

Bill No. CS for SB 1226

Amendment No. ____ Barcode 831614

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 agency, in consultation with the department,
18 shall develop a pilot project under which all funding for
19 Medicaid services to individuals age 60 and older is
20 integrated into a single managed project in Hillsborough,
21 Pinellas, Polk, Orange, and Seminole Counties. The funds to be
22 integrated shall include Medicaid home and community-based
23 waiver services funds; funds for all Medicaid services
24 authorized in ss. 409.905 and 409.906, including Medicaid
25 nursing home services; and funds paid for Medicare premiums,
26 coinsurance, and deductibles for persons dually eligibile for
27 Medicaid and Medicare as prescribed in s. 409.908(13). Funds
28 for Medicaid behavioral health care services are exempt from
29 this section.

30 a. The agency, in consultation with the department,
31 shall initiate a competitive procurement with no more than two

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1 managed care organizations licensed under chapter 641 to
2 administer the pilot project. Managed care providers shall be
3 chosen based on their ability to:

4 (I) Develop contracts with providers currently under
5 contract with the department, area agencies on aging, or
6 community care for the elderly lead agencies and with
7 providers of medical, nursing home, and community-based
8 long-term care services sufficient to ensure access to and
9 choice of providers by project participants;

10 (II) Provide a comprehensive system of appropriate
11 medical and long-term care services that provides high-quality
12 medical and social services to assist older individuals in
13 remaining in the least restrictive setting;

14 (III) Demonstrate a quality assurance and quality
15 improvement system satisfactory to the department and the
16 agency, as well as monitor and enforce quality-of-care
17 requirements;

18 (IV) Develop a system to identify participants who
19 have special health care needs, such as polypharmacy, mental
20 health and substance abuse problems, falls, chronic pain,
21 nutritional deficits, and cognitive deficits, in order to
22 respond to and meet these needs;

23 (V) Use a multidisciplinary team approach to
24 participant management which ensures that information is
25 shared among providers responsible for delivering care to a
26 participant;

27 (VI) Ensure medical oversight of care plans and
28 service delivery, regular medical evaluation of care plans,
29 and the availability of medical consultation for case managers
30 and service coordinators;

31 b. The agency shall reimburse the managed care

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1 provider a monthly per-member, per-month rate for services
2 provided under the managed pilot project, and the agency may
3 not make Medicaid payments for covered services for people age
4 60 or older in the areas in which the managed pilot project
5 operates except through the managed pilot project.

6 c. The selected managed care providers shall:

7 (I) Ensure a system of case management and service
8 coordination which includes educational and training standards
9 for case managers and service coordinators;

10 (II) Develop a business plan that considers the
11 ability of the applicant to organize and operate a
12 risk-bearing entity;

13 (III) Furnish evidence of adequate liability insurance
14 coverage or an adequate plan of self-insurance that is
15 determined adequate by the Department of Financial Services to
16 respond to claims for injuries arising out of the furnishing
17 of health care;

18 (IV) Provide, through contract or otherwise, for
19 periodic review of its medical facilities as required by the
20 department and the agency;

21 (V) Furnish in a timely manner, in a form determined
22 by the agency, requested financial data that has been
23 determined by the agency and the department to be necessary to
24 develop and annually recertify appropriate capitation rates
25 for the project;

26 (VI) Provide enrollees the ability to choose care
27 providers, including nursing home and assisted living service
28 providers affiliated with an individual's religious faith or
29 denomination; and

30 (VII) Allow enrollees who are served by a facility
31 certified under chapter 651 or a retirement facility

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1 consisting of a nursing home or an assisted living facility
2 and residential apartments to use that facility's nursing home
3 or assisted living facility as provided for in s. 641.31(25).

4 d. To ensure that the contracted providers meet a high
5 quality-of-care standard, the provider selected to administer
6 the managed pilot project shall:

7 (I) Develop and use a service provider qualification
8 system that describes the quality-of-care standards that a
9 nursing home must meet in order to obtain a contract with the
10 managing entity;

11 (II) Contract with all qualified nursing homes located
12 in the area that is served by the pilot, including those with
13 a Gold Seal designation. In the absence of a separate
14 contractual relationship between a nursing home provider and a
15 managed care organization, the nursing home shall cooperate
16 with the managed care organization's efforts to determine if a
17 project participant would be more appropriately served in a
18 community setting and payments shall be made in accordance
19 with Medicaid nursing home rates as calculated in the state
20 plan; and

21 (III) Ensure that as the area is transitioned to
22 managed care, individuals who are residents of nursing homes
23 in the pilot project area prior to plan implementation and who
24 do not choose to move to another setting are allowed to remain
25 in the facility in which they are receiving care.

