

Disease Management

Disease Management Initiative

Florida Medicaid has designed and implemented one of the most comprehensive disease management programs in the nation. Through disease management organizations and value added agreements with pharmaceutical manufacturers, Florida Medicaid has implemented disease management programs for managing beneficiaries with asthma, autoimmune disorders, congestive heart failure, diabetes, end stage renal disease/kidney disease, hemophilia, HIV/AIDS, hypertension, and mental health.

Legislative Authorization

Section 409.912(14)(a), Florida Statutes, directs the Agency on methods and approaches to be used in managing diseases:

- ❖ Identify utilization and price patterns for cost effectiveness and medical appropriateness.
- ❖ Assess effectiveness of new or alternative methods of providing and monitoring services.
- ❖ Provide for integrated, systemic approaches for managing care of beneficiaries with a specific disease.
- ❖ Reduce overall costs and improve measurable outcomes.

Disease Management Initiative Program Objectives

- ❖ Provide and test different disease management models
- ❖ Encourage the organization and delivery of services resulting in:
 - Better educated consumers
 - The promotion of best practices
 - Improved care
 - Improved health outcomes
 - Reduced inpatient hospitalizations
 - Reduced ER visits
 - Lower total costs

Program Design

The Agency's initial approach to disease management involved contracting with vendors or Disease Management Organizations (DMOs) to deliver a broad range of interventions with beneficiaries and providers. The flexibility afforded by the negotiation (ITN) process allowed the Agency to test various models for disease management. Seven different DMOs were awarded contracts for five disease states under the initial procurement process. The desire to test various innovative models resulted in substantial variation in the approaches employed by different DMOs. Care coordination, including self-management education, and physician education were prominent features of each model.



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Enrollment

Unless a beneficiary declines participation, the Agency automatically enrolls beneficiaries identified with target conditions into disease management programs. Enrollment in the disease management initiative grew dramatically as the Agency implemented new programs.

Disease Management Components

Disease State	Number of Beneficiaries in Disease Management (DM)*
HIV/AIDS	5,092
Hemophilia **	93
Renal disease**	2,712
Congestive Heart Failure	6,306
Diabetes	24,844
Asthma	53,636
Hypertension	42,164
Total	134,847

* As of August 2003

** Contract has been terminated

Value Added Programs

As an alternative to supplemental rebates, Pfizer, Bristol-Myers Squibb, GlaxoSmithKline, and Astra-Zenaca have financed alternative disease management, care coordination and health education programs administered by Florida Medicaid. While different, each of the programs financed by the manufacturers includes a disease management or care management component.

Pfizer

The initial Pfizer value-added contract was for a two-year period: July 1, 2001 through June 30, 2003. Pfizer guaranteed a Medicaid program savings of \$33 million over the two-year period (\$15 million – Year 1 and \$18 million – Year 2). Pfizer contributed more than \$8 million each year to finance the cost of new care initiatives. The year one savings total \$7.5 million and the year two savings evaluation is underway. Contract negotiations have just been completed, extending the program for an additional two years until October 2005. The Pfizer-financed program for FY 2001-03 included three components:

Disease Management Program – “Florida: A Healthy State” is the Pfizer-financed disease management program that delivers services through high volume Medicaid participating hospital/health systems. Funding is provided to support implementation of comprehensive hospital-based disease/care management programs. Professional care managers provide interventions designed to improve patients’ health status and reduce health care costs. Proprietary care management software has been delivered, installed and maintained by Pfizer. The program serves nearly 115,000 MediPass beneficiaries with asthma, congestive heart failure, diabetes and hypertension. A 24/7 call center is operated by McKesson.

Health Literacy Program – funding was provided to support implementation of a study of the delivery of health educational materials and services tailored to the literacy levels and cultural backgrounds of Medicaid beneficiaries. Trained health educators delivered interventions designed to improve health literacy and health outcomes. It was the first Medicaid Health Literacy program in the nation, serving beneficiaries with diabetes and hypertension. The Health Literacy program was operated by federally qualified health centers (FQHCs) located in Lake, Collier, Miami-Dade, Manatee, Palm Beach, Hillsborough, Putnam and Lee counties. Data collection will end in November 2003 with final results expected first quarter 2004.

Product Donation – Pfizer provided medications valued at over \$200,000 at no charge to Medicaid beneficiaries through 20 Federally Qualified Health centers.

