

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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The Committee on Finance & Taxation offered the following:

**Amendment (with title amendment)**

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

Section 1. Subsection (2) of section 395.701, Florida Statutes, is amended to read:

395.701 Annual assessments on net operating revenues for inpatient services to fund public medical assistance; administrative fines for failure to pay assessments when due; exemption.--

(2)(a) There is imposed upon each hospital an assessment in an amount equal to 1.5 percent of the annual net operating revenue for inpatient services for each hospital, such revenue to be determined by the agency, based on the actual experience of the hospital as reported to the agency. Within 6 months after the end of each hospital fiscal year, the agency shall certify the amount of the assessment for each hospital. The assessment shall be payable to and collected by the agency in equal quarterly amounts, on or before the first

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1 day of each calendar quarter, beginning with the first full  
2 calendar quarter that occurs after the agency certifies the  
3 amount of the assessment for each hospital. All moneys  
4 collected pursuant to this subsection shall be deposited into  
5 the Public Medical Assistance Trust Fund.

6 (b) There is imposed upon each hospital an assessment  
7 in an amount equal to 1.0 percent of the annual net operating  
8 revenue for outpatient services for each hospital, such  
9 revenue to be determined by the agency, based on the actual  
10 experience of the hospital as reported to the agency. Within 6  
11 months after the end of each hospital fiscal year, the agency  
12 shall certify the amount of the assessment for each hospital.  
13 The assessment shall be payable to and collected by the agency  
14 in equal quarterly amounts, on or before the first day of each  
15 calendar quarter, beginning with the first full calendar  
16 quarter that occurs after the agency certifies the amount of  
17 the assessment for each hospital. All moneys collected  
18 pursuant to this subsection shall be deposited into the Public  
19 Medical Assistance Trust Fund.

20 Section 2. Paragraph (a) of subsection (2) of section  
21 395.7015, Florida Statutes, is amended to read:

22 395.7015 Annual assessment on health care entities.--

23 (2) There is imposed an annual assessment against  
24 certain health care entities as described in this section:

25 (a) The assessment shall be equal to 1.0 ~~1.5~~ percent  
26 of the annual net operating revenues of health care entities.  
27 The assessment shall be payable to and collected by the  
28 agency. Assessments shall be based on annual net operating  
29 revenues for the entity's most recently completed fiscal year  
30 as provided in subsection (3).

31 Section 3. Paragraph (c) of subsection 2 of section

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1 408.904, Florida Statutes, is amended to read:

2 408.904 Benefits.--

3 (2) Covered health services include:

4 (c) Hospital outpatient services. Those services  
5 provided to a member in the outpatient portion of a hospital  
6 licensed under part I of chapter 395, up to a limit of \$1,500  
7 ~~\$1,000~~ per calendar year per member, that are preventive,  
8 diagnostic, therapeutic, or palliative.

9 Section 4. Subsection (6) of section 409.905, Florida  
10 Statutes, is amended to read:

11 409.905 Mandatory Medicaid services.--The agency may  
12 make payments for the following services, which are required  
13 of the state by Title XIX of the Social Security Act,  
14 furnished by Medicaid providers to recipients who are  
15 determined to be eligible on the dates on which the services  
16 were provided. Any service under this section shall be  
17 provided only when medically necessary and in accordance with  
18 state and federal law. Nothing in this section shall be  
19 construed to prevent or limit the agency from adjusting fees,  
20 reimbursement rates, lengths of stay, number of visits, number  
21 of services, or any other adjustments necessary to comply with  
22 the availability of moneys and any limitations or directions  
23 provided for in the General Appropriations Act or chapter 216.

24 (6) HOSPITAL OUTPATIENT SERVICES.--The agency shall  
25 pay for preventive, diagnostic, therapeutic, or palliative  
26 care and other services provided to a recipient in the  
27 outpatient portion of a hospital licensed under part I of  
28 chapter 395, and provided under the direction of a licensed  
29 physician or licensed dentist, except that payment for such  
30 care and services is limited to \$1,500~~\$1,000~~ per state fiscal  
31 year per recipient, unless an exception has been made by the

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1 agency, and with the exception of a Medicaid recipient under  
2 age 21, in which case the only limitation is medical  
3 necessity.

