

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 441 Home Health Agencies  
**SPONSOR(S):** Rodrigues  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 816

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Innovation Subcommittee	13 Y, 0 N	Guzzo	Poche
2) Health Care Appropriations Subcommittee	12 Y, 0 N	Clark	Pridgeon
3) Health & Human Services Committee			

### SUMMARY ANALYSIS

A home health agency (HHA) is an organization that provides home health services and staffing services. Home health services provided by an HHA include health and medical services and medical equipment provided to an individual in his or her home, such as nursing care, physical and occupational therapy, and home health aide services. HHAs are regulated by the Agency for Health Care Administration (AHCA) pursuant to part III of chapter 400, F.S.

An HHA that is a Medicare or Medicaid provider, or shares a common controlling interest with a provider that is a Medicare or Medicaid provider, must submit a quarterly report to AHCA, within 15 days after the end of each calendar quarter. The report must include:

- The number of insulin dependent diabetic patients receiving insulin-injection services from the HHA;
- The number of patients receiving home health services from the HHA while also receiving hospice services;
- The number of patients receiving home health services; and
- The name and license number of each nurse who received remuneration from the HHA in excess of \$25,000 during the calendar quarter.

An HHA that submits the report late is fined \$200 per day until AHCA receives the report, but the total fine imposed may not exceed \$5,000 per quarter.

HB 441 removes the quarterly reporting requirement, and associated fines for late submittal of the report, for HHAs. Instead, the bill requires all HHAs to submit the number of patients receiving home health services to AHCA during the licensure renewal process.

The bill has an indeterminate negative fiscal impact on state government as there will be a reduction in revenues resulting from the elimination of associated fines; however, prior fine collections have been minimal, therefore the impact is not expected to be significant. Regulatory operation costs are covered by licensure fees.

The bill provides an effective date of July 1, 2015.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Background**

##### Home Health Agencies

A home health agency (HHA) is an organization that provides home health services and staffing services.<sup>1</sup> Home health services provided by an HHA include health and medical services, such as nursing care, physical and occupational therapy, home health aide services, and medical equipment provided to an individual in his or her home.<sup>2</sup> HHAs are regulated by the Agency for Health Care Administration (AHCA) pursuant to part III of chapter 400, F.S.

Current law<sup>3</sup> requires HHAs that are Medicare or Medicaid providers, or share a common controlling interest with a provider that is a Medicare or Medicaid provider, to submit a quarterly report to AHCA, within 15 days after the end of each calendar quarter. The report must include:

- The number of insulin dependent diabetic patients receiving insulin-injection services from the HHA;
- The number of patients receiving home health services from the HHA while also receiving hospice services;
- The number of patients receiving home health services; and
- The name and license number of each nurse who received remuneration from the HHA in excess of \$25,000 during the calendar quarter.

An HHA is exempt from submitting the report if it is not a Medicare or Medicaid provider or does not share a controlling interest with a provider that is a Medicare or Medicaid provider.

##### Fines for Late or Non-Reporting of Quarterly Report

In 2008, the Legislature authorized AHCA to impose a fine against an HHA that commits certain fraudulent acts.<sup>4</sup> The legislation also required HHAs to submit a quarterly report to AHCA to assist in identifying possible fraudulent activity and authorized AHCA to impose a fine of \$5,000 for late or non-reporting. In 2013, the Legislature reduced the mandatory fine amount for late or non-reporting of the quarterly report from \$5,000 to \$200 per day, up to a maximum of \$5,000 per quarter.<sup>5</sup>

Since July 1, 2008, \$8,317,650 in fines has been assessed against HHAs.<sup>6</sup> The amount of fines has decreased annually since July 1, 2013, when the law was changed to reduce the amount of the fine.<sup>7</sup> The following table provides an overview of the HHA reporting fines assessed and collected by AHCA annually, since 2008.<sup>8</sup>

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<sup>1</sup> S. 400.462(12), F.S.

<sup>2</sup> S. 400.462(14), F.S.

<sup>3</sup> S. 400.474(7), F.S.

<sup>4</sup> Ch. 2008-246, Laws of Fla.

<sup>5</sup> Ch. 2013-133, Laws of Fla.

<sup>6</sup> Florida Agency for Health Care Administration, 2015 *Agency Legislative Bill Analysis for HB 441*, page 2 (on file with Health Innovation Subcommittee staff).

<sup>7</sup> Id.

<sup>8</sup> Id.

<b>Fiscal Year</b>	<b>Fines Assessed</b>	<b>Fines Collected</b>
FY 2008-09	\$485,5000	\$375,000
FY 2009-10	\$2,921,100	\$2,254,533
FY 2010-11	\$1,945,750	\$1,298,250
FY 2011-12	\$927,750	\$711,750
FY 2012-13	\$925,000	\$603,000
FY 2013-14	\$723,250	\$263,375
FY 2014-15	\$389,300	\$129,200
<b>Total</b>	<b>\$8,317,650</b>	<b>\$5,635,108</b>

### **Effect of Proposed Changes**

The bill removes the quarterly reporting requirement, and associated fine provisions for late reporting, for HHAs that are Medicare or Medicaid providers. Instead, the bill requires all HHAs to submit the number of patients receiving home health services to AHCA during the licensure renewal process.

#### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 400.474, F.S., relating to administrative penalties for home health agencies.

**Section 2:** Provides an effective date of July 1, 2015.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

The bill removes an HHA quarterly reporting requirement and the fines associated with the failure to timely file the report. As a result, there will be a reduction of fine revenues. Although the amount of fines collected for failure to timely file the quarterly report required by s. 400.474(7), F.S., has dropped significantly each year since FY 2009-10, the impact of the elimination of quarterly report fine revenue is indeterminate. Fines and licensure fees are deposited in the Agency's Health Care Trust fund and licensure fees are used to support the regulatory operations.

##### **2. Expenditures:**

None.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

None.

#### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

HHAs may realize a reduction of administrative costs associated with submitting information to AHCA every two years instead of every quarter. Also, HHAs will no longer be fined for late filing of the report under s. 400.474(7), F.S.

#### **D. FISCAL COMMENTS:**

None.

## **III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

AHCA has sufficient rule making authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**