Medicaid Managed Care Performance Measures: A Key Tool for Reducing Child Health Disparities and Increasing Transparency and Accountability

Anne Swerlick
October 2019

Executive Summary

Children of color are disproportionately impacted by poor quality health care. They have higher rates of asthma, obesity and chronic conditions related to trauma exposure. These disparities can have life-long consequences, impacting a child’s education, future employment, financial security and their adult health. Disparities also increase the overall cost of health care.

Florida's Medicaid program can significantly reduce child health disparities. It provides health coverage for a disproportionate share of children of color: 27 percent of Black children and 36 percent of Hispanic children.

Most are served through the Statewide Medicaid Managed Care (SMMC) program. Florida has made a substantial investment in this program — nearly $90 billion for 2018-2023. These dollars flow to mainly private for-profit health plans.

The Florida Agency for Health Care Administration (AHCA) is responsible for oversight of the SMMC program. Performance measures are an important tool AHCA uses to monitor quality of care. These include, for example, percentages of children receiving developmental screenings, preventive dental care, well-child check-ups and childhood immunizations.

Florida has made substantial progress over the past few years in improving Medicaid quality of care. However, children of color are at risk of not benefiting from this progress. Moreover, the state still ranks well below the national average on multiple key child health performance measures. Children of color are likely to be faring even worse on these measures than their white counterparts.

Data that would identify and assess these differences is not currently available or publicly reported. AHCA does not collect or report on health plan performance measures, including child health measures, stratified by race, ethnicity and primary language. Experts agree that this information is essential for identifying differences in care and developing targeted interventions needed to reduce health disparities.

Florida law should be amended to require AHCA to collect and publish this information. Not only is this critical for combating child health disparities, but it's also essential to promoting transparency and accountability in the program, as well as fulfilling the Legislature's oversight duties and stewardship of billions of dollars of public funding.
Florida's Medicaid Managed Care Program

Medicaid provides essential health services to people with low income who would otherwise have limited or no health insurance. In Florida, only certain categories of people can qualify: children, pregnant women, parents of minor children with very low income, people with disabilities and the elderly.¹ Federal Medicaid requirements provide a guaranteed minimum level of services and consumer protections to meet the special needs of these particularly vulnerable populations.

Out of nearly 4 million Florida Medicaid beneficiaries, more than half are children and youth aged 0 to 20.² Medicaid provides these beneficiaries coverage for a pediatric focused package of services under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. This includes periodic check-ups, preventive care and treatment.

<table>
<thead>
<tr>
<th>EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT (EPSDT) PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing and identifying problems early</td>
</tr>
</tbody>
</table>

Source: Centers for Medicare and Medicaid Services

A large body of research shows that access to Medicaid coverage in childhood results in longer, healthier lives, a better likelihood of finishing high school and college, and increased economic security as adults.³

Most Florida children covered by Medicaid are required to enroll in and receive services through managed care organizations (MCOs or plans) — primarily for-profit health maintenance organizations — that are governed by AHCA through the Statewide Medicaid Managed Care (SMMC) program. MCOs are paid on a “capitated” basis, meaning they receive a flat monthly payment per enrollee, regardless of actual services provided to the enrollee.⁴ This contrasts with “fee-for-service reimbursement,” where providers are reimbursed according to a fee schedule for the specific services provided.

For fiscal year 2019-2020 the total appropriated Medicaid budget is $28.4 billion.⁵ This includes federal funding that reimburses the state for more than 60 percent of the total cost. Nearly $19 billion of Florida's Medicaid budget funds the SMMC program.⁶ As of July 2019, there were more than 2 million children/youth enrolled in SMMC.⁷

During 2018, AHCA entered into five-year contracts with 18 MCOs covering medical and long-term care services. In addition, AHCA has contracted with three MCOs solely covering dental services.⁸ In total, over the next five years, Florida has committed nearly $90 billion to fund these contracts.⁹
Florida Medicaid: An Opportunity to Reduce Child Health Disparities, Promote Health Equity and Reduce Health Care Costs

As Florida’s population becomes more diverse, it’s increasingly important to address health disparities. The state’s Medicaid program covers a disproportionate share of children of color—27 percent of Black and 38 percent of Hispanic. Medicaid provides a valuable opportunity for leveraging the state’s substantial investment to combat health disparities.

