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HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH & HUMAN SERVICES APPROPRIATIONS
ANALYSIS

BILL #: HB 597

RELATING TO: Children's Medical Services/SPPEAC

SPONSOR(S): Representative Lerner and others

TIED BILL(S): None.

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

(1) HEALTH REGULATION YEAS 8 NAYS 0
(2) HEALTH & HUMAN SERVICES APPROPRIATIONS
(3) COUNCIL FOR HEALTHY COMMUNITITES
(4)
(5)

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I. SUMMARY:

Children are identified as medically fragile or technologically dependent children by the Children's Multidisciplinary Assessment Team (CMAT), coordinated by the Division of Children's Medical Services of the Department of Health. Health care professionals determine that the child requires the extensive care and services provided in a Prescribed Pediatric Extended Care (PPEC) center and the local area Medicaid authorization nurse authorizes that care. PPEC licensees receive Medicaid reimbursement for the basic services to the child and additional services are provided to the child, principally by contract staff who are paid for their services independent of and in addition to the payment for basic PPEC contracted services

Children in Florida who need complex medical care services or therapeutic interventions are currently served in one of four licensed setting: hospitals, ch. 395, F.S.; nursing homes, ss. 400.011-400.332, F.S.; medical foster care, ch. 39 and ch. 409, F.S.; and prescribed pediatric extended care (PPEC) centers, ss. 400.901-400.917, F.S.

Seven facilities licensed under Chapter 400, Part II, Florida Statutes, as Skilled Nursing Facilities, also provide residential, around the clock services to pediatric residents. Those facilities are: Broward Children's Home, Pompano; Central Park Village, Orlando; Halifax Convalescent Center, Daytona Beach; Lakeshore Villas Health Care Center, Tampa; Memorial Manor, Pembroke Pines; Sabal Palms Health Care Center, Largo; and Westminster Care of Orlando, Orlando. Other skilled nursing facilities provide services to pediatric residents, but these seven facilities have established more clearly defined programs for this population. The total population served in these facilities is estimated to be in excess of 200 children. Services in each of these settings are covered by Medicaid funding.

This bill creates a new type of licensed facility for children whose needs are medically complex. A subacute pediatric prescribed extended alternative care center would provide therapies in a setting that could be residential. The bill requires the Agency for Health Care Administration (AHCA) to license the facilities and specifies staffing requirements for center and services to be provided.

According to AHCA, the Agency requires 9 FTE's and anticipates total General Revenue appropriations for FY 02-03 of $8,587,154 and FY 03-04 of $16,747,202 to license such facilities. The bill provides for an effective date of October 1, 2002.

On January 24, 2002, the House Committee on Health Regulation adopted a strike-all amendment that is traveling with the bill. The bill was reported favorably as amended. For a description of that amendment, see section VI AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES, below.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government Yes [] No [x] N/A []

   This bill requires AHCA to implement additional licensing requirements for health facilities.

2. Lower Taxes Yes [] No [] N/A [x]

3. Individual Freedom Yes [x] No [] N/A []

4. Personal Responsibility Yes [] No [] N/A [x]

5. Family Empowerment Yes [x] No [] N/A []

B. PRESENT SITUATION:

Children are identified as medically fragile or technologically dependent children by a CMAT, coordinated by the Division of Children's Medical Services of the Department of Health. A team of health care professionals determines that the child requires the extensive care and services provided in a PPEC center and the local area Medicaid authorization nurse authorizes that care. PPEC licensees receive Medicaid reimbursement for the basic services to the child and additional services are provided to the child, principally by contract staff who are paid for their services independent of and in addition to the payment for basic PPEC contracted services.

Currently, children in Florida who need complex medical care services or therapeutic interventions may be served in one of four licensed settings:

- Hospital, ch. 395, F.S.
- Nursing Home, ss. 400.011-400.332, F.S.
- Medical Foster Care, ch. 39 and ch. 409, F.S.
- Prescribed Pediatric Extended Care (PPEC) Center, ss. 400.901-400.917, F.S.

Seven facilities licensed under Chapter 400, Part II, Florida Statutes, as Skilled Nursing Facilities, also provide residential, around the clock services to pediatric residents. Those facilities are: Broward Children's Home, Pompano; Central Park Village, Orlando; Halifax Convalescent Center, Daytona Beach; Lakeshore Villas Health Care Center, Tampa; Memorial Manor, Pembroke Pines; Sabal Palms Health Care Center, Largo; and Westminster Care of Orlando, Orlando. Other skilled nursing facilities provide services to pediatric residents, but these seven facilities have established more clearly defined programs for this population. The total population served in these facilities is estimated to be in excess of 200 children. Services in each of these settings are covered by Medicaid funding.

