



HILLSBOROUGH HEALTHCARE PROGRAM

-- Recommendations for Change

November 2005

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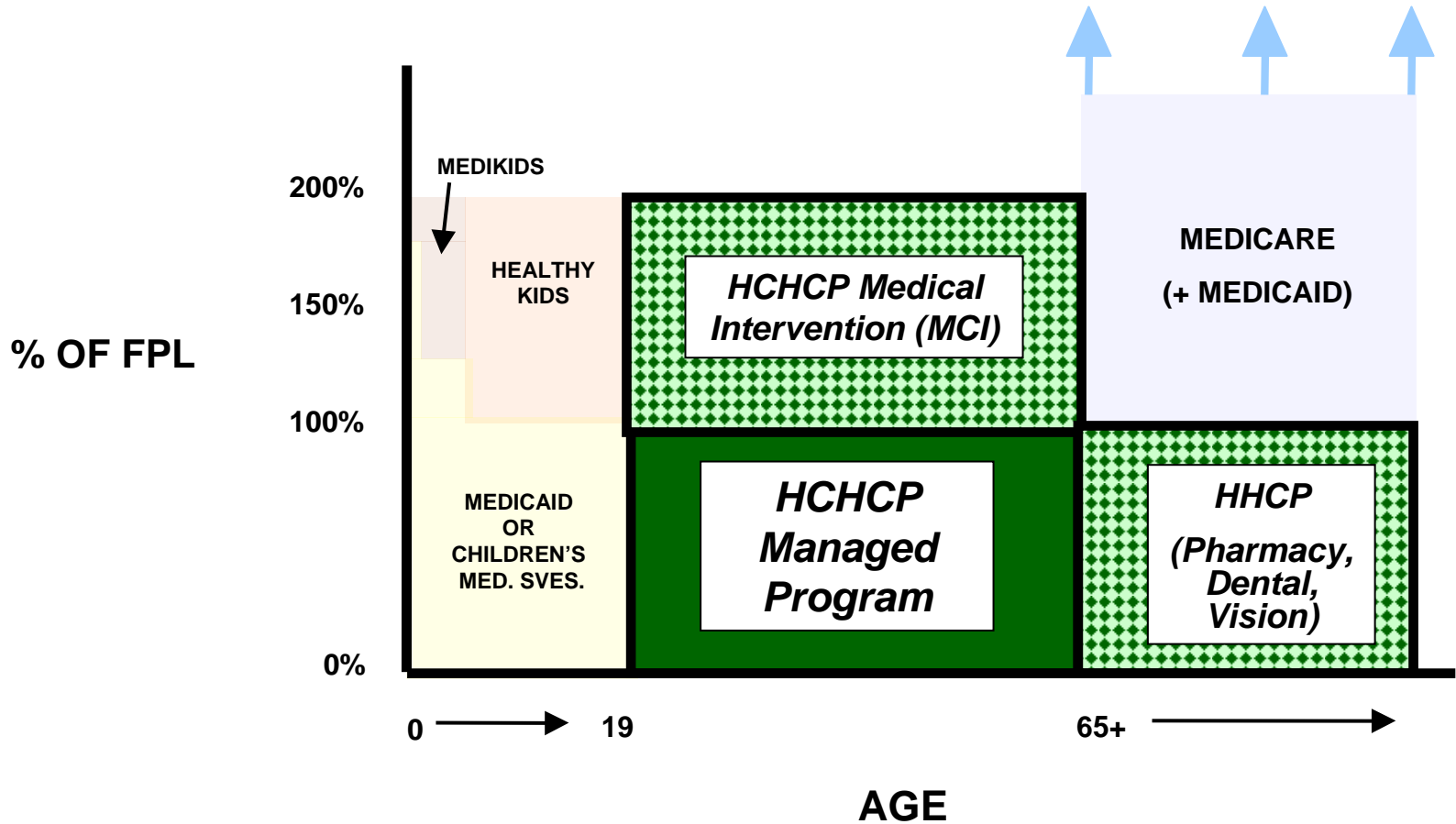
FORMAT FOR PRESENTATION

- **INTRODUCTION / BACKGROUND**
- **CURRENT STATUS**
- **RECOMMENDATIONS FOR CHANGE.**
- **QUESTIONS AND ANSWERS.**

**CURRENTLY, PLAN HAS DONE WELL,
MUST CONTINUE TO DO EVEN BETTER**

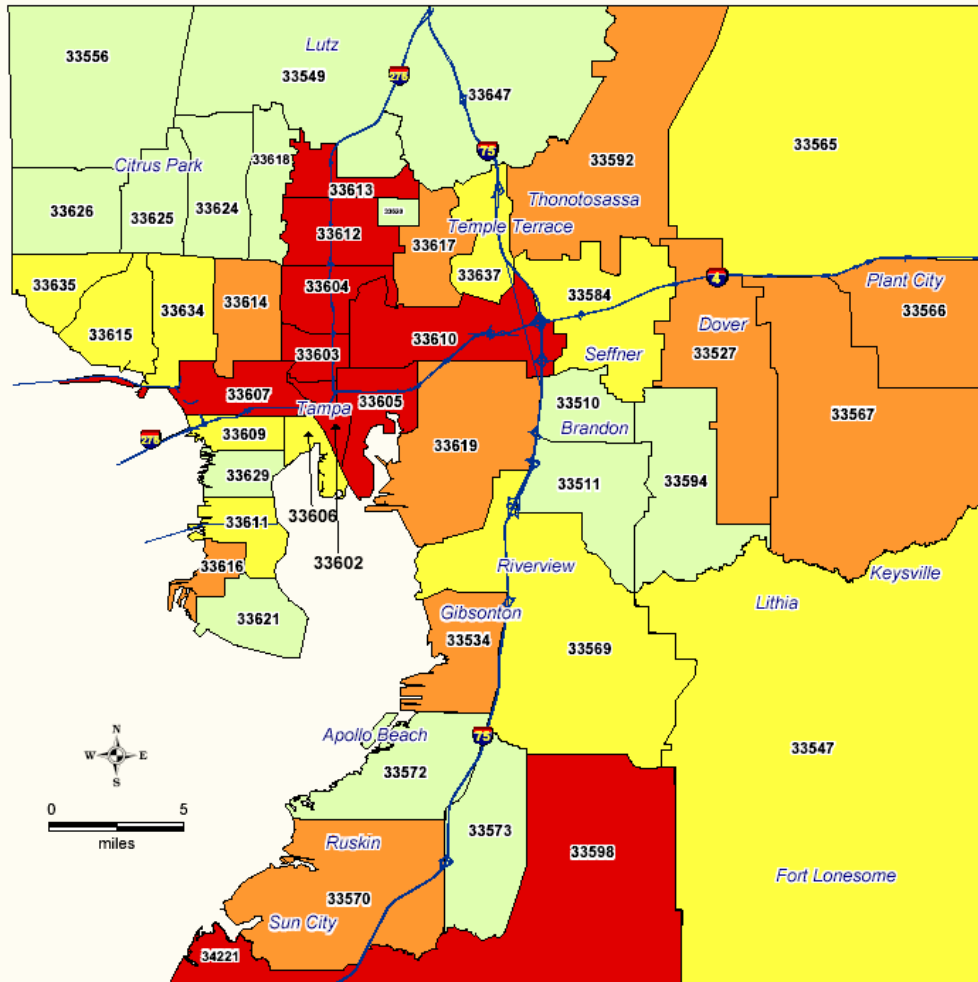
- **HealthCare Program increase has been less than industry.**
- **Successful public / private partnerships.**
- **Must constantly look at doing even better – Good is not enough.**
- **Challenge is financial stability to handle future.**

