

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

317-667A-02

1 A bill to be entitled
2 An act relating to long-term care; providing
3 legislative findings and intent with respect to
4 the needs of the state's elderly population;
5 requiring the Agency for Health Care
6 Administration and the Department of Elderly
7 Affairs to submit a plan to the Governor and
8 Legislature for reducing nursing-home-bed days
9 funded under the Medicaid program; creating s.
10 14.275, F.S.; establishing the Office of
11 Long-Term-Care Policy within the Executive
12 Office of the Governor; requiring the office to
13 develop a State Long-Term-Care Plan; requiring
14 the office to make recommendations for
15 coordinating the services provided by state
16 agencies; providing for the appointment of an
17 advisory board to the Office of Long-Term-Care
18 Policy; specifying membership in the advisory
19 board; providing for reimbursement of per diem
20 and travel expenses for members of the advisory
21 board; requiring that the office submit an
22 annual report to the Governor and Legislature;
23 requiring the Agency for Health Care
24 Administration and the Department of Elderly
25 Affairs to provide staff and support services
26 for the Office of Long-Term-Care Policy;
27 amending s. 408.034, F.S.; providing additional
28 requirements for the Agency for Health Care
29 Administration in determining the need for
30 additional nursing-facility beds; amending s.
31 409.912; requiring the Agency for Health Care

1 Administration to establish a nursing facility
2 preadmission screening program; authorizing the
3 agency to operate the program by contract;
4 requiring an annual report to the Legislature
5 and the Office of Long-Term-Care Policy;
6 amending s. 430.03, F.S.; revising the purposes
7 of the Department of Elderly Affairs with
8 respect to developing policy, making
9 recommendations, and coordinating activities;
10 amending s. 430.04, F.S.; revising the duties
11 of the Department of Elderly Affairs with
12 respect to developing programs and policies
13 related to aging; creating s. 430.7031, F.S.;
14 requiring the Department of Elderly Affairs and
15 the Agency for Health Care Administration to
16 implement a nursing home transition program;
17 providing requirements for the program;
18 amending ss. 409.908, 430.708, 641.386, F.S.,
19 relating to reimbursement of Medicaid
20 providers, certificates of need, and agent
21 licensing and appointment; conforming
22 cross-references to changes made by the act;
23 providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

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27 Section 1. The Legislature finds that the State of
28 Florida does not have a comprehensive and effective strategy
29 for economically and efficiently meeting the long-term-care
30 needs of an increasingly elderly population; that multiple
31 state agencies have responsibilities for oversight, planning,

1 and operation of long-term-care programs; that long-term care
2 is provided by a complex array of public and private entities
3 delivering services; that there has not been a focus on
4 evaluation of innovative and pilot projects and expansion of
5 pilot projects that are successful; that the provision of
6 long-term-care services has not been approached holistically;
7 and that the state does not have a mechanism for ensuring that
8 long-term-care programs are effectively and efficiently
9 operated and coordinated to comply with the policies set out
10 in Florida Statutes. It is therefore the intent of the
11 Legislature to increase the rate of diversion of elderly
12 persons in need of long-term care to noninstitutional
13 alternatives; to increase coordination, evaluation, and
14 planning for the state's long-term-care system; to expand
15 successful pilot programs; and to establish a nursing facility
16 preadmission screening program.

17 Section 2. (1) Prior to December 1, 2002, the Agency
18 for Health Care Administration and the Department of Elderly
19 Affairs shall submit to the Governor, the President of the
20 Senate, and the Speaker of the House of Representatives a plan
21 to reduce the number of nursing-home-bed days purchased by the
22 state Medicaid program and to replace such nursing home care
23 with care provided in less costly alternative settings.

24 (2) The plan must include specific goals for reducing
25 Medicaid-funded bed days and recommend specific statutory and
26 operational changes necessary to achieve such reduction.

