

STORAGE NAME: h0811a.hcs

DATE: March 31, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE SERVICES
ANALYSIS**

BILL #: HB 811

RELATING TO: Child Protection Team Services

SPONSOR(S): Rep. Brown

COMPANION BILL(S): SB 2118 (s)

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

- (1) HEALTH CARE SERVICES
 - (2) CHILDREN & FAMILIES
 - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

HB 811 specifies that managed care entities serving Medicaid recipients and MediPass providers under Medicaid, as well as health maintenance organizations generally, are prohibited from requiring preauthorization for, and are required to provide direct access to and reimbursement for, services rendered by a child protection team, as established under s. 39.303, F.S., 1998 Supplement, for diagnosis and evaluation services related to alleged child abuse, abandonment, or neglect.

The bill's effective date is July 1, 1999.

The bill is not expected to have any direct fiscal impact on state or local government.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Chapter 39, F.S., governs proceedings relating to children. Part II of this chapter, consisting of ss. 39.39-39.418, F.S., relates specifically to child dependency cases. Section 39.303, F.S., 1998 Supplement, requires Children's Medical Services of the Department of Health to develop, maintain, and coordinate the services of child protection teams in each of the service districts of the Department of Children and Family Services. These teams provide diagnosis and evaluation of children alleged to be abused. To provide these services, the teams utilize numerous private providers who receive referrals on an on-call basis around the clock. Diagnosis and evaluation of abuse and neglect is time sensitive and must be completed without delay.

Under the provisions of s. 409.9122, F.S., 1998 Supplement, certain Medicaid recipients must be enrolled in a managed care service delivery system, either with a Medicaid-contracted health maintenance organization or with a gate-keeper MediPass provider. Medicaid-contracted HMOs are currently required, under contract terms, to pay for all services for children taken into protective custody by the Department of Children and Family Services under the authority of 65C-12.002, F.A.C., without prior authorization. This contractual provision does not address pre-custodial children.

There are no equivalent regulatory payment requirements for children covered under commercial HMO contracts.

Child protection team members are experiencing difficulty in receiving reimbursement when they submit claims to third-party payers for their services. One of the constraints on reimbursement for child protection team services is a general managed care requirement relating to prior authorization for services. Because of the timing and nature of child protection team services, prior approval is often unobtainable and inappropriate, and lack of prior approval can result in lost reimbursement for services rendered, according to the Department of Health.

B. EFFECT OF PROPOSED CHANGES:

HB 811 would specify that managed care entities serving Medicaid recipients and MediPass providers under Medicaid, as well as health maintenance organizations generally, are prohibited from requiring preauthorization for, and must provide direct access to and reimbursement for, services rendered by a child protection team, as established under s. 39.303, F.S., 1998 Supplement, for diagnosis and evaluation services to children for whom there is suspected child abuse, abandonment, or neglect.

The bill's effective date would be July 1, 1999.

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?

Yes. The Agency for Health Care Administration will have to modify its contracts with HMOs for services to Medicaid recipients and revise its edit and payment system for MediPass enrollees. The agency will also have to amend its existing federal waiver under which the MediPass program operates to exclude the impacted services from the requirement for prior authorization.

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

Yes. All commercial HMO subscriber contracts will have to be modified to incorporate the new provisions created in this bill.

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

N/A

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?

N/A

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

N/A

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

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

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

The bill should have minimal, if any, impact on HMOs that may not have covered this service to date.

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?

No.

4. Individual Freedom:

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

No.

- 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?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

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

N/A

- 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?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Sections 409.9122 and 641.31, F.S., 1998 Supplement.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 409.9122, F.S., 1998 Supplement, relating to mandatory Medicaid managed care enrollment, to add a new subsection (13) which specifies that managed care entities serving Medicaid recipients, and MediPass providers under Medicaid, are prohibited from requiring preauthorization for, and are required to provide direct access to and reimbursement for, services

rendered by a child protection team, as established under s. 39.303, F.S., 1998 Supplement, for diagnosis and evaluation services related to alleged child abuse, abandonment, or neglect.

Section 2. Amends s. 641.31, F.S., 1998 Supplement, relating to health maintenance contracts, to add a new subsection (36) which specifies that health maintenance organizations are prohibited from requiring preauthorization for, and are required to provide direct access to and reimbursement for, services rendered by a child protection team, as established under s. 39.303, F.S., 1998 Supplement, for diagnosis and evaluation services related to alleged child abuse, abandonment, or neglect.

Section 3. Provides for a July 1, 1999, effective date.

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:

The bill is an attempt to secure compensation from managed care third-party payers for the services of the child protection teams. Since the types of services rendered by the teams are basic services, such as physician screening and evaluation, and are already included in most managed care agreements, the bill serves only to remove the requirement for prior authorization for such services. This should have little or no impact on the overall cost of services provided by managed care entities and minimum, if any, costs to the state.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that municipalities or counties have to raise revenue in the aggregate.

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

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

V. COMMENTS:

While the bill is intended to prohibit prior authorization by managed care entities as a means of ensuring managed care reimbursement for child protection team services, child protection team providers indicate that they are constrained from seeking such prior authorization due to the confidentiality requirements of ch. 39, F.S. As such, this bill does not address this issue in any meaningful way. A more productive route to address that concern might be to amend s. 39.202, F.S., 1998 Supplement, to authorize child protection teams to share otherwise confidential client information with insurers and managed care entities.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE SERVICES:

Prepared by:

Staff Director:

Phil E. Williams

Phil E. Williams