SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1658

SPONSOR: Finance and Taxation Committee and Senator Diaz de la Portilla

SUBJECT: Public Health Services

DATE: March 25, 2004 REVISED: _____ _____ _____ _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Wilson	HC	Fav/1 Amendment
2.	Keating	Johansen	FT	Fav/CS
3.			AHS	
4.			AP	
5.				
6.				

I. Summary:

The bill creates a 2-year pilot program in Miami-Dade County to provide 90 days of transitional care between a hospital and the child's home. The subacute pediatric transitional care pilot program will support the patient's transition from hospital to home and provide parent training with the goal of reducing return hospital visits. The Agency for Health Care Administration must report to the Legislature concerning the progress of the pilot program by January 1, 2006, and must report on the success of the program by January 1, 2007.

II. Present Situation:

According to Rule 59G-1.010(164) and (165), F.A.C., the Florida Medicaid program defines medically complex individuals as having a chronic debilitating disease or condition of one or more physiological or organ systems that generally make the person dependent upon 24-hour medical, nursing or health supervision or intervention. Medically fragile individuals have a medically complex condition and require medical procedures or apparatus to sustain life.

Children in Florida who need complex medical services or therapeutic interventions may be served in one of six licensed settings: a hospital, a nursing home, a medical foster care home, a group home, an intermediate care facility for the developmentally disabled, or a prescribed pediatric extended care (PPEC) center. All of these are residential settings except for the PPEC center which provides services for a period of no more than 12 hours per day. Services in each of these settings are covered by Medicaid, for Medicaid-eligible individuals.

Presently, the primary services available to medically complex or fragile children through the Medicaid program include private duty nursing, personal care, medical foster care, developmental services waiver, prescribed pediatric extended care (PPEC) and skilled nursing

facility services, durable medical equipment, and speech, physical and respiratory therapy. The most costly of these services between 1998 and 2002 were the developmental services waiver ($2.7 million), private duty nursing ($3.3 million), durable medical equipment ($1.1 million) and speech language pathology (approximately $60,000).

Part IX of chapter 400, F.S., establishes PPEC centers, which are non-residential health care centers that provide the needed continuum of care for children whose needs are medically complex. A PPEC is a facility that provides basic nonresidential services to three or more medically dependent or technologically dependent children who are not related to the owner or operator by blood, marriage, or adoption and who require such services. The hours that a child is allowed to attend a PPEC is limited to 12-hours within a 24-hour period. Infants and children considered for admission to a PPEC center must have complex medical conditions that require continual care. Prerequisites for admission are a prescription from the child's attending physician and consent of a parent or guardian. The Agency for Health Care Administration (AHCA) licenses and regulates PPEC facilities. Currently there are 26 licensed PPECs throughout the state serving approximately 754 children. The Medicaid per diem rate for a full day (over 4 hours to 12 hours per day) is $160.05. A half-day (4 hours or less) is calculated in units of an hour at $20.61 per hour.

Children served in existing PPEC facilities are, predominantly, being cared for by their families, with the PPECs providing up to 12 hours of care and training to family members in care techniques. Advocates for the establishment of residential facilities to serve these children describe the difficulties and stresses associated with the demands of caring for the children for the remaining twelve hours of the day. No data is available on this issue.

Residential services can be provided to medically fragile and technologically dependent children in a skilled nursing facility (SNF) licensed under chapter 400, Part II, Florida Statutes, and certified to participate in the Medicaid program by AHCA. Currently, there are 6 nursing facilities that provide special services to children throughout the state. The CMS program's, Children's Multidisciplinary Assessment Team, provides the recommendation for the level of care at a nursing facility for an individual under the age of 21. Currently, there are 136 beds designated for pediatric services in Florida nursing facilities. As of January 2004, the average Medicaid reimbursement per diem for pediatric residents in nursing homes is $364.79, based on an average nursing home per diem of $153.20, plus a supplemental amount for Fragile Under 21 of $211.59.

Other residential services available for medically complex children include group homes licensed through the Department of Children and Family Services (DCF), Office of Developmental Services (DS). A DS group home is a residential facility that provides a family living environment including supervision and care necessary to meet the physical, emotional, and social needs of its residents. The capacity of a group home must be at least 4 residents but not more than 15 residents. Currently, there are 10 group homes in the state providing services to 86 medically complex pediatric residents. Hospitals serving pediatric patients may also have a population that would qualify for these services; however, no current data is available to estimate the number of children that would be appropriate for this service. Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) may also have residents that meet the criteria for

medically fragile or technologically dependent children. Currently there are 107 licensed ICF-DD facilities in Florida serving approximately 121 children.

