

The Florida Senate
PROFESSIONAL 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 for SB 1116

INTRODUCER: Committee on Health and Human Services Appropriations and Senator Peaden

SUBJECT: Health Care (Medicaid)

DATE: March 23, 2007 REVISED: _____

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

I. Summary:

The bill updates provisions related to the criteria used in the distribution of funds through the Medicaid Disproportionate Share program to implement the disproportionate share funding decisions in the Senate Health and Human Services budget.

The bill amends ss 409.911, 409.9112, 409.9113, and 409.9117 of the Florida Statutes.

II. Present Situation:

Disproportionate Share

There are currently five separate Medicaid disproportionate share hospital programs that are operational in Florida. They are: the Regular program established in s. 409.911, F.S.; the Teaching Hospitals program established in s. 409.9113, 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 three 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 Primary Care program established in s. 409.9117, F.S.; and the Specialty Hospitals for Children program established in s. 409.9119, F.S.

Low Income Pool Council

The Low Income Pool Council, (formerly Disproportionate Share Council) established in s. 409.911(9), F.S., is charged with making recommendations regarding the financing and distribution of funds for the low-income pool and the disproportionate share hospital programs to the Governor and Legislature by February 1, each year.

The Fiscal Year 2007-2008 Low Income Pool Council recommendations include \$208.3 million in payments to hospitals that provide a disproportionate share of Medicaid or charity care services to uninsured individuals.

III. Effect of Proposed Changes:

Section 1. Amends s. 409.911, F.S., to change the years of audited data used in determining Medicaid and charity care days for each hospital in the Disproportionate Share program from 2000, 2001 and 2002 to 2001, 2002, and 2003. The bill changes the fiscal year that funds are distributed under the Disproportionate Share program from Fiscal Year 2006-2007 to Fiscal Year 2007-2008.

Section 2. Amends s. 409.9112, F.S., to change dates from Fiscal Year 2006-2007 to Fiscal Year 2007-2008 to continue the prohibition on distributing funds through the Regional Perinatal Intensive Care Disproportionate Share program.

Section 3. Amends s. 409.9113, F.S., to change the state fiscal year dates from Fiscal Year 2006-2007 to Fiscal Year 2007-2008 to allow for disproportionate share payments to teaching hospitals.

Section 4. Amends s. 409.9117, F.S., to change dates from Fiscal Year 2006-2007 to Fiscal Year 2007-2008 to continue the prohibition on distributing funds through the Primary Care Disproportionate Share program.

Section 5. Provides the act shall take effect on July 1, 2007.

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:

Hospitals qualifying for the disproportionate share program could receive approximately \$208.3 million in payments during Fiscal Year 2007-2008 based upon the Low Income Pool Council recommendations.

C. Government Sector Impact:

The proposed Senate budget includes \$208.3 million for the Disproportionate Share program. The funding provided to the Agency for Health Care Administration for distribution is divided between the state share and federal funds, utilizing the most recent Federal Medical Assistance Percentage (FMAP) as follows:

		In Millions
State Share	General Revenue in Department of Health	\$6.2
	Local Contributions	\$83.7
Federal Share	Federal Medicaid Revenue	\$118.4
Total Program Funds		\$208.3

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
