



## *HEALTH CARE ACCESS PROGRAM*

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### *Annual Report March 2010*

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# Cover Florida Health Care Access Program Annual Report

## **Background Information**

Under the provisions of section 408.9091, Florida Statutes, the Agency for Health Care Administration (Agency) and the Office of Insurance Regulation (Office) must submit an annual report to the Governor and the Legislature on the status of the Cover Florida Health Care Access Program. The law specifically mandates that "the agency and the office shall evaluate the program and its effect on the entities that seek approval as Cover Florida plans, on the number of enrollees, and on the scope of health care coverage offered under a Cover Florida plan; shall provide an assessment of the Cover Florida plans and their potential applicability in other settings; shall use Cover Florida plans to gather more information to evaluate low-income consumer driven benefit packages[.]." (Section 408.9091(10), Florida Statutes).

The 2008 Florida Legislature established the Cover Florida Health Care Access Program, recognizing that a significant number of Florida residents are unable to obtain affordable health insurance coverage. The Cover Florida Health Care Access Program was established to expand the availability of health care options for uninsured residents. Affordable health care products were developed that emphasize coverage for basic and preventive health care services, as well as inpatient hospital, urgent, and emergency care services. Cover Florida may be offered by approved health insurers, health maintenance organizations, health-care-provider-sponsored organizations, or health care districts.

The Cover Florida Health Care Access Program was signed into law by Governor Crist on May 21, 2008. The law directed the Agency for Health Care Administration and the Office of Insurance Regulation to issue an Invitation to Negotiate with organizations willing to participate in the Cover Florida Program. The law required the Agency to contract with at least one (1) statewide vendor and at least one (1) regional vendor.

## **Program Implementation**

The Invitation to Negotiate was issued on July 2, 2008. The procurement process included a vendor conference and submission of vendor proposals. Nine companies submitted proposals and six (6) proposals were accepted for the evaluation phase; three (3) proposals did not meet minimum requirements of the ITN. The evaluation team was comprised of one representative each from the Office of the Governor, Agency for Health Care Administration, and the Office of Insurance Regulation. Upon completion of the evaluation, the negotiation team, comprised of one representative each from the Office of the Governor, Agency for Health Care Administration, and the Office of Insurance Regulation, negotiated with each of the six (6) companies to obtain the best possible rate and benefit packages to be provided under the Cover Florida Program. Each company submitted a "best and final offer" based upon the negotiations. The negotiation team reviewed the best and final offers and determined that each of the vendors would be offered a contract.

A notice of awards was posted on October 16, 2008. Two (2) statewide and four (4) regional contracts were awarded. The contracts were signed by the companies (all of the contracts are identical except for the signatories on the contracts) between November 24 and November 26, 2008.

All contracts were awarded to Florida licensed Insurers and Health Maintenance Organizations. Statewide contracts were awarded to United Healthcare and Blue Cross Blue Shield of Florida. The regional plans include Medica Health Plans of Florida and Total Health Choice in Broward County; Medica Health Plans of Florida, Total Health Choice, and JMH Health Plan in Miami-Dade County; and Florida Health Care Plans in Flagler and Volusia Counties.

The Program commenced on January 5, 2009. Information about the Cover Florida plans is located on the Cover Florida Web site, [www.coverfloridahealthcare.com](http://www.coverfloridahealthcare.com). The Web site includes information about each plan's benefit package, rate and premium costs, plan contact information and frequently asked questions. As of December 31, 2009 there have been 563,705 visits to this Web site.

### **Program Description and Eligibility Requirements**

The Cover Florida program differs from traditional insurance products in several ways. Cover Florida plan companies are not subject to certain requirements under the Florida Insurance Code. Instead, they must meet quality of care and financial guidelines jointly developed by the Agency and the Office. Cover Florida plans are a guaranteed-issue and guaranteed-renewable product. All Cover Florida plans are portable and the enrollee remains covered regardless of employment status or the cost-sharing of the premiums. Companies are prohibited from medically underwriting coverage, but may exclude preexisting conditions for up to 12 months.

Cover Florida plans must offer at least one preventive and one catastrophic benefit plan. A preventive Cover Florida plan must include at a minimum: routine preventive care; office visits for diagnosis and treatment of illness or injury; office surgery; behavioral health services; durable medical equipment; diabetic supplies and a pharmacy benefit or pharmacy discount card. A catastrophic Cover Florida plan must include the benefits listed above, plus urgent care, emergency care, inpatient, and outpatient care. Each Cover Florida plan offers incentives for routine preventive care. For example, some offer these services at no charge.

Cover Florida plans can be offered by licensed health insurers, health maintenance organizations, health-care-provider-sponsored organizations, or health care districts. The entities chosen as vendors are responsible for administering the plan, collecting premium payments and paying all enrollees' claims for Cover Florida plan coverage.

