



and



Solutions for Medicaid Populations

June 22, 2005

Agenda

- ◆ Florida Medicaid background
- ◆ Creation of Florida: A Healthy State
- ◆ Outcomes
- ◆ The future

Medicaid Crisis in the State of Florida

Florida Medicaid Facts

- ◆ 2.1 million beneficiaries
- ◆ 4th largest Medicaid program in U.S.
- ◆ 22% of Florida's budget
- ◆ \$14.3B and 2X 2000 costs
- ◆ 47% of expenditures on institutional services (hospitals, nursing homes)
- ◆ 30% of members account for 90% of costs
- ◆ 81,000 FFS providers

Underlying Health Issues

- ◆ Increasing prevalence of chronic disease and unhealthy behaviors

Asthma, Hypertension, Congestive Heart Failure, Diabetes

	2001	2003
% of beneficiaries with these diseases	14%	21%

- ◆ Low treatment compliance
- ◆ Few tests and services for those needing monitoring, coordination, and continual follow-up

Florida Medicaid Disease Management Timeline

July 1997

- ◆ Medicaid Reform Task Force
- ◆ Legislative authorization (HIV, Asthma, Diabetes, Hemophilia)

July 1998

- ◆ Legislative authorization (ESRD, Heart Failure)
- ◆ Asthma agreement

July 1999

- ◆ Diabetes contract
- ◆ HIV/AIDS (except South Florida) and hemophilia contracts

July 2000

- ◆ Legislative authority to expand to other diseases as necessary
- ◆ COPD Pilot contract
- ◆ ESRD and heart failure contract

July 2001

- ◆ Legislative authorization for “value-added” program
- ◆ Pfizer agreement (asthma, diabetes, hypertension, heart failure)
- ◆ HIV/AIDS (South Florida) contract

July 2002

- ◆ Fine tuning and maintenance of value-added programs

July 2003

- ◆ Renewal of value-added programs

July 2004

- ◆ Legislative change to financial arrangements with value-added programs

May 2005

- ◆ Legislature appropriates funds for disease management and plans to invite vendors to propose future programs

Florida Medicaid Disease Management Programs

<i>Date</i>	<i>Disease State(s)</i>	<i>Disease Management Organizations</i>
8/98–2/00	Asthma	◆ Integrated Therapeutics Group
5/99–6/02	Diabetes	◆ Coordinated Care Solutions
6/99–6/04	HIV/AIDS	◆ AIDS Health Care Foundation (with Public Health Trust of Miami-Dade/N. Broward Hospital District in South Florida)
6/99–7/01	Hemophilia	◆ Accordant (South Florida)
9/00–1/03		◆ Caremark (North Florida)
9/01–8/03	ESRD/CKD	◆ Renal Management Services Disease Management
9/01–8/05	Congestive Heart Failure (CHF)	◆ Lifemasters Supported SelfCare
8/00–12/01	Chronic Obstructive Pulmonary Disease (COPD)	◆ CyberCare Technologies
1/02–6/04	Autoimmune Disorders	◆ University of Florida
7/01–9/05	Diabetes, Asthma, CHF, Hypertension	◆ Pfizer/Pfizer Health Solutions jointly create <i>Florida: A Healthy State</i>
5/02–6/03	Diabetes	◆ Bristol-Myers Squibb
Spring 2004	Evaluation of Initiatives	◆ Contract with CorSolutions
Spring 2005	Legislature approves budget for DM	◆ TBD

Florida's Lessons Learned

- ◆ Manage primary and co-morbid conditions
- ◆ Employ multiple strategies for DMO/recipient interaction
- ◆ Establish regional presence
- ◆ Address administrative data issues: “false positives” and “false negatives” when using claims data to identify recipients
- ◆ Improve data systems to engage Medicaid recipients and track outcomes
- ◆ Increase the State's direct involvement in program's development

Pfizer – Florida Approach

Assess Opportunity and Build Program

Patient Population

- ◆ Identify health issues, size, and concentration
- ◆ Stratify and enroll patients

New Health Care Infrastructure

- ◆ Create, train, and manage network of care managers
- ◆ Engage physicians and communities

