

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 Appropriations

BILL: SB 1050

INTRODUCER: Senator Simmons

SUBJECT: Memory Disorder Clinics

DATE: April 24 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Lloyd</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Forbes</u>	<u>Williams</u>	<u>AHS</u>	Recommend: Favorable
3.	<u>Forbes</u>	<u>Hansen</u>	<u>AP</u>	Pre-meeting

I. Summary:

SB 1050 establishes a memory disorder clinic at Florida Hospital in Orange County.

This bill does not impact state revenues or expenditures

The bill is effective July 1, 2017.

II. Present Situation:

Alzheimer's Disease

Alzheimer's disease is a degenerative brain disease and the most common cause of dementia.¹ It accounts for 60 to 80 percent of dementia cases.² An estimated 5.5 million Americans are living with the disease in 2017, including 1 in 10 people aged 65 and older. For Florida, the number is estimated to be 520,000 for 2017 and it is projected to grow to 720,000 by 2025, a growth rate of 38.5 percent.³

Dementia is a syndrome of the disease and is actually a group of symptoms that has a number of causes that include difficulties with memory, language, problem-solving, and other cognitive skills that affect a person's ability to perform everyday activities.⁴ In Alzheimer's patients, these difficulties occur because of brain abnormalities. The nerve cells or neurons that are involved with cognitive brain function have been damaged or destroyed causing a loss of connection

¹ Alzheimer's Association, *2017 Alzheimer's Disease Facts and Figures*, http://www.alz.org/documents_custom/2017-facts-and-figures.pdf, p. 5, (last visited Mar. 8, 2017).

² Alzheimer's Association, *About Alzheimer's and Dementia*, http://www.alz.org/research/science/alzheimers_research.asp (last visited Mar. 9, 2017).

³ *Id.* at 21.

⁴ *Id.* at 5.

among brain cells.⁵ Eventually, those with Alzheimer's disease become bed bound and require around the clock care. The disease is fatal and there is currently no cure.

The brains of individuals with Alzheimer's show inflammation, dramatic shrinkage from cell loss, and widespread debris from dead and dying neurons.⁶ Other changes associated with Alzheimer's and other dementias include:

- Memory loss that disrupts daily life;
- Challenges in planning or solving problems;
- Difficulty completing familiar tasks;
- Confusion with time or place;
- Trouble understanding visual images and spatial relationships;
- New problems with words in speaking or writing;
- Misplacing things and losing the ability to retrace steps;
- Decreased or poor judgement;
- Withdrawal from work or social activities; or
- Change in mood and personality.⁷

For those living with Alzheimer's, management of the disease can lead to an improved quality of life. Active management of the disease may include:

- Appropriate use of available treatment options;
- Effective management of coexisting conditions;
- Coordination of care among physicians, other health care providers and lay caregivers;
- Participation in activities that are meaningful and bring purpose to one's life; and
- Have opportunities to connect with others living with dementia; support groups and supportive services.⁸

Florida Alzheimer's Disease Initiatives

Florida's Alzheimer's Disease Initiative (ADI) was created by the 1985 Legislature to meet the changing needs of individuals with Alzheimer's and similar memory disorders and their families. The Florida Department of Elder Affairs (department) coordinates and develops policy in conjunction with a 10-member advisory committee appointed by the Governor for the initiative. The program includes four components:

- Supportive services which include counseling, consumable medical supplies, and respite caregiver relief;
- Memory Disorder Clinics that provide diagnosis, research, treatment, education, and referrals;
- Model day care programs to test new care alternatives; and
- A brain bank to support research.⁹

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 9.

⁸ *Id.* at 14.

⁹ Dep't of Elder Affairs, *Alzheimer's Disease Initiative*, <http://elderaffairs.state.fl.us/doea/alz.php> (last visited Mar. 9, 2017).

The ADI includes in-home, facility-based (usually at adult day care centers), emergency, and extended care (up to 30 days) for caregivers who serve patients with memory disorders.¹⁰ During FY 2014-2015, 2,652 individuals received respite and support services, including case management, specialized medical equipment, services, and supplies, and caregiver counseling, support groups, and training.¹¹

The 2016-2017 General Appropriations Act includes \$22,139,517 from the General Revenue Fund for the ADI services.¹² The appropriated funds are allocated to each of the Area Agencies on Aging to fund providers of model day care and respite care programs based on each county's population age 75 and older and probable number of Alzheimer's cases. Additional Alzheimer disease services are administered through contracts with designated Memory Disorder Clinics and the Florida Brain Banks. Remaining funds are allocated to local funding initiatives based on legislative direction in the General Appropriations Act.¹³

Participants in the ADI program are assessed co-payments and other partial payment amounts based on their ability pay and in accordance with Rule 58C-1.007, F.A.C. The co-pay schedule is set on a sliding scale, not to exceed 3 percent of an individual's monthly income in 2016.¹⁴ Provider agencies are responsible for the collection of fees for ADI services and report their collections annually to the department.¹⁵

Respite for Caregiver Relief

Respite care programs for caregivers are established in all 67 of Florida's counties.¹⁶ Many Alzheimer's patients require around the clock care, especially in the late stages of the disease. Caregivers may also receive supportive services such as training and support groups, counseling, consumable medical supplies, and nutritional supplements.

Memory Disorder Clinics

There are 15 state-funded Memory Disorder Clinics in the state of Florida that provide comprehensive assessments, diagnostic services, and treatment to individuals who show signs of Alzheimer's disease and related memory disorders. The Memory Disorder Clinics are also required to conduct specific research in coordination with the department. The clinics are established at medical schools, teaching hospitals, and public and private, not-for-profit hospitals.¹⁷ From July 1, 2015 through June 30, 2016, the Memory Disorder Clinics completed

¹⁰ Dep't of Elder Affairs, *Alzheimer's Disease Initiative*, <http://elderaffairs.state.fl.us/doea/alz.php>, (last visited Mar. 9, 2017).

¹¹ *Id.*

¹² Specific Appropriations 410 of chapter 2016-66, Laws of Fla. (General Appropriations Act for the 2016-2017 fiscal year).

¹³ Dep't of Elder Affairs, *2016 Summary of Programs and Services - Section D*, p. 94, http://elderaffairs.state.fl.us/doea/pubs/pubs/sops2016/2016_SOPS_D.pdf (last visited Mar. 9, 2017).

¹⁴ Dep't of Elder Affairs, *Department of Elder Affairs Programs and Services Handbook, Appendix B - Co-Payment for Service Guidelines (ADI and CCE Programs), Attachment 2: 2016 Co-Pay Schedule for Individual*, http://elderaffairs.state.fl.us/doea/notices/July16/2016_Appendix_B_Co-Payment_for_Service_Guidelines.pdf, (last visited Mar. 9, 2017).

¹⁵ *Id.* at B-34.

¹⁶ *Id.*

¹⁷ *Id.* The 15 Memory Disorder Clinics are: West Florida Hospital, Tallahassee Memorial Hospital, Mayo Clinic Jacksonville, University of Florida, Orlando Health Center for Aging, East Central Florida, Madonna Ptak Center for Memory Disorders at Morton Plant Mease, University of South Florida, St. Mary's Medical Center, Florida Atlantic University Louis and Anne

9,810 medical memory evaluations, saw 4,745 new patients, with 16,569 office visits made by patients and their caregivers.¹⁸ Over 7,000 family caregivers also received educational training from the clinics on how to care for a loved one with dementia during this same time period.¹⁹ For the 2016-2017 state fiscal year, the clinics used \$3,464,683 in state funding to serve almost 7,000 unduplicated clients.²⁰

The law currently provides that memory disorder clinics funded as of June 30, 1995, shall not receive decreased funding due solely to subsequent additions of memory disorder clinics. As of June 30, 1995, the following clinics were included in the statute:

A memory disorder at each of the three medical schools in the state;

A memory disorder clinic at a major non-profit research-oriented teaching hospital, and may fund a memory disorder clinic at any of the other affiliated teaching hospitals;

- A memory disorder clinic at the Mayo clinic in Jacksonville;
- A memory disorder clinic at the West Florida Regional Medical Center;
- The Central Florida Memory Disorder Clinic at the Joint Center for Advanced Therapeutics and Biomedical Research at the Florida Institute of Technology and Holmes Regional Medical Center, Inc.; and
- A memory disorder clinic located at a public hospital that is operated by an independent special hospital taxing district that governs multiple hospitals and is located in a county with a population greater than 800,000.²¹

Florida Hospital in Central Florida opened a self-funded memory disorder program in 2012. The Florida Hospital Maturing Minds Clinic serves patients with Alzheimer's disease and related disorders in Orange, Seminole, and Osceola counties. It is estimated that 30,000 people with Alzheimer's disease live in these three counties.²² The clinic conducts over 360 new patient memory loss evaluations each year and provides services and referrals to other local organizations.²³ The clinic does not plan to request state funding at this time, but will seek national and local grants and the state designation will assist the clinic in that process, according to local representatives.²⁴

Model Day Care

Model day care programs provide a safe environment where Alzheimer's patients can meet and socialize during the day as well as receive therapeutic interventions that improve their cognitive

Green Memory and Wellness Center, Sarasota Memorial Hospital, Lee Memorial Health System, Broward Health North, The Wien Center for Alzheimer's Disease and Memory Disorders Mt. Sinai Medical Center, and University of Miami Memory Disorders Center, Center on Aging Mental Health Hospital Center.

