

By the Committee on Appropriations

576-03315-14

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1 A bill to be entitled
2 An act relating to Medicaid; amending s. 395.602,
3 F.S.; revising the definition of "rural hospital";
4 amending s. 409.911, F.S.; updating references to data
5 to be used for calculations under the disproportionate
6 share program; amending s. 409.962, F.S.; revising the
7 term "provider service network"; amending s. 409.972,
8 F.S.; deleting a requirement relating to medically
9 needy recipients; amending s. 409.974, F.S.; expressly
10 providing for contracting with eligible managed care
11 plans; revising provisions relating to procuring a
12 provider service network in a region; providing
13 requirements for termination of a contract with
14 certain managed care plans; requiring the Children's
15 Medical Services Network to operate as a fee-for-
16 service provider service network under certain
17 conditions; amending s. 409.975, F.S.; deleting a
18 requirement that a managed care plan accept certain
19 medically needy recipients; providing effective dates.

20
21 Be It Enacted by the Legislature of the State of Florida:

22
23 Section 1. Paragraph (e) of subsection (2) of section
24 395.602, Florida Statutes, is amended to read:

25 395.602 Rural hospitals.—

26 (2) DEFINITIONS.—As used in this part:

27 (e) "Rural hospital" means an acute care hospital licensed
28 under this chapter, having 100 or fewer licensed beds and an
29 emergency room, which is:

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30 1. The sole provider within a county with a population
31 density of up to ~~no greater than~~ 100 persons per square mile;

32 2. An acute care hospital, in a county with a population
33 density of up to ~~no greater than~~ 100 persons per square mile,
34 which is at least 30 minutes of travel time, on normally
35 traveled roads under normal traffic conditions, from any other
36 acute care hospital within the same county;

37 3. A hospital supported by a tax district or subdistrict
38 whose boundaries encompass a population of up to 100 persons ~~or~~
39 ~~fewer~~ per square mile;

40 4. A hospital classified as a sole community hospital under
41 42 C.F.R. s. 412.92 which has up to 340 licensed beds ~~A hospital~~
42 ~~in a constitutional charter county with a population of over 1~~
43 ~~million persons that has imposed a local option health service~~
44 ~~tax pursuant to law and in an area that was directly impacted by~~
45 ~~a catastrophic event on August 24, 1992, for which the Governor~~
46 ~~of Florida declared a state of emergency pursuant to chapter~~
47 ~~125, and has 120 beds or less that serves an agricultural~~
48 ~~community with an emergency room utilization of no less than~~
49 ~~20,000 visits and a Medicaid inpatient utilization rate greater~~
50 ~~than 15 percent;~~

51 5. A hospital with a service area that has a population of
52 up to 100 persons ~~or fewer~~ per square mile. As used in this
53 subparagraph, the term "service area" means the fewest number of
54 zip codes that account for 75 percent of the hospital's
55 discharges for the most recent 5-year period, based on
56 information available from the hospital inpatient discharge
57 database in the Florida Center for Health Information and Policy
58 Analysis at the agency; or

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59 6. A hospital designated as a critical access hospital, as
60 defined in s. 408.07.

61
62 Population densities used in this paragraph must be based upon
63 the most recently completed United States census. A hospital
64 that received funds under s. 409.9116 for a quarter beginning no
65 later than July 1, 2002, is deemed to have been and shall
66 continue to be a rural hospital from that date through June 30,
67 2015, if the hospital continues to have up to 100 ~~or fewer~~
68 licensed beds and an emergency room, ~~or meets the criteria of~~
69 ~~subparagraph 4~~. An acute care hospital that has not previously
70 been designated as a rural hospital and that meets the criteria
71 of this paragraph shall be granted such designation upon
72 application, including supporting documentation, to the agency.
73 A hospital that was licensed as a rural hospital during the
74 2010-2011 or 2011-2012 fiscal year shall continue to be a rural
75 hospital from the date of designation through June 30, 2015, if
76 the hospital continues to have up to 100 ~~or fewer~~ licensed beds
77 and an emergency room.

78 Section 2. Paragraph (a) of subsection (2) of section
79 409.911, Florida Statutes, is amended to read:

80 409.911 Disproportionate share program.—Subject to specific
81 allocations established within the General Appropriations Act
82 and any limitations established pursuant to chapter 216, the
83 agency shall distribute, pursuant to this section, moneys to
84 hospitals providing a disproportionate share of Medicaid or
85 charity care services by making quarterly Medicaid payments as
86 required. Notwithstanding the provisions of s. 409.915, counties
87 are exempt from contributing toward the cost of this special

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88 reimbursement for hospitals serving a disproportionate share of
89 low-income patients.

