A bill to be entitled 1 2 An act relating to the Florida Kidcare program; amending 3 s. 409.810, F.S.; correcting a cross-reference; amending 4 s. 409.811, F.S.; providing definitions; conforming cross-5 references; amending s. 409.812, F.S.; clarifying the 6 application of the Florida Kidcare program to include all 7 eligible uninsured, low-income children; amending s. 8 409.813, F.S.; specifying funding sources for health 9 benefits coverage for certain children; specifying program 10 components to be marketed as the Florida Kidcare program; conforming cross-references; amending s. 409.8132, F.S.; 11 conforming a cross-reference; revising provisions relating 12 13 to penalties for nonpayment of premiums and waiting 14 periods for reinstatement of coverage; amending s. 15 409.8134, F.S.; revising provisions relating to enrollment 16 in the Florida Kidcare program; amending s. 409.814, F.S.; removing a restriction on participation in the Florida 17 Healthy Kids program; authorizing certain enrollees to opt 18 19 out of the Children's Medical Services Network or Florida Kidcare Plus; revising coverage limitations; revising 20 21 restrictions on enrollment of children whose coverage was 22 voluntarily canceled; providing exceptions; revising 23 limitations on age and income for coverage under the Title 24 XXI-funded Florida Kidcare program; requiring electronic 25 verification of applicants' income; providing 26 circumstances under which written documentation is 27 required; revising the timeframe for an enrollee to 28 resolve disputes regarding the withholding of benefits;

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amending s. 409.815, F.S.; authorizing the Agency for Health Care Administration to increase premium assistance payments for benefits provided through Florida Kidcare Plus rather than the Children's Medical Services Network; conforming cross-references; amending ss. 409.816 and 409.817, F.S.; conforming cross-references; amending s. 409.8177, F.S.; revising information to be included in the annual program evaluation submitted to the Governor and Legislature; amending s. 409.818, F.S.; revising the redetermination process for coverage under the Florida Kidcare program; clarifying that the Department of Health is the chair of a Florida Kidcare coordinating council; conforming cross-references; amending s. 409.821, F.S., relating to an exemption from public records requirements provided for the Florida Kidcare program; revising requirements for disclosure of certain confidential and exempt information relating to an enrollee's application; amending s. 409.904, F.S.; revising provisions relating to the determination of eligibility of certain children for the Medicaid program; amending s. 624.91, F.S.; revising the duties of the Florida Healthy Kids Corporation; revising the date upon which the corporation must provide a study to the Legislature and the Governor; correcting a cross-reference; providing an effective date.

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

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Section 1. Section 409.810, Florida Statutes, is amended

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409.810 Short title.--Sections $\underline{409.810-409.821}$ $\underline{409.820}$ may be cited as the "Florida Kidcare Act."

Section 2. Section 409.811, Florida Statutes, is amended to read:

409.811 Definitions relating to Florida Kidcare Act.--As used in ss. 409.810-409.821 ss. 409.810-409.820, the term:

- (1) "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.
- (3) "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. 409.810-409.821 ss. 409.810-409.820.
- (4) "Benchmark benefit plan" means the form and level of health benefits coverage established in s. 409.815.
 - (5) "Child" means any person under 19 years of age.
- (6) "Child with special health care needs" means a child whose serious or chronic physical or developmental condition requires extensive preventive and maintenance care beyond that required by typically healthy children. Health care utilization

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by such a 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. 409.810-409.821 ss. 409.810-409.820.
- income is considered in determining eligibility for the Florida Kidcare program. The family includes a child with a 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

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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.

- (13) "Florida Kidcare Plus" means health benefits coverage for children with special health care needs delivered through the Children's Medical Services Network.
- (14) (13) "Florida Kidcare program," "Kidcare program," or "program" means the health benefits program administered through ss. 409.810-409.821 ss. 409.810-409.820.
- $\underline{(15)}$ "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.
- (16) (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.
- $\underline{\text{(17)}}$ "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.
- (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.

