

By Senator Hays

11-01488-14

20141580__

1 A bill to be entitled
2 An act relating to reimbursement allowances for
3 hospital care; amending s. 440.13, F.S.; modifying
4 reimbursement allowance rates; providing that the
5 maximum reimbursement allowance for inpatient hospital
6 care is a specified percentage of the rate allowed
7 under the Medicare hospital inpatient prospective
8 payment system; providing that compensable charges for
9 hospital outpatient care is a specified percentage of
10 the rate allowed under the Medicare hospital
11 outpatient prospective payment system; providing an
12 effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

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16 Section 1. Subsection (12) of section 440.13, Florida
17 Statutes, is amended to read:

18 440.13 Medical services and supplies; penalty for
19 violations; limitations.—

20 (12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM
21 REIMBURSEMENT ALLOWANCES.—

22 (a) A three-member panel is created, consisting of the
23 Chief Financial Officer, or the Chief Financial Officer's
24 designee, and two members to be appointed by the Governor,
25 subject to confirmation by the Senate, one member who, on
26 account of present or previous vocation, employment, or
27 affiliation, shall be classified as a representative of
28 employers, the other member who, on account of previous
29 vocation, employment, or affiliation, shall be classified as a

11-01488-14

20141580__

30 representative of employees. The panel shall determine statewide
31 schedules of maximum reimbursement allowances for medically
32 necessary treatment, care, and attendance provided by
33 physicians, hospitals, ambulatory surgical centers, work-
34 hardening programs, pain programs, and durable medical
35 equipment. The maximum reimbursement allowances for inpatient
36 hospital care shall be 140 percent of the rate allowed under the
37 Medicare hospital inpatient prospective payment system ~~based on~~
38 ~~a schedule of per diem rates~~, to be approved by the three-member
39 panel no later than October 1, 2015 ~~March 1, 1994~~, to be used in
40 conjunction with a precertification manual as determined by the
41 department, including maximum hours in which an outpatient may
42 remain in observation status, which may ~~shall~~ not exceed 23
43 hours. All compensable charges for hospital outpatient care
44 shall be reimbursed at 140 percent of the rate allowed under the
45 Medicare hospital outpatient prospective payment system ~~75~~
46 ~~percent of usual and customary charges, except as otherwise~~
47 ~~provided by this subsection~~. Annually, the three-member panel
48 shall adopt schedules of maximum reimbursement allowances for
49 physicians, ~~hospital inpatient care, hospital outpatient care,~~
50 ambulatory surgical centers, work-hardening programs, and pain
51 programs. An individual physician, hospital, ambulatory surgical
52 center, pain program, or work-hardening program shall be
53 reimbursed either the agreed-upon contract price or the maximum
54 reimbursement allowance in the appropriate schedule.

55 (b) It is the intent of the Legislature to increase the
56 schedule of maximum reimbursement allowances for selected
57 physicians effective January 1, 2004, and to pay for the
58 increases through reductions in payments to hospitals. Revisions

11-01488-14

20141580__

59 developed pursuant to this subsection are limited to the
60 following:

61 1. Payments for outpatient physical, occupational, and
62 speech therapy provided by hospitals shall be reduced to the
63 schedule of maximum reimbursement allowances for these services
64 which applies to nonhospital providers.

65 2. Payments for scheduled outpatient nonemergency
66 radiological and clinical laboratory services that are not
67 provided in conjunction with a surgical procedure shall be
68 reduced to the schedule of maximum reimbursement allowances for
69 these services which applies to nonhospital providers.

70 3. Outpatient reimbursement for scheduled surgeries shall
71 be reduced from 75 percent of charges to 60 percent of charges.

72 4. Maximum reimbursement for a physician licensed under
73 chapter 458 or chapter 459 shall be increased to 110 percent of
74 the reimbursement allowed by Medicare, using appropriate codes
75 and modifiers or the medical reimbursement level adopted by the
76 three-member panel as of January 1, 2003, whichever is greater.

77 5. Maximum reimbursement for surgical procedures shall be
78 increased to 140 percent of the reimbursement allowed by
79 Medicare or the medical reimbursement level adopted by the
80 three-member panel as of January 1, 2003, whichever is greater.