27 (3) The plan must include an evaluation of the
28 cost-effectiveness and the relative strengths and weaknesses
29 of programs that serve as alternatives to nursing homes.

30 Section 3. Section 14.275, Florida Statutes, is
31 created to read:

- 1 14.275 Office of Long-Term-Care Policy.--
2 (1) There is established in the Executive Office of
3 the Governor the Office of Long-Term-Care Policy to analyze
4 the state's long-term-care system and increase the
5 availability and the use of noninstitutional settings to
6 provide care to the elderly and to ensure coordination among
7 the agencies responsible for the long-term-care continuum.
8 (2) The Office of Long-Term-Care Policy shall:
9 (a) Ensure close communication and coordination among
10 state agencies involved in developing and administering
11 long-term-care programs in this state;
12 (b) Ensure that state agencies involved in developing
13 long-term-care policy have considered the preferences of
14 consumers, providers, and local elected officials;
15 (c) Study and plan for programs to meet identified and
16 projected needs of people who need long-term care;
17 (d) Develop a State Long-Term Care Plan and policy
18 recommendations to ensure that appropriate long-term care is
19 available in institutional and community-based settings;
20 (e) Update the State Long-Term-Care Plan every 3
21 years;
22 (f) Recommend state and local organizational models
23 for the planning, coordination, implementation, and evaluation
24 of programs serving people with long-term-care needs;
25 (g) Make recommendations to agencies for budget
26 requests for long-term-care programs to ensure consistency
27 with the State Long-Term-Care Plan;
28 (h) Develop and recommend strategies for ensuring
29 compliance with all federal requirements regarding access to
30 and choice of services and providers;
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1 (i) Identify duplication and unnecessary service
2 provision in the long-term-care system and make
3 recommendations to decrease inappropriate service provision;

4 (j) Make recommendations to increase consistency in
5 administering the state's long-term-care programs;

6 (k) Ensure regular periodic evaluations of all
7 programs providing long-term-care services to determine
8 whether the programs are cost-effective, of high quality,
9 operating efficiently, and consistent with state policy;

10 (l) Monitor characteristics of people applying for and
11 entering institutional and community-based long-term care to
12 determine the reasons and causes for changing levels of state
13 expenditures and to determine services that the state's system
14 of community-based care could provide to lessen the need for
15 facility-based care;

16 (m) Recommend changes to the preadmission screening
17 system of state nursing homes to ensure that individuals in
18 need of long-term care are served in settings most appropriate
19 to their needs;

20 (n) Recommend mechanisms to encourage families and
21 other caregivers to assist people in need of long-term-care
22 services to remain as independent as possible;

23 (o) Analyze waiting lists for long-term-care services
24 and recommend strategies to reduce the time applicants wait
25 for services; and

26 (p) Oversee research on aging which is conducted or
27 funded by any state agency to ensure that such research is
28 coordinated and directed to fulfill the intent and purposes of
29 this act.

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1 (3) The director of the Office of Long-Term-Care
2 Policy shall be appointed by and serve at the pleasure of the
3 Governor.

4 (4) The Office of Long-Term-Care Policy shall have an
5 advisory board, whose chair is to be selected by the board.
6 The board shall consist of:

7 (a) A member of the Senate, appointed by the President
8 of the Senate;

9 (b) A member of the House of Representatives,
10 appointed by the Speaker of the House of Representatives;

11 (c) The Secretary of Health Care Administration;

12 (d) The Secretary of Elderly Affairs;

13 (e) The state Medicaid Director;

14 (f) Two representatives of providers of long-term-care
15 services for elderly persons, appointed by the Governor; and

16 (g) Two representatives of people using long-term-care
17 services, appointed by the Governor from groups representing
18 elderly persons.

19 (5) Members of the advisory board shall serve without
20 compensation, but are entitled to receive reimbursement for
21 travel and per diem as provided in s. 112.061.

22 (6) The advisory board shall meet at least monthly or
23 more often at the call of its chair or at the request of a
24 majority of its members.

