

By  
Long-Term Care; and Senators Saunders and Kirkpatrick

1                                   A bill to be entitled  
3           395.701, F.S.; reducing the annual assessment  
5           s. 395.7015, F.S.; reducing the annual  
7           entities; amending s. 408.904, F.S.; increasing  
9           hospital outpatient services; amending s.  
11          Medicaid providers to recipients of hospital  
13          increasing reimbursement to hospitals for  
15          providing for a contract with and reimbursement  
17          which provides in-home physician services to  
19          neurological diseases; providing for future  
21          to conduct an annual survey and produce an  
23          appropriations; providing an effective date.

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

27           Section 1. Subsection (2) of section 395.701, Florida  
29           395.701 Annual assessments on net operating revenues  
31 failure to pay assessments when due; exemption.--

**CODING:**           ~~stricken~~

underlined

(a)

2 assessment in an amount equal to 1.5 percent of the annual net  
4 inpatient services for  
6 such revenue to be determined by the agency, based on the  
8 Within 6 months after the end of each hospital fiscal year,  
10 hospital. The assessment shall be payable to and collected by  
12 day of each calendar quarter, beginning with the first full  
14 amount of the assessment for each hospital. All moneys  
paragraph subsection  
deposited into the Public Medical Assistance Trust Fund.

(b) There is imposed upon each hospital an assessment  
in an amount equal to 1.0 percent of the annual net operating  
revenue for outpatient 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 day of each  
calendar quarter, beginning with the first full calendar  
quarter that occurs after the agency certifies the amount of  
the assessment for each hospital. All moneys collected  
pursuant to this paragraph shall be deposited into the Public  
Medical Assistance Trust Fund.

30 395.7015, Florida Statutes, is amended to read:

1 (2) There is imposed an annual assessment against

3 (a) The assessment shall be equal to \_\_\_ — percent

5 The assessment shall be payable to and collected by the

7 revenues for the entity's most recently completed fiscal year

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

11 408.904 Benefits.--

13 (c) Hospital outpatient services. Those services

15 licensed under part I of chapter 395, up to a limit of \_\_\_\_\_

16 \_\_\_\_\_ per calendar year per member, that are preventive,

17 diagnostic, therapeutic, or palliative.

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

20 409.905 Mandatory Medicaid services.--The agency may  
21 make payments for the following services, which are required  
22 of the state by Title XIX of the Social Security Act,  
23 furnished by Medicaid providers to recipients who are  
24 determined to be eligible on the dates on which the services  
25 were provided. Any service under this section shall be  
26 provided only when medically necessary and in accordance with  
27 state and federal law. Nothing in this section shall be  
28 construed to prevent or limit the agency from adjusting fees,  
29 reimbursement rates, lengths of stay, number of visits, number  
30 of services, or any other adjustments necessary to comply with  
31

1 the availability of moneys and any limitations or directions  
2 provided for in the General Appropriations Act or chapter 216.

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

14 Section 5. Paragraph (a) of subsection (1) of section  
15 409.908, Florida Statutes, is amended to read:

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

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

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

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

13 1. Such care provided to a Medicaid recipient under  
14 age 21, in which case the only limitation is medical  
15 necessity;

16 2. Renal dialysis services; and

17 3. Other exceptions made by the agency.

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

20 409.912 Cost-effective purchasing of health care.--The  
21 agency shall purchase goods and services for Medicaid  
22 recipients in the most cost-effective manner consistent with  
23 the delivery of quality medical care. The agency shall  
24 maximize the use of prepaid per capita and prepaid aggregate  
25 fixed-sum basis services when appropriate and other  
26 alternative service delivery and reimbursement methodologies,  
27 including competitive bidding pursuant to s. 287.057, designed  
28 to facilitate the cost-effective purchase of a case-managed  
29 continuum of care. The agency shall also require providers to  
30 minimize the exposure of recipients to the need for acute  
31

1 inpatient, custodial, and other institutional care and the  
2 inappropriate or unnecessary use of high-cost services.

3 (3) The agency may contract with:

4 (e) An entity in Pasco County or Pinellas County which  
5 provides in-home physician services to Medicaid recipients  
6 having degenerative neurological diseases in order to test the  
7 cost-effectiveness of enhanced home-based medical care. The  
8 entity providing the services shall be reimbursed on a  
9 fee-for-service basis at a rate not less than comparable  
10 Medicare reimbursement rates. The agency may apply for waivers  
11 of federal regulations necessary to implement such program.  
12 This paragraph expires July 1, 2002.

13 Section 7. The Department of Health's Volunteer Health  
14 Care Provider Program, or its successor program, shall  
15 coordinate with the Agency for Health Care Administration, the  
16 Florida Board of Medicine, the Florida Board of Osteopathic  
17 Medicine, the Florida Medical Association, the Florida  
18 Osteopathic Medical Association, the Florida Hospital  
19 Association, Community Hospitals and Health Systems, and the  
20 Florida League of Hospitals to conduct a survey and produce  
21 for the Legislature by December 31 of each calendar year a  
22 report relative to uncompensated care and the Florida Medicaid  
23 program. The report shall include: the dollar amount of  
24 uncompensated care for which the physician receives no  
25 reimbursement provided by physicians licensed pursuant to  
26 chapter 458, Florida Statutes, or chapter 459, Florida  
27 Statutes, by medical specialty and by county; the dollar  
28 amount of uncompensated care for which the hospital receives  
29 no reimbursement provided by Florida hospitals licensed under  
30 chapter 395, Florida Statutes, by medical specialty and by  
31 county; and the number of Medicaid physicians in the state by

medical specialty and county and the average number of encounters per physician. The results of the Medicaid provider survey shall be compared with the projected need for Medicaid services by specialty and county, as determined by the department. The report that is to be filed on December 31, 2000, shall also include the following information: a comparison of Florida Medicaid reimbursement rates with Medicaid reimbursement rates for other states; a comparison of Florida Medicaid reimbursement rates with Medicare reimbursement rates; a comparison of Florida Medicaid reimbursement rates with fee-for-service rates; and a historical report on Florida Medicaid reimbursement rates.

8 Medicaid reimbursement rates for other states; a comparison of  
9 Florida Medicaid reimbursement rates with Medicare  
10 reimbursement rates; a comparison of Florida Medicaid  
11 reimbursement rates with fee-for-service rates; and a  
12 historical report on Florida Medicaid reimbursement rates.

13 Section 8. The Legislature shall appropriate each  
14 fiscal year from the General Revenue Fund to the Public  
15 Medical Assistance Trust Fund an amount sufficient to replace  
16 the funds lost due to the reduction by this act of the  
17 assessment on other health care entities under section  
18 395.7015, Florida Statutes, and the reduction by this act in  
19 the assessment on hospitals under section 395.701, Florida  
20 Statutes, and to maintain federal approval of the reduced  
21 amount of funds deposited into the Public Medical Assistance  
22 Trust Fund under section 395.701, Florida Statutes, as state  
23 matching funds for the state's Medicaid program.

24 Section 9. The sum of \$28.3 million is appropriated  
25 from the General Revenue Fund to the Agency for Health Care  
26 Administration for the purpose of implementing this act.  
27 However, such appropriation shall be reduced by an amount  
28 equal to any similar appropriation for the same purpose which  
29 is contained in other legislation adopted during the 2000  
30 legislative session and which becomes a law.

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

1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   CS/SB 954

4 The Committee Substitute made the following changes to  
5 CS/CS/SB 954:

- 6 1)     Reduces the hospital assessment fee on outpatient  
7        services, ambulatory surgical centers, mobile surgical  
8        facilities, certain clinical laboratories, freestanding  
9        radiation therapy centers and diagnostic imaging centers  
10       from 1.5% to 1.0%
- 11 2)     Instead of repealing the fee, the CS reduces the  
12        hospital assessment fee on ambulatory surgical centers,  
13        mobile surgical facilities, certain clinical  
14        laboratories, freestanding radiation therapy centers and  
15        diagnostic imaging centers from 1.5% to 1.0%.
- 16 3)     Increases the annual reimbursement limit on hospital  
17        outpatient services from \$1,000 to \$1,500. The bill  
18        increased it to \$2,000.
- 19 4)     Provides a \$28.3 million GR appropriation to the PMATF  
20        to cover the loss in revenue from the bill and directs  
21        the Legislature to annually appropriate revenues from GR  
22        to the PMATF to replace the loss in revenues created by  
23        this act.
- 24 5)     Requires the Department of Health's Volunteer Health  
25        Care Provider Program to conduct a survey and publish a  
26        report annually on the uncompensated care for which  
27        health providers receive no reimbursement.
- 28 6)     The bill changes the effective date from July 1,  
29        2000, except that the amendment to s. 395.701, Florida  
30        Statutes, to eliminate the annual PMATF assessment on  
31        net operating revenues attributed to hospital outpatient  
      services shall take effect only upon receipt by the  
      Agency for HealthCare Administration of written  
      confirmation from the federal Health Care Financing  
      Administration that the changes contained in such  
      amendment will not adversely affect the use of the  
      remaining assessments as state match for the state's  
      Medicaid program, to July 1, 2000.