

1                                   A bill to be entitled  
2           An act relating to the long-term-care service  
3           delivery system; requiring the Department of  
4           Elderly Affairs to report to the Governor and  
5           the Legislature the results of the department's  
6           monitoring of the activities of the area  
7           agencies on aging; amending s. 400.441, F.S.;  
8           requiring the Department of Children and Family  
9           Services and the Department of Health, in  
10          consultation with the agency, to adopt rules,  
11          policies, and procedures that include standards  
12          regarding elopement of residents; amending s.  
13          409.912, F.S.; requiring the Department of  
14          Elderly Affairs to assess certain nursing home  
15          residents to facilitate their transition to a  
16          community-based setting; amending s. 430.04,  
17          F.S.; providing that the department may take  
18          intermediate measures against an area agency on  
19          aging if it exceeds its authority or fails to  
20          adhere to the terms of its contract with the  
21          department, adhere to the statutory provisions  
22          or departmental rules, properly determine  
23          client eligibility, or manage program budgets;  
24          amending s. 430.041, F.S.; locating the Office  
25          of Long-Term-Care Policy within the Department  
26          of Elderly Affairs for administrative purposes  
27          only; providing that the office and its  
28          director shall not be subject to control,  
29          supervision, or direction by the department;  
30          revising the purpose of the office; replacing  
31          the advisory council with an interagency

1 coordinating team; specifying the composition  
2 of the interagency coordinating team; revising  
3 reporting requirements; amending s. 430.203,  
4 F.S.; redefining the terms "community care  
5 service system" and "lead agency"; amending s.  
6 430.205, F.S.; requiring the Department of  
7 Elderly Affairs and the Agency for Health Care  
8 Administration to develop an integrated  
9 long-term-care service-delivery system;  
10 requiring the Department of Elderly Affairs and  
11 the agency to phase in implementation of the  
12 integrated long-term-care system; specifying  
13 timeframes and activities for each  
14 implementation phase; authorizing the agency to  
15 seek federal waivers to implement the changes;  
16 requiring the department to integrate certain  
17 database systems; requiring development of  
18 pilot projects; requiring the agency and the  
19 department to develop capitation rates for  
20 certain services; providing rulemaking  
21 authority to the agency and the department;  
22 requiring reports to the Governor and the  
23 Legislature; creating s. 430.2053, F.S.;  
24 requiring pilot projects for aging resource  
25 centers; requiring an implementation plan;  
26 requiring that area agencies on aging submit  
27 proposals for transition to aging resource  
28 centers; requiring a review of the department's  
29 process for determining readiness; specifying  
30 purposes and duties of an aging resource  
31 center; requiring integration of certain

1 functions of other state agencies; specifying  
2 criteria for selection of entities to become  
3 aging resource centers; specifying the duties  
4 and responsibilities of  
5 community-care-for-the-elderly providers in an  
6 area served by an aging resource center;  
7 specifying programs administered by an aging  
8 resource center; requiring rules; allowing  
9 capitated payments; requiring reports; amending  
10 s. 430.502, F.S.; establishing a memory  
11 disorder clinic at a hospital in Pinellas  
12 County; amending s. 430.7031, F.S.; requiring  
13 the department and the agency to review the  
14 case files of a specified percentage of  
15 Medicaid nursing home residents annually for  
16 the purpose of determining whether the  
17 residents are able to move to community  
18 placements; amending s. 430.705, F.S.;  
19 providing additional eligibility requirements  
20 for entities that provide services under the  
21 long-term-care community diversion pilot  
22 projects; requiring the annual evaluation and  
23 certification of capitation rates; providing  
24 additional requirements to be used in  
25 developing capitation rates for the pilot  
26 projects; amending s. 430.701, F.S.;  
27 prescribing duties of the agency with respect  
28 to limiting the diversion provider network;  
29 providing an effective date.

30  
31 Be It Enacted by the Legislature of the State of Florida:

1           Section 1. By January 1 of each year, the Department  
2 of Elderly Affairs shall submit to the Governor, the President  
3 of the Senate, and the Speaker of the House of Representatives  
4 a summary of the results of the department's monitoring of the  
5 activities of area agencies on aging. The report must include  
6 information about each area agency's compliance with state and  
7 federal rules pertaining to all programs administered by the  
8 area agency, information about each area agency's financial  
9 management of state and federally funded programs, information  
10 about each agency's compliance with the terms of its contracts  
11 with the department, and a summary of corrective action  
12 required by the department.

13           Section 2. Paragraph (1) is added to subsection (1) of  
14 section 400.441, Florida Statutes, to read:

15           400.441 Rules establishing standards.--

16           (1) It is the intent of the Legislature that rules  
17 published and enforced pursuant to this section shall include  
18 criteria by which a reasonable and consistent quality of  
19 resident care and quality of life may be ensured and the  
20 results of such resident care may be demonstrated. Such rules  
21 shall also ensure a safe and sanitary environment that is  
22 residential and noninstitutional in design or nature. It is  
23 further intended that reasonable efforts be made to  
24 accommodate the needs and preferences of residents to enhance  
25 the quality of life in a facility. In order to provide safe  
26 and sanitary facilities and the highest quality of resident  
27 care accommodating the needs and preferences of residents, the  
28 department, in consultation with the agency, the Department of  
29 Children and Family Services, and the Department of Health,  
30 shall adopt rules, policies, and procedures to administer this  
31

1 part, which must include reasonable and fair minimum standards  
2 in relation to:

3 (1) The establishment of specific policies and  
4 procedures on resident elopement. Facilities shall conduct a  
5 minimum of two resident elopement drills each year. All  
6 administrators and direct care staff shall participate in the  
7 drills. Facilities shall document the drills.

8 Section 3. Subsection (15) of section 409.912, Florida  
9 Statutes, is amended to read:

10 409.912 Cost-effective purchasing of health care.--The  
11 agency shall purchase goods and services for Medicaid  
12 recipients in the most cost-effective manner consistent with  
13 the delivery of quality medical care. The agency shall  
14 maximize the use of prepaid per capita and prepaid aggregate  
15 fixed-sum basis services when appropriate and other  
16 alternative service delivery and reimbursement methodologies,  
17 including competitive bidding pursuant to s. 287.057, designed  
18 to facilitate the cost-effective purchase of a case-managed  
19 continuum of care. The agency shall also require providers to  
20 minimize the exposure of recipients to the need for acute  
21 inpatient, custodial, and other institutional care and the  
22 inappropriate or unnecessary use of high-cost services. The  
23 agency may establish prior authorization requirements for  
24 certain populations of Medicaid beneficiaries, certain drug  
25 classes, or particular drugs to prevent fraud, abuse, overuse,  
26 and possible dangerous drug interactions. The Pharmaceutical  
27 and Therapeutics Committee shall make recommendations to the  
28 agency on drugs for which prior authorization is required. The  
29 agency shall inform the Pharmaceutical and Therapeutics  
30 Committee of its decisions regarding drugs subject to prior  
31 authorization.

