

CHAMBER ACTION

1 The Committee on Appropriations recommends the following:

2
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to the Florida KidCare program; amending
7 s. 409.811, F.S.; defining the term "Florida KidCare
8 program"; deleting a definition to conform; amending s.
9 409.8132, F.S.; limiting when an applicant may apply for
10 Medikids program enrollment; deleting a special enrollment
11 period provision; amending s. 409.8134, F.S.; eliminating
12 the Agency for Health Care Administration's ability to
13 request an increase in the Florida KidCare program
14 enrollment ceiling; providing for open enrollment periods;
15 providing a timeframe for statewide announcement of open
16 enrollment periods; providing limitations; providing a
17 disenrollment process under certain circumstances;
18 providing additional data for certain agencies to collect
19 and analyze; amending s. 409.814, F.S.; revising Florida
20 KidCare program eligibility criteria; limiting coverage;
21 providing an exception for certain children otherwise
22 eligible or covered under a family member's employer
23 health coverage; restricting enrollment of children whose

24 coverage was voluntarily canceled; providing an age
25 limitation for certain components; requiring certain
26 transfers to be managed within authorized levels of
27 funding; requiring certain reserves to be established and
28 reviewed; requiring each applicant to provide certain
29 documentation; requiring the program to withhold benefits
30 from certain enrollees; providing additional fraudulent
31 activities; amending s. 409.815, F.S.; making dental
32 services contingent upon an annual appropriation; amending
33 s. 624.91, F.S.; removing the requirement for the Florida
34 Healthy Kids Corporation to work with the Florida
35 Partnership for School Readiness; limiting eligibility for
36 state-funded assistance in paying Florida Healthy Kids
37 premiums; providing for future repeal of certain
38 provisions; providing additional criteria for the
39 corporation to determine eligibility; eliminating
40 authority to establish an open enrollment period; revising
41 the corporation's purchasing criteria; removing a
42 restriction; eliminating authority to contract with
43 certain entities; eliminating authority to establish a
44 maximum number of participants; eliminating authority to
45 establish eligibility criteria or premium and cost-sharing
46 requirements; providing that contracted insurers are the
47 payors of last resort; requiring contracted insurers to
48 coordinate benefits with certain payors; requiring the
49 Auditor General to provide recommendations to prevent
50 enrollment of ineligible children in the Florida KidCare
51 program and report such recommendations to the Governor

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52 and Legislature; requiring the Florida Healthy Kids
 53 Corporation to use certain funds to contract for an
 54 actuarial study; requiring the Auditor General to perform
 55 audits to ensure the eligibility of children enrolled in
 56 the Florida Healthy Kids program; authorizing the Auditor
 57 General to require and receive any books, accounts,
 58 records, or other documentation relating to the Florida
 59 Healthy Kids Corporation; requiring the Office of Program
 60 Policy Analysis and Government Accountability to perform a
 61 study to determine the appropriate family premium for the
 62 Florida KidCare program and report its findings to the
 63 Legislature; amending s. 409.818, F.S.; deleting a cross
 64 reference; repealing s. 409.819, F.S., relating to a
 65 program identifying low-income, uninsured children for
 66 certain purposes; providing appropriations; providing
 67 effective dates.

68

69 Be It Enacted by the Legislature of the State of Florida:

70

71 Section 1. Subsections (14) through (22) of section
 72 409.811, Florida Statutes, are renumbered as subsections (15)
 73 through (23), respectively, present subsection (23) of said
 74 section is amended, and a new subsection (14) is added to said
 75 section, to read:

76 409.811 Definitions relating to Florida KidCare ~~Kidcare~~
 77 Act.--As used in ss. 409.810-409.820, the term:

78 (14) "Florida KidCare program," "KidCare program," or
 79 "program" means the health benefits program administered through
 80 ss. 409.810-409.820.