81 (c) As to reimbursement for a prescription medication, the
82 reimbursement amount for a prescription shall be the average
83 wholesale price plus \$4.18 for the dispensing fee. For
84 repackaged or relabeled prescription medications dispensed by a
85 dispensing practitioner as provided in s. 465.0276, the fee
86 schedule for reimbursement shall be 112.5 percent of the average
87 wholesale price, plus \$8.00 for the dispensing fee. For purposes

11-01488-14

20141580__

88 of this subsection, the average wholesale price shall be
89 calculated by multiplying the number of units dispensed times
90 the per-unit average wholesale price set by the original
91 manufacturer of the underlying drug dispensed by the
92 practitioner, based upon the published manufacturer's average
93 wholesale price published in the Medi-Span Master Drug Database
94 as of the date of dispensing. All pharmaceutical claims
95 submitted for repackaged or relabeled prescription medications
96 must include the National Drug Code of the original
97 manufacturer. Fees for pharmaceuticals and pharmaceutical
98 services shall be reimbursable at the applicable fee schedule
99 amount except where the employer or carrier, or a service
100 company, third party administrator, or any entity acting on
101 behalf of the employer or carrier directly contracts with the
102 provider seeking reimbursement for a lower amount.

103 (d) Reimbursement for all fees and other charges for such
104 treatment, care, and attendance, including treatment, care, and
105 attendance provided by any hospital or other health care
106 provider, ambulatory surgical center, work-hardening program, or
107 pain program, must not exceed the amounts provided by the
108 uniform schedule of maximum reimbursement allowances as
109 determined by the panel or as otherwise provided in this
110 section. This subsection also applies to independent medical
111 examinations performed by health care providers under this
112 chapter. In determining the uniform schedule, the panel shall
113 first approve the data which it finds representative of
114 prevailing charges in the state for similar treatment, care, and
115 attendance of injured persons. Each health care provider, health
116 care facility, ambulatory surgical center, work-hardening

11-01488-14

20141580__

117 program, or pain program receiving workers' compensation
118 payments shall maintain records verifying their usual charges.
119 In establishing the uniform schedule of maximum reimbursement
120 allowances, the panel must consider:

121 1. The levels of reimbursement for similar treatment, care,
122 and attendance made by other health care programs or third-party
123 providers;

124 2. The impact upon cost to employers for providing a level
125 of reimbursement for treatment, care, and attendance which will
126 ensure the availability of treatment, care, and attendance
127 required by injured workers;

128 3. The financial impact of the reimbursement allowances
129 upon health care providers and health care facilities, including
130 trauma centers as defined in s. 395.4001, and its effect upon
131 their ability to make available to injured workers such
132 medically necessary remedial treatment, care, and attendance.
133 The uniform schedule of maximum reimbursement allowances must be
134 reasonable, must promote health care cost containment and
135 efficiency with respect to the workers' compensation health care
136 delivery system, and must be sufficient to ensure availability
137 of such medically necessary remedial treatment, care, and
138 attendance to injured workers; and

139 4. The most recent average maximum allowable rate of
140 increase for hospitals determined by the Health Care Board under
141 chapter 408.

142 (e) In addition to establishing the uniform schedule of
143 maximum reimbursement allowances, the panel shall:

144 1. Take testimony, receive records, and collect data to
145 evaluate the adequacy of the workers' compensation fee schedule,

11-01488-14

20141580__

146 nationally recognized fee schedules and alternative methods of
147 reimbursement to health care providers and health care
148 facilities for inpatient and outpatient treatment and care.

149 2. Survey health care providers and health care facilities
150 to determine the availability and accessibility of workers'
151 compensation health care delivery systems for injured workers.

152 3. Survey carriers to determine the estimated impact on
153 carrier costs and workers' compensation premium rates by
154 implementing changes to the carrier reimbursement schedule or
155 implementing alternative reimbursement methods.

156 4. Submit recommendations on or before January 1, 2003, and
157 biennially thereafter, to the President of the Senate and the
158 Speaker of the House of Representatives on methods to improve
159 the workers' compensation health care delivery system.

160 (f) The department, as requested, shall provide data to the
161 panel, including, but not limited to, utilization trends in the
162 workers' compensation health care delivery system. The
163 department shall provide the panel with an annual report
164 regarding the resolution of medical reimbursement disputes and
165 any actions pursuant to subsection (8). The department shall
166 provide administrative support and service to the panel to the
167 extent requested by the panel. For prescription medication
168 purchased under the requirements of this subsection, a
169 dispensing practitioner shall not possess such medication unless
170 payment has been made by the practitioner, the practitioner's
171 professional practice, or the practitioner's practice management
172 company or employer to the supplying manufacturer, wholesaler,
173 distributor, or drug repackager within 60 days of the dispensing
174 practitioner taking possession of that medication.

11-01488-14

20141580__

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Section 2. This act shall take effect July 1, 2014.