

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Health Regulation Committee

BILL: SB 406

INTRODUCER: Senators Sobel and Gaetz

SUBJECT: The Florida Kidcare Program

DATE: February 6, 2011 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brown	Stovall	HR	Pre-meeting
2.	_____	_____	ED	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill requires that the application form for the school lunch and breakfast programs operated by district school boards must allow students to apply for the Florida Kidcare Program. In the alternative, the bill requires that the application form for the school lunch and breakfast programs must provide information about the Kidcare program, including contact information or a link to the Kidcare online application.

The bill further requires the Florida Healthy Kids Corporation (FHKC), in the development and implementation of a plan for publicizing the Florida Kidcare Program, to include the use of application forms for school lunch and breakfast programs.

This bill substantially amends the following sections of the Florida Statutes: 1006.06 and 624.91.

II. Present Situation:

Florida Kidcare

The Florida Kidcare Program was created by the Florida Legislature in 1998 in response to the federal enactment of the state Children’s Health Insurance Program (CHIP) in 1997. Initially authorized for 10 years and then recently re-authorized again through 2019 with federal funding through 2015, CHIP provides subsidized health insurance coverage to uninsured children who do not qualify for Medicaid but meet other eligibility requirements.

The umbrella name of Florida Kidcare encompasses four subsidized programs: Medicaid for children, MediKids, Children’s Medical Services (CMS) Network, and Healthy Kids. Florida’s Healthy Kids Program predates enactment of the CHIP program. Subsidized Kidcare coverage is

funded through state and federal funds through Title XIX (Medicaid) and Title XXI (CHIP) of the Federal Social Security Act. Families also contribute to the cost of the coverage under the Title XXI components of the program based on their household size, income, and other eligibility factors. For families above the income limits for subsidy or who do not otherwise qualify for subsidy, Kidcare also offers a buy-in option under Healthy Kids and MediKids.

Eligibility for the four subsidized Kidcare components funded by Title XXI is determined in part by age and household income, as follows:¹

- Medicaid for Children: Title XXI funding is available from birth until age 1 for income between 185 percent and 200 percent of the Federal Poverty Level (FPL).
- MediKids: Title XXI funding is available from age 1 until age 5 for income between 133 percent and 200 percent of FPL.
- Healthy Kids: Title XXI funding is available from age 5 until age 6 for income between 133 percent and 200 percent of FPL. For age 6 until age 19, Title XXI funding is available for income between 100 percent and 200 percent of FPL.
- CMS Network: Title XXI and Title XIX funds are available from birth until age 19 for income up to 200 percent of FPL for children with special health care needs. The Department of Health assesses whether children meet the program's clinical requirements.

Florida Kidcare is administered jointly by the Agency for Health Care Administration (AHCA), the Department of Children and Families (DCF), the Department of Health, and the FHKC. Each entity has specific duties and responsibilities under Kidcare as detailed in the Florida Kidcare Act. The DCF determines eligibility for Medicaid, and the FHKC processes all Kidcare applications and determines eligibility for CHIP, which includes a Medicaid screening and referral process to DCF, as appropriate.

To enroll in Kidcare, families utilize a joint form that is both a Medicaid and CHIP application. Families may apply using the paper application or an online application. Both formats are available in English, Spanish, and Creole. Income eligibility is determined through electronic data matches with available databases or, in cases where income cannot be verified electronically, through submission of current pay stubs, tax returns, or W-2 forms.

In the 2010-11 General Appropriations Act, \$501 million is appropriated for Kidcare, including \$66 million from the General Revenue Fund.² The Social Services Estimating Conference has projected a total Kidcare surplus of \$13.3 million for 2010-11, including a \$5 million surplus of general revenue.

School Food Service Programs

Florida's school food service programs are authorized under the K-20 Education Code in recognition of the demonstrated relationship between good nutrition and the capacity of students to develop and learn. The State Board of Education is required to adopt rules covering the administration and operation of the school food service programs. Each district school board is required to consider recommendations of the district school superintendent and adopt policies for

¹ Florida Kidcare Eligibility, Florida Kidcare website, <http://www.floridakidcare.org/images/data/FKC-eligibilityflag-accessible.pdf>

² See ch. 2010-152, L.O.F., line items 158-161.

an appropriate food and nutrition program for students consistent with federal law and rules of the State Board of Education.³

Free and reduced-price school meal programs are funded jointly by states and the Federal Government. In Florida's 2010-11 General Appropriations Act, \$823.8 million is appropriated for school lunch and breakfast programs, including \$16.9 million from the General Revenue Fund.⁴

Currently in Florida, 82 charter schools, 50 private schools, and all 67 public school districts participate in the national free and reduced-price school meal programs. In the 2010-11 school year, 56 percent of the 2.6 million public school students, including charter schools, are eligible for free or reduced-price meals. The number of private school students eligible in 2010-11 is 13,191.

Children may be deemed eligible for free or reduced-price school meals based largely on household income and by filling out an application. Eligibility is capped at 185 percent of the federal poverty level. There is no uniform, statewide application form for families to use when applying for free or reduced-price meals. School districts may design their own forms based on the requirements of federal and state regulations. The Food and Nutrition Service within the United States Department of Agriculture provides a model application form that school districts may modify and use as needed for local circumstances and nomenclature.⁵ A few school districts offer only an electronic form.

