

RESOLUTION 94- 54

A RESOLUTION OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING ST. JOHNS COUNTY TO NEGOTIATE AN INTERLOCAL AGREEMENT WITH VOLUSIA COUNTY, FLORIDA, FOR THE EXPANSION OF THEIR HEALTH MANAGEMENT ORGANIZATION (HMO) INTO ST. JOHNS COUNTY. SAID HMO WOULD BE EXPANDED FOR THE PURPOSE OF MANAGING MEDICAL SERVICES FOR THE ST. JOHNS COUNTY PUBLIC HEALTH UNIT AND OTHER INTERESTED GOVERNMENTAL ENTITIES.

WHEREAS, the Agency for Health Care Administration, Office of Medicaid, has approved the establishment of a Medicaid HMO by Volusia County, Florida; and

WHEREAS, the Medicaid HMO is required to develop coverage for non-Medicaid clients within three (3) years; and

WHEREAS, other governmental entities have expressed interest in the development of HMO services; and

WHEREAS, the St. Johns County Public Health Unit's clients would benefit from HMO services and have an immediate need; and

WHEREAS, cost savings resulting from efficient health care management will remain with the HMO for re-investment into health care services for St. Johns County clients; and

WHEREAS, the HMO will be a health care system with local providers, locally managed, and with local leadership;

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of St. Johns County, Florida that the Board authorizes the St. Johns County Administrator or his designee to negotiate for subsequent approval an interlocal agreement with Volusia County, Florida, for the expansion of their Health Management Organization (HMO) into St. Johns County.

PASSED AND ADOPTED this 22 day of March, 1994.

BOARD OF COUNTY COMMISSIONERS  
ST. JOHNS COUNTY, FLORIDA

BY: Arlan Roberts  
Its Chair

ATTEST: CARL "BUD" MARKEL, CLERK

BY: Irma Partridge  
Deputy Clerk

## ESTABLISHMENT OF A COUNTY SPONSORED HMO

Given the current status of Florida's Health Care Reform, the County needs to develop and support a health care system that will improve the health status of residents in a cost effective manner. Failure to be involved will lead to management of health services from multi-county boards and private health care companies.

There is a need for the County to maintain an active role in health care and preserve management of health services at the local level. A local health care system should use local health care providers, and the cost saving should be re-invested into the local health care system. The overall goal of the health care system should be managed patient care utilizing nursing case management with emphasis on a continuum of care that includes preventive, primary, secondary, and tertiary care. The efficiencies created by this system will effectively reduce cost without compromising patient care.

Therefore, we request that the County enter into negotiations with Volusia County to expand their Health Maintenance Organization (HMO) into St. Johns County. The County will be given the option for the County separate to it's own HMO when financially feasible.

# HEALTH MAINTENANCE ORGANIZATION

- Provides Managed Care through Case Management.
- 24 hours and seven day per week Patient Referral.
- Receives a Monthly capitation rate for each enrolled patient.
- Negotiates payment rates with hospitals, physicians, and other health care providers.
- Assume financial risk.
- Maintains cost savings to re-invest into health care.
- Health services may be provided by the HMO or contracted.
- Preferred Group of Services:

- Physician Service
- Hospital Inpatient
- Hospital Outpatient
- Pharmacy
- Lab and X-Ray
- EPSDT (Well Child Checkups)
- Home Health Care
- Durable Medical Equipment

- Optional Services:

- Visual
- Hearing
- Dental
- Transportation
- Family Planning

# **HMO Advantages**

- **Assure the accessibility to preventive, primary, secondary, and tertiary medical care.**
- **Maintain the economies of scale by consolidating the financial resources of the State, County, and private sector.**
- **Manages health services with an emphasis on the patient.**
- **The efficiencies of this system will reduce health care cost.**
- **The County will maintain the leadership role in providing low income medical services.**
- **The health care system will be managed at the local level.**
- **The HMO will be open for the managing services for County and other government employees.**
- **Cost reductions that result in savings will be maintained in the HMO and re-Invested into health care.**
- **The health services will be provided by local health care providers.**

# CONCERNS

- Will the public sector dismantle facilities and services?  

This does not appear as long as public health units and public hospitals can competing with HMOs.
- Is treatment in the private sector as good, better, or worse?  

On the face treatment appears to be good. However, the private HMO is money driven and patients are secondary.
- What happens if private HMOs don't work and Medicaid recipients are returned to the public sector?  