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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.
- (22) (21) "Premium" means the entire cost of a health insurance plan, including the administration fee or the risk assumption charge.
- (23) "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.
- $\underline{(25)}$ "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. 197 198 2103(c)(1) of Title XXI of the Social Security Act, these 199 services must be the same as the services in the benchmark 200 benefit plan. 201 Section 3. Section 409.812, Florida Statutes, is amended 202 to read: 203 409.812 Program created; purpose. -- The Florida Kidcare 204 program is created to provide a defined set of health benefits 205 to previously uninsured, low-income children through the establishment of a variety of affordable health benefits 206 207 coverage options from which families may select coverage and 208 through which families may contribute financially to the health 209 care of their children. 210 Section 4. Section 409.813, Florida Statutes, is amended 211 to read: 212 409.813 Health benefits coverage; program components; 213 entitlement and nonentitlement. --214 The Florida Kidcare program includes health benefits (1)215 coverage provided to children through the following program components, which shall be marketed as the Florida Kidcare 216 217 program: 218 (a)(1) Medicaid; 219 (b) (2) Medikids as created in s. 409.8132; 220 The Florida Healthy Kids Corporation as created in (c)(3) s. 624.91; 221

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(e) (5) The Children's Medical Services network established

(d) (4) Employer-sponsored group health insurance plans

approved under ss. 409.810-409.821 ss. 409.810-409.820; and

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- (2) Except for <u>Title XIX-funded Florida Kidcare program</u> coverage under the Medicaid program, coverage under the Florida Kidcare program is not an entitlement. No cause of action shall arise against the state, the department, the Department of Children and Family Services, or the agency for failure to make health services available to any person under <u>ss. 409.810-409.820</u>.
- Section 5. Paragraph (b) of subsection (6) and subsection (8) of section 409.8132, Florida Statutes, are amended to read: 409.8132 Medikids program component.--
 - (6) ELIGIBILITY. --
- (b) The provisions of s. 409.814(3), (4), and (5), and (6) shall be applicable to the Medikids program.
- (8) PENALTIES FOR VOLUNTARY CANCELLATION. -- The agency shall establish enrollment criteria that must include penalties or waiting periods of 30 not fewer than 60 days for reinstatement of coverage upon voluntary cancellation for nonpayment of premiums.
- Section 6. Section 409.8134, Florida Statutes, is amended to read:
 - 409.8134 Program expenditure ceiling; enrollment.--
- (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 continuously at any time throughout the year for the purpose of

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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 eligible for coverage under the Title XXI-funded components of the Florida Kidcare program 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 reactivate 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 such enrollment. Upon determination by the Social Services Estimating (3)

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Conference that there are insufficient funds to finance the current enrollment in the Florida Kidcare program within current appropriations, the program shall initiate disenvollment procedures to remove enrollees, except those children enrolled in Florida Kidcare Plus 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 7. 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 Florida Kidcare Plus the Children's Medical Services Network, a complete application includes the 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.

(1) A child who is eligible for Medicaid coverage 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.

- 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 a medical or behavioral screening instrument, shall receive Florida Kidcare Plus is eligible for health benefits coverage from and shall be assigned to and may opt out of referred to the Children's Medical Services Network or Florida Kidcare Plus.
- (4) The following children are not eligible to receive <u>Title XXI-funded</u> 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:
- (a) A child who is eligible for coverage under a state health benefit plan on the basis of a family member's employment with a public agency in the state.
- (b) A child who is currently eligible for or covered under a family member's group health benefit plan or under other

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private or employer health insurance coverage, if 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. If a child is otherwise eligible for a subsidy under the Florida Kidcare program and the cost of the child's participation in the family member's health insurance benefit plan is greater than 5 percent of the family's income, the child may be enrolled in the appropriate subsidized Florida Kidcare program component. 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 60 days 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 <u>is otherwise eligible for premium</u>

 <u>assistance for the Florida Kidcare program and</u> has had his or

 her coverage in an employer-sponsored <u>or private</u> health benefit

 plan voluntarily canceled in the last 60 days 6 months, except

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those children whose coverage was voluntarily canceled for good cause, including, but not limited to, the following circumstances:

- 1. The cost of participation in an employer-sponsored health benefit plan is greater than 5 percent of the family's income;
- 2. The parent lost a job that provided an employer-sponsored health benefit plan for children;
- 3. The parent who had health benefits coverage for the child is deceased;
- 4. The child has a medical condition that, without medical care, would cause serious disability, loss of function, or death;
- 5. The employer of the parent canceled health benefits coverage for children;
- 6. The child's health benefits coverage ended because the child reached the maximum lifetime coverage amount;
- 7. The child has exhausted coverage under a COBRA continuation provision;
- 8. The health benefits coverage does not cover the child's health care needs; or
- 9. Domestic violence led to loss of coverage who were on the waiting list prior to March 12, 2004.
- (5)(g) A child who is otherwise eligible for the Florida

 Kidcare program and who has a preexisting condition that

 prevents coverage under another insurance plan as described in

 paragraph (4)(b) which would have disqualified the child for the

 Florida Kidcare program if the child were able to enroll in the

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plan shall be eligible for <u>Florida</u> 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 Florida

 Kidcare 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 board of directors of the Florida Healthy Kids Corporation may offer a reduced benefit package to these children in order to limit program costs for such families.
- (7)(6) 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 19 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

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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 which promotes continuity of health care coverage. 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 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:
- verified electronically to determine financial eligibility for the Florida Kidcare program. Written documentation, which may must include wages and earnings statements or pay stubs, W-2 forms, or a copy of the applicant's most recent federal income tax return, shall be required only if the electronic verification is not available or does not substantiate the applicant's income. 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) <u>Each applicant shall provide</u> a statement from all <u>applicable</u>, <u>employed</u> family members that:

- 1. Their employers do employer does not sponsor a health benefit plans plan for employees; or
- 2. The potential enrollee is not covered by <u>an</u> 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. <u>If the cost of the employer-sponsored health</u> benefit plan is greater than 5 percent of the family's income and the potential enrollee is otherwise eligible for premium assistance, he or she may be enrolled in the appropriate, subsidized component of the Florida Kidcare program.

(10) (9) Subject to paragraph (4) (b) and s. 624.91(4), the Florida Kidcare program shall withhold benefits from an enrollee if the program obtains evidence that the enrollee is no longer eligible, submitted incorrect or fraudulent information in order to establish eligibility, or failed to provide verification of eligibility. The applicant or enrollee shall be notified that because of such evidence 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 working 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.

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(11) (10) The following individuals may be subject to

prosecution in accordance with s. 414.39:

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- (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 8. Subsection (2) of section 409.815, Florida Statutes, is amended to read:
 - 409.815 Health benefits coverage; limitations.--
- (2) BENCHMARK BENEFITS.--In order for health benefits coverage to qualify for premium assistance payments for an eligible child under <u>ss. 409.810-409.821</u> <u>ss. 409.810-409.820</u>, the health benefits coverage, except for coverage under Medicaid and Medikids, must include the following minimum benefits, as medically necessary.
 - (a) Preventive health services. -- Covered services include:
- 1. Well-child care, including services recommended in the Guidelines for Health Supervision of Children and Youth as developed by the American Academy of Pediatrics;
 - 2. Immunizations and injections;
 - 3. Health education counseling and clinical services;
 - 4. Vision screening; and
- 504 5. Hearing screening.

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(b) Inpatient hospital services.—All covered services provided for the medical care and treatment of an enrollee who is admitted as an inpatient to a hospital licensed under part I of chapter 395, with the following exceptions:

- 1. All admissions must be authorized by the enrollee's health benefits coverage provider.
- 2. The length of the patient stay shall be determined based on the medical condition of the enrollee in relation to the necessary and appropriate level of care.
- 3. Room and board may be limited to semiprivate accommodations, unless a private room is considered medically necessary or semiprivate accommodations are not available.
- 4. Admissions for rehabilitation and physical therapy are limited to 15 days per contract year.
- (c) Emergency services.--Covered services include visits to an emergency room or other licensed facility if needed immediately due to an injury or illness and delay means risk of permanent damage to the enrollee's health. Health maintenance organizations shall comply with the provisions of s. 641.513.
- (d) Maternity services. -- Covered services include maternity and newborn care, including prenatal and postnatal care, with the following limitations:
- 1. Coverage may be limited to the fee for vaginal deliveries; and
- 2. Initial inpatient care for newborn infants of enrolled adolescents shall be covered, including normal newborn care, nursery charges, and the initial pediatric or neonatal

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examination, and the infant may be covered for up to 3 days following birth.

