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:	CS/SB 1012
INTRODUCER:	Appropriations Committee on Criminal and Civil Justice and Senator Yarborough
SUBJECT:	Inmate Services
DATE:	February 27, 2026 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wyant	Stokes	CJ	**Favorable**
2.	Atchley	Harkness	ACJ	**Fav/CS**
3.	Atchley	Sadberry	AP	**Pre-meeting**

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1012 revises provisions relating to the Contractor-Operated Institution Inmate Welfare Trust Fund and compensation rates for emergency and specialty medical services for inmates within the Department of Corrections (DOC).

The bill amends s. 945.215, F.S., to provide that funds in the Contractor-Operated Institution Inmate Welfare Trust Fund must be used exclusively to provide for, or operate the following at Contractor-Operated facilities:

- Programs to aid inmates' reintegration into society.
- Environmental health upgrades to facilities, including fixed capital outlay for repairs and maintenance that would improve environmental conditions of the correctional facilities.

Additionally, the bill requires maintenance and repair deduction fees from contractor-operated correctional facilities to be deposited into the Contractor-Operated Institutions Inmate Welfare Trust Fund.

The bill amends s. 945.6041, F.S., to reduce the compensation rate that the DOC must pay community health care providers to not exceed 110 percent of the relevant Medicare allowable rate.

A community health care provider may negotiate above the relevant Medicare allowable rate if such provider enters into a contract with the DOC, a comprehensive health care services vendor, or a contractor-operated correctional facility, to provide medical services to inmates:

- In a secure unit within the community health care provider's medical facility;
- Within a correctional institution or facility; or
- By telehealth, if inmates are within the correctional institution or facility when they receive medical services.

Compensation to a hospital for emergency medical services and care provided to inmates may not exceed 110 percent of the Medicare allowable rate. Additionally, compensation to an entity to provide emergency medical transportation services for inmates may not exceed the Medicaid allowable rate.

The bill will have an indeterminate fiscal impact on the DOC. See Section V., Fiscal Impact Statement.

Provisions relating to compensation for inmate emergency and specialty services are effective October 1, 2026. The remaining provisions take effect on July 1, 2026.

II. Present Situation:

Inmate Healthcare

The State of Florida is responsible for providing inmates with a constitutional standard of care when they are admitted into an institution. The DOC contracts with Centurion of Florida, LLC, to provide comprehensive medical, mental health and dental services statewide. Inmates are screened at a reception center to determine their current medical, dental, and mental health needs. Within each major correctional institution, the contractor provides primary care using a core staff of clinicians, nurses, mental health and dental professionals and administrators.[1]

Health services are typically provided on site in the healthcare clinic areas of the correctional institutions, and such services include primary care clinics, chronic care clinics, dental services, urgent care services, psychiatry, psychology, physical and other rehabilitative therapies, patient education, and more. Some of the biggest challenges in correctional health care include managing the complex healthcare needs of a large inmate population, ensuring safety and security, and addressing mental health issues. Patients requiring highly specialized services or hospitalization are transported to hospitals and specialists in the community.[2]

The DOC is authorized to enter into continuing contracts with licensed health care providers, including hospitals and health maintenance organizations, for the provision of inmate health care services which the DOC is unable to provide in its facilities.[3]

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[1] Florida Department of Corrections, *Health Services,* available at https://www.fdc.myflorida.com/health-services (last visited January 29, 2026).
[2] Centurion, *FAQs,* available at: https://teamcenturion.com/correctional-care-solutions/correctional-healthcare/ (last visited January 29, 2026).
[3] Section 945.6033, F.S.