Ensure the Impact of the Interventions

Interventions

- ◆ Match intensity of intervention to severity of disease
- ◆ Create individual care plans supported by:
 - Care managers
 - Clinical guidelines
 - Patient education
- ◆ Educate and empower
- ◆ Coordinate care with local delivery system
 - Appropriate referrals
 - Data tracking

Measure Outcomes and Promote Results

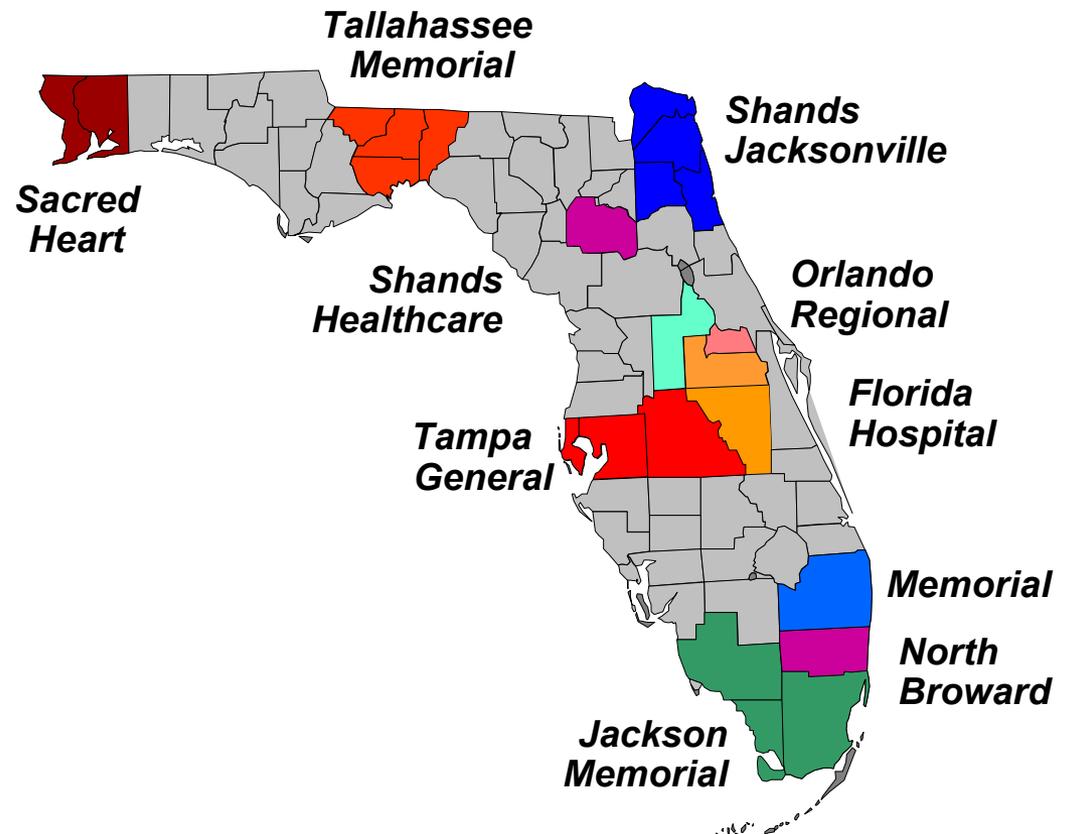
Standard Outcomes

- ◆ Behavior change
- ◆ Improved health status
- ◆ Clinical change
- ◆ Utilization change
- ◆ Lower overall health system costs
- ◆ Higher patient and provider satisfaction

Implementation Model: Integrate Existing Providers

Patient-Centered Disease Management

- ◆ Breadth of services
 - 4 chronic diseases
 - Hypertension, Asthma, Diabetes, Heart Failure
 - 24/7 triage and advice
 - 30K home health aids
 - PHS technology services
- ◆ Community involvement
 - 10 health systems
 - 50 care managers
 - 300 community events



