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 2510
INTRODUCER:	Appropriations Committee
SUBJECT:	Health
DATE:	March 29, 2023 REVISED:

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
McKnight	Sadberry		**AP Submitted as Comm. Bill/Fav**

I. Summary:

SB 2510 conforms statutes to the funding decisions related to Health Care in the Senate proposed General Appropriations Act for Fiscal Year 2023-2024. The bill:

- Increases the income threshold above which a resident in a State Veterans' nursing facility would be required to contribute to his or her account from $130 to $160 per month.
- Clarifies the premiums paid under Florida KidCare's full-pay programs are based on the combined-risk premium.
- Increases the nursing home prospective payment reimbursement methodology for the Quality Incentive Program Payment Pool from 6 percent to 10 percent of the September 2016 non-property related payments of included facilities.
- Creates the Graduate Medical Education Slots for Doctors Program.
- Provides for a portion of the Statewide Medicaid Managed Care achieved savings rebate to be repaid to the federal government.
- Authorizes an Area Agency on Aging to carryforward documented unexpended state funds from one fiscal year to the next, however, the cumulative amount carried forward may not exceed 10 percent of the area agency's planning and service area allocation for the community care for the elderly program.

The bill takes effect on July 1, 2023.

II. Present Situation:

State Veterans' Homes

Once Medicaid eligibility is established for an individual requiring an institutional level of care, some of his or her income is used to pay for Medicaid services. For individuals residing in an institution, most of their incomes are applied to the cost of that care, with the exception of a small personal needs allowance used to pay for personal needs that are not covered by

Medicaid.[1] A personal needs allowance is the amount of income a resident may retain for personal expenditures not covered by the nursing home, such as toiletries and haircuts.

The Florida Department of Veterans' Affairs operates eight skilled nursing facilities and one assisted living facility.[2] Every resident of a state veteran domiciliary or nursing home who receives a pension, compensation, or gratuity from the United States Government or income from any other source of more than $130 per month is required to contribute to his or her maintenance and support while residing in a home, pursuant to a schedule of payment determined by the home administrator and department director that shall not exceed the actual cost of operating and maintaining the home.[3]

The Florida KidCare Program

The Florida KidCare (KidCare) program was established in 1998 as a combination of Medicaid delivery systems and public and private partnerships, with a wrap-around delivery system serving children with special health care needs.[4] The KidCare program, codified in ss. 409.810 through 409.821, F.S., encompasses four government-sponsored health insurance programs serving Florida's children: MediKids, Florida Healthy Kids (Healthy Kids), Children's Medical Services Network (CMSN), and Medicaid for children.[5]

Three of the four programs, MediKids, Healthy Kids, and the CMSN, directly receive federal Children's Health Insurance Program (CHIP) funding and constitute Florida's CHIP program. The CHIP was designed as a federal and state partnership, similar to Medicaid, with the goal of expanding health insurance to children whose families earn too much income to be eligible for Medicaid, but not enough money to purchase private, comprehensive health insurance.

The CHIP is administered by states, according to federal requirements. The program is funded jointly by states and the federal government. The federal CHIP is authorized and funded through Fiscal Year 2027 via the Bipartisan Budget Act of 2018 (P.L. 115-123).[6]

CHIP funding is also used to enhance the match rate for some children in Medicaid. More specifically:

- *MediKids* is a Medicaid "look-alike" program administered by the Agency for Health Care Administration (AHCA) for children ages 1 through 4 who are at or below 200 percent of the

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[1] 42 U.S.C. s. 1396a (q).
[2] Florida Department of Veterans' Affairs, *State Veterans' Homes, available at* https://floridavets.org/locations/state-veterans-nursing-homes/ (last visited March 14, 2023).
[3] Section 296.37, F.S
[4] Chapter 1998-288, Laws of Fla.
[5] Florida KidCare, https://www.floridakidcare.org/ (last visited Mar. 13, 2023).
[6] The Medicaid and CHIP Payment and Access Commission, *State Children's Health Insurance Program (CHIP)*, (February 2018) *available at* https://www.macpac.gov/wp-content/uploads/2018/02/State-Children%E2%80%99s-Health-Insurance-Program-CHIP.pdf (last visited Mar. 13, 2023).

