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HOUSE OF REPRESENTATIVES

FISCAL RESPONSIBILITY COUNCIL
ANALYSIS

BILL #: HB 1761 (PCB HHSA 02-01)

RELATING TO: Florida Health and Human Services Access Act

SPONSOR(S): Committee on Health & Human Services Appropriations and Representative(s) Murman and Others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

(1) HEALTH & HUMAN SERVICES APPROPRIATIONS YEAS 12 NAYS 0
(2) FISCAL RESPONSIBILITY COUNCIL YEAS 22 NAYS 0
(3)
(4)
(5)

I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

This 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, including 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 phased implementation begins with a pilot project in one or more contiguous counties to test the feasibility of integrating eligibility determination for state-funded services with information and referral processes. A steering committee and evaluation requirements for the pilot project are defined, as are requirements for certification of information and referral providers to act as one means of entry to the health care access system.

On February 22, 2002, the Fiscal Responsibility Council adopted two amendments that are traveling with the bill. Se Section VI of the analysis for more details.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1.	Less Government	Yes [X]	No []	N/A []
2.	Lower Taxes	Yes []	No []	N/A [X]
3.	Individual Freedom	Yes [X]	No []	N/A []
4.	Personal Responsibility	Yes [X]	No []	N/A []
5.	Family Empowerment	Yes [X]	No []	N/A []

For any principle that received a "no" above, please explain:

B. 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. Regarding publicly-funded health care, programs cover a broad range of physical and mental conditions. Although Florida's state agencies play an important role in funding, overseeing, and delivering health and human services, different programs are responsible for different medical conditions or eligibility groups. 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 case 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 staff, the Governor's Office staff and legislators. The chief barriers to a cohesive process for accessing and

managing the delivery of publicly-funded health and human services are primarily a result of the extreme complex 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 Family Services, the Department of Health, the Agency for Health Care Administration, the Department of Elderly 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 Family Services, 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 Program Policy Analysis 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 to $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 (PSC) in Florida has determined that the FCC ruling does not confer authority to the PSC 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.

C. EFFECT OF PROPOSED CHANGES:

The proposed law establishes a framework to accomplish improvements in the delivery of health and human services. Those in need of health and human services should be able to have easier, faster and more coordinated access to services and eventually at less cost to the state. The phased implementation ensures that there is no disruption in service access during the transition and that the resulting system meets expectations prior to statewide use.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. This section 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. This section 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 3. This section creates s. 408.914, F.S., to require AHCA, in consultation with the steering committee created in section 5 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 statewide combinations. 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 4. This section 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 5. This section 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 6. This section 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 January 1, 2004. The bill specifies the issues the evaluation must address.

Section 7. This section creates s. 408.918, F.S., to authorize the planning, development, and 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. 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 8. This section provides that the bill will take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Agency for Health Care Administration

Funding would come from reductions in other systems operated by the Agency, Healthy Kids and Department of Children and Family Services. For example, Healthy Kids pays their administrator $3.75 per application per month. 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 would be initially limited to intake because of 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 subcontract 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.

2. Expenditures:

	2002-03	2003-04
Agency for Health Care Administration		
One-time Expenses		
Training/Materials/System Modifications		
General Revenue	175,000	40,000
Administrative Trust Fund	175,000	40,000
Contract Evaluation		
General Revenue		60,000
Administrative Trust Fund		60,000
Recurring Expenses		
Call Centers		
General Revenue	1,650,000	3,300,000
Administrative Trust Fund	1,650,000	3,300,000
Subtotal AHCA		
General Revenue	1,825,000	3,400,000
Administrative Trust Fund	1,825,000	3,400,000
Department of Children & Family Services		
One-time Expenses		
FLORIDA System Changes		
General Revenue	374,200	
Administrative Trust Fund	374,200	
Department of Elderly Affairs		
One-time Expenses		
Travel		
General Revenue	9,276	9,276
Total Expenses		
General Revenue	2,208,476	3,409,276
Administrative Trust Fund	2,199,200	3,400,000

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There is no effect on revenues for local governments.

2. Expenditures:

There is no direct effect on local governments. There may be, however, an indirect effect on lower utilization of county-funded services or increased federal/state participation as system efficiencies are achieved.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Implementation of the statewide 211 system would provide revenue to communications providers. In addition, 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.

D. FISCAL COMMENTS:

The four agencies implementing the requirements of the bill are the Agency for Health Care Administration and the Departments of Children and Family Services, Elderly 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. Costs are based on the average in Georgia per enrollee for similar activities plus 10 percent to cover 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. In estimating costs it is assumed that caseloads would be about 160,000 at full implementation of the pilot. 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 than is projected for the two years.

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. 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 Elderly 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. 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 that integrate and coordinate care and improve communications. 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. 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. Indeterminate staff time will be 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 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. This impact may be significant with regard to Children's Medical Services (CMS). The Department submitted a 2002-03 legislative budget request to replace the current information 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 Department. It must serve as the virtual repository for public health-related information for the State of Florida. Primary stakeholders include county health departments, CMS, A.G. Holley Hospital, and individual program units that combine to serve the public health needs of Florida. The IHIS Project has received $15 million since 2000. The project has requested $7.7 million for the next fiscal year. The Department 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 CMS, the cost of developing a system to accomplish the requirements of this bill for the pilot project would be the same as developing a system statewide. Depending on the specific requirements of compliance with this bill, the actual cost could be greater than the current estimate of replacing the CMS information system. With the inclusion of all local publicly-funded programs, the cost of implementing a uniform

system would be significant. The total cost of this bill statewide could not be estimated without knowing which programs, local and state, would be integrated by the steering committee.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None are identified at this time.

B. RULE-MAKING AUTHORITY:

Section 7 (s. 408.918(2), F.S.) creates rule-making authority for the Agency for Health Care Administration to establish Florida 211 Network provider criteria.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 22, 2002, the Fiscal Responsibility Council adopted two amendments that are traveling with the bill. The first amendment establishes the Office of Long-Term Care Policy in the Department of Elderly Affairs and a 13-member advisory council to evaluate the state's long-term care service delivery system and make recommendations, to increase the availability and the use of noninstitutional settings to provide care to the elderly, and to ensure coordination among the agencies responsible for the long-term care continuum. The amendment also requires a preliminary report by December 1, 2000, and annual updates thereafter by November 1.

The second amendment authorizes the Department of Elderly Affairs and the Agency for Health Care Administration to develop an integrated, managed long-term care pilot project to provide a comprehensive health and long-term care service delivery system for individuals age 65 and older. The amendment requires an evaluation no later than January 1, 2005, and recommendations for a phased statewide implementation.

VII. SIGNATURES:

COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS:

Prepared by:	Staff Director:
Stephanie Massengale	Cynthia Kelly

AS REVISED BY THE FISCAL RESPONSIBILITY COUNCIL:

Prepared by:	Staff Director:
Stephanie Massengale	David Coburn