8 Priorities of Patient Centered Care



1 Know how and when to call the doctor



5 Act to keep the condition in good control



2 Learn about the condition and set treatment goals



6 Make lifestyle changes and reduce risks



3 Take medicines correctly



7 Build on strengths and overcome obstacles



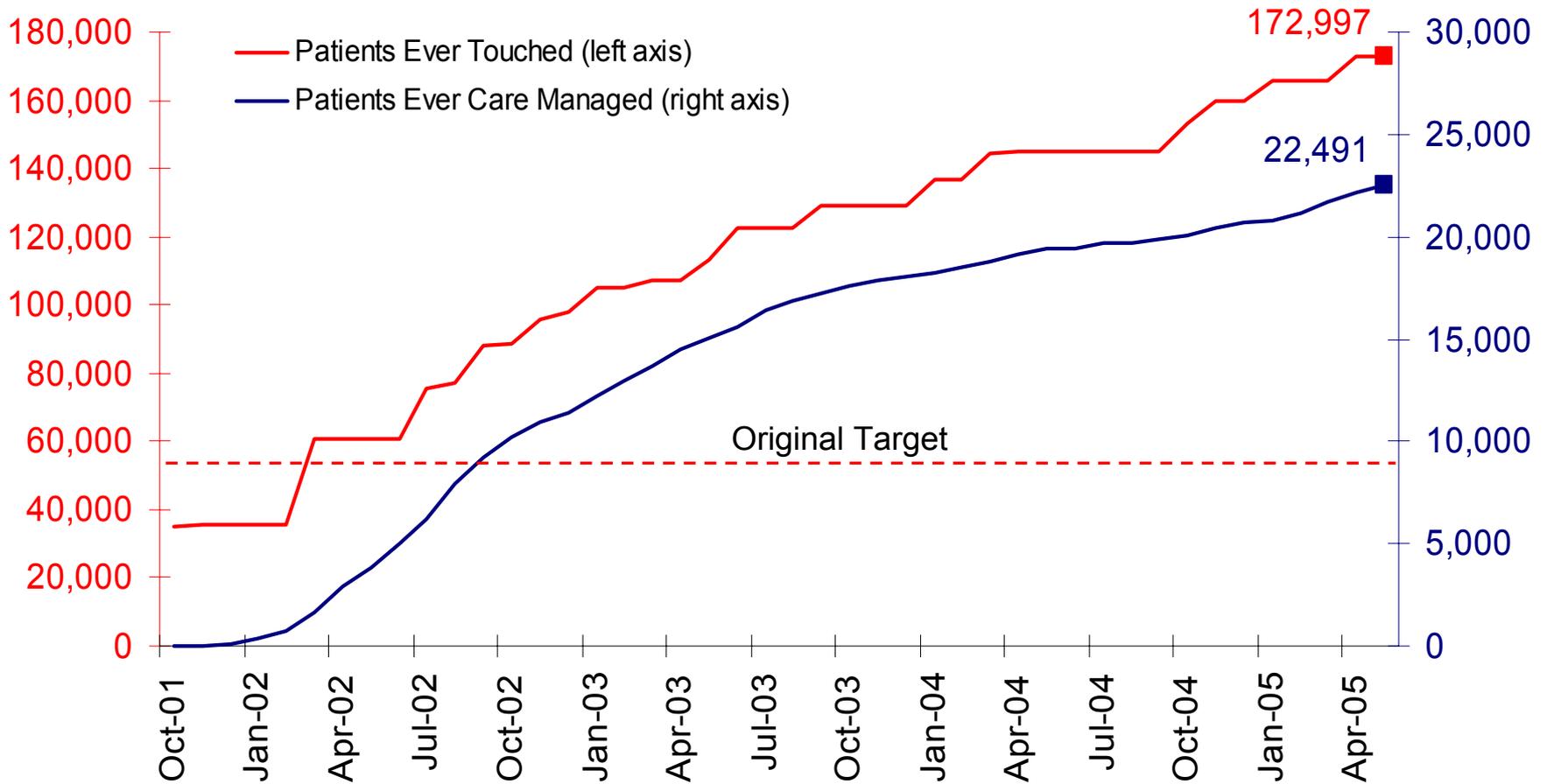
4 Get recommended tests and services



8 Follow up with specialists and appointments

Patient Enrollment and Retention

Unprecedented Scale of Patients Reached

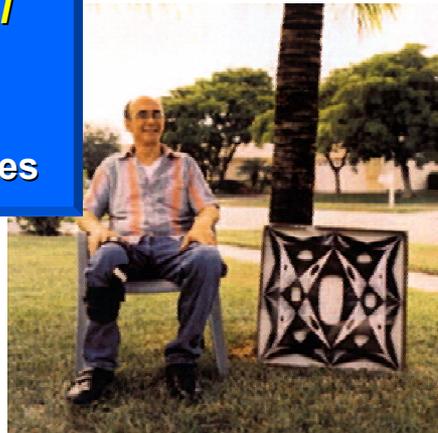


Individual Patient Impact

“If it weren’t for Nancy and Florida: A Healthy State, I wouldn’t be here.”

Jose G. – Heart Failure, Hypertension and Diabetes

- ◆ Reduced hospital/ER utilization from 6 visits/year to none



- ◆ Improved asthma severity score from 4 to 1
- ◆ Reduced hospital/ER utilization from 2 visits/year to none



“I didn’t know how bad I was until I saw how life could be again.”

Pierre J. – Diabetes, Hypertension and Asthma