25 (7) The office shall submit a report of its policy,
26 legislative, and funding recommendations to the Governor and
27 the Legislature by January 1 of each year.

28 (8) Personnel who are solely under the direction of
29 the Office of Long-Term-Care Policy shall be provided by the
30 Agency for Health Care Administration and the Department of
31 Elderly Affairs. The office shall call upon appropriate

1 agencies of state government, including the centers on aging
2 in the State University System, for assistance needed in
3 discharging its duties. All agencies shall assist the office
4 in carrying out its responsibilities prescribed by this
5 section.

6 Section 4. Section 408.034, Florida Statutes, is
7 amended to read:

8 408.034 Duties and responsibilities of agency;
9 rules.--

10 (1) The agency is designated as the single state
11 agency to issue, revoke, or deny certificates of need and to
12 issue, revoke, or deny exemptions from certificate-of-need
13 review in accordance with the district plans and present and
14 future federal and state statutes. The agency is designated
15 as the state health planning agency for purposes of federal
16 law.

17 (2) In the exercise of its authority to issue licenses
18 to health care facilities and health service providers, as
19 provided under chapters 393, 395, and parts II and VI of
20 chapter 400, the agency may not issue a license to any health
21 care facility, health service provider, hospice, or part of a
22 health care facility which fails to receive a certificate of
23 need or an exemption for the licensed facility or service.

24 (3) The agency shall establish, by rule, uniform need
25 methodologies for health services and health facilities. In
26 developing uniform need methodologies, the agency shall, at a
27 minimum, consider the demographic characteristics of the
28 population, the health status of the population, service use
29 patterns, standards and trends, geographic accessibility, and
30 market economics.

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1 (4) Prior to determining that there is a need for
2 additional skilled or intermediate nursing-facility beds in
3 any area of the state, the agency shall determine that the
4 need cannot be met through the provision, enhancement, or
5 expansion of home and community-based services. In determining
6 such need, the agency shall examine nursing-home-placement
7 patterns and demographic patterns of persons entering nursing
8 homes and the availability of and effectiveness of existing
9 home-based and community-based service delivery systems at
10 meeting the long-term-care needs of the population. The agency
11 shall recommend to the Office of Long-Term-Care Policy changes
12 that could be made to existing home-based and community-based
13 delivery systems to lessen the need for additional
14 nursing-facility beds.

15 ~~(5)(4)~~ The agency shall establish by rule a
16 nursing-home-bed-need methodology that reduces the community
17 nursing home bed need for the areas of the state where the
18 agency establishes pilot community diversion programs through
19 the Title XIX aging waiver program.

20 ~~(6)(5)~~ The agency may adopt rules necessary to
21 implement ss. 408.031-408.045.

22 Section 5. Present subsections (13) through (39) of
23 section 409.912, Florida Statutes, are redesignated as
24 subsections (14) through (40) and a new subsection (13) is
25 added to that section to read:

26 409.912 Cost-effective purchasing of health care.--The
27 agency shall purchase goods and services for Medicaid
28 recipients in the most cost-effective manner consistent with
29 the delivery of quality medical care. The agency shall
30 maximize the use of prepaid per capita and prepaid aggregate
31 fixed-sum basis services when appropriate and other

1 alternative service delivery and reimbursement methodologies,
2 including competitive bidding pursuant to s. 287.057, designed
3 to facilitate the cost-effective purchase of a case-managed
4 continuum of care. The agency shall also require providers to
5 minimize the exposure of recipients to the need for acute
6 inpatient, custodial, and other institutional care and the
7 inappropriate or unnecessary use of high-cost services. The
8 agency may establish prior authorization requirements for
9 certain populations of Medicaid beneficiaries, certain drug
10 classes, or particular drugs to prevent fraud, abuse, overuse,
11 and possible dangerous drug interactions. The Pharmaceutical
12 and Therapeutics Committee shall make recommendations to the
13 agency on drugs for which prior authorization is required. The
14 agency shall inform the Pharmaceutical and Therapeutics
15 Committee of its decisions regarding drugs subject to prior
16 authorization.

