

1 section, moneys to hospitals providing a disproportionate
2 share of Medicaid or charity care services by making quarterly
3 Medicaid payments as required. Notwithstanding the provisions
4 of s. 409.915, counties are exempt from contributing toward
5 the cost of this special reimbursement for hospitals serving a
6 disproportionate share of low-income patients.

7 (2) The Agency for Health Care Administration shall
8 use the following actual audited data to determine the
9 Medicaid days and charity care to be used in calculating the
10 disproportionate share payment:

11 (a) The average of the ~~2000~~, 2001, ~~and~~ 2002, and 2003
12 audited disproportionate share data to determine each
13 hospital's Medicaid days and charity care for the 2007-2008
14 ~~2006-2007~~ state fiscal year.

15 Section 2. Section 409.9112, Florida Statutes, is
16 amended to read:

17 409.9112 Disproportionate share program for regional
18 perinatal intensive care centers.--In addition to the payments
19 made under s. 409.911, the Agency for Health Care
20 Administration shall design and implement a system of making
21 disproportionate share payments to those hospitals that
22 participate in the regional perinatal intensive care center
23 program established pursuant to chapter 383. This system of
24 payments shall conform with federal requirements and shall
25 distribute funds in each fiscal year for which an
26 appropriation is made by making quarterly Medicaid payments.
27 Notwithstanding the provisions of s. 409.915, counties are
28 exempt from contributing toward the cost of this special
29 reimbursement for hospitals serving a disproportionate share
30 of low-income patients. For the state fiscal year 2007-2008
31 ~~2005-2006~~, the agency shall not distribute moneys under the

1 regional perinatal intensive care centers disproportionate
2 share program.

3 (1) The following formula shall be used by the agency
4 to calculate the total amount earned for hospitals that
5 participate in the regional perinatal intensive care center
6 program:

$$7 \qquad \qquad \qquad 8 \qquad \qquad \qquad TAE = HDSP/THDSP$$

9
10 Where:

11 TAE = total amount earned by a regional perinatal
12 intensive care center.

13 HDSP = the prior state fiscal year regional perinatal
14 intensive care center disproportionate share payment to the
15 individual hospital.

16 THDSP = the prior state fiscal year total regional
17 perinatal intensive care center disproportionate share
18 payments to all hospitals.

19
20 (2) The total additional payment for hospitals that
21 participate in the regional perinatal intensive care center
22 program shall be calculated by the agency as follows:

$$23 \qquad \qquad \qquad 24 \qquad \qquad \qquad TAP = TAE \times TA$$

25
26 Where:

27 TAP = total additional payment for a regional perinatal
28 intensive care center.

29 TAE = total amount earned by a regional perinatal
30 intensive care center.

31

1 TA = total appropriation for the regional perinatal
2 intensive care center disproportionate share program.

3
4 (3) In order to receive payments under this section, a
5 hospital must be participating in the regional perinatal
6 intensive care center program pursuant to chapter 383 and must
7 meet the following additional requirements:

8 (a) Agree to conform to all departmental and agency
9 requirements to ensure high quality in the provision of
10 services, including criteria adopted by departmental and
11 agency rule concerning staffing ratios, medical records,
12 standards of care, equipment, space, and such other standards
13 and criteria as the department and agency deem appropriate as
14 specified by rule.

15 (b) Agree to provide information to the department and
16 agency, in a form and manner to be prescribed by rule of the
17 department and agency, concerning the care provided to all
18 patients in neonatal intensive care centers and high-risk
19 maternity care.

20 (c) Agree to accept all patients for neonatal
21 intensive care and high-risk maternity care, regardless of
22 ability to pay, on a functional space-available basis.

23 (d) Agree to develop arrangements with other maternity
24 and neonatal care providers in the hospital's region for the
25 appropriate receipt and transfer of patients in need of
26 specialized maternity and neonatal intensive care services.

27 (e) Agree to establish and provide a developmental
28 evaluation and services program for certain high-risk
29 neonates, as prescribed and defined by rule of the department.