- (e) Organ transplantation services.—Covered services include pretransplant, transplant, and postdischarge services and treatment of complications after transplantation for transplants deemed necessary and appropriate within the guidelines set by the Organ Transplant Advisory Council under s. 765.53 or the Bone Marrow Transplant Advisory Panel under s. 627.4236.
- (f) Outpatient services.--Covered services include preventive, diagnostic, therapeutic, palliative care, and other services provided to an enrollee in the outpatient portion of a health facility licensed under chapter 395, except for the following limitations:
- 1. Services must be authorized by the enrollee's health benefits coverage provider; and
- 2. Treatment for temporomandibular joint disease (TMJ) is specifically excluded.
 - (g) Behavioral health services. --
 - 1. Mental health benefits include:
- a. Inpatient services, limited to not more than 30 inpatient days per contract year for psychiatric admissions, or residential services in facilities licensed under s. 394.875(6) or s. 395.003 in lieu of inpatient psychiatric admissions; however, a minimum of 10 of the 30 days shall be available only for inpatient psychiatric services when authorized by a physician; and

b. Outpatient services, including outpatient visits for psychological or psychiatric evaluation, diagnosis, and treatment by a licensed mental health professional, limited to a maximum of 40 outpatient visits each contract year.

2. Substance abuse services include:

- a. Inpatient services, limited to not more than 7 inpatient days per contract year for medical detoxification only and 30 days of residential services; and
- b. Outpatient services, including evaluation, diagnosis, and treatment by a licensed practitioner, limited to a maximum of 40 outpatient visits per contract year.
- (h) Durable medical equipment.—Covered services include equipment and devices that are medically indicated to assist in the treatment of a medical condition and specifically prescribed as medically necessary, with the following limitations:
 - 1. Low-vision and telescopic aides are not included.
- 2. Corrective lenses and frames may be limited to one pair every 2 years, unless the prescription or head size of the enrollee changes.
- 3. Hearing aids shall be covered only when medically indicated to assist in the treatment of a medical condition.
- 4. Covered prosthetic devices include artificial eyes and limbs, braces, and other artificial aids.
- (i) Health practitioner services.—Covered services include services and procedures rendered to an enrollee when performed to diagnose and treat diseases, injuries, or other conditions, including care rendered by health practitioners

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acting within the scope of their practice, with the following exceptions:

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- 1. Chiropractic services shall be provided in the same manner as in the Florida Medicaid program.
- 2. Podiatric services may be limited to one visit per day totaling two visits per month for specific foot disorders.
- (j) Home health services.—Covered services include prescribed home visits by both registered and licensed practical nurses to provide skilled nursing services on a part-time intermittent basis, subject to the following limitations:
- Coverage may be limited to include skilled nursing services only;
- 2. Meals, housekeeping, and personal comfort items may be excluded; and
- 3. Private duty nursing is limited to circumstances where such care is medically necessary.
- (k) Hospice services.—Covered services include reasonable and necessary services for palliation or management of an enrollee's terminal illness, with the following exceptions:
- 1. Once a family elects to receive hospice care for an enrollee, other services that treat the terminal condition will not be covered; and
- 2. Services required for conditions totally unrelated to the terminal condition are covered to the extent that the services are included in this section.
- (1) Laboratory and X-ray services.—Covered services include diagnostic testing, including clinical radiologic, laboratory, and other diagnostic tests.

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(m) Nursing facility services.—Covered services include regular nursing services, rehabilitation services, drugs and biologicals, medical supplies, and the use of appliances and equipment furnished by the facility, with the following limitations:

- 1. All admissions must be authorized by the health benefits coverage provider.
- 2. The length of the patient stay shall be determined based on the medical condition of the enrollee in relation to the necessary and appropriate level of care, but is limited to not more than 100 days per contract year.
- 3. Room and board may be limited to semiprivate accommodations, unless a private room is considered medically necessary or semiprivate accommodations are not available.
- 4. Specialized treatment centers and independent kidney disease treatment centers are excluded.
- 5. Private duty nurses, television, and custodial care are excluded.
- 6. Admissions for rehabilitation and physical therapy are limited to 15 days per contract year.
 - (n) Prescribed drugs. --

- 1. Coverage shall include drugs prescribed for the treatment of illness or injury when prescribed by a licensed health practitioner acting within the scope of his or her practice.
- 2. Prescribed drugs may be limited to generics if available and brand name products if a generic substitution is

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not available, unless the prescribing licensed health practitioner indicates that a brand name is medically necessary.

