SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1276

SPONSOR: Appropriations Subcommittee on Health and Human Services and Senator Silver

SUBJECT: Access to Health and Human Services

DATE: February 26, 2002 REVISED: _____ _____ _____ _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Wilson	HC	Fav/3 amendments
2.	Peters	Belcher	AHS	Favorable/CS
3.			AP	
4.				
5.				
6.				

I. Summary:

Florida Health and Human Services Access Act

The bill creates the "Florida Health and Human Services Access Act." It establishes a framework for phased implementation of improvements in the delivery of state-funded health and human services. The improvements anticipated by the bill relate to better access to information about available services through the development of a statewide information and referral system using the 211 telephone number, a simplified eligibility determination process linked to information and referral services, and development of coordinated care management for families and individuals with multiple needs.

The first phase of implementing these improvements is a pilot project to be conducted by the Agency for Health Care Administration (AHCA or agency) to determine the feasibility of integrating state-funded health care benefit eligibility determination with information and referral services. The bill establishes a steering committee to guide the implementation of the pilot project, to evaluate the pilot project, and to make recommendations to the Governor and the Legislature regarding expansion of the pilot project, both geographically and to include eligibility determination for other human services. The bill requires the steering committee to also develop a detailed implementation plan for the care-management component of the system, contingent upon success of the pilot project and the appropriation of necessary resources.

The bill authorizes the planning, development, and, subject to appropriations, the implementation of a statewide Florida 211 Network, establishes objectives for the network, and requires information and referral services to be certified by AHCA in order to participate in the network. The bill also provides a mechanism for the revocation of a 211 number from an information and referral provider, if the provider is not certified by AHCA.

Office of Long-Term-Care Policy

The bill establishes the Office of Long-Term Care Policy in the Department of Elderly Affairs to improve and coordinate the long-term care service delivery process. The Director of the Office of Long-Term Care Policy is to be appointed by and serve at the pleasure of the Governor and shall be under the general supervision of the Secretary of Elderly Affairs. The Office is to have a thirteen member advisory council, whose chair is to be the Director of the Office of Long-Term Care Policy, to provide assistance and direction to the office and ensure that the appropriate state agencies are properly implementing recommendations from the office. The Department of Elderly Affairs is to provide administrative support and services to the Office of Long-Term-Care Policy. State agencies, including the State University System, are to provide staff to assist the office.

The office is to submit to the advisory council, by December 1, 2002, a preliminary report of its policy, legislative and funding recommendations and is to revise and update the report annually and resubmit it to the advisory council by November 1 of each year. The advisory council is to review and recommend changes to the preliminary report and each subsequent annual report within 30 days after the receipt of the preliminary report and make revisions to the Director of the Office of Long-Term-Care. The office is to submit the final report, and subsequent annual reports, to the Governor and Legislature within 30 days after receipt of any revisions suggested by the advisory council.

Integrated Long-Term-Care Model System

The bill authorizes an entity in s. 430.205, F.S., to contract with the Agency and the Department of Elderly Affairs to provide health care and social services on a prepaid or fixed-sum basis to elderly recipients. The bill exempts these entities from the provision of part I of chapter 641 for the first three years of operation and also allows an exemption from s. 641.225, F.S., if the entity demonstrates to the satisfaction of the Department of Insurance and is backed by the full faith and credit of one or more counties in which it operates.

The Department and the Agency are directed to develop a model system to transition all state-funded services for elderly individuals over the age of 65 in one of the department's planning and service areas to a managed, integrated long-term-care delivery system under the direction of a single entity. The Agency and the Department are to integrate funding into a single per-person per-month payment rate. Payments for services provided to the elderly are only to be made through the model. The entity selected to administer the model system is to develop a comprehensive service delivery system through contracts with providers and may not directly provide services other than intake, assessment, and referral services.

The department is to determine the model area through the request for proposal process. Preference is to be given to an existing area agency on aging or community-care-for-the-elderly lead agency that demonstrates the ability to perform the functions. The bill specifies payment rates and risk-sharing agreements. The Department of Children and Family Services is to develop a streamlined and simplified eligibility system and outstation Medicaid eligibility determination staff with the administering entity. The Department of Elderly Affairs is to outstation nursing home preadmission screening staff in the model area for timely assessment of level of need for long-term-care services. The Department of Elderly Affairs is to conduct or evaluate the pilot project and submit a report to the Governor and Legislature by January 1, 2005 addressing specified issues.

