

1 A bill to be entitled
2 An act relating to obsolete, expired, or
3 repealed provisions of law; repealing various
4 provisions of law that have become obsolete,
5 have had their effect, have served their
6 purpose, or have been impliedly repealed or
7 superseded; repealing s. 154.013, F.S.,
8 relating to county primary health care panels;
9 amending s. 154.011, F.S.; deleting a
10 cross-reference, to conform; repealing s.
11 154.12(2), F.S., relating to the legal status
12 of county public health trusts with respect to
13 a repealed provision of law relating to the
14 filing of caveats; repealing s. 408.30, F.S.,
15 relating to an obsolete rule-saving clause for
16 the Health Care Cost Containment Board;
17 amending s. 409.912, F.S., and repealing
18 paragraph (35)(f), relating to applicability of
19 provisions authorizing a 1997-1998 outpatient
20 specialty services pilot project; deleting an
21 obsolete date and provision relating to
22 requirements under which federally qualified
23 health centers can be Medicaid prepaid plan
24 providers; repealing s. 381.0408, F.S.,
25 relating to the Public Health Partnership
26 Council on Stroke; repealing s. 408.0014, F.S.,
27 the Florida Health Access Corporation Act;
28 amending ss. 20.42 and 409.9117, F.S.; deleting
29 references, to conform; repealing s. 408.004,
30 F.S., relating to the Florida Health Plan;
31 repealing ss. 408.002, 408.005, and 408.006,

1 F.S., relating to legislative findings and
2 intent and to development goals and strategies,
3 to conform; amending ss. 408.061, 408.15,
4 408.301, and 408.704, F.S.; deleting
5 references, to conform; repealing s. 408.01,
6 F.S., relating to the voluntary private health
7 insurance coverage and insurance cost
8 containment program; repealing s. 408.02(9),
9 F.S., relating to a demonstration project on
10 the effectiveness of practice parameters with
11 respect to the costs of defensive medicine and
12 professional liability insurance; repealing s.
13 408.062(1)(g), F.S., relating to development of
14 an alternative uniform system of financial
15 reporting of gross revenues per adjusted
16 admission; amending s. 408.7071, F.S.; deleting
17 provisions relating to development of a
18 standardized claim form for insurers and health
19 care providers licensed in this state and to
20 the committee appointed for such purpose;
21 repealing s. 409.908(12)(c) and (22), F.S.,
22 relating to a report on the effect of the
23 resource-based relative value scale fee
24 schedule on utilization of Medicaid services
25 and to implementation of changes in the
26 Medicaid reimbursement methodology for
27 facilities formerly known as ICF/DD facilities;
28 repealing s. 514.081, F.S., relating to a
29 saving clause applicable to provisions
30 governing construction, modification, and
31 operation of public swimming pools and bathing

1 facilities; amending s. 636.045, F.S.; deleting
2 obsolete provisions relating to minimum surplus
3 requirements for prepaid limited health service
4 organizations; repealing s. 859.03, F.S.,
5 relating to wrapping and labeling requirements
6 applicable to the sale of morphine; repealing
7 s. 859.05, F.S., relating to a prohibition on
8 the sale or other disposition of narcotics
9 except by prescription; repealing s. 35, ch.
10 93-129, Laws of Florida, relating to a work
11 group on rural health care; repealing s. 19,
12 ch. 96-403, Laws of Florida, relating to a task
13 force on the organization and structure of
14 state health programs; repealing s. 3, ch.
15 98-21, Laws of Florida, relating to a rural
16 hospital redefinition study group; repealing s.
17 1, ch. 98-305, Laws of Florida, relating to the
18 Prostate Cancer Task Force; repealing s. 4, ch.
19 99-214, Laws of Florida, relating to a school
20 nurse training study group; repealing s. 6, ch.
21 99-393, Laws of Florida, relating to an
22 advisory group on submission and payment of
23 health claims; repealing s. 192, ch. 99-397,
24 Laws of Florida, relating to the task force on
25 the funding of the Public Medical Assistance
26 Trust Fund; amending ch. 99-226, Laws of
27 Florida, relating to the Medicaid Formulary
28 study panel; providing an effective date.

