

BNEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2006-2017
STATE OF FLORIDA

SCHEDULE VIIIIB-2
PRIORITY LISTING FOR POSSIBLE REDUCTION
FOR REQUEST YEAR

SP 09/11/2015 15:13 PAGE: 1
ERROR REPORT

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>			68500200
GOV OPERATIONS/SUPPORT			16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>			<u>1602.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION IN AGENCY'S CONTRACTUAL			
AGREEMENTS			33V0560
LUMP SUM			090000
ENROLLMENT BROKER S			090021
MEDICAL CARE TRUST FUND	-MATCH	500,000-	2474 2
	-FEDERL	500,000-	2474 3
TOTAL MEDICAL CARE TRUST FUND		1,000,000-	2474
TOTAL APPRO.....		1,000,000-	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
MEDICAL CARE TRUST FUND	-MATCH	281,250-	2474 2
	-FEDERL	843,750-	2474 3
TOTAL MEDICAL CARE TRUST FUND		1,125,000-	2474
TOTAL APPRO.....		1,125,000-	
TOTAL: REDUCTION IN AGENCY'S CONTRACTUAL			33V0560
AGREEMENTS			
TOTAL ISSUE.....		2,125,000-	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #7

IT COMPONENT? NO

ISSUE TITLE: Reduction in Agency's Contractual Agreements

ISSUE SUMMARY: The issue proposes a reduction of \$2,125,000 to the Enrollment Broker Services and the Quality Improvement Organization and Utilization Management contracts.

ISSUE DETAIL: The Enrollment Broker contract provides guidance for enrollment in health plans to Medicaid recipients on behalf of the Agency for Health Care Administration (AHCA). The AHCA has never had full time equivalent (FTE) resources to handle this function therefore it was contracted out to avoid increasing the number of state employees. The contract provides manpower and staffing with the vast majority operating the call center, information and telecomm technologies,

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		68500200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN AGENCY'S CONTRACTUAL		
AGREEMENTS		33V0560

facilities, and a postage and printing pass-thru. In reviewing the efficiency of the AHCA's current contract, there can be an operational reduction associated with the work and development of various materials.

The quality improvement organization and utilization management contracts provide a safeguard for inappropriate use of Medicaid services by providing a qualified evaluator network, on-site care coordination services and prior authorization of Medicaid services. Currently, these contracts are for the quality improvement organization utilization management program for Medicaid services. These services are provided in the fee-for-service (FFS) Medicaid system. In Fiscal Year 2014-2015, the AHCA fully implemented the Statewide Medicaid Managed Care (SMMC) managed medical assistance (MMA) program, and there are markedly fewer Medicaid recipients who receive services FFS. Thus, the Contracted Services category can be reduced, as there are significantly fewer FFS prior authorizations and care coordination services needed to be performed.

BUDGET SUMMARY: This issue proposes a reduction of \$2,125,000 in the Executive Direction and Support Services budget entity (68500200) in the Enrollment Broker Services category (090021) and in the Contracted Services category (100777). The proportionate federal share of \$1,343,750 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Enrollment Broker Services (090021)				
Medical Care Trust Fund (2474 - 2)	(\$ 500,000)	(\$0)	(\$ 500,000)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 500,000)	(\$0)	(\$ 500,000)	(\$0)
Category Total	(\$1,000,000)	(\$0)	(\$1,000,000)	(\$0)
Contracted Services (100777)				
Medical Care Trust Fund (2474 - 2)	(\$ 281,250)	(\$0)	(\$ 281,250)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 843,750)	(\$0)	(\$ 843,750)	(\$0)
Category Total	(\$1,125,000)	(\$0)	(\$1,125,000)	(\$0)
Issue Total	(\$2,125,000)	(\$0)	(\$2,125,000)	(\$0)

TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	2,125,000-	2000
	=====	

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SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOSPITAL OUTPATIENT ADJUSTMENT -			
INCLUDES HEALTH MAINTENANCE			
ORGANIZATION (HMO) IMPACT			33V0450
SPECIAL CATEGORIES			100000
HOSPITAL OUTPATIENT			101596
GENERAL REVENUE FUND	-MATCH	6,616,071-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	10,453,256-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	31,706-	2579 3