For each nonemergency visit initiated by an inmate, the inmate must make a copayment of five dollars. The proceeds of each copayment is deposited into the State-Operated Institutions Welfare Trust Fund or into the General Revenue Fund.[4] The DOC is authorized to collect a supplemental copayment for a medical consultation relating to an inmate's health care occurring outside the prison or for a prosthetic device for an inmate and such copayment must be used to defray all or part of the security costs associated with the surveillance and transport of the inmate.[5]

For medical care that cannot be provided within the DOC, services must be obtained from outside health care providers.[6] Compensation to health care providers[7] who provide care to inmates in the community is provided in statute. Compensation to a health care provider to provide inmate medical services may not exceed 110 percent of the Medicare allowable rate if the health care provider does not have a contract to provide services with the DOC or the contractor-operated correctionally facility, which houses the inmate. However, compensation to a health care provider may not exceed 125 percent of the Medicare allowable rate if:

- The health care provider does not have a contract to provide services with the DOC or the contractor-operated facility; and
- The health care provider reported a negative operating margin for the previous year to the Agency for Health Care Administration (AHCA) through hospital-audited financial data.[8]

During the 2024-25 fiscal year, there were a total of 40,215 approved requests made to Centurion's Utilization Management program for specialist appointments. Such requests are made by inmates to see medical specialists who are not employed by Centurion.[9]

Request Type	**Number of Approved Requests[10]**
Office visit - *Requests for office visit specialty consultations*	21,106
Outpatient surgical visit	6,936
Imaging visit - *Includes CT, MRI, and PET scan*	5,521
Outpatient service - *Includes swallow studies, colonoscopies, EGDs, EMGs, nerve conduction studies, etc.*	3,921
Therapy - *Includes physical, occupational, or speech therapy*	1,909

[4] Section 945.6037(1), F.S.
[5] Section 945.6037(2), F.S.
[6] Department of Correction, *2026 Agency Legislative Bill Analysis SB 1012*, January 8, 2026 (on file with the Senate Committee on Criminal Justice).
[7] Section 945.6041(1)(b), F.S., provides that "health care provider means: a hospital licensed under ch. 395, F.S.; a physician or physician assistant licensed under ch. 458, F.S.; an osteopathic physician or physician assistant licensed under ch. 459, F.S.; a podiatric physician licensed under ch. 461, F.S.; a health maintenance organization certificated under part I of ch. 641, F.S.; an ambulatory surgical center licensed under ch. 395, F.S.; a professional association, partnership, corporation, joint venture, or other association established by the individuals set forth in subparagraphs 2., 3., and 4. For professional activity; an other medical facility.
[8] Section 945.6041(2), F.S.
[9] Florida Department of Corrections, *Office of Health Services: Summary of Approved Specialty Medical Appointments, State Fiscal Year 2024-25*, January 26, 2026 (on file with Senate Committee on Criminal Justice).
[10] Id.

Orthotic/prosthetics - *Includes evaluation, products, and fittings related to customized orthotic and prosthetic devices*	267
Sleep study	198
Radiation	174
Durable medical equipment	138
Pain management - *Includes pain management injections*	22
Obstetrics ultrasound - *Ultrasounds related to pregnancy*	20
Transplant - *Includes both the work-up and transplant if transplant is approved*	3

Agency for Health Care Administration

The Agency for Healthcare 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,[11] as well as the administration of Florida's Medicaid program.[12]

The Florida Medicaid Program and Medicare

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.[13] The federal Center for Medicare and 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.[14] Approximately 72.7 percent of Florida Medicaid recipients[15] receive services through a managed care plan contracted with the AHCA, and as of November 2025, current enrollment reports the Florida Medicaid enrollment total is 3,997,975 people.[16]

The structure of each state's Medicaid program varies, but what states must pay for is largely determined by the federal government, as a condition of receiving federal funds.[17] The federal government also sets the minimum mandatory benefits to be covered in every state Medicaid program.[18]

[11] Agency for Health Care Administration, *Health Quality Assurance, available at* https://ahca.myflorida.com/health-quality-assurance (last visited January 21, 2026).
[12] Section 409.902, F.S.
[13] Medicaid.gov, *Medicaid, available at* https://www.medicaid.gov/medicaid (last visited January 28, 2026).
[14] Section 20.42, F.S.
[15] The other 27.3 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.
[16] Agency for Health Care Administration, *Florida Medicaid Monthly Enrollment Report,* Nov. 2025, available at: https://ahca.myflorida.com/medicaid/medicaid-finance-and-analytics/medicaid-data-analytics/medicaid-monthly-enrollment-report (last visited January 28, 2026).
[17] Title 42 U.S.C. §§ 1396-1396w -5; Title 42 C.F.R. Part 430-456 (§§ 430.0-456.725).
[18] Section 409.964, F.S.