**PRE-FEB. 1, 2005, HHCP ELIGIBILITY
BY AGE AND INCOME (AS % OF FEDERAL POVERTY [FPL])
(Also Showing State and Federally Subsidized Programs)**



Percent of Population in Poverty

Hillsborough County, Florida, by ZIP Code



Source: Census 2000 Data Engine, SF3, P. 87

Percent of Individuals At or Below Poverty Level
by ZIP Code in Hillsborough County, Florida

- 21.5% to 42.4% in poverty (10)
- 12.5% to 21.4% in poverty (10)
- 7.8% to 12.4% in poverty (11)
- 0% to 7.7% in poverty (15)

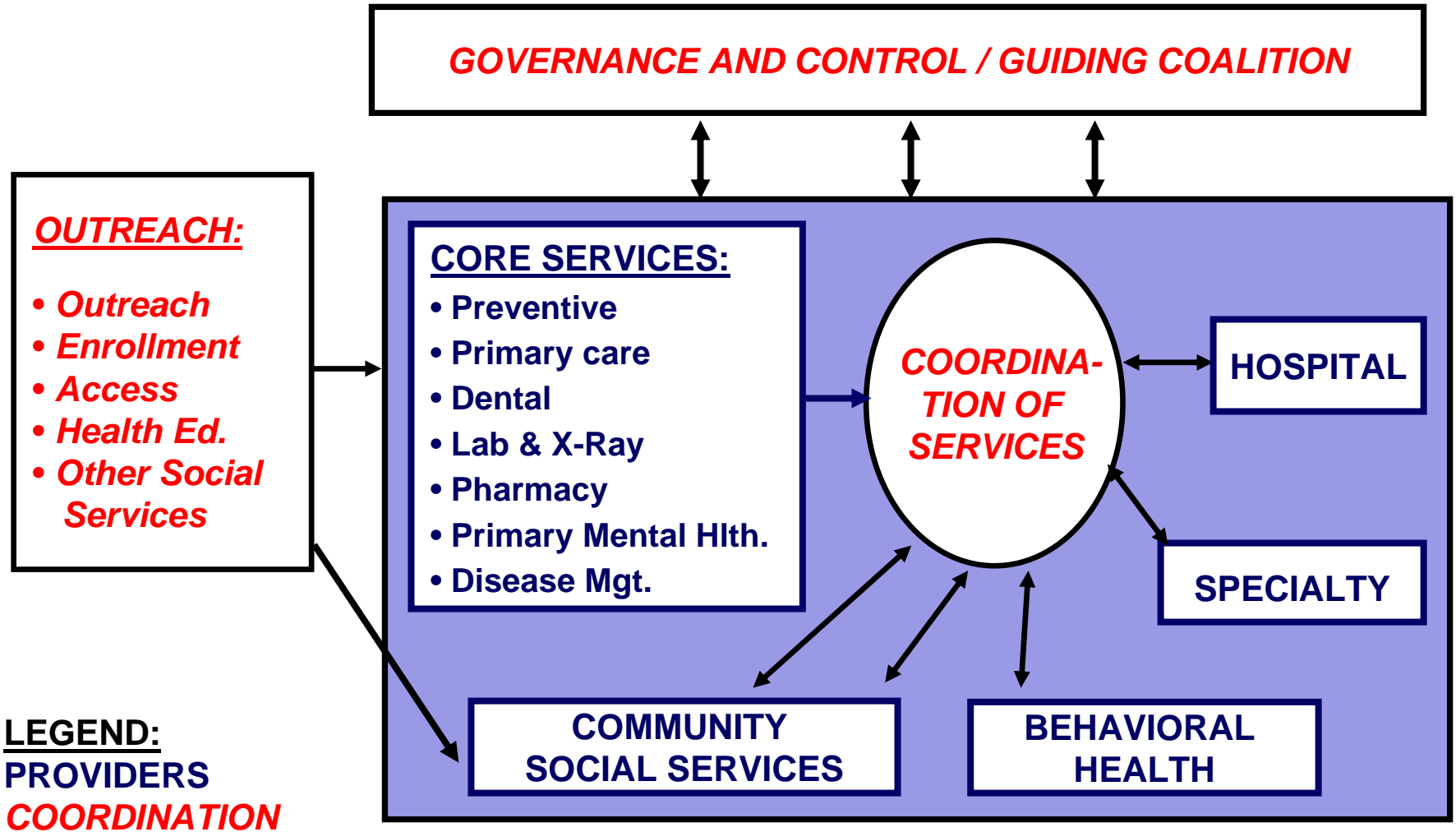
(Numbers in parentheses indicate number of ZIP Codes falling within this range)

Note: In Hillsborough County, Florida, 12.5% of the total population is below the federal poverty threshold.