“I was adding sugar to everything, even to my milk. Before Florida: A Healthy State, I didn’t know I had diabetes.”

Jesus H. – Hypertension and Diabetes

- ◆ Reduced blood pressure from 130/70 to 112/60



- ◆ Lost nearly 40 pounds
- ◆ Reduced hospital/ER utilization from 5 visits/year to 1
- ◆ Improved BP from 143/80 to 134/78

“Before Florida: A Healthy State, nobody ever told me how to fix my diet.”

Bobbie A. – Asthma Hypertension and Diabetes

Improvements in Patient Behavior

- ◆ 39% of patients increased compliance with medication regimens prescribed by physician
- ◆ 19% more patients reported following a special diet
- ◆ 52% of patients improved physical health scores

Asthma

- ◆ 99% increase in number who monitor peak airflow at home
- ◆ 3,700 peak flow meters distributed

Hypertension

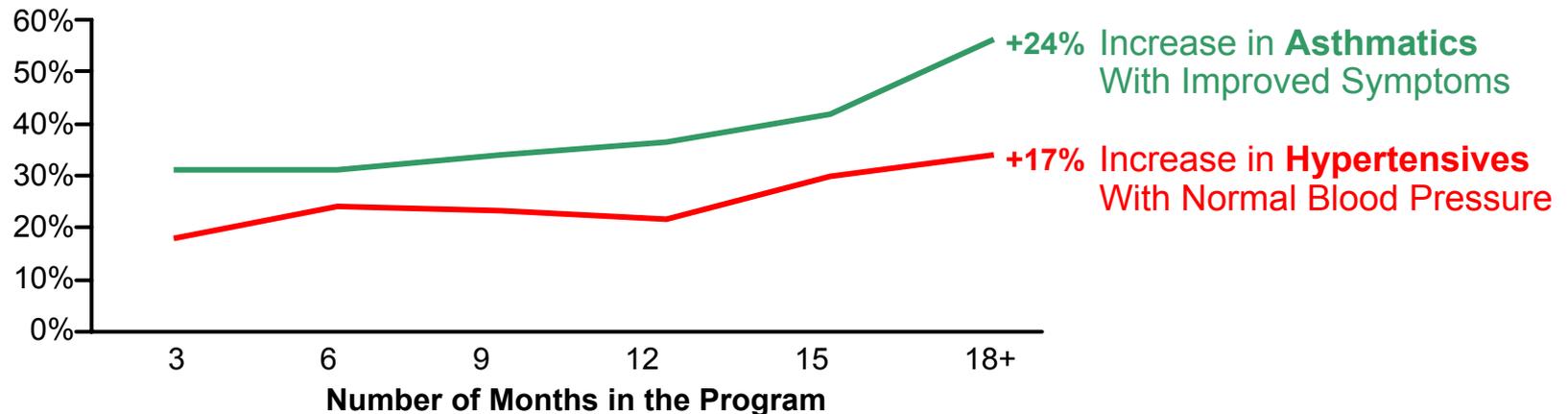
- ◆ 24% increase in number patients following a special diet
- ◆ 12,156 blood pressure monitors distributed

