

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. 430.703, F.S.; revising a  
13 definition; amending s. 430.7031, F.S. ;  
14 requiring the department and the agency to  
15 review the case files of a specified percentage  
16 of Medicaid nursing home residents annually for  
17 the purpose of determining whether the  
18 residents are able to move to community  
19 placements; amending s. 430.705, F.S. ;  
20 providing additional eligibility requirements  
21 for entities that provide services under the  
22 long-term-care community diversion pilot  
23 projects; requiring the annual evaluation and  
24 certification of capitation rates; providing  
25 additional requirements to be used in  
26 developing capitation rates for the pilot  
27 projects; amending s. 430.701, F.S. ;  
28 prescribing duties of the agency with respect  
29 to limiting the diversion provider network;  
30 providing an effective date.

31

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

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

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

17           400.441 Rules establishing standards.--

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

1 shall adopt rules, policies, and procedures to administer this  
2 part, which must include reasonable and fair minimum standards  
3 in relation to:

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

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

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

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

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

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

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1           (d) For the purpose of initiating immediate  
2 prescreening and diversion assistance for individuals residing  
3 in nursing homes and in order to make families aware of  
4 alternative long-term care resources so that they may choose a  
5 more cost-effective setting for long-term placement, CARES  
6 staff shall conduct an assessment and review of a sample of  
7 individuals whose nursing home stay is expected to exceed 20  
8 days, regardless of the initial funding source for the nursing  
9 home placement. CARES staff shall provide counseling and  
10 referral services to these individuals regarding choosing  
11 appropriate long-term care alternatives. This paragraph does  
12 not apply to continuing care facilities licensed under chapter  
13 651 or to retirement communities that provide a combination of  
14 nursing home, independent living, and other long-term care  
15 services.

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

- 20           1. Rate of diversion to community alternative  
21 programs;
- 22           2. CARES program staffing needs to achieve additional  
23 diversions;
- 24           3. Reasons the program is unable to place individuals  
25 in less restrictive settings when such individuals desired  
26 such services and could have been served in such settings;
- 27           4. Barriers to appropriate placement, including  
28 barriers due to policies or operations of other agencies or  
29 state-funded programs; and  
30  
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1           5. Statutory changes necessary to ensure that  
2 individuals in need of long-term care services receive care in  
3 the least restrictive environment.

4           (f) The Department of Elderly Affairs shall track  
5 individuals over time who are assessed under the CARES program  
6 and who are diverted from nursing home placement. By January  
7 15 of each year, the department shall submit to the  
8 Legislature and the Office of Long-Term-Care Policy, a  
9 longitudinal study of the individuals who are diverted from  
10 nursing home placement. The study must include:

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

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

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

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

21           (g) By July 1, 2005, the department and the Agency for  
22 Health Care Administration shall report to the President of  
23 the Senate and the Speaker of the House of Representatives  
24 regarding the impact to the state of modifying level-of-care  
25 criteria to eliminate the Intermediate II level of care.

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

28           430.04 Duties and responsibilities of the Department  
29 of Elderly Affairs.--The Department of Elderly Affairs shall:

30           (2) Be responsible for ensuring that each area agency  
31 on aging operates in a manner to ensure that the elderly of



1 this state receive the best services possible. The department  
2 shall rescind designation of an area agency on aging or take  
3 intermediate measures against the agency, including corrective  
4 action, unannounced special monitoring, temporary assumption  
5 of operation of one or more programs by the department,  
6 placement on probationary status, imposing a moratorium on  
7 agency action, imposing financial penalties for  
8 nonperformance, or other administrative action pursuant to  
9 chapter 120, if the department finds that:

10 (a) An intentional or negligent act of the agency has  
11 materially affected the health, welfare, or safety of clients,  
12 or substantially and negatively affected the operation of an  
13 aging services program.

14 (b) The agency lacks financial stability sufficient to  
15 meet contractual obligations or that contractual funds have  
16 been misappropriated.

17 (c) The agency has committed multiple or repeated  
18 violations of legal and regulatory requirements or department  
19 standards.

20 (d) The agency has failed to continue the provision or  
21 expansion of services after the declaration of a state of  
22 emergency.