26 e. The agency shall develop capitation rates based on
27 the historical cost experience of the state in providing acute
28 and long-term care services to the population over 60 years of
29 age in the area served. The agency, in consultation with the
30 department, shall contract for an independent entity to study
31 the historical cost experience, adjusted to reflect changes in

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1 regulatory requirements, of the state in providing services to
2 the population age 60 and older residing within the pilot area
3 and to develop and certify a per-person, per-month capitation
4 rate for the managed pilot project. The agency, in
5 consultation with the department, shall reevaluate and
6 recertify the capitation rate annually.

7
8 The agency, in consultation with the department, shall give
9 preference in contracting for the managed pilot project to
10 those entities whose proposals create innovative, functional
11 partnerships with existing community care for the elderly lead
12 agencies.

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

25 a. Develop a demonstration project in which existing
26 community care for the elderly lead agencies are assisted in
27 transferring their business model and the service delivery
28 system within their current community care service area, to
29 enable assumption over a period of time, of full risk as a
30 community diversion pilot project contractor providing
31 long-term care services in the areas of operation. The

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1 department, in consultation with the agency and the Department
2 of Children and Family Services, shall develop an
3 implementation plan for no more than three lead agencies by
4 October 31, 2004.

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

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

26 d. The agency, in consultation with the department,
27 shall develop reimbursement rates based on the historical cost
28 experience of the state in providing long-term care and
29 nursing home services under Medicaid waiver programs to the
30 population 65 years of age and older in the area served by the
31 pilot project.

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

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

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

27 h. The agency and the department shall adopt rules
28 necessary to comply with or administer these requirements,
29 effect and implement interagency agreements between the agency
30 and the department, and comply with federal requirements.

31 i. The department and the agency shall seek federal

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1 waivers necessary to implement the requirements of this
2 section.

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

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

20 6. The department, in consultation with the agency and
21 the Department of Children and Family Services, shall develop
22 two pilot projects to transition area agencies on aging into
23 resource centers on aging. By December 31, 2004, the
24 department, in consultation with the agency and the Department
25 of Children and Family Services, shall develop an
26 implementation plan for transitioning area agencies on aging
27 into resource centers on aging and submit the plan to the
28 Governor, the President of the Senate, and the Speaker of the
29 House of Representatives. The plan must include qualifications
30 for designation as a center and the functions to be performed
31 by each center. The department shall determine the entities to

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

21
22 The department shall select two area agencies on aging as
23 pilot projects for resource centers on aging by June 30, 2005.

24 7. The department, in consultation with the agency,
25 shall develop a plan to evaluate the newly integrated
26 fee-for-service program and the managed pilot project over
27 time, from the beginning of the implementation process
28 forward. The department shall contract with a research entity
29 through competitive procurement to help develop the evaluation
30 plan and conduct the evaluation. The evaluation shall be
31 ongoing and shall determine whether the newly integrated

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1 program and the managed pilot project are achieving the goals
 2 of the programs and evaluate the effects the changes in the
 3 system have had on consumers. The evaluation plan must include
 4 baseline measures for evaluating the fee-for-service program
 5 and the managed pilot project, with a focus on cost
 6 effectiveness, the quality of care, and consumer satisfaction.
 7 The department shall submit the plan to the Governor, the
 8 President of the Senate, and the Speaker of the House of
 9 Representatives by December 31, 2004.

10 8. The agency, in consultation with the department,
 11 shall work with the fiscal agent for the Medicaid program to
 12 develop a service utilization reporting system that operates
 13 through the fiscal agent for the capitated plans.

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

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

24 2. The department shall monitor the pilot projects for
 25 resource centers on aging and report on the progress of those
 26 projects to the Governor, the President of the Senate, and the
 27 Speaker of the House of Representatives by June 30, 2006. The
 28 report must include an evaluation of the implementation
 29 process in its early stages.

30 3. The department, in consultation with the agency,
 31 shall integrate the database systems for the Comprehensive

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1 Assessment and Review of Long-Term Care (CARES) program and
2 the Client Information and Referral Tracking System (CIRTS)
3 into a single operating assessment information system by June
4 30, 2006.

5 4. The agency, in consultation with the department
6 shall integrate the Frail Elder Option into the Nursing Home
7 Diversion pilot project and each program's funds into one
8 capitated program serving the aged.

9 a. The department, in consultation with the agency,
10 shall develop uniform standards for case management in this
11 newly integrated capitated system.

12 b. The agency shall seek federal waivers necessary to
13 integrate these programs.

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

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

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

27 2. The agency, in consultation with the department,
28 shall begin discussions with the federal Centers for Medicare
29 and Medicaid Services regarding the inclusion of Medicare into
30 the integrated long-term care system. By December 31, 2006,
31 the agency shall provide to the Governor, the President of the

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1 Senate, and the Speaker of the House of Representatives a plan
2 for including Medicare in the integrated long-term care
3 system.

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