81 ~~(23) "Program" means the Florida Kidcare program, the~~
 82 ~~medical assistance program authorized by Title XXI of the Social~~
 83 ~~Security Act as part of the federal Balanced Budget Act of 1997.~~

84 Section 2. Subsections (7), (8), and (9) of section
 85 409.8132, Florida Statutes, are amended to read:

86 409.8132 Medikids program component.--

87 (7) ENROLLMENT.--Enrollment in the Medikids program
 88 component may only occur during periodic open enrollment periods
 89 as specified in s. 409.8134 ~~by the agency. An applicant may~~
 90 ~~apply for enrollment in the Medikids program component and~~
 91 ~~proceed through the eligibility determination process at any~~
 92 ~~time throughout the year. However, enrollment in Medikids shall~~
 93 ~~not begin until the next open enrollment period; and A child may~~
 94 not receive services under the Medikids program until the child
 95 is enrolled in a managed care plan or MediPass. ~~In addition,~~
 96 Once determined eligible, an applicant may receive choice
 97 counseling and select a managed care plan or MediPass. The
 98 agency may initiate mandatory assignment for a Medikids
 99 applicant who has not chosen a managed care plan or MediPass
 100 provider after the applicant's voluntary choice period ends. An
 101 applicant may select MediPass under the Medikids program
 102 component only in counties that have fewer than two managed care
 103 plans available to serve Medicaid recipients and only if the
 104 federal Health Care Financing Administration determines that

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105 MediPass constitutes "health insurance coverage" as defined in
106 Title XXI of the Social Security Act.

107 ~~(8) SPECIAL ENROLLMENT PERIODS.--The agency shall~~
108 ~~establish a special enrollment period of 30 days' duration for~~
109 ~~any child who is enrolled in Medicaid if such child loses~~
110 ~~Medicaid eligibility and becomes eligible for Medikids, or for~~
111 ~~any child who is enrolled in Medikids if such child moves to~~
112 ~~another county that is not within the coverage area of the~~
113 ~~child's Medikids managed care plan or MediPass provider.~~

114 ~~(8)~~⁽⁹⁾ PENALTIES FOR VOLUNTARY CANCELLATION.--The agency
115 shall establish enrollment criteria that must include penalties
116 or waiting periods of not fewer than 60 days for reinstatement
117 of coverage upon voluntary cancellation for nonpayment of
118 premiums.

119 Section 3. Section 409.8134, Florida Statutes, is amended
120 to read:

121 409.8134 Program enrollment and expenditure ceilings.--

122 (1) Except for the Medicaid program, a ceiling shall be
123 placed on annual federal and state expenditures and on
124 enrollment in the Florida KidCare ~~Kideare~~ program as provided
125 each year in the General Appropriations Act. ~~The agency, in~~
126 ~~consultation with the Department of Health, may propose to~~
127 ~~increase the enrollment ceiling in accordance with chapter 216.~~

128 (2) Upon a unanimous recommendation by representatives
129 from each of the four Florida KidCare administrators, the
130 Florida KidCare program may conduct an open enrollment period
131 for the purpose of enrolling children eligible for all program
132 components listed in s. 409.813 except Medicaid. The four

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133 Florida KidCare administrators shall work together to ensure
134 that the open enrollment period is announced statewide at least
135 1 month before the open enrollment is to begin. Eligible
136 children shall be enrolled on a first-come, first-served basis
137 using the date the open enrollment application is received. Open
138 enrollment shall immediately cease when the enrollment ceiling
139 is reached. An open enrollment shall be held only if the Social
140 Services Estimating Conference determines that sufficient funds
141 have been appropriated to finance increased enrollment through
142 federal fiscal year 2007. Any individual who is not enrolled,
143 including those added to the waiting list after January 30,
144 2004, must reapply by submitting a new application during the
145 next open enrollment period ~~Except for the Medicaid program,~~
146 ~~whenever the Social Services Estimating Conference determines~~
147 ~~that there is presently, or will be by the end of the current~~
148 ~~fiscal year, insufficient funds to finance the current or~~
149 ~~projected enrollment in the Florida Kidcare program, all~~
150 ~~additional enrollment must cease and additional enrollment may~~
151 ~~not resume until sufficient funds are available to finance such~~
152 ~~enrollment.~~

153 (3) Upon determination by the Social Services Estimating
154 Conference that there are insufficient funds to finance the
155 current enrollment in the Florida KidCare program within current
156 appropriations, the program shall initiate disenrollment
157 procedures to remove enrollees, except those children enrolled
158 in the Children's Medical Services network, on a last-in, first-
159 out basis until the expenditure and appropriation levels are
160 balanced.

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161 ~~(4)(3)~~ The agencies that administer the Florida KidCare
 162 ~~Kidcare~~ program components shall collect and analyze the data
 163 needed to project ~~Florida Kidcare~~ program enrollment costs,
 164 including price level adjustments ~~outreach impacts~~,
 165 participation and attrition rates, current and projected
 166 caseloads, utilization, and current and projected expenditures
 167 for the next 3 years. The agencies shall report ~~the~~ caseload and
 168 expenditure trends to the Social Services Estimating Conference
 169 in accordance with chapter 216.

170 Section 4. Effective July 1, 2004, section 409.814,
 171 Florida Statutes, is amended to read:

172 409.814 Eligibility.--A child who has not reached 19 years
 173 of age whose family income is equal to or below 200 percent of
 174 the federal poverty level is eligible for the Florida KidCare
 175 ~~Kidcare~~ program as provided in this section. ~~In determining the~~
 176 ~~eligibility of such a child, an assets test is not required. An~~
 177 ~~applicant under 19 years of age who, based on a complete~~
 178 ~~application, appears to be eligible for the Medicaid component~~
 179 ~~of the Florida Kidcare program is presumed eligible for coverage~~
 180 ~~under Medicaid, subject to federal rules. A child who has been~~
 181 ~~deemed presumptively eligible for Medicaid shall not be enrolled~~
 182 ~~in a managed care plan until the child's full eligibility~~
 183 ~~determination for Medicaid has been completed. The Florida~~
 184 ~~Healthy Kids Corporation may, subject to compliance with~~
 185 ~~applicable requirements of the Agency for Health Care~~
 186 ~~Administration and the Department of Children and Family~~
 187 ~~Services, be designated as an entity to conduct presumptive~~
 188 ~~eligibility determinations. An applicant under 19 years of age~~

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189 ~~who, based on a complete application, appears to be eligible for~~
 190 ~~the Medikids, Florida Healthy Kids, or Children's Medical~~
 191 ~~Services network program component, who is screened as~~
 192 ~~ineligible for Medicaid and prior to the monthly verification of~~
 193 ~~the applicant's enrollment in Medicaid or of eligibility for~~
 194 ~~coverage under the state employee health benefit plan, may be~~
 195 ~~enrolled in and begin receiving coverage from the appropriate~~
 196 ~~program component on the first day of the month following the~~
 197 ~~receipt of a completed application.~~ For enrollment in the
 198 Children's Medical Services network, a complete application
 199 includes the medical or behavioral health screening. If,
 200 subsequently ~~after verification~~, an individual is determined to
 201 be ineligible for coverage, he or she must immediately be
 202 disenrolled from the respective Florida KidCare ~~Title XXI-funded~~
 203 ~~Kidcare~~ program component.

204 (1) A child who is eligible for Medicaid coverage under s.
 205 409.903 or s. 409.904 must be enrolled in Medicaid and is not
 206 eligible to receive health benefits under any other health
 207 benefits coverage authorized under the Florida KidCare program
 208 ~~ss. 409.810-409.820.~~

209 (2) A child who is not eligible for Medicaid, but who is
 210 eligible for the Florida KidCare ~~Kidcare~~ program, may obtain
 211 health benefits coverage under any of the other components
 212 listed in s. 409.813 ~~types of health benefits coverage~~
 213 ~~authorized in ss. 409.810-409.820~~ if such coverage is approved
 214 and available in the county in which the child resides. However,
 215 a child who is eligible for Medikids may participate in the
 216 Florida Healthy Kids program only if the child has a sibling

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217 participating in the Florida Healthy Kids program and the
218 child's county of residence permits such enrollment.

219 (3) A child who is eligible for the Florida KidCare
220 ~~Kidcare~~ program who is a child with special health care needs,
221 as determined through a medical or behavioral screening
222 instrument, is eligible for health benefits coverage from and
223 shall be referred to the Children's Medical Services network.

224 (4) The following children are not eligible to receive
225 premium assistance for health benefits coverage under the
226 Florida KidCare program ss. 409.810-409.820, except under
227 Medicaid if the child would have been eligible for Medicaid
228 under s. 409.903 or s. 409.904 as of June 1, 1997:

229 (a) A child who is eligible for coverage under a state
230 health benefit plan on the basis of a family member's employment
231 with a public agency in the state.

232 (b) A child who is currently eligible for or covered under
233 a family member's group health benefit plan or under other
234 employer health insurance coverage, excluding coverage provided
235 under the Florida Healthy Kids Corporation as established under
236 s. 624.91, provided that the cost of the child's participation
237 is not greater than 7.5 percent of the family's income. This
238 provision shall be applied during redetermination for children
239 who were enrolled prior to July 1, 2004. These enrollees shall
240 have 6 months of eligibility following redetermination to allow
241 for a transition to the other health benefit plan.

242 (c) A child who is seeking premium assistance for the
243 Florida KidCare program through employer-sponsored group
244 coverage, if the child has been covered by the same employer's

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245 | group coverage during the 6 months prior to the family's
 246 | submitting an application for determination of eligibility under
 247 | the ~~Florida Kidcare~~ program.

248 | (d) A child who is an alien, but who does not meet the
 249 | definition of qualified alien, in the United States.

250 | (e) A child who is an inmate of a public institution or a
 251 | patient in an institution for mental diseases.

252 | (f) A child who has had his or her coverage in an
 253 | employer-sponsored health benefit plan voluntarily canceled in
 254 | the last 6 months, except those children who were on the waiting
 255 | list prior to January 31, 2004.

256 | (5) A child whose family income is above 200 percent of
 257 | the federal poverty level or a child who is excluded under the
 258 | provisions of subsection (4) may participate in the Florida
 259 | ~~KidCare~~ KidCare program, excluding the Medicaid program, but is
 260 | subject to the following provisions:

261 | (a) The family is not eligible for premium assistance
 262 | payments and must pay the full cost of the premium, including
 263 | any administrative costs.

264 | (b) The agency is authorized to place limits on enrollment
 265 | in Medikids by these children in order to avoid adverse
 266 | selection. The number of children participating in Medikids
 267 | whose family income exceeds 200 percent of the federal poverty
 268 | level must not exceed 10 percent of total enrollees in the
 269 | Medikids program.

270 | (c) The board of directors of the Florida Healthy Kids
 271 | Corporation is authorized to place limits on enrollment of these
 272 | children in order to avoid adverse selection. In addition, the

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273 board is authorized to offer a reduced benefit package to these
 274 children in order to limit program costs for such families. The
 275 number of children participating in the Florida Healthy Kids
 276 program whose family income exceeds 200 percent of the federal
 277 poverty level must not exceed 10 percent of total enrollees in
 278 the Florida Healthy Kids program.

279 (d) Children described in this subsection are not counted
 280 in the annual enrollment ceiling for the Florida KidCare ~~Kideare~~
 281 program.

282 (6) Once a child is enrolled in the Florida KidCare
 283 ~~Kideare~~ program, the child is eligible for coverage under the
 284 program for 6 months without a redetermination or reverification
 285 of eligibility, if the family continues to pay the applicable
 286 premium. Eligibility for program components funded through Title
 287 XXI of the Social Security Act shall terminate when a child
 288 attains the age of 19. Effective January 1, 1999, a child who
 289 has not attained the age of 5 and who has been determined
 290 eligible for the Medicaid program is eligible for coverage for
 291 12 months without a redetermination or reverification of
 292 eligibility.

293 (7) When determining or reviewing a child's eligibility
 294 under the Florida KidCare program, the applicant shall be
 295 provided with reasonable notice of changes in eligibility which
 296 may affect enrollment in one or more of the program components.
 297 When a transition from one program component to another is
 298 authorized appropriate, there shall be cooperation between the
 299 program components and the affected family which promotes
 300 continuity of health care coverage. Any authorized transfers

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301 must be managed within the program's overall appropriated or
 302 authorized levels of funding. Each component of the program
 303 shall establish a reserve to ensure that transfers between
 304 components will be accomplished within current year
 305 appropriations. These reserves shall be reviewed by each
 306 convening of the Social Services Estimating Conference to
 307 determine the adequacy of such reserves to meet actual
 308 experience.

