

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: CS/SB 2234

SPONSOR: Health, Aging, and Long-Term Care Committee and Senator Dawson

SUBJECT: Uninsured Task Force

DATE: April 9, 2003

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harkey</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>BI</u>	_____
3.	_____	_____	<u>GO</u>	_____
4.	_____	_____	<u>AHS</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 2234 creates the Florida Uninsured Health Care Task Force to investigate how to reduce the cost of treating uninsured persons in hospitals, treatment centers, community health centers, county health clinics, and other facilities that treat uninsured persons. The Department of Health will provide administrative support to the task force which must develop solutions, make recommendations, and report to the Legislature by December 31, 2003.

This bill creates an unnumbered section of law.

II. Present Situation:

The Uninsured

In 2001, reversing a brief trend that started about the end of 1998, the percentage of Americans with health insurance decreased: 83.5 percent of nonelderly Americans were covered by some form of health insurance in 2001, down from 83.9 percent in 2000. Most elderly Americans have Medicare coverage. The percentage of nonelderly Americans without health insurance coverage increased from 16.1 percent in 2000 to 16.5 percent in 2001.¹ In 2001, 2.8 million nonelderly Floridians (20.7 percent of the nonelderly population) were uninsured.

According to the Employee Benefit Research Institute, the main reason for the increase in the number of uninsured Americans in 2001 was the weak economy coupled with the rising cost of providing health benefits. Between 2000 and 2001, the percentage of nonelderly Americans

¹ *Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2002 Current Population Survey*, Paul Fronstin, Employee Benefit Research Institute, Issue Brief, December 2002, page 1.

covered by employment-based health insurance decreased from 67.1 percent to 65.1 percent.² In Florida, the percentage of nonelderly residents covered by employment-based health insurance decreased from 61.4 percent in 2000 to 60.3 percent in 2001.

While the combination of a growing economy in the 1990s and the lowest unemployment rates in more than 25 years finally had an impact on the uninsured in 1999 and 2000, the more recent weakened economy, rising unemployment, and increasing cost of providing health benefits have contributed to the erosion in employment-based health benefits and the increase in the uninsured between 2000 and 2001. If current economic conditions persist or worsen, coupled with the rising cost of providing health benefits, they will likely continue to result in fewer Americans with employment-based health benefits and more Americans without health insurance coverage.

Hospital Uncompensated/Charity Care

Section 408.061, F.S., authorizes the Agency for Health Care Administration to collect data from health care facilities and establish uniform systems of financial reporting. Part I of chapter 59E-7, Florida Administrative Code, establishes rules for data collection by the agency. Rule 59E-7.011, F.A.C., defines “charity” care as medical care provided by a healthcare entity to a person who has insufficient resources or assets to pay for the medical care without utilizing resources which are required to meet the person’s basic need for food, shelter, and clothing. Persons who have no health insurance coverage are much more likely to be unable to pay for their hospital care.

Using hospital financial data reported to the Agency for Health Care Administration, the Florida Hospital Association estimated the costs to hospitals for uncompensated (bad debt and charity) care from 1995 through 2001. Charity care was defined as care provided to a person whose family income was less than 200 percent of the federal poverty level or their medical bills exceed 25 percent of the family’s income. In 1995, the combined bad debt and charity care costs to Florida hospitals was \$1,092,300,000. In 2001, the combined bad debt and charity care costs to Florida hospitals was \$1,455,600,000.³

III. Effect of Proposed Changes:

Committee Substitute for Senate Bill 2234 creates the Florida Uninsured Health Care Task Force to investigate how to reduce the cost of treating uninsured persons. The bill states a legislative finding that many of the hospitals in the state are incurring millions of dollars in costs for treating uninsured persons. The task force is required to study the gaps in access to health care between the uninsured and those who have insurance; identify inexpensive insurance packages for the uninsured; study the demographics of the uninsured and the underinsured who spend more than 10 percent of their annual income on health care; study how providers serve the uninsured; identify available federal funding and ways to maximize federal matching money; and develop a cost-effective model for treating the uninsured and reducing costs in hospitals and other facilities that provide health care to the uninsured.

² *Id.*

³ *Without Coverage: Challenges of the Uninsured*, presentation to the Florida House Subcommittee on Access and Financing, by Kim Streit, VP/Health Care Research and Information, Florida Hospital Association

The task force must develop innovative solutions for treating the uninsured, reducing the caseloads in the emergency rooms of hospitals, and streamlining the resources, treatment centers, community health centers, county health clinics, and other health care facilities that treat uninsured persons.

The bill specifies 14 members of the task force to include one representative from each of the following:

1. The Florida Medical Association
2. The Florida Dental Association
3. The Florida College of Emergency Physicians
4. The Florida Academy of Family Practitioners
5. The Central Florida Partnership on Health Disparities
6. The Department of Health
7. The Agency for Health Care Administration
8. The Association of Community Health Centers
9. The Florida Chamber of Commerce
10. The Florida Hospital Association
11. The Teaching Hospitals Council
12. The Florida Association of Counties
13. The Florida Association of Health Clinics
14. A public hospital that provides over 25 percent charity care.

The Department of Health must call the first meeting no later than 30 days after the effective date of the bill. All meetings of the task force must take place in Orange County. Members of the task force must serve without compensation and are not entitled to reimbursement for travel and per diem expenses. The Department of Health must provide support staff at meetings of the task force and must produce a report with solutions and recommendations to be presented to the Legislature by December 31, 2003.

The bill will take effect upon becoming a law.

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 Article VII, Section 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 Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The members of the task force or the entity they represent would have to pay for the members travel expenses.

C. Government Sector Impact:

The Department of Health would incur some costs associated with staffing and administrative support of the task force.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill requires one member of the task force to be a representative of a public hospital that provides over 25 percent charity care but does not state how the member would be appointed. While the other members would represent a single entity that presumably would appoint them, there are several public hospitals that provide more than 25 percent charity care.

VIII. Amendments:

None.