

**STORAGE NAME:** h2227.hhs

**DATE:** April 13, 1999

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
HEALTH AND HUMAN SERVICES APPROPRIATIONS  
ANALYSIS**

**BILL #:** HB 2227 (PCB HHS 99-07)

**RELATING TO:** Health Care

**SPONSOR(S):** Committee on Health and Human Services Appropriations

**COMPANION BILL(S):**

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

(1) HEALTH AND HUMAN SERVICES APPROPRIATIONS YEAS 9 NAYS 0

(2)

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(4)

(5)

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**I. SUMMARY:**

This bill amends subsection (13) of section 409.912, F.S., relating to the purchase of goods and services for Medicaid recipients, to require the Agency for Health Care Administration to develop:

- ▶ capabilities to identify actual and optimal practice patterns
- ▶ patient and provider educational initiatives
- ▶ methods for determining patient compliance with prescribed treatments
- ▶ fraud, waste, and abuse prevention and detection programs
- ▶ beneficiary case management programs

An advisory board is established to evaluate practitioner prescribing patterns and to recommend ways to incorporate their use in the practice pattern identification program.

This bill should result in a savings to the state Medicaid Program.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Medicaid Program is a joint State/Federal funded program administered by the Agency for Health Care Administration in Florida. The program has grown extensively in the past decade. The current appropriation for the Medicaid Program is \$7 billion of the state's \$45 billion budget. The Prescribed Medicine category has increased significantly over the past few years. Current estimates for FY 1999-2000 for the Medicaid Program contain an increase of 30 percent for the Prescribed Medicine category over the FY 1998-99 appropriated level.

B. EFFECT OF PROPOSED CHANGES:

This bill amends s. 409.912, F.S., relating to the purchase of goods and services for Medicaid recipients, to require the Agency for Health Care Administration to develop and implement programs and initiatives relating to the prescribing, use, and dispensing of drugs. An advisory board is established to evaluate practitioner prescribing patterns and to recommend ways to incorporate their use in the practice pattern identification program. Federal waivers may be used in order to execute these additional provisions.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The Agency for Health Care Administration must develop and implement programs and initiatives relating to the prescribing, use, and dispensing of drugs. The bill requires the agency and its Drug Utilization Review Board to consult with a panel of practicing health care professionals. This advisory panel is responsible for evaluating practitioner prescribing patterns and recommending ways to incorporate their use in the practice pattern identification program.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?  
No.
- b. Does the bill require or authorize an increase in any fees?  
No.
- c. Does the bill reduce total taxes, both rates and revenues?  
No.
- d. Does the bill reduce total fees, both rates and revenues?  
No.
- e. Does the bill authorize any fee or tax increase by any local government?  
No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?  
No.
- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?  
No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?  
No.
- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?  
No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

**D. STATUTE(S) AFFECTED:**

Section 409.912, Florida Statutes.

**E. SECTION-BY-SECTION ANALYSIS:**

Section 1. Amends subsection (13) of section 409.912, F.S., relating to the purchase of goods and services for Medicaid recipients, to require the Agency for Health Care Administration to develop:

- ▶ capabilities to identify actual and optimal practice patterns.
- ▶ patient and provider educational initiatives.
- ▶ methods for determining patient compliance with prescribed treatments.
- ▶ fraud, waste, and abuse prevention and detection programs.
- ▶ beneficiary case management programs

Provides for appointment and duties of an advisory panel on prescription practice patterns.

Section 2. Establishes an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

See fiscal comments.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

House Bill 1789, the General Appropriations Act, that has passed the House, anticipates savings in the Prescribed Medicine category. Upon becoming law, this legislation will aid the agency in achieving these savings.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

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A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities as an aggregate on February 1, 1989.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The committee adopted two amendments on April 13, 1999. Amendment one added physicians licensed under chapter 461, Florida Statutes to the pool for potential panel members. Amendment two added the word "and maxillofacial" after the word "oral" in defining a panel member.

VII. SIGNATURES:

COMMITTEE ON HEALTH AND HUMAN SERVICES APPROPRIATIONS:

Prepared by:

Staff Director:

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Lynn Dixon