- 3. Prescribed drugs covered under this section shall include all prescribed drugs covered under the Florida Medicaid program.
- (o) Therapy services.--Covered services include rehabilitative services, including occupational, physical, respiratory, and speech therapies, with the following limitations:
- 1. Services must be for short-term rehabilitation where significant improvement in the enrollee's condition will result; and
- 2. Services shall be limited to not more than 24 treatment sessions within a 60-day period per episode or injury, with the 60-day period beginning with the first treatment.
- (p) Transportation services.—Covered services include emergency transportation required in response to an emergency situation.
- (q) Dental services.--Dental services shall be covered and may include those dental benefits provided to children by the Florida Medicaid program under s. 409.906(6).
- (r) Lifetime maximum.--Health benefits coverage obtained under ss. 409.810-409.821 ss. 409.810-409.820 shall pay an enrollee's covered expenses at a lifetime maximum of \$1 million per covered child.
- (s) Cost-sharing.--Cost-sharing provisions must comply with s. 409.816.
 - (t) Exclusions. --

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1. Experimental or investigational procedures that have not been clinically proven by reliable evidence are excluded;

- 2. Services performed for cosmetic purposes only or for the convenience of the enrollee are excluded; and
- 3. Abortion may be covered only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.
 - (u) Enhancements to minimum requirements. --
- 1. This section sets the minimum benefits that must be included in any health benefits coverage, other than Medicaid or Medikids coverage, offered under $\underline{ss.\ 409.810-409.821}\ \underline{ss.}\ 409.810-409.820$. Health benefits coverage may include additional benefits not included under this subsection, but may not include benefits excluded under paragraph (s).
- 2. Health benefits coverage may extend any limitations beyond the minimum benefits described in this section.

Except for <u>benefits provided under Florida Kidcare Plus</u> the <u>Children's Medical Services Network</u>, the agency may not increase the premium assistance payment for either additional benefits provided beyond the minimum benefits described in this section or the imposition of less restrictive service limitations.

- (v) Applicability of other state laws.--Health insurers, health maintenance organizations, and their agents are subject to the provisions of the Florida Insurance Code, except for any such provisions waived in this section.
- 1. Except as expressly provided in this section, a law requiring coverage for a specific health care service or

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benefit, or a law requiring reimbursement, utilization, or consideration of a specific category of licensed health care practitioner, does not apply to a health insurance plan policy or contract offered or delivered under <u>ss. 409.810-409.821</u> ss. 409.810-409.820 unless that law is made expressly applicable to such policies or contracts.

- 2. Notwithstanding chapter 641, a health maintenance organization may issue contracts providing benefits equal to, exceeding, or actuarially equivalent to the benchmark benefit plan authorized by this section and may pay providers located in a rural county negotiated fees or Medicaid reimbursement rates for services provided to enrollees who are residents of the rural county.
- Section 9. 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.
- percent of the federal poverty level, who are not receiving coverage under the Medicaid program or who are not eligible under s. 409.814(6) 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 with respect to all children in a family may not exceed 5 percent of the family's income. However, copayments, deductibles, coinsurance, or similar charges may not be imposed for preventive services,

including well-baby and well-child care, age-appropriate immunizations, and routine hearing and vision screenings.

Section 10. Section 409.817, Florida Statutes, is amended to read:

409.817 Approval of health benefits coverage; financial assistance.—In order for health insurance coverage to qualify for premium assistance payments for an eligible child under ss. 409.810-409.821 ss. 409.810-409.820, the health benefits coverage must:

- (1) Be certified by the Office of Insurance Regulation of the Financial Services Commission under s. 409.818 as meeting, exceeding, or being actuarially equivalent to the benchmark benefit plan;
 - (2) Be guarantee issued;

