

CHAMBER ACTION

1 The Elder & Long-Term Care Committee recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to Medicaid reimbursement to nursing
7 homes; amending s. 409.908, F.S.; requiring the Agency for
8 Health Care Administration to establish a Nursing Home
9 Voluntary Competitive Bid Pilot Program for certain
10 nursing homes in two counties for a specified period;
11 permitting licensed nursing homes to bid on rates for
12 Medicaid certified beds under certain circumstances;
13 requiring the agency to provide a list of approved bidders
14 to social service providers; requiring the agency to
15 evaluate the pilot program by a specified time; requiring
16 a report to the Governor and Legislature; providing an
17 effective date.

18
19 Be It Enacted by the Legislature of the State of Florida:

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21 Section 1. Paragraph (a) of subsection (2) of section
22 409.908, Florida Statutes, is amended to read:

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23 | 409.908 Reimbursement of Medicaid providers.--Subject to
24 | specific appropriations, the agency shall reimburse Medicaid
25 | providers, in accordance with state and federal law, according
26 | to methodologies set forth in the rules of the agency and in
27 | policy manuals and handbooks incorporated by reference therein.
28 | These methodologies may include fee schedules, reimbursement
29 | methods based on cost reporting, negotiated fees, competitive
30 | bidding pursuant to s. 287.057, and other mechanisms the agency
31 | considers efficient and effective for purchasing services or
32 | goods on behalf of recipients. If a provider is reimbursed based
33 | on cost reporting and submits a cost report late and that cost
34 | report would have been used to set a lower reimbursement rate
35 | for a rate semester, then the provider's rate for that semester
36 | shall be retroactively calculated using the new cost report, and
37 | full payment at the recalculated rate shall be effected
38 | retroactively. Medicare-granted extensions for filing cost
39 | reports, if applicable, shall also apply to Medicaid cost
40 | reports. Payment for Medicaid compensable services made on
41 | behalf of Medicaid eligible persons is subject to the
42 | availability of moneys and any limitations or directions
43 | provided for in the General Appropriations Act or chapter 216.
44 | Further, nothing in this section shall be construed to prevent
45 | or limit the agency from adjusting fees, reimbursement rates,
46 | lengths of stay, number of visits, or number of services, or
47 | making any other adjustments necessary to comply with the
48 | availability of moneys and any limitations or directions
49 | provided for in the General Appropriations Act, provided the
50 | adjustment is consistent with legislative intent.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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51 (2)(a)1. Reimbursement to nursing homes licensed under
52 part II of chapter 400 and state-owned-and-operated intermediate
53 care facilities for the developmentally disabled licensed under
54 chapter 393 must be made prospectively.

55 2. Unless otherwise limited or directed in the General
56 Appropriations Act, reimbursement to hospitals licensed under
57 part I of chapter 395 for the provision of swing-bed nursing
58 home services must be made on the basis of the average statewide
59 nursing home payment, and reimbursement to a hospital licensed
60 under part I of chapter 395 for the provision of skilled nursing
61 services must be made on the basis of the average nursing home
62 payment for those services in the county in which the hospital
63 is located. When a hospital is located in a county that does not
64 have any community nursing homes, reimbursement must be
65 determined by averaging the nursing home payments, in counties
66 that surround the county in which the hospital is located.
67 Reimbursement to hospitals, including Medicaid payment of
68 Medicare copayments, for skilled nursing services shall be
69 limited to 30 days, unless a prior authorization has been
70 obtained from the agency. Medicaid reimbursement may be extended
71 by the agency beyond 30 days, and approval must be based upon
72 verification by the patient's physician that the patient
73 requires short-term rehabilitative and recuperative services
74 only, in which case an extension of no more than 15 days may be
75 approved. Reimbursement to a hospital licensed under part I of
76 chapter 395 for the temporary provision of skilled nursing
77 services to nursing home residents who have been displaced as
78 the result of a natural disaster or other emergency may not

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79 | exceed the average county nursing home payment for those
 80 | services in the county in which the hospital is located and is
 81 | limited to the period of time which the agency considers
 82 | necessary for continued placement of the nursing home residents
 83 | in the hospital.

84 | 3. The agency shall establish a Nursing Home Voluntary
 85 | Competitive Bid Pilot Program in two counties for a 12-month
 86 | period for nursing homes licensed under chapter 400 with empty
 87 | Medicaid certified beds. Opening bids must be at a rate below
 88 | existing Medicaid reimbursement rates within the catchment area.
 89 | All nursing homes with a standard license in the pilot area can
 90 | voluntarily participate in the program. A nursing home may not
 91 | participate in the pilot program while it has a conditional
 92 | license. No rules shall prohibit Medicaid beneficiaries or their
 93 | families from choosing among those facilities that are Medicaid
 94 | certified. The agency shall update and provide a list of
 95 | approved bidders within the pilot areas to all social service
 96 | providers in that area, including hospitals, assisted living
 97 | facilities, and any entity that makes referrals to nursing
 98 | homes.

99 | 4. The agency shall evaluate the pilot program after the
 100 | 12-month period is completed, including an evaluation of the
 101 | effectiveness of the program, the impact, if any, on quality of
 102 | care, and the amount of savings to the state and submit a report
 103 | to the Governor, the Speaker of the House of Representatives,
 104 | and the President of the Senate no later than 90 days after the
 105 | completion of the pilot program.

106 | Section 2. This act shall take effect July 1, 2005.