

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

317-1717-02

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; amending s.
10 408.034, F.S.; providing additional
11 requirements for the Agency for Health Care
12 Administration in determining the need for
13 additional nursing-facility beds; amending s.
14 409.912; requiring the Agency for Health Care
15 Administration to establish a nursing facility
16 preadmission screening program; authorizing the
17 agency to operate the program by contract;
18 requiring an annual report to the Legislature
19 and the Office of Long-Term-Care Policy;
20 amending s. 430.03, F.S.; revising the purposes
21 of the Department of Elderly Affairs with
22 respect to developing policy, making
23 recommendations, and coordinating activities;
24 amending s. 430.04, F.S.; revising the duties
25 of the Department of Elderly Affairs with
26 respect to developing programs and policies
27 related to aging; creating s. 430.041, F.S.;
28 establishing the Office of Long-Term-Care
29 Policy within the Department of Elderly
30 Affairs; requiring the office to develop a
31 State Long-Term-Care Plan; requiring the office

1 to make recommendations for coordinating the
2 services provided by state agencies; providing
3 for the appointment of an advisory board to the
4 Office of Long-Term-Care Policy; specifying
5 membership in the advisory board; providing for
6 reimbursement of per diem and travel expenses
7 for members of the advisory board; requiring
8 that the office submit an annual report to the
9 Governor and Legislature; requiring the Agency
10 for Health Care Administration and the
11 Department of Elderly Affairs to provide staff
12 and support services for the Office of
13 Long-Term-Care Policy; creating s. 430.7031,
14 F.S.; requiring the Department of Elderly
15 Affairs and the Agency for Health Care
16 Administration to implement a nursing home
17 transition program; providing requirements for
18 the program; amending ss. 409.908, 430.708,
19 641.386, F.S., relating to reimbursement of
20 Medicaid providers, certificates of need, and
21 agent 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:

26
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 in consultation with the
19 Department of Elderly Affairs shall submit to the Governor,
20 the President of the Senate, and the Speaker of the House of
21 Representatives a plan to reduce the number of
22 nursing-home-bed days purchased by the state Medicaid program
23 and to replace such nursing home care with care provided in
24 less costly alternative settings.

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

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

31

1 Section 3. Section 408.034, Florida Statutes, is
2 amended to read:

3 408.034 Duties and responsibilities of agency;
4 rules.--

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

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

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

26 (4) Prior to determining that there is a need for
27 additional community nursing-facility beds in any area of the
28 state, the agency shall determine that the need cannot be met
29 through the provision, enhancement, or expansion of home and
30 community-based services. In determining such need, the agency
31 shall examine nursing-home-placement patterns and demographic

1 patterns of persons entering nursing homes and the
2 availability of and effectiveness of existing home-based and
3 community-based service delivery systems at meeting the
4 long-term-care needs of the population. The agency shall
5 recommend to the Office of Long-Term-Care Policy changes that
6 could be made to existing home-based and community-based
7 delivery systems to lessen the need for additional
8 nursing-facility beds.

9 (5)~~(4)~~ The agency shall establish by rule a
10 nursing-home-bed-need methodology that reduces the community
11 nursing home bed need for the areas of the state where the
12 agency establishes pilot community diversion programs through
13 the Title XIX aging waiver program.

14 (6)~~(5)~~ The agency may adopt rules necessary to
15 implement ss. 408.031-408.045.

16 Section 4. Present subsections (13) through (39) of
17 section 409.912, Florida Statutes, are redesignated as
18 subsections (14) through (40) and a new subsection (13) is
19 added to that section to read:

20 409.912 Cost-effective purchasing of health care.--The
21 agency shall purchase goods and services for Medicaid
22 recipients in the most cost-effective manner consistent with
23 the delivery of quality medical care. The agency shall
24 maximize the use of prepaid per capita and prepaid aggregate
25 fixed-sum basis services when appropriate and other
26 alternative service delivery and reimbursement methodologies,
27 including competitive bidding pursuant to s. 287.057, designed
28 to facilitate the cost-effective purchase of a case-managed
29 continuum of care. The agency shall also require providers to
30 minimize the exposure of recipients to the need for acute
31 inpatient, custodial, and other institutional care and the

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

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

22 | (b) The agency may operate the CARES program using its
23 | own staff or may contract with another state agency or other
24 | provider. If the agency contracts for the operation of the
25 | program, the agency must maintain policy control of all
26 | operations of the program, including the criteria applied and
27 | forms used, and perform regular monitoring to assure effective
28 | and efficient operation of the program and ensure that the
29 | operation of the program is consistent with state and federal
30 | law and rules.

31 |

1 (c) The agency shall develop performance standards for
2 the CARES program.