The bill creates sections 408.911, 408.912, 408.913, 408.914, 408.915, 408.916, 408.917, 408.918, and 430.41, Florida Statutes.

The bill amends s. 409.912 and s. 430.205, Florida Statutes.

II. Present Situation:

Health and Human Services

Nationally, the current system of publicly-funded health and human services is the result of development of separate federal, state, and local initiatives that have evolved over time, emerging as a loosely connected set of programs with their own specific requirements. With regard to publicly-funded health care, programs cover a broad range of physical and mental conditions. Frequently, different programs are responsible for different medical conditions or eligibility groups. Florida's state agencies play an important role in funding, overseeing, and delivering health and human services. The primary state departments that have responsibility for health and human services are the Agency for Health Care Administration, the Department of Health, the Department of Children and Families, and the Department of Elder Affairs. The clients of other agencies, such as the Departments of Juvenile Justice, Education, Veterans' Affairs, and Corrections, require various health and human services and thus these agencies also are engaged in the provision of publicly-funded services.

In Florida, as in most states, people in need of health and human services must search for assistance across systems that are frequently disconnected and usually bewildering. They are often unaware of programs for which they might be eligible and, if they do identify and seek a service, they often are not able to navigate the multiple requirements for eligibility determination. Those individuals or families who are eligible for services, especially if they need multiple programs across agencies, are sometimes confronted with multiple case managers and case plans.

This situation also creates a variety of problems for the state. Over the years, a pattern has evolved in which many programs have their own eligibility determination processes. In some programs, receiving care management is a requirement to be enrolled in the program. Although the eligibility requirements tend to be specific to a particular service or program, they have many components that are similar or redundant. Furthermore, the assignment of specific roles among various agencies for funding services, determining eligibility, and delivering services also present challenges in communication and coordination. Some of the practices may result in duplication of effort and cost to the state. They also divert time and resources from any program's true mission: to provide timely, appropriate interventions to people in need of services.

These are not new problems. Solutions have been discussed for years by state agency representatives, the Governor's Office and by the Legislature. The chief barriers to a cohesive process for accessing and managing the delivery of publicly-funded health and human services relate primarily to the extreme complexity of the content areas of the various programs, which made coordination very paper- and staff-intensive. New information technologies, however, now make possible new solutions.

Health Care Task Force

In March 2001, Senate President John McKay wrote to Governor Jeb Bush requesting the establishment of a task force or commission to examine the delivery of health services in the state and to report its recommendations for action by the Legislature during its 2002 Session. In response, Governor Bush consulted with the Secretaries of the Department of Children and Families, the Department of Health, the Agency for Health Care Administration, the Department of Elder Affairs, and the Department of Veterans' Affairs. A decision was made to convene such a task force, consisting of the Secretaries of these five state agencies and two representatives each from the Florida Senate and the Florida House of Representatives.

The initial goals set for the study to be conducted by the task force included eliminating duplicative functions, providing clients with a single point of entry for all health and human services, identifying best practices to enhance the efficiency of service delivery, establishing appropriate linkages between agencies, investing in current technology to improve the cost effectiveness of service delivery, and developing uniform policies to deliver services across agencies, including consistent definitions of terms such as case management. Each agency, with the assistance of the Departments of Education, Corrections, Juvenile Justice, Insurance, and Florida Healthy Kids, Inc., provided staff with appropriate expertise to form staff workgroups, headed by the Department of Children and Families, to collect data and information at the direction of the Task Force.

From July through December of 2001, the task force and staff workgroups held meetings and developed many products exploring issues related to efficient and effective delivery of health care services. The collective expertise and experience of the various agency representatives resulted in the proposal of a conceptual model and a solution to be anchored in three key areas: eligibility processing, care/case management, and information and referral. This bill reflects the deliberations of the task force on this conceptual model.

Information and Referral Services

Information and Referral (I&R) services are an important means by which people identify services that are available to meet their individual needs. I&R providers maintain extensive databases on various services provided in their local communities. They act as the "front door", through the telephone system, to Florida's health and human services programs, directing millions of callers to the programs that can address their problems. These programs involve the full array of health and human services, including economic assistance, crisis intervention, transportation, domestic violence, disability, mental health, substance abuse, child and elder care, health care and numerous other assistance services.

