

Bill No. CS for SB 1226

Amendment No. \_\_\_\_ Barcode 423446

CHAMBER ACTION

Senate

House

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Senator Saunders moved the following amendment:

**Senate Amendment**

On page 14, line 23, through  
page 21, line 26, delete those lines

and insert:

(b) During the 2004-2005 state fiscal year:

1. The agency, in consultation with the department, shall develop an implementation plan to integrate the Frail Elder Option into the Nursing Home Diversion pilot project and each program's funds into one capitated program serving the aged. Beginning July 1, 2004, the agency may not enroll additional individuals in the Frail Elder Option.

2. The agency, in consultation with the department, shall integrate the Aged and Disabled Adult Medicaid waiver program and the Assisted Living for the Elderly Medicaid waiver program and each program's funds into one fee-for-service Medicaid waiver program serving the aged and disabled. Once the programs are integrated, funding to provide care in assisted-living facilities under the new waiver may

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1 not be less than the amount appropriated in the 2003-2004  
2 fiscal year for the Assisted Living for the Elderly Medicaid  
3 waiver.

4 a. The agency shall seek federal waivers necessary to  
5 integrate these waiver programs.

6 b. The agency and the department shall reimburse  
7 providers for case management services on a capitated basis  
8 and develop uniform standards for case management in this  
9 fee-for-service Medicaid waiver program. The coordination of  
10 acute and chronic medical services for individuals shall be  
11 included in the capitated rate for case management services.

12 c. The agency and the department shall adopt any rules  
13 necessary to comply with or administer these requirements,  
14 effect and implement interagency agreements between the  
15 department and the agency, and comply with federal  
16 requirements.

17 3. The Legislature finds that preservation of the  
18 historic aging network of lead agencies is essential to the  
19 well-being of Florida's elderly population. The Legislature  
20 finds that the Florida aging network constitutes a system of  
21 essential community providers which should be nurtured and  
22 assisted to develop systems of operations which allow the  
23 gradual assumption of responsibility and financial risk for  
24 managing a client through the entire continuum of long-term  
25 care services within the area the lead agency is currently  
26 servinq, and which allow lead agency providers to develop  
27 managed systems of service delivery. The department, in  
28 consultation with the agency, shall therefore:

29 a. Develop a demonstration project in which existing  
30 community care for the elderly lead agencies are assisted in  
31 transferring their business model and the service delivery

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1 system within their current community care service area, to  
2 enable assumption over a period of time, of full risk as a  
3 community diversion pilot project contractor providing  
4 long-term care services in the areas of operation. The  
5 department, in consultation with the agency and the Department  
6 of Children and Family Services, shall develop an  
7 implementation plan for no more than three lead agencies by  
8 October 31, 2004.

9       b. In the demonstration area, a community care for the  
10 elderly lead agency shall be initially reimbursed on a prepaid  
11 or fixed-sum basis for services provided under the newly  
12 integrated fee-for-service Medicaid waiver. By the end of the  
13 third year of operation, the demonstration shall include all  
14 services under the long-term care community diversion pilot  
15 project.

16       c. During the first year of operation, the department,  
17 in consultation with the agency may place providers at risk to  
18 provide nursing home services for the enrolled individuals who  
19 are participating in the demonstration project. During the  
20 3-year development period, the agency and the department may  
21 limit the level of custodial nursing home risk that the  
22 administering entities assume. Under risk-sharing  
23 arrangements, during the first 3 years of operation, the  
24 department, in consultation with the agency, may reimburse the  
25 administering entity for the cost of providing nursing home  
26 care for Medicaid-eligible participants who have been  
27 permanently placed and remain in a nursing home for more than  
28 1 year, or may disenroll such participants from the  
29 demonstration project.

30       d. The agency, in consultation with the department,  
31 shall develop reimbursement rates based on the historical cost

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1 experience of the state in providing long-term care and  
2 nursing home services under Medicaid waiver programs to the  
3 population 65 years of age and older in the area served by the  
4 pilot project.

5       e. The department, in consultation with the agency,  
6 shall ensure that the entity or entities receiving prepaid or  
7 fixed-sum reimbursement are assisted in developing internal  
8 management and financial control systems necessary to manage  
9 the risk associated with providing services under a prepaid or  
10 fixed-sum rate system.

11       f. If the department and the agency share risk of  
12 custodial nursing home placement, payment rates during the  
13 first 3 years of operation shall be set at not more than 100  
14 percent of the costs to the agency and the department of  
15 providing equivalent services to the population within the  
16 area of the pilot project for the year prior to the year in  
17 which the pilot project is implemented, adjusted forward to  
18 account for inflation and policy changes in the Medicaid  
19 program. In subsequent years, the rate shall be negotiated,  
20 based on the cost experience of the entity in providing  
21 contracted services, but may not exceed 95 percent of the  
22 amount that would have been paid in the pilot project area  
23 absent the prepaid or fixed sum reimbursement methodology.

24       g. Community care for the elderly lead agencies that  
25 have operated for a period of at least 20 years, which provide  
26 Medicare-certified services to elders, and which have  
27 developed a system of service provision by health care  
28 volunteers shall be given priority in the selection of the  
29 pilot project if they meet the minimum requirements specified  
30 in the competitive procurement.

31       h. The agency and the department shall adopt rules

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1 necessary to comply with or administer these requirements,  
2 effect and implement interagency agreements between the agency  
3 and the department, and comply with federal requirements.

4 i. The department and the agency shall seek federal  
5 waivers necessary to implement the requirements of this  
6 section.

