

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on Health Care Services offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause
and insert in lieu thereof:

Section 1. 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 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.

(b) The Legislature further acknowledges the critical need for increased numbers of primary care ~~family~~ physicians

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1 to provide the necessary current and projected health and
2 medical services. In order to meet both present and
3 anticipated needs, the Legislature supports an expansion in
4 the number of family practice residency positions. The
5 Legislature intends that the funding for graduate education in
6 family practice be maintained and that funding for all primary
7 care specialties be provided at a minimum of \$10,000 per
8 resident per year. Should funding for this act remain
9 constant or be reduced, it is intended that all programs
10 funded by this act be maintained or reduced proportionately.

11 (3) PROGRAM FOR COMMUNITY HOSPITAL EDUCATION; STATE
12 AND LOCAL PLANNING.--

13 (a) There is established under the Board of Regents a
14 program for statewide graduate medical education. It is
15 intended that continuing graduate medical education programs
16 for interns and residents be established on a statewide basis.
17 The program shall provide financial support for primary care
18 specialty interns and residents based on policies recommended
19 and approved by the Community Hospital Education Council,
20 herein established, and the Board of Regents. Only those
21 programs with at least 3 residents or interns in each year of
22 the training program are qualified to apply for financial
23 support. Programs with fewer than 3 residents or interns per
24 training year are qualified to apply for financial support,
25 but only if the appropriate accrediting entity for the
26 particular specialty has approved the program for fewer
27 positions. When feasible and to the extent allowed through the
28 General Appropriations Act, state funds shall be used to
29 generate federal matching funds under Medicaid, or other
30 federal programs, and the resulting combined state and federal
31 funds shall be allocated to participating hospitals for the

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1 support of graduate medical education, and for administrative
2 costs associated with the production of the annual report as
3 specified in section 5 of this act.

4 (b) For the purposes of this section, primary care
5 specialties include emergency medicine, family practice,
6 internal medicine, pediatrics, psychiatry,
7 obstetrics/gynecology, and combined pediatrics and internal
8 medicine, and other primary care specialties as may be
9 included by the council and Board of Regents.

10 (c)(b) Medical institutions throughout the state may
11 apply to the Community Hospital Education Council for
12 grants-in-aid for financial support of their approved
13 programs. Recommendations for funding of approved programs
14 shall be forwarded to the Board of Regents.

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

22 (4) PROGRAM FOR GRADUATE MEDICAL EDUCATION
23 INNOVATIONS.--

24 (a) There is established under the Board of Regents a
25 program for fostering graduate medical education innovations.
26 Funds appropriated annually by the Legislature for this
27 purpose shall be distributed to participating hospitals or
28 consortia of participating hospitals and Florida medical
29 schools on a competitive grant or formula basis to achieve
30 state health care workforce policy objectives, including but
31 not limited to:

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

3 2. Enhancing retention of primary care physicians in
4 Florida practice;

5 3. Promoting practice in medically under-served areas
6 of the state;

7 4. Encouraging racial and ethnic diversity within the
8 state's physician workforce; and

9 5. Encouraging increased production of geriatricians.

10 (b) Participating hospitals or consortia of
11 participating hospitals and Florida medical schools may apply
12 to the Community Hospital Education Council for funding under
13 this innovations program. Innovations program funding shall
14 provide funding based on policies recommended and approved by
15 the Community Hospital Education Council and the Board of
16 Regents.

17 (c) Participating hospitals or consortia of
18 participating hospitals and Florida medical schools awarded an
19 innovations grant shall provide the Community Hospital
20 Education Council and Board of Regents with an annual report
21 on their project.

22 ~~(5)~~⁽⁴⁾ FAMILY PRACTICE RESIDENCIES.--In addition to
23 the programs established in subsection (3), the Community
24 Hospital Education Council and the Board of Regents shall
25 establish an ongoing statewide program of family practice
26 residencies. The administration of this program shall be in
27 the manner described in this section.

28 ~~(6)~~⁽⁵⁾ COUNCIL AND DIRECTOR.--

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

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

11 2. One member must be a representative of the
12 administration of a hospital with an approved community
13 hospital medical education program;

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

16 4. Two members must be consumer representatives.

17

18 All of the members shall be appointed by the Governor for
19 terms of 4 years each.

20 (b) Council membership shall cease when a member's
21 representative status no longer exists. Members of similar
22 representative status shall be appointed to replace retiring
23 or resigning members of the council.

24 (c) The Chancellor of the State University System
25 shall designate an administrator to serve as staff director.
26 The council shall elect a chair from among its membership.
27 Such other personnel as may be necessary to carry out the
28 program shall be employed as authorized by the Board of
29 Regents.