¹⁸ Dep't of Elder Affairs, *2015-2016 Year End Summary - Alzheimer Disease Initiative*, p. 3, http://elderaffairs.state.fl.us/doea/alz/MDC_Year_End_Summary_2015-2016.pdf (last visited: Mar. 9, 2017).

¹⁹ *Id.*

²⁰ Dep't of Elder Affairs, *2016 Summary of Programs and Services - Section D, Memory Disorder Clinics Appropriation History and Numbers Served*, p. 97, http://elderaffairs.state.fl.us/doea/pubs/pubs/sops2016/2016_SOPS_D.pdf (last visited: Mar. 9, 2017).

²¹ Chapter Law 1995-253, s. 1, Laws of Fla.

²² Fla. Hospital, *Memory Disorder Clinics Handout - Support HB 883/SB 1050* (on file with the Senate Committee on Health Policy).

²³ Fla. Hospital, *Memory Disorder Clinics Handout - Support HB 883/SB 1050* (on file with the Senate Committee on Health Policy).

²⁴ Conversation with Jean Van Smith, Florida Hospital Representative (March 9, 2017).

functioning. Model day care programs have been established in Gainesville, Tampa, and Miami.²⁵

Florida Brain Bank

The Florida Brain Bank was created in 1987, is administered by Mount Sinai Medical Center, and facilitated by an additional four regional centers. The Florida Brain Bank conducts research related to Alzheimer's disease and other degenerative disorders of the brain. Participants elect to "bank" their brain making the patient's brain tissue available to researchers upon the patient's death.²⁶ Upon the patient's death, a final pathology report would also be made available to the patient's family and physicians. Currently, the only way to get an accurate diagnosis of Alzheimer's disease or related dementia disorders is a brain autopsy at the time of death.²⁷ The Brain Bank's 2016-2017 State General Revenue appropriation was \$117,535 and the bank registered 87 individuals and conducted 79 autopsies during that fiscal year.²⁸

The Alzheimer's Disease Advisory Committee is statutorily created under s. 430.501(2), F.S., and includes 10 members appointed by the Governor. The members advise the department on legislative, programmatic, and administrative matters that relate to individuals with Alzheimer's disease and their caregivers. Members serve 4-year, staggered terms and select one of its own members to serve as chair of the committee for a 1 year term.²⁹

III. Effect of Proposed Changes:

Section 1 republishes and amends s. 430.502, F.S., relating to the establishment of the Alzheimer Disease Initiative program's memory disorder clinics and adds a memory disorder clinic at Florida Hospital in Orange County. The memory disorder clinics conduct research and training in a diagnostic and therapeutic setting for persons suffering from Alzheimer's disease and related memory disorders.

Current statute provides that any memory disorder clinic funded as of June 30, 1995, shall not receive decreased funding due solely to the subsequent additions of memory disorder clinics. The addition of Florida Hospital in Orange County makes 16 total memory disorder clinics created under the statute, of which at least seven have been added since June 30, 2015.

Section 2 reenacts s. 1004.445, F.S., relating to the Johnnie S. Byrd, Sr., Alzheimer Center and Research Institute, for the purpose of incorporating the amendment made to the underlying act, s. 430.502, F.S.

Section 3 provides an effective date of July 1, 2017.

²⁵ Dep't of Elder Affairs, *Alzheimer's Disease Initiative*, <http://elderaffairs.state.fl.us/doea/alz.php> (last visited Mar. 9, 2017).

²⁶ Dep't of Elder Affairs, *The Florida Brain Bank*, <http://elderaffairs.state.fl.us/doea/BrainBank/howto.php> (last visited Mar. 9, 2017).

²⁷ *Id.*

²⁸ Department of Elder Affairs, *2016 Summary of Programs and Services - Section D, Brain Bank Appropriation History and Client Served*, p. 98, http://elderaffairs.state.fl.us/doea/pubs/pubs/sops2016/2016_SOPS_D.pdf (last visited Mar. 9, 2017)

²⁹ Dep't of Elder Affairs, *Alzheimer's Disease Advisory Committee*, http://elderaffairs.state.fl.us/doea/advisory_alz.php (last visited Mar. 9, 2017).

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

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:

The costs associated with the Memory Disorder Clinic at Florida Hospital in Orange County will be funded through Florida Hospital. The hospital anticipates competing for several local, state, and national grants, which may bring additional funds and resources to the state for Alzheimer's research. Receiving a statutory designation as a state Memory Disorder Clinic may help the hospital in its efforts to receive those grant and research dollars.

C. Government Sector Impact:

The bill does not impact state revenues or expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 430.502 and 1004.445.

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.