7 j. The Department of Elderly Affairs shall conduct or  
8 contract for an evaluation of the demonstration project. The  
9 department shall submit the evaluation to the Governor and the  
10 Legislature by January 1, 2007. The evaluation must address  
11 the effectiveness of the pilot project in providing a  
12 comprehensive system of appropriate and high-quality long-term  
13 care services to elders in the least restrictive setting and  
14 make recommendations on expanding the project to other parts  
15 of the state.

16 4. The department, in consultation with the agency,  
17 shall study the integration of the database systems for the  
18 Comprehensive Assessment and Review of Long-Term Care (CARES)  
19 program and the Client Information and Referral Tracking  
20 System (CIRTS) and develop a plan for database integration.  
21 The department shall submit the plan to the Governor, the  
22 President of the Senate, and the Speaker of the House of  
23 Representatives by December 31, 2004.

24 5. The department, in consultation with the agency and  
25 the Department of Children and Family Services, shall develop  
26 two pilot projects to transition area agencies on aging into  
27 resource centers on aging. By December 31, 2004, the  
28 department, in consultation with the agency and the Department  
29 of Children and Family Services, shall develop an  
30 implementation plan for transitioning area agencies on aging  
31 into resource centers on aging and submit the plan to the

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1 Governor, the President of the Senate, and the Speaker of the  
2 House of Representatives. The plan must include qualifications  
3 for designation as a center and the functions to be performed  
4 by each center. The department shall determine the entities to  
5 be designated as resource centers on aging by means of  
6 competitive procurement. The department shall select the area  
7 agencies on aging based on each agency's demonstration of:  
8       a. Expertise in the needs of each target population  
9 the center proposes to serve and a thorough knowledge of the  
10 providers that serve these populations;  
11       b. Strong connections to service providers, volunteer  
12 agencies, and community institutions;  
13       c. Expertise in information and referral activities;  
14       d. Knowledge of long-term care resources, including  
15 resources designed to provide services in the least  
16 restrictive setting;  
17       e. Financial solvency and stability;  
18       f. The ability to collect, monitor, and analyze data  
19 in a timely and accurate manner, along with systems that meet  
20 the department's standards;  
21       g. A commitment to adequate staffing by qualified  
22 personnel to effectively perform all functions; and  
23       h. The ability to meet all performance standards  
24 established by the department.

25  
26 The department shall select two area agencies on aging as  
27 pilot projects for resource centers on aging by June 30, 2005.

28       6. The department, in consultation with the agency,  
29 shall develop a plan to evaluate the newly integrated  
30 fee-for-service program and the managed pilot project over  
31 time, from the beginning of the implementation process

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1 forward. The department shall contract with a research entity  
2 through competitive procurement to help develop the evaluation  
3 plan and conduct the evaluation. The evaluation shall be  
4 ongoing and shall determine whether the newly integrated  
5 program and the managed pilot project are achieving the goals  
6 of the programs and evaluate the effects the changes in the  
7 system have had on consumers. The evaluation plan must include  
8 baseline measures for evaluating the fee-for-service program  
9 and the managed pilot project, with a focus on cost  
10 effectiveness, the quality of care, and consumer satisfaction.  
11 The department shall submit the plan to the Governor, the  
12 President of the Senate, and the Speaker of the House of  
13 Representatives by December 31, 2004.

14 7. The agency, in consultation with the department,  
15 shall work with the fiscal agent for the Medicaid program to  
16 develop a service utilization reporting system that operates  
17 through the fiscal agent for the capitated plans.

18 (c) During the 2005-2006 state fiscal year:

19 1. The agency, in consultation with the department,  
20 shall monitor the newly integrated fee-for-service program and  
21 the managed pilot project and report on the progress of those  
22 programs to the Governor, the President of the Senate, and the  
23 Speaker of the House of Representatives by June 30, 2006. The  
24 report must include an initial evaluation of the programs in  
25 their early stages following the evaluation plan developed by  
26 the department, in consultation with the agency and the  
27 selected contractor.

28 2. The department shall monitor the pilot projects for  
29 resource centers on aging and report on the progress of those  
30 projects to the Governor, the President of the Senate, and the  
31 Speaker of the House of Representatives by June 30, 2006. The

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1 report must include an evaluation of the implementation  
2 process in its early stages.

3 3. The department, in consultation with the agency,  
4 shall integrate the database systems for the Comprehensive  
5 Assessment and Review of Long-Term Care (CARES) program and  
6 the Client Information and Referral Tracking System (CIRTS)  
7 into a single operating assessment information system by June  
8 30, 2006.

9 4. The agency, in consultation with the department  
10 shall integrate the Frail Elder Option into the Nursing Home  
11 Diversion pilot project and each program's funds into one  
12 capitated program serving the aged.

13 a. The department, in consultation with the agency,  
14 shall develop uniform standards for case management in this  
15 newly integrated capitated system.

16 b. The agency shall seek federal waivers necessary to  
17 integrate these programs.

18 c. The department, in consultation with the agency,  
19 shall adopt any rules necessary to comply with or administer  
20 these requirements, effect and implement interagency  
21 agreements between the department and the agency, and comply  
22 with federal requirements.

23 (d) During the 2006-2007 state fiscal year:

24 1. The agency, in consultation with the department,  
25 shall evaluate the Alzheimer's Disease waiver program and the  
26 Adult Day Health Care waiver program to assess whether  
27 providing limited intensive services through these waiver  
28 programs produce better outcomes for individuals than  
29 providing those services through the fee-for-service or  
30 capitated programs that provide a larger array of services.

31 2. The agency, in consultation with the department,



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1 shall begin discussions with the federal Centers for Medicare  
2 and Medicaid Services regarding the inclusion of Medicare into  
3 the integrated long-term care system. By December 31, 2006,  
4 the agency shall provide to the Governor, the President of the  
5 Senate, and the Speaker of the House of Representatives a plan  
6 for including Medicare in the integrated long-term care  
7 system.

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