The 2002 Legislature enacted an initiative to create a subacute pediatric prescribed extended alternative care (SPPEAC) center in chapter 2002-400, L.O.F., by authorizing a pilot program to provide SPPEAC services to a maximum of 30 children in the Dade County area utilizing existing beds in a licensed hospital or nursing facility. The law also directed AHCA to amend the Medicaid state plan or seek waiver authority to implement the pilot project. The waiver was granted in December 2002 for the pilot project and a Request for Proposal process was begun. However the project was only funded for one year, expiring June 30, 2003, and it was expected that additional funds to extend the project would likely not be available. Any further funding for SPPEAC services would require legislative action and approval through the federal Centers for Medicare and Medicaid Services.

Additionally, Chapter 2002-400, Laws of Florida, directed AHCA, in cooperation with the Children's Medical Services Program (CMS) in the Department of Health (DOH) to conduct a study to identify the total number of children who are medically fragile or dependent on medical technology, from birth through age 21, in Florida. The report of these findings was submitted to the Legislature on February 14, 2003. According to that report, there are three primary state funding sources that provide services to medically complex or fragile children: they are Florida Medicaid, through AHCA; DOH's CMS program; and the Department of Financial Services (DFS) Birth Related Neurological Injury Compensation Association (NICA). Overall, 66,702 children who received Medicaid benefits in FY 2001-2002 met the medically complex or fragile definition. The total cost for serving these individuals was approximately $363.8 million. In addition, 8,424 medically complex children received services through Title XXI programs (Florida KidCare), 6,032 were assisted through CMS programs; 87 children are covered under DFS' NICA program.

III. Effect of Proposed Changes:

Section 1. The bill requires the Agency for Health Care Administration (ACHA) to establish, within 30 days after the effective date of this act, minimum staffing standards and quality requirements for a subacute pediatric transitional care center (center) to be operated as a 2-year pilot program in Miami-Dade County. The pilot program must operate under the license of a facility licensed under chapter 395 (hospitals) or chapter 400 (nursing homes or related health care facilities). A child’s placement in the center may not exceed 90 days.

The pilot program must support the transition of a pediatric patient from an acute care hospital setting to the child’s home and provide training to parents to enable them to care for their child on a daily basis with the goal of reducing return hospital visits. The center shall arrange for an alternative placement at the end of a child’s stay.

Within 60 days after the effective date of this act, ACHA must apply for a 2-year extension of the waiver granted to Florida for a Subacute Pediatric Transitional Care Center Pilot Program and, if the extension is not granted, must amend the state Medicaid plan and request any federal waivers necessary to implement and fund the pilot program.

The center must require level 1 background screening as provided in chapter 435 for all employees or prospective employees of the center who are expected to provide personal care or services to children, who have access to children's living areas, or who have access to children's funds or personal property.

The bill requires that the center have an advisory board and outlines the duties and responsibilities of the board. The membership on the advisory board must include, but is not limited to the following professionals who have experience working with children who are medically fragile or dependent on medical technology and their families:

- A physician and an advanced registered nurse practitioner;
- A registered nurse;
- A child development specialist;
- A social worker; and
- A consumer representative who is a parent or guardian of a child placed in the center.

The center must have written policies and procedures governing the admission, transfer, and discharge of children. Each Medicaid admission must be approved by the Children's Medical Services Multidisciplinary Assessment Team of the Department of Health.

Each child admitted to the center must be admitted upon prescription of the medical director of the center and must meet at least the following criteria:

- The child must be medically fragile or dependent on medical technology;
- The child may not, prior to admission, present significant risk of infection to other children or personnel; and
- The child must be medically stabilized and require skilled nursing care or other intervention.

If the child meets the admission requirements, the medical director or nursing director of the center shall implement a pre-admission plan that delineates services to be provided. If the child is hospitalized at the time of referral, pre-admission planning must include participation of the child's parent or guardian and relevant medical, nursing, social services, and developmental staff.

A consent form outlining the purposes of the center, family responsibilities, authorized treatment, appropriate release of liability, and emergency disposition plans must be signed by the parent or guardian and witnessed before the child is admitted to the center.

Section 2. The bill requires that by January 1, 2006, ACHA must report to the Legislature concerning the progress of the pilot program.

Section 3. The bill requires that by January 1, 2007, ACHA must report to the Legislature concerning the success of the pilot program.

Section 4. Provides that the bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Families of children who are medically fragile or dependent on medical technology who qualify for admission to the subacute pediatric transitional care center will have an addition resource for the care of their children. The pilot program will support the patient's transition from hospital to home and provide parent training with the goal of reducing return hospital visits.

C. Government Sector Impact:

The Agency for Health Care Administration must establish a subacute pediatric transitional care center to be operated as a 2-year pilot program in Miami-Dade County. The bill does not indicate how the program will be funded, however, since the bill requires a Medicaid waiver and many of the children will be Medicaid eligible, the program will most likely be Medicaid funded. In addition, the bill requires ACHA to report to the Legislature concerning the progress of the pilot program by January 1, 2006, and report to the Legislature concerning the success of the pilot program by January 1, 2007.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.