

# **Florida Managed Medical Assistance Waiver**

**1115 Research and Demonstration Waiver  
Project Number 11-W-00206/4**

## **Amendment Request Low Income Pool**

**08/12/2019**

**Agency for Health Care  
Administration**



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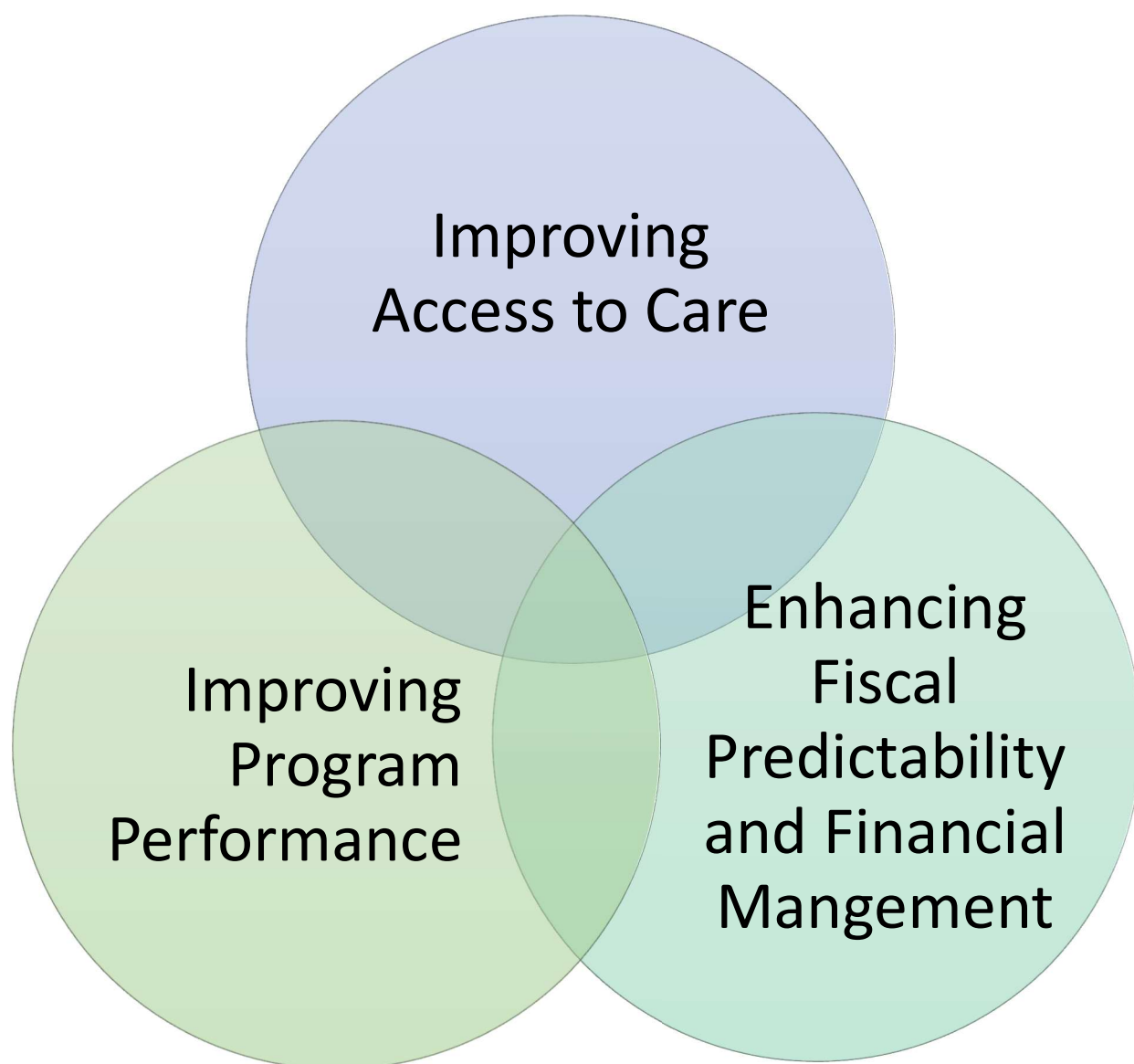
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## Introduction

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The Managed Medical Assistance (MMA) program improves health outcomes for Florida Medicaid recipients while maintaining fiscal responsibility. This is achieved through care coordination, patient engagement in their own health care, enhancing fiscal predictability and financial management, improving access to coordinated care and improving overall program performance.



