

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 587 Medicaid School-based Services

**SPONSOR(S):** Andrade

**TIED BILLS:** IDEN./SIM. **BILLS:** SB 290

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Market Reform Subcommittee	14 Y, 0 N	Royal	Crosier
2) Health Care Appropriations Subcommittee			
3) Health & Human Services Committee			

### SUMMARY ANALYSIS

Medicaid is the health care safety net for low-income Floridians. Medicaid is a partnership of the federal and state governments established to provide coverage for health services for eligible persons. The program is administered by the Agency for Health Care Administration (AHCA) and financed by federal and state funds.

The Florida Medicaid Certified School Match Program (program) provides school districts and private and charter schools the opportunity to enroll in Medicaid in order to have Medicaid share in the cost of providing certain school health services to students that are Medicaid recipients. Under the program, schools and school districts use state and local funds to pay for covered health services provided to students that are Medicaid recipients for which AHCA then reimburses them with matching federal Medicaid funds.

Medicaid recipients who receive services through the program must be under the age of 21 and qualify for Part B or H of the Individuals with Disabilities Education Act (IDEA), or for exceptional student services, or have an individualized education plan (IEP) or individualized family service plan (IFSP). Health services provided must be both educationally relevant and medically necessary and tailored to meet the recipient's individual needs.

Until 2014, the Centers for Medicare and Medicaid Services (CMS) prohibited reimbursement for the services covered by the program provided to Medicaid recipients who did not have an IEP or IFSP. While this prohibition was in place, AHCA received federal approval to seek federal Medicaid funds to cover the costs of providing services covered by the program to Medicaid recipients without requiring the recipient have an IEP or IFSP.

The bill aligns current law with the federal Medicaid requirements by removing the requirement that Medicaid recipients receiving services through the Florida Medicaid Certified School Match Program qualify for Part B or H of the IDEA, or for exceptional student services, or have an IEP or IFSP.

The bill does not have a negative fiscal impact on state or local governments. The bill may have a positive fiscal impact as it may increase the amount of matching federal Medicaid funds received for services provided under the program.

The bill provides an effective date of July 1, 2019.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Background

##### Florida Medicaid

Medicaid is the health care safety net for low-income Floridians. Medicaid is a partnership of the federal and state governments established to provide coverage for health services for eligible persons. The program is administered by the Agency for Health Care Administration (AHCA) and financed by federal and state funds. AHCA delegates certain functions to other state agencies, including the Department of Children and Families (DCF), the Department of Health, the Agency for Persons with Disabilities, and the Department of Elderly Affairs (DOEA).

The structure of each state's Medicaid program varies and what states must pay for is largely determined by the federal government, as a condition of receiving federal funds.<sup>1</sup> Federal law sets the amount, scope, and duration of services offered in the program, among other requirements. These federal requirements create an entitlement that comes with constitutional due process protections. The entitlement means that two parts of the Medicaid cost equation – people and utilization – are largely predetermined for the states. The federal government sets the minimum mandatory populations to be included in every state Medicaid program. The federal government also sets the minimum mandatory benefits to be covered in every state Medicaid program. These benefits include physician services, hospital services, home health services, and family planning.<sup>2</sup> States can add benefits, with federal approval. Florida has added many optional benefits, including prescription drugs, ambulatory surgical center services, and dialysis.<sup>3</sup>

Florida Medicaid does not cover all low-income Floridians. The maximum income limits for programs are illustrated below as a percentage of the federal poverty level (FPL).

Current Medicaid and CHIP Eligibility Levels in Florida <sup>4</sup> (With Income Disregards and Modified Adjusted Gross Income)						
Children's Medicaid			CHIP (KidCare) Age 0-18	Pregnant Women	Parents Caretaker Relatives	Childless Adults (non-disabled)
Age 0-1	Age 1-5	Age 6-18				
206% FPL	140% FPL	133% FPL	210% FPL	191% FPL	31% FPL	0% FPL

Applicants for Medicaid must be United States citizens or qualified noncitizens, must be Florida residents, and must provide social security numbers for data matching. While self-attestation is permitted for a number of data elements on the application, most components are matched through the Federal Data Services Hub.<sup>5</sup> Applicants must also agree to cooperate with Child Support Enforcement during the application process.<sup>6</sup>

<sup>1</sup> Title 42 U.S.C. §§ 1396-1396w-5; Title 42 C.F.R. Part 430-456 (§§ 430.0-456.725) (2016).

<sup>2</sup> S. 409.905, F.S.

<sup>3</sup> S. 409.906, F.S.

<sup>4</sup> U.S. Centers for Medicare and Medicaid Services, Medicaid.gov, *Florida*, <http://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html> (last visited March 9, 2019).