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

13 (e) By January 1 of each year, the agency shall submit
14 a report to the Legislature and the Office of Long-Term-Care
15 Policy describing the operations of the CARES program. The
16 report must describe:

17 1. Rate of diversion to community alternative
18 programs;

19 2. CARES program staffing needs to achieve additional
20 diversions;

21 3. Reasons the program is unable to place individuals
22 in less restrictive settings when such individuals desired
23 such services and could have been served in such settings;

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

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

30 Section 5. Section 430.03, Florida Statutes, is
31 amended to read:

1 430.03 Purposes.--The purposes of the Department of
2 Elderly Affairs are to:

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

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

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

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

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

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

24 (5)~~(7)~~ Oversee implementation of federally funded and
25 state-funded programs and services for the state's elderly
26 population.

27 (6)~~(8)~~ Recommend legislative budget requests for
28 programs and services for the state's elderly population.

29 (7)~~(9)~~ Serve as a state-level information
30 clearinghouse and encourage the development of local-level
31 identifiable points of information and referral regarding all

1 federal, state, and local resources of assistance to elderly
2 citizens.

3 (8)~~(10)~~ Assist elderly persons to secure needed
4 services in accordance with personal choice and in a manner
5 that achieves or maintains autonomy and prevents, reduces, or
6 eliminates dependency.

7 (9)~~(11)~~ Promote the maintenance and improvement of the
8 physical well-being and mental health of elderly persons.

9 (10)~~(12)~~ Promote opportunities for volunteerism among
10 the elderly population.

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

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

18 (13)~~(15)~~ Aid in the support of families and other
19 caregivers of elderly persons.

20 (14)~~(16)~~ Promote intergenerational relationships.

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

24 Section 6. Section 430.04, Florida Statutes, is
25 amended to read:

26 430.04 Duties and responsibilities of the Department
27 of Elderly Affairs.--The Department of Elderly Affairs shall:

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

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

12 (a) An intentional or negligent act of the agency has
13 materially affected the health, welfare, or safety of clients,
14 or substantially and negatively affected the operation of an
15 aging services program.

16 (b) The agency lacks financial stability sufficient to
17 meet contractual obligations or that contractual funds have
18 been misappropriated.

19 (c) The agency has committed multiple or repeated
20 violations of legal and regulatory requirements or department
21 standards.

22 (d) The agency has failed to continue the provision or
23 expansion of services after the declaration of a state of
24 emergency.

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

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

29 (3) Prepare and submit the state plan as required by
30 the United States Administration on Aging. ~~to the Governor,~~
31 ~~each Cabinet member, the President of the Senate, the Speaker~~

1 ~~of the House of Representatives, the minority leaders of the~~
2 ~~House and Senate, and chairpersons of appropriate House and~~
3 ~~Senate committees a master plan for policies and programs in~~
4 ~~the state related to aging. The plan must identify and assess~~
5 ~~the needs of the elderly population in the areas of housing,~~
6 ~~employment, education and training, medical care, long-term~~
7 ~~care, preventive care, protective services, social services,~~
8 ~~mental health, transportation, and long-term care insurance,~~
9 ~~and other areas considered appropriate by the department. The~~
10 ~~plan must assess the needs of particular subgroups of the~~
11 ~~population and evaluate the capacity of existing programs,~~
12 ~~both public and private and in state and local agencies, to~~
13 ~~respond effectively to identified needs. If the plan~~
14 ~~recommends the transfer of any program or service from the~~
15 ~~Department of Children and Family Services to another state~~
16 ~~department, the plan must also include recommendations that~~
17 ~~provide for an independent third-party mechanism, as currently~~
18 ~~exists in the Florida advocacy councils established in ss.~~
19 ~~402.165 and 402.166, for protecting the constitutional and~~
20 ~~human rights of recipients of departmental services. The plan~~
21 ~~must include policy goals and program strategies designed to~~
22 ~~respond efficiently to current and projected needs. The plan~~
23 ~~must also include policy goals and program strategies to~~
24 ~~promote intergenerational relationships and activities.~~
25 ~~Public hearings and other appropriate processes shall be~~
26 ~~utilized by the department to solicit input for the~~
27 ~~development and updating of the master plan from parties~~
28 ~~including, but not limited to, the following:~~
29 ~~(a) Elderly citizens and their families and~~
30 ~~caregivers.~~

1 ~~(b) Local-level public and private service providers,~~
2 ~~advocacy organizations, and other organizations relating to~~
3 ~~the elderly.~~

4 ~~(c) Local governments.~~

5 ~~(d) All state agencies that provide services to the~~
6 ~~elderly.~~

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

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

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

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

26 ~~(6) Recommend to the Governor, each Cabinet member,~~
27 ~~the President of the Senate, the Speaker of the House of~~
28 ~~Representatives, the minority leaders of the House and Senate,~~
29 ~~and chairpersons of appropriate House and Senate committees an~~
30 ~~organizational framework for the planning, coordination,~~
31 ~~implementation, and evaluation of programs related to aging,~~