# Purpose, Goals, and Objectives

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## Statement of Purpose

The Agency for Health Care Administration (Agency) is seeking federal authority to amend Florida Medicaid's 1115 Managed Medical Assistance (MMA) Waiver (Project Number 11-W-00206/4) to increase the behavioral health and supportive housing assistance services annual enrollment limit, modify the Low Income Pool (LIP) Permissible Expenditures described in the Special Terms and Conditions (STC) #66 related to Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC), and update the Total Spending for Supplemental Budget Neutrality Test-Behavioral Health and Supportive Housing Pilot table.

## Historical Overview

In 2005, the State received CMS approval for Florida's 1115 MMA Waiver, previously named "Medicaid Reform". The "Medicaid Reform" program operated in Broward, Duval, Baker, Clay and Nassau Counties and established LIP to ensure continued support for the provision of health care services to Medicaid, underinsured and uninsured populations.

In 2011, the Florida Legislature created Part IV of Chapter 409, Florida Statutes (F.S.), directing the Agency to create the Statewide Medicaid Managed Care (SMMC) program. The SMMC program had two components: the MMA program and the Long-term Care (LTC) program. The State submitted an amendment request to CMS to amend the 1115 Medicaid Reform Waiver in order to implement the MMA program. The State received approval from CMS on June 14, 2013 to terminate the Medicaid Reform program, implement the Managed Medical Assistance (MMA) program, and rename the waiver "Managed Medical Assistance".

In 2014, the State received approval from CMS to extend all portions of the MMA Waiver for three years, with the exception of the LIP program. The approval from CMS only authorized extension of the LIP program for one year, from July 1, 2014 through June 30, 2015. During the one-year LIP extension, the state was required to use a portion of the funds to commission a report from an independent entity on Medicaid provider payment in the state that reviewed the adequacy of payment levels, and the adequacy, equity, accountability and sustainability of the State's funding mechanisms for these payments. On October 15, 2015, CMS approved an amendment that authorized the LIP program through June 30, 2017 based on the State's revisions to the LIP program administration and fund distribution.

On August 3, 2017 the State received approval from CMS to extend all portions of the MMA Waiver, including the LIP program, for the period August 3, 2017 through June 30, 2022. The approval from CMS allows the state to continue operating the MMA program while increasing the LIP to \$1.5 billion annually.

On November 30, 2018, an amendment was approved to the demonstration that allows the State to operate a statewide Prepaid Dental Health Program, modifies the LIP to add Regional Perinatal Intensive Care Centers (RPICCs) as an eligible hospital ownership subgroup and community behavioral health providers as a participating provider group, and waives retroactive eligibility for all beneficiaries under the demonstration, except for pregnant women, women 60 days or less post-partum, and beneficiaries under age 21 (non-pregnant adults). The approval of the waiver of retroactive eligibility will encourage Medicaid beneficiaries to obtain and maintain health coverage, even when healthy, or to obtain health coverage as soon as possible after becoming eligible.

On March 26, 2019, an amendment was approved to the demonstration to implement a pilot program that provides additional behavioral health services and supportive housing assistance services for persons aged 21 and older with serious mental illness (SMI), substance use disorder (SUD) or SMI with co-occurring SUD, who are homeless or at risk of homelessness due to their disability. The pilot program will be operated in two regions of the State.