- ZIP Code Boundary
- Interstate Highway

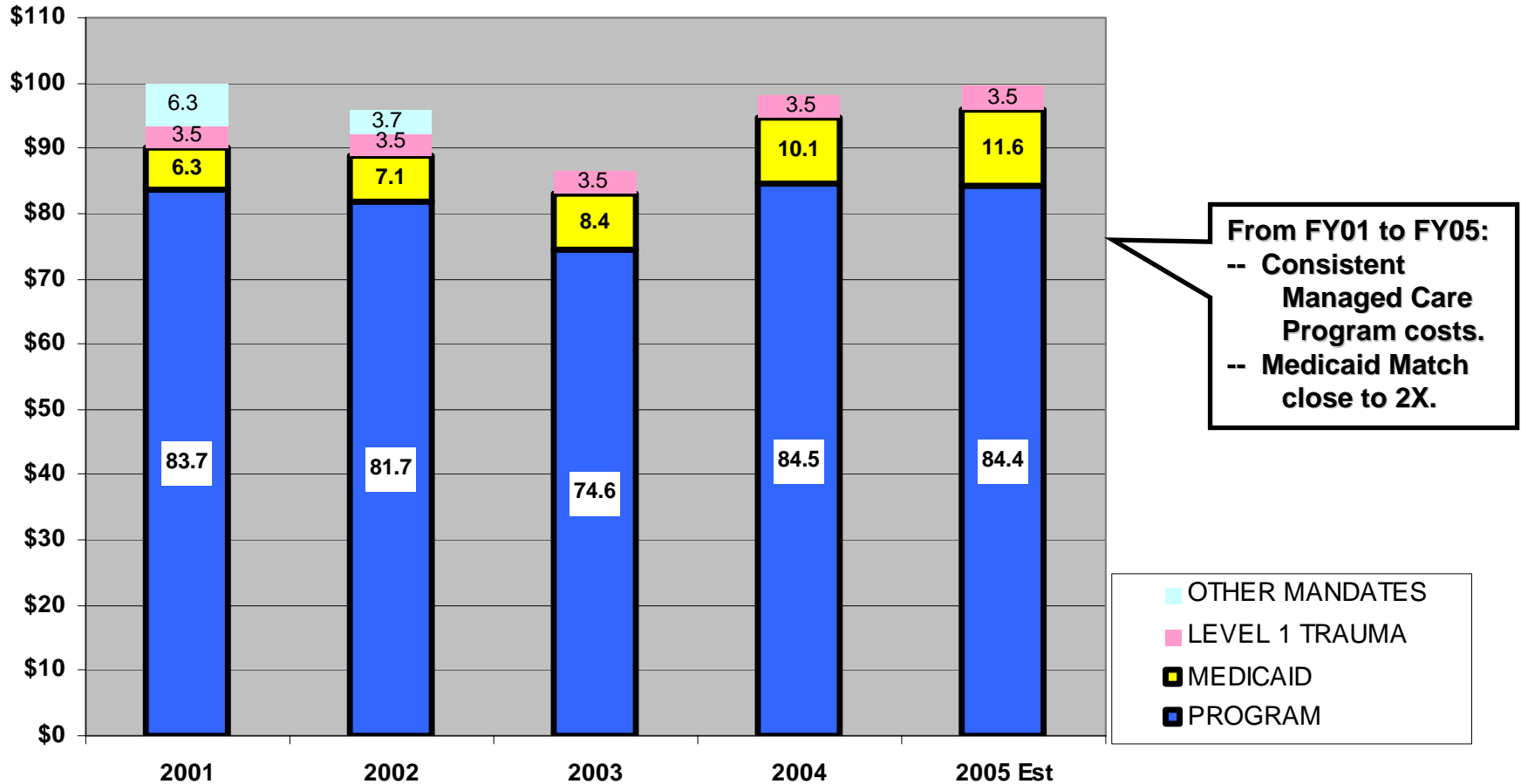
**12.5% of Total County
Population is At or
Below Poverty Level.**

CURRENT CONFIGURATION OF MANAGED CARE PROGRAM



PROGRAM AND MANDATES COSTS, FY2001-2005

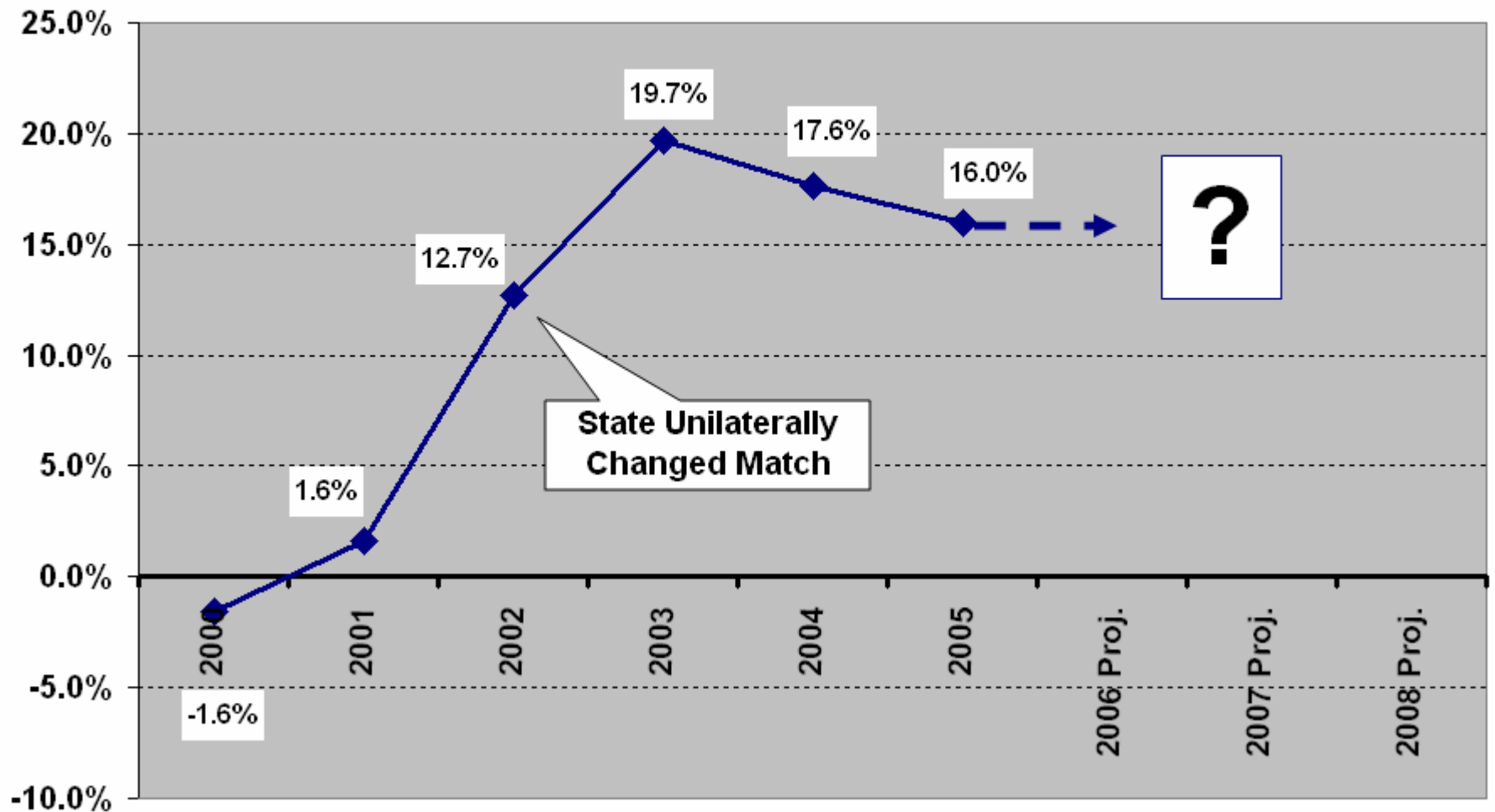
(in \$ Millions)



