Committee on Appropriations

SB 2514 — Health Care

by Appropriations Committee

The bill provides for the following:

Section 1 amends s. 210.20(2)(c), F.S., relating to the distribution of cigarette tax revenue for biomedical research purposes, to redirect the cigarette tax distribution funds that would otherwise be used for the Sanford Burnham Prebys Medical Discovery Institute to National Cancer Institute research entities under s. 381.915, F.S. The funding is for advancement of cures for cancers impacting pediatric populations through basic or applied research, including but not limited to clinical trials and nontoxic drug discovery.

Section 2 amends s. 381.922 (2), F.S., relating to the Bankhead-Coley Cancer Research Program, and specifically grants thereunder, to stipulate that efforts to improve both research and treatment through greater participation in clinical trials networks shall include identifying ways to increase pediatric and adult enrollment in clinical trials. In addition, the Live Like Bella Initiative is created within the Bankhead-Coley Program to advance progress toward curing pediatric cancer by awarding grants according to the peer-reviewed, competitive process established under subsection (3) of this section. The implementation of this new initiative is subject to an annual appropriation.

Section 3 amends s. 394.9082(10)(a), F.S., relating to behavioral health managing entities and the related acute care services utilization database, to revert the statute back to the reporting requirements in place when the database was initially created in 2015, and also require the Department of Children and Families to post the data on its website.

Section 4 amends s. 395.602, F.S., relating to rural hospitals, to provide that a hospital classified as a sole community hospital is included in the definition of "rural hospital" regardless of its bed size.

Section 5, effective October 1, 2018, amends s. 400.179(2), F.S., relating to liability for Medicaid underpayments and overpayments, to authorize use of leasehold trust fund revenues as enhanced payments to nursing homes as may be specified in the General Appropriations Act as part of nursing home prospective payment transition.

Section 6 amends s. 409.904(11), F.S., to expand optional payments for eligible persons in Medicaid, to add as a person for whom Medicaid payment may be made someone who meets the following criteria: a person who is diagnosed with acquired immune deficiency syndrome (AIDS); who has an AIDS-related opportunistic infection and is at risk of hospitalization; and whose income is at or below 300 percent of the federal benefit rate.

Section 7 amends s. 409.906(13)(b), F.S., relating to optional Medicaid services, and specifically home and community based services, to delete reference to a series of waivers that are or will be obsolete once the waiver enrollees complete their transition into long-term care managed care.

Section 8 amends s. 409.908(2), F.S., relating to reimbursement of Medicaid providers, and more specifically nursing homes, to transition from a cost based reimbursement methodology to a prospective payment reimbursement methodology effective October 1, 2018. The parameters for the prospective payment system are specified. Beginning October 1, 2018, and ending September 30, 2021, the Agency for Health Care Administration (AHCA) shall reimburse nursing home providers the greater of their September 2016 cost-based reimbursement rate or their prospective payment rate. Effective October 1, 2021, the AHCA shall reimburse providers the greater of 95 percent of their cost-based rate or their rebased prospective rate, using the most recently audited cost report for each facility. Pediatric, Florida Department of Veterans Affairs, and government-owned facilities are exempt from this new pricing model. Related provisions are modified to keep in place applicable rate-setting ceilings and targets for those facilities that remain on cost-based reimbursement. Changes are made for calculations of direct care costs, and other patient care costs. Prospective rates are to be rebased every four years, and direct care supplemental payments may be made under specified circumstances.

Section 9 amends s. 409.908, F.S., relating to Medicaid reimbursement, to delete outdated language relating to ambulatory surgical center reimbursement.

This section specifies that Medicaid reimbursement will be provided for deductibles and coinsurance for Medicare Part B services provided for mobile x-ray services rendered to a person who is Medicare and Medicaid dually eligible when such services are delivered in an assisted living facility or a home, just as such reimbursement is presently provided for a nursing home resident.

This section is further amended to indicate that base rate reimbursement for hospital services will be specified in the General Appropriations Act, with inpatient services based on a diagnosis-related group payment methodology and hospital outpatient services based on an enhanced ambulatory payment group methodology.

In addition, a new subsection (26) is added which authorizes the use of funds from specified entities for making special exception payments under Medicaid, including federal matching funds. Local government funds may be certified as state match under federal authority as authorized in the General Appropriations Act. Stipulations are provided regarding timelines and requirements for letters of agreements with local governments for securing these funds.

Section 10 effective July 1, 2018, amends s. 409.9082(4), F.S., relating to the uses of revenue generated by the quality assessment on nursing home facilities, to authorize as a use the partial funding of the quality incentive program for nursing facilities that exceed quality benchmarks under the prospective payment system, in lieu of use for that portion for the facilities' rate not otherwise addressed by the subsection provisions relating to rate reduction and assessment amounts.

Section 11 amends s. 409.909, F.S., to modify the Statewide Medicaid Residency Program such that a qualifying institution, as defined under the program, may receive the same types of program payments as hospitals. Under the program, a qualifying institution is defined as a Federally Qualified Health Center which holds an Accreditation Council for Graduate Medical Education institutional accreditation. References are also incorporated which reflect the hospital outpatient enhanced ambulatory payment group rate.