309 (8) In determining the eligibility of a child, an assets
 310 test is not required. Each applicant shall provide written
 311 documentation during the application process and the
 312 redetermination process, including, but not limited to, the
 313 following:

314 (a) Proof of family income.

315 (b) A statement from all employers of family members that:

316 1. The employer does not sponsor a health benefit plan for
 317 employees; or

318 2. The potential enrollee is not covered by the employer-
 319 sponsored health benefit plan because the potential enrollee is
 320 not eligible for coverage, or, if the potential enrollee is
 321 eligible but not covered, a statement of the cost to enroll the
 322 potential enrollee in the employer-sponsored health benefit
 323 plan.

324 (9) Subject to paragraph (4)(b) and s. 624.91(3), the
 325 Florida KidCare program shall withhold benefits from an enrollee
 326 if the program obtains evidence that the enrollee is no longer
 327 eligible, submitted incorrect or fraudulent information in order
 328 to establish eligibility, or failed to provide verification of

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329 eligibility. The applicant or enrollee shall be notified that
 330 because of such evidence program benefits will be withheld
 331 unless the applicant or enrollee contacts a designated
 332 representative of the program by a specified date, which must be
 333 within 10 days after the date of notice, to discuss and resolve
 334 the matter. The program shall make every effort to resolve the
 335 matter within a timeframe that will not cause benefits to be
 336 withheld from an eligible enrollee.

337 (10) The following individuals may be subject to
 338 prosecution in accordance with s. 414.39:

339 (a) An applicant obtaining or attempting to obtain
 340 benefits for a potential enrollee under the Florida KidCare
 341 program when the applicant knows or should have known the
 342 potential enrollee does not qualify for the Florida KidCare
 343 program.

344 (b) An individual who assists an applicant in obtaining or
 345 attempting to obtain benefits for a potential enrollee under the
 346 Florida KidCare program when the individual knows or should have
 347 known the potential enrollee does not qualify for the Florida
 348 KidCare program.

349 Section 5. Paragraph (q) of subsection (2) of section
 350 409.815, Florida Statutes, is amended to read:

351 409.815 Health benefits coverage; limitations.--

352 (2) BENCHMARK BENEFITS.--In order for health benefits
 353 coverage to qualify for premium assistance payments for an
 354 eligible child under ss. 409.810-409.820, the health benefits
 355 coverage, except for coverage under Medicaid and Medikids, must
 356 include the following minimum benefits, as medically necessary.

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357 (q) Dental services.--Covered services may include those
 358 dental services provided to children by the Florida Medicaid
 359 program under s. 409.906(5), contingent upon an annual
 360 appropriation in the General Appropriations Act ~~up to a maximum~~
 361 ~~benefit of \$750 per enrollee per year.~~

362 Section 6. Subsections (3) through (7) of section 624.91,
 363 Florida Statutes, are renumbered as subsections (4) through (8),
 364 respectively, present subsections (2) and (4) of said section
 365 are amended, and a new subsection (3) is added to said section,
 366 to read:

367 624.91 The Florida Healthy Kids Corporation Act.--

368 (2) LEGISLATIVE INTENT.--

369 (a) The Legislature finds that increased access to health
 370 care services could improve children's health and reduce the
 371 incidence and costs of childhood illness and disabilities among
 372 children in this state. Many children do not have comprehensive,
 373 affordable health care services available. It is the intent of
 374 the Legislature that the Florida Healthy Kids Corporation
 375 provide comprehensive health insurance coverage to such
 376 children. The corporation is encouraged to cooperate with any
 377 existing health service programs funded by the public or the
 378 private sector ~~and to work cooperatively with the Florida~~
 379 ~~Partnership for School Readiness.~~

380 (b) It is the intent of the Legislature that the Florida
 381 Healthy Kids Corporation serve as one of several providers of
 382 services to children eligible for medical assistance under Title
 383 XXI of the Social Security Act. Although the corporation may
 384 serve other children, the Legislature intends the primary

385 recipients of services provided through the corporation be
 386 school-age children with a family income below 200 percent of
 387 the federal poverty level, who do not qualify for Medicaid. It
 388 is also the intent of the Legislature that state and local
 389 government Florida Healthy Kids funds be used to continue ~~and~~
 390 ~~expand~~ coverage, subject to specific appropriations in the
 391 General Appropriations Act, to children not eligible for federal
 392 matching funds under Title XXI.