Sections 400.904 - 400.917, F.S., set forth the requirements of PPEC centers, which are non-residential health care centers that provide a continuum of care for children whose needs are medically complex. The array of services provided by PPEC centers address the medical, developmental, physical, nutritional, and social needs of the children. The PPEC centers are less restrictive than institutionalization in that they enable the child to live at home, and they provide services that reduce the isolation that a homebound child with complex medical needs might experience. AHCA licenses PPEC centers. At present, 22 licensed PPEC centers have the capacity to serve 612 children.

Foster care parents who meet the requirements to bill Medicaid for medical foster care serve the children in licensed foster care homes. In 2000, the program served 398 children. In 2001, approximately 450 children were being served. Medical foster care provides a home-based program for children with medically complex needs who are unable to return to their biological family or who must remain institutionalized because of the complexity of their medical condition. The program places a high priority on reuniting the child with his or her biological family by providing medical training to the family to help them manage their child's medical condition. The program provides direct access to nursing care 24 hours per day. Last year, three of the children served in medical foster homes moved into nursing homes.

C. EFFECT OF PROPOSED CHANGES:

This bill creates a new type of licensed facility setting for serving children whose needs are medically complex or technologically dependent. A subacute pediatric prescribed extended alternative care center would provide therapies for children in a setting that could be residential.

See section-by-section analysis for specific licensure requirements.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Establishes the Legislature's intent to provide licensure and regulation of facilities that provide care for medically fragile or technologically dependent children.

Section 2. Provides definitions for the following terms: *advisory board, Agency, basic services, medical director, medical records, medically fragile or technologically dependent child, nursing director, owner or operator, plan of care, premises, prescribing physician or prescribing advanced registered nurse practitioner, primary physician or primary advanced registered nurse practitioner, quality assurance, quality assurance committee,* and *subacute pediatric prescribed extended alternative care center or SPPEAC center.*

Section 3. Requires a *subacute pediatric prescribed extended alternative care* (SPPEAC) center to be licensed by AHCA. Requires separate application for each building if the buildings of a facility are located on separate premises. Provides for annual renewal of license; requires that facility may not operate at a capacity greater than the number of clients on face of license; and prohibits collocation of a SPPEAC center with another licensed facility.

Section 4. Establishes the licensing procedure. Requires a licenses fee of $650 to be submitted to AHCA by applicant other than county or municipality. The application for licensure must include accurate information regarding: characteristics personal to the applicant, including qualifications, moral character, affiliations and ownership or employment with other SPPEAC centers, criminal record; the number of clients for which the license is being requested; the names and license numbers of all licensed personnel; certificates of approval from the local zoning authority; a projection of revenue and expenses for the first 12 months of operation; a copy of all deeds, contracts for sale, or leases; a contingency plan for extraordinary occurrences that would have a fiscal impact; and other information relating to financing and facilities. Requires that each applicant for licensing or renewal of licensing be 18 years of age or older, be of good moral character, and not have been convicted or found guilty of a felony involving fraud, embezzlement, fraudulent conversation, misappropriation of property, violence against a person, or moral turpitude. Each facility must have liability coverage of at least $50,000 per child for bodily injury and $150,000 per occurrence for the center, and the same amounts of coverage per vehicle, if the center provides transportation.

Section 5. Establishes requirements for administration and management of a SPPEAC center. The licensee must ensure that the center is operating in accordance with ch. 391, F.S., which governs Children Medical Services. Requires that specific documents be available in the center: a copy of ch. 391, F.S., a copy of rules 59A-13, and 10D-13, Florida Administrative Code, a medical dictionary, the current year's copy of the *America Academy of Pediatric Red Book,* and the current year's drug reference book. The licensee must manage the facility on a sound financial basis in accordance with the requirement of ch. 391, F.S. Each center must have an administrator who will maintain written records including records of activities and incidents at the center, personnel policies and evaluation, and fiscal records.

Section 6. Requires each SPPEAC center to have an advisory board and specifies the composition of the advisory board's membership. Requires that the advisory board must review the policy and procedure components of the center to assure conformance with licensure standards and provide consultation regarding the operational and programmatic components of the center.

Section 7. Establishes admission, transfer, and discharge criteria of children. A physician must prescribe the center's services for the child with medically complex needs. Requires that a child's record be maintained confidentially in accordance with s. 456.057, F.S.

Section 8. Requires each SPPEAC center to establish policies for child care and related medical services. At a minimum, the policies are to be compliant with ch. 391, F.S. The policies must be reviewed annually.

Section 9. Requires each SPPEAC center to have a medical director who is a board certified pediatrician. The medical director must review services ensuring levels of quality, advise center personnel on the development of new programs or changes in existing programs, consult with the center administrator on the health status of facility personnel, review reports of accidents and incidents, and ensure the development of a policy for delivering emergency services.

Section 10. Requires each SPPEAC center to have a nursing director who is a registered nurse with a baccalaureate degree in nursing with certification in pediatric basic cardiac life support (BCLS) and advanced cardiac life support (ACLS), have at least 2 years in general pediatric care, and 6 months experience in pediatric acute care during the last five years. Provides that the director of nursing is responsible for center including: personnel; ancillary services; and policy and procedures for infection control. Staffing ratios are established for up to a maximum of 28 children.

Section 11. Provides staffing standards for the provision of ancillary services at a SPPEAC center. Ancillary services include the services of a child development specialist, a child life specialist, an occupational therapist, a physical therapist, a speech pathologist, a respiratory therapist, a social worker, a licensed psychologist, and a dietitian.

Section 12. Requires each SPPEAC center to develop a cooperative program with the local school system to provide a planned educational program to meet the needs of the individual child.

Section 13. Requires each SPPEAC center to provide in-service training for all caregivers.

Section 14. Requires that a medical record be maintained for each child and specifies the type of documentation that must be in the record.

Section 15. Requires each SPPEC center to have a quality assurance program, including quarterly reviews of medical records for at least half the children served.

Section 16. Requires a registered dietitian to be available for consultation regarding the nutritional needs and special diets of individual children.

Section 17. Establishes minimum physical requirements for the SPPEAC center's location and facility.

Section 18. Establishes requirements for furniture and linens in each SPPEAC center.

Section 19. Requires each SPPEAC center to provide specified safety, medical, and emergency equipment.

Section 20. Establishes procedures for infection control in each SPPEAC center, including a requirement to have an isolation room.

Section 21. Requires each SPPEAC center that provides transportation to include transportation procedures in its procedure manual.

Section 22. Requires each SPPEAC center to conform to the fire safety standards for child care centers and specifies emergency procedures.

Section 23. Provides for an effective date of October 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to AHCA:	Year 1 FY 02-03	Year 2 FY 03-04
Non-Recurring Revenues	$ 4,048	$ 0
Recurring Revenues	$11,624,575	$23,153,00
Total Revenues	**$11,628,623**	**$23,153,00**

2. Expenditures:

	Year 1 FY 02-03	Year 2 FY 03-04
Non-Recurring Expenditures	$ 38,040	$ 0
Recurring Expenditures	$20,177,737	$39,900,201
Total Expenditures	**$20,215,777**	**$39,900,202**

Difference: Total Revenues minus Total Expenditures

Year 1 (FY 02-03)	**Year 2 (FY 03-04)**
($8,587,154)	**($16,747,202)**

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill authorizes SPPEAC centers to be created as for-profit or not-for-profit entities. The creation of a new licensing category may create opportunities for the establishment of private SPPEAC centers, which may operate for-profit or not-for-profit.

D. FISCAL COMMENTS:

The bill does not address funding sources that would provide payment for services in these facilities. Medicaid is a principal source of payment for services for these children and would be the anticipated source of funding for the new category of SPPEAC Centers. According to AHCA, significant additional Medicaid expenditures would be required to fund the anticipated cost of a residential facility for medically fragile and technologically dependent children. However, proponents of the bill argue that care in a SPPEAC is far less costly than traditional long-term care and that proper care would off set the required admissions into a hospital setting.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties 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.

B. RULE-MAKING AUTHORITY:

The bill does not give AHCA the authority to promulgate rules to implement the new licensing procedure.

C. OTHER COMMENTS:

The bill does not make clear the type of facility that is being created. If the centers were residential facilities that provided skilled nursing, they would be nursing homes. If the centers provided services in a setting that was not residential, they would be a type of PPEC center.

The state's procedures for background screening, incident reporting, and licensing of facilities are not required for the SPPEAC centers created by the bill. Alternative methods of addressing those issues are included in the bill. Given the vulnerability of the children whose needs are medically complex, the bill should be clear that the centers must meet the same standards as other facilities that provide medical services to such children.

The bill does not provide for fines, penalties, or revocation of licenses of the centers. There is no mechanism for filing and investigation of complaints.