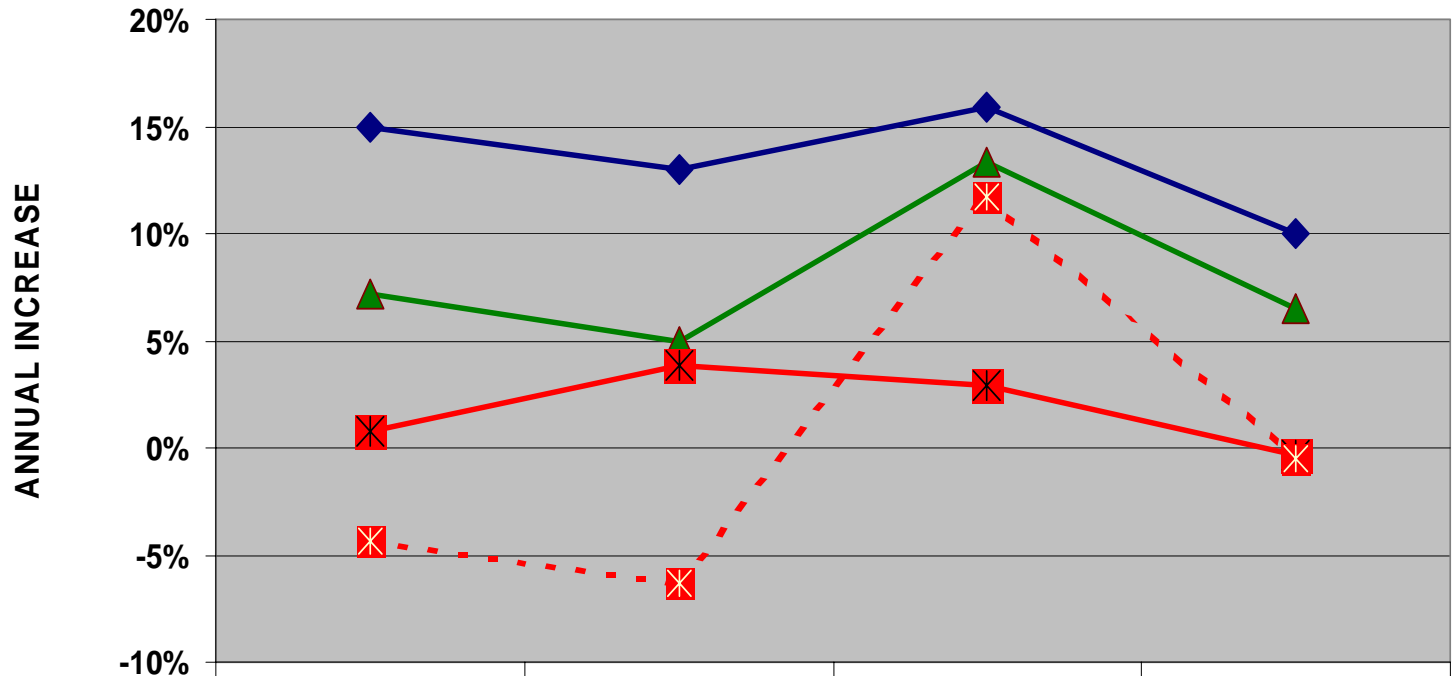
COMPARISON OF FY05
BUDGET AND ACTUAL EXPENDITURES
(As the Result of 2/2005 Changes)

<u>BUDGET</u>		
Expense Budget		(\$99.5) M
One Time Jail Health Adj.		<u>(\$4.7) M</u>
	REVISED BUDGET	(\$104.2) M
<u>LESS ACTUAL EXPENDITURES</u>		
Expense Budget		\$98.6 M
One Time Jail Health Adj.		<u>\$4.7 M</u>
	ACTUAL EXPENDITURES	\$103.3 M
ABOVE / (BELOW) BUDGET		(\$0.9) M