23 (e) The agency has exceeded its authority or otherwise  
24 failed to adhere to the terms of its contract with the  
25 department or has exceeded its authority or otherwise failed  
26 to adhere to the provisions specifically provided by statute  
27 or rule adopted by the department.

28 (f) The agency has failed to properly determine client  
29 eligibility as defined by the department or efficiently manage  
30 program budgets.

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1           Section 5. Section 430.041, Florida Statutes, is  
2 amended to read:

3           430.041 Office of Long-Term-Care Policy.--

4           (1) There is established ~~in the Department of Elderly~~  
5 ~~Affairs~~ the Office of Long-Term-Care Policy to evaluate the  
6 state's long-term-care service delivery system, ~~and~~ and make  
7 recommendations to increase the efficiency and effectiveness  
8 of government-funded long-term-care programs for availability  
9 ~~and the use of noninstitutional settings to provide care to~~  
10 the elderly, and to ensure coordination among the agencies  
11 responsible for setting policies for funding and for  
12 administering long-term-care programs for the elderly. The  
13 office shall be located in the Department of Elderly Affairs  
14 for administrative purposes only and shall not be subject to  
15 control, supervision, or direction by the department the  
16 ~~long term care continuum.~~

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

19           (a) Ensure close communication and coordination among  
20 state agencies involved in developing and administering a more  
21 efficient and coordinated long-term-care service delivery  
22 system in this state;

23           ~~(b) Identify duplication and unnecessary service~~  
24 ~~provision in the long term care system and make~~  
25 ~~recommendations to decrease inappropriate service provision;~~

26           (b)(c) Review current programs providing  
27 long-term-care services to the elderly, including those in  
28 home, community-based, and institutional settings, and review  
29 program evaluations to determine whether the programs are cost  
30 effective, of high quality, and operating efficiently and make  
31

1 recommendations to increase consistency and effectiveness in  
2 the state's long-term-care programs;

3 ~~(c)(d)~~ Develop specific implementation strategies and  
4 funding recommendations for promoting and implementing  
5 cost-effective home and community-based services as an  
6 alternative to institutional care, when appropriate, which  
7 coordinate and integrate the continuum of care needs of the  
8 elderly; and

9 (d) Recommend roles for state agencies that are  
10 responsible for administering long-term-care programs for the  
11 elderly and an organization framework for the planning,  
12 coordination, implementation, and evaluation of long-term-care  
13 programs for the elderly.

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

16 (3) The Director of the Office of Long-Term-Care  
17 Policy shall be appointed by, and serve at the pleasure of,  
18 the Governor. ~~The director shall report to, and be under the~~  
19 ~~general supervision of, the Secretary of Elderly Affairs and~~  
20 ~~shall not be subject to supervision by any other employee of~~  
21 ~~the department.~~

22 ~~(4) The Office of Long Term Care Policy shall have an~~  
23 ~~advisory council. The purposes of the advisory council are to~~  
24 ~~provide assistance and direction to the office and to ensure~~  
25 ~~that the appropriate state agencies are properly implementing~~  
26 ~~recommendations from the office.~~

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

28 ~~1. A member of the Senate, appointed by the President~~  
29 ~~of the Senate;~~

30 ~~2. A member of the House of Representatives, appointed~~  
31 ~~by the Speaker of the House of Representatives;~~

- 1           ~~3. The Secretary of Health Care Administration;~~  
 2           ~~4. The Secretary of Elderly Affairs;~~  
 3           ~~5. The Secretary of Children and Family Services;~~  
 4           ~~6. The Secretary of Health;~~  
 5           ~~7. The Executive Director of the Department of~~  
 6 ~~Veterans' Affairs;~~  
 7           ~~8. Three people with broad knowledge and experience in~~  
 8 ~~the delivery of long term care services, appointed by the~~  
 9 ~~Governor from groups representing elderly persons; and~~  
 10          ~~9. Two representatives of people using long term care~~  
 11 ~~services, appointed by the Governor from groups representing~~  
 12 ~~elderly persons.~~
- 13          ~~(b) The council shall elect a chair from among its~~  
 14 ~~membership to serve for a 1 year term. A chair may not serve~~  
 15 ~~more than two consecutive terms.~~
- 16          ~~(c) Members shall serve without compensation, but are~~  
 17 ~~entitled to receive reimbursement for travel and per diem as~~  
 18 ~~provided in s. 112.061.~~
- 19          ~~(d) The advisory council shall meet at the call of its~~  
 20 ~~chair or at the request of a majority of its members. During~~  
 21 ~~its first year of existence, the advisory council shall meet~~  
 22 ~~at least monthly.~~
- 23          ~~(e) Members of the advisory council appointed by the~~  
 24 ~~Governor shall serve at the pleasure of the Governor and shall~~  
 25 ~~be appointed to 4 year staggered terms in accordance with s.~~  
 26 ~~20.052.~~
- 27          (4)(5)(a) The Department of Elderly Affairs shall  
 28 provide administrative support and services to the Office of  
 29 Long-Term-Care Policy.
- 30          (b) The office shall call upon appropriate agencies of  
 31 state government, including the centers on aging in the State