17 (13)(a) The agency shall operate a nursing facility
18 preadmission screening program to ensure that Medicaid payment
19 for nursing facility care is made only for individuals whose
20 conditions require such care and to ensure that long-term-care
21 services are provided in the setting most appropriate to the
22 needs of the person and in the most economical manner
23 possible. The nursing facility preadmission screening program
24 shall also ensure that individuals participating in Medicaid
25 home and community-based waiver programs meet criteria for
26 those programs, consistent with approved federal waivers.

27 (b) The agency may operate the nursing facility
28 preadmission screening program using its own staff or may
29 contract with another state agency or other provider. If the
30 agency contracts for the operation of the program, the agency
31 must maintain policy control of all operations of the program,

1 including the criteria applied and forms used, and perform
2 regular monitoring to assure effective and efficient operation
3 of the program and ensure that the operation of the program is
4 consistent with state and federal law and rules.

5 (c) The agency shall develop performance standards for
6 the nursing facility preadmission screening program.

7 (d) Prior to making payment for nursing facility
8 services for a Medicaid recipient, the agency must verify that
9 the nursing facility preadmission screening program has
10 determined that the individual requires nursing facility care
11 and that the individual cannot be safely served in
12 community-based programs. The nursing facility preadmission
13 screening program shall refer a Medicaid recipient to a
14 community-based program if the individual could be safely
15 served at a lower cost in such program.

16 (e) By January 1 of each year, the agency shall submit
17 a report to the Legislature and the Office of Long-Term-Care
18 Policy describing the operations of the nursing facility
19 preadmission screening program. The report must describe:

20 1. Rate of diversion to community alternative
21 programs;

22 2. Staffing needs to achieve additional diversions;

23 3. Reasons the program is unable to place individuals
24 in less restrictive settings when such individuals could have
25 been served in such settings;

26 4. Barriers to appropriate placement, including
27 barriers due to policies or operations of other agencies or
28 state-funded programs; and

29 5. Statutory changes necessary to ensure that
30 individuals in need of long-term-care services receive care in
31 the least-restrictive environment.

1 Section 6. Section 430.03, Florida Statutes, is
2 amended to read:

3 430.03 Purposes.--The purposes of the Department of
4 Elderly Affairs are to:

5 (1) Serve as the primary state agency responsible for
6 administering human services programs for the elderly ~~and for~~
7 ~~developing policy recommendations for long-term care.~~

8 (2) Combat ageism and create public awareness and
9 understanding of the potentials and needs of elderly persons.

10 (3) Study and plan for programs and services to meet
11 identified and projected needs and to provide opportunities
12 for personal development and achievement of persons aged 60
13 years and older.

14 (4) Advocate quality programs and services for the
15 state's elderly population and on behalf of the individual
16 citizen's needs.

17 ~~(5) Coordinate interdepartmental policy development~~
18 ~~and program planning for all state agencies that provide~~
19 ~~services for the elderly population in order to prevent~~
20 ~~duplicative efforts, to maximize utilization of resources, and~~
21 ~~to ensure cooperation, communication, and departmental~~
22 ~~linkages.~~

23 ~~(6) Recommend state and local level organizational~~
24 ~~models for the planning, coordination, implementation, and~~
25 ~~evaluation of programs serving the elderly population.~~

26 (5)(7) Oversee implementation of federally funded and
27 state-funded programs and services for the state's elderly
28 population.

29 (6)(8) Recommend legislative budget requests for
30 programs and services for the state's elderly population.

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1 (7)~~(9)~~ Serve as a state-level information
2 clearinghouse and encourage the development of local-level
3 identifiable points of information and referral regarding all
4 federal, state, and local resources of assistance to elderly
5 citizens.

