

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 Governmental Oversight and Accountability

BILL: CS/SB 1654

INTRODUCER: Children, Families, and Elder Affairs Committee and Senator Campbell

SUBJECT: Florida Kidcare Program

DATE: March 31, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hendon</u>	<u>Hendon</u>	<u>CF</u>	<u>Fav/CS</u>
2.	<u>Peacock</u>	<u>Ferrin</u>	<u>GO</u>	<u>Favorable</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1654 creates the Kidcare Operational Efficiency and Health Care Improvement Workgroup to maximize the state's return on investment in the Kidcare program, a health insurance program for children in lower income households. The workgroup is housed in the Department of Health and must recommend operational efficiencies to the Governor and Legislature by December 31, 2017.

The bill is unlikely to have a fiscal impact on the state and has an effective date of July 1, 2017.

II. Present Situation:

Florida Kidcare Program

The Florida Kidcare Program (Kidcare)¹ was created in 1998 by the Florida Legislature in response to the federal enactment of the Children's Health Insurance Program (CHIP) in 1997.² CHIP provides subsidized health insurance to uninsured children who do not qualify for Medicaid but who have family incomes under 200 percent of the federal poverty level (FPL) and meet other eligibility criteria.

¹ Ch. 98-288, s. 34, Laws of Fla.

² Social Security Administration, *Title XXI - State Children's Health Insurance Program*, http://www.ssa.gov/OP_Home/ssact/title21/2100.htm (last visited March 23, 2017).

The state statutory authority for Kidcare is found under part II of ch. 409, ss. 409.810 through 409.821, F.S.³ Kidcare includes four operating components: Medicaid for children, Medikids, the Children's Medical Services Network (CMS Network), and the Florida Healthy Kids Corporation (FHKC).⁴ Coverage for the non-Medicaid components are funded through Title XXI of the federal Social Security Act. Title XIX of the Social Security Act (Medicaid), state funds, and family contributions also provide funding for the different components. Family contributions under the Title XXI component are based on family size, household incomes, and other eligibility factors. Families above the income limits for premium assistance or who are not otherwise eligible for premium assistance are offered the opportunity to participate in Kidcare at a non-subsidized rate (full pay). Currently, the income limit for premium assistance is 200 percent of the FPL.

Several state agencies and the FHKC share responsibilities for Kidcare.⁵ The AHCA, the Department of Children and Families (DCF), the Department of Health (DOH), and the FHKC have specific duties under Kidcare, as detailed in part II of ch. 409, F.S. The DCF determines eligibility for Medicaid. The FHKC receives all Kidcare applications and screens for Medicaid eligibility and determines eligibility for all Title XXI programs, referring applications to the DCF, as appropriate, for a complete Medicaid determination.

To enroll in Kidcare, families may apply online or use a paper application⁶ that determines eligibility for multiple programs, including Medicaid and CHIP, for the entire family. Applications are available in English, Spanish, and Creole. Eligibility for premium assistance is determined first through electronic data matches with available databases or, in cases where income cannot be verified electronically, through submission of current pay stubs, tax returns, or W-2 forms.

Section 409.818(2)(b), F.S., requires the DOH to chair a state-level Florida Kidcare coordinating council to review and make recommendations concerning the implementation and operation of the program. The coordinating council includes representatives from DOH, DCF, AHCA, FHKC, the Office of Insurance Regulation of the Financial Services Commission, local government, health insurers, health maintenance organizations, health care providers, families participating in the program, and organizations representing low-income families.

III. Effect of Proposed Changes:

Section 1 creates the Kidcare Operational Efficiency and Health Care Improvement Workgroup (workgroup), a task force as defined in s. 20.03, F.S.,⁷ administratively housed in the DOH. The workgroup is established to maximize the return on investment of public funds and streamline and enhance the operational efficiencies of Kidcare to provide improved health care services to children. Members of the workgroup serve on a voluntary basis.

³ Section 409.810, F.S., provides that ss. 409.810-409.821, F.S., may be cited as the Florida Kidcare Act.

⁴ Section 409.813, F.S.

⁵ See Florida Kidcare Act.

⁶ See <https://www.healthykids.org/application/> (last visited on March 29, 2017).

⁷ Section 20.03(8), F.S., defines "committee" or "task force" as an advisory body created without specific statutory enactment for a time not to exceed 1 year or created by specific statutory enactment for a time not to exceed 3 years and appointed to study a specific problem and recommend a solution or policy alternative with respect to that problem. Its existence terminates upon the completion of its assignment.

The workgroup must be convened and staffed by the FHKC. The workgroup consists of the following 12 members:

- The President of the Florida Chapter of the American Academy of Pediatrics or a designee.
- The State Health Officer or a designee.
- The Secretary of Health Care Administration or a designee with a background in children's health policy.
- The assistant secretary for child welfare of the DCF or a designee.
- A representative of directors of the FHKC.
- A representative of the Florida Association of Children's Hospitals, Inc.
- A representative of the Florida Covering Kids and Families Coalition.
- A representative of the Florida Association of Health Plans.
- A representative of the Florida Children's Council with a background in children's health policy.
- A representative of the Florida Dental Association.
- The Director of Children's Medical Services or a designee.
- A parent with a child in Kidcare.

The workgroup must:

- Examine successful and innovative models to provide improved value and health care outcomes.
- Develop recommendations to streamline and unify Kidcare to provide greater operational efficiencies, including recommendations for a single benefits package, a single set of performance measures, and a single third-party administrator.
- Provide any necessary transition plans.
- Provide recommendations regarding federal waivers for children's health care to the AHCA, which must obtain specific legislative authorization before seeking, applying for, accepting, or renewing any federal waiver.

The workgroup must submit a report on its findings and recommendations for streamlining Kidcare to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2017.

The provisions of the bill expire on December 31, 2017.

Section 2 provides an effective date of July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties or municipalities to spend funds, reduce the counties' or municipalities' ability to raise revenue or reduce the percentage of 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:

None.

C. Government Sector Impact:

Any efficiencies recommended to and implemented by the DOH could reduce costs to the state.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The purpose of the workgroup created in the bill may duplicate the DOH's Kidcare coordinating council.

VIII. Statutes Affected:

This bill creates an unnumbered section of law.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Children, Families, and Elder Affairs on March 27, 2017:

The committee substitute clarifies that the workgroup is a task force as defined in s. 20.03, F.S. and is administratively housed in the DOH. The committee substitute adds a representative of the Florida Dental Association as a member of the workgroup.

B. Amendments:

None.

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