1 University System, for assistance needed in discharging its  
2 duties.

3       (c) ~~Each state agency represented on the Office of~~  
4 ~~Long Term Care Policy Advisory Council shall make at least one~~  
5 ~~employee available to work with the Office of Long Term Care~~  
6 ~~Policy.~~ All state agencies and universities shall assist the  
7 office in carrying out its responsibilities prescribed by this  
8 section.

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

20       (e)~~(d)~~ Each state agency shall pay from its own funds  
21 any expenses related to its support of the Office of  
22 Long-Term-Care Policy ~~and its participation on the advisory~~  
23 ~~council. The Department of Elderly Affairs shall be~~  
24 ~~responsible for expenses related to participation on the~~  
25 ~~advisory council by members appointed by the Governor.~~

26       (6)~~(a)~~ By December 31 of each year 1, 2002, the office  
27 shall submit to the Governor, the President of the Senate, and  
28 the Speaker of the House of Representatives a advisory council  
29 ~~a preliminary~~ report of its activities, progress made in  
30 ~~findings and recommendations on~~ improving the long-term-care  
31 continuum in this state and make recommendations. The report

1 shall contain the activities completed by the office during  
2 the calendar year, a plan of activities for the following  
3 year, recommendations and implementation proposals for policy  
4 changes, and ~~as well as~~ legislative and funding  
5 recommendations that will make the system more effective and  
6 efficient. The report shall contain ~~a~~ specific implementation  
7 strategies, with timelines, ~~plan~~ for accomplishing the  
8 recommendations and proposals set out in the report.

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

12 ~~(b) The advisory council shall review and recommend~~  
13 ~~any suggested changes to the preliminary report, and each~~  
14 ~~subsequent annual update of the report, within 30 days after~~  
15 ~~the receipt of the preliminary report. Suggested revisions,~~  
16 ~~additions, or deletions shall be made to the Director of the~~  
17 ~~Office of Long Term Care Policy.~~

18 ~~(c) The office shall submit its final report, and each~~  
19 ~~subsequent annual update of the report, to the Governor and~~  
20 ~~the Legislature within 30 days after the receipt of any~~  
21 ~~revisions, additions, or deletions suggested by the advisory~~  
22 ~~council, or after the time such comments are due to the~~  
23 ~~office.~~

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

27 430.203 Community care for the elderly;  
28 definitions.--As used in ss. 430.201-430.207, the term:

29 (3) "Community care service system" means a service  
30 network comprising a variety of home-delivered services, day  
31 care services, and other basic services, hereinafter referred

1 to as "core services," for functionally impaired elderly  
 2 persons which are provided by or through ~~several agencies~~  
 3 ~~under the direction of~~ a single lead agency. Its purpose is  
 4 to provide a continuum of care encompassing a full range of  
 5 preventive, maintenance, and restorative services for  
 6 functionally impaired elderly persons.

