

1                                   A bill to be entitled  
2           An act relating to health care; amending s.  
3           409.911, F.S.; providing for the calculation of  
4           payments made to hospitals serving a  
5           disproportionate share of low-income patients;  
6           amending s. 409.9112, F.S.; prohibiting the  
7           Agency for Health Care Administration from  
8           distributing moneys under the regional  
9           perinatal intensive care centers  
10          disproportionate share program for the  
11          2007-2008 fiscal year; amending s. 409.9113,  
12          F.S.; requiring the agency to distribute moneys  
13          provided in the General Appropriations Act to  
14          statutorily defined teaching hospitals and  
15          family practice teaching hospitals under the  
16          teaching hospital disproportionate share  
17          program for the 2007-2008 fiscal year; amending  
18          s. 409.9117, F.S.; prohibiting the agency from  
19          distributing moneys under the primary care  
20          disproportionate share program for the  
21          2007-2008 fiscal year; amending s. 409.912,  
22          F.S.; providing an exception to behavioral  
23          health care services delivered through a  
24          specialty prepaid plan for certain specified  
25          children; amending s. 409.91211, F.S.;  
26          requiring the Agency for Health Care  
27          Administration to implement delivery mechanisms  
28          to provide Medicaid services to  
29          Medicaid-eligible children who are open for  
30          child welfare services in the HomeSafeNet  
31          system; requiring that the services be

1 sufficient to meet the medical, developmental,  
2 behavioral, and emotional needs of the  
3 children; directing the agency to implement the  
4 service delivery by a specified date; providing  
5 an effective date.  
6

7 Be It Enacted by the Legislature of the State of Florida:  
8

9 Section 1. Paragraph (a) of subsection (2) of section  
10 409.911, Florida Statutes, is amended to read:

11 409.911 Disproportionate share program.--Subject to  
12 specific allocations established within the General  
13 Appropriations Act and any limitations established pursuant to  
14 chapter 216, the agency shall distribute, pursuant to this  
15 section, moneys to hospitals providing a disproportionate  
16 share of Medicaid or charity care services by making quarterly  
17 Medicaid payments as required. Notwithstanding the provisions  
18 of s. 409.915, counties are exempt from contributing toward  
19 the cost of this special reimbursement for hospitals serving a  
20 disproportionate share of low-income patients.

21 (2) The Agency for Health Care Administration shall  
22 use the following actual audited data to determine the  
23 Medicaid days and charity care to be used in calculating the  
24 disproportionate share payment:

25 (a) The average of the ~~2000~~, 2001, ~~and 2002~~, and 2003  
26 audited disproportionate share data to determine each  
27 hospital's Medicaid days and charity care for the 2007-2008  
28 ~~2006-2007~~ state fiscal year.

29 Section 2. Section 409.9112, Florida Statutes, is  
30 amended to read:  
31

1           409.9112 Disproportionate share program for regional  
2 perinatal intensive care centers.--In addition to the payments  
3 made under s. 409.911, the Agency for Health Care  
4 Administration shall design and implement a system of making  
5 disproportionate share payments to those hospitals that  
6 participate in the regional perinatal intensive care center  
7 program established pursuant to chapter 383. This system of  
8 payments shall conform with federal requirements and shall  
9 distribute funds in each fiscal year for which an  
10 appropriation is made by making quarterly Medicaid payments.  
11 Notwithstanding the provisions of s. 409.915, counties are  
12 exempt from contributing toward the cost of this special  
13 reimbursement for hospitals serving a disproportionate share  
14 of low-income patients. For the state fiscal year 2007-2008  
15 ~~2005-2006~~, the agency shall not distribute moneys under the  
16 regional perinatal intensive care centers disproportionate  
17 share program.

18           (1) The following formula shall be used by the agency  
19 to calculate the total amount earned for hospitals that  
20 participate in the regional perinatal intensive care center  
21 program:

$$22 \qquad \qquad \qquad 23 \qquad \qquad \qquad \text{TAE} = \text{HDSP}/\text{THDSP}$$

24  
25 Where:

26           TAE = total amount earned by a regional perinatal  
27 intensive care center.

28           HDSP = the prior state fiscal year regional perinatal  
29 intensive care center disproportionate share payment to the  
30 individual hospital.

31

1 THDSP = the prior state fiscal year total regional  
2 perinatal intensive care center disproportionate share  
3 payments to all hospitals.