<sup>5</sup> Florida Dep't of Children and Families, *Family-Related Medicaid Programs Fact Sheet*, p. 3, <http://www.dcf.state.fl.us/programs/access/docs/Family-RelatedMedicaidFactSheet.pdf> (last visited March 9, 2019).

<sup>6</sup> *Id.*

The Florida Medicaid program covers approximately 4 million low-income individuals.<sup>7</sup> Medicaid is the second largest single program in the state, behind public education, representing 32 percent of the total FY 2018-2019 budget. Medicaid expenditures represent over 19 percent of the total state funds appropriated in FY 2018-2019. Florida's program is the 4th largest in the nation by enrollment, and the 5th largest in terms of expenditures.<sup>8</sup>

### Florida Medicaid Certified School Match Program

The Florida Medicaid Certified School Match Program (program) provides school districts and private and charter schools the opportunity to enroll in Medicaid in order to have Medicaid share in the cost of providing school health services to students that are Medicaid recipients.<sup>9</sup> Under the program, schools and school districts use state and local funds to pay for covered health services provided to students that are Medicaid recipients for which AHCA then reimburses them with matching federal Medicaid funds.<sup>10</sup> Schools and school districts participating in the program can either employ or contract directly with Medicaid enrolled health care providers. The following types of health services covered by the program<sup>11</sup>:

- Physical therapy;
- Occupational therapy;
- Speech therapy services;
- Behavioral health services;
- Mental health services; and
- Transportation services.

In addition to the health services listed above, the program also reimburses the federal share for administrative work associated with delivering care to recipients, such as making a referral to a medical service.<sup>12</sup>

Medicaid recipients who receive services through the program must be under the age of 21 and qualify for Part B or H of the Individuals with Disabilities Education Act (IDEA), or for exceptional student services, or have an individualized education plan (IEP) or individualized family service plan (IFSP)<sup>13</sup>. Health services provided must be both educationally relevant and medically necessary and tailored to meet the recipient's individual needs.<sup>14</sup>

Until 2014, the Centers for Medicare and Medicaid Services (CMS) prohibited reimbursement for the services covered by the program provided to Medicaid recipients who did not have an IEP or IFSP. While this prohibition was in place, AHCA received federal approval to seek federal Medicaid funds to cover the costs of providing services covered by the program to Medicaid recipients without requiring the recipient have an IEP or IFSP.<sup>15</sup>

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<sup>7</sup> Agency for Health Care Administration, *Florida Statewide Medicaid Monthly Enrollment Report*, January 2019, available at [http://www.fdhc.state.fl.us/medicaid/Finance/data\\_analytics/enrollment\\_report/index.shtml](http://www.fdhc.state.fl.us/medicaid/Finance/data_analytics/enrollment_report/index.shtml) (last accessed March 9, 2019).

<sup>8</sup> Agency for Health Care Administration, email dated March 11, 2019 (on file with the Health Market Reform Subcommittee).

<sup>9</sup> ss. 409.9071 and 409.9072, F.S.

<sup>10</sup> Agency for Health Care Administration, *Senate Bill 290 Analysis* (January 16, 2019) (on file with the Health Market Reform Subcommittee).

<sup>11</sup> S. 1011.70, F.S.

<sup>12</sup> Supra FN 10.

<sup>13</sup> Supra FN 9

<sup>14</sup> Supra FN 10

<sup>15</sup> Supra FN 10.

## Effect of the bill

The bill aligns current law with the federal Medicaid requirements by removing the requirement that Medicaid recipients receiving services through the Florida Medicaid Certified School Match Program qualify for Part B or H of the IDEA, or for exceptional student services, or have an IEP or IFSP.

The bill provides an effective date of July 1, 2019.

### B. SECTION DIRECTORY:

**Section 1:** Amends s. 409.9071, F.S., relating to Medicaid provider agreements for school districts certifying state match.

**Section 2:** Amends s. 409.9072, F.S., relating to Medicaid provider agreements for charter schools and private schools.

**Section 3:** Amends s. 409.908, F.S., relating to Reimbursement of Medicaid providers.

**Section 4:** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The amount of matching federal Medicaid funds for services provided by the program may increase as the amount of students eligible to receive services increases.<sup>16</sup>

#### 2. Expenditures:

There will not be an increase in state funds expended, however school districts may have to reallocate existing state and local funds in order to receive matching federal Medicaid funds.<sup>17</sup>

The bill does not have fiscal impact on AHCA as AHCA can implement the provisions of the bill using current resources.<sup>18</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

None.

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<sup>16</sup> Supra FN 10

<sup>17</sup> Id.

<sup>18</sup> Id.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

Not Applicable. This bill does not appear to affect county or municipal governments.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

AHCA has sufficient rulemaking authority to implement the bill.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**