587-604A-07

1	A bill to be entitled
2	An act relating to the Florida Kidcare Program;
3	amending s. 409.811, F.S.; redefining the term
4	"child with special health care needs" and
5	defining the term "Healthy Kids" as a component
6	of the program; amending s. 409.812, F.S.;
7	deleting a provision requiring that a child be
8	uninsured in order to be eligible for the
9	program; amending s. 409.8132, F.S.; conforming
10	references; amending s. 409.8134, F.S.;
11	revising certain requirements for financing
12	increased enrollment in the program; amending
13	s. 409.814, F.S.; revising certain requirements
14	for screening applicants to the program;
15	extending for a limited period coverage for a
16	child who becomes ineligible under certain
17	circumstances; deleting obsolete provisions;
18	revising certain eligibility criteria;
19	requiring the Agency for Health Care
20	Administration to notify providers if a child
21	becomes ineligible for Medicaid or Medikids;
22	requiring that an applicant provide additional
23	documentation when applying to the program;
24	amending s. 409.816, F.S.; conforming a
25	cross-reference; amending s. 409.818, F.S.;
26	requiring that the Department of Children and
27	Family Services develop a standardized
28	application form; requiring that the Department
29	of Health develop standards for quality
30	assurance and access for program components;
31	repealing s. 409.820, F.S., relating to

1 standards for quality assurance and access; 2 amending s. 409.821, F.S.; clarifying that an exemption from the public-records law does not 3 4 prohibit an enrollee's parent or guardian from 5 obtaining certain information; creating s. 6 409.830, F.S.; establishing the Florida Kidcare 7 Consolidation Pilot Program within specified 8 counties of the state; providing for the pilot 9 program to be administered by the Agency for 10 Health Care Administration, in coordination with the Department of Children and Family 11 12 Services; providing duties of the agency in 13 administering the pilot program; providing requirements for benefits, eligibility, and 14 enrollment; providing a capitation rate for 15 compensating managed care plans participating 16 17 in the pilot program; requiring that the agency 18 enter into a contract for an evaluation of the pilot program; requiring the agency to seek 19 approval of a federal waiver or amendments to 20 21 the Medicaid state plan; requiring that the 22 agency adopt rules to implement the pilot 23 program; amending s. 624.91, F.S.; providing that the Florida Healthy Kids Corporation is an 2.4 agency under ch. 120, F.S., for purposes of 25 administering the Healthy Kids program; 26 27 authorizing health and dental plans that 2.8 participate in the program to distribute marketing and promotional materials and 29 30 participate in certain activities; providing an effective date. 31

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

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Section 1. Section 409.811, Florida Statutes, is amended to read:

409.811 Definitions relating to Florida Kidcare Act.--As used in ss. 409.810-409.820, the term:

- "Actuarially equivalent" means that:
- (a) The aggregate value of the benefits included in health benefits coverage is equal to the value of the benefits in the benchmark benefit plan; and
- (b) The benefits included in health benefits coverage are substantially similar to the benefits included in the benchmark benefit plan, except that preventive health services must be the same as in the benchmark benefit plan.
- (2) "Agency" means the Agency for Health Care Administration.
- "Applicant" means a parent or guardian of a child or a child whose disability of nonage has been removed under chapter 743, who applies for determination of eligibility for health benefits coverage under ss. 409.810-409.820.
- (4) "Benchmark benefit plan" means the form and level of health benefits coverage established in s. 409.815.
 - "Child" means any person under 19 years of age.
- (6) "Child with special health care needs" means a child who has chronic physical, developmental, behavioral, or emotional conditions and who also requires health care and related services of a type or amount beyond that which is generally required by children. whose serious or chronic physical or developmental condition requires extensive preventive and maintenance care beyond that required by typically healthy children. Health care utilization by such a

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child exceeds the statistically expected usage of the normal child adjusted for chronological age, and such a child often needs complex care requiring multiple providers, rehabilitation services, and specialized equipment in a number of different settings.

- (7) "Children's Medical Services Network" or "network" means a statewide managed care service system as defined in s. 391.021(1).
- (8) "Community rate" means a method used to develop premiums for a health insurance plan that spreads financial risk across a large population and allows adjustments only for age, gender, family composition, and geographic area.
 - (9) "Department" means the Department of Health.
- (10) "Enrollee" means a child who has been determined eligible for and is receiving coverage under ss. 409.810-409.820.
- (11) "Family" means the group or the individuals whose income is considered in determining eligibility for the Florida Kidcare program. The family includes a child with a custodial parent or caretaker relative who resides in the same house or living unit or, in the case of a child whose disability of nonage has been removed under chapter 743, the child. The family may also include other individuals whose income and resources are considered in whole or in part in determining eligibility of the child.
- (12) "Family income" means cash received at periodic intervals from any source, such as wages, benefits, contributions, or rental property. Income also may include any money that would have been counted as income under the Aid to Families with Dependent Children (AFDC) state plan in effect prior to August 22, 1996.

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- (13) "Florida Kidcare program," "Kidcare program," or "program" means the health benefits program administered through ss. 409.810-409.820.
- (14) "Guarantee issue" means that health benefits coverage must be offered to an individual regardless of the individual's health status, preexisting condition, or claims history.
- (15) "Health benefits coverage" means protection that provides payment of benefits for covered health care services or that otherwise provides, either directly or through arrangements with other persons, covered health care services on a prepaid per capita basis or on a prepaid aggregate fixed-sum basis.
- (16) "Health insurance plan" means health benefits coverage under the following:
- (a) A health plan offered by any certified health maintenance organization or authorized health insurer, except a plan that is limited to the following: a limited benefit, specified disease, or specified accident; hospital indemnity; accident only; limited benefit convalescent care; Medicare supplement; credit disability; dental; vision; long-term care; disability income; coverage issued as a supplement to another health plan; workers' compensation liability or other insurance; or motor vehicle medical payment only; or
- (b) An employee welfare benefit plan that includes health benefits established under the Employee Retirement Income Security Act of 1974, as amended.
- (17) "Healthy Kids" means a component of the Florida Kidcare program of medical assistance for children who are 5 29 through 18 years of age as authorized under s. 624.91 and administered by the Florida Healthy Kids Corporation.