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

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

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

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

28 430.205 Community care service system.--

29 (6) Notwithstanding other requirements of this  
 30 chapter, the Department of Elderly Affairs and the Agency for  
 31 Health Care Administration shall develop an ~~a model system to~~

1 ~~transition all state funded services for elderly individuals~~  
2 ~~in one of the department's planning and service areas to a~~  
3 ~~managed,~~ integrated long-term-care delivery system ~~under the~~  
4 ~~direction of a single entity.~~

5 (a) The duties of the integrated ~~model~~ system shall  
6 include organizing and administering service delivery for the  
7 elderly, obtaining contracts for services with providers in  
8 each service ~~the~~ area, monitoring the quality of services  
9 provided, determining levels of need and disability for  
10 payment purposes, and other activities determined by the  
11 department and the agency in order to operate an integrated  
12 ~~the model~~ system.

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

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

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

30 a. The agency shall seek federal waivers necessary to  
31 integrate these waiver programs.



1           b. The agency and the department shall reimburse  
2 providers for case management services on a capitated basis  
3 and develop uniform standards for case management in this  
4 fee-for-service Medicaid waiver program. The coordination of  
5 acute and chronic medical services for individuals shall be  
6 included in the capitated rate for case management services.

7           c. The agency and the department shall adopt any rules  
8 necessary to comply with or administer these requirements,  
9 effect and implement interagency agreements between the  
10 department and the agency, and comply with federal  
11 requirements.

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

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

1 of Children and Family Services, shall develop an  
2 implementation plan for no more than three lead agencies by  
3 October 31, 2004.

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

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

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

1           i. The department and the agency shall seek federal  
2 waivers necessary to implement the requirements of this  
3 section.

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

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

21           5. The agency, in consultation with the department,  
22 shall work with the fiscal agent for the Medicaid program to  
23 develop a service utilization reporting system that operates  
24 through the fiscal agent for the capitated plans.

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

26           1. The agency, in consultation with the department,  
27 shall monitor the newly integrated programs and report on the  
28 progress of those programs to the Governor, the President of  
29 the Senate, and the Speaker of the House of Representatives by  
30 June 30, 2006. The report must include an initial evaluation  
31 of the programs in their early stages following the evaluation

1 plan developed by the department, in consultation with the  
2 agency and the selected contractor.

3 2. The department shall monitor the pilot projects for  
4 resource centers on aging and report on the progress of those  
5 projects to the Governor, the President of the Senate, and the  
6 Speaker of the House of Representatives by June 30, 2006. The  
7 report must include an evaluation of the implementation  
8 process in its early stages.

9 3. The department, in consultation with the agency,  
10 shall integrate the database systems for the Comprehensive  
11 Assessment and Review of Long-Term Care (CARES) program and  
12 the Client Information and Referral Tracking System (CIRTS)  
13 into a single operating assessment information system by June  
14 30, 2006.

15 4. The agency, in consultation with the department  
16 shall integrate the Frail Elder Option into the Nursing Home  
17 Diversion pilot project and each program's funds into one  
18 capitated program serving the aged.

19 a. The department, in consultation with the agency,  
20 shall develop uniform standards for case management in this  
21 newly integrated capitated system.

22 b. The agency shall seek federal waivers necessary to  
23 integrate these programs.

24 c. The department, in consultation with the agency,  
25 shall adopt any rules necessary to comply with or administer  
26 these requirements, effect and implement interagency  
27 agreements between the department and the agency, and comply  
28 with federal requirements.

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

30 1. The agency, in consultation with the department,  
31 shall evaluate the Alzheimer's Disease waiver program and the

1 Adult Day Health Care waiver program to assess whether  
 2 providing limited intensive services through these waiver  
 3 programs produce better outcomes for individuals than  
 4 providing those services through the fee-for-service or  
 5 capitated programs that provide a larger array of services.

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

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

- 20 ~~1. Community care for the elderly funds;~~
- 21 ~~2. Home care for the elderly funds;~~
- 22 ~~3. Local services program funds;~~
- 23 ~~4. Contracted services funds;~~
- 24 ~~5. Alzheimer's disease initiative funds;~~
- 25 ~~6. Medicaid home and community based waiver services~~  
 26 ~~funds;~~
- 27 ~~7. Funds for all Medicaid services authorized in ss.~~  
 28 ~~409.905 and 409.906, including Medicaid nursing home services;~~  
 29 ~~and~~

1           ~~8. Funds paid for Medicare premiums, coinsurance and~~  
2 ~~deductibles for persons dually eligible for Medicaid and~~  
3 ~~Medicare as prescribed in s. 409.908(13).~~

