depend on publicly funded programs including a variety of services offered through the Department of Elder Affairs and the Medicaid program.

In 2006–2007, Florida will provide $4.3 billion in Medicaid funding for long-term care.

Despite extensive efforts to promote home and community-based care over the last two decades, significant obstacles remain to ensuring that Florida's seniors receive the care they need in the least restrictive environment possible. The principal barriers are eligibility limits and the fragmentation of services, which can confuse the elderly. Florida Senior Care is designed to provide an integrated system of long-term care services in order to promote the use of community care and enhance service quality.

Solution: Implement Florida Senior Care

For more Florida seniors to remain independent and receive the care they need at home and in their communities, Florida should implement Florida Senior Care—a program that utilizes systems of coordinated care—to provide all Medicaid services for eligible participants. The plan includes physician services, prescription drugs, hospitalization, durable medical equipment, transportation, mental health services, and a variety of home care services. This initiative builds on Florida's experience with managed long-term care through the nursing home diversion waiver.

The nursing home diversion program is fully capitated for almost all Medicaid services, including Medicare co-pays and deductibles, home and community-based services, and, if needed, nursing home care. Although generally successful, the program is limited by the high frailty criteria that restrict eligibility. While this restriction ensures the program enrolls the most needy, it also increases the financial risk for the managed care plan

and denies the use of preventive and other support services before frailty advances.

Florida Senior Care is intended to promote community-based long-term care services, manage health costs, coordinate care, and establish accountability for patient outcomes. The project will streamline eligibility determinations and develop new quality management systems. Integrated service networks will develop at the local level in response to program incentives that emphasize community care.

This program will give enrolled seniors access to a coordinated and comprehensive system of care that enables them to maintain their independence longer. They will be able to choose the plan that best suits their needs, and gain access to a care coordinator who helps them to navigate the service delivery system as their needs change.

The Agency for Health Care Administration has received waiver approval from the federal government to implement the program, which requires the further approval of the Florida Legislature.

"I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts." Abraham Lincoln

IDEAS

82-85

Use Transparency to Foster Value-Based Healthcare Decisions

Problem: Current transparency initiatives are limited to specific procedures and do not support comparative evaluations of providers based on value to patients.

Florida took important first steps toward transparency with the passage of HB 1629 in 2004. In this bill, the Legislature directed the Agency for Health Care Administration to develop a system to provide information on the cost, utilization, and quality of healthcare services. FloridaCompareCare.com was launched in 2005, making Florida the first state to offer a website evaluating the performance of hospitals, ambulatory care centers, physicians, and pharmacies.

Consumers using FloridaCompareCare can find utilization, quality, and cost data on a large number of healthcare providers in the state. For instance, the website reports quality indicators such as risk-adjusted mortality,

readmission rates, infection rates, bedsore rates, complication rates, and other indicators for any hospital in Florida. The results of such queries inform consumers whether the selected indicator was lower, higher, or as expected after adjusting for risk and comparing to the state average. This website is an important first step, but it must evolve into a more user-friendly source of information helping consumers to find the providers who deliver the best results for their medical conditions.

Take, for example, patients with heart problems who want to know which provider offers the best cardiac care. FloridaCompareCare offers a myriad of data on this question. But its usefulness is hampered by the data's narrowness (in terms of readmissions, complications and mortality by procedure, and complaints), the fragmented presentation of the information, and the limitations of the standard of measurement. The website offers extensive information on heart attacks, but it is unlikely to be useful during an actual heart attack. Furthermore, it fails to reveal which provider achieves better outcomes over a full cycle of care for cardiac patients.

Solution: Enhance FloridaCompareCare to provide consumers with comparative information on the results of care for specific medical conditions.

Florida is making progress toward publicly reporting healthcare information through FloridaCompare Care, but we must do better. Advancing to the next stage of transparency requires additional infrastructure. We must define new bases for analysis that are meaningful to consumers. This will require more data from more providers and a capacity to track patient care through time in order to assess a full cycle of care, not just the immediate result of a specific intervention. We must

establish new measures for medical care that allow for meaningful comparisons of expertise and results for specific medical conditions.

Florida should reward healthcare providers and plans that demonstrate better outcomes at lower cost. This program can begin by focusing on a few common conditions like diabetes, chronic kidney care, and cardiac care, and establish appropriate measures of value based on patients' results over a full cycle of care offered by an integrated unit of service providers. Award candidates would have to submit data to be evaluated and compared to one another. The awards, like the MacArthur "genius" awards, should be substantial and come without strings in order to inspire and reward the diligent work of providers toward improving value for patients.