1 ~~with the purpose of expanding and improving programs and~~
2 ~~opportunities available to the state's elderly population and~~
3 ~~enhancing a continuum of long-term care. This framework must~~
4 ~~assure that:~~

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

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

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

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

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

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

19 ~~(8) Review and coordinate aging research plans of all~~
20 ~~state agencies to ensure the conformance of research~~
21 ~~objectives to issues and needs addressed in the master plan~~
22 ~~for policies and programs related to aging. The research~~
23 ~~activities that must be reviewed and coordinated by the~~
24 ~~department include, but are not limited to, contracts with~~
25 ~~academic institutions, development of educational and training~~
26 ~~curriculums, Alzheimer's disease and other medical research,~~
27 ~~studies of long-term care and other personal assistance needs,~~
28 ~~and design of adaptive or modified living environments.~~

29 ~~(9) Review budget requests for programs related to~~
30 ~~aging for compliance with the master plan for policies and~~
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1 ~~programs related to aging before submission to the Governor~~
2 ~~and the Legislature.~~

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

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

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

17 (5)~~(13)~~ Hold public meetings regularly throughout the
18 state for purposes of receiving information and maximizing the
19 visibility of important issues.

20 (6)~~(14)~~ Conduct policy analysis and program evaluation
21 studies assigned by the Legislature.

22 (7)~~(15)~~ Assist the Governor, each Cabinet member, the
23 President of the Senate, the Speaker of the House of
24 Representatives, the minority leaders of the House and Senate,
25 and the chairpersons of appropriate House and Senate
26 committees in the conduct of their responsibilities in such
27 capacities as they consider appropriate.

28 (8)~~(16)~~ Call upon appropriate agencies of state
29 government for such assistance as is needed in the discharge
30 of its duties. All agencies shall cooperate in assisting the
31 department in carrying out its responsibilities as prescribed

1 by this section. However, no provision of law with respect to
2 confidentiality of information may be violated.

3 Section 7. Section 430.041, Florida Statutes, is
4 created to read:

5 430.041 Office of Long-Term-Care Policy.--

6 (1) There is established in the Department of Elderly
7 Affairs the Office of Long-Term-Care Policy to analyze the
8 state's long-term-care system and increase the availability
9 and the use of noninstitutional settings to provide care to
10 the elderly and to ensure coordination among the agencies
11 responsible for the long-term-care continuum. The Department
12 of Elderly Affairs shall provide administrative support and
13 service to the Office of Long-Term-Care Policy. The Office is
14 not subject to control, supervision, or direction by the
15 Department of Elderly Affairs in the performance of its
16 duties.

17 (2) The Office of Long-Term-Care Policy shall:

18 (a) Ensure close communication and coordination among
19 state agencies involved in developing and administering a more
20 efficient and coordinated long-term-care service delivery
21 system in this state;

22 (b) Ensure that state agencies involved in developing
23 long-term-care policy have considered the preferences of
24 consumers, providers, and local elected officials;

25 (c) Study and plan for programs to meet identified and
26 projected needs of people who need long-term care;

27 (d) Develop a State Long-Term Care Plan and policy
28 recommendations to ensure that appropriate long-term care is
29 available in institutional and community-based settings;

30 (e) Update the State Long-Term-Care Plan every 3
31 years;

1 (f) Recommend state and local organizational models
2 for the planning, coordination, implementation, and evaluation
3 of programs serving people with long-term-care needs;

4 (g) Make recommendations to agencies for budget
5 requests for long-term-care programs to ensure consistency
6 with the State Long-Term-Care Plan;

7 (h) Develop and recommend strategies for ensuring
8 compliance with all federal requirements regarding access to
9 and choice of services and providers;

10 (i) Identify duplication and unnecessary service
11 provision in the long-term-care system and make
12 recommendations to decrease inappropriate service provision;

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

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

19 (l) Monitor characteristics of people applying for and
20 entering institutional and community-based long-term care, and
21 changes to these characteristics over time, to determine the
22 reasons and causes for changing levels of state expenditures
23 and to determine services that the state's system of
24 community-based care could provide to lessen the need for
25 facility-based care;

26 (m) Recommend changes to the preadmission screening
27 system of state nursing homes to ensure that individuals in
28 need of long-term care are served in settings most appropriate
29 to their needs;

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

4 (o) Analyze waiting lists for long-term-care services
5 and recommend strategies to reduce the time applicants wait
6 for services; and

7 (p) Oversee research on aging which is conducted or
8 funded by any state agency to ensure that such research is
9 coordinated and directed to fulfill the intent and purposes of
10 this act.