Florida's statewide I&R association, the Florida Alliance of Information and Referral Services (FLAIRS), has more than 70 members who answer approximately two million telephone inquiries regarding health and human services each year. Its membership includes nonprofit, library, faith-based, and governmental I&R providers. In October 1998, the Office of Policy Planning and Government Accountability (OPPAGA) concluded that about half of Florida's state-funded human service I&R providers receive state funding of $14.5 million and expend more than 787,000 employee hours maintaining and providing I&R services. Consequently, state resources annually

expended for human service I&R services are projected to exceed $20-25 million and more than 1,000,000 person hours.

211 Telephone Number

On July 21, 2000, the Federal Communications Commission (FCC) designated the telephone number "211" to access community I&R services nationwide. Ultimately, it is believed 211 will be as recognizable for obtaining information regarding human services as 911 is for emergencies. This will significantly enhance the ability of people to access the information they need to address personal and family problems that negatively affect their lives, employment, and communities.

The Public Service Commission in Florida has determined that the FCC ruling does not confer authority to the Public Service Commission to determine which organizations will be permitted to obtain the 211 telephone number. Consequently, telephone companies have assigned the number in their respective calling areas to I&R service providers primarily on a "first come, first serve" basis. There are currently no standards or parameters for assigning the 211 number that will assure that Floridians calling this number within the various areas will receive free, high quality health and human services information in an expeditious and consistent manner.

Community I&R providers throughout Florida are beginning to implement 211 systems. Pinellas, Hillsborough and Brevard Counties already have implemented the 211 system. Miami-Dade, Broward, Palm Beach, Escambia, Monroe, Duval (covering Duval, Clay, St. Johns, Nassau, Baker, Putnam, Bradford, Union, Columbia, Suwannee, and Hamilton Counties) and Leon County (covering Leon, Wakulla, Gadsden, Jefferson, Liberty, Madison, Taylor, and Franklin Counties) are poised to launch 211 in 2002. These counties represent more than 61 percent of Florida's population. Additional counties will join the effort in 2003. All of the I&R providers moving forward with 211 in the communities identified above are members of FLAIRS.

Cost-effective Purchasing of Health Care

Section 409.912, F.S., provides requirements for cost-effective purchasing of services under the Medicaid program. The section requires that the agency purchase goods and services in the most cost-effective manner consistent with the delivery of quality medical care; requires that the agency maximize the use of prepaid per capita and prepaid aggregate fixed-sum services as well as other alternative service delivery and reimbursement methodologies; and provides standards which must be met when providing Medicaid services under managed care arrangements. Generally the section requires that entities providing services under capitated arrangements be subject to licensure standards of the Department of Insurance. In certain instances (counties serving only Medicaid recipients under prepaid arrangements) the section has permitted a limited exemption from insurance licensure standards, but has required that providers under these exemptions meet comparable solvency and reserve, quality assurance, and patient's rights requirements.

Long-term Care

Long-term care generally means care that is provided on a continual basis to persons with chronic disabilities. Unlike acute illness, chronic conditions are essentially permanent. Regimens of medical and personal care can sometimes control chronic conditions and the level of disability can often be

mitigated through the use of assistive devices and re-training in self-care activities. The presence of disability, however, is not synonymous with the need for long-term care.

Florida is home to nearly 3 million individuals over the age of 65. Of the ten places in the U.S. with 100,000 or more population having the highest median ages, five are in Florida: Cape Coral, St. Petersburg, Fort Lauderdale, Hollywood, and Clearwater. Clearwater had the highest median age at 41.8 years.

Over the past ten years, the proportion of the population in Florida over age 65 declined from 18.3 to 17.6 percent. This decline was caused by a dip in the birthrate in the United States in the late 1920s and early 1930s. Despite the drop in the proportion of the elderly in Florida's population over the past ten years, the number of Floridians over 85 years old increased by nearly 30 percent to 331,000. The current dip in the proportion of the elderly in Florida will be much more than offset when the "baby boom" generation begins to reach age 65 in 2011, swelling the ranks of the elderly. Florida, more than other states, faces large increases in the number of "oldest old", i.e., people over age 85. By 2020, Florida will be experiencing the full effect of the aging of its "baby boomer" residents, with an estimated 97 percent growth in its population over the age of 85.

Long-term Care Planning

A major impediment for states in planning an efficient long-term care system has been the difficulty of managing the interrelationship of incentives between the Medicare and Medicaid financing systems, and the effect that care of acute illnesses has on the eventual need for long-term care. States often have little control over the admission of a patient into a nursing home since the initial portion of a nursing home stay is usually financed by Medicare or other sources. Once these resources are exhausted (often after community support systems have unraveled) state Medicaid programs become responsible for financing continuing stays.

Florida Statutes delegate the responsibility for long-term care policy development to the Department of Elderly Affairs. Operational responsibility for management of the major long-term care programs is split between the Agency for Health Care Administration (AHCA or Agency), the Department of Elderly Affairs (DOEA) and the Department of Children and Family Services. The Agency determines the need for additional nursing home capacity and regulates the operations of these facilities. The Agency operates the Medicaid program, which purchases 66 percent of the nursing home bed days in Florida and has responsibility for the policy control for Medicaid home and community-based waivers operated by DOEA. The Department of Elderly Affairs operates a variety of state and federally funded programs for the elderly; has rule-making authority for assisted living facilities, adult family care homes, and hospice programs; and operates the Aged/Disabled Medicaid waiver, the Assisted Living Medicaid waiver and the CARES nursing home pre-admission screening programs, under an inter-agency agreement with AHCA. The Department of Children and Family Services establishes Medicaid eligibility for long-term care services in nursing homes and the home and community-based services programs.

DOEA and AHCA provide about $265 million in home and community-based services to elderly individuals through a variety of programs. Though the stated purpose of these programs is to assist elderly individuals to remain in their homes as they become more frail, the programs differ in the characteristics of their target groups and their payment methodologies and rates. Some of these

programs are targeted at elderly people who meet nursing home admission criteria and who are in the process of entering a nursing home, while others serve people who have lesser levels of disability and who can be assisted in remaining in their homes with the provision of limited supportive services. There are other programs that provide supportive services to lessen isolation, keep elders healthy, or relieve the burdens and stresses placed on families caring for aged family members.

Although Florida's nursing home alternative programs serve similar target populations (people at some level of risk for nursing home placement) the system is a "patchwork quilt" which exhibits substantial geographic variation in terms of coverage, provider network, payment rates, payment methodology, and whether or not the programs are required to pay for nursing home placement if they are unsuccessful in providing an alternative.

III. Effect of Proposed Changes:

Section 1. Creates s. 408.911, F.S., to provide a title for ss. 408.911-408.918, F.S.; the "Florida Health and Human Services Access Act."

Section 2. Creates s. 408.912, F.S., to provide legislative findings regarding access to and eligibility determination for state-funded health and human services; case management and care plans; information and referral services; and an easy-to-remember, easy-to-use dialing code for obtaining access to health and human services. The bill provides legislative intent: to establish a pilot project to combine easy access to information through a comprehensive information and referral service with simplified eligibility determination for state-funded health care and, if feasible, other human services; that state agencies that provide health and human services develop coordinated care management for individuals and families with multiple needs; that a comprehensive, statewide information and referral system for health and human services be developed; and that a governing body be established to guide the implementation of the pilot project and to make recommendations to the Legislature for expanding the pilot project.

Section 3. Creates s. 408.913, F.S., to require the Agency for Health Care Administration to develop a comprehensive, automated system for access to health care services, which will, to the greatest extent possible, use the capacity of existing automated systems. The benefit-eligibility component of the system must provide simplified access through coordination with information and referral telephone systems, although other means of application for eligibility are not precluded. This component of the system must also provide improved access to information about eligibility status and information regarding choices available to individuals and families for using health care services. The bill also requires the state agencies that provide the medical, clinical, and related health care support services for special populations (frail elders, adults with disabilities, and children with special health needs) to develop systems with specified capabilities to integrate and coordinate care and improve communication for these special populations.

