

1 A bill to be entitled

2 An act relating to services for the elderly; amending s.
3 400.441, F.S.; requiring facilities to conduct resident
4 elopement drills; amending s. 409.912, F.S.; allowing
5 contracting for certain CARES program functions; requiring
6 assessment and review of certain nursing home placements;
7 requiring a database to track individuals assessed under
8 the CARES program and diverted from nursing home care;
9 requiring an annual study on individuals diverted from
10 nursing home placement; requiring a report on modifying
11 level of care criteria; amending s. 430.205, F.S.;
12 requiring development of a managed care delivery system
13 for Medicaid services; providing for submission to the
14 Governor and Legislature of a plan to include Medicare in
15 an integrated long-term-care system; providing for
16 integration of Medicare and Medicaid services; creating s.
17 430.2071, F.S.; requiring integration of certain home and
18 community-based Medicaid waiver programs; requiring a
19 specific funding level after integration; requiring the
20 agency to seek waivers or amendments to waivers as
21 necessary; providing that the agency may reimburse
22 providers; requiring rules; requiring the department and
23 agency to study and develop a plan to integrate certain
24 databases; requiring that such plan be submitted to the
25 Governor and Legislature; requiring evaluations of the
26 plan and certain services; amending s. 430.041, F.S.;
27 revising duties to the Office of Long-Term-Care Policy;
28 removing the advisory council of the Office of Long-Term-

29 Care Policy; providing for an interagency coordinating
30 team; revising requirements for reports; amending s.
31 430.203, F.S.; revising requirements for the community
32 care service system; revising requirements for competitive
33 bidding exemptions; requiring all services to be delivered
34 directly by or through lead agencies; amending s.
35 430.7031, F.S.; requiring CARES program staff to review a
36 percentage of case files; creating s. 430.2053, F.S.;
37 requiring pilot projects for aging resource centers;
38 requiring an implementation plan; requiring that area
39 agencies on aging submit proposals for transition to aging
40 resource centers; requiring a review of the department's
41 process for determining readiness; specifying purposes and
42 duties of an aging resource center; requiring integration
43 of certain functions of other state agencies; specifying
44 criteria for selection of entities to become aging
45 resource centers; specifying the duties and
46 responsibilities of community-care-for-the-elderly
47 providers in an area served by an aging resource center;
48 specifying programs administered by an aging resource
49 center; requiring rules; allowing capitated payments;
50 requiring reports; amending s. 430.703, F.S.; revising
51 requirements for other qualified providers; amending s.
52 430.705, F.S.; providing additional requirements for long-
53 term-care community diversion pilot projects; providing
54 legislative findings; requiring a demonstration project;
55 requiring rules; requiring integration of certain managed
56 care programs; amending s. 430.502, F.S.; designating a

57 | Memory Disorder Clinic; amending s. 1004.445, F.S.;
 58 | providing for appointments to the board of the Alzheimer's
 59 | Center; requiring a report; making contingent on an
 60 | appropriation; providing an effective date.

61 |
 62 | Be It Enacted by the Legislature of the State of Florida:

63 |
 64 | Section 1. Paragraph (1) is added to subsection (1) of
 65 | section 400.441, Florida Statutes, to read:

66 | 400.441 Rules establishing standards.--

67 | (1) It is the intent of the Legislature that rules
 68 | published and enforced pursuant to this section shall include
 69 | criteria by which a reasonable and consistent quality of
 70 | resident care and quality of life may be ensured and the results
 71 | of such resident care may be demonstrated. Such rules shall also
 72 | ensure a safe and sanitary environment that is residential and
 73 | noninstitutional in design or nature. It is further intended
 74 | that reasonable efforts be made to accommodate the needs and
 75 | preferences of residents to enhance the quality of life in a
 76 | facility. In order to provide safe and sanitary facilities and
 77 | the highest quality of resident care accommodating the needs and
 78 | preferences of residents, the department, in consultation with
 79 | the agency, the Department of Children and Family Services, and
 80 | the Department of Health, shall adopt rules, policies, and
 81 | procedures to administer this part, which must include
 82 | reasonable and fair minimum standards in relation to:

83 | (1) The establishment of specific policies and procedures
 84 | on resident elopement. Facilities shall conduct a minimum of two

85 resident elopement drills per year. All administrators and
86 direct care staff shall participate in the drills. Facilities
87 shall document the drills.

88 Section 2. Paragraph (h) of subsection (4) and subsection
89 (15) of section 409.912, Florida Statutes, are amended to read:

90 409.912 Cost-effective purchasing of health care.--The
91 agency shall purchase goods and services for Medicaid recipients
92 in the most cost-effective manner consistent with the delivery
93 of quality medical care. The agency shall maximize the use of
94 prepaid per capita and prepaid aggregate fixed-sum basis
95 services when appropriate and other alternative service delivery
96 and reimbursement methodologies, including competitive bidding
97 pursuant to s. 287.057, designed to facilitate the cost-
98 effective purchase of a case-managed continuum of care. The
99 agency shall also require providers to minimize the exposure of
100 recipients to the need for acute inpatient, custodial, and other
101 institutional care and the inappropriate or unnecessary use of
102 high-cost services. The agency may establish prior authorization
103 requirements for certain populations of Medicaid beneficiaries,
104 certain drug classes, or particular drugs to prevent fraud,
105 abuse, overuse, and possible dangerous drug interactions. The
106 Pharmaceutical and Therapeutics Committee shall make
107 recommendations to the agency on drugs for which prior
108 authorization is required. The agency shall inform the
109 Pharmaceutical and Therapeutics Committee of its decisions
110 regarding drugs subject to prior authorization.

111 (4) The agency may contract with:

112 (h) An entity authorized in s. 430.705(10) ~~430.205~~ to
 113 contract with the agency and the Department of Elderly Affairs
 114 to provide health care and social services on a prepaid or
 115 fixed-sum basis to elderly recipients. Such prepaid health care
 116 services entities are exempt from the provisions of part I of
 117 chapter 641 for the first 3 years of operation. An entity
 118 recognized under this paragraph that demonstrates to the
 119 satisfaction of the Office of Insurance Regulation that it is
 120 backed by the full faith and credit of one or more counties in
 121 which it operates may be exempted from s. 641.225.

122 (15)(a) The agency shall operate the Comprehensive
 123 Assessment and Review and Evaluation for Long-Term Care Services
 124 (CARES) nursing facility preadmission screening program to
 125 ensure that Medicaid payment for nursing facility care is made
 126 only for individuals whose conditions require such care and to
 127 ensure that long-term care services are provided in the setting
 128 most appropriate to the needs of the person and in the most
 129 economical manner possible. The CARES program shall also ensure
 130 that individuals participating in Medicaid home and community-
 131 based waiver programs meet criteria for those programs,
 132 consistent with approved federal waivers.

133 (b) The agency shall operate the CARES program through an
 134 interagency agreement with the Department of Elderly Affairs.
 135 The agency, with agreement from the Department of Elderly
 136 Affairs, may contract for any function or activity of the CARES
 137 program, including any function or activity required by 42
 138 C.F.R. part 483.20, relating to preadmission screening and
 139 resident review, if the agency and the department can

140 demonstrate that contracting for such a function will result in
 141 a savings to the state and increased efficiency and
 142 accountability.

143 (c) Prior to making payment for nursing facility services
 144 for a Medicaid recipient, the agency must verify that the
 145 nursing facility preadmission screening program has determined
 146 that the individual requires nursing facility care and that the
 147 individual cannot be safely served in community-based programs.
 148 The nursing facility preadmission screening program shall refer
 149 a Medicaid recipient to a community-based program if the
 150 individual could be safely served at a lower cost and the
 151 recipient chooses to participate in such program.

