

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 5201 PCB HCAS 14-02 Medicaid
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, 0 N | Clark | Pridgeon |
| 1) Appropriations Committee | 25 Y, 0 N | Clark | Leznoff |

SUMMARY ANALYSIS

The bill conforms statutes to the funding decisions related to the Medicaid Disproportionate Share Hospital (DSH) Program included in the House proposed General Appropriations Act (GAA) for Fiscal Year 2014-2015. The bill:

- Revises the years of audited data used in determining Medicaid and charity care days for hospitals in the DSH program.
- Continues Medicaid DSH distributions for nonstate, government-owned or operated hospitals eligible for payment on July 1, 2011.

The bill provides an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Disproportionate Share Hospital Program (DSH)

The Medicaid Disproportionate Share Hospital Program funding distributions are provided to hospitals that provide a disproportionate share of the Medicaid or charity care services to uninsured individuals. Each year, the Legislature delineates how the funds will be distributed to each eligible facility.

The bill amends several provisions of chapter 409, F.S., to implement the changes in DSH program funding to correspond to the House proposed General Appropriations Act for Fiscal Year 2014-2015. The bill:

- Revises the years of audited data to be used in calculating disproportionate share payments to hospitals for Fiscal Year 2014-2015 to use the 2006, 2007, and 2008 years; and
- Continues disproportionate share payments for any non-state, government-owned or operated hospital eligible for payment on July 1, 2011 for Fiscal Year 2014-2015.

B. SECTION DIRECTORY:

Section 1: Amends s. 409.911, F.S., to revise the years of audited data used for hospitals in the disproportionate share program and continues Medicaid disproportionate share distributions for nonstate, government-owned or operated hospitals eligible for payment on a specified date.

Section 2: Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

\$210,123,845 in federal Medicaid funds will be generated through the implementation of the DSH programs.

2. Expenditures:

The House proposed GAA contains the following appropriation:

| FY 2014-15 | |
|---|-----------------------|
| REGULAR DISPROPORTIONATE SHARE (DSH) | |
| General Revenue | \$ 750,000 |
| Grants and Donations Trust Fund | \$ 91,378,748 |
| Medical Care Trust Fund | \$ 136,592,077 |
| Total | \$ 228,720,825 |
| MENTAL HEALTH HOSPITAL DSH | |
| Medical Care Trust Fund | \$ 71,125,459 |
| Total | \$ 71,125,459 |
| TUBERCULOSIS DSH | |
| Medical Care Trust Fund | \$ 2,406,309 |
| Total | \$ 2,406,309 |
| TOTAL BUDGETARY IMPACT | |
| General Revenue | \$ 750,000 |
| Grants and Donations Trust Fund | \$ 91,378,748 |
| Medical Care Trust Fund | \$ 210,123,845 |
| GRAND TOTAL | \$ 302,252,593 |

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

In order to earn matching federal dollars, local governments and other local political subdivisions would be required to provide \$91,378,748 in contributions for the DSH program.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Hospitals providing a disproportionate share of Medicaid or charity care services will receive additional reimbursement toward the cost of providing care to uninsured individuals.

D. FISCAL COMMENTS:

The AHCA will distribute a total of \$302,252,593 through the federal Disproportionate Share Hospital (DSH) Program to hospitals providing a disproportionate share of Medicaid or charity care services.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES