The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Health Policy

BILL:	SB 1428
INTRODUCER:	Senator Joyner
SUBJECT:	Reducing Racial and Ethnic Health Disparities
DATE:	March 27, 2014
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Lloyd	Stovall	HP	**Favorable**
2.			AHS	
3.			AP	

I. Summary:

SB 1428 requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct a study of obstacles to achieving an adequate health care provider network for Medicaid recipients and to consult with the Agency for Health Care Administration (AHCA) and the Department of Health (DOH) to develop strategies to reduce racial and ethnic disparities in the state. The report is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2016.

The bill creates an undesignated section of law that expires on June 30, 2016.

II. Present Situation:

Medicaid

Medicaid is a joint federal and state funded program that provides health care for low income Floridians. The program is administered by the AHCA and financed with federal and state funds. Over 3.4 million Floridians are currently enrolled in Medicaid and the program's estimated expenditures for Fiscal Year 2013-14 are approximately $22 billion.[1] The statutory authority for the Medicaid program is contained in ch. 409, F.S.

The AHCA has more than 114,000 individuals and facilities providing services to Medicaid recipients.[2] In addition, in 2011 the Legislature passed HB 7107[3] creating the Statewide Medicaid Managed Care (SMMC) program as part IV of ch. 409, F.S. The SMMC program

[1] Social Services Estimating Conference, *Medicaid Caseload and Expenditures* (Feb. 26, 2014) http://edr.state.fl.us/Content/conferences/medicaid/index.cfm (last visited: Mar. 27, 2014).
[2] Agency for Health Care Administration, *Welcome to Medicaid*, http://ahca.myflorida.com/Medicaid/index.shtml#about (last visited Mar. 27, 2014).
[3] *See* ch. 2011-134, L.O.F.

requires the AHCA to create an integrated managed care program for Medicaid enrollees that incorporates all of the minimum benefits for the delivery of primary and acute care, under the Managed Medical Assistance component (MMA).[4] Medicaid recipients who are enrolled in the MMA program will receive all of their services through fully integrated managed care plans and the provider networks contracted under those plans.

The AHCA released an ITN to competitively procure managed care plans on a statewide basis in December 2012. In February 2014, the AHCA contracted with 14 general, non-specialty plans and 5 specialty plans that focus on specific conditions or populations, such as HIV/AIDS or foster children.[5]

The AHCA has released an implementation schedule by region with the first roll-out scheduled for May 1, 2014, and the final group for August 1, 2014.[6] The enabling legislation required the statewide roll-out to be completed by October 2014.

Under SMMC, managed care plans must develop and maintain networks that meet the needs of their enrollees.[7] Plans are also required to include any providers deemed "essential" by the AHCA.[8] Examples of "essential providers" include federally qualified health centers, statutory teaching hospitals, trauma centers, faculty plans of Florida medical schools, regional perinatal intensive care, specialty children's hospitals and accredited and integrated systems serving medically complex children.[9]

The contract between the AHCA and the managed care plans provides additional specifications for the delivery of services to Medicaid enrollees by benefit and provider type.[10] Maximum travel times for access to individual provider types and provider to enrollee ratios are incorporated into the contract. Network adequacy reports by the managed care plans are submitted to the AHCA on a quarterly basis. The managed care plans are also required to inform the AHCA within 7 business days of any significant changes to its regional provider network.[11]