4 Section 5. Paragraph (a) of subsection (1) of section  
5 409.908, Florida Statutes, is amended to read:

6 409.908 Reimbursement of Medicaid providers.--Subject  
7 to specific appropriations, the agency shall reimburse  
8 Medicaid providers, in accordance with state and federal law,  
9 according to methodologies set forth in the rules of the  
10 agency and in policy manuals and handbooks incorporated by  
11 reference therein. These methodologies may include fee  
12 schedules, reimbursement methods based on cost reporting,  
13 negotiated fees, competitive bidding pursuant to s. 287.057,  
14 and other mechanisms the agency considers efficient and  
15 effective for purchasing services or goods on behalf of  
16 recipients. Payment for Medicaid compensable services made on  
17 behalf of Medicaid eligible persons is subject to the  
18 availability of moneys and any limitations or directions  
19 provided for in the General Appropriations Act or chapter 216.  
20 Further, nothing in this section shall be construed to prevent  
21 or limit the agency from adjusting fees, reimbursement rates,  
22 lengths of stay, number of visits, or number of services, or  
23 making any other adjustments necessary to comply with the  
24 availability of moneys and any limitations or directions  
25 provided for in the General Appropriations Act, provided the  
26 adjustment is consistent with legislative intent.

27 (1) Reimbursement to hospitals licensed under part I  
28 of chapter 395 must be made prospectively or on the basis of  
29 negotiation.

30 (a) Reimbursement for inpatient care is limited as  
31 provided for in s. 409.905(5). Reimbursement for hospital

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1 outpatient care is limited to \$1,500~~\$1,000~~ per state fiscal  
2 year per recipient, except for:

3 1. Such care provided to a Medicaid recipient under  
4 age 21, in which case the only limitation is medical  
5 necessity;

6 2. Renal dialysis services; and

7 3. Other exceptions made by the agency.

8 Section 6. Paragraph (e) is added to subsection (3) of  
9 section 409.912, Florida Statutes, to read:

10 409.912 Cost-effective purchasing of health care.--The  
11 agency shall purchase goods and services for Medicaid  
12 recipients in the most cost-effective manner consistent with  
13 the delivery of quality medical care. The agency shall  
14 maximize the use of prepaid per capita and prepaid aggregate  
15 fixed-sum basis services when appropriate and other  
16 alternative service delivery and reimbursement methodologies,  
17 including competitive bidding pursuant to s. 287.057, designed  
18 to facilitate the cost-effective purchase of a case-managed  
19 continuum of care. The agency shall also require providers to  
20 minimize the exposure of recipients to the need for acute  
21 inpatient, custodial, and other institutional care and the  
22 inappropriate or unnecessary use of high-cost services.

23 (3) The agency may contract with:

24 (e) An entity in Pasco County or Pinellas County that  
25 provides in-home physician services to Medicaid recipients  
26 with degenerative neurological diseases in order to test the  
27 cost-effectiveness of enhanced home-based medical care. The  
28 entity providing the services shall be reimbursed on a  
29 fee-for-service basis at a rate not less than comparable  
30 Medicare reimbursement rates. The agency may apply for waivers  
31 of federal regulations necessary to implement such program.

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1 This paragraph shall be repealed on July 1, 2002.

2           Section 7. The Legislature shall appropriate each  
3 fiscal year from the General Revenue Fund to the Public  
4 Medical Assistance Trust Fund an amount sufficient to replace  
5 the funds lost due to the reduction by this act of the  
6 assessment on other health care entities under s. 395.7015,  
7 Florida Statutes, and the reduction by this act in the  
8 assessment on hospitals under s. 395.701, Florida Statutes,  
9 and to maintain federal approval of the reduced amount of  
10 funds deposited into the Public Medical Assistance Trust Fund  
11 under s. 395.701, Florida Statutes, as state match for the  
12 state's Medicaid program.

13           Section 8. There is hereby appropriated \$28.3 million  
14 to the Agency for Health Care Administration to implement this  
15 act, provided however, that no portion of this appropriation  
16 shall be effective that duplicates a similar appropriation for  
17 the same purpose contained in other legislation from the 2000  
18 session that becomes law.

19           Section 9. This act shall take effect July 1, 2000,  
20 except that the amendments to ss. 395.701 and 395.7015,  
21 Florida Statutes, by this act shall take effect only upon the  
22 Agency for Health Care Administration receiving written  
23 confirmation from the federal Health Care Financing  
24 Administration that the changes contained in such amendments  
25 will not adversely affect the use of the remaining assessments  
26 as state match for the state's Medicaid program.

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

30 And the title is amended as follows:

31           On page 1, lines 6 through 18,

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1 remove from the title of the bill: all of said lines  
2  
3 and insert in lieu thereof:  
4           amending s. 395.7015, F.S.; reducing the annual  
5 assessment on certain health care entities; amending ss.  
6 408.904, 409.905, and 409.908, F.S.; increasing benefits for  
7 hospital out patient services under the MedAccess and Medicaid  
8 programs; amending s. 409.912, F.S.; providing for a contract  
9 with reimbursement of an entity in Pasco or Pinellas County  
10 that provides in-home physician services to Medicaid  
11 recipients with degenerative neurological diseases; providing  
12 for future repeal; providing appropriations; providing  
13 effective dates.

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