4  
5 ~~The department and the agency shall not make payments for~~  
6 ~~services for people age 65 and older except through the model~~  
7 ~~delivery system.~~

8           ~~(c) The entity selected to administer the model system~~  
9 ~~shall develop a comprehensive health and long term care~~  
10 ~~service delivery system through contracts with providers of~~  
11 ~~medical, social, and long term care services sufficient to~~  
12 ~~meet the needs of the population age 65 and older. The entity~~  
13 ~~selected to administer the model system shall not directly~~  
14 ~~provide services other than intake, assessment, and referral~~  
15 ~~services.~~

16           ~~(d) The department shall determine which of the~~  
17 ~~department's planning and services areas is to be designated~~  
18 ~~as a model area by means of a request for proposals. The~~  
19 ~~department shall select an area to be designated as a model~~  
20 ~~area and the entity to administer the model system based on~~  
21 ~~demonstration of capacity of the entity to:~~

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

25           ~~2. Provide a comprehensive system of appropriate~~  
26 ~~medical and long term care services that provides high quality~~  
27 ~~medical and social services to assist older individuals in~~  
28 ~~remaining in the least restrictive setting;~~

29           ~~3. Demonstrate a quality assurance and quality~~  
30 ~~improvement system satisfactory to the department and the~~  
31 ~~agency;~~

- 1           4. ~~Develop a system to identify participants who have~~  
2 ~~special health care needs such as polypharmacy, mental health~~  
3 ~~and substance abuse problems, falls, chronic pain, nutritional~~  
4 ~~deficits, and cognitive deficits, in order to respond to and~~  
5 ~~meet these needs;~~
- 6           5. ~~Use a multidisciplinary team approach to~~  
7 ~~participant management which ensures that information is~~  
8 ~~shared among providers responsible for delivering care to a~~  
9 ~~participant;~~
- 10          6. ~~Ensure medical oversight of care plans and service~~  
11 ~~delivery, regular medical evaluation of care plans, and the~~  
12 ~~availability of medical consultation for case managers and~~  
13 ~~service coordinators;~~
- 14          7. ~~Develop, monitor, and enforce quality of care~~  
15 ~~requirements;~~
- 16          8. ~~Secure subcontracts with providers of medical,~~  
17 ~~nursing home, and community based long term care services~~  
18 ~~sufficient to assure access to and choice of providers;~~
- 19          9. ~~Ensure a system of case management and service~~  
20 ~~coordination which includes educational and training standards~~  
21 ~~for case managers and service coordinators;~~
- 22          10. ~~Develop a business plan that considers the ability~~  
23 ~~of the applicant to organize and operate a risk bearing~~  
24 ~~entity;~~
- 25          11. ~~Furnish evidence of adequate liability insurance~~  
26 ~~coverage or an adequate plan of self insurance to respond to~~  
27 ~~claims for injuries arising out of the furnishing of health~~  
28 ~~care; and~~
- 29          12. ~~Provide, through contract or otherwise, for~~  
30 ~~periodic review of its medical facilities as required by the~~  
31 ~~department and the agency.~~



1  
2 ~~The department shall give preference in selecting an area to~~  
3 ~~be designated as a model area to that in which the~~  
4 ~~administering entity is an existing area agency on aging or~~  
5 ~~community care for the elderly lead agency demonstrating the~~  
6 ~~ability to perform the functions described in this paragraph.~~

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

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

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

26 ~~2. The agency and the department may develop~~  
27 ~~innovative risk sharing agreements that limit the level of~~  
28 ~~custodial nursing home risk that the administering entity~~  
29 ~~assumes, consistent with the intent of the Legislature to~~  
30 ~~reduce the use and cost of nursing home care. Under~~  
31 ~~risk sharing arrangements, the agency and the department may~~

1 ~~reimburse the administering entity for the cost of providing~~  
2 ~~nursing home care for Medicaid eligible participants who have~~  
3 ~~been permanently placed and remain in nursing home care for~~  
4 ~~more than 1 year.~~

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

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

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

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

30 Section 8. Section 430.2053, Florida Statutes, is  
31 created to read:

1           430.2053 Aging resource centers.--

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

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

1 them to the department prior to July 1, 2005. The department  
2 may transition additional area agencies to aging resource  
3 centers as it determines that area agencies are in compliance  
4 with the requirements of this section.