Section 4. Creates s. 408.914, F.S., to require AHCA, in consultation with the steering committee created in section 6 of the bill, to develop a phased implementation plan for a Comprehensive Health and Human Services Eligibility Access System. The first phase of the plan is a pilot project in one or more contiguous counties to demonstrate the feasibility of integrating eligibility determination for health care services with information and referral services. Upon demonstration of the feasibility of

linking eligibility determination with information and referral services, and subject to appropriation of necessary resources, the steering committee will develop a plan for the care management component of the system. The bill provides options for further implementation of system components in various combinations, statewide The bill requires AHCA to analyze the pilot project and submit a plan by January 1, 2004, to the Governor and the Legislature for statewide implementation of all components of the system, if warranted. The plan must also indicate whether other public assistance and human services programs should be incorporated into the system.

Section 5. Creates s. 408.915, F.S., to establish requirements for the pilot project, which is designed to integrate the determination of eligibility for health care services with information and referral services. The agency is required to implement the pilot project, in consultation with the steering committee, in one or more contiguous counties. The bill specifies requirements for the eligibility application component of the pilot project and for the information and referral provider in the pilot project area. The pilot project will include eligibility determinations for Medicaid, Medikids, Florida Healthy Kids, Florida Kidcare, and state and local publicly funded health and social services programs as determined appropriate by the steering committee. The Secretary of Health Care Administration is authorized to seek federal waivers, if necessary to implement the pilot project.

Section 6. Creates s. 408.916, F.S., to establish the Health Care Access Steering Committee to guide the implementation of the pilot project, provide policy guidance, and provide oversight of the evaluation of the pilot project. The membership of the steering committee is specified and the steering committee is authorized to designate additional ad hoc members or technical advisors as the committee finds is appropriate. The steering committee must complete its activities by June 30, 2004, and expires on that date.

Section 7. Creates s. 408.917, F.S., to require AHCA, in consultation with the steering committee, to conduct or contract for an evaluation of the pilot project. The evaluation must be submitted to the Governor and Legislature by June 30, 2004. The bill specifies the issues the evaluation must address.

Section 8. Creates s. 408.918, F.S., to authorize the planning, development, and, subject to appropriations, the implementation of a statewide Florida 211 Network, which is to serve as the single point of coordination for information and referral for health and human services. The bill specifies the objectives for the Florida 211 Network. In order to participate in the Florida 211 Network, a provider of information and referral services must be certified by AHCA. Certification criteria are to be recommended by the Florida Alliance of Information and Referral Services and adopted as administrative rules by AHCA. The bill establishes requirements for coordination between AHCA, the Public Service Commission and the Federal Communications Commission for revoking the use of the 211 number by a local information and referral provider and for resolving any disputes arising over jurisdiction related to 211 numbers.

Section 9. Amends s. 409.912, F.S., to authorize an entity in s. 430.205, F.S., to contract with the Agency and the Department of Elderly Affairs to provide health care and social services on a prepaid or fixed-sum basis to elderly recipients. The bill exempts these entities from the provision of part I of chapter 641 for the first three years of operation and also allows an exemption from s. 641.225, F.S., if the entity demonstrates to the satisfaction of the Department of Insurance and is backed by the full faith and credit of one or more counties in which it operates.

Section 10. Amends s. 430.205, F.S., to direct the Department of Elderly Affairs and the Agency to develop a model system to transition all state-funded services for elderly individuals over the age of 65 in one of the department's planning and service areas to a managed, integrated long-term-care delivery system under the direction of a single entity. The bill specifies the duties of the model system. The Agency and the Department are to integrate funding into a single per-person per-month payment rate and the funding sources to integrate are specified in the bill. Payments for services provided to the elderly are only to be made through the model. The entity selected to administer the model system is to develop a comprehensive service delivery system through contracts with providers and may not directly provide services other than intake, assessment, and referral services. The department is to determine the model area through the request for proposal process and select the model area and entity to administer the model system based on demonstration of capacity to perform certain functions specified in the bill. Preference is to be given to an existing area agency on aging or community-care-for-the-elderly lead agency that demonstrates the ability to perform the functions. The bill specifies payment rates and risk-sharing agreements. The Agency is authorized to seek federal waivers necessary to implement the model system. The Department of Children and Family Services is to develop a streamlined and simplified eligibility system and outstation Medicaid eligibility determination staff with the administering entity. The Department of Elderly Affairs is to outstation nursing home preadmission screening staff in the model area for timely assessment of level of need for long-term-care services. The Department of Elderly Affairs is to conduct or evaluate the pilot project and submit a report to the Governor and Legislature by January 1, 2005 addressing specified issues.

