

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 816

INTRODUCER: Senator Grimsley

SUBJECT: Home Health Agencies

DATE: April 14, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Brown</u>	<u>Pigott</u>	<u>AHS</u>	Recommend: Favorable
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	Pre-meeting

I. Summary:

SB 816 repeals the requirement for a home health agency (HHA) to provide a quarterly report to the Agency for Health Care Administration (AHCA) and the requirement that the AHCA fine a HHA who fails to submit the report \$200 per day, up to a maximum of \$5,000 per quarter.

The bill requires an HHA when renewing a license to submit to the AHCA the number of patients who received home health services from the HHA on the day that that the licensure renewal application is filed.

This bill has an indeterminate negative fiscal impact on the AHCA.

II. Present Situation:

A home health agency (HHA) is an organization that provides home health services and staffing services.¹ Home health services provided by an HHA include health and medical services and medical equipment provided to an individual in his or her home, such as nursing care, physical and occupational therapy, and home health aide services.² Home health agencies are regulated by the Agency for Health Care Administration (AHCA) pursuant to ch. 400, part III, F.S.

In 2008, the Legislature passed ch. 2008-246, L.O.F., to reduce Medicaid fraud and improve quality and accountability of HHAs.³ The law provided HHA anti-fraud measures, including the requirement for an HHA quarterly report to be submitted to the AHCA within 15 days following the end of each quarter.⁴ In Fiscal Year 2004-2005, the AHCA's Bureau of Medicaid Program Integrity (MPI) opened 47 investigations of HHAs for Medicaid fraud, 72 in Fiscal Year 2005-

¹ Section 400.462(12), F.S.

² Section 400.462(14)(a)-(c), F.S.

³ House of Representatives Bill Analysis, *CS/HB 7083*, April 17, 2008.

⁴ Chapter 2008-246, L.O.F. See s. 400.474(7), F.S.

2006, and 144 in Fiscal Year 2006-2007.⁵ Between 2004 and 2007, 19 HHAs were terminated from the Medicaid program in Miami-Dade County.⁶

In 2013, the Legislature passed ch. 2013-133, L.O.F., which reduced the fine assessed against HHAs that violate the reporting requirements and exempted HHAs that are not, or do not share a controlling interest with a licensee that is, Medicaid or Medicare providers.

Currently, HHAs are required to report data as it existed on the last day of the quarter for four items that are markers for possible fraudulent activity. The quarterly report must detail:

- The number of insulin-dependent diabetic patients receiving insulin injection services;
- The number of patients receiving both home health services from the HHA and hospice services;
- The number of patients receiving HHA services; and
- The names and license numbers of nurses whose primary job responsibility is to provide home health services to patients and who received remuneration from the HHA in excess of \$25,000 during the quarter.⁷

The AHCA is required to impose a fine of \$200 per day up to a maximum of \$5,000 per quarter if the report is not submitted within the first 15 days following the close of the quarter.⁸ From July 1, 2008, to date, \$8,317,650 in fines have been assessed and \$5,635,108 in fines have been collected.⁹ The number of HHAs that fail to submit the reports each quarter has decreased since the passage of ch. 2013-133, L.O.F. For the quarter ending December 31, 2012, 42 of the 2,250 licensed HHAs failed to submit their reports.¹⁰

The AHCA uses the data on the number of patients on the last day of the quarter as an indicator of when an HHA is closing or that an HHA may not operational, along with other information.¹¹ Failing to provide at least one service for a period of 60 days is grounds to deny or revoke a license under s. 400.474(2)(e), F.S. The AHCA collects the number of patients admitted over a 12-month period, from each HHA on the biennial license renewal application as required by s. 400.471(2)(c), F.S.

III. Effect of Proposed Changes:

The bill repeals the requirement for an HHA to provide the quarterly report to the AHCA.

The bill also repeals the requirement that the AHCA fine HHAs who fail to submit the report \$200 per day, up to a maximum of \$5,000 per quarter.

⁵ Senate Bill Analysis, *CS/CS/CS/SB 1374*, March 7, 2008.

⁶ *Id.*

⁷ Section 400.474(7), F.S.

⁸ *Id.*

⁹ AHCA, *2015 Agency Bill Analysis SB 816* (Jan. 23, 2015) (on file with the Senate Committee on Health Policy).

¹⁰ AHCA, *Agency Bill Analysis HB 4031* (submitted for SB 1094) (Mar. 14, 2013) (on file with the Senate Committee on Health Policy).

¹¹ *Id.*

The bill requires HHAs, when renewing their license, to submit to the AHCA the number of patients who received home health services from the HHA on the day that the licensure renewal application is filed.

The bill provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of a state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

HHAs may see an indeterminate positive fiscal impact by not having to prepare and file the quarterly report. Additionally, HHAs who would have failed to provide the quarterly report to the AHCA will see an indeterminate positive fiscal impact due to the elimination of the fine currently assessed.

C. Government Sector Impact:

The AHCA will see an indeterminate negative fiscal impact due to the loss of revenue from the elimination of the fine assessed on HHAs who fail to submit their quarterly report.¹²

VI. Technical Deficiencies:

None.

¹² *Supra* note 9.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill substantially amends section 400.474 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
