

**HB 27-E — General Appropriations**

by Fiscal Responsibility Council and Rep. Lacasa (SB 2-E by Appropriations Committee)

This bill is the General Appropriations Act, which provides moneys for the annual period beginning July 1, 2002 and ending June 30, 2003, to pay salaries, expenses, capital outlay – buildings, and other improvements, and for other specified purposes of the various agencies of State government.

Total funds appropriated in the General Appropriations Act: \$50.4 Billion

***Education***

**Public Schools**

- Provides \$1,101.4 million increase (6 percent) in FEFP total potential state/local funds, including a \$14.4 million increase in Instructional Materials workload, a restoration of \$62.4 million in Public School Technology, a restoration of \$10.4 million in Teacher Training, and a \$11.8 million increase in Student Transportation workload.
- Provides an increase of \$18.5 million in Assessment and Evaluation.
- Provides an Exceptional Student Education Guaranteed Allocation including workload of \$25.4 million.
- Provides an increase of \$17.2 million in the Excellent Teaching Program, which provides bonus payments to all eligible nationally-board certified teachers.
- Provides state and federal funding of \$61.1 million for new Reading Initiatives.
- Provides \$5.5 million in assistance to Low Performing Schools partially restoring prior year funding.
- Provides \$13.1 million for Mentoring Initiatives.
- Provides \$2.6 million for Learning Gateways.

**Community Colleges**

- Provides for an overall increase in the Community College Program Fund of \$60.4 million.

- Transfers Workforce Development Funding of \$297.2 million to the Community Colleges budget.
- Provides \$8.4 million in Lottery funding for New Information Technology Grants.
- Provides for a tuition increase of 3 percent (\$9.5 million).

### **Workforce Development**

- Provides \$8.2 million for increased Funding for Workforce Development Grants to Public Schools and Community Colleges.
- Transfers funding for Community College Workforce Development (\$297.2 million) to the Community Colleges budget.

### **State University System**

- Provides \$45 million for an additional 10,510 students.
- Provides \$16.3 million to increase access to Baccalaureate Degrees on Branch Campuses and Centers.
- Provides an additional \$2 million for expanded baccalaureate degree opportunities at St. Petersburg College as a part of the emphasis on College and University Centers.
- Provides \$1 million to continue to expand access and infrastructure at New College.
- Provides funding for FAMU and FIU Law Schools (\$4.6 million) to be divided evenly.
- Provides \$5.3 million to continue the development of the FSU Medical School.
- Provides \$34.5 million for Discretionary Funding for Local University Boards of Trustees, in addition to \$ 49.3 million in discretionary tuition increase funds made available to the Local Boards of Trustees as listed below.
- Provides additional discretionary funding for university boards of trustees funded from tuition increases. Provides for a total potential increase of \$49.3 million as follows: 5 percent Undergraduate, 5 percent Graduate/out-of-state and medical. Boards of Trustees are also authorized to increase all out of state fees by up to another 10 percent.
- Provides \$9 million for universities funded under the average per student funding.
- Provides funding for targeted High Technology Research in Nanoscience and Space (\$3 million), I-4 Corridor Sales Tax Rebate Matching Program (\$5 million), and newly created University Centers of Excellence (\$30 million).

- Provides \$5 million for a newly-created center in Alzheimer's Medical Research at the University of South Florida and \$1 million for Alzheimer's Medical Research at the University of Florida.

#### **Student Financial Aid**

- Provides \$28.9 million additional funding for the Florida Bright Futures Scholarships.
- Provides an increase of \$11.8 million for the need-based Student Assistance Grant Program, including \$2.9 million for part-time students.

### ***Health and Human Services***

#### **Agency for Health Care Administration**

- Overall the Agency for Health Care Administration was allocated \$12.1 billion to cover health care needs of Floridians and to address regulatory and program management responsibilities.
- Provides \$1,304.3 million for Medicaid workload and price level increases which includes: \$765.9 million for workload because of changes in caseloads and utilization of services and \$538.4 million related to price level increases in reimbursement rates for institutional facilities, rural health clinics, and prescribed medicine providers. The Medicaid caseload for FY 2002-03 is projected to be 2,082,295 individuals.
- Provides \$255.3 million for the restoration of the optional Medically Needy Program for adults effective July 1, 2002. The program is modified, effective May 1, 2003, to increase the Medically Needy Income Limit by \$270 (from \$180 to \$450) per person per month and prohibit Medicaid reimbursement of expenses used to meet the spend-down liability for a family or person. An estimated average monthly caseload of 20,604 adults would continue to receive medical services under the Medically Needy Program.
- Provides \$95.8 million for the Ron Silver Senior Drug Program that provides prescription drug benefits to seniors aged 65 or older who have incomes below 120 percent of the federal poverty level and are also eligible for Medicare. Through approval of a federal Medicaid waiver, it is estimated that an additional 68,700 seniors would receive prescription drugs with an estimated average benefit of \$1,859 per recipient.
- Provides \$135.3 million for the Florida Kidcare program that provides health insurance for eligible children. It is estimated that the program will serve an additional 45,000 children by June 30, 2003.
- Provides \$17.4 million to provide emergency dental services for adults and restoration of Medicaid visual and hearing services for adults, effective July 1, 2002.

- Provides \$31.9 million for funding the second of three annual payments for the settlement of the Savona et al. lawsuit relating to physician payments for qualified Medicare beneficiaries dually enrolled in Medicare and Medicaid programs.
- Provides for a reduction of \$20.8 million in the Medicaid Prescribed Drug program: \$11.9 million relates to expanded implementation of state maximum allowable cost limits and further reducing medications on the preferred Drug List for particular therapeutic categories; \$8.9 million relates to implementation of a diverted pharmaceuticals pilot project.
- Provides for a reduction of \$3.6 million to increase enrollment in managed care plans to achieve a goal of 55 percent managed care and 45 percent in MediPass. An estimated 23,158 individuals would be shifted from MediPass to managed care plans under this policy change.

#### **Department of Children and Family Services**

- Overall the Department of Children and Family Services was allocated \$3.8 billion to cover health and social service needs of Floridians and to address regulatory and program management responsibilities.
- Provides \$54.1 million for continuation funding for Child Welfare Initiatives, expands services in residential group care settings, enhances child protection, provides new legal services to children, covers information technology needs and separates the Sheriff's funding into a unique category.
- Provides \$29.9 million to continue funding for the G. Pierce Wood conversion initiative and expands the service model to other counties, covers some workload in the Sexually Violent Predator Program and handles increased forensic caseloads.
- Provides \$136.7 million for improvements in current services in the Developmental Services Program, for new services to clients on the waiting list, and handles increased caseloads in the Mentally Retarded Defendant Program.