152 (d) For the purpose of initiating immediate prescreening
 153 and diversion assistance for individuals residing in nursing
 154 homes and in order to make families aware of alternative long-
 155 term-care resources so that they may choose a more cost-
 156 effective setting for long-term placement, within existing
 157 appropriated staffing, CARES staff shall conduct an assessment
 158 and review of a sample of individuals whose nursing home stay is
 159 expected to exceed 20 days, regardless of the initial funding
 160 source for the nursing home placement. CARES staff shall provide
 161 counseling and referral services to these individuals regarding
 162 choosing a facility. This paragraph does not apply to continuing
 163 care facilities licensed under chapter 651 or to retirement
 164 communities that provide a combination of nursing home,
 165 independent living, and other long-term-care services.

166 (e)~~(d)~~ By January 15 ~~±~~ of each year, the agency shall
 167 submit a report to the President of the Senate, the Speaker of

168 | the House of Representatives, Legislature and the Office of
 169 | Long-Term-Care Policy describing the operations of the CARES
 170 | program. The report must describe:

171 | 1. Rate of diversion to community alternative programs;

172 | 2. CARES program staffing needs to achieve additional
 173 | diversions;

174 | 3. Reasons the program is unable to place individuals in
 175 | less restrictive settings when such individuals desired such
 176 | services and could have been served in such settings;

177 | 4. Barriers to appropriate placement, including barriers
 178 | due to policies or operations of other agencies or state-funded
 179 | programs; and

180 | 5. Statutory changes necessary to ensure that individuals
 181 | in need of long-term care services receive care in the least
 182 | restrictive environment.

183 | (f) Subject to available appropriations, the Department of
 184 | Elderly Affairs shall develop a database to track individuals
 185 | over time who are assessed under the CARES program and who are
 186 | diverted from nursing home placement. By January 15 of each
 187 | year, the department shall submit to the President of the
 188 | Senate, the Speaker of the House of Representatives, and the
 189 | Office of Long-Term-Care Policy a longitudinal study of the
 190 | individuals who are diverted from nursing home placement. The
 191 | study must include:

192 | 1. The demographic characteristics of the individuals
 193 | assessed and diverted from nursing home placement, including,
 194 | but not limited to, age, race, gender, frailty, caregiver
 195 | status, living arrangements, and geographic location.

196 2. A summary of community services provided to individuals
 197 for 1 year after assessment and diversion.

198 3. A summary of inpatient hospital admissions for
 199 individuals who have been diverted.

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

202 (g) By July 1, 2005, the department and the Agency for
 203 Health Care Administration shall report to the President of the
 204 Senate and the Speaker of the House of Representatives regarding
 205 the impact to the state of modifying level of care criteria to
 206 eliminate the Intermediate II level of care.

207 Section 3. Subsection (6) of section 430.205, Florida
 208 Statutes, is amended to read:

209 430.205 Community care service system.--

210 (6) Notwithstanding other requirements of this chapter,
 211 the department ~~of Elderly Affairs~~ and the Agency for Health Care
 212 Administration shall ~~develop a model system to~~ transition all
 213 Medicaid state-funded services for elderly individuals in
 214 portions of one or more of the department's planning and service
 215 areas, including both rural and urban areas, to a managed,
 216 ~~integrated long-term-care delivery system under the direction of~~
 217 ~~a single entity.~~

218 (a) The duties of each managed care organization, or other
 219 qualified provider as defined in s. 430.703, contracted to
 220 operate the managed ~~the model~~ system shall include organizing
 221 and administering service delivery for the elderly, obtaining
 222 contracts for services with providers in the area, monitoring
 223 the quality of services provided, ~~determining levels of need and~~

224 ~~disability for payment purposes,~~ and other activities determined
 225 by the department and the agency in order to operate the managed
 226 ~~model~~ system.

227 (b) The agency and the department shall integrate all
 228 funding for Medicaid services to individuals over the age of 60
 229 ~~65~~ in the managed system ~~model planning and service areas~~ into a
 230 single per-person per-month payment rate, except that funds for
 231 Medicaid behavioral health care services are exempt from this
 232 section. The funds to be integrated shall include:

- 233 ~~1. Community care for the elderly funds;~~
- 234 ~~2. Home care for the elderly funds;~~
- 235 ~~3. Local services program funds;~~
- 236 ~~4. Contracted services funds;~~
- 237 ~~5. Alzheimer's disease initiative funds;~~
- 238 1.6. Medicaid home and community-based waiver services
 239 funds;

240 ~~2.7.~~ Funds for all Medicaid services authorized in ss.
 241 409.905 and 409.906, including Medicaid nursing home services;
 242 and

243 ~~3.8.~~ Funds paid for Medicare premiums, coinsurance and
 244 deductibles for persons dually eligible for Medicaid and
 245 Medicare as prescribed in s. 409.908(13).

246
 247 The department and the agency shall not make Medicaid payments
 248 for services for people age 60 or older in the areas in which
 249 the managed system operates ~~65 and older~~ except through the
 250 managed ~~model delivery~~ system.

251 (c) The entities ~~entity~~ selected to administer the managed
 252 ~~model~~ system shall develop a comprehensive health and long-term-
 253 care service delivery system through contracts with providers of
 254 medical, social, and long-term-care services sufficient to meet
 255 the needs of the population age 60 or older ~~65 and older~~. The
 256 ~~entity selected to administer the model system shall not~~
 257 ~~directly provide services other than intake, assessment, and~~
 258 ~~referral services.~~

259 (d) The department and the agency shall contract through
 260 competitive procurement with no less than two and no more than
 261 three managed care organizations, or other qualified providers
 262 as defined in s. 430.703, to administer the project ~~determine~~
 263 ~~which of the department's planning and services areas is to be~~
 264 ~~designated as a model area by means of a request for proposals.~~
 265 ~~The department shall select an area to be designated as a model~~
 266 ~~area and the entity to administer the model system based on~~
 267 demonstration of capacity of each provider ~~the entity~~ to:

- 268 1. Develop contracts with providers currently under
 269 contract with the department, area agencies on aging, or
 270 community-care-for-the-elderly lead agencies.†
- 271 2. Provide a comprehensive system of appropriate medical
 272 and long-term-care services that provides high-quality medical
 273 and social services to assist older individuals in remaining in
 274 the least restrictive setting.†
- 275 3. Demonstrate a quality assurance and quality improvement
 276 system satisfactory to the department and the agency.†
- 277 4. Develop a system to identify participants who have
 278 special health care needs such as polypharmacy, mental health

279 | and substance abuse problems, falls, chronic pain, nutritional
 280 | deficits, and cognitive deficits, in order to respond to and
 281 | meet these needs.†

282 | 5. Use a multidisciplinary team approach to participant
 283 | management which ensures that information is shared among
 284 | providers responsible for delivering care to a participant.†

285 | 6. Ensure medical oversight of care plans and service
 286 | delivery, regular medical evaluation of care plans, and the
 287 | availability of medical consultation for case managers and
 288 | service coordinators.†

289 | 7. Develop, monitor, and enforce quality-of-care
 290 | requirements.†

291 | (e)†. The selected entities shall secure subcontracts with
 292 | providers of medical, nursing home, and community-based long-
 293 | term-care services sufficient to ensure access to and
 294 | choice of providers by project participants. In the absence of a
 295 | separate contractual relationship between a nursing home
 296 | provider and a managed care organization, the nursing home shall
 297 | cooperate with the managed care organization's efforts to
 298 | determine if a project participant would be more appropriately
 299 | served in a community setting, and payments shall be made in
 300 | accordance with Medicaid nursing home rates as calculated in the
 301 | state plan.†

302 | (f) To ensure that the contracted providers meet a high
 303 | quality of care standard, the entity selected to administer the
 304 | managed care system shall:

305 | 1. Develop and use a service provider qualification system
 306 | which describes the quality-of-care standards that a nursing

307 | home must meet in order to obtain a contract with the managing
 308 | entity.