6 (8)~~(10)~~ Assist elderly persons to secure needed
7 services in accordance with personal choice and in a manner
8 that achieves or maintains autonomy and prevents, reduces, or
9 eliminates dependency.

10 (9)~~(11)~~ Promote the maintenance and improvement of the
11 physical well-being and mental health of elderly persons.

12 (10)~~(12)~~ Promote opportunities for volunteerism among
13 the elderly population.

14 (11)~~(13)~~ Promote the prevention of neglect, abuse, or
15 exploitation of elderly persons unable to protect their own
16 interests.

17 (12)~~(14)~~ Eliminate and prevent inappropriate
18 institutionalization of elderly persons by promoting
19 community-based care, home-based care, or other forms of less
20 intensive care.

21 (13)~~(15)~~ Aid in the support of families and other
22 caregivers of elderly persons.

23 (14)~~(16)~~ Promote intergenerational relationships.

24 ~~(17) Oversee aging research conducted or funded by any~~
25 ~~state agency to ensure that such activities are coordinated~~
26 ~~and directed to fulfill the intent and purposes of this act.~~

27 Section 7. Section 430.04, Florida Statutes, is
28 amended to read:

29 430.04 Duties and responsibilities of the Department
30 of Elderly Affairs.--The Department of Elderly Affairs shall:

31

1 (1) Administer human services and long-term care
2 programs, including programs funded under the federal Older
3 Americans Act of 1965, as amended, and other programs that are
4 assigned to it by law.

5 (2) Be responsible for ensuring that each area agency
6 on aging operates in a manner to ensure that the elderly of
7 this state receive the best services possible. The department
8 shall rescind designation of an area agency on aging or take
9 intermediate measures against the agency, including corrective
10 action, unannounced special monitoring, temporary assumption
11 of operation of one or more programs by the department,
12 placement on probationary status, imposing a moratorium on
13 agency action, imposing financial penalties for
14 nonperformance, or other administrative action pursuant to
15 chapter 120, if the department finds that:

16 (a) An intentional or negligent act of the agency has
17 materially affected the health, welfare, or safety of clients,
18 or substantially and negatively affected the operation of an
19 aging services program.

20 (b) The agency lacks financial stability sufficient to
21 meet contractual obligations or that contractual funds have
22 been misappropriated.

23 (c) The agency has committed multiple or repeated
24 violations of legal and regulatory requirements or department
25 standards.

26 (d) The agency has failed to continue the provision or
27 expansion of services after the declaration of a state of
28 emergency.

29 (e) The agency has failed to adhere to the terms of
30 its contract with the department.

31

1 (f) The agency has failed to implement and maintain a
2 department-approved client grievance resolution procedure.

3 (3) Prepare and submit the state plan as required by
4 the United States Administration on Aging, ~~to the Governor,~~
5 ~~each Cabinet member, the President of the Senate, the Speaker~~
6 ~~of the House of Representatives, the minority leaders of the~~
7 ~~House and Senate, and chairpersons of appropriate House and~~
8 ~~Senate committees a master plan for policies and programs in~~
9 ~~the state related to aging. The plan must identify and assess~~
10 ~~the needs of the elderly population in the areas of housing,~~
11 ~~employment, education and training, medical care, long-term~~
12 ~~care, preventive care, protective services, social services,~~
13 ~~mental health, transportation, and long-term care insurance,~~
14 ~~and other areas considered appropriate by the department. The~~
15 ~~plan must assess the needs of particular subgroups of the~~
16 ~~population and evaluate the capacity of existing programs,~~
17 ~~both public and private and in state and local agencies, to~~
18 ~~respond effectively to identified needs. If the plan~~
19 ~~recommends the transfer of any program or service from the~~
20 ~~Department of Children and Family Services to another state~~
21 ~~department, the plan must also include recommendations that~~
22 ~~provide for an independent third-party mechanism, as currently~~
23 ~~exists in the Florida advocacy councils established in ss.~~
24 ~~402.165 and 402.166, for protecting the constitutional and~~
25 ~~human rights of recipients of departmental services. The plan~~
26 ~~must include policy goals and program strategies designed to~~
27 ~~respond efficiently to current and projected needs. The plan~~
28 ~~must also include policy goals and program strategies to~~
29 ~~promote intergenerational relationships and activities.~~
30 ~~Public hearings and other appropriate processes shall be~~
31 ~~utilized by the department to solicit input for the~~

