

Waving Cautionary Flags: Initial reactions from doctors and patients to Florida's Medicaid changes

Florida's Experience with

**MEDICAID
REFORM**

Key findings:

- ❖ *Provider participation in Medicaid appears to be declining post-reform.*
- ❖ *Children are the single largest group enrolled in reform plans, and their access to care may be worsening.*
- ❖ *Reform has made the Medicaid program more complex, not less.*

Overview of findings:

Provider participation in Medicaid appears to be declining post-reform. More than one-fourth of physicians participating in Medicaid prior to the pilot reform program and responding to our survey indicate that they do not intend to participate in pilot program plans. Those physicians remaining with the Medicaid program are reporting that their overall Medicaid patient load is declining – an indication that access to providers may be worsening in the pilot counties.

Children are the single largest group enrolled in reform plans, and their access to care may be worsening. About half of doctors surveyed (51 %) report that it is now harder for them to provide medically necessary services to children because of restrictions and requirements of the pilot program plans.

Reform has made the Medicaid program more complex, not less. Both doctors and patients report frustration with the complexity of the new system, which requires beneficiaries to choose from among multiple health plans with differing benefits. The choice many beneficiaries prefer – the state's MediPass system – is being phased out in the pilot counties.

Introduction

On September 1, 2006, enrollment began in Florida's new Medicaid reform pilot program in Broward and Duval counties. The pilot program seeks to inject private market concepts, such as competition among health plans and consumer choice, more aggressively into the Medicaid program.¹ The reform pilot program uses multiple, private plans, each with different features, to administer Medicaid benefits for beneficiaries. For adults, these plans may offer varying benefits packages subject to state guidelines. In Duval County,

Medicaid beneficiaries may choose among six different reform plans; in Broward County, the choice is among 15 such plans. As of March 2007, 165,674 children, parents and people with disabilities had been enrolled in pilot program plans in the two counties.² Eighty-four percent of those enrolled are children and their parents.

This policy brief explores the initial reactions and experiences of Medicaid beneficiaries participating in the new system and doctors practicing in the two counties. To assess the impact of Medicaid reforms, focus groups were conducted with parents and people with disabilities receiving Medicaid.³ In addition, the experience of physicians was examined through a survey of members of the Duval and Broward county medical associations, with 186 doctors responding.⁴ While the findings are limited to the pool of respondents, clear trends emerged, and the numerous challenges raised warrant further attention.

How are beneficiaries reacting to the new system?

One of the primary conceptual underpinnings of the reform design is the state's desire to give beneficiaries more choices of "private health plan options" with "customized benefit packages" that beneficiaries choose among. Through an active choice-counseling process, the state's goal is for beneficiaries to use their power as consumers in a health-care marketplace with many plan choices. To assist beneficiaries in selecting among the multiple plan options, the state has contracted with a private company, Texas-based ACS, to provide "choice-counseling" services. Counselors have been present in person in both counties, but beneficiaries' primary access to counselors has been through a toll-free number.⁵

The Jessie Ball duPont Fund has commissioned researchers from Georgetown University's Health Policy Institute to examine the impact of changes to Florida's Medicaid program in Broward and Duval counties. This policy brief is the second in a series and provides insight into how the changes have impacted beneficiaries and physicians, based on a series of focus groups and a survey of physicians practicing in the two counties.



Beneficiary engagement with the new system appears to vary widely. Fewer than half of focus group participants said they had spoken with choice counselors. While virtually all focus group participants are now aware that changes are under way, a significant minority reported not having received the state's "Check It Out" mailing or were unaware that they had to choose a plan. Those beneficiaries who had interacted with choice counselors reported positive experiences with respect to short phone wait times and finding choice counselors pleasant. But a number of beneficiaries who had spoken to choice counselors voiced frustration with not getting the information they most needed to make an informed choice – most notably information on which plans covered their drugs and included their doctors. In focus groups, participants repeatedly said they felt that Medicaid reform had been rushed.

How are beneficiaries making their choices?

Virtually all focus group participants cited the ability to stay with their current doctors as their number one priority in choosing a pilot program plan. Many beneficiaries reported problems keeping some or all of their doctors. Focus group participants, especially people with disabilities, expressed a high level of interest in selecting a plan that would cover their specific medications. A number of problems were reported in this area, and participants expressed frustration about choice counselors not having access to the plans' lists of covered drugs.⁶

By and large, focus group participants did not appear to be making choices based on differing benefits packages. The only exception to this was the adult dental benefit, which is highly desirable. Some parents, in particular, may have selected a plan for themselves that offers adult dental benefits.

Most beneficiaries reported frustration with the complexity of the plan choices and differing benefits packages. Focus group participants were given a chart that the state has developed to explain differences in plans. When quizzed about key issues among the varying plans, they exhibited significant problems in comprehension. Only about half answered questions correctly.

Virtually all participants stated that they would like the choice of MediPass (the state's fee-for-service option, which is being phased out by reform) instead of one of the new plans.

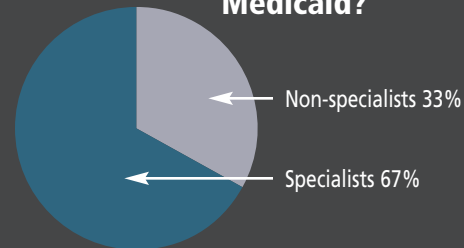
How are physicians reacting to the pilot program?

Physicians in Broward and Duval counties were surveyed on a range of topics, with 186 responding to the survey. Approximately half of the respondents were specialists and half were primary care providers. Thirty-eight percent of respondents were from Broward County and 62 % were from Duval County.

Provider participation in Medicaid appears to be declining: 27 % of the 141 responding physicians who previously participated in Medicaid indicated that they did not intend to participate in any of the new Medicaid plans. There is little evidence that this decline will be offset by a countervailing trend of new physicians participating. Only three responding doctors who had not previously participated in Medicaid indicated that they intended to join any plans.

While the rate of withdrawal from the program was similar in the two counties, it varied somewhat by physician type. Overall, two-thirds (67 %) of those who plan to no longer participate are specialists. This trend was especially pronounced in Broward County, where 87 % of physicians planning to leave the program are specialists.

What kind of doctors are leaving Medicaid?

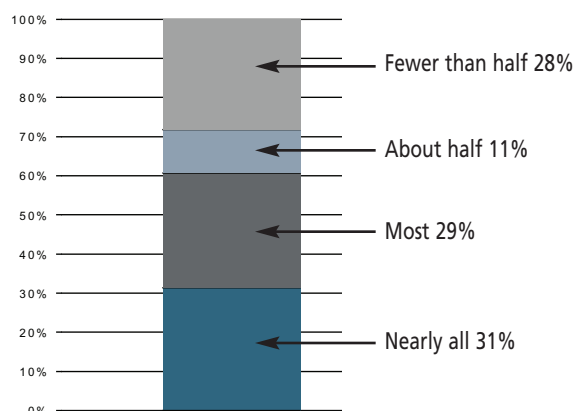


Based on a survey of Broward County Medical Association and Duval County Medical Society members. N=36

The decision by physicians to no longer participate in Medicaid correlates to a common concern raised by beneficiaries in focus groups: the inability to find a plan that includes all of their doctors. This concern is strongest for those who have multiple health conditions and thus regularly see several different doctors. Some have discovered that their doctors are scattered across different plans so that no plan provides them access to all of the physicians they were seeing.

Access to providers is a critical issue for Medicaid beneficiaries in Florida and elsewhere. Indeed one of the state's explicit goals in Medicaid reform is to increase access to specialists.⁷ Yet the survey findings suggest that reform is having the opposite effect, and that providers, especially specialists, are leaving the Medicaid program as a result of reform.

Physicians' Patient Retention



Physicians were asked: What proportion of your patients have you kept as a result of reform? N=126

Those providers who remain are seeing fewer Medicaid patients.

In addition to an overall reduction in the number of physicians who are participating in reform, those who remain appear to be seeing fewer Medicaid patients. About 40 % of physicians reported that they had kept half or fewer of their patients since reform. And of those physicians who are participating in reform plans, only 17 % are participating in all available plans.

What might be causing changes in physician participation?

In interviews conducted prior to reform, providers identified key areas that would likely affect decisions about participation in Medicaid. Chief among these were concerns about low reimbursement levels and the potential for increased administrative burdens.

Typically, physician reimbursement in Medicaid is low as compared to reimbursement with private payers and Medicare. Of the physicians surveyed, 6 % of the respondents (N=99) reported payment for services has improved under reform, 62 % reported that payments for services remained the same, and 32 % reported that payment amounts have declined. Thus, physicians' perceptions are that reimbursement is remaining flat or declining in the pilot plans.

Paperwork demands are another concern that providers have raised regarding reform. The multiplicity of reform plans raises the administrative complexity for providers who must file claims and operate under different contractual agreements with each of the plans in which they participate. This has been a particular concern in Duval County, where managed care plans were less prevalent prior to reform. On this issue, 42 % of respondents (N=103) said that paperwork required for claims is more burdensome than before reform; 6 % said it is less burdensome.

Children's Access to EPSDT Services

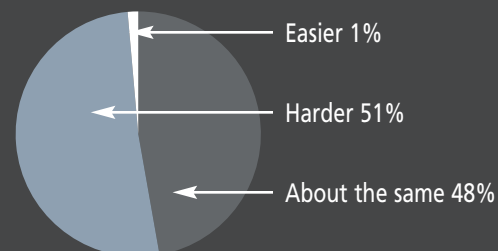
One of the key differences in reform for children is that plans are not permitted to vary the benefits package. All plans are required to offer the Early Periodic Screening Diagnosis and Treatment (EPSDT) benefit. This is a comprehensive benefit for children receiving Medicaid endorsed by the American Academy of Pediatrics. Two findings from the study suggest reform may be making access to needed services for children worse and not better.

Materials developed by the state with respect to plan choices do not clearly explain that all children are eligible for EPSDT, and that benefits do not vary among plans as they do for adults. Given the emphasis on choice in benefits for adults in the reform, we asked parents participating in focus groups about this key difference in a written exercise.

Parents were clearly confused on this point. For example, only about one quarter of participants correctly identified that dental benefits for children should be consistent across plans. Rates of comprehension that prescription drug and physical therapy benefits remain consistent across plans were slightly higher, with one-third of participants answering correctly. Many parents incorrectly believe that plans designed just to serve children offer more benefits. Parents were more likely to be aware that they did not have to pay copays for their children. Clearly more effort is needed to inform parents that variability in benefits does not extend to children.

In addition to the lack of clarity about what benefits children are assured, physicians who treat children are finding that it is becoming harder to provide needed care. Physicians responding to the survey who treat children were asked if they had noticed any changes in their ability to provide medically necessary services to children under reform; 51 % of physicians report that it has grown harder to provide medically necessary care to children. Fewer than 2 % report that it is now easier. This is most likely attributable to difficulties in getting plans to approve treatments and services for children that doctors believe are needed.

Children's Access to Services



Physicians' perception of their ability to provide services since reform began. (N=67)

How is reform affecting patients' access to services?

Physicians were asked a number of questions related to the ability of their patients to receive needed services and treatments – has reform made it easier or harder? In general, about half of providers report difficulty in providing needed treatments to some or many of their patients as a result of plan benefit limits or prior authorization requirements. This is similar to the response rate of providers reporting more difficulties in providing medically necessary services to children.

Patient Access to Services Since Reform				
Were there any cases of Medicaid patients:	Many	Some	Just a few	None
Where you had an easier time getting services and treatments covered? (N=108)	6%	14%	13%	67%
Where plan benefit limits impeded your ability to provide needed treatments? (N=108)	24%	29%	17%	30%
Where plan requirements for prior authorization prevented you from providing needed treatments? (N=111)	26%	23%	17%	33%

Conclusion

Responses from patients and doctors suggest many warning signs with respect to the impact of Medicaid reform on the health care needs of Medicaid beneficiaries living in Broward and Duval counties. Most prominently, Medicaid reform appears to be reducing the number of physicians participating in the Medicaid program, and those who remain appear to be seeing fewer patients. In addition, physicians are reporting significant difficulties in providing needed care to their patients. The complexity of the new system appears to be contributing to confusion among beneficiaries and increased paperwork burdens on providers. These issues should be considered and addressed before reform expands to additional counties.

ENDNOTES

¹ For more information on the changes, see the previous brief in this series *Medicaid Changes: What will they mean for Broward and Duval Counties, and beyond?* September, 2006. Also see *Florida Medicaid Waiver: Key Program Changes and Issues* by the Kaiser Commission on Medicaid and the Uninsured available at <http://www.kff.org/medicaid/7443a.cfm>

² AHCA Medicaid Reform Enrollment Report as of March 2007, available at http://www.fdhc.state.fl.us/MCHQ/Managed_Health_Care/MHM/O/docs/MC_ENROLL/Reform_Plans/RF_ENR_0703.xls

³ Four focus groups were conducted in each county by the project's lead researchers, with an average of 10 beneficiaries participating in each group for a total of 80 participants. In each county, two groups included parents of children enrolled in Medicaid – some of these parents were Medicaid beneficiaries themselves – and another two groups included Medicaid beneficiaries with disabilities. Participants were recruited by professional focus group firms. The first set of four groups was conducted in June and July 2006, prior to reform activities commencing; a second round was conducted in January and February 2007. This brief reports primarily on findings from the second round of groups.

⁴ The physicians' survey was distributed both electronically and through facsimile by the Broward County Medical Association and Duval County Medical Society to their membership lists. Responses were received from late December 2006 through early April 2007. In total, 186 responses were received, a response rate of just over 8 % of those surveyed. Because of the low response rate, the survey findings should not be considered generalizable to the entire membership of these organizations. Every respondent did not answer every question so sample size is reported for each data point used. More demographic information on respondents is available on our website at hpi.georgetown.edu/floridamedicaid.

⁵ According to the state, since its inception the hotline has received 119,053 calls. Agency for Health Care Administration *Florida's Medicaid Reform Choice Counseling* presentation to the Technical Advisory Panel 3/30/07.

⁶ The next brief in this series will address the issue of prescription drugs.

⁷ See most recently AHCA's *Florida Medicaid Reform: Quarterly Progress Report 10/1/06-12/31/06*, submitted to the Centers for Medicare and Medicaid Services, p. 36.

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It may be found online at www.dupontfund.org and at www.hpi.georgetown.edu/floridamedicaid



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