TOTAL APPRO.....		17,101,033-	
		=====	
PREPAID HEALTH PLAN			102673
GENERAL REVENUE FUND	-MATCH	22,296,337-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	35,153,643-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	257,168-	2579 3

TOTAL APPRO.....		57,707,148-	
		=====	
TOTAL: HOSPITAL OUTPATIENT ADJUSTMENT -			33V0450
INCLUDES HEALTH MAINTENANCE			
ORGANIZATION (HMO) IMPACT			
TOTAL ISSUE.....		74,808,181-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #5

IT COMPONENT? NO

ISSUE TITLE: Hospital Outpatient Rate Adjustment - Includes HMO Impact

ISSUE SUMMARY: This issue proposes to reduce the reimbursement rates for hospital outpatient services by 10 percent. The adjustment in the reimbursement rate would result in a reduction of \$74,808,181 in the Hospital Outpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) would achieve the proposed reduction by adjusting the reimbursement rates for hospital outpatient services by 10 percent and utilizing the pass-through impact on the prepaid health plan which goes into effect on September 1, 2016. The impact on the prepaid health plan will equate to a 0.5 percent reduction.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL OUTPATIENT ADJUSTMENT -		
INCLUDES HEALTH MAINTENANCE		
ORGANIZATION (HMO) IMPACT		33V0450

The following details reflect the calculations used as the basis for developing this issue:

			Rate Change	FY 2016-17
			Difference	Reduction
HOSPITAL OUTPATIENT SERVICES		10.0%		
Medicaid Caseload	200,215	200,215		
Medicaid Utilization Rate	84.68%	84.68%		
Medicaid Services Per Month	169,540	169,540		
Medicaid Unit Cost	\$84.02	\$84.02	(\$8.40)	
Medicaid Total Cost	\$170,944,341	\$170,944,341	(\$17,101,032)	(\$17,101,032)
PREPAID HEALTH PLANS		0.5%		
Caseload	3,476,043	3,476,043		
Unit Cost	\$332.86	\$331.20	(\$1.66)	
Total Cost	\$13,884,254,512	\$13,815,005,935	(\$57,707,148)	(\$57,707,148)

BUDGET SUMMARY: This issue proposes a reduction of \$74,808,181 in the Medicaid Services for Individuals budget entity (68501400) in the Hospital Outpatient Services (101596) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$45,895,773 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Hospital Outpatient Services (101596)				
General Revenue (1000 - 2)	(\$ 6,616,071)	(\$0)	(\$ 6,616,071)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 10,453,256)	(\$0)	(\$ 10,453,256)	(\$0)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 31,706)	(\$0)	(\$ 31,706)	(\$0)
Category Total	(\$ 17,101,033)	(\$0)	(\$ 17,101,033)	(\$0)
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$ 22,296,337)	(\$0)	(\$ 22,296,337)	(\$ 4,459,268)
Medical Care Trust Fund (2474 - 3)	(\$ 35,153,643)	(\$0)	(\$ 35,153,643)	(\$ 7,030,728)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 257,168)	(\$0)	(\$ 257,168)	(\$ 51,433)
Category Total	(\$ 57,707,148)	(\$0)	(\$ 57,707,148)	(\$11,541,429)
Issue Total	(\$ 74,808,181)	(\$0)	(\$ 74,808,181)	(\$11,541,429)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOSPITAL INPATIENT DIAGNOSIS			
RELATED GROUP AUTOMATIC ADD-ON			
ADJUSTMENT - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			33V0460
SPECIAL CATEGORIES			100000
HOSPITAL INPATIENT			101582
GENERAL REVENUE FUND	-MATCH	2,157,372-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	3,408,603-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	12,842-	2579 3
TOTAL APPRO.....		5,578,817-	
		=====	
PREPAID HEALTH PLAN			102673
GENERAL REVENUE FUND	-MATCH	8,884,855-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	14,008,355-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	102,867-	2579 3
TOTAL APPRO.....		22,996,077-	
		=====	
TOTAL: HOSPITAL INPATIENT DIAGNOSIS			33V0460
RELATED GROUP AUTOMATIC ADD-ON			
ADJUSTMENT - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			
TOTAL ISSUE.....		28,574,894-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