30 ~~(7)~~(6) BOARD OF REGENTS; STANDARDS.--

31 (a) The Board of Regents, with recommendations from

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1 the council, shall establish standards and policies for the
2 use and expenditure of graduate medical education funds
3 appropriated pursuant to subsection(8)(~~7~~)for a program of
4 community hospital education. The board shall establish
5 requirements for hospitals to be qualified for participation
6 in the program which shall include, but not be limited to:
7 1. Submission of an educational plan and a training
8 schedule.
9 2. A determination by the council to ascertain that
10 each portion of the program of the hospital provides a high
11 degree of academic excellence and is accredited by the
12 Accreditation Council for Graduate Medical Education of the
13 American Medical Association or is accredited by the American
14 Osteopathic Association.
15 3. Supervision of the educational program of the
16 hospital by a physician who is not the hospital administrator.
17 (b) The Board of Regents shall periodically review the
18 educational program provided by a participating hospital to
19 assure that the program includes a reasonable amount of both
20 formal and practical training and that the formal sessions are
21 presented as scheduled in the plan submitted by each hospital.
22 (c) In years that funds are transferred to the Agency
23 for Health Care Administration, the Board of Regents shall
24 certify to the Agency for Health Care Administration on a
25 quarterly basis the number of primary care specialty residents
26 and interns at each of the participating hospitals for which
27 the Community Hospital Education Council and the board
28 recommends funding.
29 (~~8~~)(~~7~~) MATCHING FUNDS.--State funds shall be used to
30 match funds from any local governmental or hospital source.
31 The state shall provide up to 50 percent of the funds, and the

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1 community hospital medical education program shall provide the
2 remainder. However, except for fixed capital outlay, the
3 provisions of this subsection shall not apply to any program
4 authorized under the provisions of subsection(5)(4)for the
5 first 3 years after such program is in operation.

6 Section 2. Subsection (44) of section 408.07, Florida
7 Statutes, is amended to read:

8 408.07 Definitions.--As used in this chapter, with the
9 exception of ss. 408.031-408.045, the term:

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

20 Section 3. Subsection (6) of section 409.905, Florida
21 Statutes, is amended to read:

22 409.905 Mandatory Medicaid services.--The agency may
23 make payments for the following services, which are required
24 of the state by Title XIX of the Social Security Act,
25 furnished by Medicaid providers to recipients who are
26 determined to be eligible on the dates on which the services
27 were provided. Any service under this section shall be
28 provided only when medically necessary and in accordance with
29 state and federal law. Nothing in this section shall be
30 construed to prevent or limit the agency from adjusting fees,
31 reimbursement rates, lengths of stay, number of visits, number

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1 of services, or any other adjustments necessary to comply with
2 the availability of moneys and any limitations or directions
3 provided for in the General Appropriations Act or chapter 216.

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

15 Section 4. Subsection (1) of section 409.908, Florida
16 Statutes, is amended to read:

17 409.908 Reimbursement of Medicaid providers.--Subject
18 to specific appropriations, the agency shall reimburse
19 Medicaid providers, in accordance with state and federal law,
20 according to methodologies set forth in the rules of the
21 agency and in policy manuals and handbooks incorporated by
22 reference therein. These methodologies may include fee
23 schedules, reimbursement methods based on cost reporting,
24 negotiated fees, competitive bidding pursuant to s. 287.057,
25 and other mechanisms the agency considers efficient and
26 effective for purchasing services or goods on behalf of
27 recipients. Payment for Medicaid compensable services made on
28 behalf of Medicaid eligible persons is subject to the
29 availability of moneys and any limitations or directions
30 provided for in the General Appropriations Act or chapter 216.
31 Further, nothing in this section shall be construed to prevent

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1 or limit the agency from adjusting fees, reimbursement rates,
2 lengths of stay, number of visits, or number of services, or
3 making any other adjustments necessary to comply with the
4 availability of moneys and any limitations or directions
5 provided for in the General Appropriations Act, provided the
6 adjustment is consistent with legislative intent.

7 (1) Reimbursement to hospitals licensed under part I
8 of chapter 395 must be made prospectively or on the basis of
9 negotiation.

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

12 1. The raising of rate reimbursement caps, subject to
13 certification from the Board of Regents that the hospital has
14 complied with s. 381.0403, excluding rural hospitals.

15 2. Recognition of the costs of graduate medical
16 education.

17 3. Other methodologies recognized in the General
18 Appropriations Act.