## Goals and Objectives

This amendment has several objectives:

1. To increase the behavioral health and supportive housing assistance services annual enrollment limit from 42,500 member months to 50,000 member months.

The State proposes to amend number six of the Expenditure Authorities as follows:

Expenditures for behavioral health and supportive housing assistance services to individuals in MMA, as described in STC 55, effective as of the approval date of the amendment (SDG to insert date). The state will implement this pilot less than statewide and institute annual enrollment limits of ~~42,500~~ 50,000 member months each demonstration year.

2. To incorporate additional specific tiering criteria for the LIP program within the FQHC/RHC group. The amendment will also increase the capped annual allotment for the FQHC/RHC group up to \$75,000,000. The Agency engaged in discussions with providers about implementation of the new LIP FQHC/RHC STCs and incorporated specific criteria based on their recommendations.

The State proposes to amend the STC #66, subparagraph a as follows:

**66. Low Income Pool Permissible Expenditures.** Funds from the LIP may be used for health care costs (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Act.

- a. These health care costs may be incurred by the state or by providers to furnish uncompensated medical care as charity care for low-income individuals who are uninsured. The costs must be incurred pursuant to a charity care program that adheres to the principles of the HFMA.
  - i. Providers may be categorized in up to four groups: hospitals, Medical School Physician Practices, FQHCs/RHCs, and Community Behavioral Health Providers. Each group may be divided into up to five tiered subgroups, any of which may be based on ownership, UC Ratio, ownership and UC Ratio, or (for purposes of FQHCs/RHCs only) Section 330 Public Health Service Act grant type, or FQHC Look-Alike status. UC Ratio is defined as the amount of a provider's uncompensated uninsured charity care costs (defined in (a) above), expressed as a percentage of its privately insured patient care costs. UC Ratio for FQHCs is defined as the amount of a provider's uncompensated uninsured charity care costs (defined in (a) above), expressed as a percentage of its total costs. To define subgroups by UC Ratio, providers must be ranked based on their relative UC Ratios, and may be formed into subgroups based on contiguous ranges of UC Ratios. Hospital ownership subgroups may consist of one or more of the following categories: local government, state government, or private and may be grouped by the hospital's publically owned, statutory teaching, freestanding children's, and Regional Perinatal Intensive Care Center hospital status. For each DY, up to ~~50,000,000~~ \$75,000,000 of the capped annual allotment of the LIP may be apportioned to FQHCs/RHCs. FQHCs/RHCs may be tiered in subgroups by the type of Section 330 Public Health Service Act grant type and FQHC Look-Alike status.
  - ii. All providers that must receive some amount of payment (following (i) above) must be paid the same percentage of their charity care cost within each subgroup.
  - iii. Within each group and ownership subgroup, providers in tiers with a lower range of UC Ratios cannot be paid a greater share of their charity care cost than providers in tiers with higher UC Ratios.
  - iv. Determination of (i) through (iii) may be effectuated using hospital-specific cost data or FQHC/RHC data, as applicable, for the DY for which payments are being allocated, or for a prior year not more than three years prior to that DY.
3. To update the DY14, DY15, and DY16 amounts in the Total Spending for Supplemental BN Test-BH SH Pilot chart.

The State proposes to amend the STC #96a as follows:

**96. Hypotheticals & Supplemental Budget Neutrality Test: Behavioral Health and Supportive Housing Assistance Pilot.** Optional demonstration expenditures that could have been covered via the Medicaid state plan, but instead are provided through section 1115(a) expenditure authority, may be designated as “hypotheticals” for the purposes of BN. In these cases, CMS may allow adjustment(s) to the WOW baseline to hold states harmless for the spending which it could have hypothetically provided through the Medicaid state plan. Separate WOW limits are provided below for the costs associated with this demonstration’s hypothetical expenditures and, if the limits are exceeded, that excess spending must be “paid for” with overall BN savings.

a. The BH SH Pilot MEG listed in Table 3.2 below is included in the Behavioral Health and Supportive Housing Assistance Pilot Supplemental Budget Neutrality Test.

