

Bill No. CS for SB 1028

Amendment No. \_\_\_\_

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Sullivan moved the following amendment to amendment (540324):

**Senate Amendment (with title amendment)**

On page 63, between lines 21 and 22,

insert:

Section 41. Section 381.0403, Florida Statutes, is amended to read:

381.0403 The Community Hospital Education Act.--

(1) SHORT TITLE.--This section shall be known and cited as "The Gerald L. Scheibler, M.D., Graduate Medical Education Enhancement ~~Community Hospital Education~~ Act."

(2) LEGISLATIVE INTENT.--

(a) It is the intent of the Legislature that health care services for the citizens of this state be upgraded and that a program for continuing these services be maintained through a plan for community medical education. The program is intended to provide additional outpatient and inpatient services, a continuing supply of highly trained physicians, and graduate medical education.

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1           (b) The Legislature further acknowledges the critical  
2 need for increased numbers of primary care ~~family~~ physicians  
3 to provide the necessary current and projected health and  
4 medical services. In order to meet both present and  
5 anticipated needs, the Legislature supports an expansion in  
6 the number of family practice residency positions. Programs  
7 added after the 1997-1998 fiscal year must attain the  
8 requisite number of residents or interns within 5 years. The  
9 Legislature intends that the funding for graduate education in  
10 family practice be maintained and that funding for all primary  
11 care specialities be provided at a minimum of \$10,000 per  
12 resident per year. Should funding for this act remain  
13 constant or be reduced, it is intended that all programs  
14 funded by this act be maintained or reduced proportionately.

15           (3) PROGRAM FOR COMMUNITY HOSPITAL EDUCATION; STATE  
16 AND LOCAL PLANNING.--

17           (a) There is established under the Board of Regents a  
18 program for statewide graduate medical education. It is  
19 intended that continuing graduate medical education programs  
20 for interns and residents be established on a statewide basis.  
21 The program shall provide financial support for primary care  
22 specialty interns and residents based on policies recommended  
23 and approved by the Community Hospital Education Council,  
24 herein established, and the Board of Regents. Only those  
25 programs with at least three residents or interns in each year  
26 of the training program are qualified to apply for financial  
27 support. Programs with fewer than three residents or interns  
28 per training year are qualified to apply for financial  
29 support, but only if the appropriate accrediting entity for  
30 the particular specialty has approved the program for fewer  
31 positions. Programs added after the 1997-1998 fiscal year must

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1 attain the requisite number of residents or interns within 5  
2 years. When feasible and to the extent allowed through the  
3 General Appropriations Act, state funds shall be used to  
4 generate federal matching funds under Medicaid or other  
5 federal programs, and the resulting combined state and federal  
6 funds shall be allocated to participating hospitals for the  
7 support of graduate medical education and for administrative  
8 costs associated with the production of the annual report as  
9 specified in subsection (9) and the administration of the  
10 committee.

11 (b) For the purposes of this section, primary care  
12 specialties include emergency medicine, family practice,  
13 internal medicine, pediatrics, psychiatry,  
14 obstetrics/gynecology, and combined pediatrics and internal  
15 medicine, and other primary care specialties included by the  
16 council and the Board of Regents.

17 (c)(b) Medical institutions throughout the state may  
18 apply to the Community Hospital Education Council for  
19 grants-in-aid for financial support of their approved  
20 programs. Recommendations for funding of approved programs  
21 shall be forwarded to the Board of Regents.

22 (d)(c) The program shall provide a plan for community  
23 clinical teaching and training with the cooperation of the  
24 medical profession, hospitals, and clinics. The plan shall  
25 also include formal teaching opportunities for intern and  
26 resident training. In addition, the plan shall establish an  
27 off-campus medical faculty with university faculty review to  
28 be located throughout the state in local communities.

29 (4) PROGRAM FOR GRADUATE MEDICAL EDUCATION  
30 INNOVATIONS.--

31 (a) There is established under the Board of Regents a

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1 program for fostering graduate medical education innovations.  
2 Funds appropriated annually by the Legislature for this  
3 purpose shall be distributed to participating hospitals or  
4 consortia of participating hospitals and Florida medical  
5 schools on a competitive-grant or formula basis to achieve  
6 state health care workforce policy objectives, including, but  
7 not limited to:

8 1. Increasing the number of residents in primary care  
9 and other high demand specialties or fellowships;

10 2. Enhancing retention of primary care physicians in  
11 Florida practice;

12 3. Promoting practice in medically under-served areas  
13 of the state;

14 4. Encouraging racial and ethnic diversity within the  
15 state's physician workforce; and

16 5. Encouraging increased production of geriatricians.