Diabetes

- ◆ 72% reduction in patients who fail to check their feet
- ◆ 243,400 lancets distributed to monitor blood glucose at home

Improvements in Clinical Measures

Sustained Clinical Improvement Over Time by Disease



Heart Failure

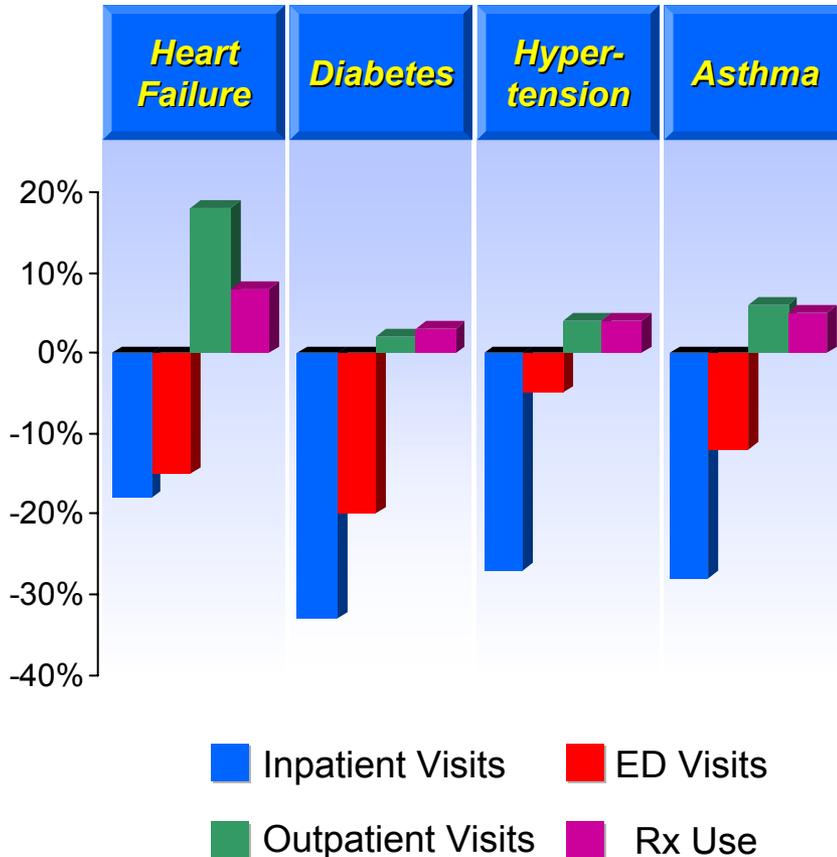
- ◆ 33% of patients showed decreased severity following one year of care management
- ◆ Over 50% decrease in number of patients experiencing palpitations, weight gain, or increased leg swelling

Diabetes

- ◆ 44% drop in patients whose diabetes inhibits usual activities most of the time
- ◆ 56% of patients improved blood glucose after 12 months of care management

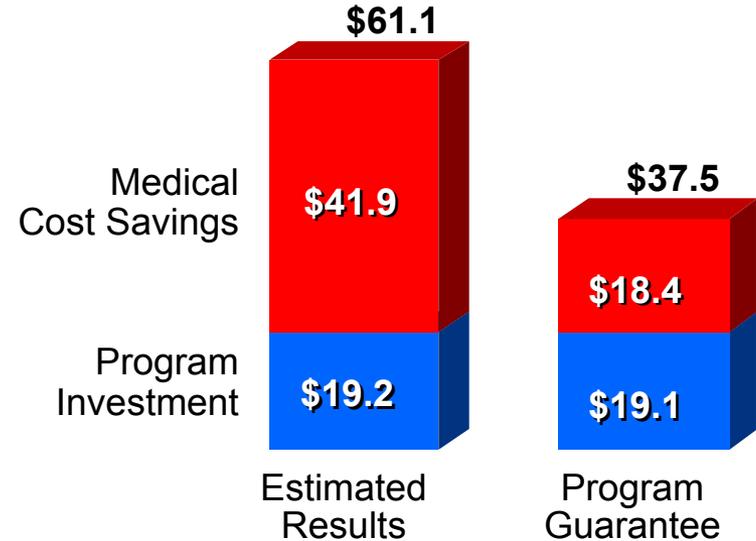
Utilization and Cost Improvement

Impact of Care Management



Financial Benefits to Florida: Medical Cost Savings and Investment (7/01-9/03)

\$ Millions



- ◆ 5% medical claims cost reduction
- ◆ Investment includes \$1.4M for health literacy study and \$1.0 for product donations program

Florida Disease Management Savings

Presented to House Health Care Committee – January 26, 2005
(\$000's)

		Gross Savings	Amount Paid to Contractor	Net Savings	ROI
Florida Programs	AIDS Healthcare Foundation Year 1	\$5,774	\$2,479	\$3,295	\$2.33
	AIDS Healthcare Foundation Year 2	\$7,613	\$5,174	\$2,439	1.47
	AIDS Healthcare Foundation Year 3	\$7,668	\$5,991	\$1,697	1.28
	Lifemasters Year 1 (CHF)	\$7,237	\$3,907	\$3,330	1.85
	Lifemasters Year 2 (CHF)	\$5,425	\$3,703	\$1,722	1.47
	Renal Management Year 1	\$8,298	\$5,698	\$2,600	1.46
	Renal Management Year 2	\$10,350	\$6,153	\$4,197	1.68
Subtotal		\$52,385	\$33,105	\$19,280	\$1.58

		Gross Savings	Comparable Fees	Comparable Savings	ROI
Florida-Pfizer	Pfizer Year 1 (CHF, Diabetes, Asthma, Hypertension)	\$12,016	\$7,500	\$4,516	1.60
	Pfizer Year 2	\$29,911	\$9,277	\$20,634	3.22
	Subtotal	\$41,927	\$16,777	\$25,150	\$2.50

Current Discussions: Florida's Medicaid Reform for FY 2006



- ◆ Gov states that Medicaid growth is “unsustainable”
- ◆ Encourage greater private sector role
 - Transfer day to day management of Medicaid pool to managed care
 - Encourage competition for price controls
- ◆ Modify eligibility
 - Sicker patients to receive risk adjusted premiums
 - MMA and “dual eligibles”
 - <18% of population but 50% of spend
- ◆ Increase reach of disease management programs
 - Using new financing terms

Published Evaluation of Program Impact

Methodology

- ◆ Duke University
- ◆ Methodology: Interview and survey tool
 - AHCA, hospitals, care managers, PHS, advocacy groups, providers

Learnings

- ◆ Ground breaking approach: new types of partnerships: streamlined effect
- ◆ Innovation for recruitment is key: on the ground mobilization
- ◆ Flexibility of care management structure: mix of methods employed
- ◆ Providing beneficiaries with devices, low literacy materials and community based resources play a role in general well being and disease improvement

Results

- ◆ Medicaid population requires unique approach
- ◆ Challenges:
 - Accurate data
 - Beneficiary distrust of providers
 - Low literacy barriers
 - Difficult to contact
 - No use of financial incentives for utilization practices
 - Environmental and social issues

Medicaid Opportunities

- ◆ Increase private-public partnering
 - Allows for innovative financing and new models of care
- ◆ Improve/maintain open access policies
 - Reduces overall costs
- ◆ Incorporate multi-faceted outreach approach
 - Utilize local community resources
 - Advocacy and disease related services
 - Flexible staffing patterns
- ◆ Create greater understanding of DM benefits
 - Local legislative members
 - Provider organizations
- ◆ Ensure localization
 - Culturally relevant materials
 - Multi-lingual care management
 - Reduce disparities of care