

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 743 w/CS Health Care Practice Parameters
SPONSOR(S): Homan
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 2678 (s)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Services (Sub)	10 Y, 0 N	Chavis	Collins
2) Health Care	18 Y, 0 N w/CS	Chavis	Collins
3) Insurance	18 Y, 0 N w/CS	Cooper	Schulte
4) Appropriations			
5)			

SUMMARY ANALYSIS

HB 743 CS repeals s. 408.02, Florida Statutes, relating to practice parameters, and amends ss. 440.13(15), 440.134, 627.6418, and 627.6613, Florida Statutes, to conform to the repeal of practice parameters. In addition, it specifies in ss. 627.6418 and 627.6613, F.S., which relate to mammograms, that it is the intent of the Legislature that the requirements of those sections conform to the practice parameters as recognized by the U.S. Agency for Healthcare Research and Quality.

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 modification 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 associated standards. New language is added to require practice parameters to be based upon national workers' compensation standards.

When the current 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 an injured employee. In the past, due to the lack of guideline availability, insurance companies, private individuals, and attorneys were supportive of the 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 is 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: h0743d.in.doc
DATE: April 16, 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 s. 408.02, F.S. (relating to practice parameters), to delete requirements for the Agency for Health Care Administration (agency), to develop, endorse, and implement health care practice parameters. In addition, the bill amends s440.13 (15), F.S. (relating to practice parameters for worker’s compensation) and s. 440.134, F.S. (relating to worker’s compensation managed care arrangements), to delete requirements for the agency to adopt practice parameters, replacing them with requirements to use national standards. The bill also updates intent language in s. 627.6418 and s. 627.6613(1), F.S., (relating to coverage for mammograms), to provide that it is the intent of the Legislature that the requirements of the sections conform to the practice parameters relating to mammograms as recognized by the U.S. Agency for Healthcare Research and Quality. 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.

The American Accreditation HealthCare Commission

The American Accreditation HealthCare Commission (also known as URAC), is a 501(c) (3) (non-profit) charitable organization founded in 1990 to establish standards for the health care industry. The Commission's membership includes representation from different constituencies affected by health care - employers, consumers, regulators, health care providers, and the workers' compensation and managed care industries. Member organizations participate in the development of standards and are eligible to sit on the Board of Directors.

The commission has developed the Workers' Compensation Utilization Management (WC UM) Standards which contain eight categories: confidentiality; responsibility for initiating review process; staff qualifications; utilization management program qualifications; information upon which utilization management is conducted; procedures for review determination; appeals of determinations not to certify; expedited appeals; and standard appeals. According to URAC, Several states have already incorporated URAC accreditation into their regulations for workers' compensation utilization management

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" of 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.

In 1994, the Legislature passed the "Workers' Compensation Reform Act," 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., the Legislature will review the requirements of these sections and conform them to the practice parameters.

C. SECTION DIRECTORY:

Section 1. Repeals s. 408.02, 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. 440.13(15), F.S., relating to medical services and supplies, penalties, and limitations regarding workers, compensation. This provision deletes requirements for the agency to develop workers' compensation practice parameters. In their place, it provides that the parameters and protocols shall be the Workers' Compensation Utilization Management Standards adopted by the American Accreditation Health Care Commission in effect on January 1, 2003.

Section 3 Amends s. 440.134(11), F.S., relating to workers' compensation managed care arrangement, expands practice parameters to include the use of any workers' compensation practice parameters and protocols and deletes the requirement for the such parameters to be adopted by agency rule.

Section 4. 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 the parameters. It adds a new provision stating the Legislature intends that the requirement of the section conform to the practice parameter relating to mammograms as recognized by the U.S. Agency for Healthcare Research and Quality.

Section 5. 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. It adds a new provision stating the Legislature intends that the requirement of the section conform to the practice parameter relating to mammograms as recognized by the U.S. Agency for Healthcare Research and Quality.

Section 6. 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:

None.

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

The committee substitute incorporates amendments that were adopted by both the Committee on Health Care and the Committee on Insurance.

The Committee on Health Care adopted an amendment on April 2, 2003, and reported the bill favorably with a CS. The amendment specifies that it is the intent of the Legislature that the requirements of ss. 627.6418 and 627.6613, F.S., relating to mammograms, conform to the practice parameters as recognized by the U.S. Agency for Healthcare Research and Quality.

On April 15, 2003, the Committee on Insurance adopted an amendment to modify the provisions in the bill relating to workers' compensation to conform the bill to the same provisions in HB 1837. The amendment still deletes the requirement for the agency to adopt practice parameters for workers' compensation. The major difference is that it now specifies that the practice parameters mandated under chapter 440 shall be the Workers' Compensation Utilization Management Standards adopted by the American Accreditation Health Care Commission in effect on January 1, 2003.