ANNUAL INCREASE IN TOTAL MEDICAID MATCH -- A FUNCTION OF STATE POLICY AND REGULATIONS

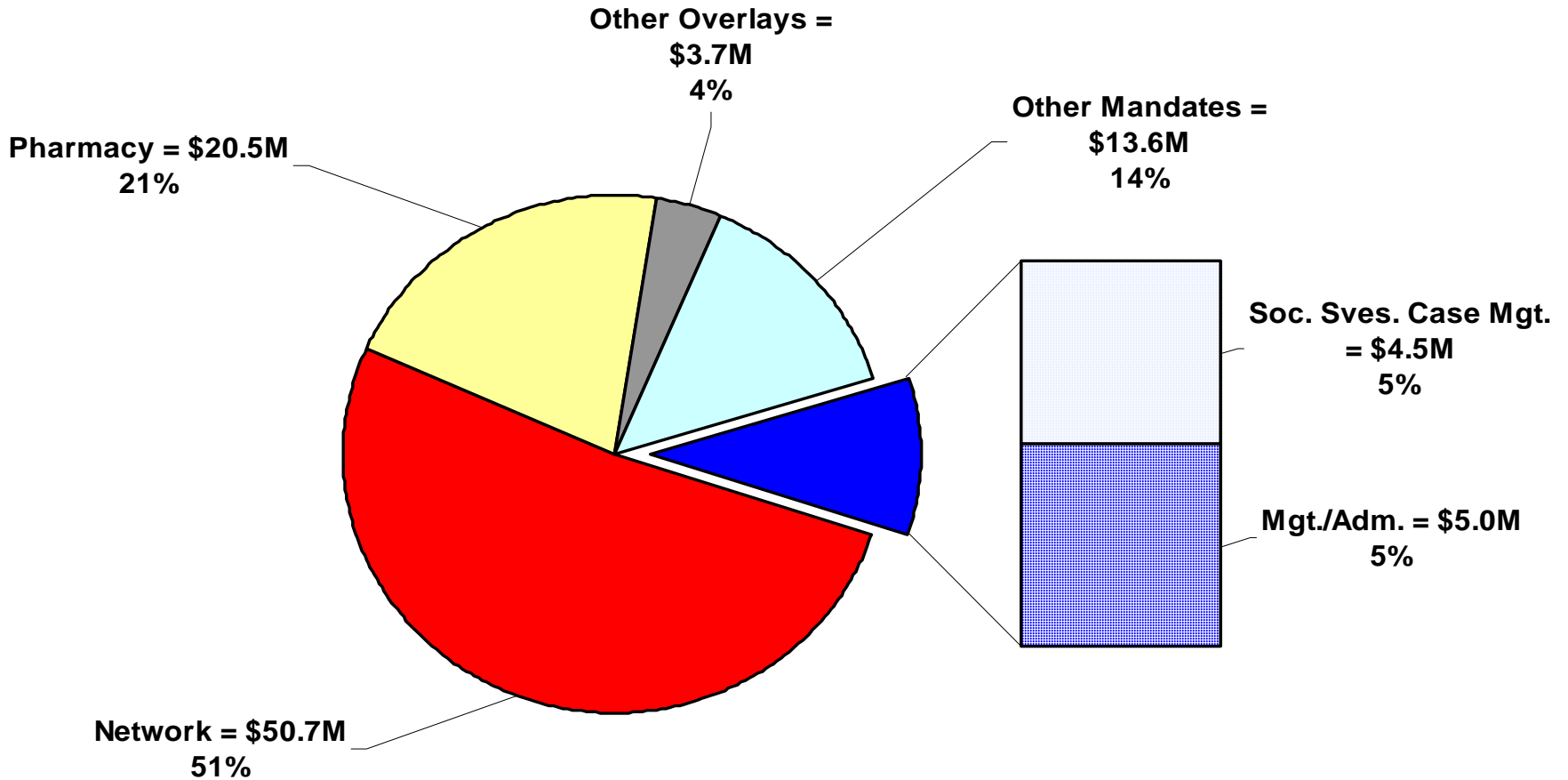


COMPARISON OF ANNUAL PER-CAPITA EXPENSE INCREASE: FL EMPLOYEE PREMIUMS, FL MEDICAID, AND HILLSBOROUGH HEALTHCARE



	2001 to 02	2002 to 03	2003 to 04	2004 to 05 (Est.)
FL Employee Premium	15.0%	13.0%	15.9%	10.0%
FL Medicaid Expenditure	7.2%	5.0%	13.3%	6.5%
HCHCP Expenditure w/out Medicaid Match	0.8%	3.8%	2.9%	-0.3%
HCHCP Expenditure w/ Medicaid Match	-4.4%	-6.3%	11.7%	-0.5%

FY2004 HEALTHCARE PROGRAM EXPENDITURES (ALL CATEGORIES)



HEALTH CARE PROGRAM HAS QUANTIFIABLE ANNUAL BENEFITS OF AT LEAST \$80M

- **Increased non-County funded benefits for Enrollees (\$5.9 M).**
- **Increased leveraging of County funds to improve State and Federal dollars (> \$37.1M), such as:**
 - State and Federal Upper Payment Limit provider funding (over \$30M).
 - Earlier benefit reimbursement for Hillsborough residents (\$4.8 M).
 - Other public sector grants (\$2.3M).
- **Economic impact of a healthy population (\$37.0M).**
- **Does not include the income tax credits obtained by HealthCare enrollees referred to HSS' Prosperity Campaign (which exceeds \$1M).**
- **Even higher if other intangible benefits could be quantified.**

OTHER INTANGIBLE BENEFITS

- **Businesses have stable, healthy workforce.**
- **Values to future generations (such as children raised by healthy parents).**
- **Stabilized and financially viable health care safety net.**
- **Reduced financial risk, uncertainty, and stress of being uninsured for low-income individuals.**

COMPONENTS OF **RECOMMENDATIONS FOR CHANGE**

- **Mission and Key Drivers for Planning.**
- **In-Process / Near Term Cost Elimination.**
- **Structure Changes.**
- **Funding Policy Decisions.**
- **Other Recommendations.**
- **Overall Financial Impact.**

**DECISION: TO RETURN TO ORIGINAL
PROGRAM INTENT**

**To assure within available resources,
the delivery of quality health care for
the County's eligible medically poor
residents who lack other coverage.**

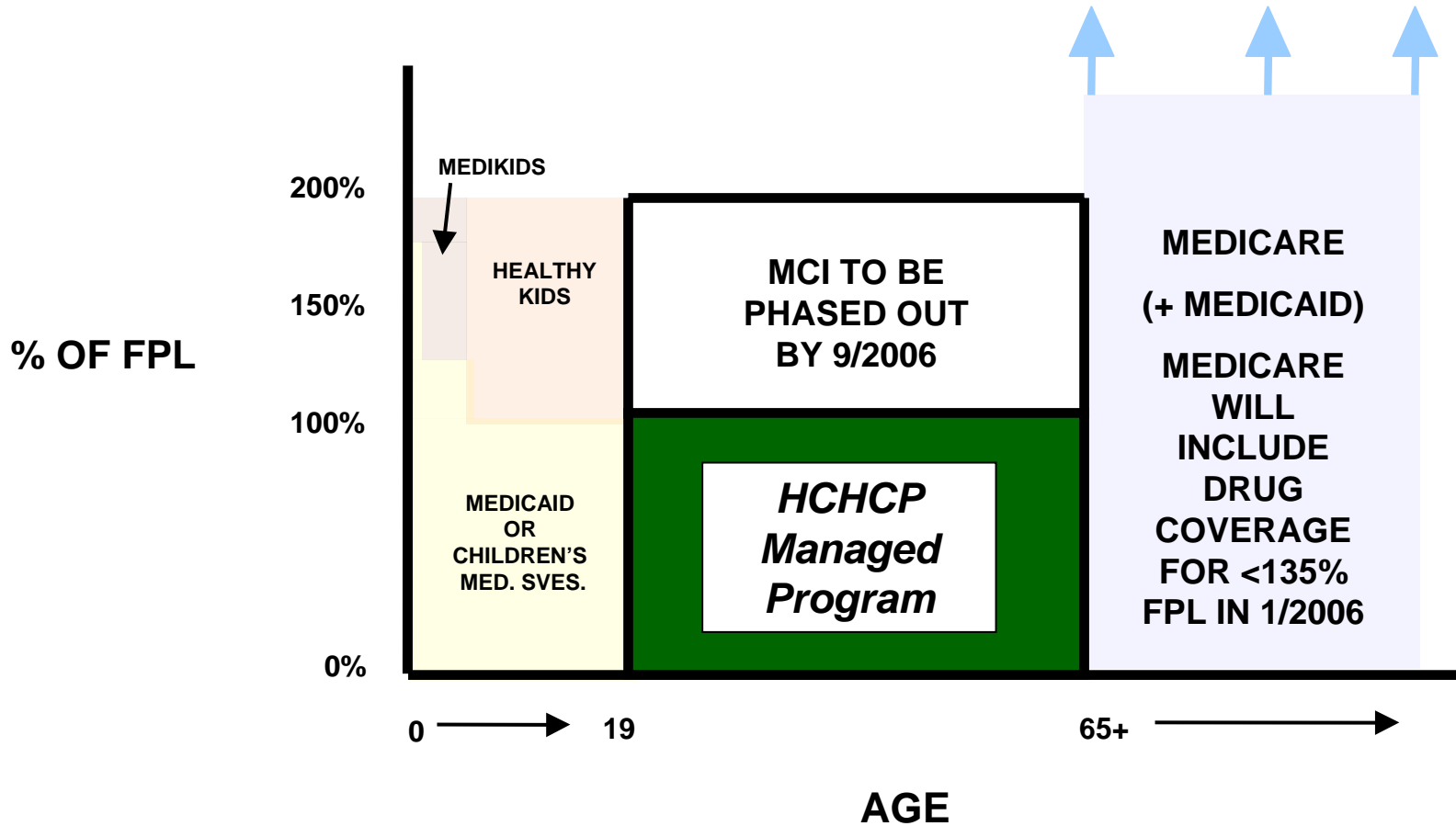
KEY DRIVERS FOR PLANNING

- **Efficient / effective access to health care.**
- **Emphasis on health education, prevention, early intervention, and disease and case management.**
- **Coordination between agencies.**
- **Enrollee responsibility for their health.**
- **Info. tech. systems to support effective program management and quality delivery of care.**
- **Reimbursement and client incentives to support these goals.**