#### **Department of Health**

- Overall the Department of Health was allocated \$2.2 billion to cover health care needs of Floridians and to address regulatory and program management responsibilities.
- Provides for the transfer of the Medical Quality Assurance program activities from the Agency for Health Care Administration to the Department of Health.
- Provides \$2.5 million for the Rural Hospital Grant Program.

- Provides \$7 million to improve primary care services by enhancing the utilization of federal matching funds.
- Provides \$39.1 million in tobacco funds to continue the highly successful Florida Tobacco Pilot Program.

**Department of Elder Affairs**

- Overall the Department of Elder Affairs was allocated \$329.7 million to cover long-term care and community based care needs of elderly Floridians and to address program management responsibilities.
- Provides \$7.3 million increases in the Home and Community Based Programs in Elder Affairs and a significant increase for Alzheimer's respite services.

**Department of Veterans' Affairs**

- Overall the Department of Veterans' Affairs was allocated \$32.8 million to cover service and long term care needs of Florida's veterans and to address program management responsibilities.
- Provides \$2.1 million to cover the opening of new Veteran's Nursing Homes and the staffing requirements in SB 1202.

***General Government***

- \$360 million for acquisition of recreational, conservation, and environmentally sensitive lands (using the third series of bonds for Florida Forever and Save Our Rivers funds).
- \$150 million for Everglades Restoration using \$100 million in bond proceeds and \$50 million from the Save Our Everglades Trust Fund balance.
- \$167 million to continue our efforts in funding wastewater and drinking water projects through the Wastewater Treatment Facilities and Drinking Water Facilities Revolving Loan programs. Funds are derived from state, federal, interest earning and loan repayments.
- \$30 million in state funds to continue restoration and renourishment of Florida's pristine beaches. Federal and local governments provide an additional \$51.2 million.
- \$118.1 million to continue the state's efforts in funding wastewater, stormwater and surface water projects.
- Citrus canker eradication funds are provided at \$38.4 million (state and federal), and compensation for destroyed residential trees is provided at \$17 million.

- Renovations and expansions of agricultural fair and livestock pavilion facilities are funded at \$2.7 million.
- \$34.2 million provided to continue the state’s aquatic and invasive plant control efforts.
- \$27.1 million to fund the entire Florida Recreation Development Assistance Program (FRDAP).
- Increase of \$2.5 million for the Mosquito Control Program in the Department of Agriculture and Consumer Services.
- \$2.2 million for aquaculture development projects.
- Law enforcement overtime for the Florida Highway Patrol was provided at \$2 million.
- Transportation Outreach Program (TOP) – provided \$91.1 million for priority projects that preserve Florida’s transportation infrastructure and enhance mobility across the state.
- Economic Development - \$129.8 million reauthorized for the various programs, with an increase in funding for military base infrastructure improvements (\$4 million).
- Continued the state’s commitment of providing affordable housing to our residents – \$63.2 million.
- Historic Preservation and Cultural Facilities Projects – funded the entire project lists (\$27.4 million).
- \$6.6 million for Library Construction and Cooperative Grant programs administered by the Department of State.
- Election Reform – grants to counties for voting systems assistance is funded at \$16.4 million.
- \$34.2 million for the State Aid to Libraries program that provides operational grants to local libraries.
- \$4.3 million for the Department of Military Affairs Forward March and About Face programs.
- Provided \$131 million for the Regional Workforce Boards in the Agency for Workforce Innovation.

- Increased the Child Care category by \$4.2 million in the School Readiness program.

### ***Public Safety and Judiciary***

- The Public Safety and Judiciary budget includes an increase of \$132.7 million for the coming fiscal year reflecting a 4.8 percent increase above FY 2001-2002 expenditures. The new funding provided builds upon last year's improvements to criminal justice and judiciary programs by adequately funding those agencies charged with protecting our state and local communities.
- The budget contains more than \$25 million for Florida's correctional institutions to address the forecasted prison population increase and to provide for inmate health service needs. The Department of Correction's budget also contains an additional \$10.4 million to implement a close management plan within the prison system to enhance physical and mental health care services provided to inmates under close supervision as well as to protect the safety and well-being of Florida's correctional officers.
- To reduce the incidence of juvenile crime and delinquency, the budget provides \$10.5 million for juvenile crime prevention services and more than \$14 million in new funds for commitment and treatment programs to rehabilitate juvenile offenders.
- Over \$4 million in new funding and 75 new positions are provided to restore last year's cuts to the juvenile probation program and also to provide funding for probation and detention officer training and purchase staff uniforms.
- The budget for juvenile delinquency programs and services includes nearly \$12 million in state and federal funds for both state-operated and private contractor-operated programs for critical facility maintenance and repairs, price level increases, and funds to construct new classrooms for education and delinquency rehabilitation purposes.
- The budget provides a significant funding increase totaling nearly \$31 million for Justice Administration and includes additional funding for the State Court System, the Offices of the Public Defenders and State Attorneys, and the Capital Collateral Regional Counsels.
- Over \$7.5 million dollars have been added to expand and enhance the Guardian Ad Litem program and to provide legal support when a judge determines that it is in the best interests of a child to be represented by an attorney in dependency proceedings. The new funding will also support at least 100 additional professional guardians and will more than double the current amount of resources devoted to the Guardian Ad Litem program which protects our most vulnerable citizens, Florida's children in foster care, by providing "best interests" representation and support.

- Over \$1.7 million is provided for 18 additional circuit court judges and support staff in our State Court System. These new judges will work to address civil, family and criminal court caseload increases due to Florida's continued growth. One-half of the new judges will be elected in November and shall take office January 1, 2003; the Governor shall appoint the remainder, for terms beginning May 1, 2003.
- The budget for the State Court System also increases funding by over \$15 million for several critical operations and capital outlay issues identified by the court. One of these critical issues includes \$3.3 million to integrate Florida's justice-related databases and information systems to enhance courtroom efficiency by improving the flow of information needed by judges to more effectively and efficiently process court cases of all types. The information systems integration project will be accomplished through a unique partnership between the Courts and the Governor's State Technology Office (STO) with the STO providing critical project planning, development and implementation support.
- And finally, the budget for Justice Administration restores all but \$500,000 of last year's \$15.1 million funding reduction to the State Attorney's and Public Defender's Offices.