309 | 2. Contract with all qualified nursing homes located in
 310 | the area that is served by the project, including those
 311 | designated as Gold Seal.

312 | 3. Ensure that as an area is transitioned to managed care,
 313 | individuals who are residents of nursing homes in the project
 314 | area prior to plan implementation and who do not choose to move
 315 | to another setting are allowed to remain in the facility in
 316 | which they are receiving care.

317 | (g)9. The selected entities shall:

318 | 1. Ensure a system of case management and service
 319 | coordination which includes educational and training standards
 320 | for case managers and service coordinators.‡

321 | 2.10. Develop a business plan that considers the ability
 322 | of the applicant to organize and operate a risk-bearing entity.‡

323 | 3.11. Furnish evidence of ~~adequate~~ liability insurance
 324 | coverage or an adequate plan of self-insurance that is
 325 | determined adequate by the Department of Financial Services to
 326 | respond to claims for injuries arising out of the furnishing of
 327 | health care.‡ ~~and~~

328 | 4.12. Provide, through contract or otherwise, for periodic
 329 | review of its medical facilities as required by the department
 330 | and the agency.

331 | 5. Furnish in a timely manner, in a form determined by the
 332 | department, requested financial data that has been determined by
 333 | the department and the agency to be necessary to develop and
 334 | annually recertify appropriate capitation rates for the project.

335 6. Provide enrollees the ability, to the extent possible,
336 to choose care providers, including nursing home and assisted
337 living service providers affiliated with an individual's
338 religious faith or denomination and nursing home and ALF
339 providers that are part of a retirement community in which an
340 enrollee resides as provided for in s. 641.31(25).

341
342 ~~The department shall give preference in selecting an area to be~~
343 ~~designated as a model area to that in which the administering~~
344 ~~entity is an existing area agency on aging or community care-~~
345 ~~for the elderly lead agency demonstrating the ability to perform~~
346 ~~the functions described in this paragraph.~~

347 ~~(e) The department in consultation with the selected~~
348 ~~entity shall develop a statewide proposal regarding the long-~~
349 ~~term use and structure of a program that addresses a risk pool~~
350 ~~to reduce financial risk.~~

351 (h)(f) The department and the agency shall develop
352 capitation rates based on the historical cost experience of the
353 state in providing acute and long-term-care services to the
354 population over 60 65 years of age in the area served. The
355 agency, in consultation with the department, shall contract for
356 an independent entity to study the historical cost experience,
357 adjusted to reflect changes in regulatory requirements, of the
358 state in providing services listed in paragraph (b) to the
359 population age 60 and older residing within the model area and
360 to develop and certify a per-person, per-month capitation rate
361 for the managed system. The agency, in consultation with the
362 department, shall reevaluate and recertify the capitation rate

363 annually. The agency and the department shall give preference in
364 contracting for the managed system to those entities whose
365 proposals create innovative, functional partnerships with
366 existing community-care-for-the-elderly lead agencies.

367 ~~1. Payment rates in the first 2 years of operation shall~~
368 ~~be set at no more than 100 percent of the costs to the state of~~
369 ~~providing equivalent services to the population of the model~~
370 ~~area for the year prior to the year in which the model system is~~
371 ~~implemented, adjusted forward to account for inflation and~~
372 ~~population growth. In subsequent years, the rate shall be~~
373 ~~negotiated based on the cost experience of the model system in~~
374 ~~providing contracted services, but may not exceed 95 percent of~~
375 ~~the amount that would have been paid by the state in the model~~
376 ~~planning and service area absent the model integrated service~~
377 ~~delivery system.~~

378 ~~2. The agency and the department may develop innovative~~
379 ~~risk-sharing agreements that limit the level of custodial~~
380 ~~nursing home risk that the administering entity assumes,~~
381 ~~consistent with the intent of the Legislature to reduce the use~~
382 ~~and cost of nursing home care. Under risk-sharing arrangements,~~
383 ~~the agency and the department may reimburse the administering~~
384 ~~entity for the cost of providing nursing home care for Medicaid-~~
385 ~~eligible participants who have been permanently placed and~~
386 ~~remain in nursing home care for more than 1 year.~~

387 (i)(g) The department and the Agency for Health Care
388 Administration shall seek federal waivers, or amendments to
389 existing waivers, necessary to implement the requirements of
390 this section.

391 ~~(h) The Department of Children and Family Services shall~~
 392 ~~develop a streamlined and simplified eligibility system and~~
 393 ~~shall outstation a sufficient number and quality of eligibility-~~
 394 ~~determination staff with the administering entity to assure~~
 395 ~~determination of Medicaid eligibility for the integrated service~~
 396 ~~delivery system in the model planning and service area within 10~~
 397 ~~days after receipt of a complete application.~~

398 (j)(i) The agency, in consultation with the department,
 399 shall begin discussions with the federal Centers for Medicare
 400 and Medicaid Services regarding the inclusion of Medicare in an
 401 integrated long-term-care system. By December 31, 2006, the
 402 agency shall provide to the Governor, the President of the
 403 Senate, and the Speaker of the House of Representatives a plan
 404 for including Medicare in an integrated long-term-care system
 405 ~~The Department of Elderly Affairs shall make arrangements to~~
 406 ~~outstation a sufficient number of nursing home preadmission~~
 407 ~~screening staff with the administering entity to assure timely~~
 408 ~~assessment of level of need for long-term-care services in the~~
 409 ~~model area.~~

410 (k)(j) The Department of Elderly Affairs shall conduct or
 411 contract for an evaluation of the managed system ~~pilot project~~.
 412 The department shall submit the evaluation to the Governor and
 413 the Legislature by January 1, 2006 ~~2005~~. The evaluation must
 414 address the effects of the managed system in ~~pilot project~~ on
 415 the effectiveness of the entity providing a comprehensive system
 416 of appropriate and high-quality medical and long-term-care
 417 services to elders in the least restrictive setting, provide a
 418 comparison of average monthly rate incurred by diverted

419 individuals to those of nursing home residents in a similar
 420 geographic area, and make recommendations on a phased-in
 421 implementation expansion for the rest of the state. In addition,
 422 the department, in consultation with the agency, shall consider
 423 whether providers operating in the managed system should be
 424 placed at risk for the state-funded community care for the
 425 elderly, home care for the elderly, and Alzheimer's disease
 426 initiative programs.

427 (1) The agency shall ensure that, to the extent possible,
 428 Medicare and Medicaid services are integrated. Where possible,
 429 individuals served in the managed system who are eligible for
 430 Medicare shall be enrolled in a Medicare managed health care
 431 plan operated by the same entity which is placed at risk for
 432 long-term care services.

433 Section 4. Section 430.2071, Florida Statutes, is created
 434 to read:

435 430.2071 Home and community-based waiver services.--

436 (1) The agency, in consultation with the department, shall
 437 integrate the assisted living for the elderly Medicaid waiver
 438 program into the aged and disabled adult Medicaid waiver program
 439 and each program's funds into one fee-for-service Medicaid
 440 waiver program serving the aged and disabled.

