By the Committee on Health, Aging and Long-Term Care

317-1592-01

1 A bill to be entitled
2 An act relating to Medicaid; amending s.
3 409.904, F.S.; establishing the medically needy
4 income level; providing for the annual increase
5 of the medically needy income level; creating
6 s. 409.9045, F.S.; requiring coverage for
7 certain individuals awaiting for Medicare
8 coverage; amending s. 409.914, F.S.; amending
9 procedures relating to the Medicaid buy-in
10 program to provide medical assistance to a
11 specified category of individuals; amending
12 criteria of eligibility for the buy-in program;
13 allowing the Agency for Health Care
14 Administration to apply for federal waivers to
15 ensure that the buy-in program operates within
16 specified constraints; providing legislative
17 intent; directing the agency to seek approval
18 from the Health Care Financing Administration
19 of a specified methodology for calculating
20 medical expenses under the medically needy
21 program; amending s. 409.908, F.S.; requiring
22 Medicaid to pay deductibles, coinsurance, or
23 copayments for Medicare cost sharing for
24 medications necessary to prevent rejection of
25 transplanted organs; providing an effective
26 date.
27
28 Be It Enacted by the Legislature of the State of Florida:
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30 Section 1. Subsection (2) of section 409.904, Florida
31 Statutes, is amended to read:

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1 409.904 Optional payments for eligible persons.--The
2 agency may make payments for medical assistance and related
3 services on behalf of the following persons who are determined
4 to be eligible subject to the income, assets, and categorical
5 eligibility tests set forth in federal and state law. Payment
6 on behalf of these Medicaid eligible persons is subject to the
7 availability of moneys and any limitations established by the
8 General Appropriations Act or chapter 216.
9 (2) A family, a pregnant woman, a child under age 18,
10 a person age 65 or over, or a blind or disabled person who
11 would be eligible under any group listed in s. 409.903(1),
12 (2), or (3), except that the income or assets of such family
13 or person exceed established limitations. <u>The medically needy</u>
14 <u>income level is 133-1/3 percent of the income limit used for</u>
15 <u>the persons described in s. 409.903(1).</u>For a family or person
16 in this group, medical expenses are deductible from income in
17 accordance with federal requirements in order to make a
18 determination of eligibility. A family or person in this
19 group, which group is known as the "medically needy," is
20 eligible to receive the same services as other Medicaid
21 recipients, with the exception of services in skilled nursing
22 facilities and intermediate care facilities for the
23 developmentally disabled. <u>Annually, beginning July 1, 2002,</u>
24 <u>the Department of Children and Family Services shall increase</u>
25 <u>the medically needy income level by the amount of the</u>
26 <u>"consumer price index for all urban consumers" as published by</u>
27 <u>the Bureau of Labor Statistics of the United States Department</u>
28 <u>of Labor.</u>
29 Section 2. Section 409.9045, Florida Statutes is
30 created to read:
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1 409.9045 Medical assistance for disabled persons.--The
2 agency may make payments for medical assistance and related
3 services for persons who are receiving payments under the
4 Social Security Disability Insurance program and who are in
5 the 2-year Medicare waiting period. The agency is directed to
6 seek federal waivers necessary to earn federal matching funds
7 for these services.
8 Section 3. Subsection (2) of section 409.914, Florida
9 Statutes, is amended to read:
10 409.914 Assistance for the uninsured.--
11 (2)(a) The agency shall ~~seek federal statutory or~~
12 ~~regulatory reforms to~~ establish a Medicaid buy-in program to
13 provide medical assistance to disabled Medicaid recipients
14 who, after at least 6 months of Medicaid eligibility, become
15 ~~persons~~ ineligible for Medicaid because of increased ~~current~~
16 income obtained from gainful employment ~~and categorical~~
17 ~~restrictions~~. The agency shall develop ~~use funds provided by~~
18 ~~the Robert Wood Johnson Foundation to assist in developing~~ the
19 buy-in program, including, but not limited to, the
20 determination of eligibility and service coverages;
21 cost-sharing ~~cost sharing~~ requirements; managed-care ~~managed~~
22 ~~care~~ provisions; changes needed to the Medicaid program's
23 claims processing, utilization control, cost control, case
24 management, and provider enrollment systems to operate a
25 buy-in program. The agency may apply for federal waivers
26 necessary to ensure that the buy-in program operates within
27 existing general revenue and is limited to individuals who
28 would otherwise remain unemployed and on Medicaid.
29 (b) The agency shall seek federal authorization ~~and~~
30 ~~financial support~~ for a buy-in program that provides federally
31 supported medical assistance coverage ~~for persons with incomes~~

~~up to 250 percent of the federal poverty level~~. The agency shall not implement the Medicaid buy-in program until it has received necessary federal authorization ~~and financial participation and state appropriations~~.

Section 4. It is the intent of the Legislature to reduce the repetitive nature and complexity of the application process for the medically needy program authorized under section 490.904(2), Florida Statutes. The Legislature therefore directs the Agency for Health Care Administration and the Department of Children and Family Services, by January 1, 2002, to seek from the Health Care Financing Administration approval to use a methodology for calculating medical expenses under the medically needy program which allows the department, upon certification by a physician that the applicant suffers from a chronic condition and that the individual's medical expenses are likely to remain constant, to prospectively assume that the amount of the individual's medical expenses for the subsequent 6 months will remain equal to the amount of such expenses for the previous 6 months.