1           (15)(a) The agency shall operate the Comprehensive  
2 Assessment and Review for Long-Term Care Services (CARES)  
3 nursing facility preadmission screening program to ensure that  
4 Medicaid payment for nursing facility care is made only for  
5 individuals whose conditions require such care and to ensure  
6 that long-term care services are provided in the setting most  
7 appropriate to the needs of the person and in the most  
8 economical manner possible. The CARES program shall also  
9 ensure that individuals participating in Medicaid home and  
10 community-based waiver programs meet criteria for those  
11 programs, consistent with approved federal waivers.

12           (b) The agency shall operate the CARES program through  
13 an interagency agreement with the Department of Elderly  
14 Affairs. The agency, in consultation with the Department of  
15 Elderly Affairs, may contract for any function or activity of  
16 the CARES program, including any function or activity required  
17 by 42 C.F.R. part 483.20, relating to preadmission screening  
18 and resident review.

19           (c) Prior to making payment for nursing facility  
20 services for a Medicaid recipient, the agency must verify that  
21 the nursing facility preadmission screening program has  
22 determined that the individual requires nursing facility care  
23 and that the individual cannot be safely served in  
24 community-based programs. The nursing facility preadmission  
25 screening program shall refer a Medicaid recipient to a  
26 community-based program if the individual could be safely  
27 served at a lower cost and the recipient chooses to  
28 participate in such program.

29           (d) For the purpose of initiating immediate  
30 prescreening and diversion assistance for individuals residing  
31 in nursing homes and in order to make families aware of

1 alternative long-term care resources so that they may choose a  
 2 more cost-effective setting for long-term placement, CARES  
 3 staff shall conduct an assessment and review of a sample of  
 4 individuals whose nursing home stay is expected to exceed 20  
 5 days, regardless of the initial funding source for the nursing  
 6 home placement. CARES staff shall provide counseling and  
 7 referral services to these individuals regarding choosing  
 8 appropriate long-term care alternatives. This paragraph does  
 9 not apply to continuing care facilities licensed under chapter  
 10 651 or to retirement communities that provide a combination of  
 11 nursing home, independent living, and other long-term care  
 12 services.

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

- 17 1. Rate of diversion to community alternative  
18 programs;
- 19 2. CARES program staffing needs to achieve additional  
20 diversions;
- 21 3. Reasons the program is unable to place individuals  
22 in less restrictive settings when such individuals desired  
23 such services and could have been served in such settings;
- 24 4. Barriers to appropriate placement, including  
25 barriers due to policies or operations of other agencies or  
26 state-funded programs; and
- 27 5. Statutory changes necessary to ensure that  
28 individuals in need of long-term care services receive care in  
29 the least restrictive environment.

30 (f) The Department of Elderly Affairs shall track  
 31 individuals over time who are assessed under the CARES program

1 and who are diverted from nursing home placement. By January  
2 15 of each year, the department shall submit to the  
3 Legislature and the Office of Long-Term-Care Policy, a  
4 longitudinal study of the individuals who are diverted from  
5 nursing home placement. The study must include:

6 1. The demographic characteristics of the individuals  
7 assessed and diverted from nursing home placement, including,  
8 but not limited to, age, race, gender, frailty, caregiver  
9 status, living arrangements, and geographic location;

10 2. A summary of community services provided to  
11 individuals for 1 year after assessment and diversion;

12 3. A summary of inpatient hospital admissions for  
13 individuals who have been diverted; and

14 4. A summary of the length of time between diversion  
15 and subsequent entry into a nursing home or death.

16 (g) By July 1, 2005, the department and the Agency for  
17 Health Care Administration shall report to the President of  
18 the Senate and the Speaker of the House of Representatives  
19 regarding the impact to the state of modifying level-of-care  
20 criteria to eliminate the Intermediate II level of care.

21 Section 4. Subsection (2) of section 430.04, Florida  
22 Statutes, is amended to read:

23 430.04 Duties and responsibilities of the Department  
24 of Elderly Affairs.--The Department of Elderly Affairs shall:

25 (2) Be responsible for ensuring that each area agency  
26 on aging operates in a manner to ensure that the elderly of  
27 this state receive the best services possible. The department  
28 shall rescind designation of an area agency on aging or take  
29 intermediate measures against the agency, including corrective  
30 action, unannounced special monitoring, temporary assumption  
31 of operation of one or more programs by the department,



1 placement on probationary status, imposing a moratorium on  
 2 agency action, imposing financial penalties for  
 3 nonperformance, or other administrative action pursuant to  
 4 chapter 120, if the department finds that:

5 (a) An intentional or negligent act of the agency has  
 6 materially affected the health, welfare, or safety of clients,  
 7 or substantially and negatively affected the operation of an  
 8 aging services program.

9 (b) The agency lacks financial stability sufficient to  
 10 meet contractual obligations or that contractual funds have  
 11 been misappropriated.

12 (c) The agency has committed multiple or repeated  
 13 violations of legal and regulatory requirements or department  
 14 standards.

15 (d) The agency has failed to continue the provision or  
 16 expansion of services after the declaration of a state of  
 17 emergency.

18 (e) The agency has exceeded its authority or otherwise  
 19 failed to adhere to the terms of its contract with the  
 20 department or has exceeded its authority or otherwise failed  
 21 to adhere to the provisions specifically provided by statute  
 22 or rule adopted by the department.

23 (f) The agency has failed to properly determine client  
 24 eligibility as defined by the department or efficiently manage  
 25 program budgets.

26 Section 5. Section 430.041, Florida Statutes, is  
 27 amended to read:

28 430.041 Office of Long-Term-Care Policy.--

29 (1) There is established ~~in the Department of Elderly~~  
 30 ~~Affairs~~ the Office of Long-Term-Care Policy to evaluate the  
 31 state's long-term-care service delivery system, ~~and~~ make

1 recommendations to increase the efficiency and effectiveness  
 2 of government-funded long-term-care programs for availability  
 3 ~~and the use of noninstitutional settings to provide care to~~  
 4 the elderly, and to ensure coordination among the agencies  
 5 responsible for setting policies for funding and for  
 6 administering long-term-care programs for the elderly. The  
 7 office shall be located in the Department of Elderly Affairs  
 8 for administrative purposes only and shall not be subject to  
 9 control, supervision, or direction by the department the  
 10 ~~long term care continuum.~~

11 (2) The purpose of the Office of Long-Term-Care Policy  
 12 is to:

13 (a) Ensure close communication and coordination among  
 14 state agencies involved in developing and administering a more  
 15 efficient and coordinated long-term-care service delivery  
 16 system in this state;

17 ~~(b) Identify duplication and unnecessary service~~  
 18 ~~provision in the long term care system and make~~  
 19 ~~recommendations to decrease inappropriate service provision;~~

20 ~~(b)(c)~~ Review current programs providing  
 21 long-term-care services to the elderly, including those in  
 22 home, community-based, and institutional settings, and review  
 23 program evaluations to determine whether the programs are cost  
 24 effective, of high quality, and operating efficiently and make  
 25 recommendations to increase consistency and effectiveness in  
 26 the state's long-term-care programs;

27 ~~(c)(d)~~ Develop specific implementation strategies and  
 28 funding recommendations for promoting and implementing  
 29 cost-effective home and community-based services as an  
 30 alternative to institutional care, when appropriate, which  
 31

1 coordinate and integrate the continuum of care needs of the  
2 elderly; and

3 (d) Recommend roles for state agencies that are  
4 responsible for administering long-term-care programs for the  
5 elderly and an organization framework for the planning,  
6 coordination, implementation, and evaluation of long-term-care  
7 programs for the elderly.