441 (a) After the programs are integrated, funding to provide
 442 care in assisted-living facilities under the new waiver may not
 443 be less than the amount appropriated in the 2003-2004 fiscal
 444 year for the assisted living for the elderly Medicaid waiver.

445 (b) The agency shall seek federal waivers, or amendments
446 to existing waivers, necessary to integrate these waiver
447 programs.

448 (c) The agency and the department may reimburse providers
449 for case management services on a capitated basis and shall
450 develop uniform standards for case management in this fee-for-
451 service Medicaid waiver program.

452 (d) The agency and the department shall adopt any rules
453 necessary to comply with or administer these requirements,
454 effect and implement interagency agreements between the
455 department and the agency, and comply with federal requirements.

456 (2) The department, in consultation with the agency, shall
457 study the integration of the database systems for the
458 Comprehensive Assessment Review and Evaluation for Long-Term
459 Care Services (CARES) program and the Client Information and
460 Referral Tracking System (CIRTS) and develop a plan for database
461 integration.

462 (3) The department, in consultation with the agency,
463 subject to an appropriation, shall develop a plan to evaluate
464 the newly integrated program over time, from the beginning of
465 the implementation process forward. The department shall
466 contract with a research entity through competitive procurement
467 to help develop the evaluation plan and conduct the evaluation.
468 The evaluation shall be ongoing and shall determine whether the
469 newly integrated program is achieving its goals and evaluate the
470 effects the changes have had on consumers. The evaluation plan
471 must include baseline measures for evaluating cost-
472 effectiveness, the quality of care, and consumer satisfaction of

473 the program. The department shall submit the plan to the
474 Governor, the President of the Senate, and the Speaker of the
475 House of Representatives by December 31, 2004.

476 (4) The department, in consultation with the agency and
477 the Department of Children and Family Services, shall develop a
478 plan to improve the interaction among the department's newly
479 integrated assessment database, the Florida Medicaid Management
480 Information System, and the FLORIDA system in order to
481 facilitate enrollment of individuals in capitated and fee-for-
482 service programs, as well as to monitor eligibility
483 requirements.

484 (5) Consistent with federal requirements, the agency, in
485 consultation with the department, shall evaluate the Alzheimer's
486 disease waiver program and the adult day health care waiver
487 program to assess whether providing limited intensive services
488 through these waiver programs produces better outcomes for
489 individuals than providing those services through the fee-for-
490 service or capitated programs that provide a larger array of
491 services.

492 Section 5. Section 430.041, Florida Statutes, is amended
493 to read:

494 430.041 Office of Long-Term-Care Policy.--

495 (1) There is established in the Department of Elderly
496 Affairs the Office of Long-Term-Care Policy to evaluate the
497 state's long-term-care service delivery system and make
498 recommendations to increase the efficiency and effectiveness of
499 government-funded long-term-care programs for availability and
500 ~~the use of noninstitutional settings to provide care to the~~

501 elderly and to ensure coordination among the agencies
502 responsible for setting policies for funding and for
503 administering the long-term-care programs for the elderly
504 continuum.

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

507 (a) Ensure close communication and coordination among
508 state agencies involved in developing and administering a more
509 efficient and coordinated long-term-care service delivery system
510 in this state;

511 ~~(b) Identify duplication and unnecessary service provision~~
512 ~~in the long-term-care system and make recommendations to~~
513 ~~decrease inappropriate service provision;~~

514 (b)(e) Review current programs providing long-term-care
515 services to determine whether the programs are cost effective,
516 of high quality, and operating efficiently and make
517 recommendations to increase consistency and effectiveness in the
518 state's long-term-care programs;

519 (c)(d) Develop strategies for promoting and implementing
520 cost-effective home and community-based services as an
521 alternative to institutional care which coordinate and integrate
522 the continuum of care needs of the elderly; and

523 (d) Recommend roles for state agencies that are
524 responsible for administering long-term-care programs for the
525 elderly and an organization framework for the planning,
526 coordination, implementation, and evaluation of long-term-care
527 programs for the elderly.

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

530 (3) The Director of the Office of Long-Term-Care Policy
 531 shall be appointed by, and serve at the pleasure of, the
 532 Governor. The director shall report to, and be under the general
 533 supervision of, the Secretary of Elderly Affairs and shall not
 534 be subject to supervision by any other employee of the
 535 department.

536 ~~(4) The Office of Long-Term-Care Policy shall have an~~
 537 ~~advisory council. The purposes of the advisory council are to~~
 538 ~~provide assistance and direction to the office and to ensure~~
 539 ~~that the appropriate state agencies are properly implementing~~
 540 ~~recommendations from the office.~~

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

542 ~~1. A member of the Senate, appointed by the President of~~
 543 ~~the Senate;~~

544 ~~2. A member of the House of Representatives, appointed by~~
 545 ~~the Speaker of the House of Representatives;~~

546 ~~3. The Secretary of Health Care Administration;~~

547 ~~4. The Secretary of Elderly Affairs;~~

548 ~~5. The Secretary of Children and Family Services;~~

549 ~~6. The Secretary of Health;~~

550 ~~7. The Executive Director of the Department of Veterans'~~
 551 ~~Affairs;~~

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

555 ~~9. Two representatives of people using long-term care~~
 556 ~~services, appointed by the Governor from groups representing~~
 557 ~~elderly persons.~~

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

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

564 ~~(d) The advisory council shall meet at the call of its~~
 565 ~~chair or at the request of a majority of its members. During its~~
 566 ~~first year of existence, the advisory council shall meet at~~
 567 ~~least monthly.~~

568 ~~(e) Members of the advisory council appointed by the~~
 569 ~~Governor shall serve at the pleasure of the Governor and shall~~
 570 ~~be appointed to 4-year staggered terms in accordance with s.~~
 571 ~~20.052.~~

572 (4)~~(5)~~(a) The Department of Elderly Affairs shall provide
 573 administrative support and services to the Office of Long-Term-
 574 Care Policy.

575 (b) The office shall call upon appropriate agencies of
 576 state government, including the centers on aging in the State
 577 University System, for assistance needed in discharging its
 578 duties.

579 (c) ~~Each state agency represented on the Office of Long-~~
 580 ~~Term Care Policy Advisory Council shall make at least one~~
 581 ~~employee available to work with the Office of Long-Term Care~~
 582 ~~Policy.~~ All state agencies and universities shall assist the

583 office in carrying out its responsibilities prescribed by this
 584 section.

585 (d) The Secretary of Health Care Administration, the
 586 Secretary of Elderly Affairs, the Secretary of Children and
 587 Family Services, the Secretary of Health, and the executive
 588 director of the Department of Veterans' Affairs shall each
 589 appoint at least one high-level employee with the authority to
 590 recommend and implement agency policy and with experience in the
 591 area of long-term-care service delivery and financing to work
 592 with the Office of Long-Term-Care Policy as part of an
 593 interagency coordinating team. The interagency coordinating team
 594 shall meet monthly with the director of the Office of Long-Term-
 595 Care Policy to implement the purposes of the office.

596 ~~(e)(d)~~ Each state agency shall pay from its own funds any
 597 expenses related to its support of the Office of Long-Term-Care
 598 Policy ~~and its participation on the advisory council.~~ The
 599 ~~Department of Elderly Affairs shall be responsible for expenses~~
 600 ~~related to participation on the advisory council by members~~
 601 ~~appointed by the Governor.~~

602 ~~(5)(6)(a)~~ By December 31 of each year 1, 2002, the office
 603 shall submit to the Governor, the President of the Senate, and
 604 the Speaker of the House of Representatives a advisory council a
 605 ~~preliminary~~ report of its activities and the progress made in
 606 ~~findings and recommendations on~~ improving the long-term-care
 607 continuum in this state and make recommendations accordingly.
 608 The report shall contain the activities completed by the office
 609 during the calendar year, recommendations and implementation
 610 proposals for policy changes, and as well as legislative and

611 funding recommendations that will make the system more effective
612 and efficient. The report shall contain a specific
613 implementation strategies, with timelines, plan for
614 accomplishing the recommendations and proposals set out in the
615 report. ~~Thereafter, the office shall revise and update the~~
616 ~~report annually and resubmit it to the advisory council for~~
617 ~~review and comments by November 1 of each year.~~

618 ~~(b) The advisory council shall review and recommend any~~
619 ~~suggested changes to the preliminary report, and each subsequent~~
620 ~~annual update of the report, within 30 days after the receipt of~~
621 ~~the preliminary report. Suggested revisions, additions, or~~
622 ~~deletions shall be made to the Director of the Office of Long-~~
623 ~~Term Care Policy.~~

624 ~~(c) The office shall submit its final report, and each~~
625 ~~subsequent annual update of the report, to the Governor and the~~
626 ~~Legislature within 30 days after the receipt of any revisions,~~
627 ~~additions, or deletions suggested by the advisory council, or~~
628 ~~after the time such comments are due to the office.~~

629 Section 6. Subsection (3) and paragraph (c) of subsection
630 (9) of section 430.203, Florida Statutes, are amended to read:

631 430.203 Community care for the elderly; definitions.--As
632 used in ss. 430.201-430.207, the term:

633 (3) "Community care service system" means a service
634 network comprising a variety of home-delivered services, day
635 care services, and other basic services, hereinafter referred to
636 as "core services," for functionally impaired elderly persons
637 which are provided by or through several agencies under the
638 direction of a single lead agency. Its purpose is to provide a

639 | continuum of care encompassing a full range of preventive,
 640 | maintenance, and restorative services for functionally impaired
 641 | elderly persons.

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

646 | (c) In each community care service system the lead agency
 647 | must be given the authority and responsibility to coordinate
 648 | some or all of the services, either directly or through
 649 | subcontracts, for functionally impaired elderly persons. These
 650 | services must include case management. Other services, such as
 651 | ~~and may include~~ homemaker and chore services, respite care,
 652 | adult day care, personal care services, home-delivered meals,
 653 | counseling, information and referral, and emergency home repair
 654 | services, may be included subject to competitive bidding. The
 655 | lead agency must compile community care statistics and monitor,
 656 | when applicable, subcontracts with agencies providing core
 657 | services.

658 | Section 7. Subsection (2) of section 430.7031, Florida
 659 | Statutes, is amended to read:

660 | 430.7031 Nursing home transition program.--The department
 661 | and the Agency for Health Care Administration:

662 | (2) Shall collaboratively work to identify Medicaid long-
 663 | ~~stay~~ nursing home residents who are able to move to community
 664 | placements, and to provide case management and supportive
 665 | services to such individuals while they are in nursing homes to
 666 | assist such individuals in moving to less expensive and less

667 restrictive settings. CARES program staff shall annually review
668 at least 20 percent of the case files for nursing home residents
669 who are Medicaid recipients to determine which nursing home
670 residents are able to move to community placements.

671 Section 8. Section 430.2053, Florida Statutes, is created
672 to read:

673 430.2053 Aging resource centers.--

674 (1) The department, in consultation with the Agency for
675 Health Care Administration and the Department of Children and
676 Family Services, shall develop pilot projects for aging resource
677 centers. By October 31, 2004, the department, in consultation
678 with the agency and the Department of Children and Family
679 Services, shall develop an implementation plan for aging
680 resource centers and submit the plan to the Governor, the
681 President of the Senate, and the Speaker of the House of
682 Representatives. The plan must include qualifications for
683 designation as a center, the functions to be performed by each
684 center, and a process for determining that a current area agency
685 on aging is ready to assume the functions of an aging resource
686 center.

687 (2) Each area agency on aging shall develop, in
688 consultation with the existing community care for the elderly
689 lead agencies within their planning and service areas, a
690 proposal that describes the process the area agency on aging
691 intends to undertake to transition to an aging resource center
692 prior to July 1, 2005, and that describes the area agency's
693 compliance with the requirements of this section. The proposals
694 must be submitted to the department prior to December 31, 2004.

695 The department shall evaluate all proposals for readiness and,
696 prior to March 1, 2005, shall select three area agencies on
697 aging which meet the requirements of this section to begin the
698 transition to aging resource centers. Those area agencies on
699 aging which are not selected to begin the transition to aging
700 resource centers shall, in consultation with the department and
701 the existing community care for the elderly lead agencies within
702 their planning and service areas, amend their proposals as
703 necessary and resubmit them to the department prior to July 1,
704 2005. The department may transition additional area agencies to
705 aging resource centers as it determines that area agencies are
706 in compliance with the requirements of this section.

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

712 (a) The review must, at a minimum, address the
713 appropriateness of the department's criteria for selection of an
714 area agency to transition to an aging resource center, the
715 instruments applied, the degree to which the department
716 accurately determined each area agency's compliance with the
717 readiness criteria, the quality of the technical assistance
718 provided by the department to an area agency in correcting any
719 weaknesses identified in the readiness assessment, and the
720 degree to which each area agency overcame any identified
721 weaknesses.

722 (b) Reports of these reviews must be submitted to the
 723 appropriate substantive and appropriations committees in the
 724 Senate and the House of Representatives on March 1 and September
 725 1 of each year until full transition to aging resource centers
 726 has been accomplished statewide, except that the first report
 727 must be submitted by February 1, 2005, and must address all
 728 readiness activities undertaken through December 31, 2004. The
 729 perspectives of all participants in this review process must be
 730 included in each report.

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

732 (a) To provide Florida's elders and their families with a
 733 locally focused, coordinated approach to integrating information
 734 and referral for all available services for elders with the
 735 eligibility determination entities for state and federally
 736 funded long-term-care services.

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

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

742 (a) Develop referral agreements with local community
 743 service organizations, such as senior centers, existing elder
 744 service providers, volunteer associations, and other similar
 745 organizations, to better assist clients who do not need or do
 746 not wish to enroll in programs funded by the department or the
 747 agency. The referral agreements must also include a protocol,
 748 developed and approved by the department, which provides
 749 specific actions that an aging resource center and local

750 community service organizations must take when an elder or an
751 elder's representative seeking information on long-term-care
752 services contacts a local community service organization prior
753 to contacting the aging resource center. The protocol shall be
754 designed to ensure that elders and their families are able to
755 access information and services in the most efficient and least
756 cumbersome manner possible.

757 (b) Provide an initial screening of all clients who
758 request long-term care services to determine whether the person
759 would be most appropriately served through any combination of
760 federally funded programs, state-funded programs, locally funded
761 or community volunteer programs, or private funding for
762 services.

763 (c) Determine eligibility for the programs and services
764 listed in subsection (11) for persons residing within the
765 geographic area served by the aging resource center and
766 determine a priority ranking for services which is based upon
767 the potential recipient's frailty level and likelihood of
768 institutional placement without such services.

769 (d) Manage the availability of financial resources for the
770 programs and services listed in subsection (11) for persons
771 residing within the geographic area served by the aging resource
772 center.

773 (e) When financial resources become available, refer a
774 client to the most appropriate entity to begin receiving
775 services. The aging resource center shall make referrals to lead
776 agencies for service provision that ensure that individuals who
777 are vulnerable adults in need of services pursuant to s.

