

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1454

SPONSOR: Senator Saunders

SUBJECT: Managed Care Ombudsman Committees

DATE: March 29, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Wilson	HC	Favorable
2.	_____	_____	GO	_____
3.	_____	_____	AHS	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Senate Bill 1454 increases the number of members that each district managed care ombudsman committee may have to 20 members. Each district committee or committee member *must*, rather than *may*, conduct site visits regarding complaints with the Agency for Health Care Administration (AHCA). The agency must refer complaints to the committee regarding denial or delay of, or substandard provision of, covered medical services. The bill gives the following additional responsibilities to the committees: assist consumers in selecting appropriate plans; train consumers regarding the annual consumer guide on plan performance and plan marketing information; educate enrollees as to their rights and responsibilities; identify, investigate and resolve enrollee complaints; and assist enrollees with filing formal appeals regarding plan determinations. The agency is authorized to adopt rules to implement the provisions of this section. AHCA must locate the statewide and district committees in the agency’s district offices and must provide necessary training, equipment and office supplies, and is appropriated \$50,000 to cover such costs.

This bill amends sections 641.65 and 641.70, Florida Statutes, and creates an undesignated section of law.

II. Present Situation:

District and Statewide Managed Care Ombudsman Committees

Chapter 96-391, Laws of Florida, created the district managed care ombudsman committees at s 641.65, F.S. A district managed care ombudsman committee is provided for each of the 11 AHCA districts for regulation of managed care programs. Each district committee is subject to direction and supervision of the Statewide Managed Care Ombudsman Committee under

s. 641.60, F.S. Each district committee has between 9 and 16 members, including at a minimum: 4 physicians, 1 each licensed under chapters 458, 459, 460, and 461, F.S.; 1 psychologist; 1 registered nurse; 1 clinical social worker; 1 attorney; and 1 consumer, preferably a member of an organized national or statewide consumer or advocacy group. No member may be employed by or affiliated with a managed care program.

The Secretary of AHCA appoints the first 3 members of each district committee and those 3 select the remaining members, subject to approval of the Secretary. Each committee selects a chair, for a term of 1 year, not to exceed 2 consecutive terms. Members' terms of appointment are 3 years, with staggered terms after initial appointment, not to exceed 2 consecutive terms.

Section 641.65, F.S., requires each district committee or member to: serve to protect the health, safety and rights of managed care enrollees; receive complaints regarding quality of care from AHCA and may assist the agency with resolution; conduct site visits with AHCA as the agency deems appropriate; submit annual reports to the statewide committee; and conduct meetings as required. In resolving complaints, the district committees should assist AHCA in determining whether an enrollee's managed care program may have improperly denied or delayed the provision of a covered medical service, or provided substandard covered medical services.

Current Operations

While s. 641.65, F.S., provides for 11 district committees and 1 statewide committee, only districts 8, 9, 10, and 11 have operating committees.¹ The remaining 7 district committees have yet to develop for various reasons, including lack of funding for travel and out-of-pocket expenses for members.

Since July 1, 2001, AHCA has referred the 4 functioning district committees 430 enrollee complaints. Of these, 230 have been resolved – 143 in favor of the enrollee.

III. Effect of Proposed Changes:

Section 1. Amends s. 641.65, F.S., to increase the number of members that each district managed care ombudsman committee may have to 20 members, including if possible: four physicians, one each licensed under chapters 458, 459, 460 and 461, F.S.; one psychologist; one registered nurse; one clinical social worker; one attorney; and at least one recipient of managed care services, preferably a member of an organized national or statewide consumer group.

Each district committee or committee member must conduct site visits with AHCA. The agency must refer complaints to the committee regarding whether an enrollee's managed care program may have inappropriately denied or delayed the provision of a covered medical service, or is providing substandard covered medical services. The committees and members must as well: assist consumers in selecting appropriate plans; train consumers to understand and use the annual consumer guide on plan performance and plan marketing information; educate enrollees as to their rights and responsibilities; identify, investigate and resolve enrollee complaints; and assist enrollees with filing formal appeals regarding plan determinations including preservice denials

¹ Covering the counties of Dade, Monroe, Broward, Palm Beach, Martin, St. Lucie, Indian River, Okeechobee, Charlotte, Collier, DeSoto, Glades, Hendry, Lee and Sarasota.

and termination of services. AHCA is authorized to adopt rules to implement the provisions of this section.

Section 2. Amends s. 641.70, F.S., to provide that AHCA must locate the statewide and district committees in the agency's district offices and must provide necessary training, equipment and office supplies, including at a minimum, clerical and word-processing services, photocopiers, telephone services, recordkeeping, stationery and other necessary supplies. The agency is to be appropriated \$50,000 from the General Revenue Fund to be equitably distributed to fund each district committee, including travel expenses, in accordance with s. 112.061, F.S.

Section 3. Provides that should this bill become law, it will take effect July 1, 2001.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

AHCA projects that total expenses in the first fiscal year will be \$313,186, and will total \$277,428 in the second fiscal year. After application of \$50,000 from general revenue, the annual net expense is projected by AHCA to be \$263,186 in the first year and \$227,428 in the second year.²

² In its projections, AHCA includes \$50,000 in funding for the second fiscal year, but does not apply it to projected expenses. Net of funding, total expenses in the second year would be projected at \$227,428.

The agency projections are based on annual expenses of: travel and telephone of \$72,000; clerical personnel of \$161,220; consumer protection personnel of \$44,208; non-recurring equipment of \$31,908; and non-recurring training of \$3,850.³

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

³ Note that the projections are based on 12 committees. Currently, only 4 district committees are operational.