8 ~~(e) Assist the Office of Long Term Care Policy~~  
9 ~~Advisory Council as necessary to help implement this section.~~

10 (3) The Director of the Office of Long-Term-Care  
11 Policy shall be appointed by, and serve at the pleasure of,  
12 the Governor. ~~The director shall report to, and be under the~~  
13 ~~general supervision of, the Secretary of Elderly Affairs and~~  
14 ~~shall not be subject to supervision by any other employee of~~  
15 ~~the department.~~

16 ~~(4) The Office of Long Term Care Policy shall have an~~  
17 ~~advisory council. The purposes of the advisory council are to~~  
18 ~~provide assistance and direction to the office and to ensure~~  
19 ~~that the appropriate state agencies are properly implementing~~  
20 ~~recommendations from the office.~~

21 ~~(a) The advisory council shall consist of:~~

- 22 ~~1. A member of the Senate, appointed by the President~~  
23 ~~of the Senate;~~
- 24 ~~2. A member of the House of Representatives, appointed~~  
25 ~~by the Speaker of the House of Representatives;~~
- 26 ~~3. The Secretary of Health Care Administration;~~
- 27 ~~4. The Secretary of Elderly Affairs;~~
- 28 ~~5. The Secretary of Children and Family Services;~~
- 29 ~~6. The Secretary of Health;~~
- 30 ~~7. The Executive Director of the Department of~~  
31 ~~Veterans' Affairs;~~

1           ~~8. Three people with broad knowledge and experience in~~  
2 ~~the delivery of long term care services, appointed by the~~  
3 ~~Governor from groups representing elderly persons; and~~

4           ~~9. Two representatives of people using long term care~~  
5 ~~services, appointed by the Governor from groups representing~~  
6 ~~elderly persons.~~

7           ~~(b) The council shall elect a chair from among its~~  
8 ~~membership to serve for a 1 year term. A chair may not serve~~  
9 ~~more than two consecutive terms.~~

10          ~~(c) Members shall serve without compensation, but are~~  
11 ~~entitled to receive reimbursement for travel and per diem as~~  
12 ~~provided in s. 112.061.~~

13          ~~(d) The advisory council shall meet at the call of its~~  
14 ~~chair or at the request of a majority of its members. During~~  
15 ~~its first year of existence, the advisory council shall meet~~  
16 ~~at least monthly.~~

17          ~~(e) Members of the advisory council appointed by the~~  
18 ~~Governor shall serve at the pleasure of the Governor and shall~~  
19 ~~be appointed to 4 year staggered terms in accordance with s.~~  
20 ~~20.052.~~

21          (4)(5)(a) The Department of Elderly Affairs shall  
22 provide administrative support and services to the Office of  
23 Long-Term-Care Policy.

24          (b) The office shall call upon appropriate agencies of  
25 state government, including the centers on aging in the State  
26 University System, for assistance needed in discharging its  
27 duties.

28          (c) ~~Each state agency represented on the Office of~~  
29 ~~Long Term Care Policy Advisory Council shall make at least one~~  
30 ~~employee available to work with the Office of Long Term Care~~  
31 ~~Policy.~~ All state agencies and universities shall assist the

1 office in carrying out its responsibilities prescribed by this  
2 section.

3 (d) The Secretary of Health Care Administration, the  
4 Secretary of Elderly Affairs, the Secretary of Children and  
5 Family Services, the Secretary of Health, and the Executive  
6 Director of the Department of Veterans' Affairs shall each  
7 appoint at least one high-level employee with the authority to  
8 recommend and implement agency policy and with experience in  
9 the area of long-term-care service delivery and financing to  
10 work with the Office of Long-Term-Care Policy, as part of an  
11 interagency coordinating team. The interagency coordinating  
12 team shall meet monthly with the director of the Office of  
13 Long-Term-Care Policy to implement the purposes of the office.

14 ~~(e)(d)~~ Each state agency shall pay from its own funds  
15 any expenses related to its support of the Office of  
16 Long-Term-Care Policy ~~and its participation on the advisory~~  
17 ~~council. The Department of Elderly Affairs shall be~~  
18 ~~responsible for expenses related to participation on the~~  
19 ~~advisory council by members appointed by the Governor.~~

20 ~~(6)(a)~~ By December 31 of each year 1, 2002, the office  
21 shall submit to the Governor, the President of the Senate, and  
22 the Speaker of the House of Representatives a advisory council  
23 ~~a preliminary~~ report of its activities, progress made in  
24 ~~findings and recommendations on~~ improving the long-term-care  
25 continuum in this state and make recommendations. The report  
26 shall contain the activities completed by the office during  
27 the calendar year, a plan of activities for the following  
28 year, recommendations and implementation proposals for policy  
29 changes, and ~~as well as~~ legislative and funding  
30 recommendations that will make the system more effective and  
31 efficient. The report shall contain ~~a~~ specific implementation

1 strategies, with timelines, plan for accomplishing the  
2 recommendations and proposals set out in the report.

3 ~~Thereafter, the office shall revise and update the report~~  
4 ~~annually and resubmit it to the advisory council for review~~  
5 ~~and comments by November 1 of each year.~~

6 ~~(b) The advisory council shall review and recommend~~  
7 ~~any suggested changes to the preliminary report, and each~~  
8 ~~subsequent annual update of the report, within 30 days after~~  
9 ~~the receipt of the preliminary report. Suggested revisions,~~  
10 ~~additions, or deletions shall be made to the Director of the~~  
11 ~~Office of Long Term Care Policy.~~

12 ~~(c) The office shall submit its final report, and each~~  
13 ~~subsequent annual update of the report, to the Governor and~~  
14 ~~the Legislature within 30 days after the receipt of any~~  
15 ~~revisions, additions, or deletions suggested by the advisory~~  
16 ~~council, or after the time such comments are due to the~~  
17 ~~office.~~

18 Section 6. Subsection (3) and paragraphs (b) and (c)  
19 of subsection (9) of section 430.203, Florida Statutes, are  
20 amended to read:

21 430.203 Community care for the elderly;  
22 definitions.--As used in ss. 430.201-430.207, the term:

23 (3) "Community care service system" means a service  
24 network comprising a variety of home-delivered services, day  
25 care services, and other basic services, hereinafter referred  
26 to as "core services," for functionally impaired elderly  
27 persons which are provided by or through ~~several agencies~~  
28 ~~under the direction of~~ a single lead agency. Its purpose is  
29 to provide a continuum of care encompassing a full range of  
30 preventive, maintenance, and restorative services for  
31 functionally impaired elderly persons.

1           (9) "Lead agency" means an agency designated at least  
2 once every 3 years by an area agency on aging as the result of  
3 a request for proposal process to be in place no later than  
4 the state fiscal year 1996-1997.