ISSUE TITLE: Hospital Inpatient Diagnosis Related Group (DRG) Automatic Add-on Adjustment - Includes HMO Impact

ISSUE SUMMARY: This issue proposes to reduce the hospital inpatient diagnosis related group (DRG) automatic add-on rate by one percent. This adjustment in the DRG automatic add-on rate would result in a reduction of \$28,574,894 in the Hospital Inpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) would achieve the proposed reduction by adjusting the DRG automatic add-on reimbursement rates for hospital inpatient services by one percent and utilizing the pass-through impact

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SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP AUTOMATIC ADD-ON		
ADJUSTMENT - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0460

on the prepaid health plans which goes into effect on September 1, 2016. The impact on the prepaid health plan will equate to a 0.2 percent reduction.

The following details reflect the calculations used as the basis for developing this issue:

			Rate Change Difference	FY 2016-17 Reduction
HOSPITAL INPATIENT SERVICES		1.0%		
Medicaid Caseload	200,215	200,215		
Medicaid Utilization Rate	2.80%	2.80%		
Medicaid Services Per Month	5,602	5,602		
Medicaid Unit Cost	\$8,320.77	\$8,237.56	(\$ 83.21)	
Medicaid Total Cost	\$559,340,704	\$553,761,888	(\$5,578,817)	(\$5,578,817)
PREPAID HEALTH PLANS		0.2%		
Caseload	3,476,043	3,476,043		
Unit Cost	\$332.86	\$332.19	(\$.67)	
Total Cost	\$13,884,254,512	\$13,856,659,220	(\$27,595,292)	(\$22,996,077)

BUDGET SUMMARY: This issue proposes a reduction of \$28,574,894 in the Medicaid Services for Individuals budget entity (68501400) in the Hospital Inpatient Services (101582) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$17,532,667 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Hospital Inpatient Services (101582)				
General Revenue (1000 - 2)	(\$ 2,157,372)	(\$0)	(\$ 2,157,372)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 3,408,603)	(\$0)	(\$ 3,408,603)	(\$0)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 12,842)	(\$0)	(\$ 12,842)	(\$0)
Category Total	(\$ 5,578,817)	(\$0)	(\$ 5,578,817)	(\$0)
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$ 8,884,855)	(\$0)	(\$ 8,884,855)	(\$ 1,776,971)
Medical Care Trust Fund (2474 - 3)	(\$14,008,355)	(\$0)	(\$14,008,355)	(\$ 2,801,671)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 102,867)	(\$0)	(\$ 102,867)	(\$ 20,573)
Category Total	(\$22,996,077)	(\$0)	(\$22,996,077)	(\$ 4,599,215)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP AUTOMATIC ADD-ON		
ADJUSTMENT - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0460

Issue Total (\$28,574,894) (\$0) (\$28,574,894) (\$ 4,599,215)

HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP PROVIDER POLICY		
ADJUSTOR REMOVAL - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0470
SPECIAL CATEGORIES		100000
HOSPITAL INPATIENT		101582

GENERAL REVENUE FUND	-MATCH	7,356,046-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	11,622,401-	2474 3
TOTAL APPRO.....		18,978,447-	
		=====	

PREPAID HEALTH PLAN			102673
GENERAL REVENUE FUND	-MATCH	30,321,883-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	47,907,949-	2474 3
TOTAL APPRO.....		78,229,832-	
		=====	

TOTAL: HOSPITAL INPATIENT DIAGNOSIS			33V0470
RELATED GROUP PROVIDER POLICY			
ADJUSTOR REMOVAL - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			
TOTAL ISSUE.....		97,208,279-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #2

IT COMPONENT? NO

ISSUE TITLE: Hospital Inpatient Diagnosis Related Group (DRG) Provider Policy Adjustor Removal - Includes HMO Impact

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP PROVIDER POLICY		
ADJUSTOR REMOVAL - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0470

