Evaluating Florida’s Medicaid Minority Physician Network Pilot Project
Preliminary Results, February 2004

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Overview

- Research Questions
- Methods
- What are the Minority Physician Networks (MPNs)?
- Provider Perceptions
- Financial Implications
- Quality of Care & Beneficiary Satisfaction
- Summary and Conclusions
Research Questions

What are the MPNs and how do they work?

What are the financial implications or ‘savings’ achieved by the MPNs?

Do the MPNs maintain access and quality standards comparable or better than MediPass?

What are the beneficiary and provider satisfaction outcomes in the MPNs?
Methods

Qualitative:

• Interviews with MPN officials, MPN providers (and their staff), Agency Staff
• Document review, including MPN applications, contracts, reports

Quantitative:

• Descriptive Analysis and Multivariate Analysis for 12 months (February 2002-March 2003)
• Comparisons to “regular” MediPass (non-PSN, non-DMO, non-Pediatric Associates)
Legislative Intent

- New approaches to better manage access and utilization
- Physician-owned and operated organizations with Medicaid/Medicare managed care experience
- At least one pilot be a predominately minority physician network with Medicaid history
- Shared savings payment scheme
- Budget neutral

*Florida FY 2001-2002 General Appropriations Act*
Different Organizations

MPN A
- Thought they could improve on Medicaid *(Pilot was our idea)*
- Medical Service organization (MSO)
- Develops and manages physician networks
- Minority focus

MPN B
- Thought they could improve on Medicaid *(Pilot was our idea)*
- Administrative Services Organization (ASO)
- Provides medical management and administrative services (“back office” support) to payers
Different Approaches

MPN A
- Physician as center of patient care
- Waste comes from lack of close, trusting PCP-patient relationship
- Holding physicians accountable
- Make PCPs “radically accessible”
- Make Medicaid financially attractive to providers

MPN B
- Physicians are the solution not the problem
- Provide PCPs with information and leave them alone
- Population management for patients using most services
- Info technology and tools are key
Geographic Distribution of MPN Primary Care Physicians
MPN Network Characteristics:
PCP Racial/Ethnic Distribution
Fall 2003

Source: MPN A and MPN B
MPN Enrollment Growth
11/1/2001-5/1/2003
Miami-Dade, Broward, Palm Beach

Source: AHCA
# MPN Enrollment by Ethnicity

Miami-Dade, Broward, Palm Beach

<table>
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<tr>
<th></th>
<th>White</th>
<th>%</th>
<th>Black</th>
<th>%</th>
<th>Hispanic</th>
<th>%</th>
<th>Other</th>
<th>%</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>MPN A</strong></td>
<td></td>
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<td>11/1/01</td>
<td>182</td>
<td>10.5%</td>
<td>1,143</td>
<td>65.7%</td>
<td>214</td>
<td>12.3%</td>
<td>201</td>
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<td>10.5%</td>
<td>4,727</td>
<td>36.3%</td>
<td>4,876</td>
<td>37.5%</td>
<td>2,051</td>
<td>15.8%</td>
<td>13,015</td>
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<tr>
<td><strong>MPN B</strong></td>
<td></td>
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<td></td>
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<tr>
<td>11/1/01</td>
<td>105</td>
<td>5.2%</td>
<td>733</td>
<td>36.1%</td>
<td>942</td>
<td>46.4%</td>
<td>250</td>
<td>12.3%</td>
<td>2,030</td>
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<tr>
<td>1/1/03</td>
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<td>12.4%</td>
<td>9,702</td>
<td>26.7%</td>
<td>16,564</td>
<td>45.6%</td>
<td>5,595</td>
<td>15.4%</td>
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<td><strong>MediPass</strong></td>
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<td>11/1/01</td>
<td>23,948</td>
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<td>30.0%</td>
<td>78,719</td>
<td>41.3%</td>
<td>30,795</td>
<td>16.1%</td>
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<td>1/1/03</td>
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<td>48,186</td>
<td>28.8%</td>
<td>69,612</td>
<td>41.7%</td>
<td>29,436</td>
<td>17.6%</td>
<td>167,077</td>
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</table>

Source: AHCA
Implementation Issues

MPNs initially increased the Agency’s administrative burden relative to MediPass

But, things are getting better and Agency officials noted some good things about the MPNs:

– Utilization management
– Super Group ID
– Inpatient case managers
Physicians Like the Program

• Monthly reports permit increased monitoring of medications and patient contact with other providers
• Identify patients PCPs have never seen
• Detect fraud and abuse, inappropriate use
• Aware of where he/she stands relative to peers
• MPN A providers like the monetary incentives
• Contact person who can interface with AHCA
• Supports small practices and foreign trained doctors
• Alternative to “dreaded Medicaid HMOs”
Financial Implications Analysis

2-Part model that first predicts any expenditure and then predicts the amount of expenditure (among those with expenditures).

Compares each MPN to MediPass, controlling for key variables. Two equations:

(1) Any Expenditure = MPNA + MPNB + SSI + Age + White + Hispanic + Other Race + Asian

(2) Expenditure Amount = MPNA + MPNB + SSI + Age + White + Hispanic + Other Race + Asian

Time Period: Feb 2001 – Feb 2002 (Miami-Dade, Broward, West Palm)
Financial Implications - Conclusion

Our analysis shows that for the medical expenditures paid, the MPNs save money over “regular” MediPass
- approximately $30 per member per month.
Understanding Financial Implications

First, there are multiple ways to evaluate “savings”…

– Compared to the UPL
– Compared to the Medicaid HMO Capitation Rate
– Compared to MediPass for Same Geography and Time Period (our method)
Understanding Financial Implications

Second, must consider the “savings” on medical expenditures…

Less Administrative Fees Paid to MPNs (monthly)

and

Less Shared Savings Distributed to MPNs (quarterly)
Understanding Financial Implications

Finally, should also consider...

The administrative activities and costs (FTEs, time, resources) to run the MPNs for the state, which are possibly...

- *Reduced* – due to activities now done by MPNs
- *Increased* – due to reconciliation processes
- *Increased* – due to confusion/learning

Thus, it is difficult to quantify the “net” savings or overall financial implications for the state.
Quality of Care and Patient Satisfaction

- Formal data/evidence not currently available
  - Patient Satisfaction – only MPN A has reported patient satisfaction data to-date
  - Quality -HEDIS-type reporting being negotiated for both networks
- But, extensive provider profiling provides an opportunity to monitor quality
- And – real quality of care results may be seen in the long run
Summary:
Positive Attributes of the MPNs

- Medical Expenditure Savings
- Estimated Overall Net Savings for the Agency
- Makes MediPass work better through use of beneficiary information and local management of provider networks
- High degree of provider satisfaction
- Innovation through public-private partnership
Summary:
Challenges for the Agency

• How to effectively provide oversight and monitoring for “outsourced” models
• Need better coordination in areas where multiple MediPass pilot programs are in operation
• MPNs do not specifically address specialty availability issues
• Limitations and issues with the UPL method and monthly administrative fees
• Adequate resources
Recommendation

• Address some of the key challenges for MPN program
• Expand the MPNs into additional parts of the State
Evaluation Limitations

- Unable to risk-adjust data or examine utilization patterns/trends (e.g., time issue, limited variables, data sets are huge)
- Do not analyze/consider MPN activity or results in Areas 5 and 6
- No quality of care and little patient satisfaction data available
- Limited PCP data available from Agency
- Short time frame for evaluation (3 months)