

plans and other providers to be notified of their members losing Medicaid or Medikids eligibility so they may assist them in maintaining continuous coverage in the Florida Kidcare Program; requires eligibility information to be electronically verified to the extent possible; redefines the benchmark benefit package for the program; transfers and consolidates rule making and policy development for many aspects of the Florida Kidcare program to the DOH effective July 1, 2009; requires the Florida Healthy Kids Corporation (FHKC or corporation) to determine eligibility, contract with health plans, and design benefits in accordance with policies established by the DOH by July 1, 2009; requires the corporation to allow health and dental plans participating in the Florida Healthy Kids program to develop and distribute marketing and promotional materials and participate in outreach activities; requires the corporation to allow health and dental plans to also contact their current and former enrollees to encourage continued participation in the program and to assist the enrollees with transferring from a Title XIX-financed plan to a Title XXI-financed plan; and requires the corporation to establish an assignment process that keeps enrollees in the Florida Healthy Kids program with family members assigned to the same managed care plans, to the greatest extent possible, even if some family members are enrolled in a Medicaid managed care plan and others are enrolled in a plan under the program.

The bill specifies that the Legislature requests that Florida's Congressional Delegation support the amendment of Title XXI of the Social Security Act to allow federal matching funds for the purpose of premium assistance for dependents of state employees and nonqualified legal aliens.

This bill amends ss. 20.43, 391.011, 391.016, 391.021, 391.025, 321.026, 391.028, 391.029, 409.810, 409.811, 409.812, 409.813, 409.8132, 409.8134, 409.814, 409.815, 409.8177, 409.818, and 624.91, F.S.; repeals s. 409.820, F.S.; and creates an undesignated section of law.

II. Present Situation:

State Children's Health Insurance Program

The State Children's Health Insurance Program (SCHIP), enacted as part of the Balanced Budget Act of 1997, created Title XXI of the federal Social Security Act, which provides health insurance to uninsured children in low-income families either through a Medicaid expansion, a separate children's health program, or a combination of both. The SCHIP was designed as a federal/state partnership, similar to Medicaid, with the goal of expanding health insurance to children whose families earn too much money to be eligible for Medicaid, but not enough money to purchase private insurance. The SCHIP is the single largest expansion of health insurance coverage for children since the initiation of Medicaid in the mid-1960s. The program was scheduled for federal reauthorization in 2007; however, attempts at reauthorization have stalled in Congress and the program is operating pursuant to special continuing budget authorizations.

The Florida Kidcare Program

The Florida Kidcare program provides health care coverage to over 1.4 million children. Florida Kidcare was established in 1998 as a combination of Medicaid expansions and public/private partnerships, with a wrap-around delivery system serving children with special health care needs.

Family income level, age of the child, and whether the child has a serious health condition are the eligibility criteria that determine which component serves a particular child.

Enrollment in the Florida Kidcare Program was initiated on October 1, 1998, and 1,418,526 children were enrolled in the various components of the Florida Kidcare Program as of March 2008. Of this total, 230,896 children are Title XXI eligible, 25,388 children are non-Title XXI eligible, and 1,162,242 children are eligible under the Medicaid Title XIX program.

The Florida Kidcare Program Administration

The Florida Kidcare program is an “umbrella” program, the components of which include Medicaid for children, the Florida Healthy Kids program, Medikids, and the Children’s Medical Services Network (CMSN).¹ The program is jointly administered by the AHCA, the FHKC, the DOH, and the Department of Children and Families (DCF). When the Kidcare program was established, this structure allowed the state to link existing public and private programs to implement provisions of the new federal SCHIP and to begin receiving federal funds under Title XXI of the Social Security Act.

Enrollment in the program begins through an application process. The Florida Kidcare application is a simplified application that serves applicants for both the Title XXI Kidcare program as well as Title XIX (Medicaid). Pursuant to federal law, each application is screened for the child’s eligibility for Medicaid. The fiscal agent refers children who appear to be eligible for Medicaid to the DCF for Medicaid eligibility determination, and children who appear to have a special health care need to CMSN within the Department of Health (DOH) for evaluation.