Section 11. Creates s. 430.041, F.S., to establish the Office of Long-Term-Care Policy in the Department of Elderly Affairs to improve and coordinate the long-term care service delivery process. The Director of the Office of Long-Term-Care Policy is to be appointed by and serve at the pleasure of the Governor and shall be under the general supervision of the Secretary of Elderly Affairs and shall not be subject to supervision by any other department employee. The Office is to have a thirteen member advisory council, whose chair is to be the Director of the Office of Long-Term Care Policy, to provide assistance and direction to the office and ensure that the appropriate state agencies are properly implementing recommendations from the office. The bill specifies membership, frequency of meetings and reimbursement for travel and per diem. The Department of Elderly Affairs is to provide administrative support and services to the Office of Long-Term-Care Policy. State agencies, including the State University System, are to provide staff to assist the office and are responsible for payment from its own funds of any expenses related to support the office and the advisory council. The Department of Elderly Affairs is responsible for expenses related to participation on the advisory council by members appointed by the Governor.

The office is to submit to the advisory council, by December 1, 2002, a preliminary report of its policy, legislative and funding recommendations and is to revise and update the report annually and resubmit it to the advisory council by November 1 of each year. The advisory council is to review and recommend changes to the preliminary report and each subsequent annual report within 30 days after the receipt of the preliminary report and make revisions to the Director of the Office of Long-Term-Care. The office is to submit the final report, and subsequent annual reports, to the Governor and Legislature within 30 days after receipt of any revisions suggested by the advisory council.

Section 12. Provides that the bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Implementation of the statewide 211 system would provide revenue to communications providers. If the information and referral provider for the pilot project is a private sector entity, there will be an indeterminate amount of revenue. The possibility exists that private sector contractors may be necessary to assist in computer integration and programming.

C. Government Sector Impact:

Health Care Access Act

The four agencies implementing the requirements of the bill are the Agency for Health Care Administration and the Departments of Children and Family Services, Elder Affairs, and Health. Each agency provided cost estimates as given below:

Agency for Health Care Administration

Effects would be limited during the pilot, but substantial if implemented statewide. The $41.25 per year cost to operate the system per enrolled member would be obtained from the agencies currently doing eligibility determination and operating call centers. In estimating costs it is assumed that caseloads would be about 160,000 at full implementation of the pilot. Costs are based on the average in Georgia per enrollee for similar activities plus 10 percent to cover inflation.

Non-Recurring Impact:

Revenues:

	Amount Year 1 (FY 02-03)	Amount Year 2 (FY 03-04)
Licenses	$	$ 0
Fees		0
Grants	175,000	100,000
Transfers In / Another Agency		
Total Non-Recurring Revenues (Federal match)	**$ 175,000**	**$ 100,000**

Expenditures:

Salaries	$	$ 0
OPS		0
Expense	350,000	200,000
OCO		0
· **Total Non-Recurring Expenditures**	**$ 350,000**	**$ 200,000**

(Costs were developed assuming that the system will build off of an effort already developed in Duval. The Duval effort was two years in development and is expected to be operational shortly. Even if the project is not in Duval, the system work can probably be utilized. If not, costs would be $1,000,000 more over what is projected for the two years. The estimate is based on the Duval experience.) If the Duval system is used, first year costs are estimated at $350,000 ($250,000 for additional systems modifications and $100,000 in development of training materials and training.) Children and Families estimates that it would cost $748,399 to build the system off their system ($631,142 for design and documentation, $76,797 for acceptance testing, user guides and training material, and $40,460 for computer related CPU costs for development and testing and does not include training of intake and referral providers or any costs to these providers. It also assumes that whoever is currently doing eligibility determination will continue to do so. The costs were not broken out by year.

Second year costs are estimated at $120,000 in contract evaluation and $80,000 for additional training. All estimates assume a 50 percent federal match. The rate for systems development was limited to 50 percent for eligibility functions after the FLORIDA system according to our federal auditor - other systems work has a higher matching rate.)

Recurring Impact:

Revenues:	**Amount Year 1 (FY 02-03)**	**Amount Year 2 (FY 03-04)**
Licenses	$	$
Fees		
Grants		
Transfers In / Another Agency	3,300,000	6,600,000
· **Total Recurring Revenues**	**$ 3,300,000**	**$ 6,600,000**

Expenditures:	**Amount Year 1 (FY 02-03)**	**Amount Year 2 (FY 03-04)**
Salaries	$	$
OPS		
Expense	3,300,000	6,600,000
OCO		
· **Total Recurring Expenditures**	**$ 3,300,000**	**$ 6,600,000**

Total Revenues and Expenditures:	**Amount Year 1 (FY 02-03)**	**Amount Year 2 (FY 03-04)**
Sub-Total Non-Recurring Revenues	$ 175,000	$ 100,000
Sub-Total Recurring Revenues	3,300,000	6,600,000
Total Revenues	**$ 3,475,000**	**$ 6,700,000**
Sub-Total Non-Recurring Expenditures	350,000	200,000
Sub-Total Recurring Expenditures	3,300,000	6,600,000
Total Expenditures	**$ 3,650,000**	**$ 6,800,000**

Difference
(Total Revenues minus Total Expenditures)

Amount Year 1 (FY 02-03)	**Amount Year 2 (FY 03-04)**
$ 175,000	$ 100,000

Recurring costs were developed based on the average cost per year per enrollee of $37.50 for Peachcare which was adjusted upward by 10 percent to $41.25 to account for inflation. This includes a flat $2.75 paid per application, call center costs, re-enrollment and any premium tracking. Costs could be less if fewer functions are covered although a certain volume is needed for efficiency. Call center calls under current Medicaid systems run about $8 per call. This is for a system that does not operate 24 hours 7 days per week and is considered under-

funded. Funding would come from reductions in other systems operated by the Agency, Healthy Kids and Department of Children and Families. For example, Healthy Kids pays their administrator per month $3.75 per application. Caseload was based on a county of similar size to Duval and would be less if the system were tested in a smaller county or group of counties. The system is only estimated to be operational for half a year the first year and costs may be less if the project encounters operational delays. The schedule is ambitious and would likely be delayed a year if it is not built on the Duval model. Estimates assume that even if a federal waiver is obtained to permit non-state workers to do eligibility determination, long term care Medicaid eligibility be initially limited to intake due to the complex nature of the process and that those needing food stamp and other assistance could continue to obtain Medicaid through approval of their application for these services. This assumes that agencies currently doing the functions will retain the budget and sub-contract with the pilot. If this is not the case, then about half the costs would come from the federal government and the rest would be general revenue increases until it was determined that overlap of functions was not needed or the pilot ended.

Department of Children and Family Services

No estimate of the number of individuals that would be added to the system has been calculated; in addition, the various data exchange requirements have not been determined at this point. However, there is no doubt that there will be additional transactions and storage requirements placed on FLORIDA system resources. Likewise additional batch processing will be needed for the shared database. The total estimated systems costs for designing, programming and testing changes to FLORIDA for the Medicaid component is approximately $748,399. Costs for changes necessary for other social services are not being provided now as a decision has not been made at this point as to whether other social services will be added to the pilot project.

The following estimated costs are anticipated for needed systems enhancements to provide interfacing with the existing FLORIDA system with the proposed comprehensive system for Medicaid-only provisions:

System Analysis, Design, Programming, Testing and Documentation	$631,142
Acceptance Testing, User Guides, and Training material	76,797
Computer Related CPU costs for Development and Testing	40,460
Total Estimated System Costs	$748,399

Department of Elder Affairs

The Pilot Project, phase one of the implementation process, will be a major and costly undertaking, with insufficient information in the bill to allow cost estimation.

Meetings of the Health Care Task Force work group indicate that the pilot program could be implemented where a 211 system currently exists resulting in some cost effectiveness and efficiency. Of the Florida locations currently having 211 service, Duval County has been discussed as a probable site. Estimated travel expenditures are $9,672, including travel, meals, and lodgings, for two staff members. This would include the Secretary of Elder

Affairs, as a steering committee member, and an experienced Information & Referral technical support staff person, to assist with monitoring. This is based on monthly meetings for the Secretary, and two site visits per month (estimated) for the liaison to test, evaluate, monitor, and participate in the ongoing assessment of the pilot program.