778 415.104(3)(b), or who are victims of abuse, neglect, or
779 exploitation in need of immediate services to prevent further
780 harm and are referred by the adult protective services program,
781 are given primary consideration for receiving community-care-
782 for-the-elderly services in compliance with the requirements of
783 s. 430.205(5)(a) and that other referrals for services are in
784 compliance with s. 430.205(5)(b).

785 (f) Convene a work group to advise in the planning,
786 implementation, and evaluation of the aging resource center. The
787 work group shall be comprised of representatives of local
788 service providers, Alzheimer's Association chapters, housing
789 authorities, social service organizations, advocacy groups,
790 representatives of clients receiving services through the aging
791 resource center, and any other persons or groups as determined
792 by the department. The aging resource center, in consultation
793 with the work group, must develop annual program improvement
794 plans that shall be submitted to the department for
795 consideration. The department shall review each annual
796 improvement plan and make recommendations on how to implement
797 the components of the plan.

798 (g) Enhance the existing area agency on aging in each
799 planning and service area by integrating, either physically or
800 virtually, the staff and services of the area agency on aging
801 with the staff of the department's local CARES Medicaid nursing
802 home preadmission screening unit and a sufficient number of
803 staff from the Department of Children and Family Services'
804 Economic Self Sufficiency Unit necessary to determine the
805 financial eligibility for all persons age 60 and older residing

806 within the area served by the aging resource center that are
807 seeking Medicaid services, Supplemental Security Income, and
808 food stamps.

809 (6) The department shall select the entities to become
810 aging resource centers based on each entity's readiness and
811 ability to perform the duties listed in subsection (5) and the
812 entity's:

813 (a) Expertise in the needs of each target population the
814 center proposes to serve and a thorough knowledge of the
815 providers that serve these populations.

816 (b) Strong connections to service providers, volunteer
817 agencies, and community institutions.

818 (c) Expertise in information and referral activities.

819 (d) Knowledge of long-term-care resources, including
820 resources designed to provide services in the least restrictive
821 setting.

822 (e) Financial solvency and stability.

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

826 (g) Commitment to adequate staffing by qualified personnel
827 to effectively perform all functions.

828 (h) Ability to meet all performance standards established
829 by the department.

830 (7) The aging resource center shall have a governing body
831 which shall be the same entity described in s. 20.41(7), and an
832 executive director who may be the same person as described in s.

833 | 20.41(8). The governing body shall annually evaluate the
 834 | performance of the executive director.

835 | (8) The aging resource center may not be a provider of
 836 | direct services other than information and referral services and
 837 | screening.

838 | (9) The aging resource center must agree to allow the
 839 | department to review any financial information the department
 840 | determines is necessary for monitoring or reporting purposes,
 841 | including financial relationships.

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

845 | (a) Develop strong community partnerships to maximize the
 846 | use of community resources for the purpose of assisting elders
 847 | to remain in their community settings for as long as it is
 848 | safely possible.

849 | (b) Conduct comprehensive assessments of clients that have
 850 | been determined eligible and develop a care plan consistent with
 851 | established protocols that ensures that the unique needs of each
 852 | client are met.

853 | (11) The services to be administered through the aging
 854 | resource center shall include those funded by the following
 855 | programs:

- 856 | (a) Community care for the elderly.
- 857 | (b) Home care for the elderly.
- 858 | (c) Contracted services.
- 859 | (d) Alzheimer's disease initiative.
- 860 | (e) Aged and disabled adult Medicaid waiver.

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

862 (g) Older Americans Act.

863 (12) The department shall, prior to designation of an
 864 aging resource center, develop by rule operational and quality
 865 assurance standards and outcome measures to ensure that clients
 866 receiving services through all long-term-care programs
 867 administered through an aging resource center are receiving the
 868 appropriate care they require and that contractors and
 869 subcontractors are adhering to the terms of their contracts and
 870 are acting in the best interests of the clients they are
 871 servicing, consistent with the intent of the Legislature to reduce
 872 the use of and cost of nursing home care. The department shall
 873 by rule provide operating procedures for aging resource centers,
 874 which shall include:

875 (a) Minimum standards for financial operation, including
 876 audit procedures.

877 (b) Procedures for monitoring and sanctioning of service
 878 providers.

879 (c) Minimum standards for technology utilized by the aging
 880 resource center.

881 (d) Minimum staff requirements which shall ensure that the
 882 aging resource center employs sufficient quality and quantity of
 883 staff to adequately meet the needs of the elders residing within
 884 the area served by the aging resource center.

885 (e) Minimum accessibility standards, including hours of
 886 operation.

887 (f) Minimum oversight standards for the governing body of
 888 the aging resource center to ensure its continuous involvement

889 in, and accountability for, all matters related to the
 890 development, implementation, staffing, administration, and
 891 operations of the aging resource center.

892 (g) Minimum education and experience requirements for
 893 executive directors and other executive staff positions of aging
 894 resource centers.

895 (h) Minimum requirements regarding any executive staff
 896 positions that the aging resource center must employ and minimum
 897 requirements that a candidate must meet in order to be eligible
 898 for appointment to such positions.

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

905 (14) Each aging resource center shall enter into a
 906 memorandum of understanding with the department for
 907 collaboration with the CARES unit staff. The memorandum of
 908 understanding shall outline the staff person responsible for
 909 each function and shall provide the staffing levels necessary to
 910 carry out the functions of the aging resource center.

911 (15) Each aging resource center shall enter into a
 912 memorandum of understanding with the Department of Children and
 913 Family Services for collaboration with the Economic Self-
 914 Sufficiency Unit staff. The memorandum of understanding shall
 915 outline which staff persons are responsible for which functions

916 and shall provide the staffing levels necessary to carry out the
917 functions of the aging resource center.

918 (16) If any of the state activities described in this
919 section are outsourced, either in part or in whole, the contract
920 executing the outsourcing shall mandate that the contractor or
921 its subcontractors shall, either physically or virtually,
922 execute the provisions of the memorandum of understanding
923 instead of the state entity whose function the contractor or
924 subcontractor now performs.

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

929 (18) The department shall monitor the three initial
930 projects for aging resource centers and report on the progress
931 of those projects to the Governor, the President of the Senate,
932 and the Speaker of the House of Representatives by June 30,
933 2005. The report must include an evaluation of the
934 implementation process.

935 (19)(a) Once an aging resource center is operational, the
936 department, in consultation with the agency, may develop
937 capitation rates for any of the programs administered through
938 the aging resource center. Capitation rates for programs shall
939 be based on the historical cost experience of the state in
940 providing those same services to the population age 60 or older
941 residing within each area served by an aging resource center.
942 Each capitated rate may vary by geographic area as determined by
943 the department.

944 (b) The department and the agency may determine for each
 945 area served by an aging resource center whether it is
 946 appropriate, consistent with federal and state laws and
 947 regulations, to develop and pay separate capitated rates for
 948 each program administered through the aging resource center or
 949 to develop and pay capitated rates for service packages which
 950 include more than one program or service administered through
 951 the aging resource center.

952 (c) Once capitation rates have been developed and
 953 certified as actuarially sound, the department and the agency
 954 may pay service providers the capitated rates for services when
 955 appropriate.

956 (d) The department, in consultation with the agency, shall
 957 annually reevaluate and recertify the capitation rates,
 958 adjusting forward to account for inflation, programmatic
 959 changes.