Table 3.2. Total Spending for Supplemental BN Test-BH SH Pilot

	Trend	DY12	DY13	DY14	DY15	DY16
BH SH Pilot	0.00%	N/A	N/A	<del>\$9,292,625</del> \$9,714,500	<del>\$9,292,625</del> \$9,714,500	<del>\$9,292,625</del> \$9,714,500

## Effect on Recipients

Recipients will not be affected by this amendment.

## Federal Waiver and Expenditure Authorities

The State is requesting to update the current expenditure authorities as authorized on March 26, 2019 to increase the behavioral health and supportive housing assistance services annual enrollment limit.

The current approved waiver authorities and expenditure authorities are included in the Special Terms and Conditions on the Agency’s Web site at:

[http://ahca.myflorida.com/medicaid/Policy\\_and\\_Quality/Policy/federal\\_authorities/federal\\_waivers/mma\\_fed\\_auth.shtml](http://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/federal_authorities/federal_waivers/mma_fed_auth.shtml)



## Evaluation Design

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The current evaluation design includes research questions that sufficiently analyze the LIP program under this demonstration. Therefore, the State will not be modifying the evaluation based on this amendment.

## Budget Neutrality

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The State is required to provide an estimate of the expected increase or decrease in annual enrollment and in annual aggregate expenditures, including historic enrollment or budgetary data, if applicable. This includes a financial analysis of any changes to the demonstration requested by the State in its amendment request. There will be no changes to budget neutrality as a result of this amendment.

## Public Notice Process

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The State conducted a 30-day public comment period from May 31, 2019 to June 29, 2019 to solicit input on the waiver amendment request.

The State notified stakeholders of the public comment period using the following methods:

- Published public notice on May 31, 2019 in the Florida Administrative Register (FAR) in compliance with Chapter 120, Florida Statutes
- Emailed individuals and organizations on the interested stakeholders list
- Posted a provider alert on the Agency's Web site

### Public Notice Materials

The State posted the date, time, and location of the public meeting and a link to this public notice document on the Agency's Web site at:

[http://ahca.myflorida.com/medicaid/Policy\\_and\\_Quality/Policy/federal\\_authorities/federal\\_waivers/mma\\_fed\\_auth.shtml](http://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/federal_authorities/federal_waivers/mma_fed_auth.shtml)

The State provided this link in the FAR notice and email to interested stakeholders.

### Consultation with Indian Health Programs

The State sent written correspondence to the Indian Health Programs located in Florida to solicit input on the waiver amendment request (Attachment I). The State of Florida does not have any Urban Indian Organizations, but has two federally recognized tribes: the Seminole Tribe and Miccosukee Tribe. No feedback was received from the two recognized tribes.

### Public Meetings

The State held one public meeting during the public comment period. Individuals unable to attend the meeting in person could participate via conference call by using the toll-free number provided. During the meeting, the State provided a brief overview of the 1115 MMA Waiver amendment request and allowed time for public comment.

MMA Amendment Public Meetings		
Location	Date	Time
Tampa Agency for Health Care Administration 6800 N. Dale Mabry Highway, Suite 220 Tampa, FL 33614  Conference Line: 1 (866) 952 8437 Participant Code: 940-795-535	June 6, 2019	9:30am-10:30am

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting was asked to advise the Agency at least seven days before the workshop/meeting by contacting Kimberly Quinn at (850) 412-4284 or by email at [FLMedicaidWaivers@ahca.myflorida.com](mailto:FLMedicaidWaivers@ahca.myflorida.com).

Individuals who are hearing or speech impaired could contact the Agency using Florida Relay Service, 1 (800) 955-8771 (TDD) or 1 (800) 955-8770 (Voice). To view the webinar, individuals were provided the following link:  
<https://attendee.gotowebinar.com/register/3439657599719547661>.

