

## BUSINESS

# Federal judge won't dismiss Fla. Medicaid lawsuit

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By **KELLI KENNEDY, Associated Press**

**MIAMI** — A federal judge refused Tuesday to dismiss a lawsuit that alleges Florida provides inadequate care to children in its Medicaid program, despite state claims that privatizing the program will resolve many of the problems.

The state argued that a massive statewide overhaul to privatize Medicaid will raise reimbursement rates, improve doctor participation and address allegations that children can't get doctor appointments. Attorneys for the state said the lawsuit, which was filed nine years ago, has become moot because of the Medicaid privatization. Statewide enrollment for most children began in May and ends in August.

Judge Adalberto Jordan said the changes are promising, but added there are too many unknowns about whether the program will actually improve access to medical care to dismiss the case.

Under privatization, the state pays insurance companies a set fee to provide care and the companies must follow standards. However, Jordan said it will be some time before it's clear whether insurers follow through.

"It's one thing to require standards in a contract. It's quite another thing to see if they meet the standards and we aren't going to know that for a very long time," said Jordan, who said he plans to issue a ruling in October.

The state has spent millions defending the class-action lawsuit that claims Florida is violating federal Medicaid requirements by providing inadequate medical and dental care for children on Medicaid. The initial complaint alleges 390,000 children did not get a medical checkup in 2007 and more than 750,000 received no dental care. Many doctors and dentists won't accept Medicaid, as Florida's reimbursement rates are among the country's lowest. The lawsuit alleges children on Medicaid often

must wait two to three months to see specialists, especially in rural counties.

Nearly 3 million Florida residents — more than half of them children — are shifting to privatized Medicaid this year. Insurance companies are required to spend 85 percent on patient care and must expand their network of doctors and hospitals, increase reimbursement rates and meet a host of stringent new standards, said Stephanie Daniel, an attorney for the state. She said that will dramatically improve access to medical care.

"Medicaid as it was before won't exist," she said.

About 5,000 children will not transition into the privatization program and the state will still pay for the medical services they incur, said Daniel.

Medicaid privatization may be a "game changer" in the case, the judge said, but he noted there are still too many unanswered questions. For example, he said it's unclear whether the state will decide in January 2015 to further increase doctor reimbursement rates. Additionally, the state must get federal approval if it wants to continue the program beyond three years. It's unclear what federal health officials will decide, especially as tensions with the state escalated after the Florida Legislature voted not to expand Medicaid to roughly 1 million additional people under the Affordable Care Act.

The trial wrapped up two years ago, but Jordan, who was appointed to the 11th U.S. Circuit Court of Appeals and maintained jurisdiction over this case, has not yet issued a ruling.

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