If approved by the Governor, these provisions take effect July 1, 2002.

*Vote: Senate 25-11; House 81-35*

## **HB 29-E — Appropriations Implementing**

by Fiscal Responsibility Council and Rep. Lacasa (SB 4-E by Appropriations Committee)

This bill provides temporary changes in statutory provisions and additional instructions to agencies of government for funds appropriated in order to implement the General Appropriations Act.

Section 1: Provides legislative intent.

### ***Education Provisions***

Section 2: Requires the State University System to use the state accounting system during FY 2002-2003.

Section 3: Delays until July 1, 2003 the requirement that Department of Education employees funded by certain contracts and grants be appropriated by the Legislature.

Section 4: Delays until July 1, 2003 the requirement that Department of Education employees funded by federal grants be appropriated by the Legislature.

Section 5: Delays until July 1, 2003, the requirement that federal funds and the Knott Data Center be appropriated by the Legislature.

Section 6: Extends the time new recipients of Florida Bright Future Scholarships have to take required College Level Examination Program (CLEP) exams. These exams allow students to obtain college credit before entering state universities and community colleges.

Section 7: Requires that 75% of community college financial aid fees be used for need-based financial aid.

Sections 8-9: Expands the scope of School District Land Acquisition Advisory Boards to include school maintenance, transportation, and purchasing functions. These boards are appointed after the Auditor General or OPPAGA finds deficiencies in the operations of school districts.

### ***Health and Human Services Provisions***

Sections 10-11: Requires that certain large counties have more than one community care for the elderly service system to foster competition among service providers.

Section 12: Allows the Department of Children and Families to transfer funds within the Family Safety Program.

Section 13: Allows the Emergency Medical Services Trust Fund to be used for rural hospital capital improvements.

Section 14: Allows the World War II Veterans Memorial to receive donations from local governments.

Section 15: Allows the Children and Adolescents Substance Abuse Trust fund to be used for adults.

Section 16: Extends the fee on new septic tank systems in order to fund research and training activities through the Department of Health.

Section 17: Allows Department of Children and Families to combine community-based care lead agency contracts for Sarasota, Manatee, and DeSoto Counties into a single contract.

Section 18: Allows funds from the Epilepsy Services Trust Fund to be used for case management services.

***Public Safety and Judiciary Provisions***

Section 19: Allows the Florida Department of Law Enforcement to provide bonuses for employees for meritorious performance under a plan to be provided to the Legislature.

Section 20: Allows the Florida Department of Law Enforcement to transfer a limited number of positions and salary rate with notification of the Legislature.

Section 21: Allows the Correctional Privatization Commission to compensate local governments for certain costs associated with opening new private prisons or juvenile justice facilities.

Section 22: Allows funds from the Crime Stoppers Trust Fund to be used for expenses of the Department of Legal Affairs.

Section 23: Allows funds from the Florida Motor Vehicle Theft Prevention Trust Fund to be used for expenses of the Department of Legal Affairs.

Section 24: Clarifies the law to prohibit the Department of Juvenile Justice from using operational funds for fixed capital outlay.

Section 25: Allows the establishment of additional positions in the Department of Corrections if the inmate population exceeds the forecast by a certain amount.

Section 26: Allows local government law enforcement trust funds to be used to reimburse local government's general fund.

***General Government Provisions***

Section 27: Allows funds in the Land Acquisition Trust Fund to be used for certain environmental projects.

Section 28: Allows funds in the Conservation and Recreation Lands Trust Fund (CARL) to be used for certain environmental projects.

Section 29: Allows the Florida Hurricane Catastrophe Fund to be used for certain flood mitigation projects.

Section 30: Amends legislation passed during the 2002 session regarding citrus canker to require that the Department of Agriculture provide final orders to individuals whose citrus trees are to be removed.

Section 31: Specifies that to be eligible for compensation for residential citrus trees removed as part of the state's citrus canker eradication program, individuals must be the homeowners at the time the trees are removed, and reduces the amount of compensation provided for each tree from \$100 to \$55.

Section 32: Provides that if legislation passed during the 2002 regular session on Everglades restoration fails to become law, the \$25 million from the South Florida Water Management District's share of Florida Forever proceeds will not be deposited in the Save Our Everglades Trust Fund.

Sections 33-34: Provides that regardless of whether the legislation passed during the 2002 regular session on solid waste management becomes law, the Department of Environmental Protection is limited to providing solid waste recycling grants only to counties with a population of less than 100,000.

Section 35: Waives the requirement that citizen support organizations supporting the state parks that have less than \$100,000 in expenditures have an independent financial audit.

Section 36: Requires the Department of Management Services to operate the executive aircraft pool on a full cost recovery basis, less available funds.

Section 37: Allows the Department of Environmental Protection to waive the requirement for a reserve for certain small county sewer construction loans if the reserve is used to pay outstanding obligations.

Sections 38-39: Prohibits a fine or suspension of thoroughbred permit if the permit holder fails to operate all performances or fails to pay certain taxes.

Section 40: Requires the Department of Management Services to implement the Human Resource Outsourcing project.

Section 41: Allows the Department of Management Services to pay for adoptions benefits for state employees through a lump sum rather than monthly installments.

Sections 42-43: Requires the Department of Management Services to implement a new state employee classification and compensation program as proposed by the department under Service First ("broadbanding").

Section 44: Maintains the state employee prescription drug co-payments at the current level.

Section 45: Requires that the Department of Management Services and the Governor recommend the premiums for the state group health insurance program needed to cover its costs.

Section 46: Prohibits the payment of certain Class C travel expenses for state employees. Class C travel is that which takes place within one working day.

Section 47: Requires that the state actuary recognize and use available excess assets in the Florida Retirement System to offset the difference between the costs of the retirement system and the statutory contribution rates.

Section 48: Allows disabled applicants for certification as a registered contractor to take an oral rather than written examination.

Section 49: Limits the number of positions and resources the Department of Business and Professional Regulation can transfer from the Division of Alcoholic Beverages and Tobacco to implement the department's on-line licensing project during FY 2002-2003.