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[4] Health and Human Services Committee, Fla. House of Representatives, *PCS HHSC 11-01 Staff Analysis*, p.25, (Mar. 25, 2011).
[5] Agency for Health Care Administration, *Florida Medicaid - What Plans are Available in My Region?* http://ahca.myflorida.com/Medicaid/statewide_mc/index.shtml#MMA (last visited Mar. 27, 2014).
[6] Agency for Health Care Administration, *Implementation Plan - Managed Medical Assistance Program*, p.5, http://ahca.myflorida.com/Medicaid/statewide_mc/pdf/mma/FL_1115_MMA_IP_10-30-2013_Final.pdf (last visited Nov. 21, 2013).
[7] *See* s. 409.975(1), F.S.
[8] Under s. 409.975(1)(a), F.S., an "essential provider" is further defined as a provider that offers services that is not available from any other provider within a reasonable access standard, or if they provided a substantial amount of services to Medicaid enrollees in the past 3 years and the combined capacity of other Medicaid providers in the region is insufficient to meet the need.
[9] *See* s. 409.975(1)(a) and (b), F.S.
[10] Agency for Health Care Administration, *MMA Program Model Agreement - Attachment II, Exhibit II-A*, http://ahca.myflorida.com/medicaid/statewide_mc/pdf/mma/Attachment_II_Exhibit_II-A_MMA_Model_2014-01-31.pdf (last visited: Mar. 28, 2014).
[11] Agency for Health Care Administration, *Supra* note 10, at 88. A "significant change" is defined in the contract as any change that would cause more than 5 percent of enrollees in the region to change the location where services are rendered; or for MMA plans, a decrease in the total number of primary care physicians by more than 5 percent.

By contract, the MMA plans must make all enrollee materials, including the provider directory, available online without requiring the enrollee to first log-in.[12] The model contract delineates the required searchable elements which include provider name, provider type, distance from enrollee's address, zip code, and whether the provider is accepting new patients.[13]

Failure to maintain adequate networks or to attain performance goals may result in liquidated damages or performance measure sanctions against the MMA.[14] For example, liquidated damages may be assessed for non-compliance with screening rates or preventive dental service goals.[15] An MMA that misses a performance standard may also receive a sanction of up to $10,000 for each missed performance measure group that scores a 3 out of a possible 6.[16]

Florida's Demographics

Florida has a large and diverse population of over 18.8 million residents.[17] Based on the 2010 Census data, Florida's population racial breakdown includes the following:[18]

Race	Population	Percentage
White	14,109,162	75%
Black or African American	2,999,862	16%
American Indian and Alaska Native	71,458	0.4%
Asian	454,821	2.4%
Native Hawaiian or Pacific Islander	12,286	0.1%
Total Population:		**18,801,310**

Florida's ethnic make-up is 22.5 percent Hispanic or Latino and 77.5 percent non-Hispanic or Latino.[19] The vast majority of Florida's Hispanic and Latino population, 1,533,100 individuals, identify as "Other Hispanic or Latino" which is comprised of those whose origins are from the Dominican Republic, Spain and Spanish-speaking Central or South-American countries.[20] The second largest Hispanic and Latino group, 1,213,438 individuals, identify their origins as Cuban.[21]

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[12] Agency for Health Care Administration, *MMA Model Contract - Attachment II: Core Contract Provisions* http://ahca.myflorida.com/medicaid/statewide_mc/pdf/mma/Attachment_II_Core_Model_2014-01-31.pdf , p. 74, (last visited Mar. 28, 2014).
[13] Id.
[14] Agency for Health Care Administration, *Supra* note 10 at 101-105.
[15] Id. at 101.
[16] Id. at 98.
[17] Florida Legislature, Office of Economic and Demographic Research, *2010 Census Summary*, http://edr.state.fl.us/Content/population-demographics/2010-census/data/2010SF1_PROFILE_Florida.pdf (last visited: Mar. 28, 2014).
[18] U.S. Census Bureau, *2010 Census Demographic Profile Summary File*; As Prepared by the Florida Legislative Office of Economic and Demographic Research, http://edr.state.fl.us/Content/population-demographics/2010-census/data/2010DP_Florida.pdf (last visited Mar. 28, 2014).
[19] Id.
[20] Id.
[21] Id.