17 (b) Participating hospitals or consortia of  
18 participating hospitals and Florida medical schools may apply  
19 to the Community Hospital Education Council for funding under  
20 this innovation program. Innovation program funding shall  
21 provide funding based on policies recommended and approved by  
22 the Community Hospital Education Council and the Board of  
23 Regents.

24 (c) Participating hospitals or consortia of  
25 participating hospitals and Florida medical schools awarded an  
26 innovation grant shall provide the Community Hospital  
27 Education Council and Board of Regents with an annual report  
28 on their project.

29 (5)(4) FAMILY PRACTICE RESIDENCIES.--In addition to  
30 the programs established in subsection (3), the Community  
31 Hospital Education Council and the Board of Regents shall

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1 establish an ongoing statewide program of family practice  
2 residencies. The administration of this program shall be in  
3 the manner described in this section.

4 ~~(6)(5)~~ COUNCIL AND DIRECTOR.--

5 (a) There is established the Community Hospital  
6 Education Council, hereinafter referred to as the council,  
7 which shall consist of eleven members, as follows:

8 1. Seven members must be program directors of  
9 accredited graduate medical education programs or practicing  
10 physicians who have faculty appointments in accredited  
11 graduate medical education programs. Six of these members  
12 must be board certified or board eligible in family practice,  
13 internal medicine, pediatrics, emergency medicine,  
14 obstetrics-gynecology, and psychiatry, respectively, and  
15 licensed pursuant to chapter 458. No more than one of these  
16 members may be appointed from any one specialty. One member  
17 must be licensed pursuant to chapter 459.

18 2. One member must be a representative of the  
19 administration of a hospital with an approved community  
20 hospital medical education program;

21 3. One member must be the dean of a medical school in  
22 this state; and

23 4. Two members must be consumer representatives.

24  
25 All of the members shall be appointed by the Governor for  
26 terms of 4 years each.

27 (b) Council membership shall cease when a member's  
28 representative status no longer exists. Members of similar  
29 representative status shall be appointed to replace retiring  
30 or resigning members of the council.

31 (c) The Chancellor of the State University System

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1 shall designate an administrator to serve as staff director.  
2 The council shall elect a chair from among its membership.  
3 Such other personnel as may be necessary to carry out the  
4 program shall be employed as authorized by the Board of  
5 Regents.

6 ~~(7)(6)~~ BOARD OF REGENTS; STANDARDS.--

7 (a) The Board of Regents, with recommendations from  
8 the council, shall establish standards and policies for the  
9 use and expenditure of graduate medical education funds  
10 appropriated pursuant to subsection ~~(8)(7)~~ for a program of  
11 community hospital education. The board shall establish  
12 requirements for hospitals to be qualified for participation  
13 in the program which shall include, but not be limited to:

14 1. Submission of an educational plan and a training  
15 schedule.

16 2. A determination by the council to ascertain that  
17 each portion of the program of the hospital provides a high  
18 degree of academic excellence and is accredited by the  
19 Accreditation Council for Graduate Medical Education of the  
20 American Medical Association or is accredited by the American  
21 Osteopathic Association.

22 3. Supervision of the educational program of the  
23 hospital by a physician who is not the hospital administrator.

24 (b) The Board of Regents shall periodically review the  
25 educational program provided by a participating hospital to  
26 assure that the program includes a reasonable amount of both  
27 formal and practical training and that the formal sessions are  
28 presented as scheduled in the plan submitted by each hospital.

29 (c) In years that funds are transferred to the Agency  
30 for Health Care Administration, the Board of Regents shall  
31 certify to the Agency for Health Care Administration quarterly

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1 the number of primary care specialty residents and interns at  
2 each of the participating hospitals for which the Community  
3 Hospital Education Council and the board recommend funding.

4 (8)(7) MATCHING FUNDS.--State funds shall be used to  
5 match funds from any local governmental or hospital source.  
6 The state shall provide up to 50 percent of the funds, and the  
7 community hospital medical education program shall provide the  
8 remainder. However, except for fixed capital outlay, the  
9 provisions of this subsection shall not apply to any program  
10 authorized under the provisions of subsection(5)(4)for the  
11 first 3 years after such program is in operation.

