

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 743 Health Care Practice Parameters  
**SPONSOR(S):** Homan  
**TIED BILLS:** None. **IDEN./SIM. BILLS:** None.

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Services (Sub)		Chavis	Collins
2) Health Care			
3) Insurance			
4) Appropriations			
5)			

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### SUMMARY ANALYSIS

HB 743 repeals ss. 408.02 and 440.13(15), Florida Statutes, relating to practice parameters, and amends ss. 440.134, 627.6418, and 627.6613, Florida Statutes, to conform to the repeal of practice parameters.

Currently, the Agency for Health Care Administration (agency) is required to coordinate the development, endorsement, implementation, and evaluation of practice parameters. These parameters are in use and stipulated in ss. 440.13(15), 440.13(1)(m), 440.134(11), F.S., and in Chapter 59A-23.004, F.A.C. The repeal of s. 440.13(15)(a), F.S., eliminates the requirement for the agency to develop practice parameters including the parameters specific to the treatment of workers' compensation injuries and the standards.

When these statutes were adopted, there were relatively few practice parameters available; however, since 1993, most medical specialty organizations have developed their own practice guidelines. In addition, the federal government has funded and developed practice guidelines via the Agency For Healthcare Research and Quality (AHRQ), part of the U.S. Department of Health and Human Services.

Under current law, carriers and the agency must use applicable practice parameters in evaluating appropriateness and over utilization of medical services rendered to the injured employee. In the past, due to the lack of guideline availability, insurance companies, private individuals, and attorneys were supportive of development and implementation of medical practice guidelines. However, in recent years, with the ease of access to various national evidence-based guidelines that are regularly updated based on new information and knowledge, state government developed practice parameters have become less relied upon.

The bill takes effect upon becoming law.

The bill has no fiscal impact on the agency since there no budget allocation dedicated to the development of practice parameters.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0743.hc  
**DATE:** March 21, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |                             |   |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government?                | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. Lower taxes?                      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

HB 743 repeals ss. 408.02 (relating to practice parameters), and 440.13 (relating to medical services and supplies; penalty for violations; limitations), F.S., to delete the requirement that the Agency for Health Care Administration (agency), develop, endorse, and implement health care practice parameters. In addition, the bill amends s. 440.134 (relating to worker’s compensation managed care arrangement), F.S., to workers’ compensation practice parameters for health care services to “any applicable” worker’s compensation practice parameters for health care services and deletes the requirement that the agency adopt practice parameters. The bill also deletes intent language in s. 627.6418 (relating to coverage for mammograms), and s. 627.6613(1), F.S., requiring the Legislature to review requirements developed pursuant to s. 408.02(7) (relating to the distribution and availability of certain agency developed parameters), F.S. The act takes effect upon becoming law.

#### **Practice Parameters**

Practice parameters are guidelines of current or future policies developed to assist health care practitioners in patient care decisions regarding diagnosis, therapy, or related clinical circumstances. Typically, such guidelines or parameters may be developed by government agencies at any level, institutions, professional societies, governing boards, or by a convening of expert panels. In addition, such parameters consist of comprehensive database of evidence-based clinical practice guidelines and related documents, and form a basis for the evaluation of all aspects of health care and delivery.

#### National Guidelines Clearinghouse

The National Guidelines Clearinghouse (NGC) is a comprehensive database of evidence-based clinical practice guidelines and related documents produced by the Agency for Healthcare Research and Quality (AHRQ) (formerly the Agency for Health Care Policy and Research [AHCPH]), in partnership with the American Medical Association (AMA) and the American Association of Health Plans (AAHP). The NGC mission is to provide physicians, nurses, other health professionals, health care providers, health plans, integrated delivery systems, purchasers, and others an accessible mechanism for obtaining objective, detailed information on clinical practice guidelines and to further their dissemination, implementation and use. Key components of NGC include:

- Structured abstracts (summaries) about the guidelines and their development;
- A utility for comparing attributes of two or more guidelines in a side-by-side comparison;
- Syntheses of guidelines covering similar topics, highlighting areas of similarity and difference(s);
- Links to full-text guidelines, where available, and/or ordering information for print copies;

- An electronic forum, NGC-L for exchanging information on clinical practice guidelines, their development, implementation and use; and
- Annotated bibliographies on guideline development methodology, implementation, and use.

Development of guidelines requires extensive funds and frequent reviews. It requires retaining experts in the field of study adding to the cost. The National Guideline Clearinghouse database currently has 995 guidelines.

## **Florida Law**

The Agency for Health Care Administration is required to coordinate the development, endorsement, implementation, and evaluation of practice parameters. These parameters are in use and stipulated in ss. 440.13(15), 440.13(1)(m), 440.134(11), F.S., and in Chapter 59A-23.004, F.A.C. The low-back pain, neck pain and other practice parameters developed by AHCA are all due to be updated this year. When these statutes were adopted, there were relatively few practice parameters available; however, since 1993, most medical specialty organizations have developed their own practice guidelines. In addition, the federal government has funded and developed practice guidelines via the Agency For Healthcare Research and Quality (AHRQ), part of the U.S. Department of Health and Human Services.

Under current law, carriers and the agency must use applicable practice parameters in evaluating appropriateness and over utilization of medical services rendered to the injured employee. In the past, due to the lack of guideline availability, insurance companies, private individuals, and attorneys were supportive of development and implementation of medical practice guidelines. However, in recent years, with the ease of access to various national evidence-based guidelines that are regularly updated based on new information and knowledge, state government developed practice parameters have become less relied upon.

### Section 408.02, F.S.

Section 408.02, F.S., was part of the “Health Care Reform Act” passed in 1993, and directed the agency to “...coordinate the development, endorsement, implementation and evaluation of scientifically sound, clinically relevant practice parameters...”

### Section 440.13(15)(a), F.S.

During the 1994 Legislative Session, the “Workers’ Compensation Reform Act” was passed, adding paragraph (a) to s. 440.13(15), F.S., requiring practice parameters to be developed or adopted for treatment of the 10 top procedures associated with workers’ compensation injuries including the remedial treatment of lower-back injuries.

### Sections 627.6418 and 627.6613, F.S.

Section 627.6418, F.S., relating to coverage for mammograms for health insurance policies, and s. 627.6613, F.S., relating to coverage for mammograms for group, blanket, and franchise health insurance policies, provide that it is the intent of the Legislature that, when practice parameters for the delivery of mammography services are developed pursuant to s. 408.02(7), F.S., that the Legislature will review the requirements of these sections and conform them to the practice parameters.

## **C. SECTION DIRECTORY:**

**Section 1.** Repeals ss. 408.02 and 440.13(15), F.S., to delete the requirement that the Agency for Health Care Administration develop, endorse, and implement health care practice parameters.

**Section 2.** Amends s. 440.134(11), F.S., relating to workers' compensation managed care arrangement, expands practice parameters to include the use of any applicable workers' compensation practice parameters and deletes the requirement for the such parameters to be adopted by agency rule.

**Section 3.** Amends s. 627.6418(1), F.S., deleting the requirement for Legislative review of mammogram practice parameters when adopted by the Agency for Health Care Administration and to conform the requirements of this section to parameters.

**Section 4.** Amends s. 627.6613, F.S., deleting the requirement for Legislative review of mammogram practice parameters when adopted by the Agency for Health Care Administration and to conform the requirements of this section to the parameters.

**Section 5.** Provides that the act takes effect upon becoming law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

The bill has no fiscal impact on the agency since there no budget allocation dedicated to the development of practice parameters.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Private sector costs may be reduced due to the elimination of state mandated practice parameters. In addition, insurance carriers will not have to use state mandated practice parameters to evaluate the overutilization of medical services rendered to the injured employee.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**