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(18)(17) "Medicaid" means the medical assistance program authorized by Title XIX of the Social Security Act, and regulations thereunder, and ss. 409.901-409.920, as administered in this state by the agency.

(19)(18) "Medically necessary" means the use of any medical treatment, service, equipment, or supply necessary to palliate the effects of a terminal condition, or to prevent, diagnose, correct, cure, alleviate, or preclude deterioration of a condition that threatens life, causes pain or suffering, or results in illness or infirmity and which is:

- (a) Consistent with the symptom, diagnosis, and treatment of the enrollee's condition;
- (b) Provided in accordance with generally accepted standards of medical practice;
- (c) Not primarily intended for the convenience of the enrollee, the enrollee's family, or the health care provider;
- (d) The most appropriate level of supply or service for the diagnosis and treatment of the enrollee's condition; and
- (e) Approved by the appropriate medical body or health care specialty involved as effective, appropriate, and essential for the care and treatment of the enrollee's condition.

(20)(19) "Medikids" means a component of the Florida Kidcare program of medical assistance authorized by Title XXI of the Social Security Act, and regulations thereunder, and s. 409.8132, as administered in the state by the agency.

(21)(20) "Preexisting condition exclusion" means, with respect to coverage, a limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the date of enrollment for such coverage,

whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

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(22)(21) "Premium" means the entire cost of a health insurance plan, including the administration fee or the risk assumption charge.

(23)(22) "Premium assistance payment" means the monthly consideration paid by the agency per enrollee in the Florida Kidcare program towards health insurance premiums.

(24)(23) "Qualified alien" means an alien as defined in s. 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended, Pub. L. No. 104-193.

(25)(24) "Resident" means a United States citizen, or qualified alien, who is domiciled in this state.

(26)(25) "Rural county" means a county having a population density of less than 100 persons per square mile, or a county defined by the most recent United States Census as rural, in which there is no prepaid health plan participating in the Medicaid program as of July 1, 1998.

(27)(26) "Substantially similar" means that, with respect to additional services as defined in s. 2103(c)(2) of Title XXI of the Social Security Act, these services must have an actuarial value equal to at least 75 percent of the actuarial value of the coverage for that service in the benchmark benefit plan and, with respect to the basic services as defined in s. 2103(c)(1) of Title XXI of the Social Security Act, these services must be the same as the services in the benchmark benefit plan.

Section 2. Section 409.812, Florida Statutes, is amended to read:

409.812 Program created; purpose. -- The Florida Kidcare program is created to provide a defined set of health benefits

to previously uninsured, low-income children through the 2 establishment of a variety of affordable health benefits coverage options from which families may select coverage and 3 through which families may contribute financially to the 4 health care of their children. 5 6 Section 3. Paragraph (b) of subsection (6) and 7 subsection (7) of section 409.8132, Florida Statutes, are 8 amended to read: 9 409.8132 Medikids program component.--10 (6) ELIGIBILITY.--(b) The provisions of s. 409.814(3), (4), and (5), and 11 (6) apply shall be applicable to the Medikids program. 13 (7) ENROLLMENT. -- Enrollment in the Medikids program component may occur at any time throughout the year. A child 14 may not receive services under the Medikids program until the 15 child is enrolled in a managed care plan or MediPass. Once 16 determined eligible, an applicant may receive choice 18 counseling and select a managed care plan or MediPass. The agency may initiate mandatory assignment for a Medikids 19 applicant who has not chosen a managed care plan or MediPass 20 21 provider after the applicant's voluntary choice period ends. 22 An applicant may select MediPass under the Medikids program 23 component only in counties that have fewer than two managed care plans available to serve Medicaid recipients and only if 2.4

Section 4. Section 409.8134, Florida Statutes, is amended to read:

409.8134 Program expenditure ceiling.--

Care Financing Administration determines that MediPass

XXI of the Social Security Act.

the federal Centers for Medicare and Medicaid Services Health

constitutes "health insurance coverage" as defined in Title

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- (1) Except for the Medicaid program, a ceiling shall be placed on annual federal and state expenditures for the Florida Kidcare program as provided each year in the General Appropriations Act.
- (2) The Florida Kidcare program may conduct enrollment at any time throughout the year for the purpose of enrolling children eligible for all program components listed in s. 409.813 except Medicaid. The four Florida Kidcare administrators shall work together to ensure that the year-round enrollment period is announced statewide. Eligible children shall be enrolled on a first-come, first-served basis using the date the enrollment application is received. Enrollment shall immediately cease when the expenditure ceiling is reached. Year-round enrollment shall only be held if the Social Services Estimating Conference determines that sufficient federal and state funds will be available to finance the increased enrollment through federal fiscal year 2007. Any individual who is not enrolled must reapply by submitting a new application. The application for the Florida Kidcare program is shall be valid for a period of 120 days after the date it was received. At the end of the 120-day period, if the applicant has not been enrolled in the program, the application is shall be invalid and the applicant shall be notified of the action. The applicant may resubmit the application after notification of the action taken by the program. Except for the Medicaid program, whenever the Social Services Estimating Conference determines that there are presently, or will be by the end of the current fiscal year, insufficient funds to finance the current or projected enrollment in the Florida Kidcare program, all additional

enrollment must cease and additional enrollment may not resume

until sufficient funds are available to finance the such enrollment.