393 (3) ELIGIBILITY FOR STATE-FUNDED ASSISTANCE.--Only the
 394 following individuals are eligible for state-funded assistance
 395 in paying Florida Healthy Kids premiums:

396 (a) Residents of this state who are eligible for the
 397 Florida KidCare program pursuant to s. 409.814.

398 (b) Notwithstanding s. 409.814, legal aliens who are
 399 enrolled in the Florida Healthy Kids program as of January 31,
 400 2004, who do not qualify for Title XXI federal funds because
 401 they are not qualified aliens as defined in s. 409.811.

402 (c) Notwithstanding s. 409.814, individuals who have
 403 attained the age of 19 as of March 31, 2004, who were receiving
 404 Florida Healthy Kids benefits prior to the enactment of the
 405 Florida KidCare program. This paragraph shall be repealed March
 406 31, 2005.

407 (d) Notwithstanding s. 409.814, state employee dependents
 408 who were enrolled in the Florida Healthy Kids program as of
 409 January 31, 2004. Such individuals shall remain eligible until
 410 January 1, 2005.

411 (5)(4) CORPORATION AUTHORIZATION, DUTIES, POWERS.--

412 (a) There is created the Florida Healthy Kids Corporation,
413 a not-for-profit corporation.

414 (b) The Florida Healthy Kids Corporation shall:

415 1. Arrange for the collection of any family, local
416 contributions, or employer payment or premium, in an amount to
417 be determined by the board of directors, to provide for payment
418 of premiums for comprehensive insurance coverage and for the
419 actual or estimated administrative expenses.+

420 2. Arrange for the collection of any voluntary
421 contributions to provide for payment of premiums for children
422 who are not eligible for medical assistance under Title XXI of
423 the Social Security Act. Each fiscal year, the corporation shall
424 establish a local match policy for the enrollment of non-Title-
425 XXI-eligible children in the Healthy Kids program. By May 1 of
426 each year, the corporation shall provide written notification of
427 the amount to be remitted to the corporation for the following
428 fiscal year under that policy. Local match sources may include,
429 but are not limited to, funds provided by municipalities,
430 counties, school boards, hospitals, health care providers,
431 charitable organizations, special taxing districts, and private
432 organizations. The minimum local match cash contributions
433 required each fiscal year and local match credits shall be
434 determined by the General Appropriations Act. The corporation
435 shall calculate a county's local match rate based upon that
436 county's percentage of the state's total non-Title-XXI
437 expenditures as reported in the corporation's most recently
438 audited financial statement. In awarding the local match
439 credits, the corporation may consider factors including, but not

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440 limited to, population density, per capita income, and existing
441 child-health-related expenditures and services.†

442 3. Subject to the provisions of s. 409.8134, accept
443 voluntary supplemental local match contributions that comply
444 with the requirements of Title XXI of the Social Security Act
445 for the purpose of providing additional coverage in contributing
446 counties under Title XXI.†

447 4. Establish the administrative and accounting procedures
448 for the operation of the corporation.†

449 5. Establish, with consultation from appropriate
450 professional organizations, standards for preventive health
451 services and providers and comprehensive insurance benefits
452 appropriate to children,† provided that such standards for rural
453 areas shall not limit primary care providers to board-certified
454 pediatricians.†

455 6. Determine ~~Establish~~ eligibility for ~~criteria which~~
456 children seeking ~~must meet in order~~ to participate in the Title
457 XXI-funded components of the Florida KidCare program consistent
458 with the requirements specified in s. 409.814, as well as the
459 non-Title-XXI-eligible children as provided in subsection (3).†

460 7. Establish procedures under which providers of local
461 match to, applicants to and participants in the program may have
462 grievances reviewed by an impartial body and reported to the
463 board of directors of the corporation.†

