

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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The Fiscal Responsibility Council offered the following:

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Amendment (with title amendment)

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On page 11, line 5, of the bill

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insert:

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Section 8. Subsection (3) of section 409.912, Florida Statutes, is amended to read:

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

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1 agency may establish prior authorization requirements for
2 certain populations of Medicaid beneficiaries, certain drug
3 classes, or particular drugs to prevent fraud, abuse, overuse,
4 and possible dangerous drug interactions. The Pharmaceutical
5 and Therapeutics Committee shall make recommendations to the
6 agency on drugs for which prior authorization is required. The
7 agency shall inform the Pharmaceutical and Therapeutics
8 Committee of its decisions regarding drugs subject to prior
9 authorization.

10 (3) The agency may contract with:

11 (a) An entity that provides no prepaid health care
12 services other than Medicaid services under contract with the
13 agency and which is owned and operated by a county, county
14 health department, or county-owned and operated hospital to
15 provide health care services on a prepaid or fixed-sum basis
16 to recipients, which entity may provide such prepaid services
17 either directly or through arrangements with other providers.
18 Such prepaid health care services entities must be licensed
19 under parts I and III by January 1, 1998, and until then are
20 exempt from the provisions of part I of chapter 641. An entity
21 recognized under this paragraph which demonstrates to the
22 satisfaction of the Department of Insurance that it is backed
23 by the full faith and credit of the county in which it is
24 located may be exempted from s. 641.225.

25 (b) An entity that is providing comprehensive
26 behavioral health care services to certain Medicaid recipients
27 through a capitated, prepaid arrangement pursuant to the
28 federal waiver provided for by s. 409.905(5). Such an entity
29 must be licensed under chapter 624, chapter 636, or chapter
30 641 and must possess the clinical systems and operational
31 competence to manage risk and provide comprehensive behavioral

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1 health care to Medicaid recipients. As used in this paragraph,
2 the term "comprehensive behavioral health care services" means
3 covered mental health and substance abuse treatment services
4 that are available to Medicaid recipients. The secretary of
5 the Department of Children and Family Services shall approve
6 provisions of procurements related to children in the
7 department's care or custody prior to enrolling such children
8 in a prepaid behavioral health plan. Any contract awarded
9 under this paragraph must be competitively procured. In
10 developing the behavioral health care prepaid plan procurement
11 document, the agency shall ensure that the procurement
12 document requires the contractor to develop and implement a
13 plan to ensure compliance with s. 394.4574 related to services
14 provided to residents of licensed assisted living facilities
15 that hold a limited mental health license. The agency must
16 ensure that Medicaid recipients have available the choice of
17 at least two managed care plans for their behavioral health
18 care services. The agency may reimburse for
19 substance-abuse-treatment services on a fee-for-service basis
20 until the agency finds that adequate funds are available for
21 capitated, prepaid arrangements.

22 1. By January 1, 2001, the agency shall modify the
23 contracts with the entities providing comprehensive inpatient
24 and outpatient mental health care services to Medicaid
25 recipients in Hillsborough, Highlands, Hardee, Manatee, and
26 Polk Counties, to include substance-abuse-treatment services.

27 2. By December 31, 2001, the agency shall contract
28 with entities providing comprehensive behavioral health care
29 services to Medicaid recipients through capitated, prepaid
30 arrangements in Charlotte, Collier, DeSoto, Escambia, Glades,
31 Hendry, Lee, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota,

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1 and Walton Counties. The agency may contract with entities
2 providing comprehensive behavioral health care services to
3 Medicaid recipients through capitated, prepaid arrangements in
4 Alachua County. The agency may determine if Sarasota County
5 shall be included as a separate catchment area or included in
6 any other agency geographic area.

7 3. Children residing in a Department of Juvenile
8 Justice residential program approved as a Medicaid behavioral
9 health overlay services provider shall not be included in a
10 behavioral health care prepaid health plan pursuant to this
11 paragraph.

12 4. In converting to a prepaid system of delivery, the
13 agency shall in its procurement document require an entity
14 providing comprehensive behavioral health care services to
15 prevent the displacement of indigent care patients by
16 enrollees in the Medicaid prepaid health plan providing
17 behavioral health care services from facilities receiving
18 state funding to provide indigent behavioral health care, to
19 facilities licensed under chapter 395 which do not receive
20 state funding for indigent behavioral health care, or
21 reimburse the unsubsidized facility for the cost of behavioral
22 health care provided to the displaced indigent care patient.