- (3) Upon determination by the Social Services Estimating Conference that there are insufficient funds to finance the current enrollment in the Florida Kidcare program within current appropriations, the program shall initiate disenrollment procedures to remove enrollees, except those children enrolled in the Children's Medical Services Network, on a last-in, first-out basis until the expenditure and appropriation levels are balanced.
- (4) The agencies that administer the Florida Kidcare program components shall collect and analyze the data needed to project program enrollment costs, including price level adjustments, participation and attrition rates, current and projected caseloads, utilization, and current and projected expenditures for the next 3 years. The agencies shall report caseload and expenditure trends to the Social Services Estimating Conference in accordance with chapter 216.

Section 5. Section 409.814, Florida Statutes, is amended to read:

409.814 Eligibility. -- A child who has not reached 19 years of age whose family income is equal to or below 200 percent of the federal poverty level is eligible for the Florida Kidcare program as provided in this section. For enrollment in the Children's Medical Services Network, a complete application includes the <u>clinical eliqibility</u> medical or behavioral health screening. If, subsequently, an individual is determined to be ineligible for coverage, he or she must immediately be disenrolled from the respective Florida Kidcare program component.

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under s. 409.903 or s. 409.904 must be enrolled in Medicaid and is not eligible to receive health benefits under any other health benefits coverage authorized under the Florida Kidcare program.

(1) A child who is eliqible for Medicaid coverage

- (2) A child who is not eliqible for Medicaid, but who is eligible for the Florida Kidcare program, may obtain health benefits coverage under any of the other components listed in s. 409.813 if such coverage is approved and available in the county in which the child resides. However, a child who is eligible for Medikids may participate in the Florida Healthy Kids program only if the child has a sibling participating in the Florida Healthy Kids program and the child's county of residence permits such enrollment.
- (3) A child who is eligible for the Florida Kidcare program who is a child with special health care needs, as determined through the clinical eligibility a medical or behavioral screening instrument, is eligible for health benefits coverage from and shall be referred to the Children's Medical Services Network.
- (4) A child who loses eligibility for Medicaid or Medikids due to exceeding income or age limits shall have 60 days of continued eligibility following redetermination in order to allow for a transition to the Florida Healthy Kids program without a break in coverage.
- (5) (4) The following children are not eligible to receive premium assistance for health benefits coverage under the Florida Kidcare program, except under Medicaid if the child would have been eligible for Medicaid under s. 409.903 or s. 409.904 as of June 1, 1997:

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- (a) A child who is eliqible for coverage under a state health benefit plan on the basis of a family member's employment with a public agency in the state.
- (b) A child who is currently eligible for or covered under a family member's group health benefit plan or under other employer health insurance coverage, excluding coverage provided under the Florida Healthy Kids Corporation as established under s. 624.91, provided that the cost of the child's participation is not greater than 5 percent of the family's income. This provision shall be applied during redetermination for children who were enrolled prior to July 1, 2004. These enrollees shall have 6 months of eligibility following redetermination to allow for a transition to the other health benefit plan.
- (c) A child who is seeking premium assistance for the Florida Kidcare program through employer-sponsored group coverage, if the child has been covered by the same employer's group coverage during the 6 months prior to the family's submitting an application for determination of eligibility under the program.
- (d) A child who is an alien, but who does not meet the definition of qualified alien, in the United States.
- (e) A child who is an inmate of a public institution or a patient in an institution for mental diseases.
- (f) A child who has had his or her coverage in an employer-sponsored health benefit plan voluntarily canceled in the last 6 months, except those children whose cost of participation in an employer-sponsored health benefit plan is greater than 5 percent of the family's income who were on the waiting list prior to March 12, 2004.

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(g) A child who is otherwise eligible for Kidcare and who has a preexisting condition that prevents coverage under another insurance plan as described in paragraph (b) which would have disqualified the child for Kidcare if the child were able to enroll in the plan shall be eligible for Kidcare coverage when enrollment is possible.

(6)(5) A child whose family income is above 200 percent of the federal poverty level or a child who is excluded under the provisions of subsection (4) may participate in the Medikids program as provided in s. 409.8132 or, if the child is ineligible for Medikids by reason of age, in the Florida Healthy Kids program, subject to the following provisions:

- (a) The family is not eligible for premium assistance payments and must pay the full cost of the premium, including any administrative costs.
- (b) The agency is authorized to place limits on enrollment in Medikids by these children in order to avoid adverse selection. The number of children participating in Medikids whose family income exceeds 200 percent of the federal poverty level must not exceed 10 percent of total enrollees in the Medikids program.
- (c) The board of directors of the Florida Healthy Kids Corporation is authorized to place limits on enrollment of these children in order to avoid adverse selection. In addition, the board is authorized to offer a reduced benefit package to these children in order to limit program costs for such families. The number of children participating in the Florida Healthy Kids program whose family income exceeds 200 percent of the federal poverty level must not exceed 10

percent of total enrollees in the Florida Healthy Kids program.

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(7) Once a child is enrolled in the Florida Kidcare program, the child is eligible for coverage under the program for 12 months without a redetermination or reverification of eligibility, if the family continues to pay the applicable premium. Eligibility for program components funded through Title XXI of the Social Security Act shall terminate when a child attains the age of 19. Effective January 1, 1999, a child who has not attained the age of 5 and who has been determined eligible for the Medicaid program is eligible for coverage for 12 months without a redetermination or reverification of eligibility.