464 8. Establish participation criteria and, if appropriate,
465 contract with an authorized insurer, health maintenance
466 organization, or third-party insurance administrator to provide
467 administrative services to the corporation.†

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468 9. Establish enrollment criteria which shall include
469 penalties or waiting periods of not fewer than 60 days for
470 reinstatement of coverage upon voluntary cancellation for
471 nonpayment of family premiums.†

472 ~~10. If a space is available, establish a special open~~
473 ~~enrollment period of 30 days' duration for any child who is~~
474 ~~enrolled in Medicaid or Medikids if such child loses Medicaid or~~
475 ~~Medikids eligibility and becomes eligible for the Florida~~
476 ~~Healthy Kids program;~~

477 ~~10.11.~~ Contract with authorized insurers or any provider
478 of health care services, meeting standards established by the
479 corporation, for the provision of comprehensive insurance
480 coverage to participants. Such standards shall include criteria
481 under which the corporation may contract with more than one
482 provider of health care services in program sites. Health plans
483 shall be selected through a competitive bid process. The Florida
484 Healthy Kids Corporation shall purchase goods and services in
485 the most cost-effective manner consistent with the delivery of
486 quality medical care. The maximum administrative cost for a
487 Florida Healthy Kids Corporation contract shall be 15 percent.
488 The minimum medical loss ratio for a Florida Healthy Kids
489 Corporation contract shall be 85 percent. ~~The selection of~~
490 ~~health plans shall be based primarily on quality criteria~~
491 ~~established by the board.~~ The health plan selection criteria and
492 scoring system, and the scoring results, shall be available upon
493 request for inspection after the bids have been awarded.†

494 ~~11.12.~~ Establish disenrollment criteria in the event local
495 matching funds are insufficient to cover enrollments.†

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496 ~~12.13.~~ Develop and implement a plan to publicize the
 497 Florida Healthy Kids Corporation, the eligibility requirements
 498 of the program, and the procedures for enrollment in the program
 499 and to maintain public awareness of the corporation and the
 500 program. +

501 ~~13.14.~~ Secure staff necessary to properly administer the
 502 corporation. Staff costs shall be funded from state and local
 503 matching funds and such other private or public funds as become
 504 available. The board of directors shall determine the number of
 505 staff members necessary to administer the corporation. +

506 ~~15.~~ ~~As appropriate, enter into contracts with local school~~
 507 ~~boards or other agencies to provide onsite information,~~
 508 ~~enrollment, and other services necessary to the operation of the~~
 509 ~~corporation;~~

510 ~~14.16.~~ Provide a report annually to the Governor, Chief
 511 Financial Officer, Commissioner of Education, Senate President,
 512 Speaker of the House of Representatives, and Minority Leaders of
 513 the Senate and the House of Representatives. +

514 ~~17.~~ ~~Each fiscal year, establish a maximum number of~~
 515 ~~participants, on a statewide basis, who may enroll in the~~
 516 ~~program; and~~

517 ~~15.18.~~ Establish eligibility criteria, ~~premium and cost-~~
 518 ~~sharing requirements, and~~ benefit packages which conform to the
 519 provisions of the Florida KidCare ~~Kidcare~~ program, as created in
 520 ss. 409.810-409.820.

521 (c) Coverage under the corporation's program is secondary
 522 to any other available private coverage held by, or applicable
 523 to, the participant child or family member. Insurers under

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524 contract with the corporation are the payors of last resort and
 525 must coordinate benefits with any other third-party payor that
 526 may be liable for the participant's medical care ~~The corporation~~
 527 ~~may establish procedures for coordinating benefits under this~~
 528 ~~program with benefits under other public and private coverage.~~

529 (d) The Florida Healthy Kids Corporation shall be a
 530 private corporation not for profit, organized pursuant to
 531 chapter 617, and shall have all powers necessary to carry out
 532 the purposes of this act, including, but not limited to, the
 533 power to receive and accept grants, loans, or advances of funds
 534 from any public or private agency and to receive and accept from
 535 any source contributions of money, property, labor, or any other
 536 thing of value, to be held, used, and applied for the purposes
 537 of this act.