federal poverty level (FPL).[7] Families whose income exceeds 200 percent of the FPL can elect to participate in the MediKids full-pay premium option.[8]

- *Healthy Kids* is for children ages 5 through 18 and administered by the Florida Healthy Kids Corporation (FHKC). Children in families with income between 133 percent and 200 percent of the FPL ($33,383 and $50,200 for a family of four) are eligible for subsidized coverage through the Healthy Kids program.[9] Families whose income exceeds 200 percent of the FPL can elect to participate in the Healthy Kids full-pay option.[10]
- *Children's Medical Services Network* (CMSN) is a program for children from birth through age 18 with special health care needs.[11] The Department of Health (DOH) operates the program which is open to all children who meet the clinical eligibility criteria that are Medicaid or Title XXI eligible.[12]
- *Medicaid* eligibility is determined by the Department of Children and Families (DCF) and provides Title XIX coverage to infants from birth to age 1 who are at or below 200 percent of the FPL and children ages 1 through 18 who are at or below 133 percent of the FPL.[13]

Families who receive Medicaid are not responsible for paying premiums or co-payments. Families with children that qualify for other KidCare program components are responsible for paying monthly premiums and co-payments for certain services. The Healthy Kids program[14] and the MediKids program[15] both utilize a combined-risk premium model of Title XXI-subsidized and full-pay enrollments for medical insurance payments.

The total monthly family payment for CHIP enrollees is $15 or $20 for families with incomes between 133 percent and 200 percent of the FPL.[16] The per-child monthly premium rate is $210.18 for full-pay MediKids coverage and $259.50 for full-pay Healthy Kids coverage, including dental coverage.[17]

As of March 2023, 4,883 children are enrolled in subsidized MediKids; 3,280 children are enrolled in MediKids under the full-pay option; 76,340 children are enrolled in subsidized Healthy Kids; 21,650 children are enrolled in Healthy Kids under the full-pay option; 6,575 children are enrolled in the CMSN; and 2,466,597 children are enrolled in the Medicaid program.[18]

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[7] Section 409.8132(6), F.S.
[8] Agency for Health Care Administration, Florida KidCare, *Welcome to MediKids*, https://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/program_policy/FLKidCare/PDF/FLORIDA_MEDIKIDS_INFORMATION_2019.pdf (last visited Mar. 13, 2023).
[9] Florida Healthy Kids Corporation, *Subsidized Premiums/Copays*, https://www.healthykids.org/cost/subsidized/ (last visited Mar. 13, 2023).
[10] *Id.*
[11] *See* ch. 391, F.S.
[12] *Id.*
[13] Florida Healthy Kids, *Florida KidCare Health and Dental Insurance Program Eligibility Overview*, https://www.floridakidcare.org/_docs/Florida_KidCare_Income_Guidelines.pdf (last visited Mar. 13, 2023).
[14] Chapter 2019-115, Laws of Fla., Specific Appropriation 178.
[15] Chapter 2020-111, Laws of Fla., Specific Appropriation 185.
[16] *Supra* note 13.
[17] *Id.*
[18] Agency for Health Care Administration, Florida KidCare, *Florida KidCare Enrollment Report, March 2023* (on file with the Senate Appropriations Committee on Health and Human Services).