ISSUE SUMMARY: This issue proposes to remove the hospital inpatient diagnosis related group (DRG) provider policy adjustor. The removal of the provider policy adjustor would result in a reduction of \$97,208,279 in the Hospital Inpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) would achieve the proposed reduction by removing the DRG provider policy adjustor which will reduce reimbursement rates for hospital inpatient services and will utilize the pass-through impact on the prepaid health plan which goes into effect on September 1, 2016. Policy adjustors are optional multipliers that are applied to specific hospital inpatient claims to increase or decrease payment. Provider policy adjustors are applied to all services performed by certain categories of hospitals. The AHCA currently applies a provider policy adjustor for high Medicaid utilization/high outlier percentage hospitals, Long Term Acute Care (LTAC) hospitals, free-standing rehabilitation hospitals, and rural hospitals. With the removal of the provider policy adjustors the percentage of DRG outlier payments will increase. The AHCA would recommend that the outlier thresholds are adjusted to compensate for this.

BUDGET SUMMARY: This issue proposes a reduction of \$97,208,279 in the Medicaid Services for Individuals budget entity (68501400) in the Hospital Inpatient Services (101582) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$59,530,350 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Hospital Inpatient Services (101582)				
General Revenue (1000 - 2)	(\$ 7,356,046)	(\$0)	(\$ 7,356,046)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$11,622,401)	(\$0)	(\$11,622,401)	(\$0)
Category Total	(\$18,978,447)	(\$0)	(\$18,978,447)	(\$0)
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$30,321,883)	(\$0)	(\$30,321,883)	(\$ 6,064,376)
Medical Care Trust Fund (2474 - 3)	(\$47,907,949)	(\$0)	(\$47,907,949)	(\$ 9,581,590)
Category Total	(\$78,229,832)	(\$0)	(\$78,229,832)	(\$15,645,966)
Issue Total	(\$97,208,279)	(\$0)	(\$97,208,279)	(\$15,645,966)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOSPITAL INPATIENT DIAGNOSIS			
RELATED GROUP SERVICE/AGE POLICY			
ADJUSTOR REMOVAL - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			33V0480
SPECIAL CATEGORIES			100000
HOSPITAL INPATIENT			101582
GENERAL REVENUE FUND	-MATCH	4,203,272-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	6,641,082-	2474 3

TOTAL APPRO.....		10,844,354-	
		=====	
PREPAID HEALTH PLAN			102673
GENERAL REVENUE FUND	-MATCH	17,326,035-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	27,374,777-	2474 3

TOTAL APPRO.....		44,700,812-	
		=====	
TOTAL: HOSPITAL INPATIENT DIAGNOSIS			33V0480
RELATED GROUP SERVICE/AGE POLICY			
ADJUSTOR REMOVAL - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			
TOTAL ISSUE.....		55,545,166-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #3

IT COMPONENT? NO

ISSUE TITLE: Hospital Inpatient Diagnosis Related Group (DRG) Service/Age Policy Adjustor Removal - Includes HMO Impact

ISSUE SUMMARY: This issue proposes to remove the hospital inpatient diagnosis related group (DRG) service/age policy adjustor. The removal of the service/age policy adjustor would result in a reduction of \$55,545,166 in the Hospital Inpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) would achieve the proposed reduction by removing the DRG service/age policy adjustor which will reduce reimbursement rates for hospital inpatient services and will utilize the pass-through impact on the prepaid health plan which goes into effect on September 1, 2016. Policy adjustors are optional multipliers that are applied to specific hospital inpatient claims to increase or decrease payment. Service/age

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP SERVICE/AGE POLICY		
ADJUSTOR REMOVAL - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0480

policy adjustors are applied to targeted services performed by any hospital. The AHCA currently applies a service policy adjustor to neonatal DRGs with a level of severity 3 and 4 and an age policy adjustor to pediatric DRGs with a level of severity 3 and 4. The pediatric age policy adjustor includes all lines of services except for normal newborns, neonates, and obstetrics and is applied to recipients less than 21 years old. With the removal of these service/age policy adjustors the percentage of DRG outlier payments will increase. The AHCA would recommend that the outlier thresholds are adjusted to compensate for this.

