

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 5301      PCB HCAS 11-01      Agency for Persons with Disabilities

**SPONSOR(S):** Health Care Appropriations Subcommittee, Hudson

**TIED BILLS:**                      **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Health Care Appropriations Subcommittee	11 Y, 4 N	Perritti	Pridgeon
1) Appropriations Committee	15 Y, 8 N	Perritti	Leznoff

### SUMMARY ANALYSIS

The bill makes statutory changes to conform to decisions made in the House proposed General Appropriations Act (GAA) for Fiscal Year 2011-12 relating to the Agency for Persons with Disabilities. Specifically the bill:

- Amends section 393.0661, Florida Statutes, to specify certain rate reductions to the geographic differential given to providers of residential habilitation services to persons with developmental disabilities in Miami-Dade, Broward, Palm Beach, and Monroe Counties.
- Amends section 393.0661, Florida Statutes, to require the payment of a uniform reimbursement rate to all providers of companion care services.

The House proposed GAA for Fiscal Year 2011-12 reduces recurring general revenue expenditures by approximately \$16.3 million as a result of revising companion care rates to a uniform rate and reducing geographic differential residential rehabilitation rates.

The bill provides an effective date of July 1, 2011.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

The Agency for Persons with Disabilities (APD) is responsible for providing services to persons with developmental disabilities.<sup>1</sup> A developmental disability is defined in chapter 393, Florida Statutes, as “a disorder or syndrome that is attributable to retardation, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome that manifests before the age of 18, and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.”<sup>2</sup> Children who are at high risk of having a developmental disability and are between the ages of 3 and 5 are also eligible for services.<sup>3</sup>

APD contractors provide an array of services through the Home and Community Based Waiver. Home and Community-Based Services Waivers programs are the federally approved Medicaid programs authorized by Title XIX of the Social Security Act, Section 1915(c) that provide services in the home for persons who would otherwise require institutional care in a hospital, nursing facility, or intermediate care facility. As of March 2011, 30,033 individuals with developmental disability were served under the Home and Community-Based Services Waiver.

The bill will impact providers under the Home and Community Based Waiver who receive a geographic differential rate for residential habilitation services and agency providers of companion care services.

##### *Geographic Differential Rate for Residential Habilitation Services*

Residential habilitation services provide supervision and specific training activities that assist a person to acquire, maintain or improve skills related to activities of daily living. Individuals with challenging behavioral disorders may require more intense levels of residential habilitation services.

Currently, there is a geographic differential rate for residential habilitation services in Miami-Dade, Broward, and Palm Beach Counties of 7.5 percent.<sup>4</sup> In addition, Monroe County has a geographic differential rate of 20 percent.<sup>5</sup> The bill will reduce the geographic differential rate for residential habilitation services for Miami-Dade, Broward, Palm Beach and Monroe Counties to 3.5 percent.

##### *Companion Care Services Provider Rate*

Companion care services consist of nonmedical care, supervision, and goal-oriented activities provided to an adult when the caregiver is unavailable.

The current rate for companion care services for agency providers is higher than the rate for independent providers that do not have employees. The bill provides that APD must pay a uniform reimbursement rate to all providers of companion care services that will be set by the agency. Agency provider rates would be adjusted to be more uniform with independent provider rates. To offset the reduction agency providers may reduce services in the following areas: behavior analysis, companion, dietician services, in home support, private duty nursing, residential habilitation, residential nursing, and respite, skilled nursing, specialized mental health, supported employment, and supported living. The bill authorizes APD to seek federal approval to amend current waivers in order to comply with this provision.

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<sup>1</sup> s. 20.197, F.S.

<sup>2</sup> s. 393.063(9), F.S.

<sup>3</sup> “High-risk child” is defined in s. 393.063(19), F.S.

<sup>4</sup> s. 393.0661(4), F.S.

<sup>5</sup> s. 393.0661(f), F.S.

B. SECTION DIRECTORY:

**Section 1.** Amends s. 393.0661, F.S., related to Geographic Rates and Companion Services Rates.

**Section 2.** Amends s. 393.0661, F.S., provides the bill is effective July 1, 2011.

**Section 3.** Provides the bill is effective July 1, 2011.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The following issues are included in the House proposed GAA for FY 2011-12:

	<u>FY 2011-12</u>
<b>Agency for Persons with Disabilities</b>	
<u>Geographic Differential Rate for Residential Habilitation Services</u>	
General Revenue	(1,287,000)
Operations and Maintenance Trust Fund	<u>(1,634,017)</u>
	(2,921,017)
<u>Companion Care Services Provider Rate</u>	
General Revenue	(14,978,830)
Operations and Maintenance Trust Fund	<u>(19,017,606)</u>
	(33,996,436)
NET REDUCTION	(36,917,453)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The geographic differential rate for providers of residential habilitations services in Miami-Dade, Broward and Palm Beach Counties will be reduced from 7.5 percent to 3.5 percent. The geographic differential rate for providers of residential habilitations services in Monroe County will be reduced from 20.0 percent to 3.5 percent.

Companion care services rates will be adjusted to be more uniform between agency providers and individual providers. Current service rates for agency providers are higher than service rates for independent providers.

**D. FISCAL COMMENTS:**

The proposed change to the Companion Care Service Provider Rate will have an annualized savings of \$11,332,137 with \$4,992,939 in state general revenue savings in Fiscal Year 2012-13.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

The agency has sufficient rulemaking authority to implement the provisions of this bill.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**