

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 amending s. 395.7015, F.S.; reducing the annual
7 assessment on certain health care entities;
8 amending ss. 408.904, 409.905, and 409.908,
9 F.S.; increasing benefits for hospital out
10 patient services under the MedAccess and
11 Medicaid programs; amending s. 409.912, F.S.;
12 providing for a contract with reimbursement of
13 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 requiring certain entities to conduct an annual
18 survey and produce an annual report on
19 uncompensated care; providing appropriations;
20 providing an effective date.

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

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

29 WHEREAS, the Legislature further finds that the
30 economic conditions that exist today for health care entities
31 are different than when the assessment on hospitals was

1 instituted in 1984 and the assessment on other health care
2 entities was instituted in 1991, and

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

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

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

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

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

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

15 Section 2. Paragraph (a) of subsection (2) of section
16 395.7015, Florida Statutes, is amended to read:

17 395.7015 Annual assessment on health care entities.--

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

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

26 Section 3. Paragraph (c) of subsection 2 of section
27 408.904, Florida Statutes, is amended to read:

28 408.904 Benefits.--

29 (2) Covered health services include:

30 (c) Hospital outpatient services. Those services
31 provided to a member in the outpatient portion of a hospital

1 licensed under part I of chapter 395, up to a limit of \$1,500
2 ~~\$1,000~~ per calendar year per member, that are preventive,
3 diagnostic, therapeutic, or palliative.

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

6 409.905 Mandatory Medicaid services.--The agency may
7 make payments for the following services, which are required
8 of the state by Title XIX of the Social Security Act,
9 furnished by Medicaid providers to recipients who are
10 determined to be eligible on the dates on which the services
11 were provided. Any service under this section shall be
12 provided only when medically necessary and in accordance with
13 state and federal law. Nothing in this section shall be
14 construed to prevent or limit the agency from adjusting fees,
15 reimbursement rates, lengths of stay, number of visits, number
16 of services, or any other adjustments necessary to comply with
17 the availability of moneys and any limitations or directions
18 provided for in the General Appropriations Act or chapter 216.

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

30 Section 5. Paragraph (a) of subsection (1) of section
31 409.908, Florida Statutes, is amended to read:

1 409.908 Reimbursement of Medicaid providers.--Subject
2 to specific appropriations, the agency shall reimburse
3 Medicaid providers, in accordance with state and federal law,
4 according to methodologies set forth in the rules of the
5 agency and in policy manuals and handbooks incorporated by
6 reference therein. These methodologies may include fee
7 schedules, reimbursement methods based on cost reporting,
8 negotiated fees, competitive bidding pursuant to s. 287.057,
9 and other mechanisms the agency considers efficient and
10 effective for purchasing services or goods on behalf of
11 recipients. Payment for Medicaid compensable services made on
12 behalf of Medicaid eligible persons is subject to the
13 availability of moneys and any limitations or directions
14 provided for in the General Appropriations Act or chapter 216.
15 Further, nothing in this section shall be construed to prevent
16 or limit the agency from adjusting fees, reimbursement rates,
17 lengths of stay, number of visits, or number of services, or
18 making any other adjustments necessary to comply with the
19 availability of moneys and any limitations or directions
20 provided for in the General Appropriations Act, provided the
21 adjustment is consistent with legislative intent.

22 (1) Reimbursement to hospitals licensed under part I
23 of chapter 395 must be made prospectively or on the basis of
24 negotiation.

25 (a) Reimbursement for inpatient care is limited as
26 provided for in s. 409.905(5). Reimbursement for hospital
27 outpatient care is limited to \$1,500~~\$1,000~~ per state fiscal
28 year per recipient, except for:

29 1. Such care provided to a Medicaid recipient under
30 age 21, in which case the only limitation is medical
31 necessity;

- 1 2. Renal dialysis services; and
- 2 3. Other exceptions made by the agency.