12 (9) ANNUAL REPORT.--The Board of Regents, the  
13 Executive Office of the Governor, the Department of Health,  
14 and the Agency for Health Care Administration shall  
15 collaborate to establish a committee that shall produce an  
16 annual report on graduate medical education. To the maximum  
17 extent feasible, the committee shall have the same membership  
18 as the Graduate Medical Education Study Committee, established  
19 by the proviso accompanying Specific Appropriation 191 of the  
20 fiscal year 1999-2000 General Appropriations Act. The report  
21 shall be provided to the Governor, the President of the  
22 Senate, and the Speaker of the House of Representatives by  
23 January 15 of each year. Committee members shall serve without  
24 compensation. From the funds provided in s. 381.0403(3), the  
25 committee may expend a maximum of \$75,000 per year to provide  
26 for administrative costs and contractual services. The report  
27 must address the following topics:

28 (a) The role of residents and medical faculty in the  
29 provision of health care.

30 (b) The relationship of graduate medical education to  
31 the state's physician workforce.

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1           (c) The costs of training medical residents for  
2 hospitals, medical schools, teaching hospitals, including all  
3 hospital-medical affiliations, practice plans at all of the  
4 medical schools, and municipalities.

5           (d) The availability and adequacy of all sources of  
6 revenue to support graduate medical education. The report must  
7 also recommend alternative sources of funding for graduate  
8 medical education.

9           (e) The use of state and federal appropriated funds  
10 for graduate medical education by hospitals receiving such  
11 funds.

12           Section 42. Subsection (44) of section 408.07, Florida  
13 Statutes, is amended to read:

14           408.07 Definitions.--As used in this chapter, with the  
15 exception of ss. 408.031-408.045, the term:

16           (44) "Teaching hospital" means any Florida hospital  
17 officially ~~formally~~ affiliated with an accredited medical  
18 school which exhibits activity in the area of graduate medical  
19 education as reflected by at least seven different graduate  
20 medical education programs accredited by the Accreditation  
21 Council for Graduate Medical Education ~~resident physician~~  
22 ~~specialties~~ and the presence of 100 or more  
23 full-time-equivalent resident physicians. The Director of the  
24 Agency for Health Care Administration shall be responsible for  
25 determining which hospitals meet this definition.

26           Section 43. Subsection (6) of section 409.905, Florida  
27 Statutes, is amended to read:

28           409.905 Mandatory Medicaid services.--The agency may  
29 make payments for the following services, which are required  
30 of the state by Title XIX of the Social Security Act,  
31 furnished by Medicaid providers to recipients who are



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1 determined to be eligible on the dates on which the services  
 2 were provided. Any service under this section shall be  
 3 provided only when medically necessary and in accordance with  
 4 state and federal law. Nothing in this section shall be  
 5 construed to prevent or limit the agency from adjusting fees,  
 6 reimbursement rates, lengths of stay, number of visits, number  
 7 of services, or any other adjustments necessary to comply with  
 8 the availability of moneys and any limitations or directions  
 9 provided for in the General Appropriations Act or chapter 216.

10 (6) HOSPITAL OUTPATIENT SERVICES.--The agency shall  
 11 pay for preventive, diagnostic, therapeutic, or palliative  
 12 care and other services provided to a recipient in the  
 13 outpatient portion of a hospital licensed under part I of  
 14 chapter 395, and provided under the direction of a licensed  
 15 physician or licensed dentist, except that payment for such  
 16 care and services is limited to \$1,500~~\$1,000~~ per state fiscal  
 17 year per recipient, unless an exception has been made by the  
 18 agency, and with the exception of a Medicaid recipient under  
 19 age 21, in which case the only limitation is medical  
 20 necessity.

21 Section 44. Subsection (1) of section 409.908, Florida  
 22 Statutes, is amended to read:

23 409.908 Reimbursement of Medicaid providers.--Subject  
 24 to specific appropriations, the agency shall reimburse  
 25 Medicaid providers, in accordance with state and federal law,  
 26 according to methodologies set forth in the rules of the  
 27 agency and in policy manuals and handbooks incorporated by  
 28 reference therein. These methodologies may include fee  
 29 schedules, reimbursement methods based on cost reporting,  
 30 negotiated fees, competitive bidding pursuant to s. 287.057,  
 31 and other mechanisms the agency considers efficient and

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1 effective for purchasing services or goods on behalf of  
 2 recipients. Payment for Medicaid compensable services made on  
 3 behalf of Medicaid eligible persons is subject to the  
 4 availability of moneys and any limitations or directions  
 5 provided for in the General Appropriations Act or chapter 216.  
 6 Further, nothing in this section shall be construed to prevent  
 7 or limit the agency from adjusting fees, reimbursement rates,  
 8 lengths of stay, number of visits, or number of services, or  
 9 making any other adjustments necessary to comply with the  
 10 availability of moneys and any limitations or directions  
 11 provided for in the General Appropriations Act, provided the  
 12 adjustment is consistent with legislative intent.

13 (1) Reimbursement to hospitals licensed under part I  
 14 of chapter 395 must be made prospectively or on the basis of  
 15 negotiation.