5           (b) The area agency on aging, in consultation with the  
6 department, shall ~~may~~ exempt from the competitive bid process  
7 any contract with a provider who meets or exceeds established  
8 minimum standards, as determined by the department.

9           (c) In each community care service system the lead  
10 agency must be given the authority and responsibility to  
11 coordinate some or all of the services, either directly or  
12 through subcontracts, for functionally impaired elderly  
13 persons. These services must include case management, ~~and may~~  
14 ~~include~~ homemaker and chore services, respite care, adult day  
15 care, personal care services, home-delivered meals,  
16 counseling, information and referral, and emergency home  
17 repair services. The lead agency must compile community care  
18 statistics and monitor, when applicable, subcontracts with  
19 agencies providing core services.

20           Section 7. Subsection (6) of section 430.205, Florida  
21 Statutes, is amended to read:

22           430.205 Community care service system.--

23           (6) Notwithstanding other requirements of this  
24 chapter, the Department of Elderly Affairs and the Agency for  
25 Health Care Administration shall develop an ~~a model system to~~  
26 ~~transition all state funded services for elderly individuals~~  
27 ~~in one of the department's planning and service areas to a~~  
28 ~~managed,~~ integrated long-term-care delivery system ~~under the~~  
29 ~~direction of a single entity.~~

30           (a) The duties of the integrated model ~~model~~ system shall  
31 include organizing and administering service delivery for the

1 elderly, obtaining contracts for services with providers in  
2 each service ~~the~~ area, monitoring the quality of services  
3 provided, determining levels of need and disability for  
4 payment purposes, and other activities determined by the  
5 department and the agency in order to operate an integrated  
6 ~~the model~~ system.

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

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

14 2. The agency, in consultation with the department,  
15 shall integrate the Aged and Disabled Adult Medicaid waiver  
16 program and the Assisted Living for the Elderly Medicaid  
17 waiver program and each program's funds into one  
18 fee-for-service Medicaid waiver program serving the aged and  
19 disabled. Once the programs are integrated, funding to provide  
20 care in assisted-living facilities under the new waiver may  
21 not be less than the amount appropriated in the 2003-2004  
22 fiscal year for the Assisted Living for the Elderly Medicaid  
23 waiver.

24 a. The agency shall seek federal waivers necessary to  
25 integrate these waiver programs.

26 b. The agency and the department shall reimburse  
27 providers for case management services on a capitated basis  
28 and develop uniform standards for case management in this  
29 fee-for-service Medicaid waiver program. The coordination of  
30 acute and chronic medical services for individuals shall be  
31 included in the capitated rate for case management services.



1           c. The agency and the department shall adopt any rules  
2 necessary to comply with or administer these requirements,  
3 effect and implement interagency agreements between the  
4 department and the agency, and comply with federal  
5 requirements.

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

18           a. Develop a demonstration project in which existing  
19 community care for the elderly lead agencies are assisted in  
20 transferring their business model and the service delivery  
21 system within their current community care service area, to  
22 enable assumption over a period of time, of full risk as a  
23 community diversion pilot project contractor providing  
24 long-term care services in the areas of operation. The  
25 department, in consultation with the agency and the Department  
26 of Children and Family Services, shall develop an  
27 implementation plan for no more than three lead agencies by  
28 October 31, 2004.

29           b. In the demonstration area, a community care for the  
30 elderly lead agency shall be initially reimbursed on a prepaid  
31 or fixed-sum basis for services provided under the newly

1 integrated fee-for-service Medicaid waiver. By the end of the  
2 third year of operation, the demonstration shall include all  
3 services under the long-term care community diversion pilot  
4 project.

5 c. During the first year of operation, the department,  
6 in consultation with the agency may place providers at risk to  
7 provide nursing home services for the enrolled individuals who  
8 are participating in the demonstration project. During the  
9 3-year development period, the agency and the department may  
10 limit the level of custodial nursing home risk that the  
11 administering entities assume. Under risk-sharing  
12 arrangements, during the first 3 years of operation, the  
13 department, in consultation with the agency, may reimburse the  
14 administering entity for the cost of providing nursing home  
15 care for Medicaid-eligible participants who have been  
16 permanently placed and remain in a nursing home for more than  
17 1 year, or may disenroll such participants from the  
18 demonstration project.

19 d. The agency, in consultation with the department,  
20 shall develop reimbursement rates based on the historical cost  
21 experience of the state in providing long-term care and  
22 nursing home services under Medicaid waiver programs to the  
23 population 65 years of age and older in the area served by the  
24 pilot project.

25 e. The department, in consultation with the agency,  
26 shall ensure that the entity or entities receiving prepaid or  
27 fixed-sum reimbursement are assisted in developing internal  
28 management and financial control systems necessary to manage  
29 the risk associated with providing services under a prepaid or  
30 fixed-sum rate system.

31

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

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

21           h. The agency and the department shall adopt rules  
22 necessary to comply with or administer these requirements,  
23 effect and implement interagency agreements between the agency  
24 and the department, and comply with federal requirements.

25           i. The department and the agency shall seek federal  
26 waivers necessary to implement the requirements of this  
27 section.

28           j. The Department of Elderly Affairs shall conduct or  
29 contract for an evaluation of the demonstration project. The  
30 department shall submit the evaluation to the Governor and the  
31 Legislature by January 1, 2007. The evaluation must address

1 the effectiveness of the pilot project in providing a  
2 comprehensive system of appropriate and high-quality long-term  
3 care services to elders in the least restrictive setting and  
4 make recommendations on expanding the project to other parts  
5 of the state.

6 4. The department, in consultation with the agency,  
7 shall study the integration of the database systems for the  
8 Comprehensive Assessment and Review of Long-Term Care (CARES)  
9 program and the Client Information and Referral Tracking  
10 System (CIRTS) and develop a plan for database integration.  
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 5. 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 programs and report on the  
21 progress of those programs to the Governor, the President of  
22 the Senate, and the Speaker of the House of Representatives by  
23 June 30, 2006. The report must include an initial evaluation  
24 of the programs in their early stages following the evaluation  
25 plan developed by the department, in consultation with the  
26 agency and the selected contractor.

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

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

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

9           ~~(b) The agency and the department shall integrate all~~  
 10 ~~funding for services to individuals over the age of 65 in the~~  
 11 ~~model planning and service areas into a single per person~~  
 12 ~~per month payment rate, except that funds for Medicaid~~  
 13 ~~behavioral health care services are exempt from this section.~~  
 14 ~~The funds to be integrated shall include:~~

- 15           ~~1. Community care for the elderly funds;~~
- 16           ~~2. Home care for the elderly funds;~~
- 17           ~~3. Local services program funds;~~
- 18           ~~4. Contracted services funds;~~
- 19           ~~5. Alzheimer's disease initiative funds;~~
- 20           ~~6. Medicaid home and community based waiver services~~  
 21 ~~funds;~~
- 22           ~~7. Funds for all Medicaid services authorized in ss.~~  
 23 ~~409.905 and 409.906, including Medicaid nursing home services;~~  
 24 ~~and~~
- 25           ~~8. Funds paid for Medicare premiums, coinsurance and~~  
 26 ~~deductibles for persons dually eligible for Medicaid and~~  
 27 ~~Medicare as prescribed in s. 409.908(13).~~

