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Medicaid Reform Pilots Create Challenges in Providing Mental Health Services

WASHINGTON – Florida’s experiment with Medicaid reform has created unique challenges for persons with disabilities, particularly those with mental illnesses, according to the latest research report issued by Georgetown University’s Health Policy Institute.

Through interviews with mental health stakeholders and a review of the state’s contracts with health maintenance organizations (HMOs) participating in the pilots, the researchers learned that the flexibility of managed care contracts under the pilot program – operating in Broward and Duval counties and a few rural counties – may leave consumers with mental illnesses lacking the assurances of receiving services that they need. Additionally, providers report additional administrative burdens that divert time and resources away from delivering care.

The findings were released today in an issue brief – *Florida’s Medicaid Reform Pilot Programs: Challenges with Mental Health Services* – part of the researchers’ ongoing evaluation of the state’s Medicaid changes. The research was commissioned by the Jessie Ball duPont Fund, which is based in Duval County.

In addition to reporting on the particular challenges the reform pilots are presenting to those with disabilities, the researchers note in their report that key contracting rules regarding HMO overhead and administrative costs appear to have changed at times without public input. The researchers discovered that the so-called “80:20 rule,” a Florida law designed to ensure that Medicaid spending on mental health was used primarily to deliver services, has been removed from the pilots’ contracts. Thus, HMOs operating in the pilots have less accountability for public funds than is required from HMOs serving Medicaid beneficiaries in other parts of the state.

This latest briefing paper is accompanied by an Addendum to Brief #4, released in December 2007, that clarifies and corrects findings regarding changes in benefits and costs from Year 1 to Year 2 of the pilot program.

The issue briefs are part of an ongoing series from the Georgetown University researchers evaluating the implementation and impact of Florida’s Medicaid changes. They are available online at www.dupontfund.org and hpi.georgetown.edu/floridamedicaid.

CONTACT:

Sherry Magill, president
904-353-0890 / smagill@dupontfund.org
Mary Kress Littlepage, KBT & Associates
904-384-8496 / mekl@comcast.net