A bill to be entitled 1 2 An act relating to the Medicaid rural county pilot 3 project; creating s. 409.91212, F.S.; authorizing the 4 Agency for Health Care Administration to seek a Medicaid 5 pilot project waiver; creating a Medicaid rural county 6 pilot project; providing definitions; providing duties and 7 responsibilities of the agency and the boards of county 8 commissioners with respect to implementing the project; 9 providing requirements for county contracts with home 10 maintenance organizations; authorizing the board of county commissioners of a rural county participating in the pilot 11 project to consult with the agency regarding 12 implementation of the project; authorizing the agency to 13 14 adopt rules to implement the project; requiring the agency 15 to submit a report to the Legislature; providing 16 conditions under which a rural county may provide health 17 care if a federal health reform plan is adopted; providing an effective date. 18

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

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Section 1. Section 409.91212, Florida Statutes, is created to read:

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409.91212 Medicaid rural county pilot project.—

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(1) The Agency for Health Care Administration is authorized to seek a Medicaid waiver, pursuant to s. 1115 of the Social Security Act, to implement a 5-year pilot project to

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improve access to health care in each of the rural counties in

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

this state. For the purposes of this section, the term "rural county" means a county having a population of fewer than 95,000 residents.

- (2) The agency shall implement a pilot program that:
- (a) Includes Medicaid eligibility categories specified in ss. 409.903 and 409.904, as authorized in an approved federal waiver. Once approved, this waiver shall replace the current Medicaid reform waiver for a county having a population of fewer than 95,000 residents.
- (b) Delivers all mandatory services specified in s. 409.905 and optional services specified in s. 409.906, as approved by the Centers for Medicare and Medicaid Services and the Legislature in the waiver pursuant to this section. Services to recipients under plan benefits shall include emergency services provided under s. 409.9128.
- (c) Permits a pharmacy licensed by the state in a rural county to purchase drugs at the same price as a federally qualified health center that serves Medicaid recipients who reside in that county. The agency shall work with independent retail pharmacies and the Florida Pharmacy Association to develop criteria and eligibility for access to the preferred pricing for drugs sold to Medicaid and Medicare Part D plan participants.
- (3) The agency shall award contracts in each participating county for a term of not less than 3 years and not more than 5 years. In each county where a health maintenance organization is the successful bidder, the contract shall:
 - (a) Include requirements for the health maintenance

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organization to make investments in the community-based care infrastructure, help develop and implement training on best practices so as to improve home care, and develop the skills of nonlicensed caregivers that are critical to controlling costs.

- (b) Incorporate the medical home model as a method for managing care.
- (c) Include hospital, pharmacy, mental health, transportation, and specialty care.

- (d) Include risk-adjusted rates to ensure the adequate provision of care to individuals considered to be a higher risk or part of an adversely affected subgroup, such as adults with chronic mental illness or persons with HIV.
- (e) Include incentives for the development of innovation and require the development of provider systems located in the rural counties.
- (f) Include requirements for the development of local or regional electronic health records, pursuant to the Florida Electronic Health Records Exchange Act as provided in s. 408.051, for all health care providers.
 - (g) Demonstrate cost savings.
- (h) Require the health maintenance organization to provide the collected encounter data to the local health authority advisory board and post the data on the county's website for public review.
- (i) Establish a toll-free complaint line, the number of which shall be distributed to enrolled members.
- (j) Provide for a process that permits the health maintenance organization or the agency, in consultation with the

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board of county commissioners, to terminate the contract.

(k) Provide incentives to encourage the use of downward substitution of services as a means of offering comparable services at a lower cost and invest in innovative and promising practices to reduce the cost of and expand access to health care and improve customer satisfaction. For purposes of this section, the term "downward substitution" means the use of less restrictive, lower cost, and medically appropriate services provided as an alternative to higher cost state plan services.

- (4) At the discretion of its board of county commissioners, a rural county may participate in or decline to participate in the pilot project. The board of county commissioners of a county that chooses to participate in the pilot project is authorized to:
- (a) Develop, in consultation with the agency, a single-source request for proposal for the provision of all Medicaid services in each county.
- (b) Collaborate with boards of county commissioners in other rural counties to create a regional request for proposal for the provision of Medicaid services if that collaboration would improve access to health care.
- (c) Establish, in consultation with the agency, a local health advisory council the functions of which are to review encounter data; review network adequacy for local impact; offer recommendations for improving access to health care; accept and process consumer complaints; keep minutes of each meeting of the council, which shall be subject to the provisions of chapter 119; and conduct monthly meetings and workshops that are open to

the public in accordance with the provisions of chapter 286. The board of county commissioners shall appoint the members of the council, which shall include a representative of the agency as a nonvoting member.

- (5) Upon review and approval of the applications for waivers of applicable federal laws and regulations to implement the managed care pilot program by the Legislature, the agency may initiate adoption of rules pursuant to ss. 120.536(1) and 120.54 to implement and administer the managed care pilot program as provided in this section.
- (6) The agency shall submit a report on the progress of the pilot project to the President of the Senate and the Speaker of the House of Representatives by February 1, 2011.
- Section 2. If a federal health reform plan is adopted, a rural county health care plan is authorized to provide health care as a state option, and any waiver sought under s.

 409.91212, Florida Statutes, shall permit the state to exercise flexibility regarding access to cost-effective health care in rural counties, as defined in s. 409.91212, Florida Statutes.
- Section 3. This act shall take effect July 1, 2010.