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LEGISLATIVE ACTION

Senate

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House

The Committee on Health Policy (Bean) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1235 - 1285

and insert:

Section 34. Effective upon becoming a law and applying retroactively, paragraph (a) of subsection (5) of section 409.905, Florida Statutes, is amended to read:

409.905 Mandatory Medicaid services.—The agency may make payments for the following services, which are required of the state by Title XIX of the Social Security Act, furnished by Medicaid providers to recipients who are determined to be



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12 eligible on the dates on which the services were provided. Any
13 service under this section shall be provided only when medically
14 necessary and in accordance with state and federal law.

15 Mandatory services rendered by providers in mobile units to
16 Medicaid recipients may be restricted by the agency. Nothing in
17 this section shall be construed to prevent or limit the agency
18 from adjusting fees, reimbursement rates, lengths of stay,
19 number of visits, number of services, or any other adjustments
20 necessary to comply with the availability of moneys and any
21 limitations or directions provided for in the General
22 Appropriations Act or chapter 216.

23 (5) HOSPITAL INPATIENT SERVICES.—The agency shall pay for
24 all covered services provided for the medical care and treatment
25 of a recipient who is admitted as an inpatient by a licensed
26 physician or dentist to a hospital licensed under part I of
27 chapter 395. However, the agency shall limit the payment for
28 inpatient hospital services for a Medicaid recipient 21 years of
29 age or older to 45 days or the number of days necessary to
30 comply with the General Appropriations Act.

31 (a) The agency may implement reimbursement and utilization
32 management reforms in order to comply with any limitations or
33 directions in the General Appropriations Act, which may include,
34 but are not limited to: prior authorization for inpatient
35 psychiatric days; prior authorization for nonemergency hospital
36 inpatient admissions for individuals 21 years of age and older;
37 authorization of emergency and urgent-care admissions within 24
38 hours after admission; enhanced utilization and concurrent
39 review programs for highly utilized services; reduction or
40 elimination of covered days of service; adjusting reimbursement



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41 ceilings for variable costs; adjusting reimbursement ceilings
42 for fixed and property costs; and implementing target rates of
43 increase. The agency may limit prior authorization for hospital
44 inpatient services to selected diagnosis-related groups, based
45 on an analysis of the cost and potential for unnecessary
46 hospitalizations represented by certain diagnoses. Admissions
47 for normal delivery and newborns are exempt from requirements
48 for prior authorization. In implementing the provisions of this
49 section related to prior authorization, the agency shall ensure
50 that the process for authorization is accessible 24 hours per
51 day, 7 days per week and authorization is automatically granted
52 when not denied within 4 hours after the request. Authorization
53 procedures must include steps for review of denials. The agency
54 may conduct, or contract with or otherwise delegate another
55 entity to conduct, reviews, investigations, analyses, or audits,
56 or any combination thereof, to determine whether fraud, abuse,
57 overpayment, or recipient neglect is occurring in the Medicaid
58 program ~~Upon implementing the prior authorization program for~~
59 ~~hospital inpatient services, the agency shall discontinue its~~
60 ~~hospital retrospective review program.~~

61 Section 35. The amendment to s. 409.905, Florida Statutes,
62 is considered a legislative interpretation of the original
63 statute rather than a substantive change to the statute to
64 address the court's decision in *Lee Memorial Health System Gulf*
65 *Coast Medical Center v. Agency for Health Care Administration,*
66 Case No. 1D16-1969 (Fla. 1st DCA Feb. 27, 2019), which is
67 inconsistent with the intent of the statutory text.

68 Section 36. Subsection (1) of section 409.967, Florida
69 Statutes, is amended to read:



70 409.967 Managed care plan accountability.-
71 (1) Beginning with the contract procurement process
72 initiated during the 2023 calendar year, the agency shall
73 establish a 6-year ~~5-year~~ contract with each managed care plan
74 selected through the procurement process described in s.
75 409.966. A plan contract may not be renewed; however, the agency
76 may extend the term of a plan contract to cover any delays
77 during the transition to a new plan. The agency shall extend
78 until December 31, 2024, the term of existing plan contracts
79 awarded pursuant to the invitation to negotiate published in
80 July 2017.

81
82 ===== T I T L E A M E N D M E N T =====

83 And the title is amended as follows:

84 Delete lines 84 - 87

85 and insert:

86 review program under certain circumstances; providing
87 legislative intent and clarifying language; amending
88 s. 409.967, F.S.; revising the length of managed care
89 plan contracts procured by the agency beginning during
90 a specified timeframe; requiring the agency to extend
91 the term of certain existing managed care plan
92 contracts until a specified date; amending s. 409.913,
93 F.S.; revising the due date for a certain annual
94 report; deleting the requirement that certain agencies
95 submit their annual reports jointly; specifying that
96 the agency and its contractors are entitled to recover
97 all investigative and legal costs and other expenses
98 incurred as a result of an audit, investigation, or



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enforcement action; amending