

Our Friends and Neighbors on Medicaid



2.95 million Floridians on Medicaid

- 1.73 million children
- 732.6 thousand working age adults
- 486.9 thousand elderly

Of the above:

- 81.8 thousand pregnant women
- 408.3 thousand disabled persons under age 65
- 68.6 thousand nursing home residents*

*2009 calendar year

How Much Do We Pay for Medicaid



Service	Projected Expenditures*	% of Total
Hospital Inpatient Services	4,459,048,200	20%
Prepaid Health Plans	3,520,296,501	16%
Nursing Home Care	2,823,023,377	13%
Prescribed Medicine/Drugs	1,555,884,727	7%
Supplemental Medical Insurance	1,302,528,776	6%
Hospital Outpatient Services	1,253,524,533	6%
Physician Services	1,191,095,291	5%
Home & Community Based Services	1,000,476,643	5%
Low Income Pool	1,000,250,000	5%
Other Medicaid Services	3,988,638,704	18%
Total:	22,094,766,752	100%

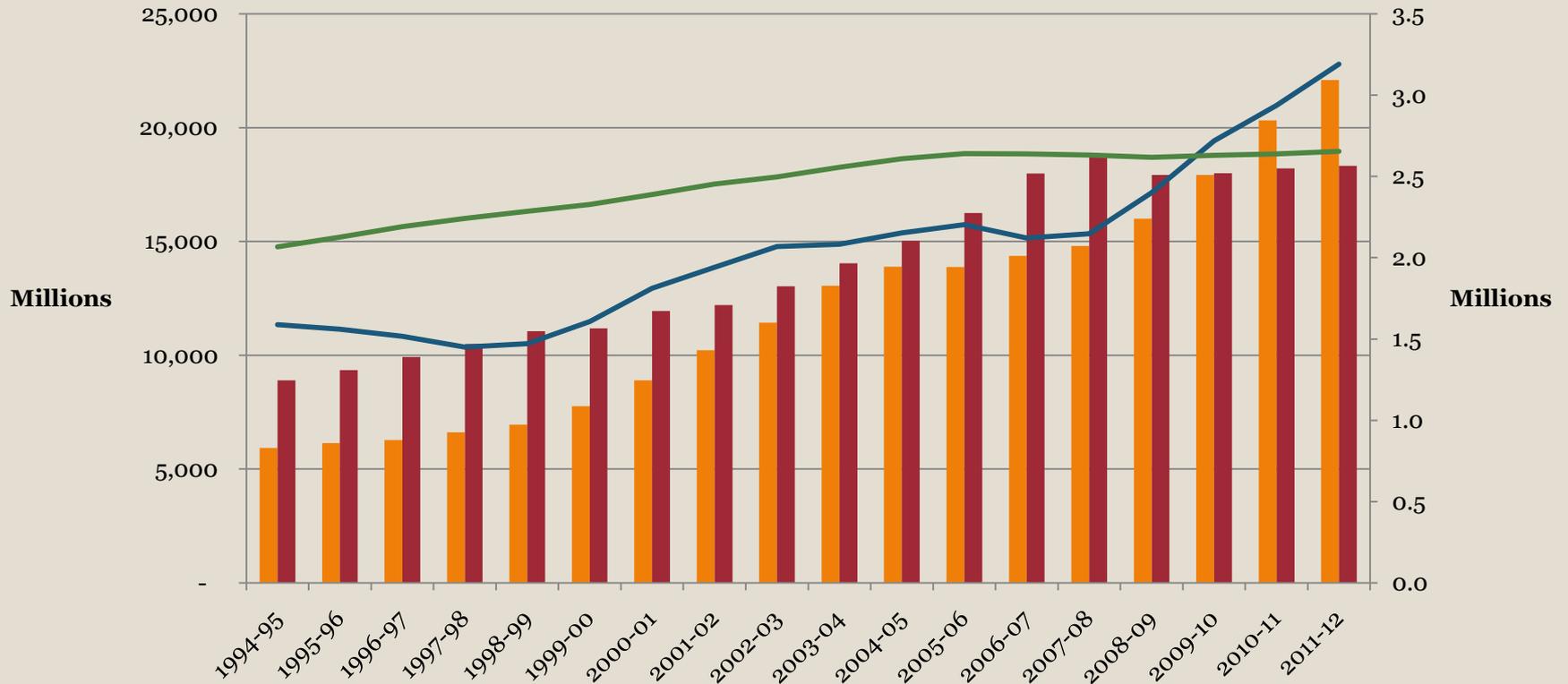
*12-2010 Social Services Estimating Conference