If eligible for Medicaid, the child is enrolled immediately into that program. If the child is not eligible for Medicaid, the application is processed for Title XXI and if the child is eligible under Title XXI, the child is enrolled into the appropriate Florida Kidcare Program component. Medicaid for children and Medikids are administered by the AHCA. Medikids uses the Medicaid infrastructure, offering the same provider choices and package of benefits.

The Florida Healthy Kids program component of Kidcare is administered by the non-profit FHKC, established in s. 624.91, F.S. The corporation contracts with managed care plans throughout the state for the provision of health care coverage and with a fiscal agent to perform initial eligibility screening for the program and final eligibility determination for children who are not Medicaid eligible.

Interim Project Report 2007-131 and Legislative Activity in 2007

In 2006, the Florida Senate’s Committee on Health Policy conducted an interim project examining the administration of the Florida Kidcare program.² The report found that when the Florida Kidcare Program was established, the administrative structure adopted to implement the

¹ Ss. 409.810-409.821, F.S.

² Florida Senate. *The Florida Kidcare Program: Organizational Streamlining and Administrative Simplification*. Interim Project Report 2007-131. Found at: http://www.flsenate.gov/data/Publications/2007/Senate/reports/interim_reports/pdf/2007-131hp.pdf (last visited on April 8, 2008)

program allowed the state to link existing public and private components to implement provisions of the new SCHIP law and to begin receiving federal funds under Title XXI.

However, children's advocates and some stakeholders have long argued that Kidcare's original administrative structure and the programmatic differences among components created barriers to the enrollment of eligible children in the program. These groups point to the decline in Kidcare enrollment from a high of 336,689 children in April 2004, to a low of 186,080 children in February 2006, as a strong example of how substantive policy changes and on-going administrative barriers prevent eligible children from entering and remaining in the program. The interim project report found that most of the administrative barriers identified by stakeholders and other studies have largely been addressed. However, over the last several years, policy changes that limited enrollment periods, tightened eligibility standards, and increased documentation requirements combined with complex administrative processes contributed to lower enrollment trends.

The interim project provided two recommendations to address these findings. First, the Legislature could consider comprehensive consolidation of the administration of the Florida Kidcare Program under the AHCA and the DCF, including: marketing and outreach; eligibility determination; contracting with managed care plans and fiscal agents; quality assurance; and financing. Second, in lieu of comprehensive administrative consolidation, the entities that operate the Florida Kidcare Program should continue their progress on implementing administrative improvements through information technology systems and continuous quality improvement.

In response to the interim project report, the Legislature debated legislation implementing the reports findings during the 2007 Regular Session. After the legislation did not pass, the program administrators started a collaborative effort to promote program awareness and enrollment by conducting outreach activities and adopting administrative changes that could be implemented within existing statutory authority.

III. Effect of Proposed Changes:

Section 1. Amends s. 20.43, F.S., renaming a DOH division as the "Division of Children's Medical Services Network and Specialty Programs"; and creating the Division of Children's Health Insurance and the Division of Child Health Coordination.

Section 2. Amends s. 391.011, F.S., renaming the Children's Medical Services Act as the "Children's Health Act."

Section 3. Amends s. 391.016, F.S., changing the Legislative intent relating to the Children's Medical Services program to broaden the scope of the Children's Health program and to state that the program should consolidate and coordinate Florida Kidcare child health policy, development of pediatric benefit packages, development of budget and federal and state legislative issues, and development of pediatric quality assurance and access standards.

Section 4. Amends s. 391.021, F.S., by expanding the definition of the "Children's Medical Services Network" to include health care facilities, or entities licensed or certified to provide

health services in this state that meet the pediatric access and quality standards established by the DOH, which provides Florida Kidcare Plus benefits as defined in s. 409.811, F.S.; adds a definition of “pediatric benefit” to mean a benefit that is determined to be medically necessary to treat a health condition (the scope, duration, and frequency of the service are based on medical-necessity criteria); adds a definition of “program” to mean the Children’s Health program established in the DOH; and adding a definition of “Safety net” to mean limited services provided to children with special health care needs who are uninsured or underinsured and do not qualify for Title XIX or Title XXI-funded health benefits coverage.

Section 5. Amends s. 391.025, F.S., specifying that the Division of Children’s Health Insurance and the Office of Child Health Coordination are components of the Children’s Health program; and clarifying that the Children’s Medical Services Network shall not be deemed an insurer and is not subject to licensing requirements of the Florida Insurance Code or the rules adopted thereunder, when providing services to children who receive Florida Kidcare coverage.

Section 6. Adds subsection (19) to s. 321.026, F.S., specifying that the DOH has a duty and responsibility to administer the provisions of the Florida Kidcare Act assigned to the department in ss. 409.810-409.821, F.S.

Section 7. Amends s. 391.028, F.S., specifying that the Division of Children’s Health Insurance shall be responsible for administering and coordinating the provisions of the Florida Kidcare Act assigned to the department in ss. 409.810-409.821, F.S.; and specifying that the Office of Child Health Coordination is responsible for child health services not directly related to Florida Kidcare health benefits coverage.

Section 8. Amends s. 391.029, F.S., requiring the DOH to establish clinical eligibility to determine if an applicant is eligible for Florida Kidcare Plus benefits; and specifying eligibility for the Children’s Medical Services Network, subject to the availability of funds.

Section 9. Amends s. 409.810, F.S., correcting a cross-reference.

Section 10. Amends s. 409.811, F.S., which provides definitions for the Florida Kidcare Act, to:

- Redefine the term “child with special health care needs” to align with other statutes (see s. 391.021(2), F.S.);
- Repeal the definition of “family”;
- Redefine “family income” to state family income is calculated using the budget methodologies authorized under Title XIX of the Social Security Act;
- Define the term “Florida Kidcare Plus” as the health plan benefits for children with special health care needs delivered through the Children’s Medical Services Network established in chapter 391, F.S.;
- Define the term “Healthy Kids” as a component of the Florida Kidcare Program of medical assistance for children who are 5 through 18 years of age and administered by the Florida Healthy Kids Corporation pursuant to s. 641.91, F.S.;
- Define “pediatric benefit” to mean a benefit that is determined to be medically necessary to treat a health condition. The scope, duration, and frequency of the service are based on medical-necessity criteria; and

- Redefine the term “rural county.”

Section 11. Amends s. 409.812, F.S., modifying the purpose of the program by deleting a provision requiring that a child be previously uninsured in order to be eligible for the program.

Section 12. Amends s. 409.813, F.S., specifying that the various components of the Florida Kidcare program shall be marketed as the Florida Kidcare Program.

Section 13. Amends s. 409.8132, F.S., specifying that the AHCA shall assign the Medikids applicant to the same managed care plan or to the same MediPass provider to which other family members are assigned, to the greatest extent possible, even if some family members are enrolled in Medicaid and others are enrolled in the Medikids program.

Section 14. Amends s. 409.8134(3), F.S., clarifying certain requirements for financing enrollment.

Section 15. Amends s. 409.814(3), F.S., requiring applicants to the CMSN to have a clinical eligibility screening instead of medical or behavioral health screening.

Amends subsection (4) specifying good cause reasons to allow a child to enroll in Kidcare if his or her coverage in an employer-sponsored plan or a private health plan was voluntarily cancelled within less than 6 months of applying for the program.

Amends subsection (5) changing the 10 percent limit on enrollment of full pay children in Medikids and Florida Healthy Kids to 25 percent of those whose family incomes exceed 250 of the federal poverty level, except that a family enrolled in the Healthy Kids or Medikids on July 1, 2008, or that is in transition from coverage in a subsidized program, or a family whose income exceeds 250 percent of the federal poverty level must have been uninsured for 6 consecutive months before enrollment in the program.

Amends subsection (7) requiring that when a child is no longer eligible for Title XIX or Title XXI-funded Florida Kidcare health benefits coverage, the child’s health plan and other providers shall be notified at the same time the family is notified so that the health plans and providers may assist the family in maintaining continuous health care coverage in the Florida Kidcare program.

Amends subsection (8) requiring that each applicant’s family income be verified electronically to determine financial eligibility for the Florida Kidcare Program, and if information cannot be verified electronically, that written documentation is required.

Amends subsection (10) specifying persons applying for full-pay coverage under the Florida Kidcare program are not required to provide the information required under this section.

Section 16. Amends s. 409.815, F.S., repealing and then redefining the Florida Kidcare benchmark benefits coverage so that it must be equivalent to the pediatric Medicaid benefit package and be based upon a standard and appropriate assessment of need for the services consistent with Early and Periodic Screening, Diagnosis, and Treatment requirements as specified in s. 409.905(2), F.S. and Title XIX of the Social Security Act.

Section 17. Amends s. 409.8177, specifying that effective July 1, 2009, the DOH shall assume responsibility for contracting for an evaluation of the Florida Kidcare Program.

Section 18. Amends s. 409.818, F.S., relating to the administration of the Florida Kidcare Program, as follows;

Amends subsection (1) requiring the DCF to: develop a standardized eligibility application that must be available for use no later than July 1, 2009; and maintain the eligibility determination process under the program except as specified in subsections (2) and (5) of this section, which shall be conducted in accordance with administrative rules and policies established by the DOH. The bill also requires the DCF to design a plan, in consultation with the Florida Healthy Kids Corporation, to determine an applicant's eligibility for public assistance or Medicaid which allows:

- Applicants who have children and are applying for Medicaid or other public assistance to use the same information provided when applying for the Kidcare program if they are found ineligible for Medicaid.
- Applicants to submit all information required for enrollment in the Kidcare program, including whether coverage is being sought for a child who has special health care needs.
- The DCF to forward an applicant's information and accompanying documentation to the Florida Healthy Kids Corporation, if necessary.
- The Florida Healthy Kids Corporation to process application information and other documents for enrollment in the Kidcare program without requiring the applicant to submit a separate application.

The DCF shall submit the plan to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2008.

Amends subsection (2) requiring the DOH to design an eligibility intake process and policies for non-Title XIX eligibility determination for the program; requiring the DOH to develop and implement a plan to publicize the Florida Kidcare Program, the eligibility requirements of the program, and the procedures for enrollment in the program and to maintain public awareness of and outreach for the Florida Kidcare Program; requiring the DOH to determine clinical eligibility for and administer Florida Kidcare Plus health benefits coverage; requiring the DOH, in consultation with the AHCA, to develop a minimum set of pediatric quality assurance and access standards, including reporting requirements, for the Florida Kidcare program; requiring the DOH, effective July 1, 2008, to coordinate non-Title XIX-funded Florida Kidcare administrative activities, including, but not limited to:

- Florida Kidcare policy development,
- Federal and state legislative and budget issue development, and
- Administrative rules as assigned by this act.

Subsection (2) is amended to also require the DOH to develop, in consultation with the AHCA, pediatric benefit packages for Florida Kidcare enrollees; eliminates the state-level children's health coordinating council DOH was required to chair; eliminates the requirement that DOH

maintain a toll-free telephone line to assist families with questions about the program (which the responsibility for is transferred to the AHCA); and eliminates the DOH rule making authority pertaining to outreach activities.

Amends subsection (3) requiring the AHCA to monitor compliance with pediatric quality assurance and access standards developed by the DOH; requiring the AHCA, in consultation with the DCF and the Florida Healthy Kids Corporation, to establish a single toll-free telephone number by July 1, 2009, to assist families who have questions about the Florida Kidcare program. The toll-free number must provide information regarding eligibility, enrollment, benefits, and other information relating to all components of the Florida Kidcare program and ensure that such information is easily accessible.

Subsection (3) is amended to require the AHCA to seek and implement federal waivers or state plan amendments necessary to implement this section and ss. 409.810-409.820; require the AHCA to adopt all rules necessary to comply with or administer ss. 409.810-409.821, F.S., and all rules necessary to comply with federal requirements, including, at a minimum, rules specifying policies, procedures, and criteria for:

- Calculating premium assistance payment levels,
- Making premium assistance payments,
- Monitoring access and quality assurance standards,
- Investigating and resolving complaints and grievances,
- Administering the Medikids program,
- Approving health benefits coverage, and
- Except for Title XIX-funded Florida Kidcare, determining application and enrollment requirements, including documentation requirements, eligibility determinations and redeterminations, enrollee premium payment requirements, cancellation of coverage, reinstatement of coverage, disenrollment procedures, applicant and enrollee notification requirements, application and enrollment time processing standards, and call center standards.

Effective July 1, 2009, the DOH shall assume responsibility for administrative rulemaking activities specified in subparagraphs 3, 4, 6, and 7 of this subsection.

Repeals subsection (4) with the requirement that the Office of Insurance Regulation certify the actuarial equivalence of plans to the benchmark benefits in the Florida Kidcare program.

Amends subsection (5) and renumbers it as subsection (4) requiring that, effective July 1, 2009, non-Title XIX funded Florida Kidcare eligibility determinations conducted by the Florida Healthy Kids Corporation shall be conducted in accordance with administrative rules and policies established by the DOH; and specifying that the DOH, in consultation with the agency, the DCF, and the Florida Healthy Kids Corporation, is authorized to make program modifications that are necessary to overcome any objections of the United States Department of Health and Human Services to obtain approval of the state's child health insurance plan under Title XXI of the Social Security Act.

Section 19. Repeals s. 409.820, F.S., relating to standards for quality assurance and access, since the provisions of this section are transferred to s. 409.818, F.S.

Section 20. Amends s. 624.91, F.S., specifying that the Florida Healthy Kids Corporation shall determine eligibility in accordance with administrative rules and policies established by the DOH effective July 1, 2009; requiring that the corporation shall contract with an authorized insurer, health maintenance organization, or third-party administrator to provide administrative services for Florida Kidcare in accordance with administrative rules and policies established by the DOH effective July 1, 2008; repealing the corporation's responsibility for marketing the program; requiring that no later than January 1, 2009, the health benefits coverage provided by the corporation's authorized insurers and health maintenance organizations shall conform with the benchmark benefits specified in s. 409.815, F.S.; requiring the corporation to allow health and dental plans participating in the Florida Healthy Kids program to develop and distribute marketing and promotional materials and participate in activities, such as health fairs and public events, which are approved by the corporation and allowing health and dental plans to also contact their current and former enrollees to encourage continued participation in the program and to assist the enrollees with transferring from a Title XIX-financed plan to a Title XXI-financed plan; requiring the corporation to establish an assignment process that keeps enrollees in the Florida Healthy Kids program with family members assigned to the same managed care plans, to the greatest extent possible, even if some family members are enrolled in a Medicaid managed care plan and others are enrolled in a plan under the program.

The assignment process must allow: an enrollee in the program to enroll in a sibling's Medicaid provider service network for coverage under the program if the enrollee's sibling is currently enrolled in a Medicaid provider service network in the same county as the enrollee and the county does not contain a health plan under the program; and, an enrollee in the program to enroll in a sibling's Medicaid health maintenance organization for coverage under the program if the enrollee's sibling is currently enrolled in a Medicaid health maintenance organization in the same county as the enrollee and the county does not contain a health plan under the program that is operated by or related to the Medicaid health maintenance organization.

The bill repeals the requirement that the corporation provide a report to the Governor and the Legislature; and repeals the requirement that the corporation establish benefit packages which conform to the provisions of the Florida Kidcare Program.

Section 21. Creates an undesignated section of law respectfully requesting that Florida's Congressional Delegation support the amendment of Title XXI of the Social Security Act to allow federal matching funds for the purpose of premium assistance for dependents of state employees and nonqualified legal aliens.

Section 22. Provides that the bill takes effect July 1, 2008.

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 Article I, Section 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. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Administrative changes incorporated within the bill should assist families in applying for and enrolling in the Florida Kidcare program which would allow children to obtain health care coverage resulting in decreased uncompensated care.

C. Government Sector Impact:

The various program administrators have not had an opportunity to provide a fiscal analysis at this time. As enrollment and administration are simplified, more children will likely enroll and remain in the program which would have a corresponding increase in expenditures associated with their participation. The fiscal effect of this increased enrollment is indeterminate at this time.

VI. Technical Deficiencies:

Page 6, line 162. The bill creates the “division of Child Health Coordination.” On page 11, line 305, the bill refers to the “Office of Child Health Coordination.”

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Policy on April 8, 2008:

Senate Bill 888 originally expressed the Legislature's intent to revise laws relating to the Florida Kidcare Program. The committee substitute contains numerous revisions to the laws relating to the Florida Kidcare Program as summarized in the Summary and Effect of Proposed Changes sections of this analysis.

- B. **Amendments:**

None.

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