4  
5 (2) The total additional payment for hospitals that  
6 participate in the regional perinatal intensive care center  
7 program shall be calculated by the agency as follows:

$$8 \qquad \qquad \qquad 9 \qquad \qquad \qquad TAP = TAE \times TA$$

10  
11 Where:

12 TAP = total additional payment for a regional perinatal  
13 intensive care center.

14 TAE = total amount earned by a regional perinatal  
15 intensive care center.

16 TA = total appropriation for the regional perinatal  
17 intensive care center disproportionate share program.

18  
19 (3) In order to receive payments under this section, a  
20 hospital must be participating in the regional perinatal  
21 intensive care center program pursuant to chapter 383 and must  
22 meet the following additional requirements:

23 (a) Agree to conform to all departmental and agency  
24 requirements to ensure high quality in the provision of  
25 services, including criteria adopted by departmental and  
26 agency rule concerning staffing ratios, medical records,  
27 standards of care, equipment, space, and such other standards  
28 and criteria as the department and agency deem appropriate as  
29 specified by rule.

30 (b) Agree to provide information to the department and  
31 agency, in a form and manner to be prescribed by rule of the

1 department and agency, concerning the care provided to all  
2 patients in neonatal intensive care centers and high-risk  
3 maternity care.

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

7 (d) Agree to develop arrangements with other maternity  
8 and neonatal care providers in the hospital's region for the  
9 appropriate receipt and transfer of patients in need of  
10 specialized maternity and neonatal intensive care services.

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

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

17 (g) Agree to provide backup and referral services to  
18 the department's county health departments and other  
19 low-income perinatal providers within the hospital's region,  
20 including the development of written agreements between these  
21 organizations and the hospital.

22 (h) Agree to arrange for transportation for high-risk  
23 obstetrical patients and neonates in need of transfer from the  
24 community to the hospital or from the hospital to another more  
25 appropriate facility.

26 (4) Hospitals which fail to comply with any of the  
27 conditions in subsection (3) or the applicable rules of the  
28 department and agency shall not receive any payments under  
29 this section until full compliance is achieved. A hospital  
30 which is not in compliance in two or more consecutive quarters  
31 shall not receive its share of the funds. Any forfeited funds

1 shall be distributed by the remaining participating regional  
2 perinatal intensive care center program hospitals.

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

5 409.9113 Disproportionate share program for teaching  
6 hospitals.--In addition to the payments made under ss. 409.911  
7 and 409.9112, the Agency for Health Care Administration shall  
8 make disproportionate share payments to statutorily defined  
9 teaching hospitals for their increased costs associated with  
10 medical education programs and for tertiary health care  
11 services provided to the indigent. This system of payments  
12 shall conform with federal requirements and shall distribute  
13 funds in each fiscal year for which an appropriation is made  
14 by making quarterly Medicaid payments. Notwithstanding s.

15 409.915, counties are exempt from contributing toward the cost  
16 of this special reimbursement for hospitals serving a  
17 disproportionate share of low-income patients. For the state  
18 fiscal year 2007-2008 ~~2006-2007~~, the agency shall distribute  
19 the moneys provided in the General Appropriations Act to  
20 statutorily defined teaching hospitals and family practice  
21 teaching hospitals under the teaching hospital  
22 disproportionate share program. The funds provided for  
23 statutorily defined teaching hospitals shall be distributed in  
24 the same proportion as the state fiscal year 2003-2004  
25 teaching hospital disproportionate share funds were  
26 distributed. The funds provided for family practice teaching  
27 hospitals shall be distributed equally among family practice  
28 teaching hospitals.

29 (1) On or before September 15 of each year, the Agency  
30 for Health Care Administration shall calculate an allocation  
31 fraction to be used for distributing funds to state statutory

1 teaching hospitals. Subsequent to the end of each quarter of  
2 the state fiscal year, the agency shall distribute to each  
3 statutory teaching hospital, as defined in s. 408.07, an  
4 amount determined by multiplying one-fourth of the funds  
5 appropriated for this purpose by the Legislature times such  
6 hospital's allocation fraction. The allocation fraction for  
7 each such hospital shall be determined by the sum of three  
8 primary factors, divided by three. The primary factors are:

9 (a) The number of nationally accredited graduate  
10 medical education programs offered by the hospital, including  
11 programs accredited by the Accreditation Council for Graduate  
12 Medical Education and the combined Internal Medicine and  
13 Pediatrics programs acceptable to both the American Board of  
14 Internal Medicine and the American Board of Pediatrics at the  
15 beginning of the state fiscal year preceding the date on which  
16 the allocation fraction is calculated. The numerical value of  
17 this factor is the fraction that the hospital represents of  
18 the total number of programs, where the total is computed for  
19 all state statutory teaching hospitals.

