
**Senate Committee on
Health and Human Services Appropriations**

**FISCAL YEAR 2007-2008 GENERAL APPROPRIATIONS CONFORMING
LEGISLATION**

CS/SB 1116 — Health Care

by Health and Human Services Appropriations Committee and Senator Peadar

The bill provides statutory changes to conform to the FY 2007-2008 General Appropriations Act. Specifically, the bill:

- Allows dentists to qualify for loan repayment assistance, travel, and relocation reimbursement during their last two years of residency training or upon completion of residency training, in return for an agreement to serve a minimum of two years in the Florida Health Services Corps.
- Repeals references to the Florida Health Services Corps Trust Fund and replace with the Administrative Trust Fund.
- Requires a hospital to meet specific criteria to qualify for a reimbursement rate adjustment.
- Allows the Agency for Health Care Administration to pay for all-inclusive psychiatric inpatient hospital care for Medicaid recipients age 65 and older in qualified private free-standing specialty hospitals.
- Allows the Agency for Health Care Administration to pay for all services provided to a Medicaid recipient by an anesthesiologist assistant licensed under s. 458.3475, F.S. or s. 459.023, F.S. at a reimbursement level no less than 80 percent of the reimbursement that would be paid to a physician providing the same service.
- Repeals the authorization of a statewide laboratory services contract for Medicaid recipients.
- Eliminates the requirement that a nursing home provider receive a reimbursement rate that is equivalent to the previous owner's rate after a change of ownership; to eliminate a requirement that Medicaid will not pay coinsurance and deductibles for services that are not provided by Medicaid; and to limit Medicaid payments for nursing home Medicare Part A coinsurance to the Medicaid per diem rate less any amount paid by Medicare, but only up to the Medicare coinsurance amount.
- Updates 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; and updates the state fiscal year dates from FY 2006-2007 to FY 2007-2008 to allow for payments under the Disproportionate Share program.

- Updates the state fiscal year dates from FY 2005-2006 to FY 2007-2008, continuing the prohibition on distributing funds through the Regional Perinatal Intensive Care Disproportionate Share program.
- Updates the state fiscal year dates from FY 2006-2007 to FY 2007-2008, to allow for disproportionate share payments to teaching hospitals.
- Updates the state fiscal year dates from FY 2006-2007 to FY 2007-2008, continuing the prohibition on distributing funds through the Primary Care Disproportionate Share program.
- Requires capitated prepaid behavioral health managed care companies to provide an annual report to the Agency for Health Care Administration that includes the annual percentage of the capitation expended for behavioral health care services; and eliminates the requirement that 80 percent of the capitation paid to a prepaid behavioral health managed care plan be expended for behavioral health services and that the difference be returned to the agency if expenditures fall below 80 percent.
- Repeals obsolete language that required the Agency for Health Care Administration to modify contracts by January 1, 2001 with entities providing comprehensive inpatient and outpatient mental health care services to Medicaid recipients in Hillsborough, Highlands, Hardee, Manatee, and Polk Counties.
- Exempts Medicaid-eligible children whose cases are open for child welfare services in the HomeSafeNet system and who reside in Area 10, from having to participate in the separate specialty prepaid plan operated by the community-based lead agencies.
- Allows the Agency for Health Care Administration to calculate prepaid behavioral health plan capitation rates using an encounter data system methodology based on 90 percent fee-for-service data and 10 percent encounter data in the first year of payments; and, 75 percent fee-for-service data and 25 percent encounter data in the second and third years of payments.
- Prohibits a pharmacist from dispensing a drug for immunosuppressive therapy following transplant unless the drug is the specific formulation and manufactured by the specific manufacturer as prescribed by the physician; and allows a pharmacist to substitute a drug product that is generically equivalent for immunosuppressive therapy following transplant only if the pharmacist obtains a signed authorization from the prescribing physician.
- Requires the Agency for Health Care Administration to notify the Legislature before implementing programs authorized under the federal Deficit Reduction Act of 2005.
- Requires the Agency for Health Care Administration to give priority consideration in medicaid managed care enrollment to certain managed care plans until the providers reach 15,000 members per month; and to prohibit enrollment assignment to a managed care plan that has an enrollment of 25,000 or more members statewide.
- Eliminates the requirement that managed care per-member per-month rate averages do not exceed the amount in the General Appropriations Act for the fiscal year in which the

rates are in effect; increases the percentage payment limit used in the methodology for reimbursing managed care providers by 0.5 percent on January 1, 2008 and an additional 1.5 percent on January 1, 2009; and requires that the payment limit for managed care per-member per-month rates do not exceed 100 percent for any area or eligibility category.