Section 50: Limits the number of positions and resources the Department of Business and Professional Regulation can transfer from the Division of Florida Land Sales, Condominiums, and Mobile Homes to implement the department's on-line licensing project during FY 2002-2003.

Section 51: Limits the number of positions and resources the Department of Business and Professional Regulation can transfer from the Division of Hotels and Restaurants to implement the department's on-line licensing project during FY 2002-2003.

Section 52: Clarifies that the Governor and Legislature are the responsible parties for the submission of information relating to the federal review of congressional and state legislative apportionment or districting plans.

Section 53: Allows funds from the Emergency Management, Preparedness, and Assistance Trust Fund to be used as provided in the General Appropriations Act and that unspent funds can be used as state match for federally approved Hazard Mitigation Grant Program projects.

Section 54: Specifies that transportation projects funded through the Office of Tourism, Trade, and Economic Development by the Legislature are necessary to economic development.

Section 55: Allows the Agency for Workforce Innovation to administer the Teacher Education and Compensation Helps (TEACH) program.

Section 56: Allows leasing of certain property to attract certain businesses related to the empowerment zone in Miami-Dade County.

Section 57: Amends legislation passed during the 2002 regular session to allow certain toll collectors to remain in the Career Service System.

Section 58: Amends legislation passed during the 2002 regular session to delay the effective date of certain preferences for county transportation grants until July 1, 2003.

Section 59: Provides that school readiness programs provide priority for placement of children from TANF families and subject to federal work requirements.

### ***General Provisions***

Sections 60-61: Increases the General Revenue service charge on various agency trust funds.

Sections 62-63: Removes exemption from the General Revenue service charge for certain trust funds.

Sections 64-65: Amends s. 18.10, F.S., related to appropriations of interest earned on certain trust fund balances to the General Revenue Fund, to correct a cross reference.

Sections 66-67: Limit the trust funds that can retain interest earned, requiring instead that such interest be deposited into the General Revenue Fund.

Sections 68-69: Removes references relating to the interest earned by two trust funds in the Executive Office of the Governor, resulting in such earnings going into General Revenue.

Sections 70-71: Removes references relating to the interest earned by a trust fund in the Department of Health, resulting in such earnings going into General Revenue.

Sections 72-73: Removes references relating to the interest earned by a trust fund in the Department of Health, resulting in such earnings going into General Revenue.

Sections 74-75: Removes references relating to the interest earned by a trust fund in the Department of Legal Affairs, resulting in such earnings going into General Revenue.

Sections 76-77: Removes references relating to the interest earned by two trust funds in the Department of Law Enforcement, resulting in such earnings going into General Revenue.

Section 78: Prohibits state agencies or entities that receive funds from the General Appropriations Act from using such funds to advertise in support of, or in opposition to, any candidate or issue appearing on the ballot. The Comptroller or Chief Financial Officer will enforce this policy and violations will result in a forfeiture and reversion of 5% of the funds appropriated to that agency or entity from the state.

Section 79: Provides that if a portion of the budget is vetoed that the respective provision in the implementing bill is void.

Section 80: Provides that any other act passed in 2002 with substantially the same provisions of this act will take precedence and will continue to operate.

Section 81: Adopts the agency performance measures and standards contained in a separate document.

Section 82: Provides that any provision that is held invalid is severable and the remaining provisions will be valid.

Section 83: Provides that this act shall take effect July 1, 2002 or in the event that the act fails to become law by July 1, 2002, it will operate retroactively.

If approved by the Governor, these provisions take effect July 1, 2002

*Vote: Senate 26-10; House 75-42*

### **SB 32-E — Circuit Judges/Numbers Increased**

by Senator Burt

The bill authorizes the creation of 18 new circuit court judgeships. Half of the new judicial offices will be filled by election and the other half through gubernatorial appointment. The judges filling the new offices would take office March 1, 2003.

#### **CIRCUIT COURT JUDGESHIPS**

<b>Circuit</b>	<b>Judgeships</b>	<b>Elected/Appointed</b>
Fifth	2	Appointed
Sixth	1	Elected
Seventh	1	Elected
Eighth	1	Elected
Ninth	2	1 Elected/1 Appointed
Tenth	2	1 Elected/1 Appointed
Eleventh	2	Appointed
Twelfth	1	Elected
Thirteenth	1	Elected
Fifteenth	1	Elected
Seventeenth	2	1 Elected/1 Appointed
Eighteenth	1	Appointed
Twentieth	1	Appointed
<b>TOTALS</b>	<b>18</b>	9 Elected/9 Appointed

If approved by the Governor, these provisions take effect July 1, 2002.

*Vote: Senate 35-4; House 110-0*

### **HB 41-E — The James L. Stevens Act/Cigarette Taxes/H. Lee Moffitt**

by Reps. Byrd, Fasano, and others (SB 66-E by Senators Sullivan, King, Lee, Sebesta, Miller, and Campbell)

This bill amends s. 210.20, F.S., and s. 210.201, F.S., increasing revenues to the H. Lee Moffitt Cancer Center and Research Institute on a recurring basis over the next 14 years by requiring a portion of net cigarette tax to be paid monthly to the Board of Directors of the facility for use in financing the construction, furnishing, and equipping of a cancer research facility at the University of South Florida. This bill also changes a requirement that cigarette tax dollars pledged to the facility under s. 210.20, F.S., must be replaced with tobacco litigation settlement proceeds. The bill makes that optional.

If approved by the Governor, these provisions take effect upon becoming law.

*Vote: Senate 39-0; House 108-0*

### **HB 53-E — Department of Children and Family Services**

by Fiscal Responsibility Council and Rep. Murman (SB 36-E by Senator Silver)

The bill makes a number of changes to the Department of Children and Family Services that are required in order to implement the General Appropriations Act for FY 2002-03. Specifically, the bill:

- Authorizes the Department of Children and Family Services and the Department of Health to advance money to contract providers that were approved for advancement by the Comptroller in FY 1993-94.
- Requires substance abuse and mental health services contracts to include a provision that client demographic, services, and outcome information must be submitted to the Department of Children and Family Services for inclusion in the department's Mental Health and Substance Abuse Data System and prohibits payment to the provider unless the information has been submitted by the specified date.
- Requires all new funds received in FY 2002-03 for substance abuse and mental health services in excess of FY 2001-02 recurring appropriations to be allocated in accordance with the General Appropriations Act and prohibits a district from receiving an allocation of recurring funds that is less than the FY 2001-02 appropriation.

- Provides that state funds determined to meet the maintenance-of-effort requirement for the Temporary Assistance for Needy Families block grant must be spent in accordance with Part A of Title IV of the Social Security Act.
- Removes the July 1, 2002 expiration date related to the community partnership matching grant program operated by the Department of Children and Families.
- Provides for the sale, subject to certain approvals, of the former W.T. Edwards Hospital complex located in Hillsborough County and the remaining Sunland complex located in Leon County and provides that the proceeds of the sale must be deposited into the Department of Children and Family Services' Administrative Trust Fund and, subject to legislative appropriation, must be used to construct, renovate, equip, maintain, and improve the department's facilities.

If approved by the Governor, these provisions take effect July 1, 2002

*Vote: Senate 35-3; House 118-0*

### **HB 55-E — Workers' Compensation Administration Trust Fund within the Department of Education**

by Fiscal Responsibility Council and Rep. Johnson (SB 10-E by Senator Clary)

This bill creates the Workers' Compensation Administration Trust Fund within the Department of Education. The Workers' Compensation Administration Trust Fund will be used to pay expenses related to the administration of programs for rehabilitation and reemployment of injured workers.

If approved by the Governor, these provisions take effect July 1, 2002.

*Vote: Senate 39-0; House 116-0*

### **HB 57-E — Workers' Compensation Administration Trust Fund within the Department of Business and Professional Regulation**

by Fiscal Responsibility Council and Rep. Johnson (SB 8-E by Senator Clary)

This bill creates the Workers' Compensation Administration Trust Fund within the Department of Business and Professional Regulation. The Workers' Compensation Administration Trust Fund will be used to pay program expenses of the child labor program.

If approved by the Governor, these provisions take effect July 1, 2002.

*Vote: Senate 39-0; House 117-0*

## **HB 59-E — Health Care/Medicaid**

by Fiscal Responsibility Council and Rep. Murman (SB 38-E by Senator Silver)

### ***Recoveries of Medicaid Overpayments***

The bill contains provisions to enhance the effectiveness of the state's efforts to control fraud, abuse, and overpayments in the Medicaid system. The bill requires that the offices of the Medicaid Fraud Control Unit (MFCU) and the offices of the Agency for Health Care Administrations (AHCA) Medicaid program integrity program be collocated to the extent possible, and that the agency and the Department of Legal Affairs conduct joint training and other activities designed to increase communication and coordination in recovering overpayments.

Whistleblower protection is extended to employees of Medicaid providers who report suspected or actual Medicaid fraud or abuse through the whistle-blower's hotline or the hotline of the Medicaid Fraud Control Unit of the Department of Legal Affairs.

AHCA is allowed to deny, suspend, or revoke a license, registration, or certificate if the applicant or licensee, registrant or certificate holder has failed to pay or has failed to comply with a repayment plan for all outstanding fines, liens, or overpayments assessed by final order of the agency or the Centers for Medicare and Medicaid Services, unless a repayment plan is approved by the agency. The agency may take these same actions in the instance of a corporation, partnership, or other business entity if any officer, director, agent, managing employee, or affiliated person, partner or shareholder having an ownership interest of 5 percent or greater has failed to pay fines, liens or overpayments; does not have an approved repayment plan; or has failed to comply with a repayment plan. This section is applicable to all entities licensed or regulated by the agency and controls in the event of a conflict with specified regulatory chapters.

The bill requires that AHCA and the Department of Children and Family Services ensure that each recipient of Medicaid, as a condition of Medicaid eligibility, consents to release of his or her medical records to AHCA and the Medicaid Fraud Control unit of the Department of Legal Affairs.

AHCA is required to perform a random onsite inspection of a new provider applicant's service location, within 60 days after the receipt of the application, to determine the applicant's ability to provide the services the applicant is proposing to provide for Medicaid reimbursement. AHCA is not required to perform an onsite inspection of a provider or program which is licensed by the agency. The bill allows AHCA to consider the applicant's ability to provide services, conduct business, and operate a financially viable concern as a factor (in addition to other factors currently in statute) when determining whether or not to enroll a provider. With respect to providers who primarily provide emergency medical services transportation or emergency services, the effective date of an approved application is the date the agency receives the provider application.

The agency is required to deny a provider application when it determines that the applicant has failed to pay all outstanding fines or overpayments assessed by final order of the agency or the Centers for Medicare and Medicaid Services which are not subject to further appeal, unless the provider agrees to a repayment plan that includes withholding Medicaid reimbursement until the amount is paid in full. This restriction also applies in the instance of a corporation, partnership, or other business entity if any officer, director, agent, managing employee, or affiliated person, partner or shareholder having an ownership interest of 5 percent or greater has failed to pay these fines or liens.

In the instance of a cost-reimbursed provider which submits a cost report late, and that cost report would have been used to set a lower reimbursement rate, the provider's cost is to be calculated retroactively and payment is to be made retroactively at the recalculated rate. Medicare-granted extensions shall also apply to Medicaid cost reports.

Beginning January 1, 2003, AHCA and the Medicaid Fraud Control Unit of the Department of Legal Affairs are required to submit a joint annual report on the effectiveness of the state's efforts to control Medicaid fraud and abuse and to recover Medicaid overpayments. The report must include specified information.

AHCA is allowed to impose penalties on a Medicaid provider who have failed to comply with an agreed-upon repayment schedule or failed to timely file cost reports as are deemed necessary to set or adjust payment rates.

The agency is required, to impose a variety of sanctions or disincentives in the instance of providers who have committed certain acts, and the list of sanctions which may be imposed is expanded to include prepayment reviews of claims for a specified period of time, comprehensive follow-up reviews every 6 months, and corrective action plans of up to 3 years duration which would be monitored every 6 months. The Secretary may make a determination that imposition of a sanction or disincentive is not in the best interests of Medicaid, in which case a sanction or disincentive is not to be imposed.

AHCA is allowed to terminate a provider who does not enter into an agreed-upon repayment schedule.

AHCA and MFCU are allowed to review a provider's Medicaid-related records in order to reconcile quantities of goods or services billed to Medicaid against quantities of goods and services used in the provider's total practice.

AHCA may terminate a provider's participation in Medicaid for failure to reimburse an overpayment which has been determined by final order within 35 days unless the provider and the agency have entered into a repayment agreement. Reinstatement is required if the final order is overturned on appeal.

Administrative hearings pursuant to chapter 120, F.S., must be conducted within 90 days following assignment of an administrative law judge and specifying that upon issuance of a final order that the balance outstanding becomes due. The agency may withhold medical assistance payments to a provider until the amount due is repaid in full, if a provider fails to make payments in full or comply with the terms of a repayment plan or settlement agreement.

Agents and employees of the agency and MFCU are allowed to inspect the facility, inventory, and records of a pharmacy, wholesale establishment, manufacturer, or other place in the state where drugs and medical supplies are manufactured, packed, stored, sold, or kept for sale, for the purpose of verifying the amount of drugs and medical supplies ordered, delivered or purchased by a provider. Two days notice is to be provided, and the agency must identify the provider whose records are to be inspected. The inspection is to include only records specifically related to that provider.

The bill deletes a requirement that the Attorney General refer to AHCA all cases of suspected abuse of the Medicaid program that are not criminal in nature and each instance of Medicaid overpayments to a provider which is discovered in the course of an investigation. The Attorney General is permitted to seek any civil remedy, including, but not limited to, those in the Florida False Claims Act, the civil recovery section of the Florida Anti-Fencing Act, and is permitted to refer to the agency for collection in any case of overpayment to a provider discovered during the course of an investigation.

The Attorney General is to publicize the ability of persons to bring suit under the provisions of the Florida False Claims Act and the potential for the persons bringing a civil suit under that act to obtain a monetary award.

The bill repeals subsection (5) of s. 414.41, F.S., correcting a statutory conflict. Section 414.41(5), F.S., required AHCA to make a motion for interest from the date of the final order. Section 409.913(24)(b), F.S., requires the agency to apply interest from the date the agency determines there is an overpayment.

### ***Nursing Student Loan Forgiveness***

The bill revises the procedure for awarding loans from the funds in the Nursing Student Loan Forgiveness Trust Fund. The bill requires an estimate of the annual trust fund dollars to be made at the beginning of the fiscal year based on historic expenditures from the trust fund. Applicant requests must be reviewed on a quarterly basis and awards must be based on the following priority of employer until all the estimated funds have been awarded: state operated medical and health care facilities; public schools; county health departments; federally-sponsored community health centers; teaching hospitals under s. 408.07, F.S., family practice teaching hospitals under s. 395.805, F.S.; specialty hospitals for children under s. 409.9119, F.S.; and other hospitals, birth centers, and nursing homes.

### ***Re-definition of “premises” for Teaching Hospitals***

The bill modifies the definition of “premises” for hospitals, ambulatory surgical centers, and mobile surgical facilities. Under the bill, the definition of “reasonable proximity” for a licensee that is a teaching hospital under s. 408.07(44), F.S., would include buildings, beds, services, programs and equipment under the control of the licensee located at a site within one mile of the main address of the licensed facility, and those buildings, beds, and equipment may be included on the facility license as a single premises. AHCA is required to issue a single license, at the request of a licensee, to a teaching hospital, as defined in s. 408.07(44), F.S., to operate facilities that have previously operated as separate premises. Thus the teaching hospital and facilities in reasonable proximity could operate as a single integrated hospital without reducing the number of beds, services or programs operated by the licensee.

### ***Nursing Homes***

The bill modifies the requirement that all nursing homes maintain liability insurance to specify that this must be general and professional liability insurance. For the period from June 30, 2001 through June 30, 2005, AHCA is to submit a detailed report every 6 months regarding liability actions and deficiencies against nursing homes, the dates of injury forming the basis of the suit, information regarding deficiencies. Nursing facilities are to report to AHCA by the 10<sup>th</sup> of each month of presuit notices and complaints filed with the court, the date of the injury, detailed information about the resident, and copies of the presuit notice received and the complaint filed with the clerk of the court.

The bill requires AHCA, subject to appropriations, to advance \$6 million for the purpose of capitalizing the risk retention group (self insurance pool), with repayment required within 3 years. The agency’s claim is to be considered a class 3 claim.

In order to offset the cost of general and professional liability insurance, the agency is to amend the long-term care reimbursement plan to allow rate adjustments to reflect the cost of general and professional liability insurance for nursing homes. A restriction on this increase exceeding the class ceiling for the facility is removed.

This bill allows nursing homes which are transferred under a lease arrangement to meet the requirement for a 30-month bond to meet the bond requirement by paying into an AHCA nursing home overpayment account in the amount of 2 percent to the total of 3 months’ Medicaid payments. AHCA may then use the account to recoup overpayments. If the fund becomes less than outstanding overpayments, it ceases and participants are required to obtain bonds. If it goes into deficit AHCA assesses contributions. AHCA is to study and make recommendations, in consultation with the Florida Health Care Association and the Florida Association of Homes for the Aging, on the minimum amounts to be held in reserve to protect against overpayments to leasehold licensees and on the issue of successor liability for Medicaid overpayments upon sale

or transfer of ownership of a nursing facility. Findings and recommendations are to be submitted by January 1, 2003. The agency is granted authority to promulgate rules pertaining to lease bond arrangements.

### ***Home Medical Equipment***

The bill modifies the definition of home medical equipment to clarify that manual or motorized wheelchairs are such equipment. Deleted from the definition of home medical equipment are voice-synthesized computer modules, optical scanners, talking software, Braille printers, environmental control devices for use by persons with quadriplegia, motor vehicle adaptive transportation aides, and devices that enable persons with severe speech disabilities to in effect speak.

### ***Kidcare Provisions***

AHCA, in consultation with the Department of Health (DOH), the Department of Children and Family Services, and the Florida Healthy Kids Corporation is to contract for an evaluation of the Florida Kidcare program.

The bill amends provisions relating to the Healthy Kids Corporation to state the intent of the Legislature that state and local funds be used to expand coverage, within available appropriations, to children not eligible for federal matching funds under Title XXI, to delete obsolete language regarding the duties of the corporation, and to revise provisions relating to local matching funds.

Local contributions are voluntary and are to be used to pay premiums for children who are not eligible for Title XXI. Annually, the Corporation is to establish a local match policy for the enrollment of non-Title XXI children in the program, and is to provide notification of the amount of local match to be remitted to the Corporation by May 1 of each year.

Entities that may provide local match include, but are not limited to municipalities, counties, school boards, hospitals, health care providers, charitable organizations, special taxing districts, and private organizations.

The minimum amount of local match cash contributions and local-match credits are to be determined by the General Appropriations Act. The Corporation is to calculate a county's local match rate based on that county's percentage of the state's total non-Title XXI expenditures as reported in the Corporation's most recently audited financial statement.

Factors the Corporation may consider in awarding local match credits include, but are not limited to, population density, per-capita income, existing child-health-related expenditures, and services. The corporation is allowed to accept supplemental local match contributions which

comply with the requirements of Title XXI in order to provide coverage for additional children, in contributing counties, which would be matched under Title XXI.

The Corporation is to establish procedures for providers of local match to have reviews of grievances by an impartial body, and to establish disenrollment criteria in the event local matching funds are insufficient to cover enrollments.

The bill deletes language pertaining to the current local match requirements and adds two members to the Florida Healthy Kids Corporation board of directors. One of the new members is to be appointed by the Insurance Commissioner from a list of three members nominated by the Florida Association of Counties representing rural counties; the other new member is appointed by the Governor from a list of three members nominated by the Florida Association of Counties representing urban counties.

### ***Medicaid Changes***

The bill modifies eligibility for the Medically Needy program to include families or persons who are a caretaker relative or parent, a pregnant woman, a child under 19 who would otherwise qualify for Kidcare Medicaid, a child up to 21 who would otherwise be categorically eligible for Medicaid, a person 65 or older, or a blind or disabled person. Medical expenses used to meet spend-down requirements are not reimbursable by Medicaid. Effective May 1, 2003, the amount deducted from countable income is \$270 per month, except in the instance of determining eligibility of the parent or caretaker relative as defined by Title XIX of the Social Security Act.

The bill amends provisions related to eligibility of women for cancer treatment pursuant to the federal Breast and Cervical Cancer and Prevention and Treatment Act of 2000 who are screened through the Mary Brogan Breast and Cervical Cancer Early Detection Program.

The bill provides that a hospital located in a county that has five or fewer hospitals, that began offering obstetrical services on or after September 1999, and has submitted a request in writing to the Agency for a rate adjustment after July 1, 2000, but before September 30, 2000, shall have their Medicaid hospital inpatient per diem rate adjusted to cost, effective July 1, 2002.

The bill provides, effective July 1, 2002, Medicaid coverage of medically necessary emergency dental services for adults to alleviate pain or infection. Emergency dental care is limited to emergency oral examinations, necessary radiographs, extractions, and incision and drainage of abscess. The bill also restores Medicaid coverage for visual and hearing services for adults.

The bill names the pharmaceutical expense assistance program the “Ron Silver Senior Drug Program,” and revises eligibility for the program to include individuals between 88 percent and 120 percent of the federal poverty level (FPL), individuals between 88 and 150 percent of the FPL if the federal government increases the federal match for persons between 100 and 150 percent of FPL, or individuals between 88 percent of the FPL and a level supported with funds

provided in the General Appropriations Act under a federal waiver. The Agency is to design a pharmacy benefit that includes annual per-member benefit limits and cost-sharing provisions and limits enrollment to available appropriations and federal matching funds. The Agency is required, prior to implementation, to submit a budget amendment under chapter 216, F.S.

The bill allows other governmental entities as well as state entities to serve as the source of the state share of Medicaid payments.

The definitions used in s. 409.911, F.S., are applied to the Florida Uniform Reporting System Manual, the date used to qualify a hospital for participation in the disproportionate share program. The disproportionate share/financial assistance program for rural hospitals is changed from July 1, 1998 to January 1, 2001, unless additional funds are appropriated specifically to prevent any hospital eligible for the program from incurring a reduction in payments because of the eligibility of an additional hospital to participate. Eligibility is provided only to hospitals that were defined as statutory teaching hospitals, or their successor-in-interest hospital, prior to January 1, 2001, unless sufficient additional funds are appropriated.

The bill requires that the Medicaid Pharmaceutical and Therapeutics Committee ensure that interested parties agreeing to provide supplemental rebates have an opportunity to present public testimony, which is to occur prior to recommendations made by the committee for inclusion or exclusion from the preferred drug list.

The bill modifies standards pertaining to capitated Medicaid behavioral health services to require that 80 percent of the capitation rate paid to the managed care plan, including health maintenance organizations, be expended for the provision of behavioral health care services. If less than this amount is expended, the difference is to be returned to the agency.

The agency is required to contract to implement a wireless handheld clinical pharmacology drug information database for practitioners. The initiative is to be designed to reduce fraud, abuse and errors in the prescription drug benefit program.

The agency's authority to contract with children's provider networks providing care coordination and care management for Medicaid eligible pediatric patients is expanded to include pediatric emergency departments' diversion programs and a Children's Medical Services network, as defined in s. 391.021, F.S.

The agency is required to submit quarterly reports on the progress made in implementing cost-effective purchasing of health care and the Medicaid prescribed drug program.

The bill changes the assignment of Medicaid recipients subject to mandatory assignment, including children, who fail to make a choice to 55 percent in managed care and 45 percent in MediPass (formerly this requirement was for an equal ratio of 50/50 respectively). Beginning January 1, 2002, the agency is to assign all children in families who have not made a choice of a

managed care plan or Medipass to a pediatric emergency room diversion program that has executed a contract with the agency as of July 1, 2002 until such program has reached an enrollment of 15,000 children, at which time the agency is to assign these children to maintain a minimum enrollment in the program at not less than 15,000 children. To the extent practicable, all eligible children in the same family are to be assigned to such program. In areas where the agency is contracting for comprehensive behavioral health care services through a capitated prepaid arrangement, recipients who fail to make a choice of managed care plan or Medipass are to be assigned equally to these two provider types. The definition of managed care plans is expanded to include exclusive provider networks, provider service networks, Children's Medical Service Networks minority physician networks and pediatric emergency department diversion programs.

AHCA is allowed, at its discretion, notwithstanding the provisions of chapter 287, F.S., to renew cost-effective contracts for choice counseling once or more for such periods as the agency may decide; however, all such renewals are not to combine to exceed a total period longer than the term of the original contract.

The bill removes the prohibition against billing Medicaid for the federal 340B Drug Pricing Program to enable the Medicaid program to take advantage of prices below market costs.

### ***Health Insurance***

The bill permits an insurer to non-renew or discontinue health insurance coverage of an individual in the individual market if the person fails to make required co-payments to the insurer. When the unpaid co-payment exceeds \$300, the insurer must allow the insured 90 days after the date of the procedure to pay the required co-payment. The declaration-of-benefits page of the contract must notify the insured of this provision in 10-point type.

### ***Trauma Center Self-Insurance***

The bill removes a restriction on hospitals' offering self-insurance to their medical staffs to those hospitals which were verified trauma centers as of July 1, 1990.

### ***Developmental Disabilities***

The bill allows assignment of a comprehensive transitional education program license under certain circumstances.

The definition of an "intermediate care facility for the developmentally disabled" is modified to provide that a facility no longer has to be state-owned and operated to meet the definition of an intermediate care facility for the developmentally disabled. The definition is changed to require that the facility be state certified.

The bill modifies provisions relating to action by the agency against a licensee if the agency has a reasonable belief that conditions specified in s. 409.965(1), F.S., exist to provide that the agency must take administrative action as provided in s. 400.968, F.S., or s. 400.969, F.S., or injunctive action as authorized by s. 400.963, F.S.

The bill provides penalties for violation of part XI of chapter 400 relating to intermediate care facilities for developmentally disabled persons.

The bill requires the Department of Children and Families to develop and implement a comprehensive redesign of the home and community-based services delivery system for persons with developmental disabilities. Minimum redesign criteria are specified. Prior to the release of funds in the lump-sum appropriation, a plan must be submitted to fully implement the redesign by July 1, 2003. The bill specifies certain minimum criteria that must be included in the plan.

### ***Services for Medically Fragile Children***

The bill requires a study by AHCA of the health care services provided to medically fragile or medical-technology-dependent children in the state. A pilot program in Miami-Dade County is created to provide subacute pediatric transitional care to enable children to successfully make a transition from acute care to home.

The agency, in cooperation with the Children's Medical Services program in the DOH, must conduct a study of health care services provided to medically fragile or medical-technology-dependent children, from birth through age 21. By January 1, 2003, AHCA must report to the Legislature regarding the children's ages, where they are served, types of services received, costs of the services, and the sources of funding that pay for the services. The study must include information regarding medically fragile or medical-technology-dependent children residing in hospitals, nursing homes, and medical foster care, those who live with their parents, and those served in prescribed pediatric extended care centers. The report must also identify the number of such children who could, if appropriate transitional services were available, return home or move to a less institutional setting.

The agency will establish minimum staffing standards and quality requirements for a subacute pediatric transitional care center to be operated as a two-year pilot program in Miami-Dade County. The pilot program is limited to a maximum of 30 children at any one time. The pilot program must operate under the license of a hospital licensed under ch. 395, F.S., or a nursing home licensed under ch. 400, F.S., and shall utilize existing beds in the hospital or nursing home. The agency must amend the state Medicaid plan and request any federal waivers necessary to implement and fund the pilot program.

The pilot program must have an advisory board, and the membership must include a physician and advanced registered nurse practitioner, a registered nurse, a child development specialist, a

social worker, and a parent of a child placed in the center. The advisory board must review policy and provide consultation to the center.

By January 1, 2003, the agency must report to the Legislature concerning the progress of the pilot program. By January 1, 2004, the agency must submit a final report on the success of the pilot program

### ***Disproportionate Share Hospital Program***

For FY 2002-03 only, AHCA is to distribute disproportionate share payments only to hospitals that meet the federal minimum requirements and to public hospitals. The bill provides a formula for distributing payments. The bill requires AHCA to distribute payments in the same proportion as those payments made in FY 2001-02 to regional perinatal intensive care centers and primary care disproportionate share payments. No disproportionate share payments are to be made in FY 2002-03 to the children's hospital disproportionate share program. The bill provides that if the Centers for Medicare and Medicaid Services does not approve Florida's inpatient hospital state plan amendment for a public disproportionate share program by November 1, 2002, the Agency may make disproportionate share payments under the regular, regional perinatal intensive care center, primary care, and the children's hospital disproportionate share programs using the same methodologies distributing payments in FY 2001-02.

### ***Overnight Stays in Ambulatory Surgical Centers***

AHCA may conduct a 2-year pilot study to authorize overnight stays by patients at one ambulatory surgical center in the Vero Beach area. The overnight stay would be for plastic and reconstructive surgeries only. The bill requires AHCA to establish minimum standards for the health, safety, and welfare of patients. If AHCA implements the pilot program, the agency must recommend to the Legislature whether or not to expand the pilot statewide.

### ***County Contributions to Medicaid Nursing Home Costs***

The Office of Program Policy Analysis and Governmental Accountability (OPPAGA), assisted by AHCA and the Florida Association of Counties, is directed to perform a study to determine the fair share of county contributions to Medicaid nursing home costs. OPPAGA is to submit a report by January 1, 2003, which is to set out at least two options and make recommendations as to what would be a fair share of these costs for counties in FY 2003-04. No recommendation is to be less than the current county share.

### ***Transfer of Consumer Complaint Services, Investigations, and Prosecutorial Services currently provided by AHCA***

The bill provides that all powers, duties, functions, records, personnel, property, and unexpended balances or appropriations, allocations, and other funds of AHCA which relate to consumer

complaint services, investigations, and prosecutorial services currently provided by AHCA under a contract with the DOH are transferred to DOH by a type two transfer as defined in s. 20.06(2), F.S. The transfer of funds must include all advance payments made from the Medical Quality Assurance Trust Fund to AHCA.

Two hundred fifty-nine full-time equivalent positions are eliminated from AHCA's authorized positions and are transferred to DOH. The interagency agreement between DOH and AHCA must terminate on June 30, 2002. DOH is authorized to contract with the Department of Legal Affairs for the investigative and prosecutorial services transferred to DOH from AHCA. Authorization for DOH to contract with AHCA to provide consumer complaint, investigative, and prosecutorial services required by the Division of Medical Quality Assurance, councils, or boards is deleted.

The bill repeals s. 456.047, F.S., relating to standardized credentialing for certain health care practitioners.

If approved by the Governor, these provisions take effect upon becoming law except as otherwise provided.

*Vote: Senate 39-0; House 116-0*

