FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: HB 5301 PCB HCB 25-01	**COMPANION BILL:** None
TITLE: Health Care	**LINKED BILLS:** None
SPONSOR(S): Andrade	**RELATED BILLS:** None

Committee References

Orig. Comm.: Health Care Budget 13 Y, 0 N	➤	Budget 27 Y, 0 N

SUMMARY

Effect of the Bill:

The bill conforms statutes to the House proposed General Appropriations Act (GAA) for Fiscal Year 2025-2026, making several changes related to Health Care. Specifically, the bill:

- Eliminates the Health Care Innovation council and the revolving loan program within the Department of Health.
- Amends the Casey DeSantis Cancer Research Program to specify the inclusion of pediatric cancer.
- Amends certain operational and reporting requirements of the Graduate Medical Education Program and abolishes the Graduate Medical Education Committee.
- Amends the Achieved Savings Rebate calculation and audit procedures.

Fiscal or Economic Impact:

None. See fiscal impact section.

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ANALYSIS

EFFECT OF THE BILL:

Health Care Innovation Council

The bill eliminates the Health Care Innovation Council, a 15-member council within the Department of Health (DOH).

Revolving Loan Program

The bill eliminates the revolving loan program within the DOH, which provides for funding for applicants seeking to implement innovative solutions, as directed by the Health Care Innovation Council. (Section 1)

Casey DeSantis Cancer Research Program

The bill amends the Florida Cancer Connect Collaborative within the Casey DeSantis Cancer Research program to include specialty hospitals for children. The bill also amends the due date of the long-range comprehensive plan for the Casey DeSantis Cancer Research program from a one-time submission to an annual basis. (Section 2)

The Slots for Doctors Program

The bill amends s. 409.909, F.S. removing provisions allowing the Agency for Health Care Administration (AHCA) to fund up to 200 residency slots that were in existence prior to July 1, 2023, and removes certain reporting requirements related to the Graduate Medical Education (GME) Program. The bill also removes the requirement for AHCA to prioritize positions in a primary care specialty when applications exceed the number of allocated resident positions. Additionally, the bill abolishes the Graduate Medical Education Committee. (Section 3)

Achieved Savings Rebate

The bill amends s. 409.967, F.S., removing language which declares the Achieved Savings Rebate audit report as dispositive. The bill also specifies that administrative costs incurred by a Statewide Medicaid Managed Care Plan, for the operation of a hospital directed payment program, is not an allowable expense in calculating income for determining the achieved savings rebate. (Section 4)

The bill has an effective date of July 1, 2025.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The proposed House General Appropriations Act (GAA) contains provisions which will positively impact the General Revenue fund due to the saving on the following appropriations:

- $1,000,000 for administering the Health Care Innovation Council.
- $50,000,000 per year over 10 years for the revolving loan fund.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Health Care Innovation Council

In 2024, s. 381.4015, F.S. created the Health Care Innovation Council, a 15-member council within the Department of Health. The Lieutenant Governor serves as the chair of the council and as an ex officio, nonvoting member. The Secretary of Health Care Administration, the Secretary of Children and Families, the director of the Agency for Persons with Disabilities, the State Surgeon General, and the Secretary of Elder Affairs all serve as ex officio, nonvoting members. The chair of the Council of Florida Medical School Deans serves as a voting member.

The President of the Senate and the Speaker of the House of Representatives each make one appointment to the council. Legislative appointments must be a person from the health care sector who has senior level experience in reducing inefficiencies in health care delivery systems; from the private sector who has senior level experience in cybersecurity or software engineering in the health care sector; a person who has expertise in emerging technology that can be used in the delivery of health care; or who has experience in finance or investment or in management and operation of early stage companies.

The remainder of the council consists of the following appointments by the Governor:

- A licensed physician;
- An employee of a licensed hospital;
- A licensed nurse;
- A Florida resident to represent the interest of health care patients;
- An employee of a health insurer or health maintenance organization; and
- A representative of the long-term care facility industry.

