



GEORGETOWN UNIVERSITY

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## **AFTER TWO YEARS, MEDICAID REFORM SHOWS FEW POSITIVE RESULTS**

WASHINGTON – Two years after the launch of Florida’s Medicaid reform pilot it appears that beneficiaries’ access to health care has worsened and financial benefits for the State of Florida remain unknown, according to a report issued by Georgetown University’s Health Policy Institute.

The report reflects more than two years of research, commissioned by the Jessie Ball duPont Fund, into the impact of Florida’s experiment with Medicaid reform.

According to the report,

- The pilots continue to struggle with adequate physician participation, not unlike Medicaid elsewhere. In the two years of the pilot, there was a 10 percent net decline in the pool of physicians serving the two primary reform counties. Two-thirds of those leaving are specialists. Proponents of Medicaid reform had argued that increases in participation among specialists would occur.
- Those physicians who participate in reform indicate that their experiences with reform are worse than with traditional Medicaid, in terms of paperwork and payment, and their ability to obtain authorization for and provide patient services.
- The pilot has yet to experience the full financial impact of reform, because a major class of health plans – Provider Service Networks, which enroll 27 percent of the beneficiaries in the reform counties – continue to be funded in the same manner as traditional Medicaid. Consequently, “risk-adjusted” capitated financing, which was a hallmark of the reform strategy, is only in place for the remaining 73 percent of beneficiaries.
- No one can say with certainty whether Medicaid reform has saved money for the State of Florida.

“To the extent change has occurred, it appears to be moving in the wrong direction,” the Georgetown researchers write. “The complexity of the program has grown, causing

confusion and increased administrative burdens for consumers and providers. Access to needed services appears to be worsening according to both physicians and beneficiaries, and provider participation is declining.”

The report is the seventh in a series of briefing papers by the Georgetown researchers assessing the impact of the reform pilots. It is being released in conjunction with a conference on the Medicaid pilot, *Looking Back, Looking Ahead: Medicaid Reform in Florida*, being held in Tampa October 15, 2008.

All of the briefs are available online at [www.dupontfund.org](http://www.dupontfund.org) and [hpi.georgetown.edu/floridamedicaid](http://hpi.georgetown.edu/floridamedicaid).

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