

Media Release

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CMS Approves Florida's Request to Move Nearly All Medicaid Beneficiaries Into Managed Care Plans

Some strong consumer protections included, but ongoing oversight will be critical

(Washington, D.C.) Today the Centers for Medicare and Medicaid Services (CMS) issued the final approval of Florida's request to shift almost its entire Medicaid program into managed care.

While 46 percent of Florida's Medicaid beneficiaries are already in managed care, the agreement reached between the state and the federal government is significant for its breadth and depth, according to Joan Alker, Executive Director of the Georgetown University Center for Children and Families and an expert on Florida's Medicaid program.

"The comprehensive approach Florida is taking by moving almost its entire program, including long-term care, into managed care is a concern to many because of the less than stellar history of managed care in Florida," said Alker. "With this increased flexibility comes greater oversight responsibilities for the state and federal governments to ensure consumers' needs are met and taxpayer dollars are used wisely by the managed care plans."

In response to widespread concerns, the federal government included some unprecedented consumer protections in the demonstration agreement. For example, plans operating in Florida's market will be required to comply with a medical-loss ratio (MLR) of 85%. The MLR provision limits how much a health insurer or managed care plan spends on administrative overhead and profits to shareholders in comparison to actual health care.