The council is required to meet at least quarterly at the call of the chair, and in order to provide an opportunity for the broadest public input, must hold a majority of its meetings during the year in geographically dispersed areas across the state. Meetings are encouraged to provide opportunities for demonstrations or presentations of innovative solutions in person.

Council Duties

The council must facilitate public meetings at which innovators, developers, and implementers of technologies, workforce pathways, service delivery models, and other solutions may present information and lead discussions. The work:

- Must cover concepts that address challenges to the health care system as they develop in real time and concepts that advance the delivery of health care in this state through technology and innovation.

- Must give consideration to how the concepts:
  - Increase efficiency in the health care system in this state;
  - Reduce strain on the state's health care workforce;
  - Improve patient outcomes;
  - Expand public access to health care services in this state; or
  - Reduce costs for patients and the state without reducing the quality of patient care.
- May consider broad community or statewide issues or needs to be addressed.
- May include how concepts can be supported, cross-functional, or scaled to meet the needs of health care consumers, including employers, payers, patients, and the state.
- May include coordination with the Small Business Development Center Network, the Florida Opportunity Fund, the Institute for Commercialization of Florida Technology, and other business incubators, development organizations, or institutions of higher education to include emerging and early stage concepts in the discussions.
- May bring information technology technical experts to lead discussions on recommended structures and integrations of information technology products, services, and solutions.

The council must submit an annual report each December 1 on the council's activities, including:
- An update on the status of the delivery of health care in Florida;
- Information on implementation of best practices by Florida health care industry stakeholders; and
- Highlights of exploration, development, or implementation of innovative technologies, workforce pathways, service delivery models, or other solutions by Florida health care industry stakeholders.

To date, the council has met twice, on October 25, 2024 and on November 19, 2024. They are currently awaiting a replacement for the Lieutenant Governor seat on the council to be filled, as it was recently vacated.

Revolving Loan Program

Current law provides a revolving loan program within the DOH to provide funding for applicants seeking to implement innovative solutions. Certain entities licensed, registered, or certified by the Agency for Health Care Administration and educational or clinical training providers in partnership with one of the entities, may apply for a loan.[1]

DOH is to establish eligibility criteria that:
- Incorporates recommendations of the council based on input received, focus areas developed, and best practices recommended.
- Determines which proposals are likely to provide the greatest return to the state, taking into consideration the degree to which the proposal would increase efficiency in the health care system in this state, reduce strain on the state's health care workforce, improve patient outcomes, increase public access to health care in this state, or provide cost savings to patients or the state without reducing the quality of patient care.

Application Process

The DOH is required to set application periods to apply for loans and may set up to four application periods in a fiscal year. The DOH must work with the council if application periods include separate priority for current focus areas adopted by the council. The availability of loans will be publicized to stakeholders, education or training providers, and others. The DOH will receive the applications and determine whether the applications are complete and whether the applicant has demonstrated ability to repay the loan. Within 30 days of the close of the application period, the DOH will forward the complete applications to the council.

[1] Those entities licensed, registered, or certified pursuant to s. 408.802, except for subsections (1), (3), (13), (23), and (25) of that sections, are eligible to apply.

DOH is required to establish an application process to receive revolving loan applications for review by the Council, loan eligibility criteria to guide the Council's review and recommendation of applications, and rules meant to vet applicants, project impact, and further the purposes of the revolving loan program.

Eligibility
Current law authorizes different types of health care entities licensed, registered, or certified by the Agency for Health Care Administration (AHCA) to apply for a revolving loan. In addition, educational and clinical training providers who partner with one of the eligible entities are eligible to apply for a revolving loan. The DOH and the Council are to prioritize applicants located in DOH-designated rural or medically underserved areas that are rural hospital applicants or nonprofit applicants that accept Medicaid patients.

