

By the Committee on Health, Aging and Long-Term Care; and
Senators Saunders and Kirkpatrick

317-1717-00

1 A bill to be entitled
2 An act relating to health care; amending s.
3 395.701, F.S.; providing for an assessment
4 against hospitals for inpatient services;
5 amending s. 408.904, F.S.; increasing benefits
6 for certain persons who receive hospital
7 outpatient services; amending s. 408.905, F.S.;
8 increasing benefits furnished by Medicaid
9 providers to recipients of hospital outpatient
10 services; amending s. 905.908, F.S.; increasing
11 reimbursement to hospitals for outpatient care;
12 repealing s. 395.7015, F.S., relating to
13 assessments against certain health care
14 entities; amending s. 409.912, F.S.; providing
15 for a contract with and reimbursement of an
16 entity in Pasco or Pinellas County that
17 provides in-home physician services to Medicaid
18 recipients with degenerative neurological
19 diseases; providing for future repeal;
20 providing appropriations; providing effective
21 dates.

22
23 WHEREAS, the Legislature finds that the Public Medical
24 Assistance Trust Fund is not uniformly applied to all health
25 care entities, and

26 WHEREAS, the responsibility for indigent care is a
27 broad societal problem, not to be placed just on those who
28 provide or receive health care, and

29 WHEREAS, the economic conditions that exist today for
30 health care entities are different than those conditions
31 existing when the assessment was instituted in 1984, and

1 consequently this assessment places a greater burden on the
2 taxed entities, NOW, THEREFORE,

3
4 Be It Enacted by the Legislature of the State of Florida:

5
6 Section 1. Subsection (2) of section 395.701, Florida
7 Statutes, is amended to read:

8 395.701 Annual assessments on net operating revenues
9 to fund public medical assistance; administrative fines for
10 failure to pay assessments when due; exemption.--

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

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

27 408.904 Benefits.--

28 (2) Covered health services include:

29 (c) Hospital outpatient services. Those services
30 provided to a member in the outpatient portion of a hospital
31 licensed under part I of chapter 395, up to a limit of \$2,000

1 ~~\$1,000~~ per calendar year per member, that are preventive,
2 diagnostic, therapeutic, or palliative.

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

5 409.905 Mandatory Medicaid services.--The agency may
6 make payments for the following services, which are required
7 of the state by Title XIX of the Social Security Act,
8 furnished by Medicaid providers to recipients who are
9 determined to be eligible on the dates on which the services
10 were provided. Any service under this section shall be
11 provided only when medically necessary and in accordance with
12 state and federal law. Nothing in this section shall be
13 construed to prevent or limit the agency from adjusting fees,
14 reimbursement rates, lengths of stay, number of visits, number
15 of services, or any other adjustments necessary to comply with
16 the availability of moneys and any limitations or directions
17 provided for in the General Appropriations Act or chapter 216.

18 (6) HOSPITAL OUTPATIENT SERVICES.--The agency shall
19 pay for preventive, diagnostic, therapeutic, or palliative
20 care and other services provided to a recipient in the
21 outpatient portion of a hospital licensed under part I of
22 chapter 395, and provided under the direction of a licensed
23 physician or licensed dentist, except that payment for such
24 care and services is limited to \$2,000~~\$1,000~~ per state fiscal
25 year per recipient, unless an exception has been made by the
26 agency, and with the exception of a Medicaid recipient under
27 age 21, in which case the only limitation is medical
28 necessity.

29 Section 4. Paragraph (a) of subsection (1) of section
30 409.908, Florida Statutes, is amended to read:

31

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 \$2,000~~\$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 5. 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 having 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 expires July 1, 2002.

28 Section 6. (1) The sum of _____ is appropriated from
29 the General Revenue Fund to the Agency for Health Care
30 Administration to replace the revenues lost due to the
31 reduction by this act in the assessment on hospitals under

1 section 395.701, Florida Statutes, and the repeal of section
2 395.7015, Florida Statutes, and to maintain federal financial
3 participation.

4 (2) The sum of _____ is appropriated from the General
5 Revenue Fund to the Agency for Health Care Administration to
6 provide for the increased reimbursement to hospitals for
7 hospital outpatient care.

8 Section 7. Section 395.7015, Florida Statutes, is
9 repealed.

10 Section 8. This act shall take effect July 1, 2000,
11 except that the amendment to section 395.701, Florida
12 Statutes, by this act shall take effect only upon the receipt
13 by the Agency for Health Care Administration of written
14 confirmation from the federal Health Care Financing
15 Administration that the changes contained in such amendment
16 will not adversely affect the use of the remaining assessments
17 as state match for the state's Medicaid program.

18
19 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
20 COMMITTEE SUBSTITUTE FOR
21 Senate Bill 954

22 The committee substitute authorizes the Agency for Health Care
23 Administration, before July 1, 2002, to contract with and to
24 reimburse an entity located in Pasco County or Pinellas County
25 that provides in-home physician services to Medicaid
26 recipients with degenerative neurological diseases to test the
27 cost-effectiveness of enhanced home-based medical care.
28
29
30
31