(8) (7) When determining or reviewing a child's eligibility under the Florida Kidcare program, the applicant shall be provided with reasonable notice of changes in eligibility which may affect enrollment in one or more of the program components. When a transition from one program component to another is authorized, there shall be cooperation between the program components, and the affected family, the child's health plan, and providers which promotes continuity of health care coverage. The agency, in coordination with the Department of Children and Family Services, shall notify Medicaid HMOs and other providers of their members or patients who lose eligibility for Medicaid or Medikids so that the health plans and providers may assist the family in applying for the Florida Healthy Kids program. Any authorized transfers must be managed within the program's overall appropriated or authorized levels of funding. Each component of the program shall establish a reserve to ensure that transfers between components will be accomplished within current year

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appropriations. These reserves shall be reviewed by each convening of the Social Services Estimating Conference to determine the adequacy of such reserves to meet actual experience.

(9)(8) In determining the eligibility of a child, an assets test is not required. Each applicant shall provide written documentation during the application process and the redetermination process, including, but not limited to, the following:

- (a) Proof of family income, which must include a copy of the applicant's most recent federal income tax return. In the absence of a federal income tax return, an applicant may submit wages and earnings statements (pay stubs), W-2 forms, or other appropriate documents.
 - (b) A statement from all family members that:
- 1. Their employer does not sponsor a health benefit plan for employees; or
- 2. The potential enrollee is not covered by the employer-sponsored health benefit plan because the potential enrollee is not eligible for coverage, or, if the potential enrollee is eligible but not covered, a statement of the cost to enroll the potential enrollee in the employer-sponsored health benefit plan.
 - (c) Documentation of nontaxable family income.
 - (d) Documentation of birth and identity.
- 26 (10)(9) Subject to paragraph(5)(b)(4)(b) and s.
- 27 | 624.91(4), the Florida Kidcare program shall withhold benefits
- 28 from an enrollee if the program obtains evidence that the
- 29 enrollee is no longer eligible, submitted incorrect or
- 30 fraudulent information in order to establish eligibility, or
- 31 | failed to provide verification of eligibility. The applicant

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or enrollee shall be notified that because of such evidence 2 program benefits will be withheld unless the applicant or enrollee contacts a designated representative of the program by a specified date, which must be within 10 days after the date of notice, to discuss and resolve the matter. The program shall make every effort to resolve the matter within a timeframe that will not cause benefits to be withheld from an eligible enrollee.

(11)(10) The following individuals may be subject to prosecution in accordance with s. 414.39:

- (a) An applicant obtaining or attempting to obtain benefits for a potential enrollee under the Florida Kidcare program when the applicant knows or should have known the potential enrollee does not qualify for the Florida Kidcare program.
- (b) An individual who assists an applicant in obtaining or attempting to obtain benefits for a potential enrollee under the Florida Kidcare program when the individual knows or should have known the potential enrollee does not qualify for the Florida Kidcare program.

Section 6. Subsection (3) of section 409.816, Florida Statutes, is amended to read:

409.816 Limitations on premiums and cost-sharing. -- The following limitations on premiums and cost-sharing are established for the program.

(3) Enrollees in families with a family income above 150 percent of the federal poverty level, who are not receiving coverage under the Medicaid program or who are not eligible under $\underline{s. 409.814(6)}$ $\underline{s. 409.814(5)}$, may be required to pay enrollment fees, premiums, copayments, deductibles, coinsurance, or similar charges on a sliding scale related to

income, except that the total annual aggregate cost-sharing 2 with respect to all children in a family may not exceed 5 percent of the family's income. However, copayments, 3 deductibles, coinsurance, or similar charges may not be 4 imposed for preventive services, including well-baby and 5 well-child care, age-appropriate immunizations, and routine 7 hearing and vision screenings.

Section 7. Section 409.818, Florida Statutes, is amended to read:

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409.818 Administration. -- In order to implement ss. 409.810-409.820, the following agencies shall have the following duties:

- (1) The Department of Children and Family Services shall:
- (a) Develop a <u>standardized</u> <u>simplified</u> eligibility application mail in form to be used for determining the eligibility of children for coverage for all components of under the Florida Kidcare program, in consultation with the agency, the Department of Health, and the Florida Healthy Kids Corporation. The <u>standardized</u> simplified eligibility application form must include an item that provides an opportunity for the applicant to indicate whether coverage is being sought for a child with special health care needs. Families applying for children's Medicaid coverage must also be able to use the <u>standardized</u> simplified application form without having to pay a premium.
- (b) Establish and maintain the eligibility determination process under the program except as specified in subsection (5). The department shall directly, or through the services of a contracted third-party administrator, establish and maintain a process for determining eligibility of children

for coverage under the program. The eligibility determination 2 process must be used solely for determining eligibility of applicants for health benefits coverage under the program. The 3 eligibility determination process must include an initial 4 determination of eligibility for any coverage offered under 5 the program, as well as a redetermination or reverification of 7 eligibility each subsequent 6 months. Effective January 1, 8 1999, a child who has not attained the age of 5 and who has been determined eligible for the Medicaid program is eligible 9 for coverage for 12 months without a redetermination or 10 reverification of eligibility. In conducting an eligibility 11 12 determination, the department shall determine if the child has 13 special health care needs. The department, in consultation with the Agency for Health Care Administration and the Florida 14 Healthy Kids Corporation, shall develop procedures for 15 redetermining eligibility which enable a family to easily 16 update any change in circumstances which could affect 18 eligibility. The department may accept changes in a family's status as reported to the department by the Florida Healthy 19 Kids Corporation without requiring a new application from the 20 21 family. Redetermination of a child's eligibility for Medicaid 22 may not be linked to a child's eligibility determination for 23 other programs.