The council must review submitted applications using the criteria and processes and format adopted by the DOH by rule. Priority must be given to applicants that are located in a rural or medically underserved area and are either rural hospitals or nonprofit entities that accept Medicaid patients. A loan applicant must demonstrate plans to use the funds to implement one or more innovative technologies, workforce pathways, service delivery models, or other solutions in order to:

- Fill a demonstrated need;
- Obtain or upgrade necessary equipment, hardware, and materials;
- Adopt new technologies or systems; or

A combination of the above, which will improve the quality and delivery of health care in measurable and sustainable ways and which will lower costs and allow savings to be passed on to health care consumers.

Awards
The amount of each loan must be based upon demonstrated need and availability of funds. The department may not award more than 10 percent of the total allocated funds for the fiscal year to a single loan applicant.

To date, the department is building a portal that is able to accept the applications for the loan. There have been interested parties that have planned to apply. No applications have been received as of yet.

Loan repayment
Loans become due and payable in accordance with the terms of the written agreement. All repayments of principal received by the department in a fiscal year must be returned to the revolving loan fund and made available for loans to other applicants.

Revolving loan fund
Current law requires the department to create and maintain a separate account in the Grants and Donations Trust Fund within the department as a fund for the program. All repayments of principal must be returned to the revolving loan fund and made available for loans to other applicants. Notwithstanding s. 216.301, F.S., funds appropriated for the revolving loan program are not subject to reversion. The department may contract with a third-party administrator to administer the program, including loan servicing, and manage the revolving loan fund. A contract for a third-party administrator which includes management of the revolving loan fund must, at a minimum, require maintenance of the revolving loan fund to ensure that the program may operate in a revolving manner.

Casey DeSantis Cancer Research Program

In 2014, the Legislature created the Florida Consortium of National Cancer Institute Centers Program, which was renamed as the Casey DeSantis Cancer Research Program (Casey DeSantis Program) in 2022. The Casey DeSantis Program was established to:[2]

- Enhance the quality and competitiveness of cancer care in Florida;
- Further a statewide biomedical research strategy directly responsive to the health needs of Florida's citizens; and
- Capitalize on potential educational opportunities available to students.

[2] s.381.915(2), F.S.

Florida Cancer Connect Collaborative

Established in 2023, the Florida Cancer Connect Collaborative[3] (Collaborative) is an initiative created by First Lady Casey DeSantis in partnership with the DOH and the Agency for Health Care Administration. The Collaborative is a team made up of medical professionals and government officials who analyze Florida's approach to combatting cancer. The goal of the Collaborative is to break down long-standing silos between researchers, cancer facilities, and medical providers to improve cancer research and treatment. According to the Governor and First Lady, the Collaborative has five main objectives:[4]

- Data – The Collaborative will seek to identify the reasons data is slow to move or hard to access and dismantle those barriers.
- Best practices – The Collaborative will seek to streamline, encourage and incentivize the sharing of treatment best practices among public and private entities so that everyone is treated with the most effective treatment possible.
- Innovation – The Collaborative will identify the reasons that technology gets held up — whether it be special interests, over-litigiousness or bureaucratic red tape — and recommend ways to eliminate these barriers.
- Funding – The Collaborative will provide recommendations for the implementation of the $60 million Cancer Innovation Fund to improve the pace of cancer research and novel technologies.
- Honesty – The Collaborative will be tasked with identifying the ways to ensure cancer causes, treatment, prevention, and diagnosis information is available and easy to access.

The Collaborative is a council[5] created within DOH to advise the department and the Legislature on developing a holistic approach to the state's efforts to fund cancer research, cancer facilities, and treatments for cancer patients. The Collaborative is authorized to make recommendations on proposed legislation, proposed rules, best practices, data collection and reporting, issuance of grant funds, and other proposals for state policy relating to cancer research or treatment.