COMPARISON: CURRENT AND PROPOSED PROGRAM STRUCTURE

CATEGORY	CURRENT	PROPOSED
ELIGIBILITY	<p><100% FPL. >100% FPL if chronic and spend down.</p>	<p><100% FPL</p>
MEMBER OBJECTIVE	<p>Over 15,000 average at a point in time.</p>	<p>Same.</p>
REENROLLMENT	<p>Every 3 months.</p>	<p>Every 6 months.</p>
STRUCTURE CHANGE	<p>4 comprehensive networks based on geography.</p>	<p>Bundled services with emphasis on:</p> <ul style="list-style-type: none"> -- Chronic disease detection / mgt. -- Patient responsibility. -- Pay for performance. -- Information system development.
COST ELIMINATIONS	<ul style="list-style-type: none"> -- >100% FPL if chronic and spend down. -- Drugs - low income Medicare members. -- "Retro" for hospital facility charges. 	<p>Eliminate these items. Annual \$13.7M proj. saved when fully implemented. (including admin.cost savings). Savings used to fund transitions.</p>

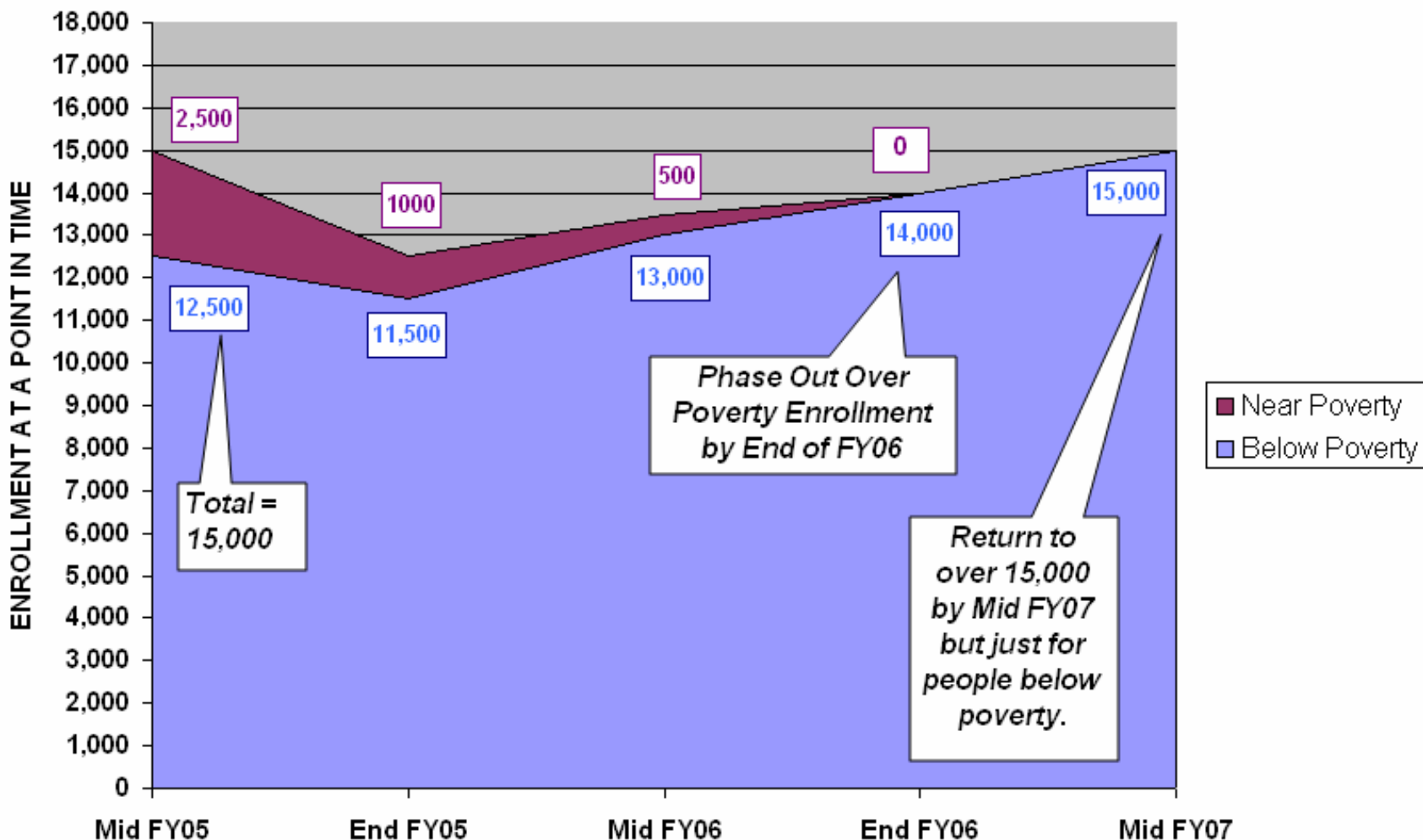
PROPOSED CHANGES TO HILLSBOROUGH HEALTHCARE PROGRAM (HHCP) ELIGIBILITY BY AGE AND INCOME



