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Save Medicaid Reform from Crib Death

By Michael Bond, Ph.D.

Florida's innovative Medicaid reform was still in its infancy when critics began trying to smother it in its crib. That's unfair; a mere six months into the pilot program in Duval and Broward counties, the state was still in the early stages of gathering detailed data.

Yet that didn't stop critics such as Georgetown University's Health Policy Institute. Having blasted the concept in a January 2005 report before the reform was even enacted, HPI now seems bent on finding evidence to support its initial opposition.

Its new "study," *Assessing Florida's Medicaid Reform*, was cited in an op-ed column "Medicaid reform hurts the needy" (Tallahassee Democrat, May 9) by Jacksonville Legal Aid attorney Sarah R. Sullivan.

Left unsaid is what would have occurred – to Medicaid and other worthy programs relying on state revenue -- had Florida not acted to curb the program's unsustainable growth in costs and its serious decline in patient care.

It would be disingenuous to criticize Georgetown's premature evaluation of the reform, then offer a positive spin based on similarly sketchy evidence. Nonetheless, it's fair to say that what's known about the reform's impact thus far is mostly encouraging.

- **In both Broward and Duval, reform has boosted the number and types of plans available.** Enrollees may choose from 16 competing plans in Broward and 6 in Duval. In both counties the plans offer a variety of benefits. That's crucial, given the beneficiaries' diverse needs.
- **Enrollees have access to services not previously offered under Medicaid.** These range from over-the-counter drugs to home-delivered meals following surgery.

Any dramatic reform will attract critics. HPI's study, for instance, claims to find numerous problems with the choice-counseling program, which helps patients decide which plan suits their needs.

HPI claims access to counselors has been mostly through a toll-free number. This overlooks more than 75 meetings with thousands of beneficiaries, plus at least as many meetings with providers, advocacy groups, and other interested stakeholders.

Florida's Agency for Healthcare Administration (AHCA) mailed out more than 100,000 "Check It Out" enrollment packets. When 6 percent came back as undeliverable, counselors searched databases in an effort to establish contact.

The amount of support for Medicaid enrollees is unprecedented. Indeed, there

have been only 13 complaints by beneficiaries about the choice-counseling program. This hardly supports the critics' allegations of major problems.

The Georgetown "study" claims that some participants can't find a plan that employs all of their current doctors. It also claims that beneficiaries are frustrated that different plans have different benefit packages.

But if all of the reform plans had employed every doctor from Medicaid's fee-for-service version, the plans would have lost their ability to negotiate with providers. Just because a plan omits a specialist doesn't mean it omits that physician's specialty.

As for different plans offering different benefits, that's an improvement over the one-size-fits-all package of the fee-for-service plan. Traditional Medicaid denied beneficiaries the opportunity to choose a plan matching their individual needs.

The Georgetown report also claims that physicians don't want to participate in the new plans, that physicians are seeing fewer patients, and that the plans are limiting some services.

The basis for these claims is a survey of Broward and Duval physicians – a survey with a response rate of 8 percent! Even HPI's researchers concede that "Because of the low response rate, survey findings should not be considered generalizable..."

This same "survey" also claims doctors are complaining they can't provide "needed" services because of managed-care rules. Of course, under the fee-for-service approach, unneeded care is often deemed "needed" because Medicaid won't question it. AHCA simply can't check each of the 150 million fee-for-service claims that pour in each year.

Even if this physician survey were credible, managed care's denial of legitimately needed care would show up in the reform's grievance and appeal process. After six months, beneficiaries hadn't filed a single grievance.

It's still quite early in the evaluation process, but our current data suggest that reform is providing more choices and more services than traditional Medicaid, with lower costs and – equally important – better care. This suggests that the pilot program now in its infancy ought to be expanded to the entire state, not smothered in its crib.

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