The Collaborative is chaired by the State Surgeon General who serves as an ex officio, non-voting member. The remaining membership of the Collaborative is composed as follows, all of whom are to be voting members:

- Two members appointed by the Governor, one member appointed by the President of the Senate, and one member appointed by the Speaker of the House of Representatives, prioritizing their appointments on members who have the following experience or expertise:
  - The practice of a health care profession specializing in oncology clinical care or research;
  - The development of preventive and therapeutic treatments to control cancer
- Two members appointed by the Governor, one member appointed by the President of the Senate, and one member appointed by the Speaker of the House of Representatives, prioritizing their appointments on members who have the following experience or expertise:
  - The practice of a health care profession specializing in oncology clinical care or research;
  - The development of preventive and therapeutic treatments to control cancer;
  - The development of innovative research into the causes of cancer,
  - The development of effective treatments for persons with cancer, or cures for cancer; or

  Management-level experience with a cancer center licensed under ch. 395, F.S.
- A Florida resident who can represent the interests of cancer patients in this state, appointed by the Governor.

[3] The Cancer Connect Collaborative is an expansion of Cancer Connect, an initiative launched by First Lady Casey DeSantis in August 2022 to provide cancer information and survivor stories.
[4] Florida Governor Ron DeSantis, First Lady Casey DeSantis Announces the Cancer Connect Collaborative to Explore Innovative Strategies for Cancer Treatment and Care, available at: https://www.flgov.com/eog/news/press/2023/first-lady-casey-desantis-announces-cancer-connect-collaborative-explore-innovative (last visited March 14, 2025).
[5] Section 20.03, F.S., defines a "council" or an "advisory council" as an advisory body created by specific statutory enactment and appointed to function on a continuing basis for the study of the problems arising in a specified functional or program area of state government and to provide recommendations and policy alternatives

The Collaborative is required to develop a long-range comprehensive plan for the Casey DeSantis Program. The Collaborative must solicit input from cancer centers, research institutions, biomedical education institutions, hospitals, and medical providers. The plan must be submitted to the President of the Senate, the Speaker of the House of Representatives, and the Executive Office of the Governor no later than December 1, 2024.

The plan must include, but need not be limited to, the following components:

- Expansion of grant funding opportunities to include a broader pool of Florida-based cancer centers, research institutions, biomedical education institutions, hospitals, and medical providers to receive funding through the Cancer Innovation Fund. Under this bill, specialty hospitals for children are also included in these grant funding opportunities.
- An evaluation to determine metrics that focus on patient outcomes, quality of care, and efficacy of treatment.
- A compilation of best practices relating to cancer research or treatment.

The Collaborative must advise the DOH on the awarding of grants issued through the Cancer Innovation Fund. During any fiscal year for which funds are appropriated, the Collaborative must recommend to the DOH the awarding of grants to support innovative cancer research and treatment models, including emerging research and treatment trends and promising treatments that may serve as catalysts for further research and treatments. The Collaborative is directed to give priority to applications seeking to expand the reach of innovative cancer treatment models into underserved areas of the state. The Collaborative must review all grant applications and make grant funding recommendations to the DOH, and the DOH is directed to make final grant allocation awards.

Graduate Medical Education

GME is an approved component of Medicaid inpatient and outpatient hospital services. If a state Medicaid program opts to cover GME costs, the federal government provides matching funds. Florida opts to fund GME through the Statewide Medicaid Residency Program (SMRP). For fiscal year 2023-2024, the SMRP funded 6,176 residents at 83 location. [6]

The SMRP allows both hospitals and Federally Qualified Health Centers (FQHC) that are accredited by the Accreditation Council for Graduate Medical Education (ACGME) to qualify for GME funding. In addition to the SMRP, the Legislature has allocated additional funding to GME through the Startup Bonus Program and the Slots for Doctors Program.

Startup Bonus Program

The Startup Bonus Program[7] was established to provide resources for the education and training of physicians in specialties which are in a statewide supply-and-demand deficit. The program allocates a $100,000 startup bonus for each newly created resident position that is authorized 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 in statewide supply-and-demand deficit. For the purposes of the program, physician specialties in statewide supply-and-demand deficit are identified in the General Appropriations Act (GAA).