IDEA 82

Transparency is a critical component for building a more efficient healthcare system in Florida. The state can take a number of short-term steps to make more effective use of technology for meeting patients' healthcare needs. Many pharmaceutical manufacturers offer programs to assist low-income and uninsured patients to gain access to needed medications. Finding these programs and navigating through different qualifying procedures can be challenging and time-consuming. Florida should create a "one-stop" source of information on assistance for Florida's uninsured.

IDEA 83

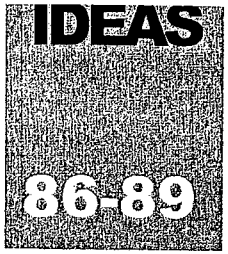
Florida's Medicaid program has initiated strategies to encourage physicians to use e-prescribing to promote better patient care and to avoid prescription errors. Florida should reward physicians who use technology like e-prescribing to reduce errors and improve efficiency.

IDEA 84

IDEA 85

The Florida Health Information Network is the initiative begun under Governor Bush's leadership to develop a comprehensive, integrated system of privacy-protected health records. The purpose of this network is to enhance point-of-care availability of medical information, provide decision support systems to health-care providers, and assist public health functions of monitoring and disease reporting. Florida should improve patient care through technology by expanding electronic health records and regional health information networks. This concept necessitates a technical infrastructure for electronic health records that is confidential, interoperable, and transmittable in real time via the Internet.

"America enjoys the best healthcare in the world, but the best is no good if folks can't afford it, access it, and doctors can't provide it." *Bill Frist*



Accountable, Accessible Healthcare

Problem: More than three million Floridians lack health insurance and may face barriers in accessing needed health services.

Currently, 19.2 percent of Florida residents, or 3.4 million people, lack health insurance. While numerous important safety net programs offer care to the uninsured, health insurance remains the most common means for securing needed health services. People who have health insurance are more likely to obtain routine and preventive care and to access timely intervention for serious health problems.

Lack of health insurance does not uniformly affect all Floridians. Medicare covers people age sixty-five and older, while Medicaid covers those with very low incomes and with disabilities. Most of the uninsured are working-aged adults, about two-thirds of whom have a paying job. At least one-third of the state's uninsured live in South Florida (including Miami-Dade and Broward Counties). Over 30 percent of Hispanics and 23 percent of African

Americans are uninsured. Employment-based health insurance is the most common source of coverage, but many small employers do not offer insurance, a trend that is increasing. Nearly 70 percent of the working uninsured reported their employers did not offer coverage in 2004.

In 2004 the Florida Health Insurance Study found that 12.1 percent of children under the age of nineteen, or 534,000 children, are uninsured in Florida. While this finding represents a drop in the rate of uninsurance since 1999, the number of uninsured children remains a concern. A majority of these children live in families with incomes below 200 percent of the federal poverty level and would qualify for Florida Healthy Kids, a state program primarily funded by the federal State Children's Health Insurance Program (SCHIP).

Florida Healthy Kids enrollment has dropped by over 130,000 from its peak several years ago, primarily due to the tightening of eligibility screening procedures. Consequently, Florida has underspent its federal SCHIP allocations by more than $450 million. Because of lagging enrollment, the Legislature reduced funding for Healthy Kids by about $170 million. Based on current enrollment, Florida will underspend its annual FFY 2007 allotment by about $100 million. Congress is set to reauthorize SCHIP next year for FFY 2008 and beyond. If Florida does not map out a concrete plan to increase enrollment in Florida Healthy Kids, the state may lose funds to other states that regularly spend their annual block grant.

Expansion of government subsidies for health insurance or health services must be accomplished in a fiscally responsible manner. With typical family insurance premiums averaging $11,000 per year, the cost of sponsoring additional coverage or investing in more services is likely to be staggering. Other states have

spread these costs through employer and individual mandates, but these approaches violate fundamental principles of limited government.

Solution: Increase access to affordable health insurance and enhance support for safety net programs.

A variety of programs and services exist to meet the healthcare needs of low-income and uninsured residents. These efforts include Florida KidCare, the Florida Health Insurance Plan, HealthFlex, community-based free clinics, and other safety net programs. The state should expand these efforts, but the first step is a thorough accounting of current programs and spending. Floridians should know what healthcare programs and services are available to the uninsured and how taxpayer money is used to support these initiatives.

By addressing Florida's uninsured, the Legislature will simultaneously protect Floridians' health and limit the negative economic impact the uninsured have on the state. The state's investment will produce a valuable return by avoiding many preventable illnesses and constraining the rate of growth in spending for healthcare.

