

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: CS/SB 880

SPONSOR: Senator Myers

SUBJECT: Department of Health Care/Reassignment of the Agency for Health Care Administration

DATE: April 17, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable/CS</u>
2.	<u>Peters</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 880 reassigns the Agency for Health Care Administration (AHCA or agency) from the Department of Business and Professional Regulation to the Department of Health Care, effective July 1, 1999. The agency's current independence is maintained and the director is made subject to Senate confirmation. The current division structure within the Agency for Health Care Administration is changed.

The bill renames the Department of Health as the Department of Health Care. The Division of Statutory Revision is requested to prepare a reviser's bill to make conforming changes to the Florida Statutes.

Effective July 1, 1999, the consumer complaint services, investigations, and prosecutorial services related to health care practitioners that are currently provided by AHCA under contract with the Department of Health are transferred to the Department of Health. Existing authority for the Department of Health to contract with AHCA for these services is repealed.

The bill provides for an eight-member organizational efficiency advisory committee with equal representation from the Department of Health Care and AHCA. The committee will review current activities of the department and the agency and make recommendations for gaining administrative efficiencies through consolidation of potentially overlapping functions in administrative services, legal services, information and management information systems, and data and planning services. The advisory committee is to prepare and submit recommendations by January 15, 2000.

This bill: amends ss. 20.42 and 20.43, F.S., 1998 Supplement; and creates 4 undesignated sections of law.

II. Present Situation:

Department of Health

Section 20.43, F.S., creates and provides the organizational structure for the Department of Health. The mission of the department is to promote and protect the health and safety of all residents and visitors in the state. Section 20.43, F.S., assigns certain functions to the department in furtherance of its mission.

The department was established as an independent agency on January 1, 1997. Prior to this, health was a program office within the Department of Health and Rehabilitative Services. On July 1, 1997, the following responsibilities were also transferred to the Department of Health: regulation of health care practitioners and responsibility for local health councils, from the agency; and the Correctional Medical Authority, from the Department of Corrections.

The Department of Health provides services in three broad areas: community public health, services for children with special health care needs, and the regulation of health care practitioners. Community public health services include the following divisions as specified in s. 20.43, F.S.: the Division of Environmental Health, the Division of Disease Control, and the Division of Family Health Services. The 67 county health departments are the primary operational arm for the department's community public health functions. Services to children with special health care needs are provided by the department's Division of Children's Medical Services. The department regulates health care practitioners and improves access to health care providers through the Division of Medical Quality Assurance and the Division of Local Health Planning, Education, and Workforce Development, respectively. The Division of Administration is responsible for the department's functions relating to accounting, budgeting, personnel, general services, purchasing, and related administrative matters. The Correctional Medical Authority (CMA) monitors health care provided to state prison inmates, using contract health care providers to perform audits under the direction of CMA employees.

Agency for Health Care Administration

Section 20.42, F.S., creates and provides the organizational structure for AHCA. The mission of the agency is to work to ensure that all Floridians have access to affordable, quality health care. The agency was created in 1992. The agency is located within the Department of Business and Professional Regulation, but is essentially independent of that department. Under its statutory authority, the agency contains four divisions.

The Division of Health Quality Assurance regulates and monitors the quality of the state's licensed health care facilities and services. The division also serves as the state survey agency for the federal Health Care Financing Administration, certifying facilities for participation in the Medicare and Medicaid Programs. Through this division, the agency regulates managed care providers; conducts state licensure and federal certification of facilities and services; investigates consumer complaints regarding facilities, services, and practitioners; and provides training to facilities regarding quality of care.

The Division of Health Policy and Cost Control develops health policy, oversees the Certificate of Need program and manages health care information. This division functions through the following sections: health policy; Certificate of Need/financial analysis; and the State Center for Health Statistics.

The Division of State Health Purchasing consists of four major areas. The largest is Medicaid, the state and federally funded program that pays for health care for pregnant women, children, elders and disabled people who meet certain income criteria. The division's Program Integrity unit pursues possible fraud and abuse in the Medicaid Program. State Health Purchasing also oversees the certification requirements for Community Health Purchasing Alliance (CHPAs) and designates the Accountable Health Partnership (AHPs) that offer health plans to the small businesses which obtain health insurance coverage through CHPAs.

The Division of Administrative Services is AHCA's support arm. Three bureaus assist the other divisions with finance, personnel, and other support services.

III. Effect of Proposed Changes:

Section 1. Amends s. 20.42, F.S., relating to the creation and organization of the Agency for Health Care Administration, to reassign the agency from the Department of Business and Professional Regulation to the Department of Health Care, effective July 1, 1999. The title of the Director of Health Care Administration is changed to Executive Director of Health Care Administration. Any person appointed as the Executive Director of Health Care Administration on or after October 1, 1999, is made subject to Senate Confirmation.

The current division structure of the agency is changed to: rename the Division of Health Quality Assurance as the Division of Managed Care and Health Quality and to add managed competition, managed care and the certificate-of-need program to the division's functions; abolish the Division of Health Policy and Cost Control and reassign its functions to other divisions; rename the Division of State Health Purchasing as the Division of Medicaid and to add administration of the Florida Kidcare program to the division's functions; rename the Division of Administrative Services as the Division of Administration and Information Services and to add finance and accounting, management information services and the State Center for Health Statistics to the division's functions.

Section 2. Amends s. 20.43, F.S., relating to the creation and organization of the Department of Health, to: rename the Department of Health as the Department of Health Care; to specify that divisions are under the direct supervision of a division director appointed by the secretary; and to repeal authority for the Department of Health Care to contract with AHCA for consumer complaint, investigative, and prosecutorial services required by the Division of Medical Quality Assurance, councils, or boards.

Section 3. Transfers, by type two transfer, the powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, and other funds of AHCA which relate to consumer complaint services, investigations, and prosecutorial services which are currently provided by AHCA under contract with the Department of Health, from AHCA to the Department of Health Care. The consumer complaint and investigative services units are placed in

the Division of Medical Quality Assurance of the Department of Health Care and the prosecutorial unit is placed in the Office of the General Counsel of the Department of Health Care. Existing rules are saved.

Section 4. Provides for an eight-member organizational efficiency advisory committee with equal representation from the Department of Health Care and AHCA. The committee will review activities and make recommendations for gaining administrative efficiencies through consolidation of potentially overlapping functions in administrative services, legal services, information and management information systems, and data and planning functions of the Department of Health Care and AHCA. The advisory committee is to prepare and submit recommendations by January 15, 2000.

Section 5. Directs the Division of Statutory Revision of the Office of Legislative Services to prepare a reviser's bill to rename the Department of Health as the Department of Health Care throughout the statutes.

Section 6. Clarifies that the validity of judicial or administrative proceedings pending as of the effective date of the act are not affected by the transfer and that the Department of Health will be substituted as a party in interest in the pending proceedings.

Section 7. Provides for a July 1, 1999, effective date.

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:

None.

C. Government Sector Impact:

There will be no immediate governmental cost implications from this bill. The bill transfers, by a type two transfer, all powers, duties, functions, records, personnel, property, and unexpended balances of appropriation, allocations and other funds of the Agency for Health Care Administration to the Department of Health. The organizational efficiency advisory committee created by the bill may recommend the elimination or consolidation of some potentially duplicative functions between the Department of Health Care and AHCA. Any resulting organizational structural revisions could potentially result in cost savings to the state.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.