Current Programs to Reduce Racial and Ethnic Disparities

Florida has several initiatives to address racial and ethnic disparities in health care. The Office of Minority Health (office) was created by the Legislature in 2004 within the DOH.[22] This office coordinates the *Reducing Racial and Ethnic Disparities: Closing the Gap Grant Program*.[23] Projects funded under the *Closing the Gap* grant program support public and private entities by:[24]

- Fostering partnerships between local governments, community groups, and private sector health care organizations;
- Helping communities address their most pressing health needs through targeted health screenings, education and awareness programs; and
- Helping communities better understand the nature of ethnic and racial groups.

The *Closing the Gap* program has identified 7 priority areas for funding:[25]

- Cancer;
- Cardiovascular disease;
- Diabetes;
- Adult and child immunizations;
- HIV/AIDS;
- Maternal and Infant Mortality; and
- Oral Healthcare.

An American Indian Health Advisory Committee (committee) was created in the DOH in 2010 to provide guidance on issues impacting American Indians that reside in Florida.[26] The committee includes 15 representatives from Tribes and other stakeholders, including an office representative.

Minority Health Liaisons are links between the DOH and the county health departments. A representative from each county health department comprises the Minority Health Liaisons Workgroup. The office and the liaisons work collaboratively to address health issues, with a focus on minority health.[27] The partnership between the office and the liaisons are intended to accomplish several objectives, including:[28]

- Sharing information on minority health, especially health disparities due to race, class, gender, culture, education, sexual orientation, religion, immigration status, and age;
- Coordinating events to improve minority health;
- Developing statewide initiatives;

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[22] *See* s. 20.43(9), F.S.
[23] *See* s. 381.7351, F.S.
[24] Florida Department of Health, *Closing the Gap*, http://www.floridahealth.gov/healthy-people-and-families/minority-health/closing-the-gap.html (last visited Mar. 27, 2014).
[25] Id.
[26] Department of Health, *American Indian Health Advisory Committee*, http://www.floridahealth.gov/healthy-people-and-families/minority-health/aihac.html (last visited: Mar. 27, 2014).
[27] Department of Health, *Minority Health Liaisons, http://www.floridahealth.gov/healthy-people-and-families/minority-health/minority-health-liaisons.html* (last visited Mar. 27, 2014).
[28] *Id*.

- Promoting state and local activities and events to raise awareness of programs and services available to minorities and underserved populations;
- Maintaining an office presence at the state and local levels; and,
- Helping the DOH meet its mission by achieving its primary responsibility in eliminating health disparities.

The office also observes several recognition months that focus on or recognize minority populations. The office utilizes these opportunities to educate and bring awareness of important health issues. Examples of recognitions by the office include:

- American Indian Heritage Month (November);
- Asian American and Pacific Islander Month (May);
- Black History Month (February);
- Minority Health Month (April);
- Hispanic and Latino Heritage Month (September 15 to October 15); and,
- Take a Loved One to the Doctor Month (September).

In 2005, the agency contracted for a study on racial and ethnic disparities in health status and access to health care in the Medicaid program. In that study, disparities in access to health care were identified between black children and white children for unmet medical needs and black adults reported more unmet needs for mental health services than other ethnic groups.[29]

III. Effect of Proposed Changes:

SB 1428 directs the OPPAGA to conduct a study of obstacles to achieving an adequate health care provider network for Medicaid recipients and to consult with the AHCA and the DOH on strategies to reduce racial and ethnic disparities in the state.

The office must submit its findings and recommendations to the Governor, President of the Senate, and Speaker of the House of the Representatives by January 1, 2016.

The undesignated section of law created under SB 1428 expires June 30, 2016.

The effective date of the bill is July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

[29] Louis de la Parte Florida Mental Health Institute, *Policy Brief #31 - Racial and Ethnic Disparities in Medicaid Eligibility Change and Unmet Health Needs*, http://www.fdhc.state.fl.us/medicaid/quality_management/mrp/contracts/m0505/disparity.pdf (last visited: March 27, 2014).

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Both the Office of Legislative Services and the department report no fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates an undesignated section of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.