16 (a) Reimbursement for inpatient care is limited as  
 17 provided for in s. 409.905(5), except for:-

18 1. The raising of rate reimbursement caps, excluding  
 19 rural hospitals.

20 2. Recognition of the costs of graduate medical  
 21 education.

22 3. Other methodologies recognized in the General  
 23 Appropriations Act.

24  
 25 In the years funds are transferred from the Board of Regents,  
 26 any reimbursement supported by such funds are subject to  
 27 certification from the Board of Regents that the hospital has  
 28 complied with s. 381.0403. The agency is authorized to receive  
 29 funds from state entities, including the Board of Regents,  
 30 local governments, and other local political subdivisions, for  
 31 the purpose of making special exception payments, including

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1 federal matching funds, through the Medicaid inpatient  
 2 reimbursement methodologies. Funds received from state  
 3 entities or local governments for this purpose shall be  
 4 separately accounted for and shall not be commingled with  
 5 other state or local funds in any manner. Notwithstanding this  
 6 section or s. 409.915, counties are exempt from contributing  
 7 toward the cost of the special-exception reimbursement for  
 8 hospitals serving a disproportionate share of low-income  
 9 persons and providing graduate medical education.

10 (b) Reimbursement for hospital outpatient care is  
 11 limited to \$1,500~~\$1,000~~ per state fiscal year per recipient,  
 12 except for:

- 13 1. Such care provided to a Medicaid recipient under  
 14 age 21, in which case the only limitation is medical  
 15 necessity.†
- 16 2. Renal dialysis services.†~~and~~
- 17 3. Other exceptions made by the agency.

18  
 19 The agency is authorized to receive funds from state entities,  
 20 including the Board of Regents, local governments, and other  
 21 local political subdivisions, for the purpose of making  
 22 payments, including federal matching funds, through the  
 23 Medicaid outpatient reimbursement methodologies. Funds  
 24 received from state entities and local governments for this  
 25 purpose shall be separately accounted for and shall not be  
 26 commingled with other state or local funds in any manner.

27 (c)†~~(b)~~ Hospitals that provide services to a  
 28 disproportionate share of low-income Medicaid recipients, or  
 29 that participate in the regional perinatal intensive care  
 30 center program under chapter 383, or that participate in the  
 31 statutory teaching hospital disproportionate share program, ~~or~~

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1 ~~that participate in the extraordinary disproportionate share~~  
 2 ~~program,~~ may receive additional reimbursement. The total  
 3 amount of payment for disproportionate share hospitals shall  
 4 be fixed by the General Appropriations Act. The computation of  
 5 these payments must be made in compliance with all federal  
 6 regulations and the methodologies described in ss. 409.911,  
 7 409.9112, and 409.9113.

8       (d)~~(c)~~ The agency is authorized to limit inflationary  
 9 increases for outpatient hospital services as directed by the  
 10 General Appropriations Act.

11

12 (Redesignate subsequent sections.)

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15 ===== T I T L E    A M E N D M E N T =====

16 And the title is amended as follows:

17       On page 68, line 8, following the semicolon

18

19 insert:

20       amending s. 381.0403, F.S.; redesignating "The  
 21       Community Hospital Education Act" as the  
 22       "Gerald L. Scheibler, M.D., Graduate Medical  
 23       Education Enhancement Act"; placing an emphasis  
 24       on primary care physicians rather than family  
 25       physicians; modifying the provisions relating  
 26       to the funding of graduate medical education;  
 27       defining primary care specialties; establishing  
 28       a program for graduate medical education  
 29       innovations; creating a process regarding the  
 30       release of funds; providing for a committee to  
 31       be established to produce an annual report on

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1 graduate medical education; specifying topics  
2 to be included in the report; amending s.  
3 408.07, F.S.; modifying the definition of the  
4 term "teaching hospital"; amending s. 409.905,  
5 F.S.; increasing the Medicaid reimbursement  
6 limitation for certain hospital outpatient  
7 services; amending s. 409.908, F.S.; providing  
8 exceptions to Medicaid reimbursement  
9 limitations for certain hospital inpatient  
10 care; authorizing the agency to receive certain  
11 funds for such exceptional reimbursements;  
12 providing an exemption from county contribution  
13 requirements; increasing the Medicaid  
14 reimbursement limitation for certain hospital  
15 outpatient care; authorizing the agency to  
16 receive certain funds for such outpatient care;  
17 removing authority for additional reimbursement  
18 for hospitals participating in the  
19 extraordinary disproportionate share program;  
20 providing an exemption from county contribution  
21 requirements;

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