- Excludes independent laboratory services from the Medicaid explanation of benefits.
- Requires long-term care community diversion pilot projects to include hospice care provided by a licensed hospice provider.
- Waives the biennial license renewal fee for up to 10,000 allopathic or osteopathic physicians, who have a valid, active license to practice under chapters 458 and 459; whose primary practice address, as reported under s. 456.041, is located within the state; and who submit to the department, prior to the applicable license renewal date, a sworn affidavit that the physician is prescribing medications exclusively through the use of electronic prescribing software at the physician's primary practice address. The term "electronic prescribing software" is defined to mean, at a minimum, software that electronically generates and securely transmits, in real-time, a patient prescription to a pharmacy; to allow the department to adopt rules; and to provide an expiration date of the section of law on July 1, 2008.

If approved by the Governor, these provisions take effect July 1, 2007.

Vote: Senate 39-0; House 103-14

CS/SB 1124 — Home and Community Based Services for Persons with Developmental Disabilities

by Health and Human Services Appropriations Committee and Senator Peaden

The bill amends s. 393.0661(3), F.S., and directs the Agency for Health Care Administration, in consultation with the Agency for Persons with Disabilities (agency), to seek federal approval and implement a four-tiered waiver system for clients in the developmental disabilities and family and supported living waiver programs. Specifically, the bill:

- Establishes criteria and dollar caps to define the four tiers of the new waiver system summarized as follows:
 - Tier One – No cap on expenditures. Limited to persons with intensive medical or adaptive needs and that are essential for avoiding institutionalization, or who possess behavioral problems that are exceptional in intensity, duration, or frequency and present a substantial risk of harm to themselves or others.
 - Tier Two – \$55,000 per client annual cap. Limited to persons who have high cost residential facility and residential habilitation service needs or supported living service needs.
 - Tier Three – \$35,000 per client annual cap. Limited to persons who require lower cost residential placements, independent or supported living situations and persons who live in their family home.

- Tier Four – \$14,782 per client annual cap. Limited to persons already enrolled in the Family and Supported Living waiver which includes independent living, supported living or family home living situations.
- Directs the Agency for Health Care Administration to seek a federal waiver to provide a consumer-directed option which corresponds to the funding levels in each of the waiver tiers.
- Provides for a phased-in implementation of the four-tier waiver system beginning with tiers one, three, and four, and followed by tier two.
- Specifies deletions, changes, and limitations to specific services in federal waiver programs administered by the agency.
- Requires the agency to conduct supplemental cost plan reviews for plans that have increased by more than 8 percent during either of the two preceding fiscal years.
- Requires the agency to implement a consolidated residential habilitation rate structure and establish uniform rates for intensive behavioral residential habilitation services.
- Authorizes the agency to extend current support plans for clients receiving services for one year and provides for certain exceptions for clients who have a substantial change in circumstances.
- Deletes obsolete language in existing s. 393.0661(3), F.S., related to adoption of certain emergency rules.

If approved by the Governor, these provisions take effect July 1, 2007.

Vote: Senate 39-0; House 119-0

CS/SB 1126 — Tobacco Education and Prevention

by Health and Human Services Appropriations Committee and Senator Peadar

The bill creates s. 381.84, F.S., to implement s. 27, Art. X of the Florida Constitution, requiring funding of a Comprehensive Statewide Tobacco Education and Prevention Program.

Specifically, the bill:

- Requires the state to create a comprehensive, statewide program consistent with the 1999 Best Practices for Comprehensive Tobacco Control Programs developed by the United States Centers for Disease Control and Prevention.
- Specifies that the program will consist of the following components:
 - A counter-marketing and advertising campaign and a cyberspace resource center;
 - Cessation, counseling, and treatment programs;
 - Surveillance of behaviors, attitudes, and outcomes related to tobacco and evaluation of program components;
 - Youth school programs;
 - Community-based programs that include chronic disease prevention;

- Training of health care practitioners, smoking cessation counselors, and teachers;
- Administration and core funding for county health departments;
- Enforcement of the Clean Indoor Air Act and laws prohibiting the sale or provision of tobacco to minors; and
- Expansion of the AHEC smoking cessation initiative to each county within the state and performance of other activities for FYs 2007-2008 and 2008-2009.
- Creates the Tobacco Education and Use Prevention Advisory Council consisting of 23 members, including; the Secretary of Health; one county health director; two members appointed by the Commissioner of Education; the chief executive officers of the American Cancer Society, American Heart Association, American Lung Association, Campaign for Tobacco Free Kids, and the Leacy Foundation; the six deans of the Florida medical schools; four members appointed by the Governor; two members appointed by the President of the Senate; and two members appointed by the Speaker of the House of Representatives.
- Provides that the council is to advise the Secretary of Health as to the direction and scope of the program. The council will perform a number of duties, including:
 - Providing advice on program priorities and emphases;
 - Providing advice on overall program budget;
 - Providing advice on copyrighted material, trademark and future program transactions;
 - Reviewing broadcast material;
 - Participating in periodic program evaluation;
 - Assisting in the development of program guidelines;
 - Assisting in the development of administrative procedures;
 - Assisting in the development and supervision of peer-review panels;
 - Reviewing reports of peer-review panels and making recommendations for contracts and grants;
 - Reviewing the activities and evaluating the performance of the AHEC network;
 - Recommending meaningful outcome measures; and
 - Recommending policies to encourage a coordinated response to tobacco use in the state.
- Requires the Secretary of Health, in consultation with the council, to award contracts or grants for the program components on the basis of merit through a competitive, peer-reviewed process.
 - Requires the department to expedite the delivery of services and award contracts and grants no later than October 1 of each fiscal year.
 - Requires the department to award a contract or grant of \$10 million to the AHEC network for FYs 2007-2008 and 2008-2009. After this period, the AHEC network may participate in the competitive peer-reviewed process.
 - Requires accountability by limiting:
 - The use of food and promotional items to no more than 2.5 percent of the total amount of each contract or grant;

- Overhead or indirect costs to no more than 7.5 percent of the total amount of each contract or grant; and
- Production fees, buyer commissions, and related costs to no more than 10 percent of the total of each advertising contract amount.
- Requires the department to produce a report, by January 31 of each year, that evaluates the program's effectiveness in reducing and preventing tobacco use and recommends improvements to enhance the program's effectiveness.
- Limits administrative expenses to no more than 5 percent of the total funds appropriated for the program.
- Requires the department to adopt rules.

If approved by the Governor, these provisions take effect July 1, 2007.

Vote: Senate 39-0; House 119-0

HB 7065 — Medicaid

by Healthcare Council and Rep. H. Gibson (SB 2450 by Senator Peaden)

The bill amends s. 409.912, F.S., to require the Agency for Health Care Administration (AHCA) to implement Florida Senior Care, an integrated fixed-payment delivery program for Medicaid recipients 60 years of age or older or persons dually eligible for Medicare and Medicaid.

Specifically, the bill:

- Requires implementation of the program on a pilot basis in Area 7 (Orange, Osceola, Seminole, and Brevard counties) and Area 11 (Dade and Monroe counties) on a voluntary basis.
- Allows any qualified managed care entity to participate and offer services to enrollees in the pilot areas.
- Provides enrollees with access to the Subscriber Assistance Panel grievance process as well as requires AHCA to maintain an informal and formal provider grievance system.
- Adds a 10-business-day prompt payment requirement for participating managed care organizations to make payment to nursing homes that bill electronically and provides for an alternative capitated payment to prospectively pay nursing homes at the beginning of each month.
- Provides that OPPAGA is to evaluate the pilot for 24 months after enrollment of recipients into the pilot program and submit the report to the Legislature, no later than December 31, 2009.
- Requires AHCA to provide a report to the Governor and Legislature that contains an analysis of the merits and challenges of seeking a federal waiver to implement a voluntary program that integrates Medicare and Medicaid payments for persons 65 years of age or older, no later than December 31, 2007.

- Clarifies county participation in Medicaid nursing home payments for both health maintenance members and fee-for-service beneficiaries.

If approved by the Governor, these provisions take effect July 1, 2007.

Vote: Senate 39-0; House 100-18

TRUST FUND BILLS

SB 1318 — Trust Funds

by Senator Peadar

The bill (Chapter 2007-13, L.O.F.) terminates the Florida World War II Veterans Memorial Matching Trust Fund in the Department of Veterans' Affairs and transfers the remaining balance to the Grants and Donations Trust Fund.

The bill repeals references related to the Florida World War II Veterans Memorial Matching Trust Fund.

The bill deletes an obsolete reference to the Community Resources Development Trust Fund that was previously terminated from the Department of Children and Family Services.

The bill removes a provision providing for the future repeal of the Biomedical Research Trust Fund in the Department of Health.

These provisions were approved by the Governor and take effect July 1, 2007.

Vote: Senate 40-0; House 114-0