29
30 Be It Enacted by the Legislature of the State of Florida:
31

1 Section 1. Section 154.013, Florida Statutes, is
2 repealed.

3 Section 2. Subsection (1) of section 154.011, Florida
4 Statutes, is amended to read:

5 154.011 Primary care services.--

6 (1) It is the intent of the Legislature that all 67
7 counties offer primary care services through contracts, as
8 required by s. 154.01(3), for Medicaid recipients and other
9 qualified low-income persons. Therefore, ~~beginning July 1,~~
10 ~~1987,~~ the Department of Health is directed, to the extent that
11 funds are appropriated, to develop a plan to implement a
12 program in cooperation with each county. The department shall
13 coordinate with the county's ~~primary care panel, as created by~~
14 ~~s. 154.013, or with the county's governing body if no primary~~
15 ~~care panel is appointed.~~ Such primary care programs shall be
16 phased-in and made operational as additional resources are
17 appropriated, and shall be subject to the following:

18 (a) The department shall enter into contracts with the
19 county governing body for the purpose of expanding primary
20 care coverage. The county governing body shall have the
21 option of organizing the primary care programs through county
22 health departments or through county public hospitals owned
23 and operated directly by the county. The department shall, as
24 its first priority, maximize the number of counties
25 participating in the primary care programs under this section,
26 but shall establish priorities for funding based on need and
27 the willingness of counties to participate. The department
28 shall select counties for programs through a formal
29 request-for-proposal process that requires compliance with
30 program standards for cost-effective quality care and seeks to
31 maximize access throughout the county.

1 (b) Each county's primary care program may utilize any
2 or all of the following options of providing services:
3 offering services directly through the county health
4 departments; contracting with individual or group
5 practitioners for all or part of the service; or developing
6 service delivery models which are organized through the county
7 health departments but which utilize other service or delivery
8 systems available, such as federal primary care programs or
9 prepaid health plans. In addition, counties shall have the
10 option of pooling resources and joining with neighboring
11 counties in order to fulfill the intent of this section.

12 (c) Each primary care program shall conform to the
13 requirements and specifications of the department, and shall
14 at a minimum:

15 1. Adopt a minimum eligibility standard of at least
16 100 percent of the federal nonfarm poverty level.

17 2. Provide a comprehensive mix of preventive and
18 illness care services.

19 3. Be family oriented and be easily accessible
20 regardless of income, physical status, or geographical
21 location.

22 4. Ensure 24-hour telephone access and offer evening
23 and weekend clinic services.

24 5. Offer continuity of care over time.

25 6. Make maximum use of existing providers and closely
26 coordinate its services and funding with existing federal
27 primary care programs, especially in rural counties, to ensure
28 efficient use of resources.

29 7. Have a sliding fee schedule based on income for
30 eligible persons above 100 percent of the federal nonfarm
31 poverty level.

1 8. Include quality assurance provisions and procedures
2 for evaluation.

3 9. Provide early periodic screening diagnostic and
4 treatment services for Medicaid-eligible children.

5 10. Fully utilize and coordinate with rural hospitals
6 for outpatient services, including contracting for services
7 when advisable in terms of cost-effectiveness and feasibility.

8 Section 3. Subsection (2) of section 154.12, Florida
9 Statutes, is repealed.

10 Section 4. Section 408.30, Florida Statutes, is
11 repealed.

12 Section 5. Paragraph (f) of subsection (35) of section
13 409.912, Florida Statutes, is repealed, and paragraph (c) of
14 subsection (3) of said section is amended to read:

15 409.912 Cost-effective purchasing of health care.--The
16 agency shall purchase goods and services for Medicaid
17 recipients in the most cost-effective manner consistent with
18 the delivery of quality medical care. The agency shall
19 maximize the use of prepaid per capita and prepaid aggregate
20 fixed-sum basis services when appropriate and other
21 alternative service delivery and reimbursement methodologies,
22 including competitive bidding pursuant to s. 287.057, designed
23 to facilitate the cost-effective purchase of a case-managed
24 continuum of care. The agency shall also require providers to
25 minimize the exposure of recipients to the need for acute
26 inpatient, custodial, and other institutional care and the
27 inappropriate or unnecessary use of high-cost services.

28 (3) The agency may contract with:

29 (c) ~~†~~ A federally qualified health center or an entity
30 owned by one or more federally qualified health centers or an
31 entity owned by other migrant and community health centers

1 receiving non-Medicaid financial support from the Federal
2 Government to provide health care services on a prepaid or
3 fixed-sum basis to recipients. Such prepaid health care
4 services entity must be licensed under parts I and III of
5 chapter 641 ~~by January 1, 1998~~, but shall be prohibited from
6 serving Medicaid recipients on a prepaid basis, until such
7 licensure has been obtained. However, such an entity is
8 exempt from s. 641.225 if the entity meets the requirements
9 specified in subsections (14) and (15).

10 ~~2. Until March 1, 2000, only, the licensure~~
11 ~~requirements under parts I and III of chapter 641 shall not~~
12 ~~apply to a federally qualified health center, an entity owned~~
13 ~~by one or more federally qualified health centers, or an~~
14 ~~entity owned by other migrant and community health centers~~
15 ~~receiving non-Medicaid financial support from the Federal~~
16 ~~Government to provide health care services on a prepaid or~~
17 ~~fixed-sum basis to recipients. These entities are not~~
18 ~~prohibited from serving Medicaid recipients on a prepaid~~
19 ~~basis. This subparagraph expires March 1, 2000.~~

20 Section 6. Section 381.0408, Florida Statutes, is
21 repealed.

22 Section 7. Section 408.0014, Florida Statutes, is
23 repealed.

24 Section 8. Paragraphs (b) and (c) of subsection (2) of
25 section 20.42, Florida Statutes, are amended to read:

26 20.42 Agency for Health Care Administration.--There is
27 created the Agency for Health Care Administration within the
28 Department of Business and Professional Regulation. The agency
29 shall be a separate budget entity, and the director of the
30 agency shall be the agency head for all purposes. The agency
31 shall not be subject to control, supervision, or direction by

1 the Department of Business and Professional Regulation in any
2 manner, including, but not limited to, personnel, purchasing,
3 transactions involving real or personal property, and
4 budgetary matters.

5 (2) ORGANIZATION OF THE AGENCY.--The agency shall be
6 organized as follows:

7 (b) The Division of Health Policy and Cost Control,
8 which shall be responsible for health policy, the State Center
9 for Health Statistics, ~~the development of The Florida Health~~
10 ~~Plan~~, certificate of need, state and local health planning
11 under s. 408.033, and research and analysis.

12 (c) The Division of State Health Purchasing shall be
13 responsible for the Medicaid program. The division shall also
14 administer the contracts with ~~the Florida Health Access~~
15 ~~Corporation program~~ and the Florida Health Care Purchasing
16 Cooperative and the Florida Healthy Kids Corporation.

17 Section 9. Paragraph (h) of subsection (2) of section
18 409.9117, Florida Statutes, is amended to read:

19 409.9117 Primary care disproportionate share
20 program.--

21 (2) In the establishment and funding of this program,
22 the agency shall use the following criteria in addition to
23 those specified in s. 409.911, payments may not be made to a
24 hospital unless the hospital agrees to:

25 (h) Work with the Florida Healthy Kids Corporation,
26 the Florida Health Care Purchasing Cooperative, ~~the Florida~~
27 ~~Health Access Corporation~~, and business health coalitions, as
28 appropriate, to develop a feasibility study and plan to
29 provide a low-cost comprehensive health insurance plan to
30 persons who reside within the area and who do not have access
31 to such a plan.