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- (3) Be community rated;
- (4) Not impose any preexisting condition exclusion for covered benefits; however, group health insurance plans may permit the imposition of a preexisting condition exclusion, but only insofar as it is permitted under s. 627.6561;
- (5) Comply with the applicable limitations on premiums and cost-sharing in s. 409.816;
- (6) Comply with the quality assurance and access standards developed under s. 409.820; and
- (7) Establish periodic open enrollment periods, which may not occur more frequently than quarterly.
- Section 11. Paragraph (i) of subsection (1) of section 409.8177, Florida Statutes, is amended to read:
- 752 409.8177 Program evaluation. --

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(1) The agency, in consultation with the Department of Health, the Department of Children and Family Services, and the Florida Healthy Kids Corporation, shall contract for an evaluation of the Florida Kidcare program and shall by January 1 of each year submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report of the program. In addition to the items specified under s. 2108 of Title XXI of the Social Security Act, the report shall include an assessment of crowd-out and access to health care, as well as the following:

- (i) An assessment of the effectiveness of the Florida

 Kidcare program, including Medicaid, the Florida Healthy Kids

 program, Medikids, and the Children's Medical Services Network,

 and other public and private programs in the state in increasing
 the availability of affordable quality health insurance and
 health care for children.
- Section 12. Section 409.818, Florida Statutes, is amended to read:
- 409.818 Administration.--In order to implement $\underline{ss.}$ $\underline{409.810-409.821} \ \underline{ss.} \ \underline{409.810-409.820}, \ \text{the following agencies}$ shall have the following duties:
 - (1) The Department of Children and Family Services shall:
- (a) Develop a simplified eligibility application mail-in form to be used for determining the eligibility of children for coverage under the Florida Kidcare program, in consultation with the agency, the Department of Health, and the Florida Healthy Kids Corporation. The simplified eligibility application form must include an item that provides an opportunity for the

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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 simplified application form without having to pay a premium.

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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 process must be used solely for determining eligibility of applicants for health benefits coverage under the program. The eligibility determination process must include an initial determination of eligibility for any coverage offered under the program, as well as a redetermination or reverification of eligibility each subsequent 12 6 months. Effective January 1, 1999, A child who has not attained the age of 19 $\frac{5}{2}$ and who has been determined eligible for the Medicaid program is eligible for coverage for 12 months without a redetermination or reverification of eligibility. In conducting an eligibility determination, the department shall determine if the child has special health care needs. The department, in consultation with the Agency for Health Care Administration and the Florida Healthy Kids Corporation, shall develop procedures for redetermining eligibility which enable a family to easily update any change in circumstances which could affect eligibility. The department may accept changes in a family's status as reported to the department by the Florida Healthy Kids Corporation without

requiring a new application from the family. Redetermination of a child's eligibility for Medicaid may not be linked to a child's eligibility determination for 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 Kidcare program Healthy Kids Corporation, and to insurers and their agents, through a centralized coordinating office.
- (d) Adopt rules necessary for conducting program eligibility functions.
 - (2) The Department of Health shall:

- (a) Design an eligibility intake process for the program, in coordination with the Department of Children and Family Services, the agency, and the Florida Healthy Kids Corporation. The eligibility intake process may include local intake points that are determined by the Department of Health in coordination with the Department of Children and Family Services.
- (b) Chair a state-level Florida Kidcare 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.

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(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.

(d) Adopt rules necessary to implement outreach activities.

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- (3) The Agency for Health Care Administration, under the authority granted in s. 409.914(1), shall:
- 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. 409.810-409.821 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.
- (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 Children's Medical Services Network, meet, exceed, or are actuarially equivalent to the benchmark benefit plan and that health insurance plans will be offered at an approved rate. In determining actuarial equivalence of benefits coverage, the Office of Insurance Regulation and health insurance plans must comply with the requirements of s. 2103 of Title XXI of the Social Security Act. The department shall adopt rules necessary for certifying health benefits coverage plans.
- (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.
- (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.