The KidCare program is jointly administered by the AHCA, the FHKC, the DOH, the DCF, and the Office of Insurance Regulation. The general KidCare program responsibilities of each agency are outlined in the table below:

Entity	Responsibilities
Agency for Health Care Administration[19]	• Administration of the state Medicaid program that serves individuals eligible for Medicaid under Title XIX. • Administration of the MediKids program that serves Title XXI children from age 1 through age 4. • The Title XXI state contact with the federal Centers for Medicare & Medicaid Services. • Distribution of federal funds for Title XXI programs. • Management of the contract with the FHKC. • Development and maintenance of the Title XXI Florida KidCare State Plan.
Department of Children and Families[20]	• Processing Medicaid applications and determining children's eligibility for Medicaid.
Department of Health[21]	• Administration of the CMSN that offers a range of services to Title XIX and XXI children from birth through age 18 who have special health care needs. • Chair of the Florida KidCare Coordinating Council. • In consultation with the FHKC and the DCF, establishment of a toll-free telephone line to assist families with questions about the program.
Florida Healthy Kids Corporation[22]	• Under a contract with the AHCA, perform the administrative KidCare functions including eligibility determination, premium billing and collection, refunds, and customer service. • Administration of the Florida Healthy Kids program for Title XXI children from age 5 through age 18.
Office of Insurance Regulation[23]	• Certification that health benefits coverage plans seeking to provide services under the KidCare program, aside from services provided under Healthy Kids and CMSN, meet, exceed, or are equivalent to the benchmark benefit plan and that the health insurance plans will be offered at an approved rate.

Nursing Home Prospective Payment System

In 2018, Florida Medicaid nursing homes transitioned from a cost-based reimbursement methodology to a prospective payment reimbursement methodology.[24] The parameters for the prospective payment system are outlined in s. 409.908, F.S., and include patient care

[19] *See* part II of ch. 409, F.S.
[20] Section 409.818(1), F.S.
[21] *See* ch. 391 and s. 409.818(2), F.S.
[22] Section 624.91, F.S.
[23] Section 409.818(4), F.S.
[24] Chapter 2017-129, Laws of Fla., Fla. Admin. Code R. 59G-6.010(4)(a) (2021).

components, quality incentive payments, a fair rental value system, and additional supplemental add-on payments.

For quality incentive payments, a provider is awarded points for process, outcome, structural and credentialing measures using most recently reported data on May 31 of the rate period year. To qualify for a quality incentive payment, a provider must meet the minimum threshold defined in s. 409.908, F.S.[25]

The quality incentive payment calculation is currently limited to 6 percent of the September 2016 non-property related payments of included facilities,[26] which totals $185,636,623.[27] The calculation for the Quality Incentive Program is calculated as follows:[28]

$$\frac{\text{Facility Annualized Medicaid Days}}{\text{Average Annualized Medicaid Days of All Facilities}} \times \frac{\text{Quality Points with Lower Limit}}{\text{Sum of Total Points Awarded to All Facilities}} \times \frac{\text{Total Quality Budget}}{\text{Facility Annualized Medicaid}}$$

Statewide Medicaid Managed Care (SMMC) Program

In 2011, the Legislature established the Medicaid program as a statewide, integrated managed care program for all covered services, and directed the Agency for Health Care Administration (AHCA) to create the Statewide Medicaid Managed Care (SMMC) program and contract with managed care plans on a regional basis to provide services to eligible recipients.[29] The SMMC minimum benefits are authorized by federal authority and are specifically required in s. 409.973, F.S., for Managed Medical Assistance (MMA) plans and s. 409.98, F.S., for Long-Term Care (LTC) plans.

Today, the majority of Florida Medicaid recipients receive their services through a managed care plan contracted with the AHCA under the SMMC program. The SMMC program has three components:

- MMA: provides Medicaid covered medical services like doctor visits, hospital care, prescribed drugs, mental health care, and transportation to these services.[30]
- LTC: provides Medicaid LTC services like care in a nursing facility, assisted living, or at home. To get LTC you must be at least 18 years old and meet nursing home level of care (or meet hospital level of care if you have Cystic Fibrosis).[31]
- Dental: provides all Medicaid dental services for children and adults. All individuals on Medicaid must enroll in a dental plan.[32]