1
2 Any hospital that fails to comply with any of the provisions
3 of this subsection, or any other contractual condition, may
4 not receive payments under this section until full compliance
5 is achieved.

6 Section 10. Sections 408.002, 408.004, 408.005, and
7 408.006, Florida Statutes, are repealed.

8 Section 11. Paragraph (a) of subsection (4) of section
9 408.061, Florida Statutes, is amended to read:

10 408.061 Data collection; uniform systems of financial
11 reporting; information relating to physician charges;
12 confidentiality of patient records; immunity.--

13 (4)(a) Within 120 days after the end of its fiscal
14 year, each health care facility shall file with the agency, on
15 forms adopted by the agency and based on the uniform system of
16 financial reporting, its actual financial experience for that
17 fiscal year, including expenditures, revenues, and statistical
18 measures. Such data may be based on internal financial
19 reports which are certified to be complete and accurate by the
20 provider. However, hospitals' actual financial experience
21 shall be their audited actual experience. Nursing homes that
22 do not participate in the Medicare or Medicaid programs shall
23 also submit audited actual experience. Every nursing home
24 shall submit to the agency, in a format designated by the
25 agency, a statistical profile of the nursing home residents.
26 The agency, in conjunction with the Department of Elderly
27 Affairs and the Department of Health, shall review these
28 statistical profiles and develop recommendations for the types
29 of residents who might more appropriately be placed in their
30 homes or other noninstitutional settings. ~~The agency shall~~
31 ~~include its findings in the final Florida Health Plan which~~

1 ~~must be submitted to the Legislature by December 31, 1993.~~
2 ~~Included in the findings shall be outcome data and cost~~
3 ~~differential data as part of patient profiles.~~

4 Section 12. Subsections (6) and (7) of section 408.15,
5 Florida Statutes, are amended to read:

6 408.15 Powers of the agency.--In addition to the
7 powers granted to the agency elsewhere in this chapter, the
8 agency is authorized to:

9 (6) Apply for and receive and accept grants, gifts,
10 and other payments, including property and services, from any
11 governmental or other public and private entity or person and
12 make arrangements as to the use of same, ~~including undertaking~~
13 ~~special studies and other projects related to The Florida~~
14 ~~Health Plan~~. Funds obtained under this subsection may be used
15 as matching funds for public or private grants.

16 (7) Seek federal statutory changes and any waivers of
17 federal laws or regulations that will aid in implementing ~~The~~
18 ~~Florida Health Plan and related~~ health care reforms. This may
19 include seeking amendments to:

20 (a) The Employee Retirement and Income Security Act of
21 1974 to permit greater state regulation of employer insurance
22 plans.

23 (b) The Medicaid program to permit alternative
24 organizational alignments, elimination of all program
25 eligibility requirements except income, and a moratorium on
26 further federal mandates.

27 (c) The Medicare program to seek state administration
28 of benefits, provider payments, or case management of
29 beneficiaries.

30 (d) Federal tax laws to permit a 100-percent tax
31 deduction for all private health insurance plans, including

1 those of self-employed persons and unincorporated employers,
2 and reform of the flexible sharing account requirements to
3 maximize pretax health care expenditures.

4 (e) Other federal programs to permit full
5 implementation of ~~The Florida Health Plan and related~~ state
6 health care reforms.

7 Section 13. Section 408.301, Florida Statutes, is
8 amended to read:

9 408.301 Legislative findings.--The Legislature has
10 found that access to quality, affordable, health care for all
11 Floridians is an important goal for the state. ~~The~~
12 ~~Legislature has charged the Agency for Health Care~~
13 ~~Administration with the responsibility of developing the~~
14 ~~Florida Health Plan for assuring access to health care for all~~
15 ~~Floridians. At the same time,~~The Legislature recognizes that
16 there are Floridians with special health care and social needs
17 which require particular attention. The people served by the
18 Department of Children and Family Services and the Department
19 of Health are examples of citizens with special needs. The
20 Legislature further recognizes that the Medicaid program is an
21 intricate part of the service delivery system for the special
22 needs citizens served by or through the Department of Children
23 and Family Services and the Department of Health. The Agency
24 for Health Care Administration is not a service provider and
25 does not develop or direct programs for the special needs
26 citizens served by or through the Department of Children and
27 Family Services and the Department of Health. Therefore, it is
28 the intent of the Legislature that the Agency for Health Care
29 Administration work closely with the Department of Children
30 and Family Services and the Department of Health in developing
31

