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 Fiscal Policy

BILL:	CS/SB 306
INTRODUCER:	Health Policy Committee and Senator Sharief and others
SUBJECT:	Medicaid Providers
DATE:	April 21, 2025
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Morgan	Brown	HP	**Fav/CS**
2.	Barr	McKnight	AHS	**Favorable**
3.	Morgan	Siples	FP	**Favorable**

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 306 requires the Agency for Health Care Administration to establish specific standards to ensure Florida Medicaid enrollees have access to network providers during state holidays and outside regular business hours.

The bill has no fiscal impact on state expenditures or revenues. **See Section V., Fiscal Impact Statement.**

The bill takes effect July 1, 2025.

II. Present Situation:

Agency for Health Care Administration

The Agency for Health Care Administration (AHCA) is created under s. 20.42, F.S., to be the chief health policy and planning entity for the state, responsible for health facility licensure, inspection, and regulatory enforcement,[1] as well as the administration of Florida's Medicaid program.[2]

[1] Agency for Health Care Administration, *Health Quality Assurance, available at* https://ahca.myflorida.com/health-quality-assurance (last visited Mar. 27, 2025).
[2] Section 409.902, F.S.

The Florida Medicaid Program

The Medicaid program is a voluntary, federal-state program that finances health coverage for individuals, including eligible low-income adults, children, pregnant women, elderly adults, and persons with disabilities.[3] The federal Centers for Medicare & Medicaid Services within the U.S. Department of Health and Human Services is responsible for administering the Medicaid program at the federal level. Florida Medicaid is the health care safety net for low-income Floridians and is financed through state and federal funds.[4]

Statewide Medicaid Managed Care

Approximately 72.5 percent of Florida Medicaid recipients[5] receive services through a managed care plan contracted with the AHCA under the Statewide Medicaid Managed Care (SMMC) program.[6] The SMMC program has three components: Managed Medical Assistance (MMA), Long-Term Care (LTC), and the Prepaid Dental Health program.[7] Among these three components, Florida's SMMC program offers a health care package covering acute, preventive, behavioral health, prescribed drugs, long-term care, and dental services. Florida's SMMC program benefits are authorized through federal waivers and are specifically required by the Florida Legislature in ss. 409.973 and 409.98, F.S.[8]

The AHCA awarded contracts to the current SMMC plans through a competitive procurement process called an Invitation to Negotiate (ITN). The AHCA awarded and executed new contracts for SMMC 3.0 in October 2024 and officially rolled out the new SMMC 3.0 program on February 1, 2025.[9] The rate year for the SMMC contracts is October 1 through September 30 of each contract year.[10]

Managed care plans providing MMA program services are required to cover acute, preventive, and other health care services, such as:[11]

- Hospital services;
- Physician services;
- Pharmacy services;
- Behavioral health services;
- Transportation to medical services;

[3] Medicaid.gov, *Medicaid, available at* https://www.medicaid.gov/medicaid (last visited Mar. 27, 2025).
[4] Section 20.42, F.S.
[5] The other 27.5 percent of recipients receive Medicaid services through the fee-for-service (FFS) delivery model, where providers contract directly with the AHCA to render services, billing and receiving reimbursement directly from the AHCA; Florida Agency for Health Care Administration, *Senate Bill 306* (Feb. 7, 2025) (on file with Senate Committee on Health Policy).
[6] Agency for Health Care Administration, *Florida Statewide Medicaid Enrollment Report As of February 28, 2025 (including Medikids Population), available at* https://ahca.myflorida.com/content/download/26230/file/ENR_202502.xls (last visited Mar. 27, 2025).
[7] Agency for Health Care Administration, *Statewide Medicaid Managed Care, available at* https://ahca.myflorida.com/medicaid/statewide-medicaid-managed-care (last visited Mar. 27, 2025).
[8] Agency for Health Care Administration, *Senate Bill 306* (Feb. 7, 2025) (on file with Senate Committee on Health Policy).
[9] *Id.*
[10] Agency for Health Care Administration, *Senate Bill 1060* (Feb. 28, 2025) (on file with Senate Committee on Health Policy).
[11] *Supra* note 8.