The AHCA is required, subject to specific appropriations, to reimburse Medicaid providers for services under a fee schedule established by rule.[19] The AHCA is also responsible for developing Medicaid provider agreements, which must contain specified terms, including provisions related to contracts for services, payment terms and methodology, records maintenance and security, and indemnity.[20]

Medicare

Medicare is federal health insurance for anyone age 65 and older, and some people under 65 with certain disabilities or conditions.[21] More than 66 million people in the U.S. receive health care coverage from Medicare.[22] 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.[23]

The 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.[24] 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. The 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.[25] RVUs become PFS payment rates through the application of a fixed-dollar conversion factor.[26]

The 2024 Consolidated Appropriations Act included a 2.93 percent increase 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.[27] In January 2025, this temporary 2.93 percent increase expired resulting in a conversion factor of $32.35, which includes a 0.02 percent adjustment to account for changes in work RVUs for some services.[28]

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[19] Section 409.908, F.S. Florida Agency for Health Care Administration, *Rule 59G-4.002, Provider Reimbursement Schedules and Billing Codes*, available at https://ahca.myflorida.com/medicaid/rules/rule-59g-4.002-provider-reimbursement-schedules-and-billing-codes (last visited January 28, 2026).
[20] Section 409.907(1)–(4), F.S.
[21] Social Security Administration, *What is Medicare and who can get it?* available at https://www.ssa.gov/faqs/en/questions/KA-02113.html (last visited January 28, 2026).
[22] Medicare.gov, *About Us*, available at https://www.medicare.gov/about-us (last visited January 28, 2026).
[23] Centers for Medicare and Medicaid Services, *Fee Schedules-General Information* available at https://www.cms.gov/medicare/payment/fee-schedules (last visited January 28, 2026).
[24] American Academy of Professional Coders, *What are Relative Value Units?* available at https://www.aapc.com/resources/what-are-relative-value-units-rvus (last visited January 28, 2026).
[25] American Academy of Family Physicians, Journal of Family Practice Management, *Understanding and Improving Your Work RVUs, https://www.aafp.org/pubs/fpm/issues/2023/0300/understanding-rvus.html* (last visited January 28, 2026).
[26] Centers for Medicare and Medicaid Services, *Physician Fee Schedule*, available at https://www.cms.gov/cms-guide-medical-technology-companies-and-other-interested-parties/payment/physician-fee-schedule (last visited January 28, 2026).
[27] Centers for Medicare and Medicaid Services, *2025 Physician Fee Schedule*, available at https://www.cms.gov/medicare/payment/fee-schedules/physician/federal-regulation-notices/cms-1807-f (last visited January 28, 2026).
[28] Centers for Medicare and Medicaid Services, *2025 Medicare Physician Fee Schedule*, available at https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2025-medicare-physician-fee-schedule-final-rule (last visited January 28, 2026).

Contractor-Operated Institutions Inmate Welfare Trust Fund

Contractor-operated institutions or contractor-operated correctional facilities, formerly known as private prisons, are under contract with the DOC.[29]

Proceeds from inmate canteens, vending machines primarily used by inmates, telephone commissions, and similar sources are deposited into the Contractor-Operated Institutions Inmate Welfare Trust Fund[30] and can only be expended pursuant to legislative appropriation.[31]

In contrast, the State-Operated Institutions Inmate Welfare Trust Fund is held by the DOC for the benefit and welfare of inmates incarcerated in the correctional facilities operated directly by the DOC. The funds in the State-Operated Institutional Inmate Welfare Trust Fund must be used exclusively to provide for or operate any of the following at correctional facilities operated by the DOC:

- Literacy programs, vocational training programs, and educational programs, including fixed capital outlay for educational facilities.
- Inmate chapels, faith-based programs, visiting pavilions, visiting services and programs, family services and programs, and libraries.
- Inmate substance abuse treatment programs and transition and life skills training programs.
- The purchase, rental, maintenance, or repair of electronic or audiovisual equipment, media, services, and programming used by inmates.
- The purchase, rental, maintenance, or repair of recreation and wellness equipment.
- The purchase, rental, maintenance, or repair of bicycles used by inmates traveling to and from employment in the work-release program.
- Environmental health upgrades to facilities, including fixed capital outlay for repairs and maintenance that would improve environmental conditions of the correctional facilities.[32]

Contractor-Operated Correctional Facilities

A contract entered into for the operation of contractor-operated correctional facilities, formerly known as private prisons, must maximize the cost savings[33] of such facilities and:

- Is not exempt from ch. 287, F.S., including the competitive solicitation requirements.
- Be executed with the contractor most qualified.
- Indemnify the state and the DOC against any and all liability.
- Require that the contractor seek, obtain, and maintain accreditation by the American Correctional Association for the facility under that contract.
- Require the proposed facilities and the management plans for the inmates meet applicable American Correctional Association standards and the requirements of all applicable court orders and state law.

[29] Section 945.215(3)(a), F.S.
[30] Section 945.215(3)(b)1., F.S.
[31] Section 945.215(3)(b)2., F.S.
[32] Section 945.215(2)(c)1.-7., F.S.
[33] The department may not enter into a contract or series of contracts unless the DOC determines that the contract or series of contracts in total for the facility will result in a cost savings to the state of at least 7 percent over the public provision of a similar facility. Section 957.07, F.S.

- Establish operations standards for correctional facilities subject to the contract.
- Require the contractor to be responsible for a range of dental, medical, and psychological services; diet; education; and work programs at least equal to those provided by the DOC in comparable facilities.
- Require the selection and appointment of a full-time contract monitor, appointed and supervised by the DOC.
- Be contracted for a period of three years and may be renewed for successive two-year periods thereafter.[34]

There are currently seven contractor-operated correctional facilities in Florida, operated by Management & Training Corporation, the GEO Group, or CoreCivic. The state owns the buildings and grants the contractors exclusive rights to use them.[35] The following correctional facilities are contract-operated correctional facilities:

- Bay Correctional Facility.
- Blackwater River Correctional Facility.
- Gadsden Correctional Facility.
- Graceville Correctional Facility.
- Lake City Correctional Facility.
- Moore Haven Correctional Facility.
- South Bay Correctional Facility.

III. Effect of Proposed Changes:

The bill revises provisions relating to the Contractor-Operated Institution Inmate Welfare Trust Fund and compensation rates for emergency and specialty medical services for inmates within the DOC.

Section 1 amends s. 945.215, F.S., to require funds in the Contractor-Operated Institutions Inmate Welfare Trust Fund be used to exclusively provide for or operate the following at contractor-operated facilities:

- Programs to aid inmates' reintegration into society; or
- Environmental health upgrades to facilities, including fixed capital outlay for repairs and maintenance that would improve environmental conditions of the correctional facilities.

Additionally, the bill requires maintenance and repair deduction fees from contractor-operated correctional facilities to be deposited into the Contractor-Operated Institutions Inmate Welfare Trust Fund.

Section 2 amends s. 945.6041, F.S., to reduce the compensation rate that the DOC must pay community health care providers to 110 percent of the relevant Medicare rate.

The bill also provides that a community health care provider may negotiate above 110 percent of the relevant Medicare allowable rate if such provider enters into a contract with the DOC, a

[34] Section 957.04(1)(a)-(i), F.S.
[35] E-mail, *Private Prison Info*, from Katherine Shea, January 28, 2026 (on file with the Senate Committee on Criminal Justice).

comprehensive health care services vender, or a contractor-operated correctional facility, to provide medical services to inmates:

- In a secure unit within the community health care provider's medical facility;
- Within a correctional institution or facility; or
- By telehealth, if inmates are within the correctional institution or facility when they receive medical services.