BUDGET SUMMARY: This issue proposes a reduction of \$55,545,166 in the Medicaid Services for Individuals budget entity (68501400) in the Hospital Inpatient Services (101582) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$34,015,859 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Hospital Inpatient Services (101582)				
General Revenue (1000 - 2)	(\$ 4,203,272)	(\$0)	(\$ 4,203,272)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 6,641,082)	(\$0)	(\$ 6,641,082)	(\$0)
Category Total	(\$10,844,354)	(\$0)	(\$10,844,354)	(\$0)
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$17,326,035)	(\$0)	(\$17,326,035)	(\$ 3,465,207)
Medical Care Trust Fund (2474 - 3)	(\$27,374,777)	(\$0)	(\$27,374,777)	(\$ 5,474,955)
Category Total	(\$44,700,812)	(\$0)	(\$44,700,812)	(\$ 8,940,162)
Issue Total	(\$55,545,166)	(\$0)	(\$55,545,166)	(\$ 8,940,162)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOSPITAL INPATIENT DIAGNOSIS			
RELATED GROUP TRAUMA CENTER ADD-ON			
REMOVAL - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			33V0490
SPECIAL CATEGORIES			100000
HOSPITAL INPATIENT			101582
GENERAL REVENUE FUND	-MATCH	9,612,805-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	15,188,034-	2474 3

TOTAL APPRO.....		24,800,839-	
		=====	
PREPAID HEALTH PLAN			102673
GENERAL REVENUE FUND	-MATCH	39,624,324-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	62,605,614-	2474 3

TOTAL APPRO.....		102,229,938-	
		=====	
TOTAL: HOSPITAL INPATIENT DIAGNOSIS			33V0490
RELATED GROUP TRAUMA CENTER ADD-ON			
REMOVAL - INCLUDES HEALTH			
MAINTENANCE ORGANIZATION IMPACT			
TOTAL ISSUE.....		127,030,777-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #4

IT COMPONENT? NO

ISSUE TITLE: Hospital Inpatient Diagnosis Related Group (DRG) Trauma Center Add-on Removal - Includes HMO Impact

ISSUE SUMMARY: This issue proposes to remove the hospital inpatient diagnosis related group (DRG) trauma center add-on. The removal of the trauma center add-on would result in a reduction of \$127,030,777 in the Hospital Inpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) would achieve the proposed reduction by removing the DRG trauma add-on implemented July 1, 2015, which will reduce reimbursement rates for hospital inpatient services and will utilize the pass-through impact on the prepaid health plan which goes into effect on September 1, 2016. The trauma add-on is an additional supplemental payment to a hospital's DRG rate for those hospitals that qualify for one of three

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP TRAUMA CENTER ADD-ON		
REMOVAL - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0490

classifications - Level I Trauma Center, Level II Trauma Center, or a Pediatric Trauma Center. Amount per classification are as follows:

Trauma Level I- \$83,195,765
 Trauma Level II- \$38,573,828
 Pediatric- \$ 5,261,184

BUDGET SUMMARY: This issue proposes a reduction of \$127,030,777 in the Medicaid Services for Individuals budget entity (68501400) in the Hospital Inpatient Services (101582) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$77,793,648 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Hospital Inpatient Services (101582)				
General Revenue (1000 - 2)	(\$ 9,612,805)	(\$0)	(\$ 9,612,805)	(\$0)
Medical Care Trust Fund (2474 - 3)	(\$ 15,188,034)	(\$0)	(\$ 15,188,034)	(\$0)
Category Total	(\$ 24,800,839)	(\$0)	(\$ 24,800,839)	(\$0)
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$ 39,624,324)	(\$0)	(\$ 39,624,324)	(\$ 7,924,865)
Medical Care Trust Fund (2474 - 3)	(\$ 62,605,614)	(\$0)	(\$ 62,605,614)	(\$12,521,123)
Category Total	(\$102,229,938)	(\$0)	(\$102,229,938)	(\$20,445,988)
Issue Total	(\$127,030,777)	(\$0)	(\$127,030,777)	(\$20,445,988)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
DRUG REBATE COLLECTION ADJUSTMENT			33V0500
SPECIAL CATEGORIES			100000
PREPAID HEALTH PLAN			102673
GRANTS AND DONATIONS TF	-MATCH	8,647,788-	2339 2
	-FEDERL	13,663,326-	2339 3

