

# FLORIDA HOUSE OF REPRESENTATIVES

## FINAL BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [HB 4007](#)

**TITLE:** Compensation for Health Care Services for Inmates in Martin County

**SPONSOR(S):** Snyder

**COMPANION BILL:** None

**LINKED BILLS:** None

**RELATED BILLS:** None

**FINAL HOUSE FLOOR ACTION:** 113 Y's

0 N's

**GOVERNOR'S ACTION:**

Pending

### SUMMARY

#### Effect of the Bill:

The bill limits the compensation of health care providers who provide medical services for inmates housed in a Martin County detention center to 110 percent of the Medicare allowable rate if the provider does not have a contract with Martin County to provide medical services to inmates, unless the provider reported a negative operating margin for the previous year to the Agency for Health Care Administration, in which case the bill limits compensation to 125 percent of the Medicare allowable rate. The bill limits compensation of hospitals designated as trauma centers to 175 percent of the Medicare allowable rate when treating an inmate designated as a trauma alert victim. The bill also limits compensation to entities providing emergency medical transportation services for an inmate housed in a Martin County detention center to 110 percent of the Medicare allowable rate if the entity does not have a contract with Martin County to provide emergency medical transportation services.

#### Fiscal or Economic Impact:

The Economic Impact Statement for the bill states the county could see an estimated savings of at least \$46,000 per year based on the most commonly paid medical billing codes. The bill may have a negative impact on health care providers and emergency medical transportation service providers who do not have a contract with Martin County to provide inmate medical services.

[JUMP TO](#)

[SUMMARY](#)

[ANALYSIS](#)

[RELEVANT INFORMATION](#)

### ANALYSIS

#### **EFFECT OF THE BILL:**

The bill limits the compensation of health care providers who provide medical services for inmates housed in a Martin County detention center to 110 percent of the [Medicare allowable rate](#) if that provider does not have a contract with Martin County to provide inmate medical services. The bill provides that such compensation may not exceed 125 percent of the Medicare allowable rate if the health care provider has reported a negative operating margin for the previous year to the Agency for Health Care Administration through hospital-audited financial data. The bill further provides that such compensation may not exceed 175 percent of the Medicare allowable rate for hospitals designated by the Department of Health as a trauma center when treating a Martin County inmate that has been designated as a trauma alert victim. (Section [1](#))

The bill also limits compensation to an entity providing emergency medical transportation services for an inmate housed in a Martin County detention center to 110 percent of the Medicare allowable rate if the entity does not have a contract with Martin County to provide inmate emergency medical transportation services. (Section [1](#))

These limitations mirror provisions in general law limiting the compensation of health care providers and emergency medical transportation service providers who do not have a contract to provide [inmate medical services](#) to the Department of Corrections.

The bill specifies that the limitations on compensation do not apply to charges for medical services provided at a hospital operated by Martin County. (Section [1](#))

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law. (Section [2](#))

**STORAGE NAME:** h4007z.IAS

**DATE:** 5/9/2025

## FISCAL OR ECONOMIC IMPACT:

### LOCAL GOVERNMENT:

The Economic Impact Statement for the bill states the county could see an estimated savings of at least \$46,000 per year based on the most commonly paid medical billing codes.

### PRIVATE SECTOR:

The bill may have a negative fiscal impact for health care providers and emergency medical transportation service providers who do not have a contract with Martin County to provide inmate medical services.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### [Inmate Medical Services](#)

Current law limits the compensation health care providers and emergency medical transportation service providers may receive for inmate medical services rendered to prisoners held in the custody of the Department of Corrections (department) if those providers do not have a contract with the department or the contractor-operated correctional facility (COCF).<sup>1</sup> For health care providers who do not have a contract with the department or COCF to provide medical services for inmates, compensation is limited to 110 percent of the Medicare allowable rate.<sup>2</sup> This limitation increases to 125 percent of the Medicare allowable rate if the provider reported a negative operating margin for the previous year to the Agency for Health Care Administration through hospital-audited financial data.<sup>3</sup> Compensation to an entity to provide emergency medical transportation services for an inmate may not exceed 110 percent of the Medicare allowable reimbursement rate if the entity does not have a contract to provide services with the department or COCF.<sup>4</sup>

#### [Medicare Allowable Rate](#)

Medicare is federal health insurance for anyone age 65 and older, and some people under 65 with certain disabilities or conditions.<sup>5</sup> The U.S. Centers for Medicare and Medicaid Services (CMS) develops and uses fee schedules for Medicare reimbursement payments to health care providers made on a fee-for-service basis.<sup>6</sup>

CMS uses a standardized Physician Fee Schedule (PFS) based on the Resource-Based Relative Value Scale (RBRVS) to reimburse health care providers for services paid for via Medicare.<sup>7</sup> The RBRVS captures the time, effort, and cost involved in providing a patient service through three types of Relative Value Units (RVUs): work, practice expense, and malpractice expenses. RVUs are assigned to each medical billing code so that resources used to provide a service are measured on a common scale. For example, a 10-19 minute office visit for the evaluation and management of an established patient has a value of 0.70 RVUs, while a 30-39 minute office visit with the same patient would have a value of 1.92 RVUs.<sup>8</sup> RVUs become PFS payment rates through the application of a fixed-dollar conversion factor.<sup>9</sup>

