

Bill No. CS for SB 1028

Amendment No. ____

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Sullivan moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 30, between lines 18 and 19,		
15			
16	insert:		
17	Section 10. Section 381.0403, Florida Statutes, is		
18	amended to read:		
19	381.0403 The Community Hospital Education Act.--		
20	(1) SHORT TITLE.--This section shall be known and		
21	cited as " <u>The Gerald L. Scheibler, M.D., Graduate Medical</u>		
22	<u>Education Enhancement</u> Community Hospital Education Act."		
23	(2) LEGISLATIVE INTENT.--		
24	(a) It is the intent of the Legislature that health		
25	care services for the citizens of this state be upgraded and		
26	that a program for continuing these services be maintained		
27	through a plan for community medical education. The program		
28	is intended to provide additional outpatient and inpatient		
29	services, a continuing supply of highly trained physicians,		
30	and graduate medical education.		
31	(b) The Legislature further acknowledges the critical		

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

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

16 (a) There is established under the Board of Regents a
17 program for statewide graduate medical education. It is
18 intended that continuing graduate medical education programs
19 for interns and residents be established on a statewide basis.
20 The program shall provide financial support for primary care
21 specialty interns and residents based on policies recommended
22 and approved by the Community Hospital Education Council,
23 herein established, and the Board of Regents. Only those
24 programs with at least three residents or interns in each year
25 of the training program are qualified to apply for financial
26 support. Programs with fewer than three residents or interns
27 per training year are qualified to apply for financial
28 support, but only if the appropriate accrediting entity for
29 the particular specialty has approved the program for fewer
30 positions. Programs added after the 1997-1998 fiscal year must
31 attain the requisite number of residents or interns within 5

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

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

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

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

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

30 (a) There is established under the Board of Regents a
31 program for fostering graduate medical education innovations.

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

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

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

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

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

15 5. Encouraging increased production of geriatricians.

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

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

28 (5)(4) FAMILY PRACTICE RESIDENCIES.--In addition to
29 the programs established in subsection (3), the Community
30 Hospital Education Council and the Board of Regents shall
31 establish an ongoing statewide program of family practice

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1 residencies. The administration of this program shall be in
2 the manner described in this section.

3 ~~(6)~~(5) COUNCIL AND DIRECTOR.--

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

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

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

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

22 4. Two members must be consumer representatives.

23
24 All of the members shall be appointed by the Governor for
25 terms of 4 years each.

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

30 (c) The Chancellor of the State University System
31 shall designate an administrator to serve as staff director.

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

5 (7)~~(6)~~ BOARD OF REGENTS; STANDARDS.--

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

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

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

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

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

28 (c) In years that funds are transferred to the Agency
29 for Health Care Administration, the Board of Regents shall
30 certify to the Agency for Health Care Administration quarterly
31 the number of primary care specialty residents and interns at

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1 each of the participating hospitals for which the Community
2 Hospital Education Council and the board recommend funding.

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

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

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

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

31 (c) The costs of training medical residents for

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1 hospitals, medical schools, teaching hospitals, including all
2 hospital-medical affiliations, practice plans at all of the
3 medical schools, and municipalities.

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

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

11 Section 11. Subsection (44) of section 408.07, Florida
12 Statutes, is amended to read:

13 408.07 Definitions.--As used in this chapter, with the
14 exception of ss. 408.031-408.045, the term:

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

25 Section 12. Subsection (6) of section 409.905, Florida
26 Statutes, is amended to read:

27 409.905 Mandatory Medicaid services.--The agency may
28 make payments for the following services, which are required
29 of the state by Title XIX of the Social Security Act,
30 furnished by Medicaid providers to recipients who are
31 determined to be eligible on the dates on which the services

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

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

20 Section 13. Subsection (1) of section 409.908, Florida
21 Statutes, is amended to read:

22 409.908 Reimbursement of Medicaid providers.--Subject
23 to specific appropriations, the agency shall reimburse
24 Medicaid providers, in accordance with state and federal law,
25 according to methodologies set forth in the rules of the
26 agency and in policy manuals and handbooks incorporated by
27 reference therein. These methodologies may include fee
28 schedules, reimbursement methods based on cost reporting,
29 negotiated fees, competitive bidding pursuant to s. 287.057,
30 and other mechanisms the agency considers efficient and
31 effective for purchasing services or goods on behalf of

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

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

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

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

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

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

23
24 In the years funds are transferred from the Board of Regents,
25 any reimbursement supported by such funds are subject to
26 certification from the Board of Regents that the hospital has
27 complied with s. 381.0403. The agency is authorized to receive
28 funds from state entities, including the Board of Regents,
29 local governments, and other local political subdivisions, for
30 the purpose of making special exception payments, including
31 federal matching funds, through the Medicaid inpatient

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

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

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

17
 18 The agency is authorized to receive funds from state entities,
 19 including the Board of Regents, local governments, and other
 20 local political subdivisions, for the purpose of making
 21 payments, including federal matching funds, through the
 22 Medicaid outpatient reimbursement methodologies. Funds
 23 received from state entities and local governments for this
 24 purpose shall be separately accounted for and shall not be
 25 commingled with other state or local funds in any manner.

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

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

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

10

11 (Redesignate subsequent sections.)

12

13

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

15 And the title is amended as follows:

16 On page 1, line 29, following the semicolon

17

18 insert:

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

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

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