30
31

1 (f) Agree to sponsor a program of continuing education
2 in perinatal care for health care professionals within the
3 region of the hospital, as specified by rule.

4 (g) Agree to provide backup and referral services to
5 the department's county health departments and other
6 low-income perinatal providers within the hospital's region,
7 including the development of written agreements between these
8 organizations and the hospital.

9 (h) Agree to arrange for transportation for high-risk
10 obstetrical patients and neonates in need of transfer from the
11 community to the hospital or from the hospital to another more
12 appropriate facility.

13 (4) Hospitals which fail to comply with any of the
14 conditions in subsection (3) or the applicable rules of the
15 department and agency shall not receive any payments under
16 this section until full compliance is achieved. A hospital
17 which is not in compliance in two or more consecutive quarters
18 shall not receive its share of the funds. Any forfeited funds
19 shall be distributed by the remaining participating regional
20 perinatal intensive care center program hospitals.

21 Section 3. Section 409.9113, Florida Statutes, is
22 amended to read:

23 409.9113 Disproportionate share program for teaching
24 hospitals.--In addition to the payments made under ss. 409.911
25 and 409.9112, the Agency for Health Care Administration shall
26 make disproportionate share payments to statutorily defined
27 teaching hospitals for their increased costs associated with
28 medical education programs and for tertiary health care
29 services provided to the indigent. This system of payments
30 shall conform with federal requirements and shall distribute
31 funds in each fiscal year for which an appropriation is made

1 | by making quarterly Medicaid payments. Notwithstanding s.
2 | 409.915, counties are exempt from contributing toward the cost
3 | of this special reimbursement for hospitals serving a
4 | disproportionate share of low-income patients. For the state
5 | fiscal year 2007-2008 ~~2006-2007~~, the agency shall distribute
6 | the moneys provided in the General Appropriations Act to
7 | statutorily defined teaching hospitals and family practice
8 | teaching hospitals under the teaching hospital
9 | disproportionate share program. The funds provided for
10 | statutorily defined teaching hospitals shall be distributed in
11 | the same proportion as the state fiscal year 2003-2004
12 | teaching hospital disproportionate share funds were
13 | distributed. The funds provided for family practice teaching
14 | hospitals shall be distributed equally among family practice
15 | teaching hospitals.

16 | (1) On or before September 15 of each year, the Agency
17 | for Health Care Administration shall calculate an allocation
18 | fraction to be used for distributing funds to state statutory
19 | teaching hospitals. Subsequent to the end of each quarter of
20 | the state fiscal year, the agency shall distribute to each
21 | statutory teaching hospital, as defined in s. 408.07, an
22 | amount determined by multiplying one-fourth of the funds
23 | appropriated for this purpose by the Legislature times such
24 | hospital's allocation fraction. The allocation fraction for
25 | each such hospital shall be determined by the sum of three
26 | primary factors, divided by three. The primary factors are:

27 | (a) The number of nationally accredited graduate
28 | medical education programs offered by the hospital, including
29 | programs accredited by the Accreditation Council for Graduate
30 | Medical Education and the combined Internal Medicine and
31 | Pediatrics programs acceptable to both the American Board of

1 Internal Medicine and the American Board of Pediatrics at the
2 beginning of the state fiscal year preceding the date on which
3 the allocation fraction is calculated. The numerical value of
4 this factor is the fraction that the hospital represents of
5 the total number of programs, where the total is computed for
6 all state statutory teaching hospitals.

7 (b) The number of full-time equivalent trainees in the
8 hospital, which comprises two components:

9 1. The number of trainees enrolled in nationally
10 accredited graduate medical education programs, as defined in
11 paragraph (a). Full-time equivalents are computed using the
12 fraction of the year during which each trainee is primarily
13 assigned to the given institution, over the state fiscal year
14 preceding the date on which the allocation fraction is
15 calculated. The numerical value of this factor is the fraction
16 that the hospital represents of the total number of full-time
17 equivalent trainees enrolled in accredited graduate programs,
18 where the total is computed for all state statutory teaching
19 hospitals.