[25] Fla. Admin. Code R. 59G-6.010(2)(y) (2021).
[26] Section 408.908(2)(b)1e, Florida Statutes
[27] Email from the Agency for Health Care Administration to the Senate Appropriations Committee on Health and Human Services, (Mar. 15, 2023) (on file with the Senate Appropriations Committee on Health and Human Services).
[28] Fla. Admin. Code R. 59G-6.010(4)(b) (2021).
[29] Chapter 2011-134, Laws of Fla.
[30] Agency for Health Care Administration, *Statewide Medicaid Managed Care, Health Plans and Programs, available at* https://www.flmedicaidmanagedcare.com/health/comparehealthplans (last visited Mar. 21, 2023).
[31] *Id.*
[32] *Id.*

Achieved Savings Rebate

The AHCA implemented the Achieved Savings Rebate (ASR) Program as an incentive for proper use of state funds. The program monitors plans' premium revenues, medical and administrative costs, and income or losses in a uniform manner.[33] The AHCA is responsible for verifying the achieved savings rebate (ASR) for all Medicaid prepaid plans. Prepaid plans are required to provide the AHCA with unaudited quarterly and annual reports that detail managed care plan financial operations and performance for the applicable reporting period. If a plan reports that its profits exceed a certain percent of revenue (thereby achieving savings for the overall program), the plan must return a portion of the profits (a rebate) to the state.[34]

The ASR is established by determining pretax income as a percentage of revenues and applying the following income sharing ratios:
- All profit up to five percent of revenue is retained by the plan. Half of the profit above five percent and up to 10 percent of revenue is retained by the plan and the other half refunded to the state. All profit above 10 percent of revenue is refunded to the state. All refunds to the state are transferred to the General Revenue Fund, unallocated.[35]
- Plans may retain an additional one percent of revenue if they meet or exceed quality measures defined by the AHCA, including plan performance for managing complex, chronic conditions that are associated with an elevated likelihood of recurring high-cost medical treatments.[36]

The following chart reflects the total amount of rebates the plans were required to pay to the AHCA and the number of plans who made a payment by year:[37]

ASR Year	Total Rebate	Number of plans
2015	$2,373,946	2
2016	$30,440,542	4
2017/2018	$12,517,103	1
2019	$129,298,856	2
2020	$274,856,893	11
2021	$316,351,121	13

Graduate Medical Education

Graduate medical education (GME) refers to the training residents complete after medical school graduation to develop clinical and professional skills required to practice medicine. During this

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[33] Office of Program Policy Analysis and Government Accountability, *AHCA Reorganized to Enhance Managed Care Program Oversight and Continues to Recoup Fee-for-Service Overpayments (Report No. 16-03), available at* https://oppaga.fl.gov/Documents/Reports/16-03.pdf (last visited Mar. 22, 2023)
[33] *Id.*
[34] Section 409.967(3), F.S.
[35] Section 409.967(3)(f), F.S.
[36] Section 409.967(3)(g), F.S.
[37] Agency for Health Care Administration, Bureau of Medicaid Finance Program, *Historical Achieved Savings Rebate, 2015-2021* (Jan. 2023) (on file with the Senate Appropriations Committee on Health and Human Services).

education, residents train in a specialty (e.g., general surgery, pediatrics, or internal medicine).[38] All medical school graduates must complete a period of GME, or residency training, to be licensed to practice medicine in the United States. GME comprises the second phase, after medical school, of the formal education that prepares doctors for medical practice. During residency, doctors learn skills and techniques specific to their chosen specialty under the supervision of attending physicians and serve as part of a care team.[39]

GME programs include residencies and fellowships. First year GME students fill categorical or preliminary resident positions. Categorical residents begin a multi-year program with a sponsoring institution during their first year of GME training. During their first year, preliminary residents receive prerequisite training. After receiving prerequisite training, preliminary residents transfer to categorical resident programs. After completing a residency program, physicians may also pursue advanced GME training by completing a fellowship in a subspecialty program, such as cardiology or vascular surgery.[40]

Graduate Medical Education Accreditation

The Accreditation Council for Graduate Medical Education (ACGME) accredits allopathic GME programs, and the American Osteopathic Association (AOA) accredits osteopathic GME programs.