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

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

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

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

30 (a) To provide Florida's elders and their families  
31 with a locally focused, coordinated approach to integrating

1 information and referral for all available services for elders  
2 with the eligibility determination entities for state and  
3 federally funded long-term-care services.

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

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

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

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

31

1       (c) Determine eligibility for the programs and  
2 services listed in subsection (11) for persons residing within  
3 the geographic area served by the aging resource center and  
4 determine a priority ranking for services which is based upon  
5 the potential recipient's frailty level and likelihood of  
6 institutional placement without such services.

7       (d) Manage the availability of financial resources for  
8 the programs and services listed in subsection (11) for  
9 persons residing within the geographic area served by the  
10 aging resource center.

11       (e) When financial resources become available, refer a  
12 client to the most appropriate entity to begin receiving  
13 services. The aging resource center shall make referrals to  
14 lead agencies for service provision that ensure that  
15 individuals who are vulnerable adults in need of services  
16 pursuant to s. 415.104(3)(b), or who are victims of abuse,  
17 neglect, or exploitation in need of immediate services to  
18 prevent further harm and are referred by the adult protective  
19 services program, are given primary consideration for  
20 receiving community-care-for-the-elderly services in  
21 compliance with the requirements of s. 430.205(5)(a) and that  
22 other referrals for services are in compliance with s.  
23 430.205(5)(b).

24       (f) Convene a work group to advise in the planning,  
25 implementation, and evaluation of the aging resource center.  
26 The work group shall be comprised of representatives of local  
27 service providers, Alzheimer's Association chapters, housing  
28 authorities, social service organizations, advocacy groups,  
29 representatives of clients receiving services through the  
30 aging resource center, and any other persons or groups as  
31 determined by the department. The aging resource center, in

1 consultation with the work group, must develop annual program  
2 improvement plans that shall be submitted to the department  
3 for consideration. The department shall review each annual  
4 improvement plan and make recommendations on how to implement  
5 the components of the plan.

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

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

21 (a) Expertise in the needs of each target population  
22 the center proposes to serve and a thorough knowledge of the  
23 providers that serve these populations.

24 (b) Strong connections to service providers, volunteer  
25 agencies, and community institutions.

26 (c) Expertise in information and referral activities.

27 (d) Knowledge of long-term-care resources, including  
28 resources designed to provide services in the least  
29 restrictive setting.

30 (e) Financial solvency and stability.

31

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

4        (g) Commitment to adequate staffing by qualified  
5 personnel to effectively perform all functions.

6        (h) Ability to meet all performance standards  
7 established by the department.

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

13        (8) The aging resource center may not be a provider of  
14 direct services other than information and referral services  
15 and screening.

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

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

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

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

31



1           (11) The services to be administered through the aging  
2 resource center shall include those funded by the following  
3 programs:

4           (a) Community care for the elderly.

5           (b) Home care for the elderly.

6           (c) Contracted services.

7           (d) Alzheimer's disease initiative.

8           (e) Aged and disabled adult Medicaid waiver.

9           (f) Assisted living for the frail elderly Medicaid  
10 waiver.

11           (g) Older Americans Act.

12           (12) The department shall, prior to designation of an  
13 aging resource center, develop by rule operational and quality  
14 assurance standards and outcome measures to ensure that  
15 clients receiving services through all long-term-care programs  
16 administered through an aging resource center are receiving  
17 the appropriate care they require and that contractors and  
18 subcontractors are adhering to the terms of their contracts  
19 and are acting in the best interests of the clients they are  
20 servicing, consistent with the intent of the Legislature to  
21 reduce the use of and cost of nursing home care. The  
22 department shall by rule provide operating procedures for  
23 aging resource centers, which shall include:

24           (a) Minimum standards for financial operation,  
25 including audit procedures.

26           (b) Procedures for monitoring and sanctioning of  
27 service providers.

28           (c) Minimum standards for technology utilized by the  
29 aging resource center.

30           (d) Minimum staff requirements which shall ensure that  
31 the aging resource center employs sufficient quality and

1 quantity of staff to adequately meet the needs of the elders  
2 residing within the area served by the aging resource center.