960 (20) The department, in consultation with the agency,
 961 shall submit to the Governor, the President of the Senate, and
 962 the Speaker of the House of Representatives, by December 1,
 963 2006, a report addressing the feasibility of administering the
 964 following services through aging resource centers beginning July
 965 1, 2007:

- 966 (a) Medicaid nursing home services.
- 967 (b) Medicaid transportation services.
- 968 (c) Medicaid hospice care services.
- 969 (d) Medicaid intermediate care services.
- 970 (e) Medicaid prescribed drug services.
- 971 (f) Medicaid assistive care services.

972 (g) Any other long-term-care program or Medicaid service.
 973 (21) This section shall not be construed to allow an aging
 974 resource center to restrict, manage or impede the local fund-
 975 raising activities of service providers.

976 Section 9. Subsection (7) of section 430.703, Florida
 977 Statutes, is amended to read:

978 430.703 Definitions.--As used in this act, the term:

979 (7) "Other qualified provider" means an entity licensed
 980 under chapter 400 that demonstrates a long-term care continuum,
 981 meets the requirements of s. 430.705(2), and meets ~~posts a~~
 982 ~~\$500,000 performance bond, and meets all the financial and~~
 983 ~~quality assurance requirements for a provider service network as~~
 984 ~~specified in s. 409.912 and~~ all requirements pursuant to an
 985 interagency agreement between the agency and the department.

986 Section 10. Section 430.705, Florida Statutes, is amended
 987 to read:

988 430.705 Implementation of the long-term care community
 989 diversion pilot projects.--

990 (1) In designing and implementing the community diversion
 991 pilot projects, the department shall work in consultation with
 992 the agency.

993 (2) The department shall select projects whose design and
 994 providers demonstrate capacity to maximize the placement of
 995 participants in the least restrictive appropriate care setting.
 996 The department shall select providers that have a plan
 997 administrator who is dedicated to the diversion pilot project
 998 and project staff who perform the necessary project

999 | administrative functions, including data collection, reporting,
 1000 | and analysis. The department shall select providers that:
 1001 | (a) Are determined by the Department of Financial Services
 1002 | to:
 1003 | 1. Meet surplus requirements specified in s. 641.225.
 1004 | 2. Demonstrate the ability to comply with the standards
 1005 | for financial solvency specified in s. 641.285.
 1006 | 3. Demonstrate the ability to provide for the prompt
 1007 | payment of claims as specified in s. 641.3155.
 1008 | 4. Demonstrate the ability to provide technology with the
 1009 | capability for data collection which meets the security
 1010 | requirements of the federal Health Insurance Portability and
 1011 | Accountability Act of 1996, 42 C.F.R. ss. 160 and 164.
 1012 | (b) Demonstrate the ability to contract with multiple
 1013 | providers that provide the same type of service.
 1014 | (3) Pursuant to 42 C.F.R. s. 438.6(c), the agency, in
 1015 | consultation with the department, shall annually reevaluate and
 1016 | recertify the capitation rates for the diversion pilot projects.
 1017 | The agency, in consultation with the department, shall secure
 1018 | the utilization and cost data for Medicaid and Medicare
 1019 | beneficiaries served by the program which shall be used in
 1020 | developing rates for the diversion pilot projects.
 1021 | (4) In order to achieve rapid enrollment into the program
 1022 | and efficient diversion of applicants from nursing home care,
 1023 | the department and the agency shall allow enrollment of Medicaid
 1024 | beneficiaries on the date that eligibility for the community
 1025 | diversion pilot project is approved. The provider shall receive

1026 | a prorated capitated rate for those enrollees who are enrolled
 1027 | after the first of each month.

1028 | (5)~~(3)~~ The department shall provide to prospective
 1029 | participants a choice of participating in a community diversion
 1030 | pilot project or any other appropriate placement available. To
 1031 | the extent possible, individuals shall be allowed to choose
 1032 | their care providers, including long-term care service providers
 1033 | affiliated with an individual's religious faith or denomination.

1034 | (6)~~(4)~~ The department shall enroll participants. Providers
 1035 | shall not directly enroll participants in community diversion
 1036 | pilot projects.

1037 | (7)~~(5)~~ In selecting the pilot project area, the department
 1038 | shall consider the following factors in the area:

- 1039 | (a) The nursing home occupancy level.
- 1040 | (b) The number of certificates of need awarded for nursing
 1041 | home beds for which renovation, expansion, or construction has
 1042 | not begun.
- 1043 | (c) The annual number of additional nursing home beds.
- 1044 | (d) The annual number of nursing home admissions.
- 1045 | (e) The adequacy of community-based long-term care service
 1046 | providers.

1047 | (8)~~(6)~~ The department may require participants to
 1048 | contribute to their cost of care in an amount not to exceed the
 1049 | cost-sharing required of Medicaid-eligible nursing home
 1050 | residents.

1051 | (9)~~(7)~~ Community diversion pilot projects must:

1052 (a) Provide services for participants that are of
 1053 sufficient quality, quantity, type, and duration to prevent or
 1054 delay nursing facility placement.

1055 (b) Integrate acute and long-term care services, and the
 1056 funding sources for such services, as feasible.

1057 (c) Encourage individuals, families, and communities to
 1058 plan for their long-term care needs.

1059 (d) Provide skilled and intermediate nursing facility care
 1060 for participants who cannot be adequately cared for in
 1061 noninstitutional settings.

1062 (10) The Legislature finds that preservation of the
 1063 historic aging network of lead agencies is essential to the
 1064 well-being of Florida's elderly population. The Legislature
 1065 finds that the Florida aging network constitutes a system of
 1066 essential community providers which should be nurtured and
 1067 assisted to develop systems of operations which allow the
 1068 gradual assumption of responsibility and financial risk for
 1069 managing a client through the entire continuum of long-term-care
 1070 services within the area the lead agency is currently serving
 1071 and which allow lead agency providers to develop managed systems
 1072 of service delivery. The department and the agency shall
 1073 therefore:

1074 (a) Develop a demonstration system in which existing
 1075 community care for the elderly lead agencies are assisted in
 1076 transitioning their business model and the service delivery
 1077 system within their current community care service area to
 1078 enable assumption, over a period of time, of full risk as a
 1079 diversion pilot project contractor providing long-term-care

1080 services in their areas of operation. The department, in
1081 consultation with the Agency for Health Care Administration and
1082 the Department of Children and Family Services, shall develop an
1083 implementation plan for three lead agencies by October 31, 2004.
1084 The department may postpone the bidding specified in s.
1085 430.203(9)(c) until such time as the project areas have been
1086 designated.

1087 (b) In each demonstration system, a community care for the
1088 elderly lead agency shall be initially reimbursed on a prepaid
1089 or fixed-sum basis for services provided under the Aged and
1090 Disabled Adult Medicaid Waiver Program and the Assisted Living
1091 for the Elderly Medicaid Waiver Program. By the end of the third
1092 year of operation, the demonstration shall include services
1093 under the long-term-care community diversion pilot project.

1094 (c) During the first year of operation, the department and
1095 the agency may place providers at risk to provide the nursing
1096 home services for the enrolled individuals who are participating
1097 in the demonstration project. During the 3-year development
1098 period, the agency and the department may limit the level of
1099 custodial nursing home risk that the administering entities
1100 assume, consistent with the intent of the Legislature to reduce
1101 the use and cost of nursing home care. Under risk-sharing
1102 arrangements, during the first 3 years of operation, the agency
1103 and the department may reimburse the administering entities for
1104 the cost of providing nursing home care for Medicaid-eligible
1105 participants who have been permanently placed and remain in
1106 nursing home care for more than 1 year, or may disenroll such
1107 participants from the demonstration projects.