## Submitting Written Comments

Written comments on the waiver amendment could be submitted via mail or email with the subject "1115 MMA Amendment – LIP" during the public comment period.

**Mail:** Agency for Health Care Administration  
Bureau of Medicaid Policy  
2727 Mahan Drive, MS #20  
Tallahassee, Florida 32308

**Email:** [FLMedicaidWaivers@ahca.myflorida.com](mailto:FLMedicaidWaivers@ahca.myflorida.com)

## Summary of Public Comments

The following summarizes the public comments received during the 30-day comment period that began May 31, 2019 and ended June 29, 2019. The State considered all comments received in preparing the amendment request.

The State received comments in support of raising the maximum cap for health centers, citing that this increase will provide for multiple enhancements of FQHCs ability to serve uninsured Floridians through the Low Income Pool.

The State received comments in support of granting FQHCs the authority to develop tiers, citing that this change will allow the centers to more accurately group or categorize populations. The centers acknowledge that the change necessitates the development of a standard for each tier.

The State received comments encouraging an increase in the Low Income Pool by \$200 million dollars.

# Attachment I

## Tribal Notification

### Consultation with Indian Health Programs

The State sent written correspondence to the Indian Health Programs located in Florida to solicit input on the waiver amendment request (Attachment I). The State of Florida does not have any Urban Indian Organizations, but has two federally recognized tribes: the Seminole Tribe and Miccosukee Tribe.



RON DESANTIS  
GOVERNOR

MARY C. MAYHEW  
SECRETARY

May 23, 2019

Ms. Cassandra Osceola  
Health Director  
Miccosukee Tribe of Indians of Florida  
P. O. Box 440021, Tamiami Station  
Miami, FL 33144

Dear Ms. Osceola:

The purpose of this letter is to inform you that the Agency for Health Care Administration (Agency) is seeking federal authority to amend Florida Medicaid's 1115 Managed Medical Assistance Waiver (Project Number 11-W-00206/4) to:

- Increase the behavioral health and supportive housing assistance services annual enrollment limit from 42,500 member months, to 50,000 member months;
- Modify the Low Income Pool Special Terms and Conditions to:
  - incorporate additional specific tiering criteria for the LIP program within the Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC), group, and
  - increase the capped annual allotment for the FQHC/RHC group up to \$75,000,000;
- Update the Demonstration Year(DY) 14, DY15, and DY16 amounts in the Total Spending for Supplemental Budget Neutrality Test-Behavioral Health and Supportive Housing Pilot chart.

The Agency has scheduled one public meeting to solicit meaningful input on the proposed waiver amendment. The meeting will be held in:

- Tampa, Florida on June 6, 2019 from 9:30 am – 10:30am at the Agency for Health Care Administration, 6800 N. Dale Mabry Highway, Suite 220, Tampa, FL 33614. To participate by phone, please call: 1 (866) 952 8437 and enter the participant passcode: 940-795-535. To view the webinar, please visit: <https://attendee.gotowebinar.com/register/3438657599719547661>.

If you would like to make any comments or need additional information, please contact Kimberly Quinn of my staff by phone at (850) 412-4284 or by email at [Kimberly.Quinn@ahca.myflorida.com](mailto:Kimberly.Quinn@ahca.myflorida.com).