28  
 29 ~~The department and the agency shall not make payments for~~  
 30 ~~services for people age 65 and older except through the model~~  
 31 ~~delivery system.~~

1           ~~(c) The entity selected to administer the model system~~  
2 ~~shall develop a comprehensive health and long term care~~  
3 ~~service delivery system through contracts with providers of~~  
4 ~~medical, social, and long term care services sufficient to~~  
5 ~~meet the needs of the population age 65 and older. The entity~~  
6 ~~selected to administer the model system shall not directly~~  
7 ~~provide services other than intake, assessment, and referral~~  
8 ~~services.~~

9           ~~(d) The department shall determine which of the~~  
10 ~~department's planning and services areas is to be designated~~  
11 ~~as a model area by means of a request for proposals. The~~  
12 ~~department shall select an area to be designated as a model~~  
13 ~~area and the entity to administer the model system based on~~  
14 ~~demonstration of capacity of the entity to:~~

15           ~~1. Develop contracts with providers currently under~~  
16 ~~contract with the department, area agencies on aging, or~~  
17 ~~community care for the elderly lead agencies;~~

18           ~~2. Provide a comprehensive system of appropriate~~  
19 ~~medical and long term care services that provides high quality~~  
20 ~~medical and social services to assist older individuals in~~  
21 ~~remaining in the least restrictive setting;~~

22           ~~3. Demonstrate a quality assurance and quality~~  
23 ~~improvement system satisfactory to the department and the~~  
24 ~~agency;~~

25           ~~4. Develop a system to identify participants who have~~  
26 ~~special health care needs such as polypharmacy, mental health~~  
27 ~~and substance abuse problems, falls, chronic pain, nutritional~~  
28 ~~deficits, and cognitive deficits, in order to respond to and~~  
29 ~~meet these needs;~~

30           ~~5. Use a multidisciplinary team approach to~~  
31 ~~participant management which ensures that information is~~

1 ~~shared among providers responsible for delivering care to a~~  
2 ~~participant;~~  
3       ~~6. Ensure medical oversight of care plans and service~~  
4 ~~delivery, regular medical evaluation of care plans, and the~~  
5 ~~availability of medical consultation for case managers and~~  
6 ~~service coordinators;~~  
7       ~~7. Develop, monitor, and enforce quality of care~~  
8 ~~requirements;~~  
9       ~~8. Secure subcontracts with providers of medical,~~  
10 ~~nursing home, and community based long term care services~~  
11 ~~sufficient to assure access to and choice of providers;~~  
12       ~~9. Ensure a system of case management and service~~  
13 ~~coordination which includes educational and training standards~~  
14 ~~for case managers and service coordinators;~~  
15       ~~10. Develop a business plan that considers the ability~~  
16 ~~of the applicant to organize and operate a risk bearing~~  
17 ~~entity;~~  
18       ~~11. Furnish evidence of adequate liability insurance~~  
19 ~~coverage or an adequate plan of self insurance to respond to~~  
20 ~~claims for injuries arising out of the furnishing of health~~  
21 ~~care; and~~  
22       ~~12. Provide, through contract or otherwise, for~~  
23 ~~periodic review of its medical facilities as required by the~~  
24 ~~department and the agency.~~  
25  
26 ~~The department shall give preference in selecting an area to~~  
27 ~~be designated as a model area to that in which the~~  
28 ~~administering entity is an existing area agency on aging or~~  
29 ~~community care for the elderly lead agency demonstrating the~~  
30 ~~ability to perform the functions described in this paragraph.~~  
31



1           ~~(e) The department in consultation with the selected~~  
2 ~~entity shall develop a statewide proposal regarding the~~  
3 ~~long term use and structure of a program that addresses a risk~~  
4 ~~pool to reduce financial risk.~~

5           ~~(f) The department and the agency shall develop~~  
6 ~~capitation rates based on the historical cost experience of~~  
7 ~~the state in providing acute and long term care services to~~  
8 ~~the population over 65 years of age in the area served.~~

9           ~~1. Payment rates in the first 2 years of operation~~  
10 ~~shall be set at no more than 100 percent of the costs to the~~  
11 ~~state of providing equivalent services to the population of~~  
12 ~~the model area for the year prior to the year in which the~~  
13 ~~model system is implemented, adjusted forward to account for~~  
14 ~~inflation and population growth. In subsequent years, the rate~~  
15 ~~shall be negotiated based on the cost experience of the model~~  
16 ~~system in providing contracted services, but may not exceed 95~~  
17 ~~percent of the amount that would have been paid by the state~~  
18 ~~in the model planning and service area absent the model~~  
19 ~~integrated service delivery system.~~

20           ~~2. The agency and the department may develop~~  
21 ~~innovative risk sharing agreements that limit the level of~~  
22 ~~custodial nursing home risk that the administering entity~~  
23 ~~assumes, consistent with the intent of the Legislature to~~  
24 ~~reduce the use and cost of nursing home care. Under~~  
25 ~~risk sharing arrangements, the agency and the department may~~  
26 ~~reimburse the administering entity for the cost of providing~~  
27 ~~nursing home care for Medicaid eligible participants who have~~  
28 ~~been permanently placed and remain in nursing home care for~~  
29 ~~more than 1 year.~~

30  
31

1           ~~(g) The department and the Agency for Health Care~~  
2 ~~Administration shall seek federal waivers necessary to~~  
3 ~~implement the requirements of this section.~~

4           ~~(h) The Department of Children and Family Services~~  
5 ~~shall develop a streamlined and simplified eligibility system~~  
6 ~~and shall outstation a sufficient number and quality of~~  
7 ~~eligibility determination staff with the administering entity~~  
8 ~~to assure determination of Medicaid eligibility for the~~  
9 ~~integrated service delivery system in the model planning and~~  
10 ~~service area within 10 days after receipt of a complete~~  
11 ~~application.~~

12           ~~(i) The Department of Elderly Affairs shall make~~  
13 ~~arrangements to outstation a sufficient number of nursing home~~  
14 ~~preadmission screening staff with the administering entity to~~  
15 ~~assure timely assessment of level of need for long term care~~  
16 ~~services in the model area.~~

17           ~~(j) The Department of Elderly Affairs shall conduct or~~  
18 ~~contract for an evaluation of the pilot project. The~~  
19 ~~department shall submit the evaluation to the Governor and the~~  
20 ~~Legislature by January 1, 2005. The evaluation must address~~  
21 ~~the effects of the pilot project on the effectiveness of the~~  
22 ~~entity providing a comprehensive system of appropriate and~~  
23 ~~high quality medical and long term care services to elders in~~  
24 ~~the least restrictive setting and make recommendations on a~~  
25 ~~phased in implementation expansion for the rest of the state.~~

26           Section 8. Section 430.2053, Florida Statutes, is  
27 created to read:

28           430.2053 Aging resource centers.--

29           (1) The department, in consultation with the Agency  
30 for Health Care Administration and the Department of Children  
31 and Family Services, shall develop pilot projects for aging

1 resource centers. By October 31, 2004, the department, in  
2 consultation with the agency and the Department of Children  
3 and Family Services, shall develop an implementation plan for  
4 aging resource centers and submit the plan to the Governor,  
5 the President of the Senate, and the Speaker of the House of  
6 Representatives. The plan must include qualifications for  
7 designation as a center, the functions to be performed by each  
8 center, and a process for determining that a current area  
9 agency on aging is ready to assume the functions of an aging  
10 resource center.