The term “health disparities” refers to differences in health and health care between population groups including people of color. Healthy People 2020 further defines health disparity as "a particular health difference that is closely linked with economic, social or environmental disadvantage.”

Eliminating these disparities is key to achieving health equity, which is:

“attainment of the highest level of health for all people. Achieving health equity requires valuing everyone equally with focused and ongoing societal efforts to address avoidable inequalities, [and] historical and contemporary injustices…”

Multiple studies show that children of color face significant disparities in access to and utilization of care, and on most measures of health status and outcomes. For example, compared to their white peers, lower percentages of children of color have had a health care or dental care visit in the last 12 months. (See Figure 1.). They also fare worse on multiple child health indicators including higher rates of asthma, obesity, tooth decay, teen births and death. Children of color have significantly more exposure to adverse childhood experiences and are more likely to suffer from chronic conditions related to trauma exposure. Racial and ethnic disparities can also be fueled by language barriers that interfere with clear patient-provider communications.

Not only do health disparities matter for the groups facing disparities, they also impact the overall cost of health care. For example, research shows that racial and ethnic minorities are more likely to experience longer hospital stays and readmissions and are less likely to receive evidence-based care for certain conditions. One study estimated that disparities amounted to approximately $93 billion in excess medical care costs and $42 billion in lost productivity per year, as well as economic losses due to premature deaths.

EARLY & PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT (EPSDT) COVERS:

- **Medical Services**
  - Examples: visits with doctors or nurse practitioners, clinics and hospital services

- **Mental Health Services**
  - Examples: visits with psychologists and behavioral therapists

- **Services for Children with Disabilities**
  - Examples: physical & occupational therapy and speech therapy

- **Dental Services**
  - Examples: sealants, fluoride varnish and fillings

- **Glasses or Hearing aids**

- **One-on-one Aides for Home or School**

- **Vaccines**
Performance Measures: An Essential Tool for SMMC Quality of Care and Oversight

Collecting and reporting performance measure data provides the state with a significant opportunity to drive progress in combating health disparities among Florida’s children.

Performance measures are a key tool used by both the state and MCOs to gauge quality and access and implement improvement strategies.23 There are detailed data collection and reporting requirements for MCOs prescribed in Florida law and AHCA contracts.24 Plan performance under these measures must be published on AHCA’s website “in a manner that allows recipients to reliably compare the performance of plans.” AHCA is also required to develop a report card intended to help consumers assess quality of care for each plan.25

Every MCO must specifically collect the Health Plan Employer Data and Information Set (HEDIS) measures,26 as well as additional child-specific performance measures known as the “child core set.”27 These are a set of standardized clinical health measures which allow comparisons across managed care plans.28 The child core set includes 26 measures organized into six major categories: primary care access and preventive care, maternal and perinatal health, care of acute and chronic conditions, behavioral health care, dental and oral health services, and experience of care.29

For all performance measures the state must set targets that equal or exceed “the 75th percentile national Medicaid performance level.”30 Florida’s most recent 2017 rankings on child core set measures are included in

Figure 1. PERCENT OF CHILDREN RECEIVING SELECTED HEALTH CARE SERVICES BY RACE/ETHNICITY, 2014

*indicates statistically significant difference from the white population at the p<0.05 level.

Appendix A. On the 26 measures reported, Florida ranked below average on nine measures, including five in the bottom quartile. 31

AHCA Strategies to Address Disparities Based on Race, Ethnicity and Primary Language Fall Short

Until August 2018, AHCA had incorporated specific requirements in MCO contracts to help address racial, ethnic and language disparities, but these requirements have since disappeared. Moreover, even these requirements did not direct the MCOs to stratify performance measure data based on race, ethnicity and primary language, or further stratify this data based on age.

For all Medicaid beneficiaries, AHCA obtains race, ethnicity and primary language information from the Department of Children and Families, which it then shares with MCOs when beneficiaries enroll in a health plan. Under federal law, the state must also have a “managed care state quality strategy” that incorporates the state’s “…plan to identify, evaluate and reduce to the extent practicable health disparities based on age, race, ethnicity, sex, primary language and disability status.”32

A final quality strategy is required. However, AHCA’s website currently only includes a document labeled as a 2017 draft, which is very sparse on specific strategies for addressing health disparities.33 As a general matter it states that "[t]he factors, known as health disparities, are considered in the development and implementation of all quality improvement and initiatives." The only other mention of health disparities in the document is a contract requirement for plans to coordinate with local Healthy Start Coalitions to improve birth outcomes that “assists in addressing health disparities around the state.”