Eligibility to enroll in a Cover Florida plan is limited to residents of Florida who:

- Are between 19 and 64 years of age;
- Are not covered by a private insurance policy;
- Are not eligible for coverage through a public health insurance program, such as Medicare, Medicaid or KidCare; and
- Have applied for health care coverage through a Cover Florida plan and have agreed to make any payments required for participation, including periodic payments or payments due at the time health care services are provided.

### **Outreach Activities**

The Agency, along with the Executive Office of the Governor and the Office of Insurance Regulation conducted marketing and outreach efforts in 2009 by working with established public and private partners throughout the state. With no budget for marketing or outreach, our focus has been on providing messaging, collateral material including posters, brochures and newsletter articles that can be reproduced and distributed by those who interact with the uninsured in our state. Our contacts included state agencies, hospitals and health care provider associations, business associations and the media.

A Cover Florida Web banner was designed by the Agency and widely distributed and posted on private association Web sites. The Web banner is currently posted on 14 state agency home page sites. The banner links consumers to the Cover Florida Web site which contains information on plans, benefits and rates.

Agency staff located across the state included the Cover Florida Web button and link in their Agency emails and telephone on-hold messages provided consumers with information about Cover Florida.

Statewide organizations sent informational messages, posters and brochures to their memberships. Health care organizations distributed information via posters, video and newsletters. A radio Public Service Announcement was created by a Cover Florida partner and aired on radio stations in Florida. Florida hospitals were asked to post brochures and posters in their emergency departments and a hospital corporation created a video PSA that now runs in their hospitals statewide.

The Agency also partnered with KidCare to educate their partners about Cover Florida and a Cover Florida message was included on outreach material targeting parents of children eligible for KidCare.

The Agency newsletter featured information on the Cover Florida Program on January 9<sup>th</sup> and February 6<sup>th</sup>, and carried the banner in every weekly edition thereafter with a link to the Cover Florida Web site. The Agency and the Executive Office of the Governor also took every opportunity to speak to audiences statewide about the program.

Specific outreach efforts by the Agency for Health Care Administration to help promote Cover Florida to Floridians can be found in Appendix A.

### Overview and Status of the Cover Florida Plans

Cover Florida health plans had enrolled a total of 5,426 individuals at the end of calendar year 2009. Enrollment data for 2009 by health plan is shown in the chart below:

<b>Blue Cross Blue Shield</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	106	183	309	439	536	583	655	678	679	697	701
<i>Catastrophic</i>	482	801	1185	1583	1876	2059	2298	2452	2600	2703	2792
<b>Total Enrollees</b>	<b>588</b>	<b>984</b>	<b>1494</b>	<b>2022</b>	<b>2412</b>	<b>2642</b>	<b>2953</b>	<b>3130</b>	<b>3279</b>	<b>3400</b>	<b>3493</b>
<b>UnitedHealthCare</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	11	40	66	74	77	74	84	83	82	87	78
<i>Catastrophic</i>	144	308	432	496	523	545	599	641	652	662	669
<b>Total Enrollees</b>	<b>155</b>	<b>348</b>	<b>498</b>	<b>570</b>	<b>600</b>	<b>619</b>	<b>683</b>	<b>724</b>	<b>734</b>	<b>749</b>	<b>747</b>
<b>Florida Health Care Plans</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	31	61	84	91	101	117	111	106	105	102	103
<i>Catastrophic</i>	37	62	78	89	106	115	114	120	132	137	147
<b>Total Enrollees</b>	<b>68</b>	<b>123</b>	<b>162</b>	<b>180</b>	<b>207</b>	<b>232</b>	<b>225</b>	<b>226</b>	<b>237</b>	<b>239</b>	<b>250</b>
<b>JMH</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	14	20	26	31	33	37	39	41	44	45	50
<i>Combined</i>	25	38	40	46	51	56	62	69	71	72	77
<b>Total Enrollees</b>	<b>39</b>	<b>58</b>	<b>66</b>	<b>77</b>	<b>84</b>	<b>93</b>	<b>101</b>	<b>110</b>	<b>115</b>	<b>117</b>	<b>127</b>
<b>Medica</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	2	8	8	7	6	10	12	14	16	16	17
<i>Catastrophic</i>	90	187	185	343	418	494	561	601	632	677	744
<b>Total Enrollees</b>	<b>92</b>	<b>195</b>	<b>193</b>	<b>350</b>	<b>424</b>	<b>504</b>	<b>573</b>	<b>615</b>	<b>648</b>	<b>693</b>	<b>761</b>
<b>Total Health Choice</b>	Jan/Feb.	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	4	3	8	12	15	18	23	25	21	21	20
<i>Catastrophic</i>	6	5	13	15	15	21	25	27	27	27	28
<b>Total Enrollees</b>	<b>10</b>	<b>8</b>	<b>21</b>	<b>27</b>	<b>30</b>	<b>39</b>	<b>48</b>	<b>52</b>	<b>48</b>	<b>48</b>	<b>48</b>
<b>ENROLLMENT TOTAL</b>	Jan/Feb	March	April	May	June	July	August	September	October	November	December
<i>Preventive</i>	168	315	501	654	768	839	924	947	947	968	969
<i>Catastrophic</i>	784	1401	1933	2572	2989	3290	3659	3910	4114	4278	4457
<b>Total Enrollees</b>	<b>952</b>	<b>1716</b>	<b>2434</b>	<b>3226</b>	<b>3757</b>	<b>4129</b>	<b>4583</b>	<b>4857</b>	<b>5061</b>	<b>5246</b>	<b>5426</b>