538 Section 7. The Auditor General shall provide
 539 recommendations to implement mechanisms to prevent enrollment of
 540 children in the Florida KidCare program who are ineligible
 541 pursuant to the requirements of s. 409.814(4), Florida Statutes.
 542 Such recommendations shall be reported to the Governor, the
 543 President of the Senate, and the Speaker of the House of
 544 Representatives by March 1, 2005.

545 Section 8. The Florida Healthy Kids Corporation shall use
 546 existing funds from their operating fund established by s.
 547 624.915, Florida Statutes, to contract for an actuarial study on
 548 the impact of full-pay enrollees on the cost of services for
 549 each Florida KidCare program component.

550 Section 9. The Auditor General shall perform periodic
 551 audits through the 2005-2006 fiscal year to ensure that children

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552 enrolled in the Florida Healthy Kids program are eligible
 553 pursuant to ss. 409.814 and 624.91, Florida Statutes. The
 554 Auditor General shall have the authority to require and receive
 555 from the Florida Healthy Kids Corporation or from its
 556 independent auditor any books, accounts, records, or other
 557 documentation relating to the corporation. Any contract entered
 558 into by the corporation pursuant to s. 624.91(4)(b)11. or s.
 559 624.91(4)(b)15., Florida Statutes, shall specify that the
 560 records of the contractor relating to the contract or its
 561 performance must be available for review and audit by the
 562 Auditor General.

563 Section 10. The Office of Program Policy Analysis and
 564 Government Accountability shall perform a study to determine the
 565 appropriate family premium for the Florida KidCare program and
 566 submit a report to the President of the Senate and the Speaker
 567 of the House of Representatives by January 1, 2005. The report
 568 shall set out no fewer than three options and shall make a
 569 recommendation as to the appropriate family premium for the
 570 Florida KidCare program. Each option shall include a detailed
 571 explanation of the analysis that led to the conclusion. A
 572 discussion of family premiums collected by Title XXI programs in
 573 other states shall be part of the report.

574 Section 11. Subsection (2) of section 409.818, Florida
 575 Statutes, is amended to read:

576 409.818 Administration.--In order to implement ss.
 577 409.810-409.820, the following agencies shall have the following
 578 duties:

579 (2) The Department of Health shall:

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580 (a) Design an eligibility intake process for the program,
 581 in coordination with the Department of Children and Family
 582 Services, the agency, and the Florida Healthy Kids Corporation.
 583 The eligibility intake process may include local intake points
 584 that are determined by the Department of Health in coordination
 585 with the Department of Children and Family Services.

586 ~~(b) Design and implement program outreach activities under~~
 587 ~~s. 409.819.~~

588 (b)(e) Chair a state-level coordinating council to review
 589 and make recommendations concerning the implementation and
 590 operation of the program. The coordinating council shall include
 591 representatives from the department, the Department of Children
 592 and Family Services, the agency, the Florida Healthy Kids
 593 Corporation, the Office of Insurance Regulation of the Financial
 594 Services Commission, local government, health insurers, health
 595 maintenance organizations, health care providers, families
 596 participating in the program, and organizations representing
 597 low-income families.

598 (c)(d) In consultation with the Florida Healthy Kids
 599 Corporation and the Department of Children and Family Services,
 600 establish ~~establishing~~ a toll-free telephone line to assist
 601 families with questions about the program.

602 (d)(e) Adopt rules necessary to implement outreach
 603 activities.

604 Section 12. Section 409.819, Florida Statutes, is
 605 repealed.

606 Section 13. The sums of \$6,566,073 from the General
 607 Revenue Fund, \$454,687 from the Grants and Donations Trust Fund,

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608 | and \$16,272,440 from the Medical Quality Assurance Trust Fund
609 | are appropriated to the Agency for Health Care Administration,
610 | and the sum of \$1,984,113 is appropriated from the Grants and
611 | Donations Trust Fund to the Department of Health, for the 2003-
612 | 2004 fiscal year for the purpose of serving children on whose
613 | behalf applications are submitted to the Florida KidCare program
614 | as of January 30, 2004, and who are determined to be eligible
615 | for program components funded under Title XXI of the Social
616 | Security Act.

617 | Section 14. Except as otherwise provided herein, this act
618 | shall take effect upon becoming a law.