By the Committee on Health Care; and Senator Posey

587-2293-05

1	A bill to be entitled
2	An act relating to Medicaid reimbursement to
3	nursing homes; amending s. 409.908, F.S.;
4	requiring the Agency for Health Care
5	Administration to establish a Nursing Home
6	Voluntary Competitive Bid Pilot Program for
7	certain nursing homes in two counties for a
8	specified period; permitting licensed nursing
9	homes to bid on rates for Medicaid certified
10	beds under certain circumstances; requiring the
11	agency to provide a list of approved bidders to
12	social service providers; requiring the agency
13	to evaluate the pilot program by a specified
14	time; requiring a report to the Governor and
15	Legislature; providing an effective date.
16	
17	Be It Enacted by the Legislature of the State of Florida:
18	
19	Section 1. Paragraph (a) of subsection (2) of section
20	409.908, Florida Statutes, is amended to read:
21	409.908 Reimbursement of Medicaid providersSubject
22	to specific appropriations, the agency shall reimburse
23	Medicaid providers, in accordance with state and federal law,
24	according to methodologies set forth in the rules of the
25	agency and in policy manuals and handbooks incorporated by
26	reference therein. These methodologies may include fee
27	schedules, reimbursement methods based on cost reporting,
28	negotiated fees, competitive bidding pursuant to s. 287.057,
29	and other mechanisms the agency considers efficient and
30	effective for purchasing services or goods on behalf of
31	recipients. If a provider is reimbursed based on cost

19

2021

22

23

2.4

2.5

2627

2.8

29

30

reporting and submits a cost report late and that cost report 2 would have been used to set a lower reimbursement rate for a rate semester, then the provider's rate for that semester 3 shall be retroactively calculated using the new cost report, 4 and full payment at the recalculated rate shall be effected 5 6 retroactively. Medicare-granted extensions for filing cost 7 reports, if applicable, shall also apply to Medicaid cost 8 reports. Payment for Medicaid compensable services made on 9 behalf of Medicaid eligible persons is subject to the availability of moneys and any limitations or directions 10 provided for in the General Appropriations Act or chapter 216. 11 12 Further, nothing in this section shall be construed to prevent 13 or limit the agency from adjusting fees, reimbursement rates, lengths of stay, number of visits, or number of services, or 14 making any other adjustments necessary to comply with the 15 availability of moneys and any limitations or directions 16 provided for in the General Appropriations Act, provided the 18 adjustment is consistent with legislative intent.

- (2)(a)1. Reimbursement to nursing homes licensed under part II of chapter 400 and state-owned-and-operated intermediate care facilities for the developmentally disabled licensed under chapter 393 must be made prospectively.
- 2. Unless otherwise limited or directed in the General Appropriations Act, reimbursement to hospitals licensed under part I of chapter 395 for the provision of swing-bed nursing home services must be made on the basis of the average statewide nursing home payment, and reimbursement to a hospital licensed under part I of chapter 395 for the provision of skilled nursing services must be made on the basis of the average nursing home payment for those services in the county in which the hospital is located. When a

23

2425

2627

2.8

29

30

hospital is located in a county that does not have any community nursing homes, reimbursement must be determined by 2 averaging the nursing home payments, in counties that surround 3 4 the county in which the hospital is located. Reimbursement to hospitals, including Medicaid payment of Medicare copayments, 5 for skilled nursing services shall be limited to 30 days, 7 unless a prior authorization has been obtained from the 8 agency. Medicaid reimbursement may be extended by the agency 9 beyond 30 days, and approval must be based upon verification 10 by the patient's physician that the patient requires short-term rehabilitative and recuperative services only, in 11 12 which case an extension of no more than 15 days may be 13 approved. Reimbursement to a hospital licensed under part I of chapter 395 for the temporary provision of skilled nursing 14 services to nursing home residents who have been displaced as 15 the result of a natural disaster or other emergency may not 16 exceed the average county nursing home payment for those 18 services in the county in which the hospital is located and is limited to the period of time which the agency considers 19 necessary for continued placement of the nursing home 20 21 residents in the hospital. 22 The agency shall establish a Nursing Home Voluntary

3. The agency shall establish a Nursing Home Voluntary Competitive Bid Pilot Program in two counties for a 12-month period for nursing homes licensed under chapter 400 with empty Medicaid certified beds. Opening bids must be at a rate below existing Medicaid reimbursement rates within the catchment area. All nursing homes with a standard license in the pilot area can voluntarily participate in the program. A nursing home may not participate in the pilot program while it has a conditional license. No rules shall prohibit Medicaid beneficiaries or their families from choosing among those

1	facilities that are Medicaid certified. The agency shall
2	update and provide a list of approved bidders within the pilot
3	areas to all social service providers in that area, including
4	hospitals, assisted living facilities, and any entity that
5	makes referrals to nursing homes.
6	4. The agency shall evaluate the pilot program after
7	the 12-month period is completed, including an evaluation of
8	the effectiveness of the program, the impact, if any, on
9	quality of care, and the amount of savings to the state and
10	submit a report to the Governor, the President of the Senate,
11	and the Speaker of the House of Representatives no later than
12	90 days after the completion of the pilot program.
13	Section 2. This act shall take effect July 1, 2005.
14	
15	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR
16	
17	
18	The committee substitute requires that the Agency for Health Care Administration (AHCA) establish a competitive bid pilot
19	program for nursing homes with empty Medicaid beds in two counties for a 12-month period. It allows voluntary
20	participation in the program. It also requires AHCA to evaluate the pilot program after the 12-month period is
21	complete.
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	