1 plans for assuring access to all Floridians in order to assure
2 that the needs of special citizens are met.

3 Section 14. Paragraph (b) of subsection (5) of section
4 408.704, Florida Statutes, is amended to read:

5 408.704 Agency duties and responsibilities related to
6 community health purchasing alliances.--The agency shall
7 assist in developing a statewide system of community health
8 purchasing alliances. To this end, the agency is responsible
9 for:

10 (5) Establishing a data system for accountable health
11 partnerships.

12 (b) The advisory data committee shall issue a report
13 and recommendations on each of the following subjects as each
14 is completed. ~~A final report covering all subjects must be~~
15 ~~included in the final Florida Health Plan to be submitted to~~
16 ~~the Legislature on December 31, 1993.~~ The report shall
17 include recommendations regarding:

18 1. Types of data to be collected. Careful
19 consideration shall be given to other data collection projects
20 and standards for electronic data interchanges already in
21 process in this state and nationally, to evaluating and
22 recommending the feasibility and cost-effectiveness of various
23 data collection activities, and to ensuring that data
24 reporting is necessary to support the evaluation of providers
25 with respect to cost containment, access, quality, control of
26 expensive technologies, and customer satisfaction analysis.
27 Data elements to be collected from providers include prices,
28 utilization, patient outcomes, quality, and patient
29 satisfaction. The completion of this task is the first
30 priority of the advisory data committee. ~~The agency shall~~
31 ~~begin implementing these data collection activities~~

1 ~~immediately upon receipt of the recommendations, but no later~~
2 ~~than January 1, 1994.~~ The data shall be submitted by
3 hospitals, other licensed health care facilities, pharmacists,
4 and group practices as defined in s. 455.654(3)(f).

5 2. A standard data set, a standard cost-effective
6 format for collecting the data, and a standard methodology for
7 reporting the data to the agency, or its designee, and to the
8 alliances. The reporting mechanisms must be designed to
9 minimize the administrative burden and cost to health care
10 providers and carriers. A methodology shall be developed for
11 aggregating data in a standardized format for making
12 comparisons between accountable health partnerships which
13 takes advantage of national models and activities.

14 3. Methods by which the agency should collect,
15 process, analyze, and distribute the data.

16 4. Standards for data interpretation. The advisory
17 data committee shall actively solicit broad input from the
18 provider community, carriers, the business community, and the
19 general public.

20 5. Structuring the data collection process to:

21 a. Incorporate safeguards to ensure that the health
22 care services utilization data collected is reviewed by
23 experienced, practicing physicians licensed to practice
24 medicine in this state;

25 b. Require that carrier customer satisfaction data
26 conclusions are validated by the agency;

27 c. Protect the confidentiality of medical information
28 to protect the patient's identity and to protect the privacy
29 of individual physicians and patients. Proprietary data
30 submitted by insurers, providers, and purchasers are
31 confidential pursuant to s. 408.061; and

1 d. Afford all interested professional medical and
2 hospital associations and carriers a minimum of 60 days to
3 review and comment before data is released to the public.

4 6. Developing a data collection implementation
5 schedule, based on the data collection capabilities of
6 carriers and providers.