- Nursing facility services; and
- Other service benefits, including, but not limited to, medical equipment and supplies, therapies, and home health services.

The AHCA contracts with LTC plans in each region to provide LTC services, including all home and community-based waiver services, through their provider networks. Currently, all the LTC plans contracted with the AHCA are also contracted to provide MMA services, streamlining care with a more comprehensive enrollment approach where a Medicaid recipient can enroll with one plan for all services.[12]

The SMMC program includes the following regions:[13]

- Region A, which consists of Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Madison, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington counties.
- Region B, which consists of Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Nassau, Putnam, St. Johns, Sumter, Suwannee, Union, and Volusia counties.
- Region C, which consists of Pasco and Pinellas counties.
- Region D, which consists of Hardee, Highlands, Hillsborough, Manatee, and Polk counties.
- Region E, which consists of Brevard, Orange, Osceola, and Seminole counties.
- Region F, which consists of Charlotte, Collier, DeSoto, Glades, Hendry, Lee, and Sarasota counties.
- Region G, which consists of Indian River, Martin, Okeechobee, Palm Beach, and St. Lucie counties.
- Region H, which consists of Broward County.
- Region I, which consists of Miami-Dade and Monroe counties.

Provider Networks

A provider network is a list of doctors, hospitals, and other health care providers that a managed care plan contracts with to provide medical care to its enrollees. These providers are commonly known as participating providers, and a provider that is not contracted with the plan is called a nonparticipating provider.[14]

SMMC Plan Accountability – Network Access & Adequacy

The SMMC plans must adhere to all requirements as specified in their contract with the AHCA, including requirements to enter into provider agreements with a sufficient number of providers to deliver all covered services to enrollees and ensure that each medically necessary covered service is accessible and provided with reasonable promptness, including the utilization of nonparticipating providers.[15] If the managed care plan declines to include individual or group

[12] Agency for Health Care Administration, *Senate Bill 306* (Feb. 7, 2025) (on file with Senate Committee on Health Policy).
[13] *Section* 409.966(2), F.S.
[14] U.S. Department of Health & Human Services, Health Insurance Marketplace, *What You Should Know About Provider Networks, available at* https://www.cms.gov/marketplace/outreach-and-education/what-you-should-know-provider-networks.pdf (last visited Mar. 27, 2025).
[15] 42 C.F.R. § 438.206(b)(4)

providers in its provider network, the plan is required to give written notice to the affected provider(s) of the reason for its decision.[16,17]

Prior to implementation of SMMC 3.0 on February 1, 2025, the AHCA indicated that the network sufficiency of each plan was assessed to ensure an adequate number of available providers exists within the plans' provider networks. Managed care plans are contractually required to develop a printed and online (electronic) provider network directory to assist enrollees in selecting from qualified providers. The plans must update their online provider database at least weekly and provide printed copies of provider directories to enrollees upon request, at no charge. The plans must have procedures to inform current enrollees and potential enrollees, upon request, of any changes to service delivery and/or provider network.

On a regional basis, SMMC plans must notify the AHCA within seven business days of a decrease in the total number of primary care providers by more than five percent. Moreover, the plans are required to submit an Annual Network Development Plan[18] that includes a description or explanation of the current status of their network for each service covered.[19]

Additionally, the plans are required to submit weekly Provider Network Verification (PNV) files,[20] which include information on each plan's provider network. The AHCA monitors the PNV files to ensure contractually required provider network standards are being met. If a plan is not compliant with these standards, the AHCA has actions available through its contracts that can be applied, including liquidated damages.[21] Managed care plans online and printed provider directories are monitored monthly for accuracy and completeness. Furthermore, the AHCA monitors the networks to ensure that contractual provider-specific geographic access (time and distance) standards for enrollees in urban or rural counties are maintained.[22]