11 (2) Each area agency on aging shall develop, in  
12 consultation with the existing community care for the elderly  
13 lead agencies within their planning and service areas, a  
14 proposal that describes the process the area agency on aging  
15 intends to undertake to transition to an aging resource center  
16 prior to July 1, 2005, and that describes the area agency's  
17 compliance with the requirements of this section. The  
18 proposals must be submitted to the department prior to  
19 December 31, 2004. The department shall evaluate all proposals  
20 for readiness and, prior to March 1, 2005, shall select three  
21 area agencies on aging which meet the requirements of this  
22 section to begin the transition to aging resource centers.  
23 Those area agencies on aging which are not selected to begin  
24 the transition to aging resource centers shall, in  
25 consultation with the department and the existing community  
26 care for the elderly lead agencies within their planning and  
27 service areas, amend their proposals as necessary and resubmit  
28 them to the department prior to July 1, 2005. The department  
29 may transition additional area agencies to aging resource  
30 centers as it determines that area agencies are in compliance  
31 with the requirements of this section.

1           (3) The Auditor General and the Office of Program  
2 Policy Analysis and Government Accountability (OPPAGA) shall  
3 jointly review and assess the department's process for  
4 determining an area agency's readiness to transition to an  
5 aging resource center.

6           (a) The review must, at a minimum, address the  
7 appropriateness of the department's criteria for selection of  
8 an area agency to transition to an aging resource center, the  
9 instruments applied, the degree to which the department  
10 accurately determined each area agency's compliance with the  
11 readiness criteria, the quality of the technical assistance  
12 provided by the department to an area agency in correcting any  
13 weaknesses identified in the readiness assessment, and the  
14 degree to which each area agency overcame any identified  
15 weaknesses.

16           (b) Reports of these reviews must be submitted to the  
17 appropriate substantive and appropriations committees in the  
18 Senate and the House of Representatives on March 1 and  
19 September 1 of each year until full transition to aging  
20 resource centers has been accomplished statewide, except that  
21 the first report must be submitted by February 1, 2005, and  
22 must address all readiness activities undertaken through  
23 December 31, 2004. The perspectives of all participants in  
24 this review process must be included in each report.

25           (4) The purposes of an aging resource center shall be:

26           (a) To provide Florida's elders and their families  
27 with a locally focused, coordinated approach to integrating  
28 information and referral for all available services for elders  
29 with the eligibility determination entities for state and  
30 federally funded long-term-care services.

31

1           (b) To provide for easier access to long-term-care  
2 services by Florida's elders and their families by creating  
3 multiple access points to the long-term-care network that flow  
4 through one established entity with wide community  
5 recognition.

6           (5) The duties of an aging resource center are to:

7           (a) Develop referral agreements with local community  
8 service organizations, such as senior centers, existing elder  
9 service providers, volunteer associations, and other similar  
10 organizations, to better assist clients who do not need or do  
11 not wish to enroll in programs funded by the department or the  
12 agency. The referral agreements must also include a protocol,  
13 developed and approved by the department, which provides  
14 specific actions that an aging resource center and local  
15 community service organizations must take when an elder or an  
16 elder's representative seeking information on long-term-care  
17 services contacts a local community service organization prior  
18 to contacting the aging resource center. The protocol shall be  
19 designed to ensure that elders and their families are able to  
20 access information and services in the most efficient and  
21 least cumbersome manner possible.

22           (b) Provide an initial screening of all clients who  
23 request long-term care services to determine whether the  
24 person would be most appropriately served through any  
25 combination of federally funded programs, state-funded  
26 programs, locally funded or community volunteer programs, or  
27 private funding for services.

28           (c) Determine eligibility for the programs and  
29 services listed in subsection (11) for persons residing within  
30 the geographic area served by the aging resource center and  
31 determine a priority ranking for services which is based upon

1 the potential recipient's frailty level and likelihood of  
2 institutional placement without such services.

3 (d) Manage the availability of financial resources for  
4 the programs and services listed in subsection (11) for  
5 persons residing within the geographic area served by the  
6 aging resource center.

7 (e) When financial resources become available, refer a  
8 client to the most appropriate entity to begin receiving  
9 services. The aging resource center shall make referrals to  
10 lead agencies for service provision that ensure that  
11 individuals who are vulnerable adults in need of services  
12 pursuant to s. 415.104(3)(b), or who are victims of abuse,  
13 neglect, or exploitation in need of immediate services to  
14 prevent further harm and are referred by the adult protective  
15 services program, are given primary consideration for  
16 receiving community-care-for-the-elderly services in  
17 compliance with the requirements of s. 430.205(5)(a) and that  
18 other referrals for services are in compliance with s.  
19 430.205(5)(b).

20 (f) Convene a work group to advise in the planning,  
21 implementation, and evaluation of the aging resource center.  
22 The work group shall be comprised of representatives of local  
23 service providers, Alzheimer's Association chapters, housing  
24 authorities, social service organizations, advocacy groups,  
25 representatives of clients receiving services through the  
26 aging resource center, and any other persons or groups as  
27 determined by the department. The aging resource center, in  
28 consultation with the work group, must develop annual program  
29 improvement plans that shall be submitted to the department  
30 for consideration. The department shall review each annual

31

1 improvement plan and make recommendations on how to implement  
2 the components of the plan.

3 (g) Enhance the existing area agency on aging in each  
4 planning and service area by integrating, either physically or  
5 virtually, the staff and services of the area agency on aging  
6 with the staff of the department's local CARES Medicaid  
7 nursing home preadmission screening unit and a sufficient  
8 number of staff from the Department of Children and Family  
9 Services' Economic Self Sufficiency Unit necessary to  
10 determine the financial eligibility for all persons age 60 and  
11 older residing within the area served by the aging resource  
12 center that are seeking Medicaid services, Supplemental  
13 Security Income, and food stamps.

14 (6) The department shall select the entities to become  
15 aging resource centers based on each entity's readiness and  
16 ability to perform the duties listed in subsection (5) and the  
17 entity's:

18 (a) Expertise in the needs of each target population  
19 the center proposes to serve and a thorough knowledge of the  
20 providers that serve these populations.

21 (b) Strong connections to service providers, volunteer  
22 agencies, and community institutions.

23 (c) Expertise in information and referral activities.

24 (d) Knowledge of long-term-care resources, including  
25 resources designed to provide services in the least  
26 restrictive setting.

27 (e) Financial solvency and stability.

28 (f) Ability to collect, monitor, and analyze data in a  
29 timely and accurate manner, along with systems that meet the  
30 department's standards.

31

1        (g) Commitment to adequate staffing by qualified  
2 personnel to effectively perform all functions.

3        (h) Ability to meet all performance standards  
4 established by the department.

5        (7) The aging resource center shall have a governing  
6 body which shall be the same entity described in s. 20.41(7),  
7 and an executive director who may be the same person as  
8 described in s. 20.41(8). The governing body shall annually  
9 evaluate the performance of the executive director.