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

22 1. The number of trainees enrolled in nationally  
23 accredited graduate medical education programs, as defined in  
24 paragraph (a). Full-time equivalents are computed using the  
25 fraction of the year during which each trainee is primarily  
26 assigned to the given institution, over the state fiscal year  
27 preceding the date on which the allocation fraction is  
28 calculated. The numerical value of this factor is the fraction  
29 that the hospital represents of the total number of full-time  
30 equivalent trainees enrolled in accredited graduate programs,  
31

1 where the total is computed for all state statutory teaching  
2 hospitals.

3           2. The number of medical students enrolled in  
4 accredited colleges of medicine and engaged in clinical  
5 activities, including required clinical clerkships and  
6 clinical electives. Full-time equivalents are computed using  
7 the fraction of the year during which each trainee is  
8 primarily assigned to the given institution, over the course  
9 of the state fiscal year preceding the date on which the  
10 allocation fraction is calculated. The numerical value of this  
11 factor is the fraction that the given hospital represents of  
12 the total number of full-time equivalent students enrolled in  
13 accredited colleges of medicine, where the total is computed  
14 for all state statutory teaching hospitals.

15  
16 The primary factor for full-time equivalent trainees is  
17 computed as the sum of these two components, divided by two.

18           (c) A service index that comprises three components:

19           1. The Agency for Health Care Administration Service  
20 Index, computed by applying the standard Service Inventory  
21 Scores established by the Agency for Health Care  
22 Administration to services offered by the given hospital, as  
23 reported on Worksheet A-2 for the last fiscal year reported to  
24 the agency before the date on which the allocation fraction is  
25 calculated. The numerical value of this factor is the  
26 fraction that the given hospital represents of the total  
27 Agency for Health Care Administration Service Index values,  
28 where the total is computed for all state statutory teaching  
29 hospitals.

30           2. A volume-weighted service index, computed by  
31 applying the standard Service Inventory Scores established by



1 the Agency for Health Care Administration to the volume of  
2 each service, expressed in terms of the standard units of  
3 measure reported on Worksheet A-2 for the last fiscal year  
4 reported to the agency before the date on which the allocation  
5 factor is calculated. The numerical value of this factor is  
6 the fraction that the given hospital represents of the total  
7 volume-weighted service index values, where the total is  
8 computed for all state statutory teaching hospitals.

9 3. Total Medicaid payments to each hospital for direct  
10 inpatient and outpatient services during the fiscal year  
11 preceding the date on which the allocation factor is  
12 calculated. This includes payments made to each hospital for  
13 such services by Medicaid prepaid health plans, whether the  
14 plan was administered by the hospital or not. The numerical  
15 value of this factor is the fraction that each hospital  
16 represents of the total of such Medicaid payments, where the  
17 total is computed for all state statutory teaching hospitals.

18  
19 The primary factor for the service index is computed as the  
20 sum of these three components, divided by three.

21 (2) By October 1 of each year, the agency shall use  
22 the following formula to calculate the maximum additional  
23 disproportionate share payment for statutorily defined  
24 teaching hospitals:

$$25 \qquad \qquad \qquad 26 \qquad \qquad \qquad \text{TAP} = \text{THAF} \times \text{A}$$

27  
28 Where:

29 TAP = total additional payment.

30 THAF = teaching hospital allocation factor.

31

1           A = amount appropriated for a teaching hospital  
2 disproportionate share program.

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

5           409.9117 Primary care disproportionate share  
6 program.--For the state fiscal year 2007-2008 ~~2006-2007~~, the  
7 agency shall not distribute moneys under the primary care  
8 disproportionate share program.

9           (1) If federal funds are available for  
10 disproportionate share programs in addition to those otherwise  
11 provided by law, there shall be created a primary care  
12 disproportionate share program.