1 ~~development and updating of the master plan from parties~~
2 ~~including, but not limited to, the following:~~

3 ~~(a) Elderly citizens and their families and~~
4 ~~caregivers.~~

5 ~~(b) Local-level public and private service providers,~~
6 ~~advocacy organizations, and other organizations relating to~~
7 ~~the elderly.~~

8 ~~(c) Local governments.~~

9 ~~(d) All state agencies that provide services to the~~
10 ~~elderly.~~

11 ~~(e) University centers on aging.~~

12 ~~(f) Area agency on aging and community care for the~~
13 ~~elderly lead agencies.~~

14 (4) Serve as an information clearinghouse at the state
15 level, and assist local-level information and referral
16 resources as a repository and means for dissemination of
17 information regarding all federal, state, and local resources
18 for assistance to the elderly in the areas of, but not limited
19 to, health, social welfare, long-term care, protective
20 services, consumer protection, education and training,
21 housing, employment, recreation, transportation, insurance,
22 and retirement.

23 ~~(5) Recommend guidelines for the development of roles~~
24 ~~for state agencies that provide services for the aging, review~~
25 ~~plans of agencies that provide such services, and relay these~~
26 ~~plans to the Governor, each Cabinet member, the President of~~
27 ~~the Senate, the Speaker of the House of Representatives, the~~
28 ~~minority leaders of the House and Senate, and chairpersons of~~
29 ~~appropriate House and Senate committees.~~

30 ~~(6) Recommend to the Governor, each Cabinet member,~~
31 ~~the President of the Senate, the Speaker of the House of~~

1 ~~Representatives, the minority leaders of the House and Senate,~~
2 ~~and chairpersons of appropriate House and Senate committees an~~
3 ~~organizational framework for the planning, coordination,~~
4 ~~implementation, and evaluation of programs related to aging,~~
5 ~~with the purpose of expanding and improving programs and~~
6 ~~opportunities available to the state's elderly population and~~
7 ~~enhancing a continuum of long-term care. This framework must~~
8 ~~assure that:~~

9 ~~(a) Performance objectives are established.~~

10 ~~(b) Program reviews are conducted statewide.~~

11 ~~(c) Each major program related to aging is reviewed~~
12 ~~every 3 years.~~

13 ~~(d) Agency budget requests reflect the results and~~
14 ~~recommendations of such program reviews.~~

15 ~~(e) Program decisions lead to the distinctive roles~~
16 ~~established for state agencies that provide aging services.~~

17 ~~(7) Advise the Governor, each Cabinet member, the~~
18 ~~President of the Senate, the Speaker of the House of~~
19 ~~Representatives, the minority leaders of the House and Senate,~~
20 ~~and the chairpersons of appropriate House and Senate~~
21 ~~committees regarding the need for and location of programs~~
22 ~~related to aging.~~

23 ~~(8) Review and coordinate aging research plans of all~~
24 ~~state agencies to ensure the conformance of research~~
25 ~~objectives to issues and needs addressed in the master plan~~
26 ~~for policies and programs related to aging. The research~~
27 ~~activities that must be reviewed and coordinated by the~~
28 ~~department include, but are not limited to, contracts with~~
29 ~~academic institutions, development of educational and training~~
30 ~~curriculum, Alzheimer's disease and other medical research,~~
31

1 ~~studies of long-term care and other personal assistance needs,~~
2 ~~and design of adaptive or modified living environments.~~