The ACGME is a private, 501(c)(3), not-for-profit organization that accredits GME (physician residency and fellowship) and certain medically related post-doctoral fellowship programs and the institutions that sponsor them in the United States.[41] ACGME accreditation is overseen by a Review Committee made up of volunteer specialty experts from the field that set accreditation standards and provide peer evaluation of Sponsoring Institutions and specialty and subspecialty residency and fellowship programs. In academic year 2019-2020, there were approximately 865 ACGME-accredited institutions sponsoring approximately 12,000 residency and fellowship programs in 182 specialties and subspecialties.[42]

The AOA is the primary certifying body for osteopathic physicians and the accrediting agency for all osteopathic medical schools. The AOA represent more than 178,000 osteopathic physicians and medical students across the United States. The AOA accredits Osteopathic Postdoctoral Training Institutions, which train residents in community-based settings.[43] With osteopathic residency programs, a college of osteopathic medicine serves as the academic sponsor and has an agreement with a base institution. Residents in these programs train at base

[38] Office of Program Policy Analysis and Government Accountability, *Florida's Graduate Medical Education System (Report No. 14-08), available at* https://oppaga.fl.gov/Documents/Reports/14-08.pdf (last visited Mar. 21, 2023).
[39] Association of American Medical Colleges, *State-by-State Graduate Medical Education Data, available at* https://www.aamc.org/advocacy-policy/state-state-graduate-medical-education-data (last visited Mar. 22, 2023).
[40] Association of American Medical Colleges, *State-by-State Graduate Medical Education Data, available at* https://www.aamc.org/advocacy-policy/state-state-graduate-medical-education-data (last visited Mar. 22, 2023).
[41] Accreditation Council for Graduate Medical Education, *ACGME Frequently Asked Questions (FAQs), available at* https://www.acgme.org/about-us/acgme-frequently-asked-questions/ (last visited Mar. 22, 2023).
[42] Accreditation Council for Graduate Medical Education, *What We Do*, *available at* https://www.acgme.org/What-We-Do/Overview (last visited Mar. 21, 2023).
[43] American Osteopathic Association, *About Us, available at* https://osteopathic.org/about/ (last visited Mar. 22, 2023).

institutions, which are most often hospitals. The base institution maintains administrative and financial responsibility.[44]

Florida's Graduate Medical Education Programs

Florida's GME program consists of the Statewide Medicaid Residency, the Startup Bonus, and the High Tertiary, Primary Care, Mental and Behavioral Health, and Psychiatry programs. In Fiscal Year 2022-2023, $291,644,448 was appropriated to fund GME programs.[45]

Florida's Graduate Medical Education (GME) Programs[46]	
Statewide Medicaid Residency	Provides $97,300,000 in funding to hospitals and qualifying institutions for residency programs associated with the Medicaid program, using a statutory allocation formula to equitably distribute GME funding. Qualifying hospitals must be licensed under part I of chapter 395, Florida Statutes. Qualifying institution means a Federally Qualified Health Center holding an Accreditation Council for Graduate Medical Education institutional accreditation.
Startup Bonus	Provides $100,000,000 in funding to hospitals and qualifying institutions up to $100,000 per newly created residency slot that is dedicated to a physician specialty or subspecialty in statewide shortage. "Qualifying institution" means a Federally Qualified Health Center holding an Accreditation Council for Graduate Medical Education institutional accreditation.
High Tertiary Care	Provides $66,000,000 in funding to statutory teaching hospitals that provide charity care greater than $15 million and also provide highly specialized tertiary care.
Primary Care	Provides $22,600,000 in funding in primary care and training in Medicaid regions with primary care demand greater than supply by 25 percent or more.
Mental & Behavioral Health	Provides $4,400,000 in funding to address the declining GME in severe deficit of physicians trained in mental health and behavioral health facilities licensed under section 394, Florida Statutes.
Psychiatry	Provides $1,344,447 in funding for psychiatry residency slots in adult and child psychiatry for accredited Federally Qualified Health Centers.