90 (2) The Agency for Health Care Administration shall use the
91 following actual audited data to determine the Medicaid days and
92 charity care to be used in calculating the disproportionate
93 share payment:

94 (a) The average of the 2006, 2007, and 2008 ~~2005, 2006, and~~
95 ~~2007~~ audited disproportionate share data to determine each
96 hospital's Medicaid days and charity care for the 2014-2015
97 ~~2013-2014~~ state fiscal year.

98 Section 3. Subsection (13) of section 409.962, Florida
99 Statutes, is amended to read:

100 409.962 Definitions.—As used in this part, except as
101 otherwise specifically provided, the term:

102 (13) "Provider service network" means an entity qualified
103 pursuant to s. 409.912(4)(d) of which a controlling interest is
104 owned by a health care provider~~7~~ or group of ~~affiliated~~
105 providers affiliated for the purpose of providing health care,
106 or a public agency or entity that delivers health services.
107 Health care providers include Florida-licensed health care
108 practitioners ~~professionals~~ or licensed health care facilities,
109 federally qualified health care centers, and home health care
110 agencies.

111 Section 4. Effective upon this act becoming a law, section
112 409.972, Florida Statutes, is amended to read:

113 409.972 Mandatory and voluntary enrollment.—

114 ~~(1) Persons eligible for the program known as "medically~~
115 ~~needy" pursuant to s. 409.904(2) shall enroll in managed care~~
116 ~~plans. Medically needy recipients shall meet the share of the~~

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117 ~~cost by paying the plan premium, up to the share of the cost~~
118 ~~amount, contingent upon federal approval.~~

119 (1)~~(2)~~ The following Medicaid-eligible persons are exempt
120 from mandatory managed care enrollment required by s. 409.965,
121 and may voluntarily choose to participate in the managed medical
122 assistance program:

123 (a) Medicaid recipients who have other creditable health
124 care coverage, excluding Medicare.

125 (b) Medicaid recipients residing in residential commitment
126 facilities operated through the Department of Juvenile Justice
127 or mental health treatment facilities as defined by s.
128 394.455(32).

129 (c) Persons eligible for refugee assistance.

130 (d) Medicaid recipients who are residents of a
131 developmental disability center, including Sunland Center in
132 Marianna and Tacachale in Gainesville.

133 (e) Medicaid recipients enrolled in the home and community
134 based services waiver pursuant to chapter 393, and Medicaid
135 recipients waiting for waiver services.

136 (f) Medicaid recipients residing in a group home facility
137 licensed under chapter 393.

138 (2)~~(3)~~ Persons eligible for Medicaid but exempt from
139 mandatory participation who do not choose to enroll in managed
140 care shall be served in the Medicaid fee-for-service program as
141 provided under ~~in~~ part III of this chapter.

142 (3)~~(4)~~ The agency shall seek federal approval to require
143 Medicaid recipients enrolled in managed care plans, as a
144 condition of Medicaid eligibility, to pay the Medicaid program a
145 share of the premium of \$10 per month.

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146 Section 5. Subsection (1) of section 409.974, Florida
147 Statutes, is amended to read:

148 409.974 Eligible plans.—

149 (1) ELIGIBLE PLAN SELECTION.—The agency shall select and
150 contract with eligible plans through the procurement process
151 described in s. 409.966. The agency shall notice invitations to
152 negotiate by ~~no later than~~ January 1, 2013.

153 (a) The agency shall procure and contract with two plans
154 for Region 1. At least one plan shall be a provider service
155 network if any provider service networks submit a responsive
156 bid.

157 (b) The agency shall procure and contract with two plans
158 for Region 2. At least one plan shall be a provider service
159 network if any provider service networks submit a responsive
160 bid.

161 (c) The agency shall procure and contract with at least
162 three plans and up to five plans for Region 3. At least one plan
163 must be a provider service network if any provider service
164 networks submit a responsive bid.

165 (d) The agency shall procure and contract with at least
166 three plans and up to five plans for Region 4. At least one plan
167 must be a provider service network if any provider service
168 networks submit a responsive bid.

169 (e) The agency shall procure and contract with at least two
170 plans and up to four plans for Region 5. At least one plan must
171 be a provider service network if any provider service networks
172 submit a responsive bid.