23 5. Traditional community mental health providers under
24 contract with the Department of Children and Family Services
25 pursuant to part IV of chapter 394 and inpatient mental health
26 providers licensed pursuant to chapter 395 must be offered an
27 opportunity to accept or decline a contract to participate in
28 any provider network for prepaid behavioral health services.

29 (c) A federally qualified health center or an entity
30 owned by one or more federally qualified health centers or an
31 entity owned by other migrant and community health centers

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1 receiving non-Medicaid financial support from the Federal
2 Government to provide health care services on a prepaid or
3 fixed-sum basis to recipients. Such prepaid health care
4 services entity must be licensed under parts I and III of
5 chapter 641, but shall be prohibited from serving Medicaid
6 recipients on a prepaid basis, until such licensure has been
7 obtained. However, such an entity is exempt from s. 641.225
8 if the entity meets the requirements specified in subsections
9 (14) and (15).

10 (d) No more than four provider service networks for
11 demonstration projects to test Medicaid direct contracting.
12 The demonstration projects may be reimbursed on a
13 fee-for-service or prepaid basis. A provider service network
14 which is reimbursed by the agency on a prepaid basis shall be
15 exempt from parts I and III of chapter 641, but must meet
16 appropriate financial reserve, quality assurance, and patient
17 rights requirements as established by the agency. The agency
18 shall award contracts on a competitive bid basis and shall
19 select bidders based upon price and quality of care. Medicaid
20 recipients assigned to a demonstration project shall be chosen
21 equally from those who would otherwise have been assigned to
22 prepaid plans and MediPass. The agency is authorized to seek
23 federal Medicaid waivers as necessary to implement the
24 provisions of this section. A demonstration project awarded
25 pursuant to this paragraph shall be for 4 years from the date
26 of implementation.

27 (e) An entity that provides comprehensive behavioral
28 health care services to certain Medicaid recipients through an
29 administrative services organization agreement. Such an entity
30 must possess the clinical systems and operational competence
31 to provide comprehensive health care to Medicaid recipients.

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1 As used in this paragraph, the term "comprehensive behavioral
2 health care services" means covered mental health and
3 substance abuse treatment services that are available to
4 Medicaid recipients. Any contract awarded under this paragraph
5 must be competitively procured. The agency must ensure that
6 Medicaid recipients have available the choice of at least two
7 managed care plans for their behavioral health care services.

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

17 (g) Children's provider networks that provide care
18 coordination and care management for Medicaid-eligible
19 pediatric patients, primary care, authorization of specialty
20 care, and other urgent and emergency care through organized
21 providers designed to service Medicaid eligibles under age 18.
22 The networks shall provide after-hour operations, including
23 evening and weekend hours, to promote, when appropriate, the
24 use of the children's networks rather than hospital emergency
25 departments.

26 (h) An entity authorized in section 430.205, F.S., to
27 contract with the agency and the Department of Elderly Affairs
28 to provide health care and social services on a prepaid or
29 fixed-sum basis to elderly recipients. Such prepaid
30 healthcare services entities are exempt from the provisions of
31 Part 1 of Chapter 641 for the first three years of operation.

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1 An entity recognized under this paragraph that demonstrates to
2 the satisfaction of the Department of Insurance that it is
3 backed by the full faith and credit of one or more counties in
4 which it operates may be exempted from s. 641.225.

5 Section 9. Section 430.205, Florida Statutes is
6 amended to read:

7 430.205 Community care service system.--

8 (1)(a) The department, through the area agency on
9 aging, shall fund in each planning and service area at least
10 one community care service system that provides case
11 management and other in-home and community services as needed
12 to help the older person maintain independence and prevent or
13 delay more costly institutional care.

14 (b) For fiscal year 2001-2002 only, in each county
15 having a population over 2 million, the department, through
16 the area agency on aging, shall fund in each planning and
17 service area more than one community care service system that
18 provides case management and other in-home and community
19 services as needed to help elderly persons maintain
20 independence and prevent or delay more costly institutional
21 care. This paragraph expires July 1, 2002.

22 (2) Core services and other support services may be
23 furnished by public or private agencies or organizations.
24 Each community care service system must be under the direction
25 of a lead agency that coordinates the activities of individual
26 contracting agencies providing community-care-for-the-elderly
27 services. When practicable, the activities of a community
28 care service area must be directed from a multiservice senior
29 center and coordinated with other services offered therein.
30 This subsection does not require programs in existence prior
31 to the effective date of this act to be relocated.

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1 (3) The department shall define each core service that
2 is to be provided or coordinated within a community care
3 service area and establish rules and minimum standards for the
4 delivery of core services. The department may conduct or
5 contract for demonstration projects to determine the
6 desirability of new concepts of organization, administration,
7 or service delivery designed to prevent the
8 institutionalization of functionally impaired elderly persons.
9 Evaluations shall be made of the cost-avoidance of such
10 demonstration projects, the ability of the projects to reduce
11 the rate of placement of functionally impaired elderly persons
12 in institutions, and the impact of projects on the use of
13 institutional services and facilities.

14 (4) A preservice and inservice training program for
15 community-care-for-the-elderly service providers and staff may
16 be designed and implemented to help assure the delivery of
17 quality services. The department shall specify in rules the
18 training standards and requirements for the
19 community-care-for-the-elderly service providers and staff.
20 Training must be sufficient to ensure that quality services
21 are provided to clients and that appropriate skills are
22 developed to conduct the program.

23 (5) Any person who has been classified as a
24 functionally impaired elderly person is eligible to receive
25 community-care-for-the-elderly core services. Those elderly
26 persons who are determined by protective investigations to be
27 vulnerable adults in need of services, pursuant to s.
28 415.104(3)(b), or to be victims of abuse, neglect, or
29 exploitation who are in need of immediate services to prevent
30 further harm and are referred by the adult protective services
31 program, shall be given primary consideration for receiving

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1 community-care-for-the-elderly services. As used in this
2 subsection, "primary consideration" means that an assessment
3 and services must commence within 72 hours after referral to
4 the department or as established in accordance with department
5 contracts by local protocols developed between department
6 service providers and the adult protective services program.

7 (6) Notwithstanding other requirements of this chapter,
8 the Department of Elderly Affairs and the Agency for Health
9 Care Administration shall develop a model system to transition
10 all state-funded services for elderly individuals in one of
11 the department's Planning and Service Areas to a managed,
12 integrated long-term care delivery system under the direction
13 of a single entity.

14 (a) The duties of the model system shall include
15 organizing and administering service delivery for the elderly;
16 obtaining contracts for services with providers in the area;
17 monitoring the quality of services provided; determining
18 levels of need and disability for payment purposes; and other
19 activities determined by the department and the agency in
20 order to operate the model system.

21 (b) The agency and the department shall integrate all
22 funding for services to individuals over the age of 65 in the
23 model Planning and Service Areas into a single per-person
24 per-month payment rate. The funds to be integrated shall
25 include:

- 26 1. Community Care for the Elderly funds;
- 27 2. Home Care for the Elderly funds;
- 28 3. Local Services Program funds;
- 29 4. Contracted services funds;
- 30 5. Alzheimer's Disease Initiative funds;
- 31 6. Medicaid home and community-based waiver services

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1 funds;

2 7. Funds for all Medicaid services authorized in
3 sections 409.905 and 409.906, including Medicaid nursing home
4 services; and

5 8. Funds paid for Medicare premiums, co-insurance and
6 deductibles for persons dually eligible for Medicaid and
7 Medicare as prescribed in section 409.908(13).

8 .
9 The department and the agency shall not make payments for
10 services for people aged 65 and older except through the model
11 delivery system.

12 (c) The entity selected to administer the model
13 system shall develop a comprehensive health and long-term care
14 service delivery system through contracts with providers of
15 medical, social and long-term care services sufficient to meet
16 the needs of the population 65 and older. The entity selected
17 to administer the model system shall not directly provide
18 services other than intake, assessment, and referral services.

19 (d) The department shall determine which of the
20 department's Planning and Services Areas is to be designated
21 as model areas by means of a request for proposals. The
22 department shall select an area to be designated as a model
23 area and the entity to administer the model system based on
24 demonstration of capacity of the entity to:

25 1. develop contracts with providers currently under
26 contract with the department, area agencies on aging, or
27 Community Care for the Elderly lead agencies;

28 2. provide a comprehensive system of appropriate
29 medical and long-term care services that provides high quality
30 medical and social services to assist older individuals in
31 remaining in the least restrictive setting;

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- 1 3. demonstrate a quality assurance and quality
2 improvement system satisfactory to the department and the
3 agency;
- 4 4. develop a system to identify participants who have
5 special health care needs such as polypharmacy, mental health
6 and substance abuse problems, falls, chronic pain, or
7 nutritional deficits, cognitive deficits, in order to respond
8 to and meet these needs;
- 9 5. use a multi-disciplinary team approach to
10 participant management that ensures that information is shared
11 between and among providers responsible for delivering care to
12 a participant
- 13 6. ensure medical oversight of care plans and service
14 delivery, regular medical evaluation of care plans, and the
15 availability of medical consultation for case managers and
16 service coordinators;
- 17 7. develop, monitor and enforce quality of care
18 requirements;
- 19 8. secure sub-contracts with providers of medical,
20 nursing home and community-based long-term care services
21 sufficient to assure access to and choice of providers;
- 22 9. ensure a system of case management and service
23 coordination that includes educational and training standards
24 for case managers and service coordinators;
- 25 10. develop a business plan that reflects the ability
26 of the applicant to organize and operate a risk-bearing
27 entity;
- 28 11. furnish evidence of adequate liability insurance
29 coverage or an adequate plan of self-insurance to respond to
30 claims for injuries arising out of the furnishing of health
31 care;