7 Section 15. Section 408.01, Florida Statutes, is
8 repealed.

9 Section 16. Subsection (9) of section 408.02, Florida
10 Statutes, is repealed.

11 Section 17. Paragraph (g) of subsection (1) of section
12 408.062, Florida Statutes, is repealed.

13 Section 18. Section 408.7071, Florida Statutes, is
14 amended to read:

15 408.7071 Standardized claim form.--

16 ~~(1)~~ The Agency for Health Care Administration shall
17 develop a standardized claim ~~claims~~ form to be used by
18 insurers and health care providers licensed in this state.

19 ~~(2) In order to develop the standardized claim form,~~
20 ~~the agency shall appoint a 15-person committee. The committee~~
21 ~~shall consist of:~~

22 ~~(a) The director of the Agency for Health Care~~
23 ~~Administration, or the director's designee.~~

24 ~~(b) The Insurance Commissioner, or the commissioner's~~
25 ~~designee.~~

26 ~~(c) Two representatives of hospitals.~~

27 ~~(d) Five representatives of physicians: two licensed~~
28 ~~under chapter 458, one licensed under chapter 459, one~~
29 ~~licensed under chapter 460, and one licensed under chapter~~
30 ~~461.~~

31 ~~(e) Two representatives of health insurers.~~

1 ~~(f) Two representatives of health maintenance~~
 2 ~~organizations.~~
 3 ~~(g) Two representatives of consumers.~~
 4 ~~(3) The committee shall issue a draft of the~~
 5 ~~standardized claims form to the Agency for Health Care~~
 6 ~~Administration by October 1, 1993. The agency may return the~~
 7 ~~form to the committee for modification on a schedule that~~
 8 ~~allows the agency to include the standardized claim form in~~
 9 ~~the final Florida Health Plan, which must be submitted to the~~
 10 ~~Legislature by December 1, 1993.~~

11 Section 19. Paragraph (c) of subsection (12) and
 12 subsection (22) of section 409.908, Florida Statutes, are
 13 repealed.

14 Section 20. Section 514.081, Florida Statutes, is
 15 repealed.

16 Section 21. Section 636.045, Florida Statutes, is
 17 amended to read:

18 636.045 Minimum surplus requirements.--

19 ~~(1) Except as provided in subsection (2), Each prepaid~~
 20 ~~limited health service organization must at all times maintain~~
 21 ~~a minimum surplus in an amount which is the greater of~~
 22 ~~\$150,000 or 10 percent of total liabilities. Any prepaid~~
 23 ~~limited health service organization which had a valid~~
 24 ~~certificate of authority issued pursuant to part I, part II,~~
 25 ~~or part III of chapter 637, or chapter 638, before October 1,~~
 26 ~~1993, must maintain the surplus required on September 30,~~
 27 ~~1993, until the following dates, and then shall increase its~~
 28 ~~surplus as follows:~~

Date	Amount
January 1, 1994.....	The greater of

1 ~~\$100,000 or 6 percent~~
 2 ~~of total liabilities,~~
 3 ~~whichever is greater.~~
 4 ~~January 1, 1995.....The greater of~~
 5 ~~\$125,000 or 8 percent~~
 6 ~~of total liabilities,~~
 7 ~~whichever is greater.~~
 8 ~~January 1, 1996.....The greater of~~
 9 ~~\$150,000 or 10 percent~~
 10 ~~of total liabilities,~~
 11 ~~whichever is greater.~~

12
 13 (2) The department may not issue a certificate of
 14 authority ~~on or after October 1, 1993,~~ unless the prepaid
 15 limited health service organization has a minimum surplus in
 16 an amount of \$150,000 or 10 percent of liabilities, whichever
 17 is the greater amount.