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

5 409.912 Cost-effective purchasing of health care.--The
6 agency shall purchase goods and services for Medicaid
7 recipients in the most cost-effective manner consistent with
8 the delivery of quality medical care. The agency shall
9 maximize the use of prepaid per capita and prepaid aggregate
10 fixed-sum basis services when appropriate and other
11 alternative service delivery and reimbursement methodologies,
12 including competitive bidding pursuant to s. 287.057, designed
13 to facilitate the cost-effective purchase of a case-managed
14 continuum of care. The agency shall also require providers to
15 minimize the exposure of recipients to the need for acute
16 inpatient, custodial, and other institutional care and the
17 inappropriate or unnecessary use of high-cost services.

18 (3) The agency may contract with:

19 (e) An entity in Pasco County or Pinellas County that
20 provides in-home physician services to Medicaid recipients
21 with degenerative neurological diseases in order to test the
22 cost-effectiveness of enhanced home-based medical care. The
23 entity providing the services shall be reimbursed on a
24 fee-for-service basis at a rate not less than comparable
25 Medicare reimbursement rates. The agency may apply for waivers
26 of federal regulations necessary to implement such program.
27 This paragraph shall be repealed on July 1, 2002.

28 Section 7. The Department of Health's Volunteer Health
29 Care Provider Program, or its successor program, shall
30 coordinate with the Agency for Health Care Administration,
31 Florida Board of Medicine, the Florida Board of Osteopathic

1 Medicine, the Florida Medical Association, the Florida
 2 Osteopathic Medical Association, the Florida Hospital
 3 Association, the Association of Community Hospitals and Health
 4 Systems of Florida, Inc., and the Florida League of Health
 5 Care Systems to conduct a survey and produce for the
 6 Legislature by December 31 of each calendar year a report
 7 relative to uncompensated care for which the provider receives
 8 no reimbursement and the Florida Medicaid program. The report
 9 shall include: the dollar amount of uncompensated care for
 10 which the physician receives no reimbursement provided by
 11 physicians licensed pursuant to chapter 458 and chapter 459 by
 12 medical specialty and by county; the dollar amount of
 13 uncompensated care for which the hospital receives no
 14 reimbursement provided by Florida hospitals licensed under
 15 chapter 395 by medical specialty and by county; the number of
 16 Medicaid physicians in the state by medical specialty and
 17 county, and the average number of encounters per physician.
 18 The results of the Medicaid provider survey shall be compared
 19 with the projected need for Medicaid services by specialty and
 20 county, as determined by the department. The report that is to
 21 be filed on December 31, 2000, shall also include the
 22 following information: a comparison of Florida Medicaid
 23 reimbursement rates with Medicaid reimbursement rates for
 24 other states; a comparison of Florida Medicaid reimbursement
 25 rates with Medicare reimbursement rates; a comparison of
 26 Florida Medicaid reimbursement rates with fee-for-service
 27 rates; and a historical report on Florida Medicaid
 28 reimbursement rates.

29 Section 8. The Legislature shall appropriate each
 30 fiscal year from the General Revenue Fund to the Public
 31 Medical Assistance Trust Fund an amount sufficient to replace

1 the funds lost due to the reduction by this act of the
2 assessment on other health care entities under s. 395.7015,
3 Florida Statutes, and the reduction by this act in the
4 assessment on hospitals under s. 395.701, Florida Statutes,
5 and to maintain federal approval of the reduced amount of
6 funds deposited into the Public Medical Assistance Trust Fund
7 under s. 395.701, Florida Statutes, as state match for the
8 state's Medicaid program.

9 Section 9. There is hereby appropriated \$28.3 million
10 to the Agency for Health Care Administration to implement this
11 act, provided however, that no portion of this appropriation
12 shall be effective that duplicates a similar appropriation for
13 the same purpose contained in other legislation from the 2000
14 session that becomes law.

15 Section 10. This act shall take effect July 1, 2000.
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