3 ~~(9) Review budget requests for programs related to~~
4 ~~aging for compliance with the master plan for policies and~~
5 ~~programs related to aging before submission to the Governor~~
6 ~~and the Legislature.~~

7 ~~(10) Update the master plan for policies and programs~~
8 ~~related to aging every 3 years.~~

9 ~~(11) Review implementation of the master plan for~~
10 ~~programs and policies related to aging and annually report to~~
11 ~~the Governor, each Cabinet member, the President of the~~
12 ~~Senate, the Speaker of the House of Representatives, the~~
13 ~~minority leaders of the House and Senate, and the chairpersons~~
14 ~~of appropriate House and Senate committees the progress~~
15 ~~towards implementation of the plan.~~

16 ~~(12) Request other departments that administer~~
17 ~~programs affecting the state's elderly population to amend~~
18 ~~their plans, rules, policies, and research objectives as~~
19 ~~necessary to conform with the master plan for policies and~~
20 ~~programs related to aging.~~

21 (5)~~(13)~~ Hold public meetings regularly throughout the
22 state for purposes of receiving information and maximizing the
23 visibility of important issues.

24 (6)~~(14)~~ Conduct policy analysis and program evaluation
25 studies assigned by the Legislature.

26 (7)~~(15)~~ Assist the Governor, each Cabinet member, the
27 President of the Senate, the Speaker of the House of
28 Representatives, the minority leaders of the House and Senate,
29 and the chairpersons of appropriate House and Senate
30 committees in the conduct of their responsibilities in such
31 capacities as they consider appropriate.

1 ~~(8)(16)~~ Call upon appropriate agencies of state
2 government for such assistance as is needed in the discharge
3 of its duties. All agencies shall cooperate in assisting the
4 department in carrying out its responsibilities as prescribed
5 by this section. However, no provision of law with respect to
6 confidentiality of information may be violated.

7 Section 8. Section 430.7031, Florida Statutes, is
8 created to read:

9 430.7031 Nursing home transition program.--The
10 department and the Agency for Health Care Administration:

11 (1) Shall implement a system of care designed to
12 assist individuals residing in nursing homes to regain
13 independence and to move to less-costly settings.

14 (2) Shall collaboratively work to identify long-stay
15 nursing home residents who are able to move to community
16 placements, and to provide case management and supportive
17 services to such individuals while they are in nursing homes
18 to assist such individuals in moving to less-expensive and
19 less-restrictive settings.

20 (3) Shall modify existing service delivery systems or
21 develop new service delivery systems to economically and
22 efficiently meet such individuals' care needs.

23 (4) Shall offer such individuals priority placement
24 and services in all home-based and community-based care
25 programs, and shall ensure that funds are available to provide
26 services to individuals to whom services are offered.

27 (5) May seek federal waivers necessary to administer
28 this section.

29 Section 9. Subsection (4) of section 409.908, Florida
30 Statutes, is amended to read:

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1 409.908 Reimbursement of Medicaid providers.--Subject
2 to specific appropriations, the agency shall reimburse
3 Medicaid providers, in accordance with state and federal law,
4 according to methodologies set forth in the rules of the
5 agency and in policy manuals and handbooks incorporated by
6 reference therein. These methodologies may include fee
7 schedules, reimbursement methods based on cost reporting,
8 negotiated fees, competitive bidding pursuant to s. 287.057,
9 and other mechanisms the agency considers efficient and
10 effective for purchasing services or goods on behalf of
11 recipients. Payment for Medicaid compensable services made on
12 behalf of Medicaid eligible persons is subject to the
13 availability of moneys and any limitations or directions
14 provided for in the General Appropriations Act or chapter 216.
15 Further, nothing in this section shall be construed to prevent
16 or limit the agency from adjusting fees, reimbursement rates,
17 lengths of stay, number of visits, or number of services, or
18 making any other adjustments necessary to comply with the
19 availability of moneys and any limitations or directions
20 provided for in the General Appropriations Act, provided the
21 adjustment is consistent with legislative intent.