IDEA 86

Florida should make it easier for qualified, uninsured children to get coverage through Florida KidCare. This streamlining would cover many of the uninsured children at minimal state cost. The federal SCHIP program pays seventy-one cents of every dollar spent on eligible children. With expected costs at about $120 per member per month in Florida KidCare, Florida can offer comprehensive healthcare coverage, with minimal family premiums and co-pays, to children at less than $35 per month per child in state dollars.

IDEA 87

Florida should launch a marketplace of affordable health insurance. This will facilitate comparison and competition among private sector plans that would be exempt from statutory mandates on health insurance coverage. Without mandates, insurers and HMOs will be free to offer innovative coverage plans. For example, niche plans for people with specific conditions featuring disease management services and a limited drug formulary might be offered, or high-deductible plans paired with health savings accounts might be attractive to some consumers. The role of the state would be to offer information, a consistent framework for comparison, and limited choice counseling to consumers. To further jump-start this program, the state could also provide a partial subsidy for a limited number of qualified subscribers. In this way, the state can offer a defined investment in healthcare coverage in order to improve the public health and reduce uncompensated care.

More employers should be encouraged to offer coverage to their employees. The state should provide incentives to employers such as eliminating requirements for workers' compensation for employers that offer health and short-term disability insurance.

IDEA 88

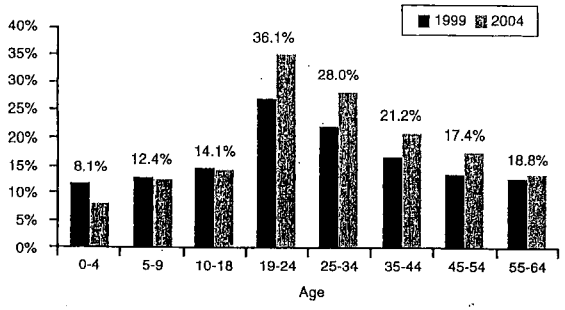
Providers should be encouraged to expand preventive services and walk-in care for uninsured Floridians. For example, pharmacists could improve access to preventive care if they were allowed to offer flu shots. This strategy removes an unnecessary limitation on their scope of practice and offers an easy and accessible way for patients to be protected from communicable diseases. Special tax waivers for physicians and clinics who provide this care might enable them to earn relief from the sales tax on selected items such as medical equipment and supplies. Furthermore, many communities have developed

free clinics and utilized the services of retired health professionals. The process for obtaining necessary licenses for these retired practitioners and for securing sovereign immunity should be simplified. We should make it easy for providers to help the uninsured.

Florida should assist hospitals in helping patients with immediate medical problems to avoid emergency departments while still receiving the necessary care.

IDEA '89

Percent of uninsured Floridians under age 65
by age category, 1999 and 2004



2004 Florida Health Insurance Study (FHIS)

CHAPTER

VIII

Opportunity and Prosperity for the Next Generation

Environmental "Gold Star" Recognition

74. Create a performance-based permitting program that rewards top environmental performers.

Promote the Development of Alternative Energy Sources

75. Foster the development and use of alternative energy sources and ethanol production.

Fuel-Efficient Vehicle Reward Program

76. Offer additional incentives for clean alternative-fueled vehicles and hybrid passenger vehicles.
77. Convert state government vehicles into a high fuel efficiency fleet.

Chapter VII: Quality Healthcare at an Affordable Price

Expanded Choice in Medicaid

78. Give Medicaid participants control over their own health while encouraging healthy habits.

Value-Based Financial Support for Florida's Hospitals

79. Secure accountability for quality and costs from hospitals receiving tax support.
80. Improve efficiency and performance at state-owned and operated hospitals by evaluating outsourcing and other potential operational changes.

Coordinated Care for Florida's Seniors

81. Implement Florida Senior Care to allow Florida seniors to remain independent and receive the care they need at home and in their communities.

Use Transparency to Foster Value-Based Healthcare Decisions

82. Reward healthcare providers and plans that demonstrate better outcomes at lower cost.
83. Create a "one-stop" source of information on assistance for Florida's uninsured.
84. Reward physicians who use technology like e-prescribing to reduce errors and improve efficiency.
85. Improve patient care through technology by expanding electronic health records and regional health information networks.

Accountable, Accessible Healthcare

86. Make it easier for qualified, uninsured children to get coverage through Florida KidCare.
87. Launch a marketplace of affordable health insurance.
88. Encourage healthcare providers to expand preventive services and walk-in care for uninsured Floridians.
89. Help hospitals serve patients with immediate medical problems to avoid emergency departments while still receiving the necessary care.