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Bristol-Myers Squibb

The Bristol-Myers Squibb (BMS) value-added contract was for a 21-month period: October 1, 2001 through June 30, 2003. BMS guaranteed a Medicaid program savings of \$16.3 million over the contract period (\$6.6 million – Year 1 and \$9.7 million – Year 2). Year one and two savings are currently being evaluated. Negotiations continue for an extension. The BMS-financed program is the first large-scale health management and faith-based outreach model that uses health professionals, social workers, and lay-health workers to be implemented by a state's Medicaid program. The program is targeted to a minority Medicaid population with diabetes and mental illness. The program is available at FQHCs in Miami-Dade, Broward, Pasco, Manatee, Lee, Hendry and Charlotte counties. Program components are:

Community-Based Diabetes Health Management Program – funding is provided to fully finance a Promotora (community lay health worker) program. Trained professional staff and lay health workers provide culturally competent care management to diabetic patients and those at risk of developing diabetes. The program is available at FQHCs located in Miami-Dade, Broward, Pasco, Manatee, Lee, Hendry and Charlotte counties.

Community-Based Behavioral Health Management Program – funding is provided to support implementation of a care management model designed to remove cultural, language and other barriers for Medicaid patients. Validated behavioral health screening tools have been developed by BMS. The program is designed to address anxiety and depression, coordinated with faith-based organizations, and serves beneficiaries through FQHCs located in Miami-Dade, Lee, Hendry and Charlotte counties.

Timeline

Like the disease management industry, the Agency's disease management initiative has been an evolving one. The Agency's disease management initiative has been organized in five (5) distinct phases.

Phase I

The 1997 Florida Medicaid Reform Task Force recommended the implementation of a disease management program. Early design efforts included a contract with The Lewin Group for initial planning and development of programs authorized in the FY 1997-98 General Appropriations Act (asthma, diabetes, HIV/AIDS, hemophilia). An application for federal waivers was sent to the Health Care Financing Administration (now the Centers for Medicare and Medicaid Services). In June 1998, the Agency entered into a contract with Integrated Therapeutics Group for it to fully finance disease management services for beneficiaries with asthma; this was the first disease management program of Florida Medicaid.

Phase II

The Agency launched a full-scale initiative with the August 1998 release of ITNs for the remaining disease states authorized in the FY 1997-98 General Appropriations Act (diabetes, HIV/AIDS, hemophilia). After lengthy negotiations, by June 1999 programs were implemented for all disease states (except HIV/AIDS in Dade and Broward Counties) included in the legislation. Contracts were designed to be cost-neutral, advancing the costs to vendors in anticipation of anticipated savings. These '1st generation' contracts placed vendors at risk for repayment of administrative fees if reductions in medical expenditures did not cover program costs.

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Phase III

With the implementation of additional disease management programs and accompanying reductions to the Florida Medicaid budget, the Agency entered a period of increased focus on the financing portion of its disease management contracting. Contracts for two disease states authorized in the FY 1998-99 General Appropriations Act (i.e., ESRD and Congestive Heart Failure) included new and more stringent financial requirements on vendors. In addition to being at-risk for advanced administrative fees, vendors agreed to guarantee cost savings (6.5% reduction in medical claims cost). These '2nd generation' contracts for ESRD and CHF were executed in September 2000.

Phase IV

Having experienced a number of challenging operational realities in implementing the disease management initiative, the Agency began to examine alternative approaches and models for developing effective methods for managing beneficiaries with specific chronic conditions. Under the broad authority resulting from the 2000 statutory revisions, the Agency explored cost-effective mechanisms to delivering care management services by testing information technology applications with chronic obstructive pulmonary disease (COPD) patients. The Agency also began developing initiatives independent of DMO contracts using other methods for promoting best practices and clinical improvements through provider education tools.

Phase V

Statutory provisions in 2001 created a Medicaid Preferred Drug List in 2001. The Agency began to address some of the deficiencies in the first generation disease management programs. This new approach involved developing value added programs with investments provided by pharmaceutical manufacturers under supplemental rebate agreements

Phase VI

Florida Medicaid is now developing additional disease management programs for high risk obstetrical patients, back pain and other chronic pain conditions, and hemophilia patients. In addition, Florida Medicaid will test administrative contracts with no shared risk feature, population management (individuals with and without a disease), and increased use of organizations to manage individuals with multiple conditions.