

STORAGE NAME: h1025a.hhs

DATE: March 26, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH & HUMAN SERVICES APPROPRIATIONS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1025 (PCB HCR 97-05)

RELATING TO: Creation of Medical Quality Assurance Trust Fund

SPONSOR(S): Committee on Health Care Standards & Regulatory Reform

STATUTE(S) AFFECTED: s. 20.435(1)(f), F.S.

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH CARE STANDARDS & REGULATORY REFORM YEAS 6 NAYS 0
- (2) HEALTH & HUMAN SERVICES APPROPRIATIONS YEAS 11 NAYS 0
- (3)
- (4)
- (5)

I. SUMMARY:

Article III, section 19(f)(1) of the State Constitution requires each state trust fund to be created by "a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only."

In 1996, HB 455 (ch. 96-403, Laws of Florida), created the Department of Health (DOH) and transferred a number of functions to this new agency. Among the functions transferred were all of the medical boards in the Division of Medical Quality Assurance of the Agency for Health Care Administration, and four professions from the Department of Business and Professional Regulation. Effective 7/1/97 all of the professions and their respective cash balances will be transferred to the new department (DOH). Currently, there are no trust funds in the new department. Trust funds will need to be created to handle various funding sources to be transferred.

PCB 5 creates the Medical Quality Assurance Trust Fund in the DOH. All fees and fines relating to the licensure and regulation of health care professionals (currently 37 professions) are required to be deposited in this trust fund. Such funds shall be used for the purpose of providing regulation of health care professionals.

Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund and shall be available for the purposes of the trust fund. Pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the new trust fund shall, unless terminated sooner, be terminated on July 1, 2001. However, prior to its termination, such trust fund shall be reviewed as provided in s 215.3206(1) and (2), F.S.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Article III, section 19(f)(1) of the State Constitution requires each state trust fund to be created by "a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only."

Section 20.165, F.S., created the Department of Business and Professional Regulation (DBPR) and its divisions, including the Division of Medical Quality Assurance with the various medical boards and professions. License fees and fines for all professions were deposited in the Professional Regulation Trust Fund. Chapter 92-33, L.O.F., transferred the medical boards and professions from DBPR to the Agency for Health Care Administration (agency), Division of Health Quality Assurance, effective July 1, 1993. The July 1, 1993 date was delayed by the 1993 Legislature for one year (7/1/94). The actual transfer of most functions did not take place until approximately October 1, 1995. Some of the functions such as testing and license renewals still have not been transferred.

Section 20.42, F.S., created the Agency for Health Care Administration (AHCA) and the various divisions. The Division of Health Quality Assurance is responsible for health facility licensure and inspection and the Division of Medical Quality Assurance for the medical boards and professions listed in s. 20.42(2)2., F.S. Naturopathy and medical physicists are not included. Medical physicists regulated under part V of ch. 483, F.S., were first regulated by the Legislature in 1995, and naturopathy was not included due to an oversight because ch. 462, F.S., does not permit the state to license additional licensees under this chapter. Presently, there are 33 medical professions located in AHCA.

In 1996, HB 455 (ch. 96-403, Laws of Florida), created the Department of Health and transferred a number of functions to this new agency. Among the functions transferred were all of the medical boards in the Division of Medical Quality Assurance of AHCA, and four other professions from the Department of Business and Professional Regulation. All transfers were by a type two transfer, and effective 7/1/97. The four professions were the Board of Massage Therapy, Athletic Trainers, the Board of Hearing Aid Specialists, and Home Health Care Service Pools.

Effective 7/1/97, there will be 37 professions in the Division of Medical Quality Assurance of the Department of Health (DOH). The law transferring all of the medical boards from AHCA provided that DOH would contract with AHCA to perform the function of receiving complaints, investigations, and prosecutions.

The type two transfer of all the medical professions to the DOH included their cash balances, which are currently segregated by profession in special accounts in the Health Care Trust Fund of AHCA. Chapter 455, F.S., currently requires all receipts, disbursements, and cash balances of the medical professions to be maintained in separate accounts and used solely for the regulation of each profession. Effective 7/1/97 all of the professions and their respective cash balances will be transferred to the new department (DOH). There are currently no trust funds in the new department. Trust funds will need to be created to handle the funding sources to be transferred.

B. EFFECT OF PROPOSED CHANGES:

Creates the Medical Quality Assurance Trust Fund in the DOH.

Funds to be credited to the MQA Trust Fund shall be all fees and fines relating to the licensure and regulation of health care professionals (currently 37 professions).

Such funds shall be used for the purpose of providing regulation of health care professionals.

Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund and shall be available for the purposes of the trust fund. Pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the new trust fund shall, unless terminated sooner, be terminated on July 1, 2001. However, prior to its termination, such trust fund shall be reviewed as provided in s 215.3206(1) and (2), F.S.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Not Applicable.

(2) what is the cost of such responsibility at the new level/agency?

Not Applicable.

(3) how is the new agency accountable to the people governed?

Not Applicable.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Not Applicable.

4. Individual Freedom:

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- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Not Applicable.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

Not Applicable.

- (2) Who makes the decisions?

Not Applicable.

- (3) Are private alternatives permitted?

Not Applicable.

- (4) Are families required to participate in a program?

Not Applicable.

- (5) Are families penalized for not participating in a program?

Not Applicable.

- b. Does the bill directly affect the legal rights and obligations between family members?

Not Applicable.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

Not Applicable.

(2) service providers?

Not Applicable.

(3) government employees/agencies?

Not Applicable.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates s. 20.435(1)(f) and (2), F.S. Creates the Medical Quality Assurance (MQA) Trust Fund within the Department of Health. Funds credited to the MQA Trust Fund shall be all fees and fines relating to the licensure and regulation of health care professionals by the Division of Medical Quality Assurance of the Department of Health. Pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the new trust fund shall, unless terminated sooner, be terminated on July 1, 2001. However, prior to its termination, such trust fund shall be reviewed as provided in s. 215.3206(1) and (2), F.S.

Section 2. Directs the Division of Statutory Revision to incorporate within s. 20.435, F.S., all trust funds created within the Department of Health by separate legislation.

Section 3. Provides an effective date of July 1, 1997.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

According to the Agency for Health Care Administration, estimated revenues for the new trust fund for fiscal year 1997-98 will be approximately \$36.9 million. The balance in the Health Care Trust Fund as of 1/1/97 that is restricted to regulation of the professions was \$36.7 million.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE STANDARDS & REGULATORY REFORM:

Prepared by:

Legislative Research Director:

Robert W. Coggins

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AS REVISED BY THE COMMITTEE ON HEALTH & HUMAN SERVICES

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