10       (8) The aging resource center may not be a provider of  
11 direct services other than information and referral services  
12 and screening.

13       (9) The aging resource center must agree to allow the  
14 department to review any financial information the department  
15 determines is necessary for monitoring or reporting purposes,  
16 including financial relationships.

17       (10) The duties and responsibilities of the community  
18 care for the elderly lead agencies within each area served by  
19 an aging resource center shall be to:

20       (a) Develop strong community partnerships to maximize  
21 the use of community resources for the purpose of assisting  
22 elders to remain in their community settings for as long as it  
23 is safely possible.

24       (b) Conduct comprehensive assessments of clients that  
25 have been determined eligible and develop a care plan  
26 consistent with established protocols that ensures that the  
27 unique needs of each client are met.

28       (11) The services to be administered through the aging  
29 resource center shall include those funded by the following  
30 programs:

31       (a) Community care for the elderly.



- 1        (b) Home care for the elderly.
- 2        (c) Contracted services.
- 3        (d) Alzheimer's disease initiative.
- 4        (e) Aged and disabled adult Medicaid waiver.
- 5        (f) Assisted living for the frail elderly Medicaid  
6 waiver.
- 7        (g) Older Americans Act.
- 8        (12) The department shall, prior to designation of an  
9 aging resource center, develop by rule operational and quality  
10 assurance standards and outcome measures to ensure that  
11 clients receiving services through all long-term-care programs  
12 administered through an aging resource center are receiving  
13 the appropriate care they require and that contractors and  
14 subcontractors are adhering to the terms of their contracts  
15 and are acting in the best interests of the clients they are  
16 servicing, consistent with the intent of the Legislature to  
17 reduce the use of and cost of nursing home care. The  
18 department shall by rule provide operating procedures for  
19 aging resource centers, which shall include:
- 20        (a) Minimum standards for financial operation,  
21 including audit procedures.
- 22        (b) Procedures for monitoring and sanctioning of  
23 service providers.
- 24        (c) Minimum standards for technology utilized by the  
25 aging resource center.
- 26        (d) Minimum staff requirements which shall ensure that  
27 the aging resource center employs sufficient quality and  
28 quantity of staff to adequately meet the needs of the elders  
29 residing within the area served by the aging resource center.
- 30        (e) Minimum accessibility standards, including hours  
31 of operation.

1       (f) Minimum oversight standards for the governing body  
2 of the aging resource center to ensure its continuous  
3 involvement in, and accountability for, all matters related to  
4 the development, implementation, staffing, administration, and  
5 operations of the aging resource center.

6       (g) Minimum education and experience requirements for  
7 executive directors and other executive staff positions of  
8 aging resource centers.

9       (h) Minimum requirements regarding any executive staff  
10 positions that the aging resource center must employ and  
11 minimum requirements that a candidate must meet in order to be  
12 eligible for appointment to such positions.

13       (13) In an area in which the department has designated  
14 an area agency on aging as an aging resource center, the  
15 department and the agency shall not make payments for the  
16 services listed in subsection (11) and the Long-Term Care  
17 Community Diversion Project for such persons who were not  
18 screened and enrolled through the aging resource center.

19       (14) Each aging resource center shall enter into a  
20 memorandum of understanding with the department for  
21 collaboration with the CARES unit staff. The memorandum of  
22 understanding shall outline the staff person responsible for  
23 each function and shall provide the staffing levels necessary  
24 to carry out the functions of the aging resource center.

25       (15) Each aging resource center shall enter into a  
26 memorandum of understanding with the Department of Children  
27 and Family Services for collaboration with the Economic  
28 Self-Sufficiency Unit staff. The memorandum of understanding  
29 shall outline which staff persons are responsible for which  
30 functions and shall provide the staffing levels necessary to  
31 carry out the functions of the aging resource center.

1       (16) If any of the state activities described in this  
2 section are outsourced, either in part or in whole, the  
3 contract executing the outsourcing shall mandate that the  
4 contractor or its subcontractors shall, either physically or  
5 virtually, execute the provisions of the memorandum of  
6 understanding instead of the state entity whose function the  
7 contractor or subcontractor now performs.

8       (17) In order to be eligible to begin transitioning to  
9 an aging resource center, an area agency on aging board must  
10 ensure that the area agency on aging which it oversees meets  
11 all of the minimum requirements set by law and in rule.

12       (18) The department shall monitor the three initial  
13 projects for aging resource centers and report on the progress  
14 of those projects to the Governor, the President of the  
15 Senate, and the Speaker of the House of Representatives by  
16 June 30, 2005. The report must include an evaluation of the  
17 implementation process.

18       (19)(a) Once an aging resource center is operational,  
19 the department, in consultation with the agency, may develop  
20 capitation rates for any of the programs administered through  
21 the aging resource center. Capitation rates for programs shall  
22 be based on the historical cost experience of the state in  
23 providing those same services to the population age 60 or  
24 older residing within each area served by an aging resource  
25 center. Each capitated rate may vary by geographic area as  
26 determined by the department.

27       (b) The department and the agency may determine for  
28 each area served by an aging resource center whether it is  
29 appropriate, consistent with federal and state laws and  
30 regulations, to develop and pay separate capitated rates for  
31 each program administered through the aging resource center or

1 to develop and pay capitated rates for service packages which  
2 include more than one program or service administered through  
3 the aging resource center.

4 (c) Once capitation rates have been developed and  
5 certified as actuarially sound, the department and the agency  
6 may pay service providers the capitated rates for services  
7 when appropriate.

8 (d) The department, in consultation with the agency,  
9 shall annually reevaluate and recertify the capitation rates,  
10 adjusting forward to account for inflation, programmatic  
11 changes.

12 (20) The department, in consultation with the agency,  
13 shall submit to the Governor, the President of the Senate, and  
14 the Speaker of the House of Representatives, by December 1,  
15 2006, a report addressing the feasibility of administering the  
16 following services through aging resource centers beginning  
17 July 1, 2007:

18 (a) Medicaid nursing home services.

19 (b) Medicaid transportation services.

20 (c) Medicaid hospice care services.

21 (d) Medicaid intermediate care services.

22 (e) Medicaid prescribed drug services.

23 (f) Medicaid assistive care services.

24 (g) Any other long-term-care program or Medicaid  
25 service.

26 (21) This section shall not be construed to allow an  
27 aging resource center to restrict, manage or impede the local  
28 fund-raising activities of service providers.