18 Section 22. Section 859.03, Florida Statutes, is
 19 repealed.

20 Section 23. Section 859.05, Florida Statutes, is
 21 repealed.

22 Section 24. Section 35 of chapter 93-129, Laws of
 23 Florida, is repealed.

24 Section 25. Section 19 of chapter 96-403, Laws of
 25 Florida, is repealed.

26 Section 26. Section 3 of chapter 98-21, Laws of
 27 Florida, is repealed.

28 Section 27. Section 1 of chapter 98-305, Laws of
 29 Florida, is repealed.

30 Section 28. Section 4 of chapter 99-214, Laws of
 31 Florida, is repealed.

1 Section 29. Section 6 of chapter 99-393, Laws of
2 Florida, is repealed.

3 Section 30. Section 192 of chapter 99-397, Laws of
4 Florida, is repealed.

5 Section 31. The proviso language following Specific
6 Appropriation 224 of chapter 99-226, Laws of Florida, is
7 amended to read:

8	
9	224 SALARIES AND BENEFITS POSITIONS 884
10	FROM GENERAL REVENUE FUND..... 12,856,783
11	FROM ADMINISTRATIVE TRUST FUND..... 22,992,867
12	FROM GRANTS AND DONATIONS TRUST FUND..... 187,973
13	

14 From the funds in Specific Appropriation 224,
15 the Agency for Health Care Administration in
16 conjunction with the Department of Children and
17 Families shall conduct a feasibility study
18 related to the development and implementation
19 of a system to automate patient applications
20 for nursing home care under the Medicaid
21 program.

22
23 The Agency for Health Care Administration and
24 the Department of Children and Families shall
25 evaluate the potential cost effectiveness of
26 conducting the demonstration project, document
27 potential savings to the state and provide a
28 written report to the chairmen of the Senate
29 Budget Committee and the House Fiscal
30 Responsibility Council and to the Governor no
31 later than February 1, 2000.

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~~From the funds in Specific Appropriation 224 and 225B the agency shall provide support for the Medicaid Formulary study panel.~~

~~The Medicaid Formulary study panel is created and shall consist of the following nine members: three members appointed by the Governor to include the Director of the Agency for Health Care Administration; three members appointed by the Speaker of the House of Representatives to include a Member of the House of Representatives; and three members appointed by the President of the Senate, to include a Member of the Senate. The Governor shall appoint a chairperson of the panel from among the panel membership. The panel shall be placed for administrative purposes within the Agency for Health Care Administration. Staff support for the panel shall be provided by the Agency for Health Care Administration.~~

~~The panel shall prepare recommendations on the advisability, feasibility and cost effectiveness of implementing an appropriate formulary for the Medicaid program. Included within the recommendations shall be proposals which will ensure quality of care, enhance patient safety, support appropriate utilization, and maximize cost efficiency. In addition, the panel shall when making their~~

1 ~~recommendations, include studying the pros and~~
2 ~~cons of an Open Formulary versus a Restricted~~
3 ~~Formulary, and the impact a formulary will have~~
4 ~~on the overall Medicaid program.~~

5
6 ~~In addition, the panel must prepare a plan~~
7 ~~which must include, but is not limited to, the~~
8 ~~following specific components: recommended time~~
9 ~~lines for implementation; an appropriate~~
10 ~~communication plan to providers and Medicaid~~
11 ~~beneficiaries; a plan to obtain all required~~
12 ~~waivers from the federal government;~~
13 ~~identification of cost savings through a~~
14 ~~combination of changes in prescription drug~~
15 ~~utilization, enhanced patient compliance, and~~
16 ~~reduced purchasing costs; development of~~
17 ~~appropriate clinical protocols and guidelines;~~
18 ~~identification of administrative resources to~~
19 ~~support the program; multi-year projections for~~
20 ~~benchmarks for additional cost savings; and an~~
21 ~~ongoing evaluation plan that includes cost and~~
22 ~~quality measures. However, the agency shall not~~
23 ~~implement a formulary without specific~~
24 ~~legislative authorization.~~

25
26 ~~Travel and per diem costs of panel members~~
27 ~~shall be the responsibility of the appointing~~
28 ~~agency.~~

29
30 ~~The panel shall present its report to the~~
31 ~~Governor, the Speaker of the House of~~

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~~Representatives, and the President of the~~
~~Senate by no later than January 15, 2000.~~
Section 32. This act shall take effect upon becoming a
law.