

FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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BILL #: HB 4041 TITLE: Compensation for Health Care Services for Inmates in Indian River County SPONSOR(S): Brackett	COMPANION BILL: None LINKED BILLS: None RELATED BILLS: None
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FINAL HOUSE FLOOR ACTION: 112 Y's 1 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 an Indian River County detention center to 110 percent of the Medicare allowable rate if the provider does not have a contract with Indian River 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 an Indian River County detention center to 110 percent of the Medicare allowable rate if the entity does not have a contract with Indian River County to provide emergency medical transportation services.

Fiscal or Economic Impact:

According to the Economic Impact Statement submitted for the bill, the Indian River County Sheriff's Office estimates savings amounting to approximately \$50,000 per year.

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ANALYSIS

EFFECT OF THE BILL:

The bill limits the compensation of health care providers who provide medical services for inmates housed in an Indian River County detention center to 110 percent of the [Medicare allowable rate](#) if that provider does not have a contract with Indian River County to provide inmate medical services, unless 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, in which case the bill limits the compensation such provider may receive to 125 percent of the Medicare allowable rate. 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 an Indian River 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 an Indian River County detention center to 110 percent of the Medicare allowable rate if the entity does not have a contract with Indian River 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 with the Department of Corrections to provide [inmate medical services](#).

The bill specifies that the limitations on compensation do not apply to charges for medical services provided at a hospital operated by Indian River 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: h4041z.IAS

DATE: 3/20/2026

FISCAL OR ECONOMIC IMPACT:**LOCAL GOVERNMENT:**

According to the Economic Impact Statement submitted for the bill, the Indian River County Sheriff's Office estimates savings amounting to approximately \$50,000 per year.

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).¹ 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.² 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.³ 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.⁴

Medicare Allowable Rate

Medicare is federal health insurance for anyone age 65 and older, and some people under 65 with certain disabilities or conditions.⁵ The United States 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.⁶

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.⁷ 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.⁸ RVUs become PFS payment rates through the application of a fixed-dollar conversion factor.⁹

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.¹⁰ In

¹ [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.](#)

² [S. 945.6041\(2\), F.S.](#)

³ *Id.*

⁴ [S. 945.6041\(3\), F.S.](#)

⁵ Social Security Administration, [What is Medicare and who can get it?](#) (last visited Jan. 28, 2026).

⁶ Centers for Medicare and Medicaid Services, [Fee Schedules](#) (last visited Jan. 28, 2026).

⁷ American Academy of Professional Coders, [What are Relative Value Units?](#) (last visited Jan. 28, 2026).

⁸ American Academy of Family Physicians, *Journal of Family Practice Management*, [Understanding and Improving Your Work RVUs](#) (last visited Jan. 28, 2026).

⁹ Centers for Medicare and Medicaid Services, [Physician Fee Schedule](#) (last visited Jan. 28, 2026).

¹⁰ Centers for Medicare and Medicaid Services, [2025 Physician Fee Schedule](#) (last visited Jan. 28, 2026).

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.¹¹ Beginning in January 2026, CMS will apply a different conversion factor for physicians and practitioners who provide high quality and cost effective care.¹² The standard conversion factor for 2026 is \$33.40, while the conversion factor for physicians and practitioners who qualify for enhanced payments will be \$33.57.¹³

Indian River County Sheriff's Office

The Indian River County Sheriff's Office (IRCSO) administers and operates the Indian River County Jail (IRCJ).¹⁴ In Fiscal Year (FY) 2024-25 IRCSO's budget totaled \$77,915,171 and the budget for FY 2025-26 is \$84,165,083.¹⁵ The sheriff's proposed budget for FY 2025-26 for inmate healthcare totaled \$4,144,878.¹⁶ This amount includes \$650,000 for offsite inmate healthcare costs.¹⁷

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.¹⁸ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website¹⁹ at least 30 days prior to the introduction of the local bill in the House or Senate.²⁰ The bill was noticed in the [Indian River Press Journal on November 11, 2026](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.²¹ 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 Form](#)

¹¹ Centers for Medicare and Medicaid Services, [2025 Medicare Physician Fee Schedule](#) (last visited Jan. 28, 2026).

¹² See Centers for Medicare and Medicaid Services, [2026 Medicare Physician Fee Schedule](#) (last visited Jan. 28, 2026) and Centers for Medicare and Medicaid Services, [APMs Overview](#) (last visited Jan. 28, 2026).

¹³ See Centers for Medicare and Medicaid Services, [2026 Medicare Physician Fee Schedule](#) (last visited Jan. 28, 2026).

¹⁴ Indian River County Sheriff's Office, [About Corrections](#) (last visited Jan. 28, 2026).

¹⁵ Indian River County, [Annual Budget for Fiscal Year 2025-2026](#), p. 155 (last visited Jan. 28, 2026).

¹⁶ Letter from Indian River County Board of County Commissioners to Sheriff Eric Flowers, [Re: Written Notice of Board Action on FY 2025-2026 Budget Request \(Sept. 22, 2025\)](#), p. 6 (last visited Jan. 28, 2026).

¹⁷ *Id.*

¹⁸ [Art. III, s. 10, Fla. Const.](#)

¹⁹ [S. 50.0311\(2\), F.S.](#)

²⁰ [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.

²¹ Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Jan. 28, 2026).