

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 855 Managed Care Plan Performance

**SPONSOR(S):** Bartleman and others

**TIED BILLS:** IDEN./SIM. BILLS: SB 1258

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Facilities Subcommittee	16 Y, 0 N	Guzzo	Lloyd
2) Health & Human Services Committee			

**SUMMARY ANALYSIS**

Medicaid is the health care safety net for low-income Floridians. Medicaid is a partnership of the federal and state governments established to provide coverage for health services for eligible persons. The program is administered by the Agency for Health Care Administration (AHCA) and financed by federal and state funds. States have some flexibility in the provision of Medicaid services, and use various delivery systems to provide care.

Florida serves most of its Medicaid recipients using managed care, through the Managed Medical Assistance (MMA) program. The MMA program provides acute health care services through managed care plans contracted with AHCA in 11 regions across the state. Managed care plans participating in the MMA program are subject to a range of accountability measures designed to ensure that plan enrollees receive appropriate care. AHCA monitors plan performance through a combination of performance measures developed by the National Committee for Quality Assurance (“HEDIS” measures), the federal Centers for Medicare and Medicaid Services (CMS), and the agency itself.

Current law requires plans participating in the MMA program to collect and report HEDIS measures specified by AHCA on an annual basis. Plans are also contractually obligated to provide certain portions of the Adult and Child Core Sets developed by CMS.

The bill requires MMA plans to collect and report an expanded set of performance measures. Beginning in calendar year 2025, the bill requires each MMA plan to collect and report all of the Adult Core Set behavioral health measures, which are not currently required by AHCA.

Beginning in calendar year 2026, the bill requires each MMA plan to stratify all performance measure data by recipient age, race, ethnicity, primary language, sex, and disability status.

The bill has no fiscal impact on state or local government.

The bill provides an effective date of July 1, 2022.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Background

##### **Florida Medicaid Program**

Medicaid is the health care safety net for low-income Floridians. Medicaid is a partnership of the federal and state governments established to provide coverage for health services for eligible persons. The program is administered by the Agency for Health Care Administration (AHCA) and financed by federal and state funds. AHCA delegates certain functions to other state agencies, including the Department of Children and Families, which makes eligibility determinations.

The structure of each state's Medicaid program varies, but what states must pay for is largely determined by the federal government, as a condition of receiving federal funds.<sup>1</sup> Federal law sets the amount, scope, and duration of services offered in the program, among other requirements. These federal requirements create an entitlement that comes with constitutional due process protections. The entitlement means that two parts of the Medicaid cost equation – people and utilization – are largely predetermined for the states. The federal government sets the minimum mandatory populations to be included in every state Medicaid program. The federal government also sets the minimum mandatory benefits to be covered in every state Medicaid program. These benefits include physician services, hospital services, home health services, and family planning.<sup>2</sup> States can add benefits, with federal approval. Florida has added many optional benefits, including prescription drugs, ambulatory surgical center services, and dialysis.<sup>3</sup>

Florida Medicaid does not cover all low-income Floridians. Eligibility is determined by household income and by certain categorical eligibility standards, like disability.

The Florida Medicaid program covers approximately 5 million low-income individuals.<sup>4</sup> Medicaid is the second largest single program in the state, behind public education, representing approximately one-third of the total FY 2021-2022 state budget.<sup>5</sup>

#### Medicaid Managed Care

States have some flexibility in the provision of Medicaid services. Section 1915(b) of the Social Security Act provides authority for the Secretary of the U.S. Department of Health and Human Services to waive requirements to the extent that he or she “finds it to be cost-effective and efficient and not inconsistent with the purposes of this title.” Also, Section 1115 of the Social Security Act allows states to use innovative service delivery systems that improve care, increase efficiency, and reduce costs.

States may also ask the federal government to waive federal requirements to expand populations or services, or to try new ways of service delivery. Many states have elected to provide Medicaid benefits through a managed care model. Traditionally, Medicaid services are paid for under a fee-for-service (FFS) reimbursement model. Under the FFS model, the state pays providers directly for each covered service received by a Medicaid beneficiary. Under managed care, the state pays a fee to a managed

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<sup>1</sup> Title 42 U.S.C. §§ 1396-1396w-5; Title 42 C.F.R. Part 430-456 (§§ 430.0-456.725) (2016).

<sup>2</sup> S. 409.905, F.S.

<sup>3</sup> S. 409.906, F.S.

<sup>4</sup> Agency for Health Care Administration, *Florida Statewide Medicaid Monthly Enrollment Report*, November 2021, available at [https://ahca.myflorida.com/medicaid/Finance/data\\_analytics/enrollment\\_report/index.shtml](https://ahca.myflorida.com/medicaid/Finance/data_analytics/enrollment_report/index.shtml) (last accessed January 6, 2022).