Sincerely,



Beth Kidder  
Deputy Secretary for Medicaid

BK/kq

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Tallahassee, FL 32308  
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[Twitter.com/AHCA\\_FL](https://Twitter.com/AHCA_FL)  
[SlideShare.net/AHCAFlorida](https://SlideShare.net/AHCAFlorida)



RON DESANTIS  
GOVERNOR

MARY C. MAYHEW  
SECRETARY

May 23, 2019

Dr. Paul Isaacs  
Executive Director, Health and Human Services  
Seminole Tribe of Florida  
6365 Taft Street, Suite 2004  
Hollywood, FL 33024

Dear Dr. Isaacs:

The purpose of this letter is to inform you that the Agency for Health Care Administration (Agency) is seeking federal authority to amend Florida Medicaid's 1115 Managed Medical Assistance Waiver (Project Number 11-W-00206/4) to:

- Increase the behavioral health and supportive housing assistance services annual enrollment limit from 42,500 member months, to 50,000 member months;
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  - increase the capped annual allotment for the FQHC/RHC group up to \$75,000,000;
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If you would like to make any comments or need additional information, please contact Kimberly Quinn of my staff by phone at (850) 412-4284 or by email at [Kimberly.Quinn@ahca.myflorida.com](mailto:Kimberly.Quinn@ahca.myflorida.com).

Sincerely,



Beth Kidder  
Deputy Secretary for Medicaid

BK/kq

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[SlideShare.net/AHCAFlorida](https://slideshare.net/AHCAFlorida)

# Attachment II

## Waiver Expenditure Authority

### CENTERS FOR MEDICARE & MEDICAID SERVICES

#### EXPENDITURE AUTHORITIES

**NUMBER:** 11-W-00206/4

**TITLE:** Florida Managed Medical Assistance Program

**AWARDEE:** Agency for Health Care Administration

Under the authority of section 1115(a)(2) of the Social Security Act ("the Act"), expenditures made by the state for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act, shall, for the period of this demonstration from the date of the amendment approval through June 30, 2022, be regarded as expenditures under the state's title XIX plan, unless otherwise specified.

The following expenditure authorities shall enable Florida to operate the Florida Managed Medical Assistance program section 1115 demonstration.

1. Expenditures for payments to managed care organizations, in which individuals who regain Medicaid eligibility within six months of losing it may be re-enrolled automatically into the last plan in which they were enrolled, notwithstanding the limits on automatic re-enrollment defined in section 1903(m)(2)(H) of the Act.
2. Expenditures made by the state for uncompensated care costs incurred by providers for health care services for the uninsured and/or underinsured.
3. Expenditures for the Program for All Inclusive Care for Children services and the Healthy Start program.
4. Expenditures for services provided to individuals in the MEDS-AD Eligibility Group, as described in STC 18, effective January 1, 2018.
5. Expenditures for services provided to individuals in the AIDS CNOM Eligibility Group, as described in STC 19, effective January 1, 2018.
6. Expenditures for behavioral health and supportive housing assistance services to individuals in MMA, as described in STC 55, effective as of the approval date of the amendment (SDG to insert date). The state will implement this pilot less than statewide and institute annual enrollment limits to 42,500 member months each demonstration year.

#### REQUIREMENTS NOT APPLICABLE TO EXPENDITURE AUTHORITY 6

All title XIX requirements that are waived for Medicaid eligible groups are also not applicable to the behavioral health and supportive housing assistance services. In addition, the following Medicaid requirement is not applicable:

Florida Managed Medical Assistance Demonstration  
Approval Period: August 1, 2017 through June 30, 2022  
Amended: March 26, 2019

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**1. Statewide Operation**

**Section 1902(a)(1)**

To the extent necessary to enable the state to operate on less than a statewide basis for behavioral health and supportive housing assistance services.

**2. Amount, Duration and Scope**  
**1902(a)(10)(B)**

**Section**

To the extent necessary to enable Florida to limit the amount, duration, and scope of behavioral health and supportive housing assistance pilot services to restrict this benefit to those individuals diagnosed with a serious mental illness (SMI), substance use disorder (SUD), or an SMI with a co-occurring SUD, who are homeless or at risk of homelessness due to their disability, as described in the STCs..

**3. Reasonable Promptness**

**Section 1902(a)(8)**

To the extent necessary to enable the state not to provide behavioral health and supportive housing assistance pilot services when the enrollment cap for this benefit is reached, as specified in the STCs.