13           (2) The following formula shall be used by the agency  
14 to calculate the total amount earned for hospitals that  
15 participate in the primary care disproportionate share  
16 program:

$$17 \qquad \qquad \qquad \text{TAE} = \text{HDSP}/\text{THDSP}$$

18  
19  
20 Where:

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

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

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

27  
28           (3) The total additional payment for hospitals that  
29 participate in the primary care disproportionate share program  
30 shall be calculated by the agency as follows:  
31



1           (d) Contract with any federally qualified health  
2 center, if one exists within the agreed geopolitical  
3 boundaries, concerning the provision of primary care services,  
4 in order to guarantee delivery of services in a nonduplicative  
5 fashion, and to provide for referral arrangements, privileges,  
6 and admissions, as appropriate. The hospital shall agree to  
7 provide at an onsite or offsite facility primary care services  
8 within 24 hours to which all Medicaid recipients and persons  
9 eligible under this paragraph who do not require emergency  
10 room services are referred during normal daylight hours.

11           (e) Cooperate with the agency, the county, and other  
12 entities to ensure the provision of certain public health  
13 services, case management, referral and acceptance of  
14 patients, and sharing of epidemiological data, as the agency  
15 and the hospital find mutually necessary and desirable to  
16 promote and protect the public health within the agreed  
17 geopolitical boundaries.

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

22           (g) Provide inpatient services to residents within the  
23 area who are not eligible for Medicaid or Medicare, and who do  
24 not have private health insurance, regardless of ability to  
25 pay, on the basis of available space, except that nothing  
26 shall prevent the hospital from establishing bill collection  
27 programs based on ability to pay.

28           (h) Work with the Florida Healthy Kids Corporation,  
29 the Florida Health Care Purchasing Cooperative, and business  
30 health coalitions, as appropriate, to develop a feasibility  
31 study and plan to provide a low-cost comprehensive health

1 insurance plan to persons who reside within the area and who  
2 do not have access to such a plan.

3 (i) Work with public health officials and other  
4 experts to provide community health education and prevention  
5 activities designed to promote healthy lifestyles and  
6 appropriate use of health services.

7 (j) Work with the local health council to develop a  
8 plan for promoting access to affordable health care services  
9 for all persons who reside within the area, including, but not  
10 limited to, public health services, primary care services,  
11 inpatient services, and affordable health insurance generally.

12  
13 Any hospital that fails to comply with any of the provisions  
14 of this subsection, or any other contractual condition, may  
15 not receive payments under this section until full compliance  
16 is achieved.

17 Section 5. Paragraph (b) of subsection (4) of section  
18 409.912, Florida Statutes, is amended to read:

19 409.912 Cost-effective purchasing of health care.--The  
20 agency shall purchase goods and services for Medicaid  
21 recipients in the most cost-effective manner consistent with  
22 the delivery of quality medical care. To ensure that medical  
23 services are effectively utilized, the agency may, in any  
24 case, require a confirmation or second physician's opinion of  
25 the correct diagnosis for purposes of authorizing future  
26 services under the Medicaid program. This section does not  
27 restrict access to emergency services or poststabilization  
28 care services as defined in 42 C.F.R. part 438.114. Such  
29 confirmation or second opinion shall be rendered in a manner  
30 approved by the agency. The agency shall maximize the use of  
31 prepaid per capita and prepaid aggregate fixed-sum basis

1 services when appropriate and other alternative service  
2 delivery and reimbursement methodologies, including  
3 competitive bidding pursuant to s. 287.057, designed to  
4 facilitate the cost-effective purchase of a case-managed  
5 continuum of care. The agency shall also require providers to  
6 minimize the exposure of recipients to the need for acute  
7 inpatient, custodial, and other institutional care and the  
8 inappropriate or unnecessary use of high-cost services. The  
9 agency shall contract with a vendor to monitor and evaluate  
10 the clinical practice patterns of providers in order to  
11 identify trends that are outside the normal practice patterns  
12 of a provider's professional peers or the national guidelines  
13 of a provider's professional association. The vendor must be  
14 able to provide information and counseling to a provider whose  
15 practice patterns are outside the norms, in consultation with  
16 the agency, to improve patient care and reduce inappropriate  
17 utilization. The agency may mandate prior authorization, drug  
18 therapy management, or disease management participation for  
19 certain populations of Medicaid beneficiaries, certain drug  
20 classes, or particular drugs to prevent fraud, abuse, overuse,  
21 and possible dangerous drug interactions. The Pharmaceutical  
22 and Therapeutics Committee shall make recommendations to the  
23 agency on drugs for which prior authorization is required. The  
24 agency shall inform the Pharmaceutical and Therapeutics  
25 Committee of its decisions regarding drugs subject to prior  
26 authorization. The agency is authorized to limit the entities  
27 it contracts with or enrolls as Medicaid providers by  
28 developing a provider network through provider credentialing.  
29 The agency may competitively bid single-source-provider  
30 contracts if procurement of goods or services results in  
31 demonstrated cost savings to the state without limiting access