- (c) Inform program applicants about eligibility determinations and provide information about eligibility of applicants to Medicaid, Medikids, the Children's Medical Services Network, and the Florida Healthy Kids Corporation, and to insurers and their agents, through a centralized coordinating office.
- (d) Adopt rules necessary for conducting programeligibility functions.

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- (2) The Department of Health shall:
- 2 Develop a minimum set of quality assurance and 3 access standards for all program components except Medicaid. 4 These standards shall be developed in consultation with the 5 agency and the Florida Healthy Kids Corporation. The standards must include a process for granting exceptions to specific 7 requirements for quality assurance and access. Compliance with 8 the standards shall be a condition of program participation by providers of health benefits. These standards must comply with 9 10 the provisions of this chapter, chapter 641, and Title XXI of the Social Security Act. Design an eligibility intake process 11 12 for the program, in coordination with the Department of Children and Family Services, the agency, and the Florida 13 Healthy Kids Corporation. The eligibility intake process may 14 include local intake points that are determined by the 15 16 Department of Health in coordination with the Department of 17 Children and Family Services.
 - (b) Chair a state-level coordinating council to review and make recommendations concerning the implementation and operation of the program. The coordinating council shall include representatives from the department, the Department of Children and Family Services, the agency, the Florida Healthy Kids Corporation, the Office of Insurance Regulation of the Financial Services Commission, local government, health insurers, health maintenance organizations, health care providers, families participating in the program, and organizations representing low-income families.
 - (c) In consultation with the Florida Healthy Kids Corporation and the Department of Children and Family Services, establish a toll-free telephone line to assist families with questions about the program.

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- (d) Adopt rules necessary to implement outreach activities.
- (3) The Agency for Health Care Administration, under the authority granted in s. 409.914(1), shall:
- (a) Calculate the premium assistance payment necessary to comply with the premium and cost-sharing limitations specified in s. 409.816. The premium assistance payment for each enrollee in a health insurance plan participating in the Florida Healthy Kids Corporation shall equal the premium approved by the Florida Healthy Kids Corporation and the Office of Insurance Regulation of the Financial Services Commission pursuant to ss. 627.410 and 641.31, less any enrollee's share of the premium established within the limitations specified in s. 409.816. The premium assistance payment for each enrollee in an employer-sponsored health insurance plan approved under ss. 409.810-409.820 shall equal the premium for the plan adjusted for any benchmark benefit plan actuarial equivalent benefit rider approved by the Office of Insurance Regulation pursuant to ss. 627.410 and 641.31, less any enrollee's share of the premium established within the limitations specified in s. 409.816. In calculating the premium assistance payment levels for children with family coverage, the agency shall set the premium assistance payment levels for each child proportionately to the total cost of family coverage.
- (b) Make premium assistance payments to health insurance plans on a periodic basis. The agency may use its Medicaid fiscal agent or a contracted third-party administrator in making these payments. The agency may require health insurance plans that participate in the Medikids program or employer-sponsored group health insurance

to collect premium payments from an enrollee's family.

Participating health insurance plans shall report premium

payments collected on behalf of enrollees in the program to

the agency in accordance with a schedule established by the

agency.

(c) Monitor compliance with quality assurance and access standards developed under s. 409.820.

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- (d) Establish a mechanism for investigating and resolving complaints and grievances from program applicants, enrollees, and health benefits coverage providers, and maintain a record of complaints and confirmed problems. In the case of a child who is enrolled in a health maintenance organization, the agency must use the provisions of s. 641.511 to address grievance reporting and resolution requirements.
- (e) Approve health benefits coverage for participation in the program, following certification by the Office of Insurance Regulation under subsection (4).
- (f) Adopt rules necessary for calculating premium assistance payment levels, making premium assistance payments, monitoring access and quality assurance standards, investigating and resolving complaints and grievances, administering the Medikids program, and approving health benefits coverage.

The agency is designated the lead state agency for Title XXI of the Social Security Act for purposes of receipt of federal funds, for reporting purposes, and for ensuring compliance with federal and state regulations and rules.

(4) The Office of Insurance Regulation shall certify that health benefits coverage plans that seek to provide services under the Florida Kidcare program, except those

offered through the Florida Healthy Kids Corporation or the 2 Children's Medical Services Network, meet, exceed, or are actuarially equivalent to the benchmark benefit plan and that 3 health insurance plans will be offered at an approved rate. In 4 determining actuarial equivalence of benefits coverage, the 5 Office of Insurance Regulation and health insurance plans must 7 comply with the requirements of s. 2103 of Title XXI of the 8 Social Security Act. The department shall adopt rules necessary for certifying health benefits coverage plans. 9

(5) The Florida Healthy Kids Corporation shall retain its functions as authorized in s. 624.91, including eligibility determination for participation in the Healthy Kids program.

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(6) The agency, the Department of Health, the Department of Children and Family Services, the Florida Healthy Kids Corporation, and the Office of Insurance Regulation, after consultation with and approval of the Speaker of the House of Representatives and the President of the Senate, are authorized to make program modifications that are necessary to overcome any objections of the United States Department of Health and Human Services to obtain approval of the state's child health insurance plan under Title XXI of the Social Security Act.

Section 8. Section 409.820, Florida Statutes, is 2.4 25 repealed.