29 Section 9. Subsection (1) of section 430.502, Florida  
30 Statutes, is amended to read:

31

1           430.502 Alzheimer's disease; memory disorder clinics  
2 and day care and respite care programs.--

3           (1) There is established:

4           (a) A memory disorder clinic at each of the three  
5 medical schools in this state;

6           (b) A memory disorder clinic at a major private  
7 nonprofit research-oriented teaching hospital, and may fund a  
8 memory disorder clinic at any of the other affiliated teaching  
9 hospitals;

10          (c) A memory disorder clinic at the Mayo Clinic in  
11 Jacksonville;

12          (d) A memory disorder clinic at the West Florida  
13 Regional Medical Center;

14          (e) The East Central Florida Memory Disorder Clinic at  
15 the Joint Center for Advanced Therapeutics and Biomedical  
16 Research of the Florida Institute of Technology and Holmes  
17 Regional Medical Center, Inc.;

18          (f) A memory disorder clinic at the Orlando Regional  
19 Healthcare System, Inc.;

20          (g) A memory disorder center located in a public  
21 hospital that is operated by an independent special hospital  
22 taxing district that governs multiple hospitals and is located  
23 in a county with a population greater than 800,000 persons;

24          (h) A memory disorder clinic at St. Mary's Medical  
25 Center in Palm Beach County;

26          (i) A memory disorder clinic at Tallahassee Memorial  
27 Healthcare;

28          (j) A memory disorder clinic at Lee Memorial Hospital  
29 created by chapter 63-1552, Laws of Florida, as amended; ~~and~~

30          (k) A memory disorder clinic at Sarasota Memorial  
31 Hospital in Sarasota County; and

1           (1) A memory disorder clinic at Morton Plant Hospital,  
2 Clearwater, in Pinellas County,

3  
4 for the purpose of conducting research and training in a  
5 diagnostic and therapeutic setting for persons suffering from  
6 Alzheimer's disease and related memory disorders. However,  
7 memory disorder clinics funded as of June 30, 1995, shall not  
8 receive decreased funding due solely to subsequent additions  
9 of memory disorder clinics in this subsection.

10           Section 10. Subsection (2) of section 430.7031,  
11 Florida Statutes, is amended to read:

12           430.7031 Nursing home transition program.--The  
13 department and the Agency for Health Care Administration:

14           (2) Shall collaboratively work to identify ~~long stay~~  
15 nursing home residents who are able to move to community  
16 placements, and to provide case management and supportive  
17 services to such individuals while they are in nursing homes  
18 to assist such individuals in moving to less expensive and  
19 less restrictive settings. CARES program staff shall annually  
20 review at least 20 percent of the case files for nursing home  
21 residents who are Medicaid recipients to determine which  
22 nursing home residents are able to move to community  
23 placements.

24           Section 11. Section 430.705, Florida Statutes, is  
25 amended to read:

26           430.705 Implementation of the long-term care community  
27 diversion pilot projects.--

28           (1) In designing and implementing the community  
29 diversion pilot projects, the department shall work in  
30 consultation with the agency.

31

1           (2) The department shall select projects whose design  
2 and providers demonstrate capacity to maximize the placement  
3 of participants in the least restrictive appropriate care  
4 setting. The department shall select providers that have a  
5 plan administrator who is dedicated to the diversion pilot  
6 project and project staff who perform the necessary project  
7 administrative functions, including data collection,  
8 reporting, and analysis. The department shall select providers  
9 that:

10           (a) Are determined by the Department of Financial  
11 Services to:

12           1. Meet surplus requirements specified in s. 641.225;

13           2. Demonstrate the ability to comply with the  
14 standards for financial solvency specified in s. 641.285;

15           3. Demonstrate the ability to provide for the prompt  
16 payment of claims as specified in s. 641.3155; and

17           4. Demonstrate the ability to provide technology with  
18 the capability for data collection that meets the security  
19 requirements of the federal Health Insurance Portability and  
20 Accountability Act of 1996, 42 C.F.R. ss. 160 and 164.

21           (b) Demonstrate the ability to contract with multiple  
22 providers that provide the same type of service.

23           (3) The agency shall seek federal waivers necessary to  
24 place a cap on the number of diversion pilot project providers  
25 in each geographic area.

26           (4) Pursuant to 42 C.F.R. s. 438.6(c), the agency, in  
27 consultation with the department, shall annually reevaluate  
28 and recertify the capitation rates for the diversion pilot  
29 projects. The agency, in consultation with the department,  
30 shall secure the utilization and cost data for Medicaid and

31

1 Medicare beneficiaries served by the program which shall be  
2 used in developing rates for the diversion pilot projects.

3 (5) In order to achieve rapid enrollment into the  
4 program and efficient diversion of applicants from nursing  
5 home care, the department and the agency shall allow  
6 enrollment of Medicaid beneficiaries on the date that  
7 eligibility for the community diversion pilot project is  
8 approved. The provider shall receive a prorated capitated rate  
9 for those enrollees who are enrolled after the first of each  
10 month.

11 ~~(6)(3)~~ The department shall provide to prospective  
12 participants a choice of participating in a community  
13 diversion pilot project or any other appropriate placement  
14 available. To the extent possible, individuals shall be  
15 allowed to choose their care providers, including long-term  
16 care service providers affiliated with an individual's  
17 religious faith or denomination.

18 ~~(7)(4)~~ The department shall enroll participants.  
19 Providers shall not directly enroll participants in community  
20 diversion pilot projects.

21 ~~(5) In selecting the pilot project area, the~~  
22 ~~department shall consider the following factors in the area:~~

23 ~~(a) The nursing home occupancy level.~~

24 ~~(b) The number of certificates of need awarded for~~  
25 ~~nursing home beds for which renovation, expansion, or~~  
26 ~~construction has not begun.~~

27 ~~(c) The annual number of additional nursing home beds.~~

28 ~~(d) The annual number of nursing home admissions.~~

29 ~~(e) The adequacy of community based long term care~~  
30 ~~service providers.~~

31



1        ~~(8)(6)~~ The department may require participants to  
2 contribute to their cost of care in an amount not to exceed  
3 the cost-sharing required of Medicaid-eligible nursing home  
4 residents.

5        ~~(9)(7)~~ Community diversion pilot projects must:

6            (a) Provide services for participants that are of  
7 sufficient quality, quantity, type, and duration to prevent or  
8 delay nursing facility placement.

9            (b) Integrate acute and long-term care services, and  
10 the funding sources for such services, as feasible.

11           (c) Encourage individuals, families, and communities  
12 to plan for their long-term care needs.

13           (d) Provide skilled and intermediate nursing facility  
14 care for participants who cannot be adequately cared for in  
15 noninstitutional settings.

16        Section 12. Section 430.701, Florida Statutes, is  
17 amended to read:

18        430.701 Legislative findings and intent.--

19        (1) The Legislature finds that state expenditures for  
20 long-term care services continue to increase at a rapid rate  
21 and that Florida faces increasing pressure in its efforts to  
22 meet the long-term care needs of the public. It is the intent  
23 of the Legislature that the Department of Elderly Affairs, in  
24 consultation with the Agency for Health Care Administration,  
25 implement long-term care community diversion pilot projects to  
26 test the effectiveness of managed care and outcome-based  
27 reimbursement principles when applied to long-term care.

28        (2) The agency may seek federal approval in advance of  
29 approval of its formal waiver application to limit the  
30 diversion provider network by freezing enrollment of providers  
31 at current levels when an area already has three or more

1 providers or, in an expansion area, when enrollment reaches a  
2 level of three providers. This subsection does not prevent the  
3 department from approving a provider to expand service to  
4 additional counties within a planning and service area for  
5 which the provider is already approved to serve.

6           Section 13. This act shall take effect upon becoming a  
7 law.

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31