AHCA had also previously required MCOs to develop cultural competency plans (CCPs) in order to “ensure that services are provided in a culturally competent manner to all enrollees, including all services and settings and including those with limited English proficiency.”34 Contract terms further specified details of what was to be included in the plan and a requirement to do an annual evaluation, including analysis of successes and challenges in meeting previous year goals and objectives. In prior years, AHCA and its External Quality Review Organization provided recommendations on how MCOs could strengthen their CCPs and amended MCO contracts based on these recommendations. These included the use of race, ethnicity and language data for program evaluation.

However, for unknown reasons, the requirement that each MCO develop a CCP and annual evaluation was removed from the MCO contract effective August 1, 2018.35 Now, plans are just required to comply with a federal regulation generally requiring MCOs to “participate in state efforts to promote the delivery of services in a culturally competent manner to all enrollees, including those with limited English proficiency, and diverse cultural and ethnic backgrounds…”36
Stratification of Medicaid Quality Performance Measure Data is Essential to Combating Child Health Disparities

Experts agree that “[t]o reduce disparities, it is critical to first know where they exist.” The Institute of Medicine underscores that “[a]dressing these disparities must begin with the fundamental step of bringing the nature of the disparities and the groups at risk for those disparities to light by collecting health care quality information stratified by race, ethnicity and language data” (emphasis added). Numerous other health care experts recognize that using HEDIS, the Child Core Set and other performance measure data broken down by race, ethnicity and primary language is essential for identifying differences in care and developing targeted approaches to combat health disparities.

Multiple states are already using performance measures to actively monitor and report on health disparities in their Medicaid managed care programs. Indeed, some experts are warning that:

“[w]hen quality improvement initiatives seek to improve the health of the general population, and do not specifically measure and otherwise consider the needs of less advantaged populations, quality improvement initiatives may have the unintended effect of exacerbating health disparities.”

Most Florida Medicaid beneficiaries are children and a disproportionate number are children of color. While the state has made progress in improving Medicaid managed care plan performance measure scores overall, it is unknown what impact, if any, this has had in reducing child health disparities. Children of color remain at risk of not benefiting from this progress. Moreover, the state still ranks well below the national average on multiple key child health performance measures. Children of color are likely to be faring even worse on these measures than their white counterparts.

Although AHCA has taken some modest actions to address child health disparities, the agency does not collect and/or report on health plan performance measures stratified by age, race, ethnicity and primary language. These fundamental steps are essential for the state to make true inroads in improving health outcomes for all of Florida’s children.

Policy Recommendations and Conclusion

The Florida Legislature has incorporated into law detailed requirements for AHCA and the MCOs, including performance measure specifications. However, Florida law does not require AHCA to collect and report on performance measure data stratified by age, race, ethnicity and primary language. Specifically, Florida law should require AHCA to:

- collect performance measure data on child health indicators stratified by race, ethnicity and primary language from Medicaid managed care plans serving enrollees aged 0-20;
- post performance measure data on its website; and
- prepare and publish an annual report to the Legislature including pertinent findings and trends pertaining to this stratified data and make recommendations for improving health disparities among enrollees aged 0-20.
The Institute of Medicine sums up the urgency of taking these steps:

“The presence of data on race and ethnicity does not, in and of itself, guarantee any subsequent actions in terms of analysis of quality-of-care data to identify disparities or any actions to reduce or eliminate disparities that are found. **The absence of data, however, essentially guarantees that none of those actions will occur** (emphasis added).” 44

---


4 Schneider, A., How Do We Tell Whether Medicaid MCos are Doing a Good Job for Kids?, pp. 1-2, Georgetown University, Center for Children and Families, February 2018, Accessed via: [https://ccf.georgetown.edu/2018/02/26/how-can-we-tell-whether-medicaid-mcos-are-doing-a-good-job-for-kids/](https://ccf.georgetown.edu/2018/02/26/how-can-we-tell-whether-medicaid-mcos-are-doing-a-good-job-for-kids/)


32. Id.