3 (e) Minimum accessibility standards, including hours  
4 of operation.

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

10 (g) Minimum education and experience requirements for  
11 executive directors and other executive staff positions of  
12 aging resource centers.

13 (h) Minimum requirements regarding any executive staff  
14 positions that the aging resource center must employ and  
15 minimum requirements that a candidate must meet in order to be  
16 eligible for appointment to such positions.

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

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

29 (15) Each aging resource center shall enter into a  
30 memorandum of understanding with the Department of Children  
31 and Family Services for collaboration with the Economic

1 Self-Sufficiency Unit staff. The memorandum of understanding  
2 shall outline which staff persons are responsible for which  
3 functions and shall provide the staffing levels necessary to  
4 carry out the functions of the aging resource center.

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

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

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

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

31

1       (b) The department and the agency may determine for  
2 each area served by an aging resource center whether it is  
3 appropriate, consistent with federal and state laws and  
4 regulations, to develop and pay separate capitated rates for  
5 each program administered through the aging resource center or  
6 to develop and pay capitated rates for service packages which  
7 include more than one program or service administered through  
8 the aging resource center.

9       (c) Once capitation rates have been developed and  
10 certified as actuarially sound, the department and the agency  
11 may pay service providers the capitated rates for services  
12 when appropriate.

13       (d) The department, in consultation with the agency,  
14 shall annually reevaluate and recertify the capitation rates,  
15 adjusting forward to account for inflation, programmatic  
16 changes.

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

23           (a) Medicaid nursing home services.

24           (b) Medicaid transportation services.

25           (c) Medicaid hospice care services.

26           (d) Medicaid intermediate care services.

27           (e) Medicaid prescribed drug services.

28           (f) Medicaid assistive care services.

29           (g) Any other long-term-care program or Medicaid  
30 service.

31

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

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

6           430.502 Alzheimer's disease; memory disorder clinics  
7 and day care and respite care programs.--

8           (1) There is established:

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

11           (b) A memory disorder clinic at a major private  
12 nonprofit research-oriented teaching hospital, and may fund a  
13 memory disorder clinic at any of the other affiliated teaching  
14 hospitals;

15           (c) A memory disorder clinic at the Mayo Clinic in  
16 Jacksonville;

17           (d) A memory disorder clinic at the West Florida  
18 Regional Medical Center;

19           (e) The East Central Florida Memory Disorder Clinic at  
20 the Joint Center for Advanced Therapeutics and Biomedical  
21 Research of the Florida Institute of Technology and Holmes  
22 Regional Medical Center, Inc.;

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

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

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

31

1 (i) A memory disorder clinic at Tallahassee Memorial  
2 Healthcare;

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

5 (k) A memory disorder clinic at Sarasota Memorial  
6 Hospital in Sarasota County; ~~and,~~

7 (l) A memory disorder clinic at Morton Plant Hospital,  
8 Clearwater, in Pinellas County,

9  
10 for the purpose of conducting research and training in a  
11 diagnostic and therapeutic setting for persons suffering from  
12 Alzheimer's disease and related memory disorders. However,  
13 memory disorder clinics funded as of June 30, 1995, shall not  
14 receive decreased funding due solely to subsequent additions  
15 of memory disorder clinics in this subsection.

16 Section 10. Subsection (7) of section 430.703, Florida  
17 Statutes, is amended to read:

18 430.703 Definitions.--As used in this act, the term:

19 (7) "Other qualified provider" means an entity  
20 licensed under chapter 400 that demonstrates a long-term care  
21 continuum, ~~posts a \$500,000 performance bond,~~ and meets ~~all~~  
22 ~~the financial and quality assurance requirements for a~~  
23 ~~provider service network as specified in s. 409.912 and all~~  
24 requirements pursuant to an interagency agreement between the  
25 agency and the department.

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

28 430.7031 Nursing home transition program.--The  
29 department and the Agency for Health Care Administration:

30 (2) Shall collaboratively work to identify ~~long stay~~  
31 nursing home residents who are able to move to community

1 placements, and to provide case management and supportive  
 2 services to such individuals while they are in nursing homes  
 3 to assist such individuals in moving to less expensive and  
 4 less restrictive settings. CARES program staff shall annually  
 5 review at least 20 percent of the case files for nursing home  
 6 residents who are Medicaid recipients to determine which  
 7 nursing home residents are able to move to community  
 8 placements.