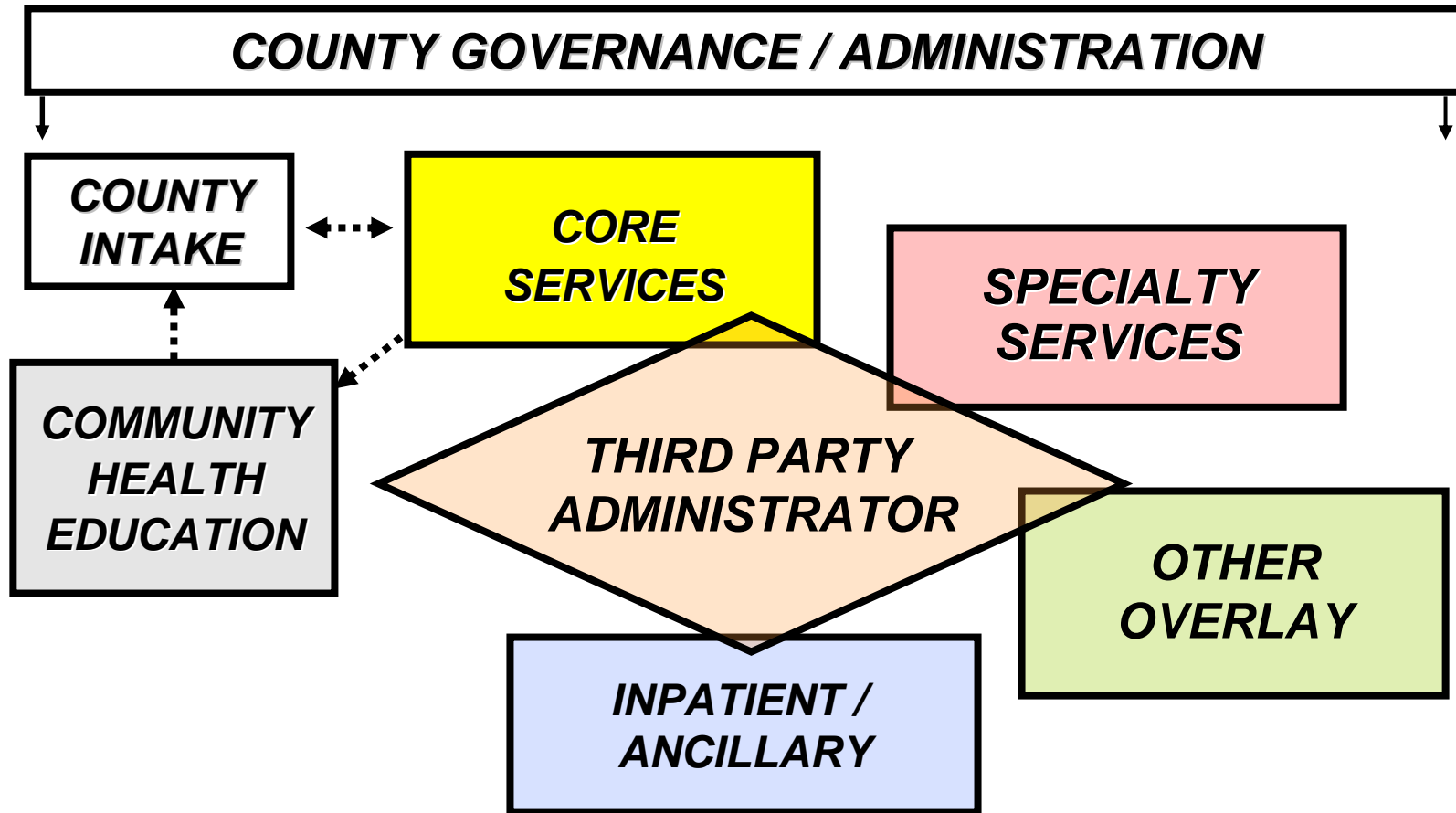
STRUCTURE RECOMMENDATIONS -- **GOAL FOR POPULATION SERVED**

- **To serve as many people below poverty level as we can within available funds (see next two graphic to see current and proposed eligibility).**
- **Now serve 38% of uninsured, non-elderly people below poverty who are eligible for the Program.**
- **Desired service level by March 2007:**
 - 15,000 average enrollees,**
 - Projected as at least 45% to 50% of uninsured, non-elderly people below poverty eligible for Program.**

HEALTHCARE PROGRAM MEMBERSHIP TARGETS BY INCOME

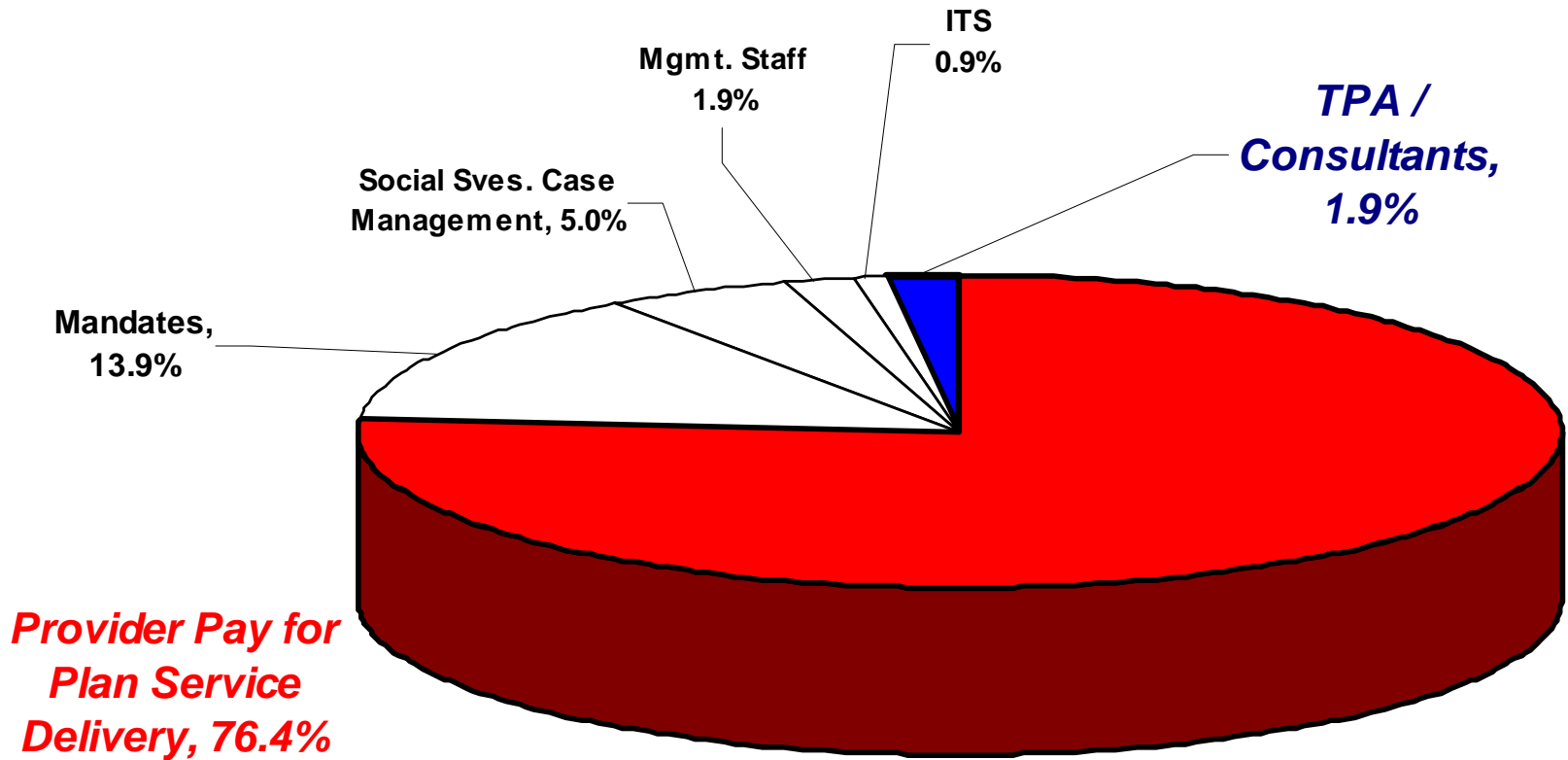


RECOMMENDED PLAN STRUCTURE



- NOTES:**
- Participating facilities will share a separate block subsidy for ER services
 - Pharmacy could be a separate contract.
 - Market factors may result in changes.