20 2. The number of medical students enrolled in
21 accredited colleges of medicine and engaged in clinical
22 activities, including required clinical clerkships and
23 clinical electives. Full-time equivalents are computed using
24 the fraction of the year during which each trainee is
25 primarily assigned to the given institution, over the course
26 of the state fiscal year preceding the date on which the
27 allocation fraction is calculated. The numerical value of this
28 factor is the fraction that the given hospital represents of
29 the total number of full-time equivalent students enrolled in
30 accredited colleges of medicine, where the total is computed
31 for all state statutory teaching hospitals.

1
2 The primary factor for full-time equivalent trainees is
3 computed as the sum of these two components, divided by two.
4 (c) A service index that comprises three components:
5 1. The Agency for Health Care Administration Service
6 Index, computed by applying the standard Service Inventory
7 Scores established by the Agency for Health Care
8 Administration to services offered by the given hospital, as
9 reported on Worksheet A-2 for the last fiscal year reported to
10 the agency before the date on which the allocation fraction is
11 calculated. The numerical value of this factor is the
12 fraction that the given hospital represents of the total
13 Agency for Health Care Administration Service Index values,
14 where the total is computed for all state statutory teaching
15 hospitals.
16 2. A volume-weighted service index, computed by
17 applying the standard Service Inventory Scores established by
18 the Agency for Health Care Administration to the volume of
19 each service, expressed in terms of the standard units of
20 measure reported on Worksheet A-2 for the last fiscal year
21 reported to the agency before the date on which the allocation
22 factor is calculated. The numerical value of this factor is
23 the fraction that the given hospital represents of the total
24 volume-weighted service index values, where the total is
25 computed for all state statutory teaching hospitals.
26 3. Total Medicaid payments to each hospital for direct
27 inpatient and outpatient services during the fiscal year
28 preceding the date on which the allocation factor is
29 calculated. This includes payments made to each hospital for
30 such services by Medicaid prepaid health plans, whether the
31 plan was administered by the hospital or not. The numerical

1 value of this factor is the fraction that each hospital
2 represents of the total of such Medicaid payments, where the
3 total is computed for all state statutory teaching hospitals.

4
5 The primary factor for the service index is computed as the
6 sum of these three components, divided by three.

7 (2) By October 1 of each year, the agency shall use
8 the following formula to calculate the maximum additional
9 disproportionate share payment for statutorily defined
10 teaching hospitals:

$$11 \qquad \qquad \qquad 12 \qquad \qquad \qquad \text{TAP} = \text{THAF} \times \text{A}$$

13
14 Where:

15 TAP = total additional payment.

16 THAF = teaching hospital allocation factor.

17 A = amount appropriated for a teaching hospital
18 disproportionate share program.

19 Section 4. Section 409.9117, Florida Statutes, is
20 amended to read:

21 409.9117 Primary care disproportionate share
22 program.--For the state fiscal year 2007-2008 ~~2006-2007~~, the
23 agency shall not distribute moneys under the primary care
24 disproportionate share program.

25 (1) If federal funds are available for
26 disproportionate share programs in addition to those otherwise
27 provided by law, there shall be created a primary care
28 disproportionate share program.

29 (2) The following formula shall be used by the agency
30 to calculate the total amount earned for hospitals that
31

1 participate in the primary care disproportionate share
2 program:

$$3$$
$$4 \qquad \qquad \qquad \text{TAE} = \text{HDSP}/\text{THDSP}$$
$$5$$

6 Where:

7 TAE = total amount earned by a hospital participating
8 in the primary care disproportionate share program.

9 HDSP = the prior state fiscal year primary care
10 disproportionate share payment to the individual hospital.

11 THDSP = the prior state fiscal year total primary care
12 disproportionate share payments to all hospitals.

13

14 (3) The total additional payment for hospitals that
15 participate in the primary care disproportionate share program
16 shall be calculated by the agency as follows:

$$17$$
$$18 \qquad \qquad \qquad \text{TAP} = \text{TAE} \times \text{TA}$$
$$19$$

20 Where:

21 TAP = total additional payment for a primary care
22 hospital.

23 TAE = total amount earned by a primary care hospital.

24 TA = total appropriation for the primary care
25 disproportionate share program.

26

27 (4) In the establishment and funding of this program,
28 the agency shall use the following criteria in addition to
29 those specified in s. 409.911, payments may not be made to a
30 hospital unless the hospital agrees to:

1 (a) Cooperate with a Medicaid prepaid health plan, if
2 one exists in the community.