11 (3) The director of the Office of Long-Term-Care
12 Policy shall be appointed by and serve at the pleasure of the
13 Governor. The director of the Office of Long-Term-Care Policy
14 shall report to the Governor.

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

18 (a) A member of the Senate, appointed by the President
19 of the Senate;

20 (b) A member of the House of Representatives,
21 appointed by the Speaker of the House of Representatives;

22 (c) The Secretary of Health Care Administration;

23 (d) The Secretary of Elderly Affairs;

24 (e) The state Medicaid Director;

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

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

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

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

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

10 (8) Personnel who are solely under the direction of
11 the Office of Long-Term-Care Policy shall be provided by the
12 Agency for Health Care Administration and the Department of
13 Elderly Affairs. The office shall call upon appropriate
14 agencies of state government, including the centers on aging
15 in the State University System, for assistance needed in
16 discharging its duties. All agencies shall assist the office
17 in carrying out its responsibilities prescribed by this
18 section.

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

21 430.7031 Nursing home transition program.--The
22 department and the Agency for Health Care Administration:

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

26 (2) Shall collaboratively work to identify long-stay
27 nursing home residents who are able to move to community
28 placements, and to provide case management and supportive
29 services to such individuals while they are in nursing homes
30 to assist such individuals in moving to less-expensive and
31 less-restrictive settings.

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

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

8 (5) May seek federal waivers necessary to administer
9 this section.

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

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

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1 provided for in the General Appropriations Act, provided the
2 adjustment is consistent with legislative intent.

3 (4) Subject to any limitations or directions provided
4 for in the General Appropriations Act, alternative health
5 plans, health maintenance organizations, and prepaid health
6 plans shall be reimbursed a fixed, prepaid amount negotiated,
7 or competitively bid pursuant to s. 287.057, by the agency and
8 prospectively paid to the provider monthly for each Medicaid
9 recipient enrolled. The amount may not exceed the average
10 amount the agency determines it would have paid, based on
11 claims experience, for recipients in the same or similar
12 category of eligibility. The agency shall calculate
13 capitation rates on a regional basis and, beginning September
14 1, 1995, shall include age-band differentials in such
15 calculations. Effective July 1, 2001, the cost of exempting
16 statutory teaching hospitals, specialty hospitals, and
17 community hospital education program hospitals from
18 reimbursement ceilings and the cost of special Medicaid
19 payments shall not be included in premiums paid to health
20 maintenance organizations or prepaid health care plans. Each
21 rate semester, the agency shall calculate and publish a
22 Medicaid hospital rate schedule that does not reflect either
23 special Medicaid payments or the elimination of rate
24 reimbursement ceilings, to be used by hospitals and Medicaid
25 health maintenance organizations, in order to determine the
26 Medicaid rate referred to in ss. 409.912(17)~~409.912(16)~~,
27 409.9128(5), and 641.513(6).

28 Section 10. Section 430.708, Florida Statutes, is
29 amended to read:

30 430.708 Certificate of need.--To ensure that Medicaid
31 community diversion pilot projects result in a reduction in

1 the projected average monthly nursing home caseload, the
2 agency shall, in accordance with the provisions of s.
3 408.034(5)~~s. 408.034(4)~~:

4 (1) Reduce the projected nursing home bed need in each
5 certificate-of-need batching cycle in the community diversion
6 pilot project areas.

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

10 (3) Adopt rules to reduce the number of beds in
11 Medicaid-participating nursing homes eligible for Medicaid,
12 through a Medicaid-selective contracting process or some other
13 appropriate method.

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

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

19 641.386 Agent licensing and appointment required;
20 exceptions.--

21 (4) All agents and health maintenance organizations
22 shall comply with and be subject to the applicable provisions
23 of ss. 641.309 and 409.912(19)~~409.912(18)~~, and all companies
24 and entities appointing agents shall comply with s. 626.451,
25 when marketing for any health maintenance organization
26 licensed pursuant to this part, including those organizations
27 under contract with the Agency for Health Care Administration
28 to provide health care services to Medicaid recipients or any
29 private entity providing health care services to Medicaid
30 recipients pursuant to a prepaid health plan contract with the
31 Agency for Health Care Administration.

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

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3 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
4 COMMITTEE SUBSTITUTE FOR
5 Senate Bill 596

6

6 The Committee Substitute for SB 596 requires AHCA to submit a
7 plan to reduce nursing-home-bed days in consultation with
8 DOEA; modifies the methodology by which AHCA determines need
9 for additional community nursing facility beds; names the
10 nursing home preadmission screening program the Comprehensive
11 Assessment and Review (CARES) program; and establishes the
12 Office of Long-Term Care Policy in the Department of Elderly
13 Affairs, not subject to the control, supervision or direction
14 of the department in the performance of its duties.

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