

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower families—The bill creates an opportunity for certain families to secure health insurance coverage for their children.

B. EFFECT OF PROPOSED CHANGES:

The Florida KidCare Program was created in 1998 to provide health benefits to uninsured children through the State Children's Health Insurance Program or Medicaid. KidCare has four program components: Medicaid, Medikids, Florida Healthy Kids, and the Children's Medical Services (CMS) Network. Participation by children in these components is contingent on age, family income, and special health care needs.

In order to be eligible for the subsidized portion of KidCare, a child must be a United States citizen or a qualified alien, under age 19, and have a family income that is equal to or less than 200% of the federal poverty level. Further the child cannot be:

1. Eligible for coverage under a state health benefit plan on the basis of a family member's employment with a public agency in the state.
2. Eligible for a family member's group health benefit plan or under other employer health insurance coverage, provided that the cost of the child's participation is not greater than 5 percent of the family's income.
3. An inmate of a public institution or a patient in an institution for mental diseases, or
4. A child who has had his or her coverage in an employer-sponsored health benefit plan voluntarily canceled in the last 6 months.

Section 409.814 (5), F.S., allows children that are not eligible to participate in KidCare to participate in a component, except Medicaid, if their family pays the full cost of the premium, including administrative costs. These children are known as "full-pays" and the statute limits them to no more than 10 percent of the total enrollment in each component.

This bill amends s. 409.814 (5) to state that full pays may participate in Medikids or the Florida Healthy Kids program. This eliminates the possibility for children to participate in the CMS network as a full-pay, although there has never been a full-pay in the CMS network because of the enormous premium that a family would have to pay.

The Florida Healthy Kids program, which serves children ages 5 -18, is the only component that has enrolled full-pays. The Agency for Health Care Administration administers the Medikids component that serves children ages 1 – 4, and they have chosen not to enroll any children as full-pays.

This has led to a situation where children from the same family are treated differently. The family can purchase health insurance for their child who is old enough for the Florida Healthy Kids program but not for their child that is in the Medikids age group. This bill requires AHCA to begin enrolling full-pays by July 1, 2006.

C. SECTION DIRECTORY:

Section 1. Amends subsection (5) of section 409.814, F.S.

Section 2. Requires the Agency for Health Care Administration to begin enrolling full-pays by July 1, 2006.

Section 3. Establishes an effective date for the act of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Health care providers, including health maintenance organizations, which arrange most of the health services for children enrolled in Medikids, should realize an increase in revenue as a result of increased enrollment by families that are willing to pay the full premium.

Children with families above 200 percent of the FPL or who are not otherwise eligible for premium assistance must pay the full premium, including administrative costs, without any premium assistance to participate in Medikids or Healthy Kids.

D. FISCAL COMMENTS:

AHCA would need to obtain actuarial services to calculate an appropriate Medikids premium for the full-pay option that would support the cost of services, reinsurance, and other administrative costs.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Sufficient rulemaking authority exists to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

There is an apparent conflict between the requirement to enroll children in the full-pay option by July 1, 2006, and the effective date of the bill, which also is July 1, 2006.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On February 22, 2006, the Health Care General Committee adopted one amendment to the bill. The amendment:

- Amends s. 409.814, F.S., to allow a family with a child who is not eligible for the Medikids or Healthy Kids program because the family income is above 200 percent of the Federal Poverty Level (FPL) or because the child is not eligible for other reasons delineated in statute to participate in these programs, if the family pays the full premium without any premium assistance.
- Requires AHCA to begin enrollment of children from families with income above 200 percent of the FPL or children not eligible for premium assistance in Medikids by July 1, 2006.

As amended, the bill was reported favorably as a committee substitute.

This analysis reflects the bill as amended.