Section 9. Section 409.821, Florida Statutes, is 26 amended to read:

409.821 Florida Kidcare program public records exemption .-- Notwithstanding any other law to the contrary, any information identifying a Florida Kidcare program applicant or enrollee, as defined in s. 409.811, held by the Agency for

Health Care Administration, the Department of Children and 2 Family Services, the Department of Health, or the Florida Healthy Kids Corporation is confidential and exempt from s. 3 119.07(1) and s. 24(a), Art. I of the State Constitution. Such 4 information may be disclosed to another governmental entity 5 only if disclosure is necessary for the entity to perform its 7 duties and responsibilities under the Florida Kidcare program 8 and shall be disclosed to the Department of Revenue for purposes of administering the state Title IV-D program. The 9 receiving governmental entity must maintain the confidential 10 and exempt status of such information. Furthermore, such 11 12 information may not be released to any person without the 13 written consent of the program applicant. This exemption applies to any information identifying a Florida Kidcare 14 program applicant or enrollee held by the Agency for Health 15 Care Administration, the Department of Children and Family 16 Services, the Department of Health, or the Florida Healthy 18 Kids Corporation before, on, or after the effective date of this exemption. A violation of this section is a misdemeanor 19 of the second degree, punishable as provided in s. 775.082 or 20 21 s. 775.083. This section does not prohibit any enrollee's 22 parent or legal quardian from obtaining confirmation of 23 coverage, dates of coverage, name of the child's health plan, and amount of premium being paid. 2.4 Section 10. Section 409.830, Florida Statutes, is 25 created to read: 26 27 409.830 The Florida Kidcare Consolidation Pilot 2.8 Program. -- The Florida Kidcare Consolidation Pilot Program is

benefits to uninsured, low-income children. The pilot program

shall consolidate the administration of the Florida Kidcare

created to provide a seamless delivery system of health

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program in Baker, Broward, Clay, Duval, and Nassau Counties 2 under the fewest entities necessary to conduct marketing and outreach, eliqibility determination, contract management of 3 4 health plans and fiscal agents, quality assurance and grievance resolution, and fiscal management of all the 5 6 components of the Florida Kidcare program as defined in s. 7 409.813. 8 (1) ADMINISTRATION. -- The pilot program shall be 9

administered by the Agency for Health Care Administration, in coordination with the Department of Children and Family Services. The agency is designated as the state agency authorized to make payments for medical assistance and related services for the Florida Kidcare Consolidation Pilot Program in the designated counties.

(a) The agency shall develop and distribute marketing and outreach materials that educate families about the Florida Kidcare program as a whole, including eligibility requirements, application procedures, benefit design, and other information that the agency considers necessary to assist families in applying for and remaining in the Florida Kidcare program. Marketing and outreach materials shall present the Florida Kidcare program as a single entity and explain that the family's information is collected in order to determine if the family is eligible for a premium discount or if there is no premium requirement.

(b) The Department of Children and Family Services, in coordination with the agency, shall be responsible for determining eligibility, including receiving and processing applications for all program components, determining eligibility for all program components, and transmitting and receiving all correspondence related to the process for

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1	determining eligibility. All correspondence shall be
2	identified solely with the Florida Kidcare program as a whole.
3	(c) The agency, in consultation with the Department of
4	Health, shall adopt and administer a clinical eligibility
5	screening instrument for assessing whether an applicant is a
6	child with special health care needs as defined in s. 409.811.
7	The clinical eliqibility screening instrument shall be
8	administered by a licensed health professional who is employed
9	by or under contract with the agency.
10	(d) The agency shall contract with capitated managed
11	care plans as defined in s. 409.91211(12), to provide health
12	benefits as specified in this section.
13	(2) BENEFITSHealth benefits shall be provided to
14	eligible children based on the Florida Kidcare program
15	component for which they are eliqible.
16	(a) A health plan serving children who are eligible
17	for Medicare or Medikids must contain the same benefits
18	specified in ss. 409.905 and 409.906, except that the amount,
19	scope, and duration of the benefits may vary among capitated
20	managed care plans to the extent allowed under the Medicaid
21	managed care pilot program as created in s. 409.91211.
22	Services to recipients under plan benefits shall include Early
23	and Periodic Screening, Diagnostic, and Treatment (EPSDT)
24	services and emergency services provided under s. 409.9128.
25	(b) A health plan serving children who are qualified
26	for premium assistance other than the Medikids component must
27	contain the same benefits as specified in s. 409.815(2).
28	(c) A health plan serving children with special health
29	care needs must contain the same benefits as specified in ss.
30	409.905 and 409.906, except that the amount, scope, and
31	duration of the benefits may vary among capitated managed care

1	plans to the extent allowed under the Medicaid managed care
2	pilot program as created in s. 409.91211. Services to
3	recipients under plan benefits shall include Early and
4	Periodic Screening, Diagnostic, and Treatment (EPSDT)
5	services, care coordination, emergency services provided under
6	s. 409.9128, and other services as are found necessary
7	following a screening of children with special health care
8	needs to determine eligibility for services.
9	(3) ELIGIBILITY Children eliqible to participate in
10	the Florida Kidcare Consolidation Pilot Program are those
11	qualified under the eligibility standards specified in ss.
12	409.8132, 409.814, 409.903, and 409.904.
13	(4) ENROLLMENT Children enrolled in any component of
14	the Florida Kidcare program as of August 31, 2007, shall be
15	enrolled in a health plan under this section upon
16	redetermination or during open enrollment in the Medicaid
17	reform waiver. Children who become eliqible on or after
18	September 1, 2007, shall be enrolled in the pilot program upon
19	an affirmative determination of eliqibility.
20	(5) CAPITATION RATES Managed care plans
21	participating in the pilot program shall be compensated using
22	a risk-adjusted, per-member, and per-month capitation rate
23	using the methodology adopted under the Medicaid managed care
24	pilot program as created in s. 409.91211. The methodology may
25	be modified as necessary to ensure a capitation rate that is
26	actuarially sound.
27	(6) PILOT PROGRAM EVALUATION The agency shall
28	contract for an evaluation of the Florida Kidcare
29	Consolidation Pilot Program to determine whether the program