9 Section 12. Section 430.705, Florida Statutes, is  
 10 amended to read:

11 430.705 Implementation of the long-term care community  
 12 diversion pilot projects.--

13 (1) In designing and implementing the community  
 14 diversion pilot projects, the department shall work in  
 15 consultation with the agency.

16 (2) The department shall select projects whose design  
 17 and providers demonstrate capacity to maximize the placement  
 18 of participants in the least restrictive appropriate care  
 19 setting. The department shall select providers that have a  
 20 plan administrator who is dedicated to the diversion pilot  
 21 project and project staff who perform the necessary project  
 22 administrative functions, including data collection,  
 23 reporting, and analysis. The department shall select providers  
 24 that:

25 (a) Are determined by the Department of Financial  
 26 Services to:

- 27 1. Meet surplus requirements specified in s. 641.225;
- 28 2. Demonstrate the ability to comply with the  
 29 standards for financial solvency specified in s. 641.285;
- 30 3. Demonstrate the ability to provide for the prompt  
 31 payment of claims as specified in s. 641.3155; and

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

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

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

10           (4) Pursuant to 42 C.F.R. s. 438.6(c), the agency, in  
11 consultation with the department, shall annually reevaluate  
12 and recertify the capitation rates for the diversion pilot  
13 projects. The agency, in consultation with the department,  
14 shall secure the utilization and cost data for Medicaid and  
15 Medicare beneficiaries served by the program which shall be  
16 used in developing rates for the diversion pilot projects.

17           (5) In order to achieve rapid enrollment into the  
18 program and efficient diversion of applicants from nursing  
19 home care, the department and the agency shall allow  
20 enrollment of Medicaid beneficiaries on the date that  
21 eligibility for the community diversion pilot project is  
22 approved. The provider shall receive a prorated capitated rate  
23 for those enrollees who are enrolled after the first of each  
24 month.

25           (6)(3) The department shall provide to prospective  
26 participants a choice of participating in a community  
27 diversion pilot project or any other appropriate placement  
28 available. To the extent possible, individuals shall be  
29 allowed to choose their care providers, including long-term  
30 care service providers affiliated with an individual's  
31 religious faith or denomination.



1           (7)~~(4)~~ The department shall enroll participants.  
 2 Providers shall not directly enroll participants in community  
 3 diversion pilot projects.

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

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

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

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

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

12          ~~(e) The adequacy of community based long term care~~  
 13 ~~service providers.~~

14          (8)~~(6)~~ The department may require participants to  
 15 contribute to their cost of care in an amount not to exceed  
 16 the cost-sharing required of Medicaid-eligible nursing home  
 17 residents.

18          (9)~~(7)~~ Community diversion pilot projects must:

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

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

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

26           (d) Provide skilled and intermediate nursing facility  
 27 care for participants who cannot be adequately cared for in  
 28 noninstitutional settings.

29           Section 13. Section 430.701, Florida Statutes, is  
 30 amended to read:

31           430.701 Legislative findings and intent.--

1        (1) The Legislature finds that state expenditures for  
2 long-term care services continue to increase at a rapid rate  
3 and that Florida faces increasing pressure in its efforts to  
4 meet the long-term care needs of the public. It is the intent  
5 of the Legislature that the Department of Elderly Affairs, in  
6 consultation with the Agency for Health Care Administration,  
7 implement long-term care community diversion pilot projects to  
8 test the effectiveness of managed care and outcome-based  
9 reimbursement principles when applied to long-term care.

10        (2) The agency may seek federal approval in advance of  
11 approval of its formal waiver application to limit the  
12 diversion provider network by freezing enrollment of providers  
13 at current levels when an area already has three or more  
14 providers or, in an expansion area, when enrollment reaches a  
15 level of three providers. This subsection does not prevent the  
16 department from approving a provider to expand service to  
17 additional counties within a planning and service area for  
18 which the provider is already approved to serve.

19        Section 14. This act shall take effect upon becoming a  
20 law.

31