Section 5. Subsection (13) of section 409.908, Florida Statutes, is amended to read:

409.908 Reimbursement of Medicaid providers.--Subject to specific appropriations, the agency shall reimburse Medicaid providers, in accordance with state and federal law, according to methodologies set forth in the rules of the agency and in policy manuals and handbooks incorporated by reference therein. These methodologies may include fee schedules, reimbursement methods based on cost reporting, negotiated fees, competitive bidding pursuant to s. 287.057, and other mechanisms the agency considers efficient and effective for purchasing services or goods on behalf of

1 recipients. Payment for Medicaid compensable services made on
2 behalf of Medicaid eligible persons is subject to the
3 availability of moneys and any limitations or directions
4 provided for in the General Appropriations Act or chapter 216.
5 Further, nothing in this section shall be construed to prevent
6 or limit the agency from adjusting fees, reimbursement rates,
7 lengths of stay, number of visits, or number of services, or
8 making any other adjustments necessary to comply with the
9 availability of moneys and any limitations or directions
10 provided for in the General Appropriations Act, provided the
11 adjustment is consistent with legislative intent.
12 (13) Medicare premiums for persons eligible for both
13 Medicare and Medicaid coverage shall be paid at the rates
14 established by Title XVIII of the Social Security Act. For
15 Medicare services rendered to Medicaid-eligible persons,
16 Medicaid shall pay Medicare deductibles and coinsurance as
17 follows:
18 (a) Medicaid shall make no payment toward deductibles
19 and coinsurance for any service that is not covered by
20 Medicaid.
21 (b) Medicaid's financial obligation for deductibles
22 and coinsurance payments shall be based on Medicare allowable
23 fees, not on a provider's billed charges.
24 (c) Medicaid will pay no portion of Medicare
25 deductibles and coinsurance when payment that Medicare has
26 made for the service equals or exceeds what Medicaid would
27 have paid if it had been the sole payor. The combined payment
28 of Medicare and Medicaid shall not exceed the amount Medicaid
29 would have paid had it been the sole payor. The Legislature
30 finds that there has been confusion regarding the
31 reimbursement for services rendered to dually eligible

1 Medicare beneficiaries. Accordingly, the Legislature clarifies
2 that it has always been the intent of the Legislature before
3 and after 1991 that, in reimbursing in accordance with fees
4 established by Title XVIII for premiums, deductibles, and
5 coinsurance for Medicare services rendered by physicians to
6 Medicaid eligible persons, physicians be reimbursed at the
7 lesser of the amount billed by the physician or the Medicaid
8 maximum allowable fee established by the Agency for Health
9 Care Administration, as is permitted by federal law. It has
10 never been the intent of the Legislature with regard to such
11 services rendered by physicians that Medicaid be required to
12 provide any payment for deductibles, coinsurance, or
13 copayments for Medicare cost sharing, or any expenses incurred
14 relating thereto, in excess of the payment amount provided for
15 under the State Medicaid plan for such service. This payment
16 methodology is applicable even in those situations in which
17 the payment for Medicare cost sharing for a qualified Medicare
18 beneficiary with respect to an item or service is reduced or
19 eliminated. This expression of the Legislature is in
20 clarification of existing law and shall apply to payment for,
21 and with respect to provider agreements with respect to, items
22 or services furnished on or after the effective date of this
23 act. This paragraph applies to payment by Medicaid for items
24 and services furnished before the effective date of this act
25 if such payment is the subject of a lawsuit that is based on
26 the provisions of this section, and that is pending as of, or
27 is initiated after, the effective date of this act.
28 (d) The following provisions are exceptions to
29 paragraphs (a)-(c):
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1. Medicaid payments for Nursing Home Medicare part A coinsurance shall be the lesser of the Medicare coinsurance amount or the Medicaid nursing home per diem rate.

2. Medicaid shall pay all deductibles and coinsurance for Nursing Home Medicare part B services.

3. Medicaid shall pay all deductibles and coinsurance for Medicare-eligible recipients receiving freestanding end stage renal dialysis center services.

4. Medicaid shall pay all deductibles and coinsurance for hospital outpatient Medicare part B services.

5. Medicaid payments for general hospital inpatient services shall be limited to the Medicare deductible per spell of illness. Medicaid shall make no payment toward coinsurance for Medicare general hospital inpatient services.

6. Medicaid shall pay all deductibles and coinsurance for Medicare emergency transportation services provided by ambulances licensed pursuant to chapter 401.

7. Medicaid shall pay all deductibles, coinsurance, or copayments for Medicare cost sharing, for medications medically necessary for organ-transplant recipients to prevent rejection of transplanted organs.

Section 6. This act shall take effect upon becoming a law.

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 416

The Committee Substitute for Senate Bill 416 extends Medicaid coverage to individuals in the 2-year Medicare waiting period and requires Medicaid to pay the 20 percent Medicare co-pay for anti-rejection drugs for individuals have had organ transplants and who are eligible for both Medicaid and Medicare.