

~ Coalition for Responsible Health Care Reform ~

Guiding Principles for Florida Medicaid Reform

Medicaid is a key health care safety net program for Florida's families. It provides vital health care services to nearly 2.2 million children, pregnant woman, seniors, and people with severe disabilities. The Florida Medicaid program also helps strengthen our state's economy. State Medicaid matching dollars support 174,000 jobs, \$6.5 billion in wages and \$16.8 billion in business activity for FY 2005.¹ As the Governor, state legislature and federal officials evaluate proposals for restructuring the Florida Medicaid program, it is important to protect the core elements of this safety net program and consider the following principles:



- ◆ **Medicaid reform should be done in the sunshine.**

Changes to the Medicaid program affect the life and health of millions of Medicaid consumers and their families. A meaningful public process allowing for public review and comment on Medicaid reform proposals is essential to laying the groundwork for successful reform. This includes the opportunity to review and comment on any proposed Medicaid waiver application *prior* to its submission to the federal government for approval.

- ◆ **Maintain the guarantee of Medicaid coverage for consumers.**

Today, Floridians who qualify for Medicaid and who need health care coverage receive it, regardless of where they live or when they apply for coverage. They can rely on the program to provide medically necessary services at the time they need it. Any Medicaid reform plan should maintain this important commitment.

- ◆ **Ensure Medicaid consumers' access to quality health care services and choice of providers.**

People who rely on Medicaid have very low incomes and many have intensive needs for services due to special needs (developmental, physical, medical, mental, emotional, and behavioral). Therefore, the coverage consumers get through Medicaid must ensure that their wide-ranging vital health care needs are met.

Further, inadequate access to and choice of Medicaid providers is a significant problem in many parts of the state. Medicaid reform must include initiatives such as rate adjustments to attract more Medicaid providers, particularly in rural communities.

Moreover, Medicaid reform initiatives must focus on improving the quality of health care services provided to Medicaid consumers. This should include data compilation and publication to document improved outcomes, particularly for historically under served populations such as racial and ethnic minorities.

- ◆ **Maintain the open-ended federal commitment to sharing the cost of Medicaid.**

Every dollar (\$1) that the state of Florida spends on Medicaid services draws down \$1.43 in federal funding. This federal match system gives Florida the flexibility to respond to downturns in the economy, increases in the number of uninsured, or public health or other emergencies that occur, knowing we will not shoulder those expenses on our own. Florida should not agree to any plan that weakens this federal-state partnership.

◆ **Maximize federal dollars available to Florida’s Medicaid program.**

Florida’s average Medicaid spending per beneficiary is significantly lower than the national average. (39th on per person spending and 44th on spending for the elderly).² In recent years Florida Medicaid eligibility and services have been cut. Federal taxpaying Floridians should not continue to lose out on millions of dollars of federal Medicaid funding (which comes from our tax dollars) left on the table for other states to maintain and enhance their state Medicaid programs.

◆ **Prevent further reduction to current categories of eligibility and coverage and facilitate continued enrollment.**

Over the past five years Florida has made significant inroads into reducing the number of uninsured children through expansions of Medicaid and KidCare to children up to 200% of the federal poverty level. But recent cuts that prevent uninsured children from getting KidCare are reversing our progress. Moreover, during the past decade coverage for seniors and people with special needs has been reduced from 100% to 88% of the federal poverty level and coverage for important services such as hearing and vision services has been eliminated. Medicaid reform must avoid further reductions in eligibility, make it easier for people to enroll and stay on Medicaid and KidCare, and ensure access to all necessary medical services.

◆ **Avoid federal caps or fixed allotments of federal Medicaid dollars.**

Florida’s demographics are unique: Our low-income senior population is growing eight times faster than the national average and the number of people with special needs in Florida is growing three times faster.³ A cap on federal Medicaid dollars will put the growing health care needs of the most vulnerable Floridians at risk.

◆ **Give priority to implementing win-win Medicaid reform initiatives.**

Reforms which provide for more efficient delivery of services and encourage preventive care and continuity of care should be given priority consideration. Reform initiatives should not reduce current eligibility benefits or access to care for Medicaid consumers.

◆ **“First, Do No Harm”**

Florida Medicaid provides health insurance to nearly 2.2 million very low-income Floridians. Yet, Florida has 2.9 million non-elderly uninsured residents.⁴ Any restructuring of the Medicaid program must not cause more Floridians to join the ranks of the under or uninsured.

◆ **A cost-benefit analysis must be applied to proposed changes.**

The Medicaid program is our largest source of federal funds. For every \$1 spent we get an additional \$1.43 in federal money. Each proposed change to the Medicaid program should include a cost benefit analysis including an outline of the state revenue “saved” and the federal dollars “lost,” as well as the impact on local funding sources including government and community-based programs. The Medicaid program does not operate in isolation. Many of the program components impact other program components. Changes to each program should take into account the impact on other programs and services as well as the impact on access to care. For example, if personal care services or prescription drug coverage were reduced or eliminated, older Floridians and people with disabilities could be forced into more costly nursing home care.

¹ Families USA, *Medicaid: Good Medicine for State Economies, 2004 Update*

² Joan Alker & Lisa Portelli, Winter Park Health Foundation, *What Could A Waiver To Restructure Medicaid Mean for Florida?* Policy Brief, April 2004

³ Ibid.

⁴ The Henry J. Kaiser Family Foundation, *State Health Facts Online*, www.statehealthfacts.kff.org