Slots for Doctors Program

The Slots for Doctors Program[8] requires the AHCA to annually allocate $100,000 to hospitals and qualifying institutions for each newly created slot that is first filled on or after June 1, 2023, and remains filled thereafter. The new slot must be accredited by the Accreditation Council for Graduate Medical Education or the Osteopathic Postdoctoral Training Institution in an initial or established accredited training program which is in a physician

[6] SFY 2023-24 Statewide Medicaid Residency Program Distribution, AHCA, available at https://ahca.myflorida.com/content/download/23217/file/SFY%2023-24%20GME%20SMRP%20Calculation%20Clean.pdf. (last visited March 19, 2024).
[7] s. 409.909(5), F.S.
[8] s. 409.909(6), F.S.

specialty or subspecialty in a statewide supply-and-demand deficit. The AHCA is authorized to fund up to 200 residency slots that were in existence prior to July 1, 2023, as long as those slots:

- Are in a physician specialty or subspecialty experiencing a statewide supply-and-demand deficit;
- Have been unfilled for a period of 3 or more years;
- Are subsequently filled on or after June 1, 2024, and remain filled thereafter; and
- Are accredited by the Accreditation Council for Graduate Medical Education or the Osteopathic Postdoctoral Training Institution in an initial or established accredited training program.

In the event that there are more applicants for the program than there is available funding or number of authorized slots, the AHCA must prioritize positions that are in primary care.

The program is designed to generate matching funds under the Medicaid program and distribute those funds to participating hospitals and qualifying institutions and that specialties and sub-specialties are those that are identified in the General Appropriations Act.

Reporting Requirements

Any hospital or qualifying institution[9] that receives state funds under the SMRP, including, but not limited to intergovernmental transfers, is required to annually report data to the AHCA.[10]

Specific to funds allocated other than from the Startup Bonus Program, the data is required to include, at a minimum:

- The sponsoring institution for the resident position. As used in this section, the term "sponsoring institution" means an organization that oversees, supports, and administers one or more resident positions.
- The year the position was created and the current program year of the resident who is filling the position.
- Whether the position is currently filled and whether there has been any period of time when it was not filled.
- The specialty or subspecialty for which the position is accredited and whether the position is a fellowship position.

If the funds were allocated under the Startup Bonus Program on or after July 1, 2021, the data must include:

- The date on which the hospital or qualifying institution applied for funds under the program.
- The date on which the position funded by the program became accredited.
- The date on which the position was first filled and whether it has remained filled.
- The specialty of the position created.

Additionally, each hospital or qualifying institution is required to annually produce detailed financial records no later than 30 days after the end of its fiscal year that detail the manner in which state funds were allocated under the SMRP were expended, for funds that were allocated after July 1, 2025. The AHCA is also authorized to require that any hospital or qualifying institution submit to an audit of its financial records related to funds allocated under the SMRP after July 1, 2025.

If a hospital or qualifying institution fails to produce any of the required information or records, the hospital or qualifying institution is no longer eligible to participate in any Medicaid GME program until the AHCA has determined it has produced the records.

Residency Exit Survey

[9] A qualifying institution is defined in s. 409.909, F.S., as a federally Qualified Health Center holding an Accreditation Council for Graduate Medical Education institutional accreditation.
[10] s. 409.909(8), F.S.

The bill requires that each qualifying institution and hospital must request an exiting resident to fill out an exit survey on a form developed by the AHCA. The surveys must be provided annually to the AHCA and must include, at a minimum, questions on:

- Whether the exiting resident has procured employment.
- Whether the exiting resident plans to leave the state and, if so, for which reasons.
- Where and in which specialty the exiting resident intends to practice.
- Whether the exiting resident envisions himself or herself working in the medical field as a long-term career.

