

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government—The bill increases enrollments in managed care organizations and reduces the number of individuals served through the traditional fee-for-service MediPass program, which reduces state Medicaid expenditures.

Promote Personal Responsibility—Medicaid beneficiaries failing to make a choice between a managed care plan and the fee-for-service MediPass program will be automatically assigned to managed care plans until a 65 percent/35 percent split is achieved.

B. EFFECT OF PROPOSED CHANGES:

Section 409.9122, Florida Statutes, governs Medicaid enrollment procedures. New Medicaid recipients eligible to choose managed care must choose a managed care plan or a MediPass provider within a 30-day period. When a recipient does not make a choice, the Agency for Health Care Administration assigns the Medicaid recipient to a managed care plan. In those counties in which there are fewer than two managed care plans accepting Medicaid enrollees, however, the recipient may be assigned to a managed care plan or a MediPass provider.

Medicaid recipients in counties with fewer than two managed care plans accepting Medicaid enrollees who are subject to mandatory assignment but who fail to make a choice are assigned to managed care plans until an enrollment of 65 percent in managed care plans and 35 percent in MediPass is achieved. Once that enrollment is achieved, the assignments are divided in a way that maintains a 65 percent enrollment in managed care plans and 35 percent enrollment in MediPass.

However, in Medicaid Service Areas 1 and 6 where the agency contracts for the provision of comprehensive behavioral health services through a capitated prepaid arrangement, recipients who fail to make a choice are assigned equally to MediPass or a managed care plan. The bill amends section 409.922, Florida Statutes, to eliminate the provision of equal assignment between managed care plans and MediPass for recipients failing to make a choice in Medicaid Service Areas 1 and 6. When a Medicaid recipient in these areas does not choose a managed care plan or MediPass provider, the agency would assign recipients to managed care plans until an enrollment of 65 percent in managed care plans and 35 percent in MediPass is achieved, consistent with the rest of the state.

According to the Agency for Health Care Administration, managed care enrollment will have an average monthly increase in Fiscal Year 2007-08 of 2,180 recipients.

C. SECTION DIRECTORY:

Section 1. Amends s. 409.9122(2)(k), F.S., to eliminate the provision of equal assignment between managed care plans and MediPass for recipients failing to make a choice in Medicaid Service Areas 1 and 6.

Section 2. Provides an effective date of March 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

	<u>FY 2007-08</u>	<u>FY 2008-09</u>
Increased Managed Care Enrollment	(\$469,323)	(\$5,969,157)
General Revenue Fund	(\$201,062)	(\$2,557,233)
Other Trust Funds	(\$268,261)	(\$3,411,924)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Managed Care organizations will receive additional reimbursements for providing health care services to additional Medicaid recipients.

D. FISCAL COMMENTS:

To achieve the savings, fee-for-service categories in the Medicaid program would be reduced in Fiscal Year 2007-08 a total of \$6,335,862 (\$2,911,919 General Revenue) and the managed care category would be increased by \$5,866,538 (\$2,710,856 General Revenue) for a net savings of \$201,062 in general revenue funds and \$268,261 in trust funds. In Fiscal Year 2008-09, fee-for-service categories would be reduced a total of \$80,583,617 (\$34,792,299 General Revenue) and the managed care category would be increased by \$74,614,462 (\$32,235,065 General Revenue) for a net savings of \$2,557,233 in general revenue funds and \$3,411,924 in trust funds.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because: this bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds; does not reduce the percentage of a state tax shared with counties or municipalities; and does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No additional rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES