

## Medicaid Reform Summary

### History:

In 2005, under the leadership of Governor Jeb Bush, the Florida Legislature passed Senate Bill (SB) 838, authorizing Medicaid Reform.

Florida's Medicaid Reform:

- Comprehensive demonstration that seeks to **improve the value** of the Medicaid delivery system while **enhancing quality of care and outcomes**.
- Allows **market-based approaches** to assist the state in its service to Medicaid recipients.
- Operated under an 1115 Research and Demonstration Waiver initially approved by the Centers for Medicare and Medicaid Services (Federal CMS) on October 19, 2005.

Goals of Medicaid Reform:

- **Consumers** will be **active participants** in the Medicaid marketplace.
- Consumers will have new **flexibility** in determining the specific disease management programs and preventive services they need.
- Consumers will be able to gain supplemental benefits never before available through Medicaid.
- Consumers will have access to provider evaluations and consumer satisfaction reports to assist them in **customizing their healthcare choices**.

Key elements of the Florida reform plan:

- **Patient Responsibility and Empowerment**
- Marketplace Decisions
- Bridging Public and Private Coverage
- Sustainable Growth Rate

Key components of reform include:

- Comprehensive choice counseling,
- Customized benefit packages,
- Enhanced benefits for participating in healthy behaviors,
- Risk-adjusted premiums based on enrollee health status, and
- Low Income Pool.

### Background on waivers:

- 1) **1915(b)(c) combo waiver:** Authority under section 1915(b) and 1915(c) to implement the Long Term Care Managed Care program. The (b)(c) combo waiver allows the state to identify and allow qualified individuals to receive home and community based care services in lieu of nursing home care services; and to enroll individuals in managed care plans statewide and to allow for selective contracting of those plans.
- 2) **1115 waiver:** Authority under section 1115 to expand managed care under the waiver statewide and to mandatorily enroll the vast majority of individuals in Statewide Medicaid Managed Care plans. The waiver also includes the ability for health plans to develop customized benefits packages targeted to specific populations to provide individuals with a choice of plans.