30 should be expanded to additional counties or statewide. The

31 evaluation shall also include recommendations on how to

complete the consolidation of the Florida Kidcare program 2 under the model created in this section and recommended statutory modifications. The agency shall report the findings 3 of the evaluation to the Governor, the President of the 4 Senate, and the Speaker of the House of Representatives by 5 6 January 1, 2009. 7 (7) IMPLEMENTATION. -- The Florida Kidcare Consolidation 8 Pilot Program shall begin enrollment on September 1, 2007, in Baker, Broward, Clay, Duval, and Nassau Counties. The agency 9 10 shall seek approval of a federal waiver or amendments to the Medicaid state plan which are necessary to implement the pilot 11 12 program as specified in this section. (8) RULES. -- The agency shall adopt rules as necessary 13 to implement the Florida Kidcare Consolidation Pilot Program. 14 Section 11. Section 624.91, Florida Statutes, is 15 16 amended to read: 17 624.91 The Florida Healthy Kids Corporation Act. --18 (1) SHORT TITLE. -- This section may be cited as the "William G. 'Doc' Myers Healthy Kids Corporation Act." 19 (2) LEGISLATIVE INTENT. --2.0 21 (a) The Legislature finds that increased access to 2.2 health care services could improve children's health and 23 reduce the incidence and costs of childhood illness and disabilities among children in this state. Many children do 2.4 not have comprehensive, affordable health care services 2.5 26 available. It is the intent of the Legislature that the 27 Florida Healthy Kids Corporation provide comprehensive health

insurance coverage to such children. The corporation is

encouraged to cooperate with any existing health service

programs funded by the public or the private sector.

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(b) It is the intent of the Legislature that the Florida Healthy Kids Corporation serve as one of several providers of services to children eligible for medical assistance under Title XXI of the Social Security Act. Although the corporation may serve other children, the Legislature intends the primary recipients of services provided through the corporation be school-age children with a family income below 200 percent of the federal poverty level, who do not qualify for Medicaid. It is also the intent of the Legislature that state and local government Florida Healthy Kids funds be used to continue coverage, subject to specific appropriations in the General Appropriations Act, to children not eligible for federal matching funds under Title XXI.

- (3) ELIGIBILITY FOR STATE-FUNDED ASSISTANCE.--Only the following individuals are eligible for state-funded assistance in paying Florida Healthy Kids premiums:
- (a) Residents of this state who are eligible for the Florida Kidcare program pursuant to s. 409.814.
- (b) Notwithstanding s. 409.814, legal aliens who are enrolled in the Florida Healthy Kids program as of January 31, 2004, who do not qualify for Title XXI federal funds because they are not qualified aliens as defined in s. 409.811.
- (4) NONENTITLEMENT.--Nothing in this section shall be construed as providing an individual with an entitlement to health care services. No cause of action shall arise against the state, the Florida Healthy Kids Corporation, or a unit of local government for failure to make health services available under this section.
 - (5) CORPORATION AUTHORIZATION, DUTIES, POWERS.--
- (a) There is created the Florida Healthy Kids
 Corporation, a not-for-profit corporation. For purposes of

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administering the Florida Healthy Kids program, the 2 corporation shall be considered an agency under s. 120.52(1) and shall comply with the provisions of chapter 120. 3

- (b) The Florida Healthy Kids Corporation shall:
- 1. Arrange for the collection of any family, local contributions, or employer payment or premium, in an amount to be determined by the board of directors, to provide for payment of premiums for comprehensive insurance coverage and for the actual or estimated administrative expenses.
- 2. Arrange for the collection of any voluntary contributions to provide for payment of premiums for children who are not eligible for medical assistance under Title XXI of the Social Security Act.
- 3. Subject to the provisions of s. 409.8134, accept voluntary supplemental local match contributions that comply with the requirements of Title XXI of the Social Security Act for the purpose of providing additional coverage in contributing counties under Title XXI.
- 4. Establish the administrative and accounting procedures for the operation of the corporation.
- 21 5. Establish, with consultation from appropriate 22 professional organizations, standards for preventive health 23 services and providers and comprehensive insurance benefits appropriate to children, provided that the such standards for 2.4 rural areas do shall not limit primary care providers to 2.5 26 board-certified pediatricians.
 - 6. Determine eligibility for children seeking to participate in the Title XXI-funded components of the Florida Kidcare program consistent with the requirements specified in s. 409.814, as well as the non-Title-XXI-eligible children as provided in subsection (3).

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- 7. Establish procedures under which providers of local match to, applicants to and participants in the program may have grievances reviewed by an impartial body and reported to the board of directors of the corporation.
- 8. Establish participation criteria and, if appropriate, contract with an authorized insurer, health maintenance organization, or third-party administrator to provide administrative services to the corporation.
- 9. Establish enrollment criteria that which shall include penalties or waiting periods of not fewer than 60 days for reinstatement of coverage upon voluntary cancellation for nonpayment of family premiums.
- 10. Contract with authorized insurers or any provider of health care services, meeting standards established by the corporation, for the provision of comprehensive insurance coverage to participants. Such standards shall include criteria under which the corporation may contract with more than one provider of health care services in program sites. Health plans shall be selected through a competitive bid process. The Florida Healthy Kids Corporation shall purchase goods and services in the most cost-effective manner consistent with the delivery of quality medical care. The maximum administrative cost for a Florida Healthy Kids Corporation contract shall be 15 percent. For health care contracts, the minimum medical loss ratio for a Florida Healthy Kids Corporation contract shall be 85 percent. For dental contracts, the remaining compensation to be paid to the authorized insurer or provider under a Florida Healthy Kids Corporation contract shall be no less than an amount which is 85 percent of premium; to the extent any contract provision does not provide for this minimum compensation, this section

shall prevail. The health plan selection criteria and scoring 2 system, and the scoring results, shall be available upon request for inspection after the bids have been awarded. 3