TOTAL GRANTS AND DONATIONS TF		22,311,114-	2339
=====			
TOTAL APPRO.....		22,311,114-	
=====			
PRESCRIBED MEDICINE			
GRANTS AND DONATIONS TF	-MATCH	2,980,212-	2339 2
	-FEDERL	4,708,674-	2339 3

TOTAL GRANTS AND DONATIONS TF		7,688,886-	2339
=====			
TOTAL APPRO.....		7,688,886-	
=====			
TOTAL: DRUG REBATE COLLECTION ADJUSTMENT			33V0500
TOTAL ISSUE.....		30,000,000-	
=====			

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 16-17 NARRATIVE:
 PRIORITY #6

IT COMPONENT? NO

ISSUE TITLE: Drug Rebate Collection Adjustment

ISSUE SUMMARY: This issue proposes a reduction of \$30,000,000 in the Prescribed Medicine/Drugs and Prepaid Health Plan categories associated with a lower estimate in drug rebate collections.

ISSUE DETAIL: In Fiscal Year 2015-2016, the Agency for Health Care Administration (AHCA) was appropriated \$1,400,000,000 in spending authority for drug rebate collections. For Fiscal Year 2016-2017, \$30,000,000 in spending authority can be reduced for a total estimated \$1,370,000,000 in drug rebate spending authority. Drug rebate collections are used by the AHCA as a funding source to fund the Prescribed Medicine/Drug and Prepaid Health Plan categories. Roughly 75 percent of the pharmacy fee-for-service (FFS) spend is covered by drug rebates.

BUDGET SUMMARY: This issue proposes a reduction of \$30,000,000 in the Medicaid Services for Individuals budget entity

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
DRUG REBATE COLLECTION ADJUSTMENT		33V0500

(68501400) in the Prescribed Medicine/Drugs (102681) and Prepaid Health Plans (102673) categories. The proportionate federal share of \$18,372,000 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Prepaid Health Plans (102673)				
Grants and Donations Trust Fund (2339 - 2)	(\$ 8,647,788)	(\$0)	(\$ 8,647,788)	(\$0)
Grants and Donations Trust Fund (2339 - 3)	(\$ 13,663,326)	(\$0)	(\$ 13,663,326)	(\$0)
Category Total	(\$ 22,311,114)	(\$0)	(\$ 22,311,114)	(\$0)
Prescribed Medicine/Drugs (102681)				
Grants and Donations Trust Fund (2339 - 2)	(\$ 2,980,212)	(\$0)	(\$ 2,980,212)	(\$0)
Grants and Donations Trust Fund (2339 - 3)	(\$ 4,708,674)	(\$0)	(\$ 4,708,674)	(\$0)
Category Total	(\$ 7,688,886)	(\$0)	(\$ 7,688,886)	(\$0)
Issue Total	(\$ 30,000,000)	(\$0)	(\$ 30,000,000)	(\$0)

PREPAID HEALTH PLAN CAPITATION RATE ADJUSTMENT		33V0690
SPECIAL CATEGORIES		100000
PREPAID HEALTH PLAN		102673
GENERAL REVENUE FUND -MATCH	230,653,272-	1000 2
MEDICAL CARE TRUST FUND -FEDERL	363,660,750-	2474 3
REFUGEE ASSISTANCE TF -FEDERL	2,654,338-	2579 3
TOTAL APPRO.....	596,968,360-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 16-17 NARRATIVE: IT COMPONENT? NO
 PRIORITY #8

ISSUE TITLE: Prepaid Health Plan Capitation Rate Adjustment

ISSUE SUMMARY: This issue proposes to reduce the capitation rates for Medicaid Managed Care plans by 5.16 percent. This

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
PREPAID HEALTH PLAN CAPITATION RATE		
ADJUSTMENT		33V0690

adjustment in the capitation rate would result in a reduction of \$596,968,360 in the Prepaid Health Plan category.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) will achieve the proposed reduction by adjusting the capitation rate paid to the Statewide Medicaid Managed Care (SMMC) plans for providing Medicaid benefit packages to Medicaid recipients by 5.16 percent. Service benefits will need to be adjusted to achieve this reduction. The reduction can only occur if the capitation rates can achieve an actuarial soundness certification per the AHCA's contracted actuaries.