Kidcare Information Delivered by School Districts

Information about Kidcare is currently offered to all 67 Florida school districts in the summer for distribution at the beginning of the school year. For the past several years, this information has been a postcard that includes information on how to apply with English on one side, Spanish on the reverse, and instructions for how to receive information in Creole along the bottom. These postcards are provided free of charge to the districts and shipped to the location of their choice by the FHKC. Most, but not all, school districts accept this offer every year. In the 2009-10 school year, 54 of the 67 school districts participated in this back-to-school Kidcare outreach.⁶

Additionally, some school districts have also modified their application forms for school food service programs to include a check-off for families to indicate they would like more information about Kidcare. For those families indicating they would like more Kidcare information or which agree to release their information, the school districts vary in how those requests are handled, based on available resources. In some cases, the districts send the requests directly to Florida Kidcare for applications to be mailed to the requesting families. In other areas, the school districts utilize local community partners or designated staff to contact families to provide application assistance on a one-on-one basis.

III. Effect of Proposed Changes:

The bill contains two substantive provisions:

³ See s. 1006.06(1)-(3), F.S.

⁴ See ch. 2010-152, L.O.F., line items 101-102.

⁵ The model application can be found at the USDA web site at <http://www.fns.usda.gov/cnd/frp/frp.process.htm>.

⁶ Office of Program Policy Analysis and Government Accountability, *Research Memorandum: Several Options Exist to Improve Florida Kidcare Outreach and Enrollment Efforts through Schools*, March 1, 2010, p. 4.

1. Section 1006.06, F.S., is amended to require that application forms for lunch and breakfast programs offered in Florida school districts must allow students to also apply for the Florida Kidcare Program. A secondary provision accompanies this requirement, in the alternative, to require the application forms for lunch and breakfast programs to provide information about the Kidcare program, including contact information or a link to the Kidcare online application. The Department of Education indicates that these requirements would trigger the need for the State Board of Education to develop a rule.
2. Section 624.91, F.S., is amended to require the FHKC, in the development and implementation of a plan for publicizing the Florida Kidcare Program, to include the use of application forms for school lunch and breakfast programs.

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 the 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:

None.

C. Government Sector Impact:

The bill's fiscal impact on the government sector, as estimated by the AHCA and the FHKC, is based on the assumption that the bill would require application forms for lunch and breakfast programs offered in Florida school districts to become joint applications for the lunch and breakfast programs and the Florida Kidcare Program.

Under that assumption it is estimated that as a result of the bill, an additional 221,826 Kidcare applications would be received and 71,938 children would become enrolled in

Medicaid and 81,122 would become enrolled in a Title XXI Kidcare program, for a total of 153,060 children enrolled in a subsidized health care program.

Medicaid Impact

Currently the state pays 44.06 percent of qualified Medicaid expenditures and the Federal Government covers the remaining 55.94 percent. An estimated 71,938 additional Medicaid-eligible children would be covered in the first 12 months and this number would be recurring.

Kidcare Impact

For state fiscal year 2011-12 the state will pay 31.08 percent of qualified Title XXI expenditures and the Federal Government covers the remaining 68.92 percent. An estimated 81,122 additional Kidcare children would be covered the first 12 months and this number would be recurring.

Additional Children in Medicaid: 71,938	First 12 Months	Next 12 Months
Federal Funds	\$130,278,221	\$130,278,221
General Revenue Fund	\$102,610,983	\$102,610,983
Total Medicaid Funds	\$232,889,204	\$232,889,204

Additional Children in Kidcare: 81,122	First 12 Months	Next 12 Months
Federal Funds	\$101,439,347	\$101,439,347
General Revenue Fund	\$45,744,848	\$45,744,848
Grants & Donations Trust Fund	\$10,004,510	\$10,004,510
FHKC Technology Upgrade, federal	\$516,150	\$0
FHKC Technology Upgrade, GR	\$233,850	\$0
Total Kidcare Funds	\$157,938,705	\$157,188,705

Total General Revenue Required	\$148,589,681	\$148,355,831
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If the “alternative” language in the bill is implemented, instead of implementing the requirement that applications for lunch and breakfast programs must become a joint application for those programs and the Florida Kidcare Program, the bill would have a minimal or indeterminate fiscal impact, according to the FHKC and the AHCA.

K-12 School System / Department of Education Impact

Public school districts, charter schools, and private schools participating in free and reduced-price meal programs would incur indeterminate costs associated with the revision of hard-copy and online application forms to comply with the bill’s requirements.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill's requirement that application forms for lunch and breakfast programs must allow students to also apply for the Florida Kidcare Program, accompanied by the secondary requirement, in the alternative, that application forms for lunch and breakfast programs must provide information about the Kidcare program, creates a lack of clarity as to which requirement must be implemented and who is responsible for deciding which requirement must be implemented (e.g. the State Board of Education or individual school districts).

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

None.

B. Amendments:

None.

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