Public health units say it will take years to regain ground lost because of the difficulty in recruiting medical professionals.
- Is this the forerunner for a much larger switch when the health reform laws are fully implemented?  

Health care reform will continue at both the state and national levels. HMOs are not dismantling public health as long as taxpayers pay for the services. HMOs cause problems because the shifting of resources, problems, and cost.
- Is the private sector large enough to handle the additional load?  

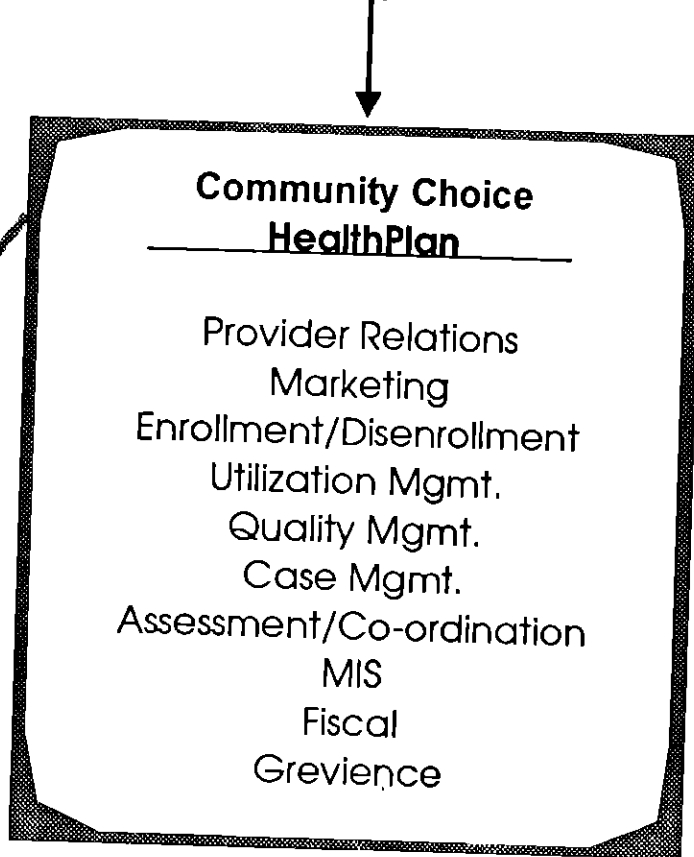
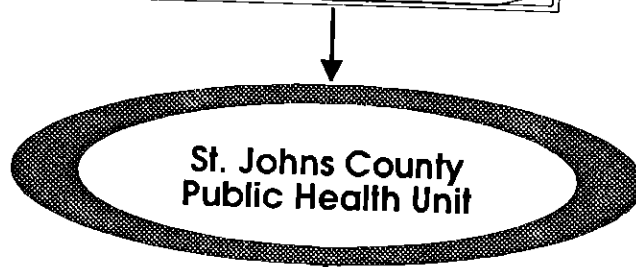
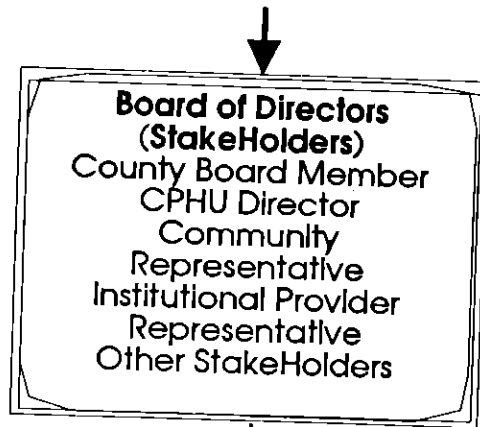
Base on the number of physicians and facilities occupancy rates, there appears to be no problems.