22 (4) Subject to any limitations or directions provided
23 for in the General Appropriations Act, alternative health
24 plans, health maintenance organizations, and prepaid health
25 plans shall be reimbursed a fixed, prepaid amount negotiated,
26 or competitively bid pursuant to s. 287.057, by the agency and
27 prospectively paid to the provider monthly for each Medicaid
28 recipient enrolled. The amount may not exceed the average
29 amount the agency determines it would have paid, based on
30 claims experience, for recipients in the same or similar
31 category of eligibility. The agency shall calculate

1 capitation rates on a regional basis and, beginning September
2 1, 1995, shall include age-band differentials in such
3 calculations. Effective July 1, 2001, the cost of exempting
4 statutory teaching hospitals, specialty hospitals, and
5 community hospital education program hospitals from
6 reimbursement ceilings and the cost of special Medicaid
7 payments shall not be included in premiums paid to health
8 maintenance organizations or prepaid health care plans. Each
9 rate semester, the agency shall calculate and publish a
10 Medicaid hospital rate schedule that does not reflect either
11 special Medicaid payments or the elimination of rate
12 reimbursement ceilings, to be used by hospitals and Medicaid
13 health maintenance organizations, in order to determine the
14 Medicaid rate referred to in ss. 409.912(17)~~409.912(16)~~,
15 409.9128(5), and 641.513(6).

16 Section 10. Section 430.708, Florida Statutes, is
17 amended to read:

18 430.708 Certificate of need.--To ensure that Medicaid
19 community diversion pilot projects result in a reduction in
20 the projected average monthly nursing home caseload, the
21 agency shall, in accordance with the provisions of s.
22 408.034(5)~~s. 408.034(4)~~:

23 (1) Reduce the projected nursing home bed need in each
24 certificate-of-need batching cycle in the community diversion
25 pilot project areas.

26 (2) Reduce the conditions imposed on existing nursing
27 homes or those to be constructed, in accordance with the
28 number of projected community diversion slots.

29 (3) Adopt rules to reduce the number of beds in
30 Medicaid-participating nursing homes eligible for Medicaid,
31

1 through a Medicaid-selective contracting process or some other
2 appropriate method.

3 (4) Determine the feasibility of increasing the
4 nursing home occupancy threshold used in determining nursing
5 home bed needs under the certificate-of-need process.

6 Section 11. Subsection (4) of section 641.386, Florida
7 Statutes, is amended to read:

8 641.386 Agent licensing and appointment required;
9 exceptions.--

10 (4) All agents and health maintenance organizations
11 shall comply with and be subject to the applicable provisions
12 of ss. 641.309 and 409.912(19)~~409.912(18)~~, and all companies
13 and entities appointing agents shall comply with s. 626.451,
14 when marketing for any health maintenance organization
15 licensed pursuant to this part, including those organizations
16 under contract with the Agency for Health Care Administration
17 to provide health care services to Medicaid recipients or any
18 private entity providing health care services to Medicaid
19 recipients pursuant to a prepaid health plan contract with the
20 Agency for Health Care Administration.

21 Section 12. This act shall take effect July 1, 2002.
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SENATE SUMMARY

Revises the duties of the Agency for Health Care Administration and the Department of Elderly Affairs with respect to the development of policies and programs for the elderly. Establishes the Office of Long-Term-Care Policy within the Executive Office of the Governor. Requires that the office develop a State Long-Term-Care Plan and make recommendations for coordinating the services provided by state agencies. Provides for an advisory board to the Office of Long-Term-Care Policy. Requires the Office of Long-Term-Care Policy to submit an annual report to the Governor and Legislature. Requires the Agency for Health Care Administration to establish a nursing facility preadmission screening program. Requires that the Department of Elderly Affairs and the Agency for Health Care Administration implement a nursing home transition program. (See bill for details.)