Graduate Medical Education Committee (GMEC)

The GMEC within the AHCA is made up of:

- Three deans, or their designees, from medical schools in this state, appointed by the chair of the Council of Florida Medical School Deans.
- Four members appointed by the Governor, one of whom is a representative of the Florida Medical Association or the Florida Osteopathic Medical Association who has supervised or is currently supervising residents, one of whom is a member of the Florida Hospital Association, one of whom is a member of the Safety Net Hospital Alliance, and one of whom is a physician licensed under ch. 458 or ch. 459, F.S., practicing at a qualifying institution.
- Two members appointed by the Secretary of the Agency for Health Care Administration, one of whom represents a teaching hospital as defined in s. 408.07, F.S., and one of whom is a physician who has supervised or is currently supervising residents.
- Two members appointed by the State Surgeon General, one of whom must represent a teaching hospital as defined in s. 408.07, F.S., and one of whom is a physician who has supervised or is currently supervising residents or interns.
- Two members, one appointed by the President of the Senate and one appointed by the Speaker of the House of the Representatives.[11]

The members of the committee who are medical school deans will serve four-year terms and rotate membership through the medical schools in Florida. Otherwise, members serve four-year terms with the initial terms being three or two years for specified members in order to stagger changes of membership. The GMEC must elect a chair to serve for a one-year term and members are required to serve without compensation but are entitled to reimbursement for per diem.[12]

The committee is required to meet at least twice annually at the call of the chair. Meetings may be conducted electronically with a majority of the members representing a quorum.[13]

Beginning July 1, 2025, the committee is required to submit an annual report to the Governor and the Legislature detailing:

- The role of residents and medical faculty in the provision of health care.
- The relationship of graduate medical education to the state's physician workforce.
- The typical workload for residents and the role such workload plays in retaining physicians in the long-term workforce.
- The costs of training medical residents for hospitals and qualifying institutions.
- The availability and adequacy of all sources of revenue available to support graduate medical education.
- The use of state funds, including, but not limited to, intergovernmental transfers, for graduate medical education for each hospital or qualifying institution receiving such funds.

[11] s. 409.909(9), F.S.
[12] *Id.*
[13] *Id.*

AHCA is required to provide reasonable and necessary support staff and materials to the committee, to provide the information obtained from the reporting requirements, and to assist the committee in obtaining any other information necessary to produce its report.[14]

Achieved Savings Rebate (ASR)

The ASR Program is an incentive for proper use of state funds in the Statewide Medicaid Managed Care program. The program monitors plans' premium revenues, medical and administrative costs, and income or losses in a uniform manner.[15] AHCA is responsible for verifying the ASR for all Medicaid prepaid plans. AHCA is required to contract with independent certified public accountants to conduct compliance audits for the purpose of auditing financial information, including but not limited to: annual premium revenue, medical and administrative costs, and income or losses reported by each prepaid plan, in order to determine and validate the achieved savings rebate.[16] Prepaid plans are required to make available to the agency and the agency's contracted certified public accountant all books, accounts, documents, files, and information that relate to the prepaid plan's Medicaid transactions.[17] The certified public accountant submits the completed audit report to the agency, attesting to the achieved savings of the plan. The results of the audit report are dispositive.[18] 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.[19]

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.[20]
- Plans may retain an additional one percent of revenue if they meet or exceed quality measures defined by AHCA, including plan performance for managing complex, chronic conditions that are associated with an elevated likelihood of recurring high-cost medical treatments.[21]

The bill has an effective date of July 1, 2025.

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	CS/SB 7016		Fiscal Policy	Click or tap here to enter text.
2024	SB 7018		Harrell	Click or tap here to enter text.
2024	CS/SB 7072		Fiscal Policy	Click or tap here to enter text.

[14] *Id.*
[15] 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 March 20, 2025)
[16] s. 409.967(3)(b), F.S.
[17] s. 409.967(3)(d), F.S.
[18] s. 409.967(3)(e), F.S.
[19] s. 409.967(3), F.S.
[20] s. 409.967(3)(f), F.S.
[21] s. 409.967(3)(g), F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Orig. Comm.: Health Care Budget Subcommittee	13 Y, 0 N	3/26/2025	Clark	Day
Budget Committee	27 Y, 0 N	4/2/2025	Pridgeon	Day