Medicaid Overtakes Public School Funding



Total Expenditures and Caseload

■ Medicaid
 ■ Public Schools
 — Case Load Medicaid
 — Students



8 Guiding Principles of Medicaid Reform



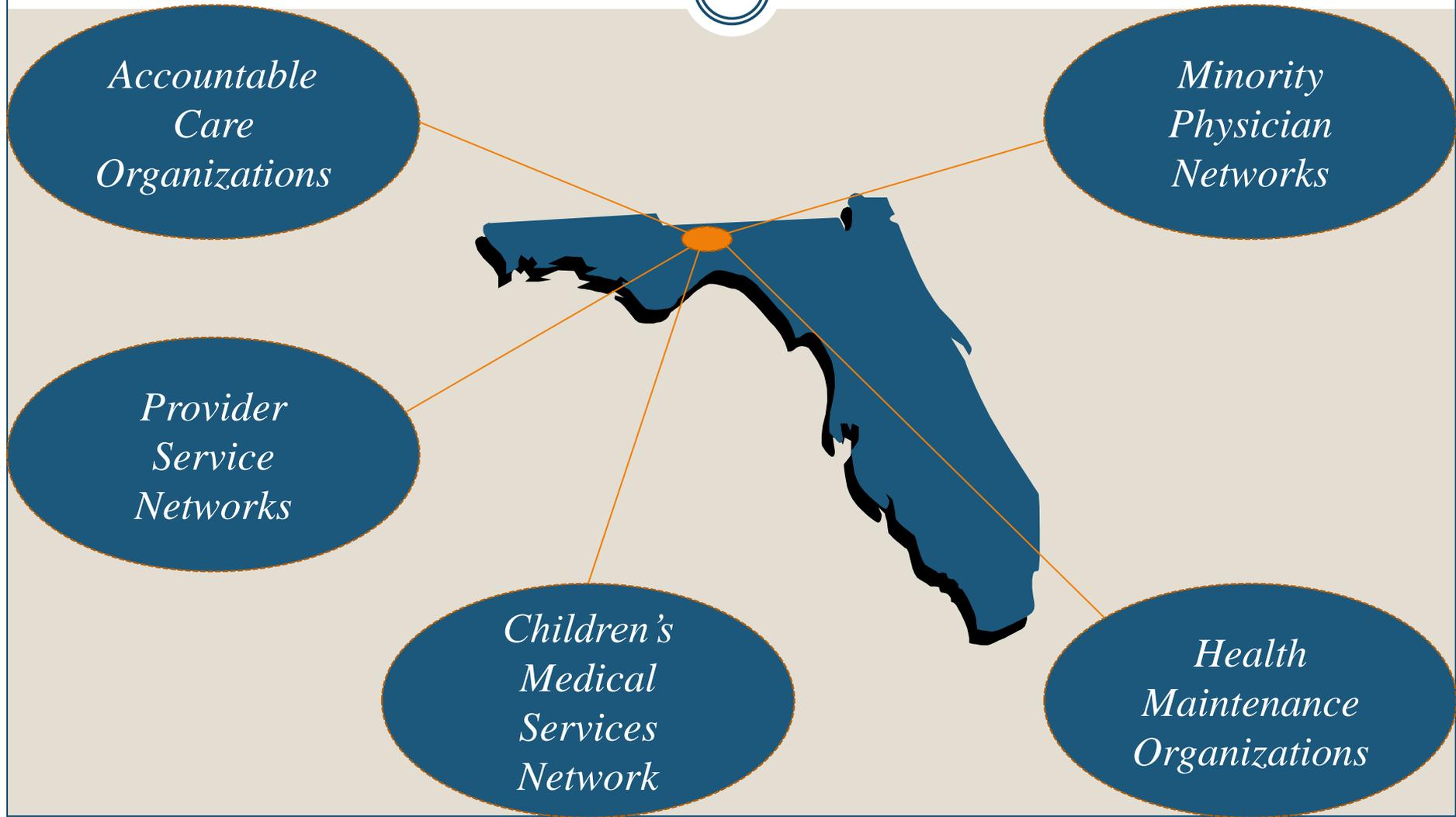
- 1) Medicaid Reform has two goals: improved care and fiscal predictability, in that order.
- 2) Every Floridian receiving her or his health care through Medicaid will have a primary care physician. Delivery of and payment for health care in Medicaid will be focused on value and outcomes, not simply reimbursement for procedures.
- 3) In long-term care, home and community-based options will be presented contemporaneously with nursing home alternative.
- 4) The AHCA Medicaid unit will be transformed from a check writing and fraud chasing agency into contract compliance and monitoring operation.
- 5) To the extent that we deploy ACO's, PSN's, HMO's and other managed care organizations, we will insist on: guaranteed savings with performance bonds, strict prompt payment requirements, liquidated damages from posted cash reserves for contract breaches and patient abandonment, as well as periodic opportunities for Medicaid recipients to change plans. We will assume that our friends and neighbors enrolled in Medicaid can make informed judgments in their own best interests without a retinue of intermediaries substituting their collective preferences for individual choice.
- 6) The precise amount of money spent on Medicaid each fiscal year will represent a fixed appropriation in a total sum determined by the Legislature.
- 7) Medicaid health care benefits will be roughly comparable to the health insurance benefits received by Floridians who are paying the taxes that fund Medicaid.
- 8) Physicians that join us in taking care of our fellow citizens receiving Medicaid will benefit from increased compensation and enhanced legal protections.

A Transformation of the System



- Current system inefficient, unsustainable and unaffordable
- Fundamentally change how our state administers medical assistance to citizens who need our help
- Convert the Agency for Health Care Administration from managing day-to-day delivery of health care to enforcing contract compliance

Our New Partners in Medicaid



Creating Unique Medical Communities



- Contracts will be awarded through a competitive bidding process.
- Plans are required to produce a guaranteed savings.
- AHCA will establish and monitor contract performance measures.
- Plans will be held accountable and required to post surety bonds.
- Plans are required to limit administrative costs and dedicate at least 90% of Medicaid dollars to health care.

Enhanced Consumer Protections



- Enrollees may change their primary care provider within the plan at any time and will annually have an opportunity to change plans.
- Enrollees will have quality home and community-based options when they need them.
- Plans are required to timely report encounter data.

Inviting Physicians Back to Medicaid



- Each recipient will receive a primary care physician and have an initial appointment scheduled within 30 days of enrolling.
- Primary care physicians will be reimbursed at least 100% of Medicare rates.
- Physicians will be paid promptly consistent with commercial market requirements.

Enhanced Legal Protections



- Liability protection for physicians treating Medicaid patients
- Eliminate abuse of suing officers or directors of nursing homes
- Parity in sovereign immunity for teaching hospitals and medical schools