The required regional provider ratios and network adequacy standards, as well as the time and distance standards for covered services, providers, and facilities, are contained within the contracts between the AHCA and the Medicaid managed care plans.[23,24,25]

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[16] 42 C.F.R. § 438.12(a)(1)
[17] Agency for Health Care Administration, *Senate Bill 306* (Feb. 7, 2025) (on file with Senate Committee on Health Policy).
[18] Agency for Health Care Administration, *2025-2030 Model Health Plan Contract Attachment II – Core Contract Provisions* (Feb. 2025), Page 236 of 267, *available at* https://ahca.myflorida.com/content/download/26116/file/Attachment%20II%20-%20Core%20Contract%20Provisions.pdf (last visited Mar. 27, 2025).
[19] *Supra* note 17.
[20] *Supra* note 18, Page 234 of 267.
[21] *Supra* note 18, Page 201 of 267.
[22] *Supra* note 17.
[23] Agency for Health Care Administration, *2025-2030 Model Health Plan Contract Exhibit II-A – Managed Medical Assistance Program* (Feb. 2025), Pages 55-58, 60-61, *available at* https://ahca.myflorida.com/content/download/26117/file/Exhibit%20II-A%20-%20Managed%20Medical%20Assistance%20%28MMA%29%20Program.pdf (last visited Mar. 27, 2025).
[24] *Id.*, Pages 70-72.
[25] Agency for Health Care Administration, *2025-2030 Model Health Plan Contract Exhibit II-B – Long-Term Care (LTC) Program* (Feb. 2025), Pages 32-34, *available at* https://ahca.myflorida.com/content/download/26117/file/Exhibit%20II-A%20-%20Managed%20Medical%20Assistance%20%28MMA%29%20Program.pdf (last visited Mar. 27, 2025).

Currently, at least 50 percent of primary care providers participating in a plan provider network in regions A, B, E, G, H, and I must offer after hours[26] appointment availability to Medicaid enrollees; however, regions C and D require at least 45 percent, and region F requires at least 40 percent.[27]

III. Effect of Proposed Changes:

Section 1 amends s. 409.967, F.S., to require the Agency for Health Care Administration to establish specific standards to ensure enrollees have access to network providers during state holidays and outside regular business hours. At least 50 percent of primary care providers participating in a Medicaid managed care plan provider network must offer appointment availability to Medicaid enrollees outside regular business hours.

The bill also defines the term "outside regular business hours" to mean Monday through Friday between 5 p.m., and 8 a.m., local time and all-day Saturday and Sunday.

Section 2 provides that the bill takes effect July 1, 2025.

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.

[26] The AHCA defines "after hours" in its health plan contracts to mean the hours between 5:00 p.m., and 8:00 a.m., local time, Monday through Friday inclusive, and all-day Saturday and Sunday. State holidays are also included. *See* Florida Agency for Health Care Administration, *2025-2030 Model Health Plan Contract Attachment II – Core Contract Provisions* (Feb. 2025), Page 238, *available at* https://ahca.myflorida.com/content/download/26116/file/Attachment%20II%20-%20Core%20Contract%20Provisions.pdf (last visited Apr. 2, 2025).

[27] *Supra* note 24.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill has no fiscal impact on state expenditures or revenues.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 409.967 of the Florida Statutes.

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 Health Policy on April 1, 2025:
The committee substitute:

- Removes the underlying bill's amendments to Medicaid managed care plan accountability statutes.
- Requires the Agency for Health Care Administration to establish standards to ensure Medicaid enrollees have access to network providers during state holidays and outside regular business hours.
- Requires Medicaid managed care plans to ensure at least 50 percent of primary care providers participating in their network offer appointment availability to Medicaid enrollees outside regular business hours.
- Defines the term "outside regular business hours" to mean Monday through Friday between 5 p.m., and 8 a.m., local time and all-day Saturday and Sunday.

B. Amendments:

None.