Enrollment in the two benefit options is summarized in the charts below by age and gender:

#### Preventive

AGE	Males	Females	Total
0-18	8	7	15
19-29	49	119	168
30-39	68	105	173
40-49	78	137	215
50-59	74	176	250
60-64	48	98	146
65+	1	1	2
<b>Totals</b>	<b>326</b>	<b>643</b>	<b>969</b>

#### Catastrophic

AGE	Males	Females	Total
0-18	13	9	22
19-29	290	333	623
30-39	224	287	511
40-49	379	513	892
50-59	470	853	1323
60-64	327	748	1075
65+	2	9	11
<b>Totals</b>	<b>1705</b>	<b>2752</b>	<b>4457</b>

To view how the health plans' initial projected enrollment for 2009 compares with actual enrollment, see Appendix B.

The plans are required to report to the Agency all grievances and appeals on a quarterly basis. There have been 13 grievances and appeals filed with the plans as of September 30, 2009. Below is a summary of these grievances.

- 10 members appealed denied claims for services that were not covered under their benefit plans or that were denied due to the pre-existing condition clause. Of these 10 cases, only one was overturned and the rest were upheld.
- 1 member did not receive their member ID cards and coverage documentation, which was then sent to the member right away.
- 1 member was not happy about the marketing materials used by the plan. The plan offered to reimburse one month's premium, but member declined the offer.
- 1 case was a claims processing error, which was overturned.

Complete data has not yet been received for the fourth quarter, October 1, 2009 through December 31, 2009.

### **Cover Florida Rule Development**

The Cover Florida Health Care Access Program statute states that the Agency and the Office (through the Financial Services Commission) may adopt rules to administer the program (Section 408.9091(11), Florida Statutes). The Office has taken the lead on developing a proposed rule as 69O-149 Part 3 (see Appendix C). A workshop was held on October 28, 2009. The workshop was well-attended, and many constructive comments were received.

### **Consumer Concerns**

The Agency, the Governor's Office, and the Office of Insurance Regulation have responded to various concerns expressed by consumers. Below is a list of the most frequently expressed concerns:

- Consumers enrolled in COBRA are ineligible for Cover Florida until COBRA benefits are exhausted. Due to financial constraints, many would prefer to switch coverage to Cover Florida; Consumers who signed up for COBRA would prefer to have the option of changing to Cover Florida once they become aware of the Plan;
  - Many of these consumers had COBRA Premium Assistance, but without it are unable to afford coverage.
- Consumers with expensive catastrophic only coverage are not eligible;
- Many consumers express a dissatisfaction with the pre-existing exclusion clause;
- Employees who are losing their health care coverage, when their employers discontinue the benefit coverage, would like to be eligible for Cover Florida without having to wait the six months;
- Consumers have expressed that the benefit levels set by health plans are inadequate;

- Consumers would like the Cover Florida Plans to offer maternity coverage.

### **Implementation Challenges**

The implementation of the Cover Florida Program has demonstrated two major challenges in maximizing enrollment. Lack of funding to develop a full marketing plan has limited the ability to reach those consumers who may benefit from the program. Also, additional training and incentives for the independent brokers selling the Cover Florida product may help to increase enrollment.

### **Summary**

The Cover Florida Health Care Access Program was signed into law by Governor Crist on May 21, 2008 to expand the availability of health care options for uninsured residents. Since implementation on January 5, 2009, the Cover Florida plans have been offering a wide range of benefit packages. The contractors are all licensed entities currently regulated by the Agency and the Office of Insurance Regulation. The plans meet or exceed all the financial requirements of the Florida Insurance Code.

As of December 31, 2009, total enrollment in the Cover Florida Health Care Access Program was 5,426 members. Three out of the six Cover Florida Plans exceeded their projected enrollment figures for year one, as stated in the Invitation to Negotiate. More consumers enrolled in catastrophic plans than in preventive plans. Females purchased more policies than males in both of these packages. Consumers in the 50-59 age group purchased more policies than any other. The overall enrollment in the program consistently increased each month throughout the year.

In addition, Cover Florida's overall enrollment has exceeded the current flexible health insurance products being sold under Florida law. Cover Florida has 5,426 enrollees over the first 11 months versus health flex plans which had 168 enrollees over the first year and since its inception in 2002 is currently at 5,454 enrollees.

Each month the plans' enrollment data is posted on the Cover Florida Web site.