Physician Shortage

Despite enhanced GME funding having a positive impact, due to a growing population and an aging physician workforce, signs indicate a physician shortage is looming in Florida. Florida's physician licensure data suggests that in 2019 there were 55,083 full-time equivalent (FTE) physicians actively practicing in Florida. Of these physicians, the average age is 51 and approximately 26 percent are over the age of 60 years old.[47]

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[44] Office of Program Policy Analysis and Government Accountability, *Florida's Graduate Medical Education System (Report No. 14-08), available at* https://oppaga.fl.gov/Documents/Reports/14-08.pdf (last visited Mar. 21, 2023).
[45] Chapter 2022-156, Laws of Fla., Specific Appropriation 202.
[46] *Id*.
[47] IHS Market, *Florida Statewide Regional Physician Workforce Analysis: 2019 to 2023 (December 2021), available at* https://safetynetsflorida.org/wp-content/uploads/Florida-Physician-Workforce-Analysis.pdf (last visited Mar. 21, 2023).

Florida's 2019 physician supply was approximately 3,835 FTEs lower than estimated demand, meaning, that Florida's supply was only able to meet 93 percent of estimated demand relative to national averages. However, the report suggests that if current trends continue, Florida's projected 2035 supply and demand could yield a shortfall of approximately 17,924 FTE physicians with supply sufficient to meet only 77 percent of projected demand.[48]

Demand for physicians across the United States is projected to grow faster than supply leading to a potential nationwide shortfall of as many as 124,000 FTE physicians in 2034. This includes a projected shortage of between 17,800 and 48,000 primary care physicians, between 15,800 and 30,200 surgeons, between 3,800 and 13,400 internal medicine and pediatric specialists, and between 10,300 and 35,600 physicians across the other specialties.[49]

Community Care for the Elderly

The Community Care for the Elderly (CCE) program provides community-based services in a continuum of care to help elders with functional impairments to live in the least restrictive and most cost-effective environment suitable to their needs.[50]

The CCE program provides a wide range of services to clients, depending on their needs. These services include, but are not limited to, adult day care, chore assistance, counseling, home-delivered meals, home nursing, legal assistance, material aid, medical therapeutic services, personal care, respite, transportation, and other community-based services. [51]

The Department of Elder Affairs (DOEA) administers the program through contracts with Area Agencies on Aging (AAAs), which subcontract with CCE Lead Agencies. Service delivery is provided by 49 Lead Agencies around the state. The CCE program is not a component of Medicaid but rather is funded by a combination of state general revenue and client contributions. Clients are assessed a co-payment based on a sliding scale developed by the DOEA.[52]

To be eligible for the CCE program, an individual must be 60 years of age or older and functionally impaired,[53] as determined by an initial comprehensive assessment and annual reassessments. Primary consideration for services is given to elders referred to the Department of Children Family's (DCF) Adult Protective Services (APS) and determined by APS to be victims of abuse, neglect, or exploitation and in need of immediate services to prevent further harm.[54] Individuals not referred by APS may still receive services, but according to a prioritization which is based upon the potential recipient's frailty level and likelihood of institutional placement. The DOEA is also required to consider an applicant's income when prioritizing services. Those less

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[48] *Id.*
[49] IHS Market, *Florida Statewide Regional Physician Workforce Analysis: 2019 to 2023 (December 2021), available at* https://safetynetsflorida.org/wp-content/uploads/Florida-Physician-Workforce-Analysis.pdf (last visited Mar. 21, 2023).
[50] Section 430.202, F.S.
[51] Department of Elderly Affairs, *2022 Summary of Programs and Services- Page 40, available at* https://elderaffairs.org/publications-reports/summary-of-programs-and-services/ (last visited March 13, 2023).
[52] *Id.*
[53] Section 430.203(7), F.S.
[54] Section 430.205(5)(a), F.S.

able to pay for services must receive higher priority than those with a greater ability to pay for services.[55]

III. Effect of Proposed Changes:

Section 1 amends s. 296.37, F.S., to increase the personal needs allowance to $160 per month for residents of State Veterans' Homes.

Section 2 amends s. 409.814, F.S., to clarify the premiums paid under Florida KidCare's full-pay programs are based on the combined-risk premium.

Section 3 amends s. 409.908, F.S., to increase the nursing home prospective payment reimbursement methodology for the Quality Incentive Program Payment Pool from 6 percent to 10 percent of the September 2016 non-property related payments of included facilities.

Section 4 amends s. 409.909, F.S. to create the Graduate Medical Education Slots for Doctors Program to address the physician shortage by increasing the supply of highly trained physicians through the creation of new resident positions. The bill requires the Agency for Health Care Administration to allocate $100,000 to hospitals and qualifying institutions for each newly created resident position that is accredited by the Accreditation Council for Graduate Medical Education or Osteopathic Postdoctoral Training Institution in an initial or established accredited training program that is in a physician specialty or subspecialty in a statewide supply-and-demand deficit as identified in the General Appropriations Act. The bill further prohibits funds from the program to be used for resident positions that previously received funding under the Statewide Medicaid Residency Program.

Section 5 amends s. 409.967, F.S. to provide for the Statewide Medicaid Managed Care achieved savings rebate to be adjusted for the Federal Medical Assistance Percentage, and for the federal share to be transferred to the Medical Care Trust Fund.

Section 6 amends s. 430.204, F.S., to authorize the Area Agencies on Aging to carryforward documented unexpended state funds from one fiscal year to the next. However, the cumulative amount carried forward may not exceed 10 percent of the area agency's planning and service area allocation for the community care for the elderly program. Any unexpended state funds in excess of the percentage must be returned to the department. The bill provides the following requirements:

- The funds carried forward may not be used in any way that would create increased recurring future obligations, and such funds may not be used for any type of program or service that is not currently authorized by existing contracts;
- Expenditures of funds carried forward must be separately reported to the department;
- Any unexpended funds that remain at the end of the contract period shall be returned to the department; and
- Funds carried forward may be retained through any contract renewals and any new procurements as long as the same area agency on aging is retained by the Department of Elder Affairs.

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[55] Section 430.205(5)(b), F.S.

Section 7 provides an effective date of July 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Personal Needs Allowance

Residents in a State Veterans' Nursing Home whose income is less than $160 per month will continue to not be required to contribute to their personal needs account.

Nursing Home Reimbursement Rate Adjustment

The bill conforms to SPB 2500, the Senate Proposed General Appropriations Act for Fiscal Year 2023-2024, which provides $37,609,980 in recurring funds from the General Revenue Fund and $55,208,332 in recurring funds from the Medical Care Trust Fund, to increase the nursing home prospective payment reimbursement methodology for the

Quality Incentive Program Payment Pool from 6 percent to 10 percent of the September 2016 non-property related payments of included facilities.

Graduate Medical Education Slots for Doctors Program

The bill conforms to SPB 2500, the proposed Fiscal Year 2023-2024 Senate General Appropriations Act, which provides $12,156,000 in recurring funds from the General Revenue Fund and $17,844,000 in recurring funds from the Medical Care Trust Fund to create the Graduate Medical Education Slots for Doctors Program.

Area Agency on Aging

The bill assists the Department of Elder Affairs and the Area Agency on Aging in avoiding year-end surpluses and deficit challenges, by allowing unexpended state funds for the AAAs to be carryforward from one fiscal year to the next. These projections are difficult due to multiple, uncontrollable factors including care plan fluctuations due to changing client care needs, acute care episodes, client attrition, and the financial impact of Adult Protective Service referrals from the Department of Children and Families.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 296.37, 409.814, 409.908, 409.909, 409.967, and 430.204.

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.