11-1206A-07   See HB

1   A bill to be entitled

2   An act relating to the Medicaid managed care

3   pilot program; amending s. 409.91211, F.S.;

4   requiring the Agency for Health Care

5   Administration to develop a methodology for

6   calculating risk-adjusted capitation rates

7   based on information in the encounter database;

8   requiring that specified criteria be met prior

9   to implementation of the methodology; providing

10   for use of an interim risk-adjusted

11   methodology; providing a phase-in schedule for

12   the encounter-based methodology for

13   participating managed care plans; requiring the

14   phase-in schedule to be applied anew for

15   counties into which the program expands;

16   providing an effective date.

17

18   Be It Enacted by the Legislature of the State of Florida:

19

20   Section 1. Subsections (8) and (9) of section

21   409.91211, Florida Statutes, are amended to read:

22   409.91211 Medicaid managed care pilot program.--

23   (8)<u>(a) The agency shall develop a methodology for</u>

24   <u>calculating risk-adjusted capitation rates using comprehensive</u>

25   <u>encounter and diagnosis data pursuant to subparagraph (3)(p)4.</u>

26   <u>for all acute Medicaid services. Prior to the implementation</u>

27   <u>of the risk-adjusted capitation rate methodology, the agency</u>

28   <u>shall ensure that all of the following criteria are met:</u>

29   <u>1. Agency staff is sufficiently educated and trained</u>

30   <u>regarding issues and methods related to compiling encounter</u>

31

CODING: Words ~~stricken~~ are deletions; words <u>underlined</u> are additions.

 1 data to implement and maintain the Florida Medicaid encounter

 2 data system.

 3   2. The Florida Medicaid Management Information System

 4 has the capacity to house, maintain, and manage the

 5 anticipated volume of encounter data records that will be

 6 produced.

 7   3. The agency has ensured that the encounter data

 8 system is secure, protects personal health information, and is

 9 in compliance with 45 C.F.R. ss. 160.102, 160.103, and 164,

10 subpart A, commonly referred to as the HIPAA Privacy

11 Regulation.

12   4. The agency has implemented a validation system to

13 ensure the encounter data is accurate; has been screened for

14 completeness, logic, and consistency; and is standardized to

15 facilitate the use of various models for the payment of claims

16 and submission of data.

17   5. The agency has compiled no less than 1 year's worth

18 of complete encounter and diagnostic data to permit the

19 adjustment of capitation rates for health risk differences and

20 has ensured, through validation by an independent actuary,

21 that the data are of sufficient integrity to be used for

22 risk-adjustment purposes in accordance with actuarial

23 standards of practice that are generally recognized as sound

24 and appropriate.

25   6. The agency has consulted with the technical

26 advisory panel regarding the development and implementation of

27 the comprehensive encounter and diagnosis data system and

28 sought input from the panel.

29   7. The risk-adjusted capitation rates have been

30 certified by an independent actuary and approved by the

31 Centers for Medicare and Medicaid Services.

 1   (b) The agency must ensure~~, in the first two state~~
 2   ~~fiscal years in which a risk adjusted methodology is a~~
 3   ~~component of rate setting,~~ that, under any risk-adjustment
 4   methodology, no managed care plan providing comprehensive
 5   benefits to TANF and SSI recipients under this section has an
 6   aggregate risk score that varies by more than 10 percent from
 7   the aggregate weighted mean of all managed care plans
 8   providing comprehensive benefits to TANF and SSI recipients ~~in~~
 9   ~~a reform area~~. A risk-adjusted capitation paid by the agency
10   ~~The agency's payment~~ to a managed care plan shall be based on
11   an ~~such revised~~ aggregate risk score revised in accordance
12   with the provisions of this paragraph.
13   (c) The agency may implement an interim risk-adjusted
14   capitation rate methodology to be used before a fully
15   functional encounter and diagnostic data system has been in
16   operation for no less than 12 months pursuant to paragraph
17   (a). If the agency implements an interim methodology, the
18   capitation rates during the interim period shall be weighted
19   so that 75 percent of each capitation rate is based on the
20   methodology developed under s. 409.9124 and 25 percent is
21   based on the interim risk-adjusted capitation rate
22   methodology.
23   (9) After any calculations of aggregate risk scores or
24   revised aggregate risk scores in subsection (8) and after a
25   fully functional encounter and diagnostic data system has been
26   in operation for no less than 12 months, the capitation rates
27   for plans participating under this section shall be phased in,
28   and this phase-in schedule shall be applied anew, in its
29   entirety, in any county in which the risk-adjusted capitation
30   rate methodology is implemented, as follows:
31

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1   (a) For managed care plan contracts taking effect in

2 the first and second state fiscal years after a fully

3 functional encounter and diagnostic data system has been in

4 operation for no less than 12 months, the capitation rates

5 shall be weighted so that 75 percent of each capitation rate

6 is based on the methodology developed under s. 409.9124 and 25

7 percent is based on the risk-adjusted capitation rate

8 methodology developed under subsection (8). ~~In the first year,~~

9 ~~the capitation rates shall be weighted so that 75 percent of~~

10 ~~each capitation rate is based on the current methodology and~~

11 ~~25 percent is based on a new risk adjusted capitation rate~~

12 ~~methodology.~~

13   (b) For managed care plan contracts taking effect in

14 the third state fiscal year after a fully functional encounter

15 and diagnostic data system has been in operation for no less

16 than 12 months, the capitation rates shall be weighted so that

17 70 percent of each capitation rate is based on the methodology

18 developed under s. 409.9124 and 30 percent is based on the

19 risk-adjusted capitation rate methodology developed under

20 subsection (8). ~~In the second year, the capitation rates shall~~

21 ~~be weighted so that 50 percent of each capitation rate is~~

22 ~~based on the current methodology and 50 percent is based on a~~

23 ~~new risk adjusted rate methodology.~~

24   (c) For managed care plan contracts taking effect in

25 the fourth state fiscal year after a fully functional

26 encounter and diagnostic data system has been in operation for

27 no less than 12 months, the capitation rates shall be weighted

28 so that 50 percent of each capitation rate is based on the

29 methodology developed under s. 409.9124 and 50 percent is

30 based on the risk-adjusted capitation rate methodology

31 developed under subsection (8).

4

1   (d) For managed care plan contracts taking effect in
2   the fifth state fiscal year after a fully functional encounter
3   and diagnostic data system has been in operation for no less
4   than 12 months, the capitation rates shall be weighted so that
5   25 percent of each capitation rate is based on the methodology
6   developed under s. 409.9124 and 75 percent is based on the
7   risk-adjusted capitation rate methodology developed under
8   subsection (8).
9   (e) For managed care plan contracts taking effect in
10   the sixth state fiscal year after a fully functional encounter
11   and diagnostic data system has been in operation for no less
12   than 12 months ~~In the following fiscal year~~, the risk-adjusted
13   capitation methodology may be fully implemented.
14   Section 2. This act shall take effect July 1, 2007.
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

5