- 11. Establish disenrollment criteria in the event local matching funds are insufficient to cover enrollments.
- 12. Develop and implement a plan to publicize the Florida Healthy Kids Corporation, the eligibility requirements of the program, and the procedures for enrollment in the program and to maintain public awareness of the corporation and the program. Health and dental plans participating in the Florida Healthy Kids program may develop and distribute marketing and other promotional materials and participate in activities, such as health fairs and public events, as approved by the corporation. The health and dental plans may also contact their current and former enrollees to encourage continued participation in the program and to assist the enrollee in transferring from a Title XIX-financed plan to a Title XXI-financed plan.
- 13. Secure staff necessary to properly administer the corporation. Staff costs shall be funded from state and local matching funds and such other private or public funds as become available. The board of directors shall determine the number of staff members necessary to administer the corporation.
- 14. Provide a report annually to the Governor, Chief Financial Officer, Commissioner of Education, Senate President, Speaker of the House of Representatives, and Minority Leaders of the Senate and the House of Representatives.

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15. Establish benefit packages which conform to the provisions of the Florida Kidcare program, as created in ss. 409.810-409.820.

- (c) Coverage under the corporation's program is secondary to any other available private coverage held by, or applicable to, the participant child or family member. Insurers under contract with the corporation are the payors of last resort and must coordinate benefits with any other third-party payor that may be liable for the participant's medical care.
- (d) The Florida Healthy Kids Corporation shall be a private corporation not for profit, organized under pursuant to chapter 617, and shall have all powers necessary to carry out the purposes of this act, including, but not limited to, the power to receive and accept grants, loans, or advances of funds from any public or private agency and to receive and accept from any source contributions of money, property, labor, or any other thing of value, to be held, used, and applied for the purposes of this section act.
 - (6) BOARD OF DIRECTORS. --
- (a) The Florida Healthy Kids Corporation shall operate subject to the supervision and approval of a board of directors chaired by the Chief Financial Officer or her or his designee, and composed of 10 other members selected for 3-year terms of office as follows:
- 1. The Secretary of Health Care Administration, or his or her designee;
- 2. One member appointed by the Commissioner of Education from the Office of School Health Programs of the Florida Department of Education;

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- 3. One member appointed by the Chief Financial Officer from among three members nominated by the Florida Pediatric Society;
- 4. One member, appointed by the Governor, who represents the Children's Medical Services Program;

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- 5. One member appointed by the Chief Financial Officer from among three members nominated by the Florida Hospital Association;
- 6. One member, appointed by the Governor, who is an expert on child health policy;
- 7. One member, appointed by the Chief Financial Officer, from among three members nominated by the Florida Academy of Family Physicians;
- 8. One member, appointed by the Governor, who represents the state Medicaid program;
- 9. One member, appointed by the Chief Financial Officer, from among three members nominated by the Florida Association of Counties; and
 - 10. The State Health Officer or her or his designee.
- (b) A member of the board of directors may be removed by the official who appointed that member. The board shall appoint an executive director, who is responsible for other staff authorized by the board.
- (c) Board members are entitled to receive, from funds of the corporation, reimbursement for per diem and travel expenses as provided by s. 112.061.
- (d) There shall be no liability on the part of, and no cause of action shall arise against, any member of the board of directors, or its employees or agents, for any action they take in the performance of their powers and duties under this act.

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- (7) LICENSING NOT REQUIRED; FISCAL OPERATION. --
- (a) The corporation shall not be deemed an insurer. The officers, directors, and employees of the corporation shall not be deemed to be agents of an insurer. Neither the corporation nor any officer, director, or employee of the corporation is subject to the licensing requirements of the insurance code or the rules of the Department of Financial Services. However, any marketing representative utilized and compensated by the corporation must be appointed as a representative of the insurers or health services providers with which the corporation contracts.
- (b) The board has complete fiscal control over the corporation and is responsible for all corporate operations.
- (c) The Department of Financial Services shall supervise any liquidation or dissolution of the corporation and shall have, with respect to such liquidation or dissolution, all power granted to it pursuant to the insurance code.
- (8) ACCESS TO RECORDS; CONFIDENTIALITY;

 PENALTIES.--Notwithstanding any other laws to the contrary,
 the Florida Healthy Kids Corporation shall have access to the
 medical records of a student upon receipt of permission from a
 parent or guardian of the student. Such medical records may be
 maintained by state and local agencies. Any identifying
 information, including medical records and family financial
 information, obtained by the corporation pursuant to this
 subsection is confidential and is exempt from the provisions
 of s. 119.07(1). Neither the corporation nor the staff or
 agents of the corporation may release, without the written
 consent of the participant or the parent or guardian of the
 participant, to any state or federal agency, to any private

business or person, or to any other entity, any confidential information received pursuant to this subsection. A violation 3 of this subsection is a misdemeanor of the second degree, 4 punishable as provided in s. 775.082 or s. 775.083. Section 12. This act shall take effect July 1, 2007. 5 6 7 ********** 8 SENATE SUMMARY 9 Revises various provisions of the Florida Kidcare Program. Revises eligibility and screening requirements for applicants to the program. Provides duties of the Agency for Health Care Administration and the Department 10 of Health. Creates the Florida Kidcare Consolidation 11 Pilot Program within specified counties. Provides for the agency to administer the pilot program in coordination with the Department of Children and Family Services. 12 13 Requires an evaluation of the pilot program and a report to the Governor and Legislature. (See bill for details.) 14 15 16 17 18 19 2.0 21 22 23 2.4 25 26 27 28 29 30 31