Section 12 amends s. 409.911(2)(a), F.S., relating to the Regular Disproportionate Share Program, to require the AHCA to use the average of the 2009, 2010, and 2011 audited disproportionate share hospital (DSH) data to determine each hospital's Medicaid days and charity care for the 2017-2018 fiscal year.

Section 13 amends s. 409.9119, F.S., relating to the disproportionate share program for specialty children's hospitals, to modify the specialty children's hospitals that qualify for funds under this section to include those that have a specific federal certification number, and meet Medicare and Medicaid day criteria. There is an update of the fiscal year referenced for fund distribution purposes.

Section 14 amends s. 409.913(36), F.S., relating to oversight of the integrity of the Medicaid program and the sharing of explanation of medical benefits with service recipients, to authorize that such documents be shared with recipients on a sampling basis rather than to all recipients, other than the exemptions already provided from such distributions.

Section 15 amends s. 409.975(1)(e), F.S., relating to managed care plan accountability, to make optional, rather than mandatory, that Medicaid managed care plans offer a network contract to each home medical equipment and supplies vendor in the plan's region, provided the vendor meets established standards.

Section 16 amends s. 409.979(1) and (2), F.S., relating to eligibility for the Long-term Care Managed Care program, to include those who meet hospital level of care for individuals with cystic fibrosis. In addition, this section specifies that those individuals enrolled in the Traumatic Brain and Spinal Cord Injury Waiver, the Adult Cystic Fibrosis Waiver, and the Project AIDS Care Waiver who meet all applicable criteria shall be transitioned to Long-term Care Managed Care program by January 1, 2018. Once all such persons have been transitioned out of their waiver, the AHCA may seek federal authorization to terminate these waivers.

Section 17, effective October 1, 2018**,** amends s. 409.983(6), F.S., relating to long-term care managed care plan payment, to eliminate language requiring plans to reimburse nursing homes based on facility costs adjusted for inflation and other factors. (This is consistent with the transition to the nursing home prospective payment system.)

Section 18 amends s. 409.901(27), F.S., to modify the definition of "third party" as that term is used in the Florida Medicaid program.

Section 19 amends s. 409.910, F.S., relating to responsibility for payments on behalf of Medicaid-eligible persons when other parties are liable, and addresses federal compliance issues in the current statute. Specifically addressed are applicable federal law limits on recoveries, evidentiary standards, applicability to third party payers, and payment response requirements. Outdated provisions are deleted from the statute.

Section 20, notwithstanding section 27 of chapter 2016-65, Florida Statutes, directs the AHCA, subject to federal approval to become a PACE site, to contract with a not-for-profit organization formed by a partnership with a not-for-profit hospital, not-for-profit agency serving seniors, and a not-for-profit hospice in Leon County. The organization is authorized to serve eligible enrollees in Leon, Jefferson, Gadsden, and Wakulla counties. The AHCA, in conjunction with the Department of Elder Affairs and subject to a subsequent appropriation, shall approve up to 300 initial enrollees in this PACE program.

Section 21 amends section 17 of chapter 2011-61, Laws of Florida, to authorize the existing PACE provider in Palm Beach County to expand services to eligible enrollees in Martin, St. Lucie, Okeechobee, and Indian River Counties. The initial 150 enrollees were residents of Palm Beach County, and the enrollment in Martin County can be up to 150 persons.

Section 22 amends section 29 of chapter 2016-65, Laws of Florida, to authorize the Lake County hospice-based PACE provider to expand services into the Orlando area with an initial enrollment of 150 persons.

Section 23 amends s. 391.055(3), F.S., relating to Children's Medical Services delivery systems, to incorporate conforming cross-references.

Section 24 amends s. 393.0661(7), F.S., relating to home and community based services, to incorporate conforming cross-references.

Section 25 amends s. 409.968(4)(a), F.S., relating to managed care plan payments, to incorporate conforming cross-references.

Section 26 amends s. 427.0135(3), F.S., relating to purchasing agencies, to incorporate conforming cross-references.

Section 27 amends s. 1011.70(1) and (5), F.S., relating to Medicaid certified school refinancing, to incorporate conforming cross-references.

Section 28 creates an undesignated section of law to provide Fiscal Year 2017-2018 funding authorization for the Low Income Pool program in the AHCA, as reserved funds, in the amount of $1.5 billion. Subject to federal approval of special terms and conditions for the program, the AHCA is directed to submit a budget amendment for release of the reserved funds via a 14-day consultation review period. As part of the proposed amendment submission, the AHCA is directed to provide specified supporting documentation. Payments are contingent upon the non-

federal share of funding being made available through intergovernmental transfers. If funds are not available, the state is not obligated to make payments. This section expires July 1, 2018.

Section 29 creates an undesignated section of law to provide Fiscal Year 2017-2018 funding authorization, to continue medical school faculty physician supplemental payments by the AHCA, as reserved funds in the amount of $246.0 million. Funds recipients and means of payment are specified. Subject to federal approval to continue these supplemental payments, the AHCA is directed to submit a budget amendment for release of the reserved funds via a 14-day consultation review period. Payments are contingent upon the nonfederal share of funding being made available through intergovernmental transfers. If funds are not available, the state is not obligated to make payments. This section expires July 1, 2018.

If approved by the Governor, these provisions take effect July 1, 2017, except where otherwise provided.
Vote: Senate 37-0; House 109-3