The following details reflect the calculations used as the basis for developing this issue:

		5.1607%	Rate Change Difference
PREPAID HEALTH PLANS			
Caseload	3,476,043	3,476,043	
Unit Cost	\$332.86	\$315.68	(\$17.18)
Total Cost	\$13,884,254,512	\$13,167,892,481	(\$716,362,031)

BUDGET SUMMARY: This issue proposes a reduction of \$596,968,360 in the in the Medicaid Services for Individuals budget entity (68501400) in the Prepaid Health Plans category (102673). The proportionate federal share of \$366,315,088 is included in the reduction amount.

	RECURRING FY 2016-17	NON-RECURRING FY 2016-17	TOTAL FY 2016-17	ANNUALIZATION FY 2017-2018
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$230,653,272)	(\$0)	(\$230,653,272)	(\$ 46,130,654)
Medical Care Trust Fund (2474 - 3)	(\$363,660,750)	(\$0)	(\$363,660,750)	(\$ 72,732,150)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 2,654,338)	(\$0)	(\$ 2,654,338)	(\$ 530,867)
Issue Total	(\$596,968,360)	(\$0)	(\$596,968,360)	(\$119,393,671)

TOTAL: HEALTH SVCS/INDIVIDUALS		<u>1301.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	379,052,272-	1000
TRUST FUNDS	631,083,385-	2000
TOTAL PROG COMP.....	1010,135,657-	
=====		

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

AGENCY/HEALTH CARE ADMIN		68000000
TOTAL: AGENCY/HEALTH CARE ADMIN		68000000
BY FUND TYPE		
GENERAL REVENUE FUND	379,052,272-	1000
TRUST FUNDS	633,208,385-	2000

