

Bill No. SB 1828

Barcode 325302

CHAMBER ACTION

Senate

House

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The Committee on Health and Human Services Appropriations
(Saunders) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Subsections (8) and (9) of section
409.91211, Florida Statutes, are amended to read:

409.91211 Medicaid managed care pilot program.--

(8)(a) The agency shall develop a methodology for
calculating risk-adjusted capitation rates using comprehensive
encounter data pursuant to subparagraph (3)(p)4. for all
Medicaid services specified under this section. The agency
shall concentrate on the managed care pilot areas in its
efforts to gather comprehensive encounter data. Prior to the
implementation of a risk-adjusted capitation rate methodology
that uses a comprehensive encounter data system, the agency
shall ensure that all of the following criteria are met:

1. The agency has confirmed that the encounter data
are accurate and have been screened for completeness, logic,

1 and consistency.

2 2. The agency has compiled no less than 1 year's worth
3 of complete encounter data to permit the adjustment of
4 capitation rates for health risk differences and has ensured
5 that the data are of sufficient integrity to be used for
6 risk-adjustment purposes in accordance with actuarial
7 standards of practice which are generally recognized as sound
8 and appropriate.

9 3. The agency has consulted with and sought input from
10 the technical advisory panel regarding the development and
11 implementation of the comprehensive encounter data system as
12 the system is developed.

13 (b) The agency may implement an interim risk-adjusted
14 capitation rate methodology to be used before a fully
15 functional encounter data system has been in operation for 12
16 months, pursuant to paragraph (a).

17 ~~The agency must ensure, in the first two state fiscal~~
18 ~~years in which a risk-adjusted methodology is a component of~~
19 ~~rate setting, that no managed care plan providing~~
20 ~~comprehensive benefits to TANF and SSI recipients has an~~
21 ~~aggregate risk score that varies by more than 10 percent from~~
22 ~~the aggregate weighted mean of all managed care plans~~
23 ~~providing comprehensive benefits to TANF and SSI recipients in~~
24 ~~a reform area. The agency's payment to a managed care plan~~
25 ~~shall be based on such revised aggregate risk score.~~

26 (9) Risk-adjusted ~~After any calculations of aggregate~~
27 ~~risk scores or revised aggregate risk scores in subsection~~
28 ~~(8), the capitation rates for plans participating under this~~
29 ~~section shall be phased in as follows:~~

30 (a) In the first year of the pilot program, the
31 capitation rates shall be weighted so that 75 percent of each

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1 capitation rate is based on the ~~current~~ methodology developed
 2 under s. 409.9124 and 25 percent is based on a ~~new~~
 3 risk-adjusted capitation rate methodology developed under
 4 subsection (8). During the first year of the pilot program, no
 5 managed care plan's aggregate risk score shall vary by more
 6 than 10 percent from the aggregate weighted mean of all
 7 managed care plans providing comprehensive benefits to TANF or
 8 SSI recipients in a reform area.

9 (b) In the second year of the pilot program, the
 10 capitation rates shall be weighted so that 67 50 percent of
 11 each capitation rate is based on the ~~current~~ methodology
 12 developed under s. 409.9124 and 33 50 percent is based on a
 13 ~~new~~ risk-adjusted capitation rate methodology developed under
 14 subsection (8). During the second year of the pilot program,
 15 no managed care plan's aggregate risk score shall vary by more
 16 than 10 percent from the aggregate weighted mean of all
 17 managed care plans providing comprehensive benefits to TANF or
 18 SSI recipients in a reform area.

19 (c) In the third year of the pilot program, the
 20 capitation rates shall be weighted so that 67 percent of each
 21 capitation rate is based on the methodology developed under s.
 22 409.9124 and 33 percent is based on a risk-adjusted capitation
 23 rate methodology developed under subsection (8). During the
 24 third year of the pilot program, no managed care plan's
 25 aggregate risk score shall vary by more than 12.5 percent from
 26 the aggregate weighted mean of all managed care plans
 27 providing comprehensive benefits to TANF or SSI recipients in
 28 a reform area. In the following fiscal year, the risk-adjusted
 29 capitation methodology may be fully implemented.

30 (d) In the fourth year of the pilot program, the
 31 agency shall seek to implement a risk-adjusted capitation rate

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1 methodology using comprehensive encounter data pursuant to
 2 paragraph (8)(a). Capitation rates in the fourth year shall be
 3 weighted so that 50 percent of each capitation rate is based
 4 on the methodology developed under s. 409.9124 and 50 percent
 5 is based on a risk-adjusted capitation rate methodology which
 6 uses a comprehensive encounter data system, and no managed
 7 care plan's aggregate risk score shall vary by more than 15
 8 percent from the aggregate weighted mean of all managed care
 9 plans providing comprehensive benefits to TANF or SSI
 10 recipients in a reform area.

11 (e) In the years following the first use of a
 12 risk-adjusted capitation rate methodology using comprehensive
 13 encounter data pursuant to paragraph (8)(a), such methodology
 14 shall be fully implemented and shall account for 100 percent
 15 of managed care plan capitation rates.

16 Section 2. For the purposes of payment to otherwise
 17 noncontracted hospital providers for services rendered to
 18 persons who are eligible for Medicaid in the reform pilot
 19 areas and enrolled in a managed care organization under
 20 chapter 409 or chapter 641, Florida Statutes, the managed care
 21 organization shall reimburse such providers at a rate that is
 22 equivalent to the amount the Agency for Health Care
 23 Administration would pay on a fee-for-service basis.

24 Section 3. This act shall take effect July 1, 2007.
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27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 Delete everything before the enacting clause
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31 and insert:

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A bill to be entitled
An act relating to the Medicaid managed care
pilot program; amending s. 409.91211, F.S.;
requiring the Agency for Health Care
Administration to develop a methodology for
calculating risk-adjusted capitation rates
based on comprehensive encounter data;
requiring that specified criteria be met prior
to implementation of the methodology; providing
for use of an interim risk-adjusted
methodology; providing a phase-in schedule for
the risk-adjusted methodology for participating
managed care plans; providing a payment rate
for noncontracted providers in Medicaid reform
pilot areas; providing an effective date.