19
20 The agency is authorized to receive funds from state entities,
21 including, but limited to, the Board of Regents, local
22 governments, and other local political subdivisions, for the
23 purpose of making special exception payments, including
24 federal matching funds, through the Medicaid inpatient
25 reimbursement methodologies. Funds received from state
26 entities or local governments for this purpose shall be
27 separately accounted for and shall not be commingled with
28 other state or local funds in any manner. Notwithstanding this
29 section and s. 409.915, counties are exempt from contributing
30 toward the cost of the special exception reimbursement for
31 hospitals serving a disproportionate share of low-income

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1 persons and providing graduate medical education.

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

5 1. Such care provided to a Medicaid recipient under
6 age 21, in which case the only limitation is medical
7 necessity.~~†~~

8 2. Renal dialysis services.~~†~~~~and~~

9 3. Other exceptions made by the agency.

10

11 The agency is authorized to receive funds from state entities,
12 including, but not limited to, the Board of Regents, local
13 governments, and other local political subdivisions, for the
14 purpose of making payments, including federal matching funds,
15 through the Medicaid outpatient reimbursement methodologies.
16 Funds received from state entities and local governments for
17 this purpose shall be separately accounted for and shall not
18 be commingled with other state or local funds in any manner.

19 (c)~~(b)~~ Hospitals that provide services to a
20 disproportionate share of low-income Medicaid recipients, or
21 that participate in the regional perinatal intensive care
22 center program under chapter 383, or that participate in the
23 statutory teaching hospital disproportionate share program, ~~or~~
24 ~~that participate in the extraordinary disproportionate share~~
25 ~~program,~~ may receive additional reimbursement. The total
26 amount of payment for disproportionate share hospitals shall
27 be fixed by the General Appropriations Act. The computation of
28 these payments must be made in compliance with all federal
29 regulations and the methodologies described in ss. 409.911,
30 409.9112, and 409.9113.

31 (d)~~(c)~~ The agency is authorized to limit inflationary

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1 increases for outpatient hospital services as directed by the
2 General Appropriations Act.

3 Section 5. The Board of Regents, the Executive Office
4 of the Governor, the Department of Health, and the Agency for
5 Health Care Administration shall collaborate to establish a
6 committee that shall produce an annual report on graduate
7 medical education. To the maximum extent feasible, the
8 committee shall have the same membership as the Graduate
9 Medical Education Study Committee, established by proviso
10 accompanying Item #191 of the fiscal year 1999-2000 General
11 Appropriations Act. The report shall be provided to the
12 Governor, President of Senate, and Speaker of the House of
13 Representatives by January 15 of each year. Committee members
14 shall serve without compensation. From the funds provided in
15 section 381.0403(3), Florida Statutes, the committee is
16 authorized to expend a maximum of \$75,000 per year to provide
17 for administrative costs and contractual services. The report
18 shall address the following topics:

19 (1) The role of residents and medical faculty in the
20 provision of health care.

21 (2) The relationship of graduate medical education to
22 the state's physician workforce.

23 (3) The costs of training medical residents for
24 hospitals, medical schools, teaching hospitals, including all
25 hospital-medical affiliations, practice plans at all of the
26 medical schools, and municipalities.

27 (4) The availability and adequacy of all sources of
28 revenue to support graduate medical education and recommend
29 alternative sources of funding for graduate medical education.

30 (5) The use of state and federal appropriated funds
31 for graduate medical education by hospitals receiving such

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1 funds.

2 Section 6. This act shall take effect July 1, 2000.

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

6 And the title is amended as follows:

7 On page 1, lines 2-29,

8 remove from the title of the bill: all of said lines

9

10 and insert in lieu thereof:

11 An act relating to health care; amending s.

12 381.0403, F.S.; placing an emphasis on primary

13 care physicians rather than family physicians;

14 modifying the provisions relating to the

15 funding of graduate medical education; defining

16 primary care specialties; establishing a

17 program for graduate medical education

18 innovations; creating a process regarding the

19 release of funds; amending s. 408.07, F.S.;

20 modifying the definition of "teaching

21 hospital"; amending s. 409.905, F.S.;

22 increasing the Medicaid reimbursement

23 limitation for certain hospital outpatient

24 services; amending s. 409.908, F.S.; providing

25 exceptions to Medicaid reimbursement

26 limitations for certain hospital inpatient

27 care; authorizing the agency to receive certain

28 funds for such exceptional reimbursements;

29 providing an exemption from county contribution

30 requirements; increasing the Medicaid

31 reimbursement limitation for certain hospital

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1 outpatient care; authorizing the agency to
2 receive certain funds for such outpatient care;
3 removing authority for additional reimbursement
4 for hospitals participating in the
5 extraordinary disproportionate share program;
6 providing an exemption from county contribution
7 requirements; requiring an annual report
8 addressing specific topics; providing a
9 committee for report purposes; providing a
10 report due date; providing an effective date.

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