1108 (d) The agency and the department shall develop
1109 reimbursement rates based on the historical cost experience of
1110 the state in providing long-term care and nursing home services
1111 under Medicaid waiver programs and providing state-funded long-
1112 term care services to the population 60 years of age and older
1113 in the area served by the pilot project.

1114 (e) The agency, in consultation with the department, shall
1115 ensure that the entity or entities receiving prepaid or fixed-
1116 sum reimbursement are assisted in developing internal management
1117 and financial control systems necessary to manage the risk
1118 associated with providing services under a prepaid or fixed-sum
1119 rate system.

1120 (f) If the agency and the department share risk of
1121 custodial nursing home placement, payment rates during the first
1122 3 years of operation shall be set at not more than 100 percent
1123 of the costs to the agency and the department of providing
1124 equivalent services to the population within the area of the
1125 pilot project for the year prior to the year in which the pilot
1126 project is implemented, adjusted forward to account for
1127 inflation and policy changes of the Medicaid program. In
1128 subsequent years, the rate shall be negotiated, based on the
1129 cost experience of the entity in providing contracted services,
1130 but may not exceed 95 percent of the amount that would have been
1131 paid in the area of the pilot project absent the prepaid or
1132 fixed sum reimbursement methodology.

1133 (g) Community care for the elderly lead agencies which
1134 have operated for a period of at least 20 years, which operate a
1135 Medicare-certified home health agency, and which have developed

1136 a system of service provision by health care volunteers shall be
1137 given priority in the selection of pilot projects if they meet
1138 the minimum requirements specified in the competitive
1139 procurement.

1140 (h) In order to facilitate the development of the
1141 demonstration project, the agency, subject to appropriations
1142 included in the General Appropriation Act, shall advance
1143 \$500,000, if requested by the lead agency, for the purpose of
1144 funding development costs for each demonstration project
1145 provider. The terms of repayment may not extend beyond 6 years
1146 from the date of funding.

1147 (i) The agency and the department shall adopt any rules
1148 necessary to comply with or administer these requirements,
1149 effect and implement interagency agreements between the agency
1150 and the department, and comply with federal requirements.

1151 (j) The department and the agency shall seek federal
1152 waivers necessary to implement the requirements of this section,
1153 including waivers available from the federal Assistant Secretary
1154 on Aging necessary to include Older Americans Act services in
1155 the demonstration project.

1156 (k) The Department of Elderly Affairs shall conduct or
1157 contract for an evaluation of the demonstration project. The
1158 department shall submit the evaluation to the Governor, the
1159 President of the Senate, and the Speaker of the House of
1160 Representatives by January 1, 2006. The evaluation must address
1161 the effects of the demonstration pilot project on the
1162 effectiveness of the project in providing a comprehensive system
1163 of appropriate and high-quality long-term-care services to

1164 elders in the least restrictive setting and make recommendations
 1165 on implementation expansion for other parts of the state.

1166 (11) The agency, in consultation with the department,
 1167 shall evaluate the feasibility of integrating the frail elder
 1168 option into the nursing home diversion pilot project and the
 1169 feasibility of integrating each program's funds into one
 1170 capitated program serving the aged.

1171 (12) The agency shall seek federal waivers necessary to
 1172 place a cap on the number of Nursing Home Diversion providers in
 1173 each geographic area. The agency may seek federal approval in
 1174 advance of approval of its formal waiver application to limit
 1175 the diversion provider network by freezing enrollment of
 1176 providers at current levels when an area already has three or
 1177 more providers or, in an expansion area, when enrollment reaches
 1178 a level of three providers. This subsection does not prevent the
 1179 department from approving a provider to expand service to
 1180 additional counties within a planning and service area for which
 1181 the provider is already approved to serve.

1182 (13) The agency and the department shall adopt any rules
 1183 necessary to comply with or administer these requirements,
 1184 effect and implement interagency agreements between the
 1185 department and the agency, and comply with federal requirements.

1186 Section 11. Paragraphs (j) and (k) of subsection (1) of
 1187 section 430.502, Florida Statutes, are amended, and paragraph
 1188 (1) is added to said subsection, to read:

1189 430.502 Alzheimer's disease; memory disorder clinics and
 1190 day care and respite care programs.--

1191 (1) There is established:

1192 (j) A memory disorder clinic at Lee Memorial Hospital
 1193 created by chapter 63-1552, Laws of Florida, as amended; ~~and~~
 1194 (k) A memory disorder clinic at Sarasota Memorial Hospital
 1195 in Sarasota County; ~~and~~—

1196 (l) A memory disorder clinic at Morton Plant Hospital,
 1197 Clearwater, in Pinellas County,

1198
 1199 for the purpose of conducting research and training in a
 1200 diagnostic and therapeutic setting for persons suffering from
 1201 Alzheimer's disease and related memory disorders. However,
 1202 memory disorder clinics funded as of June 30, 1995, shall not
 1203 receive decreased funding due solely to subsequent additions of
 1204 memory disorder clinics in this subsection.

1205 Section 12. Paragraph (b) of subsection (2) of section
 1206 1000.445, Florida Statutes, as amended by chapter 2004-2, Laws
 1207 of Florida, is amended to read:

1208 1004.445 Johnnie B. Byrd, Sr., Alzheimer's Center and
 1209 Research Institute.--

1210 (2)

1211 (b)1. The affairs of the not-for-profit corporation shall
 1212 be managed by a board of directors who shall serve without
 1213 compensation. The board of directors shall consist of the
 1214 President of the University of South Florida and the chair of
 1215 the State Board of Education, or their designees, 5
 1216 representatives of the state universities, and no fewer than 9
 1217 nor more than 14 representatives of the public who are neither
 1218 medical doctors nor state employees. Each director who is a
 1219 representative of a state university or of the public shall be

1220 appointed to serve a term of 3 years. The chair of the board of
 1221 directors shall be selected by a majority vote of the directors.
 1222 Each director shall have only one vote.

1223 2. The initial board of directors shall consist of the
 1224 President of the University of South Florida and the chair of
 1225 the State Board of Education, or their designees; the five
 1226 university representatives, of whom one shall be appointed by
 1227 the Governor, two by the President of the Senate, and two by the
 1228 Speaker of the House of Representatives; and nine public
 1229 representatives, of whom three shall be appointed by the
 1230 Governor, three by the President of the Senate, and three by the
 1231 Speaker of the House of Representatives.

1232 3. Upon the expiration of the terms of the initial
 1233 appointed directors, all directors subject to 3-year terms of
 1234 office under this paragraph shall be appointed by a majority
 1235 vote of the directors. ~~and~~

1236 4. The board may be expanded to include additional public
 1237 representative directors up to the maximum number allowed.
 1238 Additional members shall be added by a majority vote of the
 1239 directors.

1240 5. Any vacancy in office shall be filled for the remainder
 1241 of the term by majority vote of the directors. Any director may
 1242 be reappointed.

1243 Section 13. By January 1 of each year, the Department of
 1244 Elderly Affairs shall submit to the Governor, the President of
 1245 the Senate, and the Speaker of the House of Representatives, a
 1246 summary of the results of the departmental monitoring of the
 1247 activities of area agencies on aging. The report shall include

1248 information about area agency compliance with state and federal
1249 rules pertaining to all programs administered by the area
1250 agency, information about each area agency's financial
1251 management of state and federally-funded programs, information
1252 about each agency's compliance with the terms of its contracts
1253 with the department, and a summary of corrective action required
1254 by the department.

1255 Section 14. This act is subject to a specific
1256 appropriation in the General Appropriations Act for fiscal year
1257 2004-2005.

1258 Section 15. This act shall take effect upon becoming a
1259 law.