

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1642

SPONSOR: Senator Clary

SUBJECT: MediKids

DATE: March 15, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Liem</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 1642 allows applicants for children’s health insurance coverage through the MediKids program to have a choice of Medicaid health maintenance organizations (HMOs) or MediPass providers in any Florida county.

The bill amends s. 409.8132, F.S., 1998 Supplement.

II. Present Situation:

The 1998 Florida Legislature created the Florida KidCare program, which is Florida’s Title XXI child health insurance program. Florida KidCare consists of several components, one of which is the MediKids program. MediKids is available to children under age 5 who do not qualify for Medicaid and who meet other KidCare eligibility criteria. There are currently 2,925 children enrolled in MediKids.

MediKids is a Medicaid “look-alike” program. MediKids provides the Medicaid benefit package (except for waivers), uses the Medicaid administrative infrastructure, pays Medicaid reimbursement rates, and uses Medicaid providers, with one exception. Medicaid enrollees may choose MediPass (a primary care case management program) or a Medicaid HMO in any Florida county. MediKids enrollees, however, may only select a MediPass provider in counties with fewer than two Medicaid-participating HMOs.

As of March 9, 1999, 26 counties have two or more Medicaid-participating HMOs. MediKids enrollees in these counties may not select a MediPass provider. Twenty counties have one HMO that participates in Medicaid. Children who live in these counties may select either the HMO or MediPass. Twenty-one counties have no Medicaid-enrolled HMO. Children in these counties select a MediPass provider for their care. Because most high-population counties have more than one Medicaid HMO, it is not surprising that most MediKids participants are enrolled in HMOs.

Families make their HMO or MediPass selection through the Agency for Health Care Administration's abbreviated choice counseling process. Families receive a letter notifying them of their health care provider choices and requesting that a choice be made within 14 days. Agency staff follow up a total of three times with families to encourage them to make a choice. Unlike Medicaid beneficiaries, children applying for MediKids cannot receive any health benefits until they have made a provider choice and are officially enrolled in the MediKids program. Also unlike Medicaid, there is no provision for making a mandatory assignment of a child whose family does not make a voluntary choice.

III. Effect of Proposed Changes:

Section 1. Amends s. 409.8132, F.S., 1998 Supplement, to remove the requirement that MediKids applicants may select MediPass only in counties that have fewer than two Medicaid-participating HMOs, giving MediKids program applicants a wider variety of providers to choose from, and making the MediKids program more like the Medicaid program.

Section 2. Provides an effective date of July 1, 1999.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Subsections 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There may be a shift of enrollment away from HMOs to fee-for-service providers in the MediPass program.

C. Government Sector Impact:

The Agency for Health Care Administration reports that the per member per month cost used to calculate the fiscal impact for the MediKids program for current funding assumed that 50 percent of the enrollees would be in HMOs and prepaid health plans, and that 50 percent would join MediPass. The actual enrollment has been mostly in prepaid health plans and HMOs. The agency reports that the bill would require no additional funding.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