Steering committee oversight, implementation, policy guidance, and evaluation will require an indeterminate amount of support staff time.

DOEA may have to develop systems, which integrate and coordinate care and improve communications. Computer hardware and software may need extensive upgrading to accomplish integration between all areas provided for in the bill, including a single, uniform electronic application process.

It would be necessary for Elder Affairs to assist in monitoring, and be an integral part of evaluation team. The costs are indeterminate.

The bill states that one of the results of the pilot project is a cost projection that would result from experience gathered during the pilot project. While the pilot project cost can be shown to be substantial by virtue of the scope, the cost at this point in time is indeterminate.

Post-pilot project impact, while appearing substantial, would be accurately estimated after evaluation of the pilot project. This would include, but would not be limited to, computer integration issues, additional staff, consulting fees, and programming costs.

Indeterminate staff time required for the development of certification procedures and Administrative Rule promulgation.

Department of Health

Absent specific information on all of the Department of Heath's systems affected by the bill (including those related to eligibility) and absent more specific guidance from the bill itself, it is not possible to estimate the fiscal impact of the provisions of SB 1276 on information technology for the department. Certainly, there are potential fiscal impacts, but these can only be estimated after detailed review of both the department's systems and the specific findings and recommendations of the pilot study required by the bill. Specific areas that would have to be considered are technology infrastructure, development of training materials, staff training, and marketing.

The bill requires creation of a Comprehensive Health and Human Services Eligibility Access System and directs state agencies providing the medical, clinical, and related health care support services for special populations, including frail elders, adult with disabilities, and children with special needs to develop systems for these populations that integrate and coordinate care and improved communication. These systems must include development of standard protocols for care planning and assessment, a focus on family involvement, and methods to communicate across systems, with the inclusion of automated methods.

This requirement is significant with regard to information systems in the Department of Health. The department needs to replace the current Children's Medical Services (CMS) system. In addition, the Integrated Health Information Systems (IHIS) Project was created as the overarching vehicle for the collection, reporting, exchange, and management of health-related information for the Florida Department of Health (DOH). It must serve as the virtual repository for public health-related information for the State of Florida. Primary stakeholders include County Health Departments, Children's Medical Services, A.G. Holley Hospital, and individual program units that combine to serve the public health needs of Florida. The IHIS Project has requested funds for the next fiscal year to continue system enhancements.

The Department of Health would have to create a data system for the County Health Departments that would serve as an entry point for public health services. With regard to Children's Medical Services (CMS), the cost of developing a system to accomplish the requirements of this bill for the pilot project would be significant.

The total cost of this bill is indeterminate at this time.

Summary of Health Care Access Act Fiscal Impact

The proposed Senate Budget for FY 2002-03 includes an appropriation in the Agency for Health Care Administration of $1,300,000 of which $650,000 is General Revenue.

The Office of Long-Term Care Policy

The Office of Long-Term Care Policy will require funding for 3 positions to staff the office, administrative and travel expenses, as well as travel for the advisory board. Expenditures are based on the establishment of 1 Director (PG 940), 1 Program Analyst (PG 426), and 1 Administrative Assistant (PG 712). DOEA estimates a need of $304,448 for FY 2002-03. The proposed Senate Budget for FY 2002-03 provides $350,000 in General Revenue funds for the Office of Long Term Care.

	FY 2002-03	FY 2003-04
Non-Recurring Expenditures		
Expenses (for 3 FTE)	$8,725	
OCO (3 FTE)	$9,930	
Total Non-Recurring	$18,655	
Recurring Expenditures		
Salaries & Benefits (1 FTE – Director; PG 940)	$106,244	$106,244
Salaries & Benefits (1 FTE – Prog Analyst, PG 426)	$58,626	$58,626
Salaries (1 FTE – Admin Asst III; PG 712)	$54,993	$54,993
Expenses (3 FTE)	$40,955	$40,955
Advisory Board Travel	$24,975	$24,975
Total Recurring	$285,793	$285,793
TOTAL ALL	$304,448	$285,793

Integrated Long-Term-Care Model System

There is no fiscal impact related to the model long-term care system. Funds are to be integrated into a single per-person per-month payment rate from existing appropriations for various programs specified in the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.