3 (b) Ensure the availability of primary and specialty
4 care physicians to Medicaid recipients who are not enrolled in
5 a prepaid capitated arrangement and who are in need of access
6 to such physicians.

7 (c) Coordinate and provide primary care services free
8 of charge, except copayments, to all persons with incomes up
9 to 100 percent of the federal poverty level who are not
10 otherwise covered by Medicaid or another program administered
11 by a governmental entity, and to provide such services based
12 on a sliding fee scale to all persons with incomes up to 200
13 percent of the federal poverty level who are not otherwise
14 covered by Medicaid or another program administered by a
15 governmental entity, except that eligibility may be limited to
16 persons who reside within a more limited area, as agreed to by
17 the agency and the hospital.

18 (d) Contract with any federally qualified health
19 center, if one exists within the agreed geopolitical
20 boundaries, concerning the provision of primary care services,
21 in order to guarantee delivery of services in a nonduplicative
22 fashion, and to provide for referral arrangements, privileges,
23 and admissions, as appropriate. The hospital shall agree to
24 provide at an onsite or offsite facility primary care services
25 within 24 hours to which all Medicaid recipients and persons
26 eligible under this paragraph who do not require emergency
27 room services are referred during normal daylight hours.

28 (e) Cooperate with the agency, the county, and other
29 entities to ensure the provision of certain public health
30 services, case management, referral and acceptance of
31 patients, and sharing of epidemiological data, as the agency

1 and the hospital find mutually necessary and desirable to
2 promote and protect the public health within the agreed
3 geopolitical boundaries.

4 (f) In cooperation with the county in which the
5 hospital resides, develop a low-cost, outpatient, prepaid
6 health care program to persons who are not eligible for the
7 Medicaid program, and who reside within the area.

8 (g) Provide inpatient services to residents within the
9 area who are not eligible for Medicaid or Medicare, and who do
10 not have private health insurance, regardless of ability to
11 pay, on the basis of available space, except that nothing
12 shall prevent the hospital from establishing bill collection
13 programs based on ability to pay.

14 (h) Work with the Florida Healthy Kids Corporation,
15 the Florida Health Care Purchasing Cooperative, and business
16 health coalitions, as appropriate, to develop a feasibility
17 study and plan to provide a low-cost comprehensive health
18 insurance plan to persons who reside within the area and who
19 do not have access to such a plan.

20 (i) Work with public health officials and other
21 experts to provide community health education and prevention
22 activities designed to promote healthy lifestyles and
23 appropriate use of health services.

24 (j) Work with the local health council to develop a
25 plan for promoting access to affordable health care services
26 for all persons who reside within the area, including, but not
27 limited to, public health services, primary care services,
28 inpatient services, and affordable health insurance generally.

29
30 Any hospital that fails to comply with any of the provisions
31 of this subsection, or any other contractual condition, may

1 not receive payments under this section until full compliance
2 is achieved.

3 Section 5. This act shall take effect July 1, 2007.
4

5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 Senate Bill 1116

8 Updates the years of audited data used to determine Medicaid
9 and charity care days for each hospital in the
10 Disproportionate Share Program for Fiscal Year 2007-2008.

11 Continues language that does not allow for distribution of
12 funds through the Regional Perinatal Intensive Care Centers
13 and the Primary Care Disproportionate Share Programs in Fiscal
14 Year 2007-2008.

15 Updates the year and requires disproportionate share payments
16 to teaching hospitals in Fiscal Year 2007-2008.
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31