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1 12. provide, through contract or otherwise, for
2 periodic review of its medical facilities as required by the
3 department and the agency.

4 The department shall give preference in selecting an area to
5 be designated as a model area to that in which the
6 administering entity is an existing area agency on aging or
7 Community Care for the Elderly lead agency demonstratin g the
8 ability to perform the functions in this paragraph.

9
10 (e) The department in consultation with the selected
11 entity shall develop a statewide proposal regarding the
12 long-term use and structure of a program that addresses a risk
13 pool to reduce financial risk.

14 (f) COST EFFECTIVENESS--The department and the agency
15 shall develop capitation rates based on the historical cost
16 experience of the state in providing acute and long-term care
17 services to the population over 65 years of age in the area
18 served.

19 1. Payment rates in the first two years of operation
20 shall be set at no more than 100% of the costs to the state of
21 providing equivalent services to the population of the model
22 area for the year prior to the year in which the model system
23 is implemented, adjusted forward to account for inflation and
24 population growth. In subsequent years, the rate shall be
25 negotiated based on the cost experience of the model system in
26 providing contracted services, but shall not exceed 95 percent
27 of the amount which would have been paid by the state in the
28 model planning and service area absent the model integrated
29 service delivery system.

30 2. The agency and the department may develop
31 innovative risk-sharing agreements which limit the level of

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1 custodial nursing home risk that the administering entity
2 assumes, consistent with the intent of the Legislature to
3 reduce the use and cost of nursing home care. Under
4 risk-sharing arrangements, the agency and the department may
5 reimburse the administering entity for the cost of providing
6 nursing home care for Medicaid-eligible participants who have
7 been permanently placed and remain in nursing home care for
8 more than one year.

9 (g) The department and the Agency for Health Care
10 Administration shall seek federal waivers necessary to
11 implement the requirements of this section.

12 (h) The Department of Children and Family Services
13 shall develop a streamlined and simplified eligibility system
14 and shall outstation a sufficient number and quality of
15 eligibility determination staff with the administering entity
16 to assure determination of Medicaid eligibility for the
17 integrated service delivery system in the model planning and
18 service are within 10 days of receipt of a complete
19 application.

20 (i) The Department of Elderly Affairs shall make
21 arrangements to outstation a sufficient number of nursing home
22 pre-admission screening staff with the administering entity to
23 assure timely assessment of level of need for long-term care
24 services in the model area.

25 (j) The Department of Elderly Affairs shall conduct or
26 contract for an evaluation of the pilot project. The
27 department shall submit the evaluation to the Governor and the
28 Legislature no later than January 1, 2005. The evaluation
29 must address the impact of the pilot project on the
30 effectiveness of the entity providing a comprehensive system
31 of appropriate and high quality medical and long-term care

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1 services to elders in the least restrictive setting and
2 recommendations on a phased in implementation expansion for
3 the rest of the State.

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6 ===== T I T L E A M E N D M E N T =====

7 And the title is amended as follows:

8 On page 2, line 19, after the semicolon,

9

10 and insert:

11 amending s. 409.912, F.S.; authorizing the
12 Agency for Health Care Administration to
13 contract with an entity providing prepaid or
14 fixed sum health care and social services to
15 elderly recipients; amending 430.205, F.S.;
16 requiring the Department of Elderly Affairs and
17 the Agency for Health Care Administration to
18 develop a managed, integrated long-term care
19 delivery system under a single entity;
20 providing for a pilot project; specifying
21 requirements of the pilot project; specifying
22 requirements for payment rates and risk-sharing
23 agreements; authorizing the Department of
24 Elderly Affairs and the Agency for Health Care
25 Administration to seek federal waivers to
26 implement the pilot; specifying requirements
27 for the Departments of Children and Family
28 Services and Elderly Affairs on eligibility
29 determination and nursing home pre-admission
30 screening; requiring an evaluation of the pilot
31 project; requiring a report to the Governor and

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1 Legislature; specifying issues to be addressed
2 in this report;
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