921 Section 13. Section 409.821, Florida Statutes, is amended 922 to read:

409.821 Florida Kidcare program public records exemption.--

- Personal identifying information identifying of 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 Family Services, the Department of
 Health, or the Florida Healthy Kids Corporation is confidential
 and exempt from s. 119.07(1) and s. 24(a), Art. I of the State
 Constitution.
- (2)(a) Upon request, Such information shall be disclosed to:
- 1. another governmental entity only if disclosure is necessary for the entity to perform in the performance of its official duties and responsibilities under the Florida Kidcare program and shall be disclosed to:
- 2. the Department of Revenue for purposes of administering the state Title IV-D program. The receiving governmental entity must maintain the confidential and exempt status of such information. Furthermore, such information may not be released to; or
- 3. any other person without who has the written consent of the program applicant.
- (b) This section does not prohibit an enrollee's legal guardian from obtaining confirmation of coverage, dates of coverage, the name of the enrollee's health plan, and the amount

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of premium being paid.

- (3) This exemption applies to any information identifying a Florida Kidcare program applicant or enrollee held by the Agency for Health Care Administration, the Department of Children and Family Services, the Department of Health, or the Florida Healthy Kids Corporation before, on, or after the effective date of this exemption.
- (4) A knowing and willful violation of this section is a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. This section does not prohibit an enrollee's parent or legal guardian from obtaining any record relating to the enrollee's application or coverage under the Florida Kidcare program, including, but not limited to, confirmation of coverage, the dates of coverage, the name of the enrollee's health plan, and the amount of premium.
- Section 14. Subsection (6) of section 409.904, Florida Statutes, is amended to read:
- 409.904 Optional payments for eligible persons.—The agency may make payments for medical assistance and related services on behalf of the following persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law. Payment on behalf of these Medicaid eligible persons is subject to the availability of moneys and any limitations established by the General Appropriations Act or chapter 216.
- (6) A child who has not attained the age of 19 who has been determined eligible for the Medicaid program is deemed to be eligible for a total of $\underline{12}$ 6 months, regardless of changes in

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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 deemed to be eligible for a total of 12 months regardless of changes in circumstances other than attainment of the maximum age.

Section 15. Subsection (5) of section 624.91, Florida Statutes, is amended to read:

- 624.91 The Florida Healthy Kids Corporation Act. --
- (5) CORPORATION AUTHORIZATION, DUTIES, POWERS.--
- (a) There is created the Florida Healthy Kids Corporation, a not-for-profit corporation.
 - (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 Florida Kidcare program premiums for children who are not eligible for medical assistance under Title XIX or 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 <u>Florida Kidcare</u> coverage in contributing counties under Title XXI.

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4. Establish the administrative and accounting procedures for the operation of the corporation.

- 5. Establish, with consultation from appropriate professional organizations, standards for preventive health services and providers and comprehensive insurance benefits appropriate to children, provided that such standards for rural areas shall not limit primary care providers to 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).
- 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 $\underline{\text{that}}$ which shall include penalties or waiting periods of $\underline{30}$ 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

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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 system, and the scoring results, shall be available upon request for inspection after the bids have been awarded.

- 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 Kidcare program 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.
- 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

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available. The board of directors shall determine the number of staff members necessary to administer the corporation.

- 14. <u>In consultation with the partner agencies</u>, provide a report <u>on the Florida Kidcare program</u> annually to the Governor, Chief Financial Officer, Commissioner of Education, Senate President <u>of the Senate</u>, Speaker of the House of Representatives, and Minority Leaders of the Senate and the House of Representatives.
- 15. Provide information on a quarterly basis to the Legislature and the Governor which compares the costs and utilization of the full-pay enrolled population and the Title XXI-subsidized enrolled population in the Florida Kidcare program. The information, at a minimum, must include:
- a. The monthly enrollment and expenditure for full-pay enrollees in the Medikids and Florida Healthy Kids programs compared to the Title XXI-subsidized enrolled population; and
- b. The costs and utilization by service of the full-pay enrollees in the Medikids and Florida Healthy Kids programs and the Title XXI-subsidized enrolled population.

By February 1, 2010 2009, the Florida Healthy Kids Corporation shall provide a study to the Legislature and the Governor on premium impacts to the subsidized portion of the program from the inclusion of the full-pay program, which shall include recommendations on how to eliminate or mitigate possible impacts to the subsidized premiums.

16. Establish benefit packages that which conform to the provisions of the Florida Kidcare program, as created in ss.

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409.810-409.821 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 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 act.
 - Section 16. This act shall take effect July 1, 2009.

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CODING: Words stricken are deletions; words underlined are additions.