1 to care. The agency may limit its network based on the  
2 assessment of beneficiary access to care, provider  
3 availability, provider quality standards, time and distance  
4 standards for access to care, the cultural competence of the  
5 provider network, demographic characteristics of Medicaid  
6 beneficiaries, practice and provider-to-beneficiary standards,  
7 appointment wait times, beneficiary use of services, provider  
8 turnover, provider profiling, provider licensure history,  
9 previous program integrity investigations and findings, peer  
10 review, provider Medicaid policy and billing compliance  
11 records, clinical and medical record audits, and other  
12 factors. Providers shall not be entitled to enrollment in the  
13 Medicaid provider network. The agency shall determine  
14 instances in which allowing Medicaid beneficiaries to purchase  
15 durable medical equipment and other goods is less expensive to  
16 the Medicaid program than long-term rental of the equipment or  
17 goods. The agency may establish rules to facilitate purchases  
18 in lieu of long-term rentals in order to protect against fraud  
19 and abuse in the Medicaid program as defined in s. 409.913.  
20 The agency may seek federal waivers necessary to administer  
21 these policies.

22 (4) The agency may contract with:

23 (b) An entity that is providing comprehensive  
24 behavioral health care services to certain Medicaid recipients  
25 through a capitated, prepaid arrangement pursuant to the  
26 federal waiver provided for by s. 409.905(5). Such an entity  
27 must be licensed under chapter 624, chapter 636, or chapter  
28 641 and must possess the clinical systems and operational  
29 competence to manage risk and provide comprehensive behavioral  
30 health care to Medicaid recipients. As used in this paragraph,  
31 the term "comprehensive behavioral health care services" means

1 covered mental health and substance abuse treatment services  
2 that are available to Medicaid recipients. The secretary of  
3 the Department of Children and Family Services shall approve  
4 provisions of procurements related to children in the  
5 department's care or custody prior to enrolling such children  
6 in a prepaid behavioral health plan. Any contract awarded  
7 under this paragraph must be competitively procured. In  
8 developing the behavioral health care prepaid plan procurement  
9 document, the agency shall ensure that the procurement  
10 document requires the contractor to develop and implement a  
11 plan to ensure compliance with s. 394.4574 related to services  
12 provided to residents of licensed assisted living facilities  
13 that hold a limited mental health license. Except as provided  
14 in subparagraph 8., and except in counties where the Medicaid  
15 managed care pilot program is authorized pursuant to s.  
16 409.91211, the agency shall seek federal approval to contract  
17 with a single entity meeting these requirements to provide  
18 comprehensive behavioral health care services to all Medicaid  
19 recipients not enrolled in a Medicaid managed care plan  
20 authorized under s. 409.91211 or a Medicaid health maintenance  
21 organization in an AHCA area. In an AHCA area where the  
22 Medicaid managed care pilot program is authorized pursuant to  
23 s. 409.91211 in one or more counties, the agency may procure a  
24 contract with a single entity to serve the remaining counties  
25 as an AHCA area or the remaining counties may be included with  
26 an adjacent AHCA area and shall be subject to this paragraph.  
27 Each entity must offer sufficient choice of providers in its  
28 network to ensure recipient access to care and the opportunity  
29 to select a provider with whom they are satisfied. The network  
30 shall include all public mental health hospitals. To ensure  
31 unimpaired access to behavioral health care services by



1 Medicaid recipients, all contracts issued pursuant to this  
2 paragraph shall require 80 percent of the capitation paid to  
3 the managed care plan, including health maintenance  
4 organizations, to be expended for the provision of behavioral  
5 health care services. In the event the managed care plan  
6 expends less than 80 percent of the capitation paid pursuant  
7 to this paragraph for the provision of behavioral health care  
8 services, the difference shall be returned to the agency. The  
9 agency shall provide the managed care plan with a  
10 certification letter indicating the amount of capitation paid  
11 during each calendar year for the provision of behavioral  
12 health care services pursuant to this section. The agency may  
13 reimburse for substance abuse treatment services on a  
14 fee-for-service basis until the agency finds that adequate  
15 funds are available for capitated, prepaid arrangements.

