

By the Committee on Health Care Licensing & Regulation and
Representatives Fasano and Peadar

1 A bill to be entitled
2 An act relating to public medical assistance;
3 amending s. 395.701, F.S.; reducing the annual
4 assessment on hospitals to fund public medical
5 assistance; providing for contingent effect;
6 repealing s. 395.7015, F.S., to eliminate the
7 annual assessment on certain health care
8 entities; amending ss. 408.904, 409.905, and
9 409.908, F.S.; increasing benefits for hospital
10 outpatient services under the MedAccess and
11 Medicaid programs; amending s. 409.912, F.S.;
12 providing for a contract with and reimbursement
13 of an entity in Pasco or Pinellas County that
14 provides in-home physician services to Medicaid
15 recipients with degenerative neurological
16 diseases; providing for future repeal;
17 providing appropriations; providing effective
18 dates.

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20 WHEREAS, the Legislature finds that the annual
21 assessments on hospitals and certain other health care
22 entities that fund the Public Medical Assistance Trust Fund
23 are not uniformly applied to all health care entities, and

24 WHEREAS, the Legislature also finds that responsibility
25 for indigent care is a broader societal problem, not to be
26 placed just on those that provide or receive health care, and

27 WHEREAS, the Legislature further finds that the
28 economic conditions that exist today for health care entities
29 are different than when the assessment on hospitals was
30 instituted in 1984 and the assessment on other health care
31 entities was instituted in 1991, and

1 WHEREAS, because these assessments place a greater
2 burden on the hospitals and other health care entities subject
3 to such assessments, it is the intent of the Legislature by
4 this act to provide such hospitals and health care entities
5 some relief, NOW, THEREFORE,

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7 Be It Enacted by the Legislature of the State of Florida:

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

11 395.701 Annual assessments on net operating revenues
12 for inpatient services to fund public medical assistance;
13 administrative fines for failure to pay assessments when due;
14 exemption.--

15 (2) There is imposed upon each hospital an assessment
16 in an amount equal to 1.5 percent of the annual net operating
17 revenue for inpatient services for each hospital, such revenue
18 to be determined by the agency, based on the actual experience
19 of the hospital as reported to the agency. Within 6 months
20 after the end of each hospital fiscal year, the agency shall
21 certify the amount of the assessment for each hospital. The
22 assessment shall be payable to and collected by the agency in
23 equal quarterly amounts, on or before the first day of each
24 calendar quarter, beginning with the first full calendar
25 quarter that occurs after the agency certifies the amount of
26 the assessment for each hospital. All moneys collected
27 pursuant to this subsection shall be deposited into the Public
28 Medical Assistance Trust Fund.

29 Section 2. Section 395.7015, Florida Statutes, is
30 repealed.

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1 Section 3. Paragraph (c) of subsection (2) of section
2 408.904, Florida Statutes, is amended to read:

3 408.904 Benefits.--

4 (2) Covered health services include:

5 (c) Hospital outpatient services. Those services
6 provided to a member in the outpatient portion of a hospital
7 licensed under part I of chapter 395, up to a limit of \$2,000
8 ~~\$1,000~~ per calendar year per member, that are preventive,
9 diagnostic, therapeutic, or palliative.

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

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

25 (6) HOSPITAL OUTPATIENT SERVICES.--The agency shall
26 pay for preventive, diagnostic, therapeutic, or palliative
27 care and other services provided to a recipient in the
28 outpatient portion of a hospital licensed under part I of
29 chapter 395, and provided under the direction of a licensed
30 physician or licensed dentist, except that payment for such
31 care and services is limited to \$2,000~~\$1,000~~ per state fiscal

1 year per recipient, unless an exception has been made by the
2 agency, and with the exception of a Medicaid recipient under
3 age 21, in which case the only limitation is medical
4 necessity.

5 Section 5. Paragraph (a) of subsection (1) of section
6 409.908, Florida Statutes, is amended to read:

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

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

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1 (a) Reimbursement for inpatient care is limited as
2 provided for in s. 409.905(5). Reimbursement for hospital
3 outpatient care is limited to \$2,000~~\$1,000~~ per state fiscal
4 year per recipient, 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 Section 6. Paragraph (e) is added to subsection (3) of
11 section 409.912, Florida Statutes, to read:

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

25 (3) The agency may contract with:

26 (e) An entity in Pasco County or Pinellas County that
27 provides in-home physician services to Medicaid recipients
28 with degenerative neurological diseases in order to test the
29 cost-effectiveness of enhanced home-based medical care. The
30 entity providing the services shall be reimbursed on a
31 fee-for-service basis at a rate not less than comparable

1 Medicare reimbursement rates. The agency may apply for waivers
2 of federal regulations necessary to implement such program.
3 This paragraph shall be repealed on July 1, 2002.

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

16 Section 8. There is hereby appropriated each fiscal
17 year from the Medical Care Trust Fund within the Agency for
18 Health Care Administration to the Public Medical Assistance
19 Trust Fund an amount sufficient to provide for the increased
20 reimbursement to hospitals for hospital outpatient care
21 provided to adults eligible under the MedAccess program or
22 Medicaid required by the amendment of ss. 408.904, 409.905,
23 and 409.908, Florida Statutes, by this act.

24 Section 9. This act shall take effect July 1, 2000,
25 except that the amendment to s. 395.701, Florida Statutes, by
26 this act shall take effect only upon the Agency for Health
27 Care Administration receiving written confirmation from the
28 federal Health Care Financing Administration that the changes
29 contained in such amendment will not adversely affect the use
30 of the remaining assessments as state match for the state's
31 Medicaid program.

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HOUSE SUMMARY

Reduces the annual assessment on hospitals to fund public medical assistance by basing it on the annual net operating revenues for inpatient services only, rather than on all annual net operating revenues, contingent upon certain federal approval. Repeals the annual assessment on certain ambulatory surgical centers, mobile surgical facilities, clinical laboratories, blood, plasma, or tissue banks, and diagnostic-imaging centers. Increases benefits for hospital outpatient services under the MedAccess and Medicaid programs. Provides for a contract with and reimbursement of an entity in Pasco or Pinellas County that provides in-home physician services to Medicaid recipients with degenerative neurological diseases, and provides for future repeal thereof. Provides certain continuing appropriations, to conform. See bill for details.