## **OTHER CONCERNS**

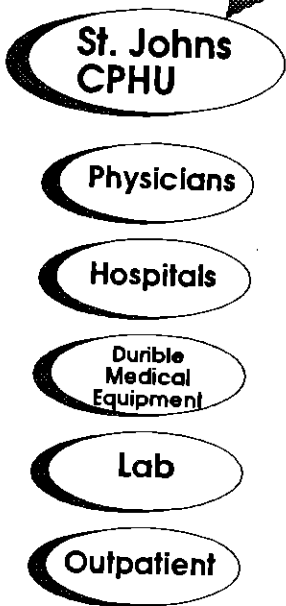
- Private HMOs are selecting the healthiest clients and leaving the less desirable clients to public health units.
- HMOs are not providing Medicaid services such as transportation and housing assistance for the mentally ill.
- HMOs do not cover treatment for sexually transmitted diseases and these patients are sent to the public health unit. Who pays for the service?
- Public health units have not been allowed to compete on an even playing field.
- If public health units' role is reverted back to just prevention, who will pay for it and for how long?
- The State is sending health care dollars to private HMOs. The profits are not being re-invested into health care. One HMO reportedly sent \$8.5 million to its out of state parent company!
- How will social services, Medicaid eligibility, nutrition services, and other services promoted and provided. We have built a ONE-STOP-SHOPPING concept in the County Public Health Unit.
- Private HMOs do not always use local providers. Who provides transportation?

# Future Organizational Relationship

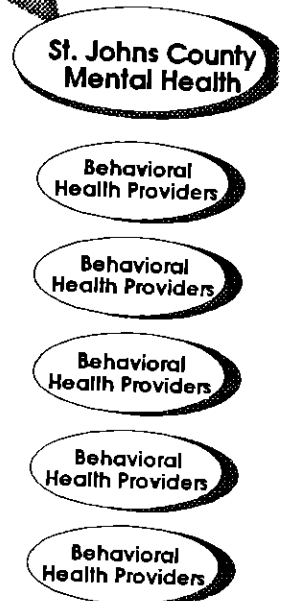
## Florida Medicaid Office



Medical Services & Case Mgmt

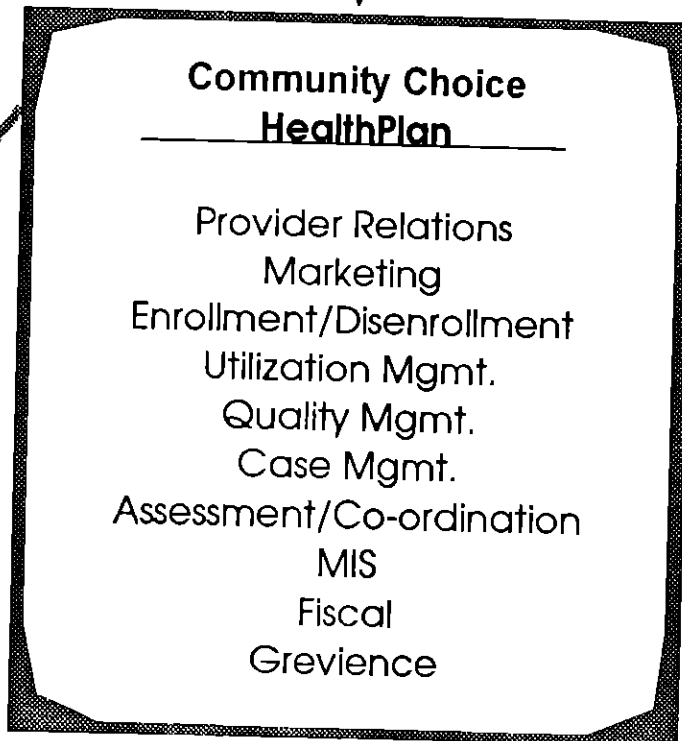
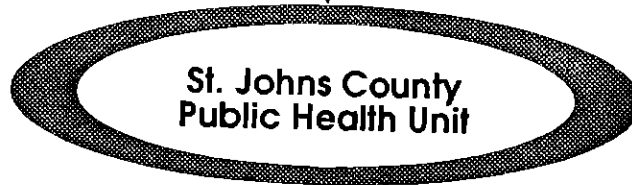
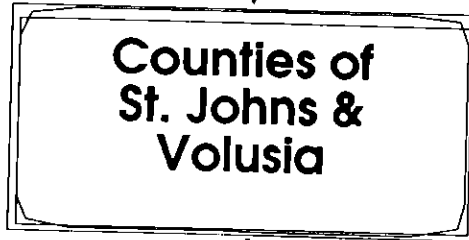


Behavioral Services & Case Mgmt.



# Proposed Organizational Relationship

Florida Medicaid Office



Medical  
Services &  
Case Mgmt



Behavioral  
Services &  
Case Mgmt.