173 (f) The agency shall procure and contract with at least
174 four plans and up to seven plans for Region 6. At least one plan

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175 must be a provider service network if any provider service
176 networks submit a responsive bid.

177 (g) The agency shall procure and contract with at least
178 three plans and up to six plans for Region 7. At least one plan
179 must be a provider service network if any provider service
180 networks submit a responsive bid.

181 (h) The agency shall procure and contract with at least two
182 plans and up to four plans for Region 8. At least one plan must
183 be a provider service network if any provider service networks
184 submit a responsive bid.

185 (i) The agency shall procure and contract with at least two
186 plans and up to four plans for Region 9. At least one plan must
187 be a provider service network if any provider service networks
188 submit a responsive bid.

189 (j) The agency shall procure and contract with at least two
190 plans and up to four plans for Region 10. At least one plan must
191 be a provider service network if any provider service networks
192 submit a responsive bid.

193 (k) The agency shall procure and contract with at least
194 five plans and up to 10 plans for Region 11. At least one plan
195 must be a provider service network if any provider service
196 networks submit a responsive bid.

197
198 If no provider service network submits a responsive bid, the
199 agency shall procure up to ~~no more than~~ one less than the
200 maximum number of eligible plans permitted in that region and,
201 within the next 12 months after the initial invitation to
202 negotiate, shall issue an invitation to negotiate in order ~~the~~
203 ~~agency shall attempt~~ to procure and contract with a provider

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204 service network. In a region in which the agency has contracted
205 with only one provider service network and changes in the
206 ownership or business structure of the network result in the
207 network no longer meeting the definition of a provider service
208 network under s. 409.962, the agency must, within the next 12
209 months, terminate the contract, provide ~~shall~~ notice of another
210 invitation to negotiate, and procure and contract ~~only~~ with a
211 provider service network in that region ~~networks in those~~
212 ~~regions where no provider service network has been selected.~~

213 Section 6. Effective upon this act becoming a law,
214 subsection (4) of section 409.974, Florida Statutes, is amended
215 to read:

216 409.974 Eligible plans.—

217 (4) CHILDREN'S MEDICAL SERVICES NETWORK.— Participation by
218 the Children's Medical Services Network shall be pursuant to a
219 single, statewide contract with the agency that is not subject
220 to the procurement requirements or regional plan number limits
221 of this section. Following the successful completion of a
222 readiness review, the Children's Medical Services Network shall
223 operate as a fee-for-service provider service network with
224 periodic reconciliations until July 1 of the fiscal year
225 following the date on which the network qualifies to operate as
226 a prepaid plan. While operating as a fee-for-service provider
227 service network, the Children's Medical Services Network shall
228 use the agency's third-party administrator for paying claims and
229 related duties. The Children's Medical Services Network must
230 meet all other plan requirements for the managed medical
231 assistance program.

232 Section 7. Effective upon this act becoming a law,

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233 subsection (7) of section 409.975, Florida Statutes, is amended
234 to read:

235 409.975 Managed care plan accountability.—In addition to
236 the requirements of s. 409.967, plans and providers
237 participating in the managed medical assistance program shall
238 comply with the requirements of this section.

239 ~~(7) MEDICALLY NEEDED ENROLLEES.—Each managed care plan must~~
240 ~~accept any medically needy recipient who selects or is assigned~~
241 ~~to the plan and provide that recipient with continuous~~
242 ~~enrollment for 12 months. After the first month of qualifying as~~
243 ~~a medically needy recipient and enrolling in a plan, and~~
244 ~~contingent upon federal approval, the enrollee shall pay the~~
245 ~~plan a portion of the monthly premium equal to the enrollee's~~
246 ~~share of the cost as determined by the department. The agency~~
247 ~~shall pay any remaining portion of the monthly premium. Plans~~
248 ~~are not obligated to pay claims for medically needy patients for~~
249 ~~services provided before enrollment in the plan. Medically needy~~
250 ~~patients are responsible for payment of incurred claims that are~~
251 ~~used to determine eligibility. Plans must provide a grace period~~
252 ~~of at least 90 days before disenrolling recipients who fail to~~
253 ~~pay their shares of the premium.~~

254 Section 8. Except as otherwise expressly provided in this
255 act and except for this section, which shall take effect upon
256 this act becoming a law, this act shall take effect July 1,
257 2014.