<sup>5</sup> Ch. 2020-111, L.O.F. See also *Fiscal Analysis in Brief: 2021 Legislative Session*, available at

<http://edr.state.fl.us/content/revenues/reports/fiscal-analysis-in-brief/FiscalAnalysisinBrief2021.pdf> (last accessed January 6, 2022).

care plan for each person enrolled in the plan. In turn, the plan pays providers for all of the Medicaid services a beneficiary may require that are included in the plan's contract with the state.<sup>6</sup>

For example, Florida has a Section 1115 waiver to use a comprehensive managed care delivery model for primary and acute care services, the Statewide Medicaid Managed Care (SMMC) Managed Medical Assistance (MMA) program.<sup>7</sup> The MMA program was enacted in 2011 and fully implemented in 2014.

### *MMA Program*

The MMA program provides acute health care services through managed care plans contracted with AHCA in 11 regions across the state.<sup>8</sup> Specialty plans are also available to serve distinct populations, such as the Children's Medical Services Network for children with special health care needs, or those in the child welfare system. Medicaid recipients with HIV/AIDS, serious mental illness, dual enrollment with Medicare, chronic obstructive pulmonary disease, congestive heart failure, or cardiovascular disease may also select from specialized plans. Roughly 80% of Florida's Medicaid population is served through the MMA program, while the remainder of participants are served by traditional FFS Medicaid.<sup>9</sup>

### *Managed Care Performance Measures*

Managed care plans participating in the MMA program are subject to a range of accountability measures designed to ensure that plan enrollees receive appropriate care. AHCA monitors plan performance through a combination of performance measures developed by the National Committee for Quality Assurance (NCQA), the federal Centers for Medicare and Medicaid Services (CMS), and the agency itself.<sup>10</sup>

### *NCQA HEDIS Quality Measures*

The NCQA develops the Healthcare Effectiveness Data and Information Set (HEDIS) as a standardized tool to measure the performance of health plans. More than 90% of health plans in America use the HEDIS tool to measure performance on important dimensions of care and service.<sup>11</sup> Because so many plans use HEDIS and because the measures are so specifically defined, HEDIS can be used to make comparisons among plans. HEDIS Measures relate to many significant public health issues, such as cancer, heart disease, smoking, asthma, and diabetes.<sup>12</sup>

Current law requires plans participating in the MMA program to collect and report HEDIS measures specified by AHCA on an annual basis.<sup>13</sup> This information must be posted on each plan's website in a consumer-friendly manner, allowing potential enrollees to reliably compare the performance of available plans.<sup>14</sup>

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<sup>6</sup> Medicaid and CHIP Payment and Access Commission (MACPAC), *Provider payment and delivery systems*, <https://www.macpac.gov/medicaid-101/provider-payment-and-delivery-systems/> (last accessed January 6, 2022).

<sup>7</sup> S. 409.964, F.S.

<sup>8</sup> Agency for Health Care Administration, *SMMC Region Map*, [https://ahca.myflorida.com/Medicaid/statewide\\_mc/pdf/SMMC\\_Region\\_map.pdf](https://ahca.myflorida.com/Medicaid/statewide_mc/pdf/SMMC_Region_map.pdf) (last accessed January 6, 2022).

<sup>9</sup> Agency for Health Care Administration, presentation by Beth Kidder, Deputy Secretary for Medicaid, to the House Health and Human Services Committee, February 17, 2021, <https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3085&Session=2021&DocumentType=Meeting%20Packets&FileName=hhs%202-17-21.pdf> (last accessed January 6, 2022).

<sup>10</sup> Agency for Health Care Administration, *Performance Measure Data Submissions for Medicaid*, [https://ahca.myflorida.com/medicaid/quality\\_mc/submission.shtml](https://ahca.myflorida.com/medicaid/quality_mc/submission.shtml) (last accessed January 6, 2022).

<sup>11</sup> U.S. Department of Health and Human Services, *Healthcare Effectiveness Data and Information Set*, <https://www.healthypeople.gov/2020/data-source/healthcare-effectiveness-data-and-information-set> (last accessed January 6, 2022). Prior to 2007, "HEDIS" referred to the Health Plan Employer Data and Information Set.

<sup>12</sup> National Committee for Quality Assurance, *HEDIS Measures and Technical Resources*, <https://www.ncqa.org/hedis/measures/> (last accessed January 6, 2022).

<sup>13</sup> See *Supra* note 10 for a comparison of HEDIS performance scores reported by each MMA plan.

<sup>14</sup> S. 409.967(2), F.S.