Compensation to a hospital for emergency medical services and care provided to inmates may not exceed 110 percent of the Medicare allowable rate. Additionally, compensation to an entity that provides emergency medical transportation services for inmates may not exceed the Medicaid allowable rate.

This section also changes the term "health care provider," to "community health care provider," and expands the definition to include an autonomous advance practice registered nurse.

Further, this section defines the following terms:

- "Emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, which may include severe pain, such that the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to patient health, including a pregnant woman or fetus, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part. With respect to a pregnant woman, "emergency medical condition" means that there is inadequate time to effect safe transfer to another hospital prior to delivery, that a transfer may pose a threat to the health and safety of the patient or fetus, or that there is evidence of the onset and persistence of uterine contractions or rupture of the membranes.
- "Emergency medical services and care" means medical screening, examination, and evaluation by a physician, or, to the extent permitted by applicable law, by other appropriate personnel under the supervision of physician, to determine whether an emergency medical condition exists and, if so, the care, treatment, or surgery by a physician necessary to relieve or eliminate the emergency medical condition, within the service capability of the facility.
- "Emergency medical transportation services" includes, but is not limited to, services rendered by ambulances, emergency medical services vehicles, and air ambulances as those terms are defined in s. 401.23, F.S.
- "Hospital" means any facility licensed under ch. 395, F.S.
- "Inmate medical services" includes, but is not limited to, all services rendered by a community health care provider to an inmate, except emergency medical services and care provided by a hospital.
- "Medicaid allowable rate" means the amount that the AHCA would reimburse a Medicaid provider, as defined by s. 409.901, F.S., for Medicaid-covered services delivered through the fee-for-service program.
- "Medicare allowable rate" means the amount set by the Centers for Medicare and Medicaid Services which Medicare will pay for a specific covered service.
- "Secure unit" means a designated space, approved by the DOC, where the DOC can safely and efficiently manage and secure inmates who are receiving medical services from a community health care provider.

Section 3 reenacts s. 944.72(1), F.S., relating to the Contractor-Operated Institutes Inmate Welfare Trust Fund, to incorporate the changes made to the authorized uses of the trust fund in the bill.

Section 2 relating to compensation for inmate emergency and specialty services is effective October 1, 2026. The remaining sections take effect on July 1, 2026.

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:

The bill will have a negative fiscal impact on the private sector by reducing the rate of compensation to private physicians, hospitals, and other medical facilities who treat inmates outside of the DOC.

C. Government Sector Impact:

The bill will have an indeterminate fiscal impact on the DOC. The bill may reduce the amount the DOC spends for inmate health care delivered by community health care providers because it limits compensation to 110 percent of the relevant Medicare allowable rate. However, the bill permits community providers, in certain instances, to

negotiate with the DOC for compensation above the 110 percent Medicare allowable rate, thereby offsetting some of the cost savings in the bill.[36]

The bill's provisions reducing compensation rates for emergency medical transportation services from Medicare allowable rates to Medicaid allowable rates should result in a cost savings to the DOC.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 945.215, 945.6041, and 944.72.

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 Appropriations Committee on Criminal and Civil Justice on February 12, 2026:

The committee substitute:

- Requires maintenance and repair deduction fees from contractor-operated facilities to be deposited into the Contractor-Operated Institutions Inmate Welfare Trust Fund.
- Removes provisions requiring emergency services and specialty physicians to provide care at a Medicaid rate.
- Provided compensation to a community health care provider may not exceed 110 percent of the relevant Medicare allowable rate, unless contracted for.
- Provides compensation to a hospital for emergency services may not exceed 110 of the Medicare allowable rate.
- Defines "emergency medical condition," "emergency medical services and care," "emergency medical transport services," and "inmate medical services."

B. Amendments:

None.

[36] Department of Correction, *2026 Agency Legislative Bill Analysis SB 1012*, January 8, 2026 (on file with the Senate Committee on Criminal Justice).