The bill does not specify the ages of children to be served.

Proponents of this legislation proffer that a residential-based setting of care could:

- Prevent hospitalizations and decrease length of stay for children with chronic illnesses who have inadequate access to health care and tertiary pediatric care;
- Improve the quality of life of children with chronic illnesses and their families by providing respite care, education and support;
- Significantly decrease long-term care use of pediatric acute care hospital beds;
- Decrease Medicaid expenditures for long-term care by providing needed health care services in a more cost-effective pediatric subacute setting;
- Significantly improve compliant health care thereby reducing the incidence of costly exacerbations, complications and hospitalizations;
- Increase compliant care by providing easy access to care and practicing cultural sensitivity;
- Eliminate fragmented care and practice a coordinated continuum or core of health care delivery thereby decreasing Medicaid expenditures and improving outcomes;
- Provide ongoing evaluation of provided services to ensure population needs are met; and
- Utilize individualized care plans as a tool to assess and coordinate care thereby decreasing Medicaid dollar expenditures.

As well, proponents argue that many times children are discharged from an institutionalized setting, only to be re-admitted, because the parents were not prepared for the task of caring for their child. Children with chronic illnesses require a life-long commitment and preparing the entire family is a complex task. In addition, the proposed SPPEAC center would offer a facility that will care for children and assist their families in a smooth transition home, educate the family in a loving, non-threatening, holistic care setting.

Proponents of the bill believe that all children deserve health care delivered by appropriate providers. They offer that the sponsored clinics and outreach programs will provide medical care and nursing interventions to help give children a chance to grow and thrive where they live.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On January 24, 2002, the Committee on Health Regulation adopted a strike-all amendment that requires a study by AHCA of the health care services provided to medically fragile or medical-technology-dependent children in the state. The bill also creates a pilot program to provide subacute pediatric transitional care to enable children to successfully make a transition from acute care to home.

The strike-all amendment is almost identical to Senate Bill 484. The only difference is that Senate Bill 484 requires that a the child be admitted by a prescribing physician or advanced registered nurse practitioner, whereas the strike-all amendment places this burden upon the Medical Director of the center.

AHCA, in cooperation with the Children's Medical Services program in the Department of Health, must conduct a study of health care services provided to medically fragile or medical-technology-dependent children, from birth through age 21. By January 1, 2003, AHCA must report to the Legislature regarding the children's ages, where they are served, types of services received, costs of the services, and the sources of funding that pay for the services. The study must include information regarding medically fragile or medical-technology-dependent children residing in hospitals, nursing homes, and medical foster care, those who live with their parents, and those served in prescribed pediatric extended care centers. The report must also identify the number of such children who could, if appropriate transitional services were available, return home or move to a less institutional setting. AHCA will need to outsource the study at an estimated cost of $75,000 because of the short time to complete the study.

AHCA will establish minimum staffing standards and quality requirements for a subacute pediatric transitional care center to be operated as a two-year pilot program in a large, urban area of the state. The pilot program is limited to a maximum of 30 children at any one time. The pilot program must operate under the license of a hospital licensed under ch. 395, F.S., or a nursing home licensed under ch. 400, F.S., and shall utilize existing beds in the hospital or nursing home. AHCA must amend the state Medicaid plan and request any federal waivers necessary to implement and fund the pilot program. Personnel of the center must undergo a level 1 background screening under ch. 435, F.S.

The pilot program must have an advisory board, and the membership must include a physician or advanced registered nurse practitioner, a registered nurse, a child development specialist, a social worker, and a parent of a child placed in the center. The advisory board must review policy and provide consultation to the center.

A child will be admitted to the center upon prescription of the Medical Director of the center. The child's stay at the center may not exceed 90 days.

By January 1, 2003, AHCA must report to the Legislature concerning the progress of the pilot program. By January 1, 2004, AHCA must submit a final report on the success of the pilot program.

AHCA provided an economic impact statement of Senate Bill 484. Based on a pilot with a maximum enrollment of 30 children at any one time, ACHA estimates that the annual Medicaid cost for the subacute pediatric transitional care pilot would be $3,764,172 ($1,557,238 in state funds and $2,206,934 in federal funds).

ACHA also estimates that it will take at least until January 1, 2003, to receive federal approval for the pilot, and therefore the cost for the first year is lapsed by 6 months.

VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

Prepared by:	Staff Director:
Lisa Rawlins Maurer, Legislative Analyst	Lucretia Shaw Collins

AS REVISED BY THE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS:

Prepared by:	Staff Director:
Bill Speir	Cynthia Kelly