

Bill No. SB 2364

Barcode 491808

CHAMBER ACTION

Senate

House

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11 The Committee on Health Care (Fasano) recommended the  
12 following amendment:

**Senate Amendment (with title amendment)**

15 On page 8, between lines 24 and 25,

17 insert:

18 Section 3. Subsection (2) of section 430.705, Florida  
19 Statutes, is amended, and subsection (10) is added to that  
20 section, to read:

21 430.705 Implementation of the long-term care community  
22 diversion pilot projects.--

23 (2)(a) The department shall select projects whose  
24 design and providers demonstrate capacity to maximize the  
25 placement of participants in the least restrictive appropriate  
26 care setting.

27 (b) The department shall select providers that meet  
28 all of the following criteria. Providers shall:

- 29 1. Have a plan administrator who is dedicated to the
- 30 diversion pilot project and project staff who perform the
- 31 necessary project administrative functions, including data

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1 collection, reporting, and analysis.

2       2. Demonstrate the ability to provide program  
3 enrollees with a choice of care provider by contracting with  
4 multiple providers that provide the same type of service.

5       3. Demonstrate through performance or other documented  
6 means the capacity for prompt payment of claims as specified  
7 under s. 641.3155.

8       4. Maintain an insolvency protection account in a bank  
9 or savings and loan association located in this state with a  
10 balance of at least \$100,000 into which monthly deposits equal  
11 to at least 5 percent of premiums received under the project  
12 are made until the balance equals 2 percent of the total  
13 contract amount. The account shall be established with such  
14 terms as to ensure that funds may be withdrawn only with the  
15 signature approval of designated department representatives.

16       5. Maintain a surplus of at least \$1.5 million as  
17 determined by the department. Each applicant and each provider  
18 shall furnish to the department initial and annual unqualified  
19 audited financial statements prepared by a certified public  
20 accountant that expressly confirm that the applicant or  
21 provider satisfies this surplus requirement. The department  
22 may approve a waiver of compliance with the surplus  
23 requirement for an existing diversion provider. The  
24 department's approval of this waiver must be contingent on the  
25 provider demonstrating proof to the department that the entity  
26 has posted and maintains a \$1.5 million performance bond that  
27 is written by an insurer licensed to transact insurance in  
28 this state, in lieu of meeting the surplus requirement. The  
29 department may not approve a waiver of compliance with the  
30 surplus requirement that extends beyond June 30, 2006. As used  
31 in this subparagraph, the term:

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1           a. "Existing diversion provider" means an entity that  
 2 is approved by the department, on or before June 30, 2005, to  
 3 provide services to consumers through any long-term care  
 4 community diversion pilot project authorized under ss.  
 5 430.701-430.709.

6           b. "Surplus" has the same meaning as in s. 641.19(19).

7           (c) The requirements of paragraph (b) do not apply to  
 8 entities selected to provide services in the pilot projects  
 9 authorized under s. 430.205(6)(b)2. The department, in  
 10 consultation with the agency, shall develop by rule minimum  
 11 financial solvency and reporting standards for these providers  
 12 which are reflective of the amount of risk the provider will  
 13 assume under the pilot project. The standards adopted by rule  
 14 shall ensure safety for the pilot project enrollees and  
 15 financial protection for the state in the event of a  
 16 provider's inability to continue providing services under the  
 17 project. The department shall select providers that:

18           ~~(a) Are determined by the Department of Financial~~  
 19 ~~Services to:~~

20           ~~1. Meet surplus requirements specified in s. 641.225;~~

21           ~~2. Demonstrate the ability to comply with the~~

22 ~~standards for financial solvency specified in s. 641.285;~~

23           ~~3. Demonstrate the ability to provide for the prompt~~  
 24 ~~payment of claims as specified in s. 641.3155; and~~

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

29           ~~(b) Demonstrate the ability to contract with multiple~~  
 30 ~~providers that provide the same type of service.~~

31           (10) The department, in consultation with the agency,

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1 may adopt any rules necessary to administer the long-term care  
2 community diversion pilot projects authorized under ss.  
3 430.701-430.709.

4 Section 4. Subsection (1) of section 430.707, Florida  
5 Statutes, is amended to read:

6 430.707 Contracts.--

7 (1) The department, in consultation with the agency,  
8 shall select and contract with managed care organizations and,  
9 on a prepaid basis, with other qualified providers as defined  
10 in s. 430.703(7) to provide long-term care within community  
11 diversion pilot project areas. All providers shall ~~The agency~~  
12 ~~shall evaluate and~~ report quarterly to the department  
13 regarding the entity's ~~the~~ compliance ~~by other qualified~~  
14 ~~providers~~ with all the financial and quality assurance  
15 requirements of the contract.

16  
17 (Redesignate subsequent sections.)

18  
19  
20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 On page 2, line 6, after the semicolon,  
23  
24 insert:

25 amending s. 430.705, F.S.; revising eligibility  
26 requirements relating to financial solvency for  
27 entities that provide services under the  
28 long-term care community diversion pilot  
29 projects; authorizing the department to adopt  
30 rules; amending s. 430.707, F.S.; requiring  
31 project providers to report quarterly to the

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1 department regarding compliance with financial  
2 requirements;  
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