Currently, MMA plans report some measures stratified by some demographic characteristics. Through calendar year 2019, AHCA required managed care plans to report these performance measures on a statewide basis, using any stratifications included in the performance measure specifications.<sup>15</sup> The stratifications most often included are age bands. For calendar year 2020 performance measures, which were due to AHCA by July 1, 2021, AHCA required plans to provide regional reporting in addition to the statewide rates for most of the HEDIS measures. AHCA is also requiring plans to stratify five HEDIS measures at the statewide level by race/ethnicity. The five measures are:

- Adherence to Antipsychotic Medications for People with Schizophrenia;
- Adult Access to Preventive/Ambulatory Health Services;
- Child and Adolescent Well Care Visits;
- Comprehensive Diabetes Care – Hemoglobin A1c Testing; and,
- Prenatal and Postpartum Care – Timeliness of Prenatal Care.<sup>16</sup>

### CMS Core Set Quality Measures

Federal law<sup>17</sup> requires CMS to develop and publish Core Sets of health care quality measures for adults and children enrolled in Medicaid. The Core Sets are tools states can use to monitor and improve the quality of health care provided to Medicaid beneficiaries.<sup>18</sup>

CMS released the initial Child Core Set in 2010 and the initial Adult Core Set in January 2012. State reporting on these measure sets is voluntary, but many states have adopted reporting requirements. Since the inception of the Child and Adult Core Sets, CMS has collaborated with state Medicaid and CHIP agencies to voluntarily collect, report, and use the Core Set measures to drive quality improvement.<sup>19</sup>

The Child Core Set includes measures capturing receipt of preventive services such as immunizations, developmental screenings, dental care, and well-child visits; management of acute and chronic conditions such as asthma and diabetes; and family experiences of care.<sup>20</sup>

Similar to the Child Core Set, the Adult Core Set was designed to reflect the health needs of the target population, with measures capturing cancer screenings and management of chronic conditions such as diabetes, hypertension, and chronic obstructive pulmonary disorder. The Adult Core Set also includes behavioral health measures to capture use of preventive and treatment services for mental health conditions and substance use disorders.<sup>21</sup>

AHCA currently requires plans participating in the MMA program to report a selection of measures from both the Adult and Child Core Sets in its contracts with those plans.<sup>22</sup> CMS is requiring states to report the Child Core Set measures and the behavioral health care measures in the Adult Core Set beginning in 2024, so AHCA plans to phase-in the Core Set measures that the Agency has not yet required the Medicaid managed care plans to report.<sup>23</sup>

### Effect of Proposed Changes

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<sup>15</sup> Agency for Health Care Administration, *Agency Analysis of HB 899 of 2021*, March 11, 2021 (on file with Finance & Facilities Subcommittee Staff).

<sup>16</sup> Id.

<sup>17</sup> The Child Core Set was initiated by the Children's Health Insurance Reauthorization Act of 2009, P.L. 111-3, and the Adult Core Set was initiated by the Patient Protection and Affordable Care Act of 2010, P.L. 111-148.

<sup>18</sup> The full list of Adult Core Set and Child Core Set measures is available at <https://www.medicaid.gov/medicaid/quality-of-care/downloads/core-set-history-table.pdf> (last accessed January 6, 2022).

<sup>19</sup> U.S. Center for Medicaid & CHIP Services, *CMCS Informational Bulletin - 2021 Updates to the Child and Adult Core Health Care Quality Measurement Sets*, November 29, 2020, <https://www.medicaid.gov/federal-policy-guidance/downloads/cib111920.pdf> (last accessed January 6, 2022).

<sup>20</sup> Medicaid and CHIP Payment and Access Commission, *State Readiness to Report Mandatory Core Set Measures*, March 2020, <https://www.macapac.gov/publication/state-readiness-to-report-mandatory-core-set-measures/> (last accessed January 6, 2022).

<sup>21</sup> Id.

<sup>22</sup> Supra note 15.

<sup>23</sup> Id.

The bill establishes an expanded statutory framework for the reporting of quality measures by MMA plans.

Current law requires MMA plans to collect and report select HEDIS measures, as specified by AHCA. AHCA also requires plans, by contract, to report select CMS Adult and Child Core Set measures.

The bill adds a statutory requirement for plans to report CMS Adult and Child Core Set measures, as specified by AHCA. It expressly requires each MMA plan to collect and report the Adult Core Set behavioral health measures, which are not currently required by AHCA, beginning in calendar year 2025.

Beginning in calendar year 2026, the bill requires each MMA plan to stratify all performance measure data submitted to AHCA by recipient age, race, ethnicity, primary language, sex, and disability status. As mentioned above, AHCA tentatively plans to phase-in required reporting of race and ethnicity information but has not taken steps to require additional stratification of reporting by plans.

The bill also updates obsolete statutory language in reference to the HEDIS data set. Prior to 2007, "HEDIS" referred to the Health Plan Employer Data and Information Set. The acronym HEDIS now refers to the Healthcare Effectiveness Data and Information Set, so the bill conforms the Florida statute to current NCQA terminology.

The bill provides an effective date of July 1, 2022.

**B. SECTION DIRECTORY:**

**Section 1:** Amends s. 409.967, F.S., relating to managed care plan accountability.

**Section 2:** Provides an effective date of July 1, 2022.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None. The bill's changes to MMA plan performance measures and related reporting are either already planned by AHCA or are expected to be incorporated into future plan contract procurements.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

AHCA has sufficient rulemaking authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES