

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.)

Prepared By: Health and Human Services Appropriations Committee

BILL: PCS/SB 390

INTRODUCER: Health and Human Services Appropriations Committee and Senator Saunders

SUBJECT: Health Care

DATE: March 13, 2006

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------------------|
| 1. | Dull | Peters | HA | Pre-meeting |
| 2. | _____ | _____ | WM | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

The PCS makes the following changes to the Medicaid program which are necessary to implement the Medicaid funding decisions included in the proposed Health and Human Services budget for Fiscal Year 2005-2006.

- Provides Medicaid coverage for partial dentures, effective July 1, 2006.
- Restores Medicaid coverage of adult vision services, effective July 1, 2006.
- Restores Medicaid coverage of adult hearing services, effective July 1, 2006.
- Increases Medicaid managed care enrollment for individuals that do not choose a plan to sixty-five percent managed care and thirty-five percent Medipass.
- Implements provisions for the Disproportionate Share Program as recommended by the Disproportionate Share Council.

II. Present Situation:

Adult Denture Services

Medicaid currently reimburses for emergency dental procedures to alleviate pain or infection, full dentures and denture-related procedures for recipients age 21 and older. The services currently include complete dentures and services required to seat dentures, the repair and relining of dentures, and the extraction of necessary teeth and other surgical procedures essential to prepare the mouth for dentures. Adult recipients are responsible for paying a 5 percent coinsurance charge for all procedures related to dental services, unless otherwise exempt from the charge.

Adult Vision Services

Medicaid currently covers limited visual services for adult recipients which include, eye exams and other treatment for diseases of the eye, prior authorized contact lenses for specialized situations, e.g. post surgery and prosthetic eyes. Medicaid does not currently cover exams for visual acuity, eyeglasses or eyeglass repairs, as these programs were eliminated July 1, 2002 (Chapter 2001-377, LOF).

Adult Hearing Services

Medicaid currently covers limited diagnostic services for medical diagnosis when not related to hearing aid candidacy for recipients age 21 and older. Services must be rendered by licensed, Medicaid participating otolaryngologists, otologists, and audiologists. Medicaid does not currently provide coverage for hearing screenings, hearing aids (including evaluation, fitting and dispensing), hearing aid repair services, or cochlear implant services as the coverage was eliminated July 1, 2002 (Chapter 2001-377, LOF).

Managed Care Enrollment

MediPass and managed care plans are currently the two primary healthcare delivery systems in the Medicaid program. MediPass is a primary care case management system that requires a recipient to utilize a primary physician who coordinates all of the recipients care for a three dollar per month payment from Medicaid. Medicaid managed care plans consist of Health Maintenance Organizations, Provider Service Networks and Minority Physician Networks.

Current law provides Medicaid recipients up to thirty days to make a choice to enroll in a managed care plan or MediPass, and upon enrollment into the selected plan, the recipient is given an additional ninety days to opt out. The agency is required to provide information about the plans to Medicaid recipients for purposes of giving them the opportunity to make an informed choice between a managed care plan or MediPass. However, even with the information provided, many recipients fail to choose a plan. Section 409.9122(2)(f), F.S., requires the agency to assign recipients that fail to choose a plan into a managed care plan or MediPass until an enrollment percentage reaches forty percent MediPass and sixty percent managed care.

Disproportionate Share

There are currently four separate Medicaid disproportionate share hospital programs that are operational in Florida. They are: the Regular program established in s. 409.911, F.S.; the Mental Health Hospital program established in s. 409.9115, F.S.; the Rural Hospital/Financial Assistance program established in s. 409.9116, F.S.; and the Specialty Hospital program established in s. 409.9118, F.S.

Additionally, there are four separate Medicaid disproportionate share hospital programs that are listed in law but are not operational at this time. They are: the Regional Perinatal Intensive Care Center (RPICC) program established in s. 409.9112, F.S.; the Teaching Hospital Graduate Medical Education (GME) program established in s. 409.9113, F.S.; the Primary Care program established in s. 409.9117, F.S.; and the Specialty Hospitals for Children established in s. 409.9119, F.S.

III. Effect of Proposed Changes:

Section 1. Amends s. 409.906, F.S., providing Medicaid coverage for full and partial dentures and restores Medicaid coverage for adult hearing and vision services.

Section 2. Amends s. 409.9122, F.S., increasing the Medicaid managed care assignment percentages for individuals who do not chose a plan during the choice period to sixty-five percent managed care and thirty-five percent MediPass.

Section 3. Amends s. 409.911, F.S., deleting obsolete provisions related to the data used in determining the charity care and Medicaid days for purposes of calculating disproportionate share payments.

Section 4. Amends s. 409.9113, F.S., providing for the funds defined for statutory teaching hospitals to be distributed in the same proportion as funds were distributed under the teaching hospital disproportionate share program during the 2003-04 fiscal year and requiring the funds for family practice teaching hospitals to be distributed equally.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

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

None.

B. Private Sector Impact:

Medicaid dental, vision and hearing service providers may experience an increase in clients after the services and reimbursements are restored from this bill. Medicaid managed care providers will experience an increase in enrollment as a result of this bill.

C. Government Sector Impact:

The proposed Senate Budget for FY 2006-07 includes the following fiscal changes that require statutory change.

SUMMARY OF FISCAL IMPACT

| Recurring Expenditures | FY 2006-07 | FY 2007-08 |
|---|--------------------|--------------------|
| Partial Dentures | | |
| General Revenue | 2,868,173 | 2,868,173 |
| Trust Fund | 4,137,955 | 4,137,955 |
| Total | <u>7,006,128</u> | <u>7,006,128</u> |
| Restore Funding Adult Hearing Services | | |
| General Revenue | 899,196 | 899,196 |
| Trust Fund | 1,320,073 | 1,320,073 |
| Total | <u>2,219,269</u> | <u>2,219,269</u> |
| Restore Adult Vision | | |
| General Revenue | 3,806,471 | 3,806,471 |
| Trust Fund | 5,733,272 | 5,733,272 |
| Total | <u>9,539,743</u> | <u>9,539,743</u> |
| Increase Managed Care Enrollment | | |
| General Revenue | (1,583,952) | (1,583,952) |
| Trust Fund | (2,257,794) | (2,257,794) |
| Total | <u>(3,841,746)</u> | <u>(3,841,746)</u> |
| Total Fiscal Impact | | |
| General Revenue | 5,989,888 | 5,989,888 |
| Trust Fund | 8,933,506 | 8,933,506 |
| Total | <u>14,923,394</u> | <u>14,923,394</u> |

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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