78% OF FY04 EXPENDITURES WERE PRIVATE SECTOR
CONTRACTS THAT WILL BE RE-PROCURED
(HIGHLIGHTED SEGMENTS)



STRUCTURE RECOMMENDATIONS -- **DISEASE MANAGEMENT WITH INCREASED PATIENT** **RESPONSIBILITY**

- **Three key chronic diseases to be managed are diabetes, pulmonary diseases such as asthma, and cardiovascular diseases such as hypertension.**

- **Time Frame:**
 - FY06:
 - o As part of core services, pilot one disease mgt. program with increases patient responsibility or co-pay.
 - o In parallel, pilot program to address high-utilizers.

 - FY07 and beyond, evaluate the pilot and apply concepts to at least two other diseases and other behaviors (such as smoking cessation and high utilizers.)

STRUCTURE RECOMMENDATIONS – **OTHER KEY CONSIDERATIONS**

- **“Pay for Performance” reimbursement to Providers:**
 - Based upon national models evaluated.
 - Time Frame: Recommendations made and implemented over the next year, as part of new contracting.
- **Preserve Upper Payment Limit (UPL) and other provider matching fund opportunities.**
- **Conservatively, new structure is assumed to be budget neutral and take advantage of \$13.7 M freed up by short term changes to reach desired membership level.**
- **Underwriter to assist in negotiations / contracting.**

LIST OF OTHER RECOMMENDATIONS / CONSIDERATIONS

- **Continue development of information technology infrastructure.**
- **Evaluate options for access to affordable health coverage.**
- **Use of underwriter / actuary:**
 - During procurement.
 - To independently determine reserve targets.

LIST OF **FINANCIAL POLICY RECOMMENDATIONS**

- **Program should be self-sustaining.**
- **Payment of Medicaid Match.**
- **Continuation of trauma center support**

FINANCIAL POLICY RECOMMENDATION -- **MEDICAID MATCH MANDATE**

- **Florida is 1 of only 20 states requiring local contribution to State's Medicaid program.**

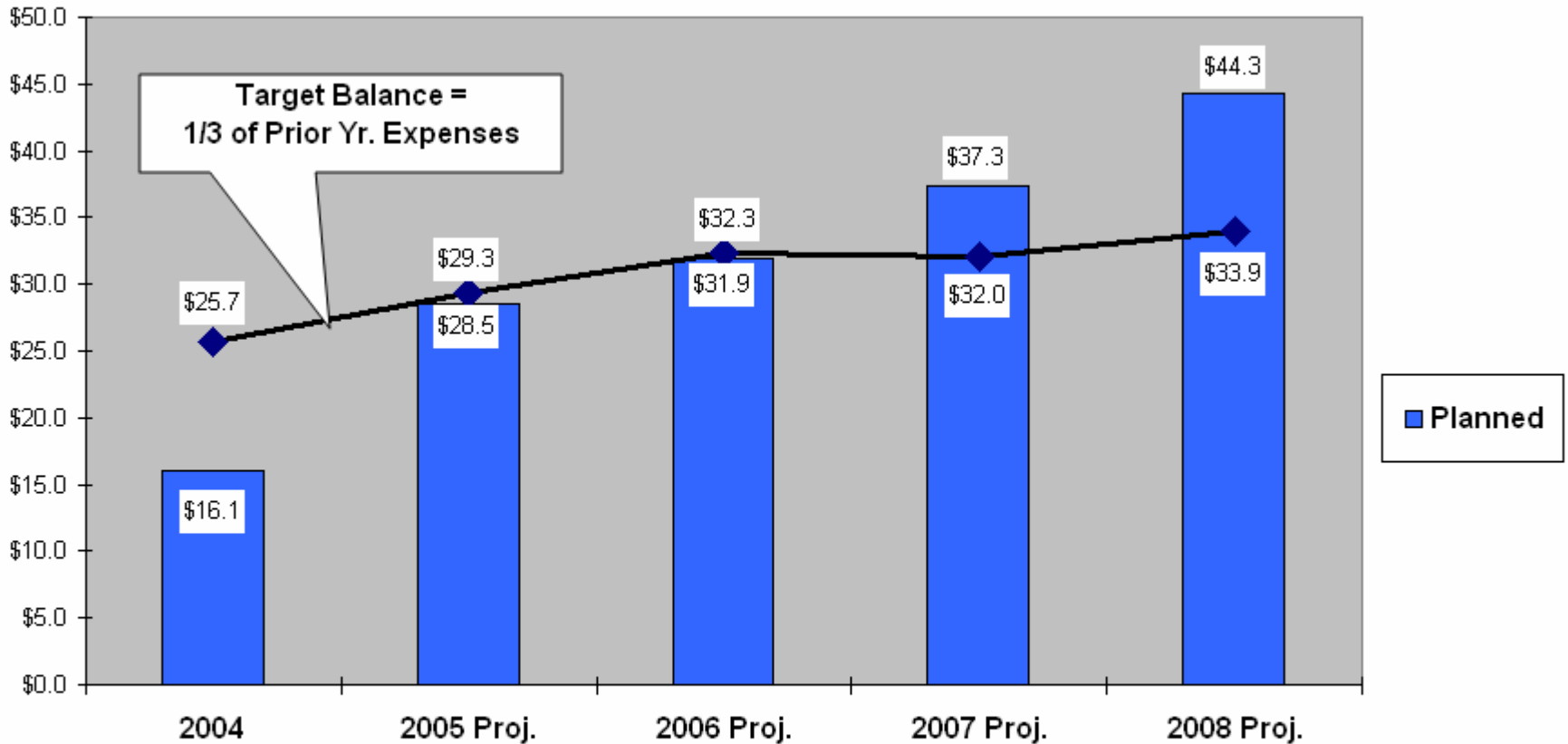
- **Action (with Time Frame):**
 - Immediately, begin to lobby for removal of local match requirement during Medicaid reform discussion.

 - In parallel, address funding decisions on match.

SUMMARY OF FINANCIAL IMPACT

- **Projected strong end of year position.**
- **Permanent cost eliminations for repositioning (at least \$13.7 M).**
- **Structure changes and contracts to continue control of increase. Only after negotiations can we be sure of financial impact.**
- **Important to not add other major requirements.**

COMPARISON OF YEAR END PROJ. TRUST FUND BALANCE WITH CURRENT TARGET (in \$ Millions)



NOTE: End of 2005 Trust Fund Balance is higher than in Report. August 2005 sales tax collection and recoveries were higher than projected and Program was under budget. A \$1.1M payment to the County (pending BOCC approval) as settlement of claim against former TPA is not included.

END OF PRESENTATION