TOTAL DEPARTMENT.....	1012,260,657-	
	=====	

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* NEADLP01                          STATISTICAL INFORMATION                          09/11/2015 15:13 *
* BUDGET PERIOD: 2006-2017          EXHIBIT A, D AND D-3A LIST REQUEST          KST 68 SP *
*                                                                              PAGE: 1 *
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*                                     SAVE INITIALS:       SAVE DEPARTMENT: 07       SAVE TITLE: SCHEDULE VIIIB-2**LBR FORMAT** *
* ----- *
* ** DATA SELECTIONS ** *
* ===== *
* REPORT OPTION 1 - Exhibit A, D and D-3A *
* SCHEDULE VIIIA ISSUE SPREADSHEET: _ *
* ===== *
* COLUMN: A93                      CODES *
* CALCULATE DIFFERENCE ONLY (Y/N): N THAT EXCEED: _____ *
* INCLUDE (Y/N) FTE: Y             SALARY RATE: Y POSITION DATA: Y *
* REPORT TOTAL: *
* REPORT: NO TOTAL *
* ===== *
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (0=MERGE, 1=LEVEL 1, 2=LEVEL 2, 3=LEVEL 3, 4=LOWEST LEVEL) *
* 1-7: 4 _____ - _____ - _____ - _____ - _____ - _____ *
* 8-14: _____ - _____ - _____ - _____ - _____ - _____ *
* 15-21: _____ - _____ - _____ - _____ - _____ - _____ *
* 22-27: _____ - _____ - _____ - _____ - _____ - _____ *
* EXCLUDE: _____ - _____ - _____ - _____ - _____ - _____ *
* *
* BUDGET ENTITY TOTALS: *
* *
* LEVEL 1: BY FUND TYPE *
* LEVEL 2: NO TOTAL *
* LEVEL 3: NO TOTAL *
* LOWEST LEVEL: BY FUND TYPE *
* ===== *
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 0=MERGED): *
* PROGRAM COMPONENT: 5 _____ - _____ - _____ - _____ - _____ *
* PROGRAM COMPONENT TOTAL: *
* POLICY AREA: NO TOTAL *
* PROGRAM COMPONENT: BY FUND TYPE *
* ===== *
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED): *
* ISSUE CODE OR GROUP: 3 _____ - _____ - _____ - _____ - _____ *
* ISSUE TOTAL: *
* SUMMARY: NO TOTAL *
* DETAIL: LINE TOTAL *
* ===== *
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED): *
* 2 _____ - _____ - _____ - _____ - _____ *
* INCLUDE FCO (Y/N): Y APPROPRIATION CATEGORY TITLE (S=SHORT, L=LONG): S *
* APPROPRIATION CATEGORY TOTAL: *
* MAJOR: NO TOTAL *
* MINOR: BY DETAIL FUND *
* ===== *
* ITEMIZATION OF EXPENDITURE: _____ - _____ - _____ - _____ *
* ACCUMULATION LEVEL (1=OPE/FCO, 2=IOE, 0=MERGE): 0 *
* ITEMIZATION OF EXPENDITURE TOTAL: *
* ITEMIZATION OF EXPENDITURE: NO TOTAL *
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* NEADLP01                                STATISTICAL INFORMATION                                09/11/2015 15:13 *
* BUDGET PERIOD: 2006-2017                EXHIBIT A, D AND D-3A LIST REQUEST                KST 68 SP *
*                                                                                                     PAGE: 2 *
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* FUND GROUPS SET: _____ OR FUND: _____ *
* FUNDING SOURCE IDENTIFIER: _ _ _ _ _ *
* REPORT BY FSI (Y/N): Y *
* ===== *
* DEPARTMENT NARRATIVE SET: _____ *
* BUDGET ENTITY NARRATIVE SET: _____ *
* ISSUE/ACTIVITY NARRATIVE SET: A5 _ _ _ _ _ *
* *
* INCLUDE PROGRAM COMPONENT NARRATIVE (Y/N): N *
* ===== *
* ** FORMATTING ** *
* ===== *
* REPORT HEADING: SCHEDULE VIIIB-2 *
* PRIORITY LISTING FOR POSSIBLE REDUCTION *
* FOR REQUEST YEAR *
* ===== *
* PAGE BREAKS: LOWEST LEVEL PRC *
* (LEVEL 1, LEVEL 2, LEVEL 3, LOWEST LEVEL, *
* IOE, GRP, PRC, SIS, ISC) *
* ===== *
* COLUMN CODES (Y/N): Y FORMAT (L=LANDSCAPE, P=PORTRAIT): L *
* SORT OPTIONS: DEPARTMENT/BUDGET ENTITY (C=CODE, T=TITLE): C *
* PROGRAM COMPONENT (C=CODE, T=TITLE): C *
* ===== *
* TOTAL RECORDS READ FROM SORT: 35 *
* TOTAL RECORDS READ FROM CARD: 44 *
* TOTAL RECORDS READ FROM PAF: 0 *
* TOTAL RECORDS READ FROM OAF: 0 *
* TOTAL RECORDS READ FROM IEF: 0 *
* TOTAL RECORDS READ FROM BGF: 0 *
* TOTAL RECORDS READ FROM BEF: 6 *
* TOTAL RECORDS READ FROM PCF: 4 *
* TOTAL RECORDS READ FROM ICF: 10 *
* TOTAL RECORDS READ FROM INF: 312 *
* TOTAL RECORDS READ FROM ACF: 8 *
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* TOTAL RECORDS READ FROM BEN: 0 *
* TOTAL RECORDS READ FROM DPC: 0 *
* TOTAL RECORDS IN ERROR: 0 *
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* NEADLP01                               STATISTICAL INFORMATION          09/11/2015 15:13 *
* BUDGET PERIOD: 2006-2017              EXHIBIT A, D AND D-3A LIST REQUEST      KST 68   SP   *
*                                                                                   PAGE:    3 *
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* BUDGET ENTITIES SELECTED:
*   1-9: 68 _____
*  10-18: _____
*  19-27: _____
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