The 2024 Consolidated Appropriations Act included a 2.93 percent update to the PFS conversion factor for dates of service from March 9, 2024, through December 31, 2024, resulting in a conversion factor of \$33.29 per RVU.<sup>10</sup> In

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<sup>1</sup> S. [945.6041, F.S.](#) A “contractor-operated correctional facility” is any facility not operated by the department for the purposes of incarcerating adults or juveniles who have been sentenced by a court and committed to the custody of the department. S. [944.710\(3\), F.S.](#)

<sup>2</sup> S. [945.6041\(2\), F.S.](#)

<sup>3</sup> *Id.*

<sup>4</sup> S. [945.6041\(3\), F.S.](#)

<sup>5</sup> Social Security Administration, [What is Medicare and who can get it?](#) (last visited Feb. 20, 2025).

<sup>6</sup> Centers for Medicare and Medicaid Services, [Fee Schedules](#) (last visited Feb. 20, 2025).

<sup>7</sup> American Academy of Professional Coders, [What are Relative Value Units?](#) (last visited Feb. 20, 2025).

<sup>8</sup> American Academy of Family Physicians, Journal of Family Practice Management, [Understanding and Improving Your Work RVUs](#) (last visited Feb. 20, 2025).

<sup>9</sup> Centers for Medicare and Medicaid Services, [Physician Fee Schedule](#) (last visited Feb. 20, 2025).

<sup>10</sup> Centers for Medicare and Medicaid Services, [2024 Physician Fee Schedule](#) (last visited Feb. 20, 2025).

January 2025, this temporary 2.93 percent increase expired resulting in a conversion factor of \$32.35 for calendar year 2025, which includes a 0.02 percent adjustment to account for changes in work RVUs for some services.<sup>11</sup>

### **Martin County Sheriff's Office**

The Martin County Sheriff's Office (MCSO) administers and operates the Martin County Jail.<sup>12</sup> MCSO's Corrections Department provides contracted medical services to inmates.<sup>13</sup> Beginning in March 2020, MCSO's Behavioral Health Unit also contracted for a case manager whose focus was inmates in Martin County Jail.<sup>14</sup> The Corrections Department also has a Medical Co-Pay Program for inmates.<sup>15</sup>

In Fiscal Year 2023-24, MCSO expenditures totaled \$103,863,714.<sup>16</sup> Of this total, \$27,469,834 went to the Corrections Department.<sup>17</sup> Martin County's adopted budget for Fiscal Year 2023-24 included \$1.8 million for contracted services to provide medical care to inmates.<sup>18</sup> From August 2023 to December 2024, Martin County spent approximately \$968,000 on medical care for inmates that could not be provided on site by jail medical staff.<sup>19</sup>

### **Local Bill Forms**

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.<sup>20</sup> A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website<sup>21</sup> at least 30 days prior to the introduction of the local bill in the House or Senate.<sup>22</sup> The bill was noticed in [The Stuart News on December 9, 2024](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.<sup>23</sup> Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement](#)

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<sup>11</sup> Centers for Medicare and Medicaid Services, [Schedule](#) (last visited Feb. 20, 2025).

<sup>12</sup> Martin County Sheriff's Office, [Duties](#) (last visited Feb. 20, 2025).

<sup>13</sup> Martin County Sheriff's Office, [Corrections Department](#) (last visited Feb. 20, 2025).

<sup>14</sup> Martin County Sheriff's Office, [Behavioral Health Unit](#) (last visited Feb. 20, 2025).

<sup>15</sup> Martin County Sheriff's Office, [Services, Procedures & Fees](#) (last visited Feb. 20, 2025). Section [951.032\(1\), F.S.](#), allows for a county or municipal detention facility to seek reimbursement for expenses incurred in providing medical care, treatment, hospitalization, or transportation to an inmate.

<sup>16</sup> Martin County Board of County Commissioners, [FY 2025 Adopted Budget](#), p. 513 (last visited Feb. 20, 2025).

<sup>17</sup> *Id.*

<sup>18</sup> Martin County Board of County Commissioners, [FY 2024 Adopted Budget](#), p.17 (last visited Feb. 20, 2025).

<sup>19</sup> Martin County Board of County Commissioners, [Agenda Item 25-0414 - Martin County Local Bill Request - Inmate Medical Costs](#) (last visited Feb. 20, 2025).

<sup>20</sup> [Art. III, s. 10, Fla. Const.](#)

<sup>21</sup> [S. 50.0311\(2\), F.S.](#)

<sup>22</sup> [S. 11.02, F.S.](#) If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

<sup>23</sup> Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Feb. 20, 2025).