16 1. By January 1, 2001, the agency shall modify the  
17 contracts with the entities providing comprehensive inpatient  
18 and outpatient mental health care services to Medicaid  
19 recipients in Hillsborough, Highlands, Hardee, Manatee, and  
20 Polk Counties, to include substance abuse treatment services.

21 2. By July 1, 2003, the agency and the Department of  
22 Children and Family Services shall execute a written agreement  
23 that requires collaboration and joint development of all  
24 policy, budgets, procurement documents, contracts, and  
25 monitoring plans that have an impact on the state and Medicaid  
26 community mental health and targeted case management programs.

27 3. Except as provided in subparagraph 8., by July 1,  
28 2006, the agency and the Department of Children and Family  
29 Services shall contract with managed care entities in each  
30 AHCA area except area 6 or arrange to provide comprehensive  
31 inpatient and outpatient mental health and substance abuse

1 services through capitated prepaid arrangements to all  
2 Medicaid recipients who are eligible to participate in such  
3 plans under federal law and regulation. In AHCA areas where  
4 eligible individuals number less than 150,000, the agency  
5 shall contract with a single managed care plan to provide  
6 comprehensive behavioral health services to all recipients who  
7 are not enrolled in a Medicaid health maintenance organization  
8 or a Medicaid capitated managed care plan authorized under s.  
9 409.91211. The agency may contract with more than one  
10 comprehensive behavioral health provider to provide care to  
11 recipients who are not enrolled in a Medicaid capitated  
12 managed care plan authorized under s. 409.91211 or a Medicaid  
13 health maintenance organization in AHCA areas where the  
14 eligible population exceeds 150,000. In an AHCA area where the  
15 Medicaid managed care pilot program is authorized pursuant to  
16 s. 409.91211 in one or more counties, the agency may procure a  
17 contract with a single entity to serve the remaining counties  
18 as an AHCA area or the remaining counties may be included with  
19 an adjacent AHCA area and shall be subject to this paragraph.  
20 Contracts for comprehensive behavioral health providers  
21 awarded pursuant to this section shall be competitively  
22 procured. Both for-profit and not-for-profit corporations  
23 shall be eligible to compete. Managed care plans contracting  
24 with the agency under subsection (3) shall provide and receive  
25 payment for the same comprehensive behavioral health benefits  
26 as provided in AHCA rules, including handbooks incorporated by  
27 reference. In AHCA area 11, the agency shall contract with at  
28 least two comprehensive behavioral health care providers to  
29 provide behavioral health care to recipients in that area who  
30 are enrolled in, or assigned to, the MediPass program. One of  
31 the behavioral health care contracts shall be with the

1 existing provider service network pilot project, as described  
2 in paragraph (d), for the purpose of demonstrating the  
3 cost-effectiveness of the provision of quality mental health  
4 services through a public hospital-operated managed care  
5 model. Payment shall be at an agreed-upon capitated rate to  
6 ensure cost savings. Of the recipients in area 11 who are  
7 assigned to MediPass under the provisions of s.  
8 409.9122(2)(k), a minimum of 50,000 of those MediPass-enrolled  
9 recipients shall be assigned to the existing provider service  
10 network in area 11 for their behavioral care.

11 4. By October 1, 2003, the agency and the department  
12 shall submit a plan to the Governor, the President of the  
13 Senate, and the Speaker of the House of Representatives which  
14 provides for the full implementation of capitated prepaid  
15 behavioral health care in all areas of the state.

16 a. Implementation shall begin in 2003 in those AHCA  
17 areas of the state where the agency is able to establish  
18 sufficient capitation rates.

19 b. If the agency determines that the proposed  
20 capitation rate in any area is insufficient to provide  
21 appropriate services, the agency may adjust the capitation  
22 rate to ensure that care will be available. The agency and the  
23 department may use existing general revenue to address any  
24 additional required match but may not over-obligate existing  
25 funds on an annualized basis.

26 c. Subject to any limitations provided for in the  
27 General Appropriations Act, the agency, in compliance with  
28 appropriate federal authorization, shall develop policies and  
29 procedures that allow for certification of local and state  
30 funds.

31

1           5. Children residing in a statewide inpatient  
2 psychiatric program, or in a Department of Juvenile Justice or  
3 a Department of Children and Family Services residential  
4 program approved as a Medicaid behavioral health overlay  
5 services provider shall not be included in a behavioral health  
6 care prepaid health plan or any other Medicaid managed care  
7 plan pursuant to this paragraph.

8           6. In converting to a prepaid system of delivery, the  
9 agency shall in its procurement document require an entity  
10 providing only comprehensive behavioral health care services  
11 to prevent the displacement of indigent care patients by  
12 enrollees in the Medicaid prepaid health plan providing  
13 behavioral health care services from facilities receiving  
14 state funding to provide indigent behavioral health care, to  
15 facilities licensed under chapter 395 which do not receive  
16 state funding for indigent behavioral health care, or  
17 reimburse the unsubsidized facility for the cost of behavioral  
18 health care provided to the displaced indigent care patient.

19           7. Traditional community mental health providers under  
20 contract with the Department of Children and Family Services  
21 pursuant to part IV of chapter 394, child welfare providers  
22 under contract with the Department of Children and Family  
23 Services in areas 1 and 6, and inpatient mental health  
24 providers licensed pursuant to chapter 395 must be offered an  
25 opportunity to accept or decline a contract to participate in  
26 any provider network for prepaid behavioral health services.

27           8. For fiscal year 2004-2005, all Medicaid eligible  
28 children, except children in areas 1 and 6, whose cases are  
29 open for child welfare services in the HomeSafeNet system,  
30 shall be enrolled in MediPass or in Medicaid fee-for-service  
31 and all their behavioral health care services including

1 inpatient, outpatient psychiatric, community mental health,  
 2 and case management shall be reimbursed on a fee-for-service  
 3 basis. Beginning July 1, 2005, such children, who are open for  
 4 child welfare services in the HomeSafeNet system, shall  
 5 receive their behavioral health care services through a  
 6 specialty prepaid plan operated by community-based lead  
 7 agencies either through a single agency or formal agreements  
 8 among several agencies. The specialty prepaid plan must result  
 9 in savings to the state comparable to savings achieved in  
 10 other Medicaid managed care and prepaid programs. Such plan  
 11 must provide mechanisms to maximize state and local revenues.  
 12 The specialty prepaid plan shall be developed by the agency  
 13 and the Department of Children and Family Services. The agency  
 14 is authorized to seek any federal waivers to implement this  
 15 initiative. Medicaid-eligible children whose cases are open  
 16 for child welfare services in the HomeSafeNet system and who  
 17 reside in AHCA Area 10 are exempt from the plan upon  
 18 development of a service delivery system for Area 10 children  
 19 in the reform area under the conditions set forth in s.  
 20 409.91211(3)(dd).

21 Section 6. Paragraph (dd) of subsection (3) of section  
 22 409.91211, Florida Statutes, is amended to read:

23 409.91211 Medicaid managed care pilot program.--

24 (3) The agency shall have the following powers,  
 25 duties, and responsibilities with respect to the pilot  
 26 program:

27 (dd) To implement ~~develop and recommend~~ service  
 28 delivery mechanisms within a provider service network or  
 29 capitated managed care plan ~~plans~~ to provide Medicaid services  
 30 as specified in ss. 409.905 and 409.906 to Medicaid-eligible  
 31 children who are open for child welfare services in the

1 ~~HomeSafeNet system in foster care.~~ These services must be  
2 coordinated with community-based care providers as specified  
3 in ~~s. 409.1671 s. 409.1675, where available,~~ and be sufficient  
4 to meet the medical, developmental, behavioral, and emotional  
5 needs of these children. Covered behavioral health services  
6 must include all services currently included in the specialty  
7 prepaid plan as implemented under s. 409.912(4)(b). These  
8 service-delivery mechanisms must be implemented no later than  
9 July 1, 2008, in AHCA Area 10 in order for the children in  
10 AHCA Area 10 to remain exempt from the statewide plan under s.  
11 409.912(4)(b)8.

12 Section 7. This act shall take effect July 1, 2007.  
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