

THE FLORIDA SENATE
2016 SUMMARY OF LEGISLATION PASSED
Committee on Appropriations

HB 5101 — Medicaid

by Health Care Appropriations Subcommittee and Representative Hudson (SB 2508 by Appropriations Committee)

The bill:

- Effective upon the bill becoming law, authorizes the Department of Highway Safety and Motor Vehicles to allow the Agency for Health Care Administration (AHCA), via interagency agreement, to access photographic images of driver licenses for the purpose of preventing health care fraud. The bill authorizes the AHCA to contract with a private entity to carry out duties relating to health care fraud prevention under specified safeguards and parameters.
- Provides that reimbursement for emergency services provided to an enrollee of a Medicaid managed care plan by a provider that is not under contract with the managed care plan, must be no more than the Medicaid fee-for-service rate, less any amounts for indirect costs of medical education and direct costs of graduate medical education that are otherwise included in the fee-for-service payment. Also requires the AHCA to post on its website annually, or more frequently as needed, the applicable fee-for-service fee schedules and their effective dates, less any amounts for indirect costs of medical education and direct costs of graduate medical education that would otherwise be included in the fee-for-service payments.
- Provides that a hospital classified as a sole community hospital which has up to 175 licensed beds is included in the definition of “rural hospital.”
- Transfers from the Department of Children and Families (DCF) to the AHCA the responsibility for conducting Medicaid fair hearings related to Medicaid programs administered by the AHCA, by March 1, 2017. Provides for rulemaking by the AHCA. Provides that the AHCA will use the DCF’s existing fair hearing rules if the AHCA’s rulemaking is not completed by March 1, 2017.
- Permits certain non-citizen children to receive federal financial premium assistance under Medicaid or the Children’s Health Insurance Program (CHIP). Replaces a reference to “qualified alien” with a reference to “lawfully residing child” when referring to children who are not eligible for Title XXI funded premium assistance.
- Clarifies that Kidcare program eligibility is not being extended to undocumented immigrants. Provides that a child younger than 19 years of age who is a lawfully residing child, as defined in s. 409.811, F.S., is eligible for Medicaid under s. 409.903, F.S.
- Clarifies that Medicaid eligibility is not being extended to undocumented immigrants. Amends the Florida Healthy Kids Corporation Act to conform to changes made under the bill and to update references to modified or deleted terms.
- Deletes the requirement in current law for the AHCA to limit payment for hospital emergency department visits for non-pregnant Medicaid recipients 21 years of age or older to six visits per fiscal year.
- Effective July 1, 2017, requires the AHCA to implement a prospective payment methodology for hospital outpatient reimbursement, thereby replacing the current cost-based reimbursement methodology on that date.

- Provides that adjustments to outpatient reimbursements may not be made later than July 31 of the year in which they take effect. Also requires the AHCA, effective July 1, 2017, to reimburse ambulatory surgical centers with a prospective payment system, thereby replacing the current cost-based reimbursement methodology on that date.
- Requires the AHCA to seek federal approval to pay for flexible services for persons with severe mental illness or substance abuse disorders, including, but not limited to, temporary housing assistance. Payment for such services may be made as enhanced rates or incentive payments to managed care plans within Statewide Medicaid Managed Care. Requires the AHCA to establish a payment methodology to fund the managed care plans for flexible services for persons with severe mental illness and substance abuse disorders, including, but not limited to, temporary housing assistance. After receiving such payments for at least one year, a managed care plan must document the results of its efforts to maintain the target population in stable housing up to the maximum duration allowed under federal approval.
- Adds Down syndrome and Phelan-McDermid syndrome to the list of disorders that define “developmental disability.” Provides a definition of Phelan-McDermid syndrome.
- Revises the parameters used by the Agency for Persons with Disabilities (APD) to assign priority to clients waiting for services from the developmental disability waiver.
- Authorizes the AHCA to certify that a Medicaid provider is out of business and that any overpayments made to the provider cannot be collected under state law.
- Authorizes the AHCA to reimburse private schools and charter schools for providing Medicaid school-based services identical to those offered under the Medicaid certified school match program and under the same eligibility criteria as children eligible for services under that program.
- Adds class III psychiatric hospitals to the current list of facilities for which the AHCA is authorized to establish an alternative reimbursement methodology to the DRG-based prospective payment system otherwise required under state law for inpatient services.
- Revises parameters for the Statewide Medicaid Residency Program (SMRP), to:
 - Add psychiatry to the current list of primary care specialties;
 - Provide that federally qualified health centers are qualifying institutions for the purpose of receiving funds for residency slots through the SMRP;
 - Require that hospitals applying for the start-up bonus component of the SMRP must submit to the AHCA certain validations of new resident positions approved on or after March 2 of the prior fiscal year through March 1 of the current fiscal year for physician specialties identified to be in statewide supply/demand deficit in the General Appropriations Act; and
 - Revise the definition of “Medicaid payments,” effective July 1, 2017, in order to conform to the transition to a prospective payment system for hospital outpatient reimbursement on that date.
- Revises requirements for managed care plans within Statewide Medicaid Managed Care to:
 - Clarify that the term “essential provider” includes providers determined to be essential Medicaid providers under s. 409.975(1)(a), F.S., and providers specified as statewide essential providers under s. 409.975(1)(b), F.S., for the purpose of applying

- the criteria for excluding an essential provider from a managed care plan network for failure to meet quality or performance standards under s. 409.975(1)(c), F.S.; and
- Delete the provision in s. 409.975(6), F.S., requiring that for rates, methods, and terms of payment negotiated after a Statewide Medicaid Managed Care contract between the AHCA and a managed care plan has been executed, the managed care plan must pay hospitals within its provider networks, at a minimum, the rate that the AHCA would have paid on the first day of the contract between the provider and the plan.¹
 - Provides that the amount of reimbursement for emergency services provided to subscribers who are enrolled in an HMO in the Florida Healthy Kids program by a provider for whom no contract exists between the provider and the HMO, will be the lesser of a list of specified amounts, including the Medicaid rate.
 - Amends s. 18 of ch. 2012-33, Laws of Florida, to require the AHCA to contract with a current Program of All-inclusive Care for the Elderly (PACE) organization in Southeast Florida to develop and operate a PACE program in Broward County to serve frail elders who reside in Broward County or Miami-Dade County with up to 150 initial enrollee slots.
 - Authorizes a new PACE site to serve frail elders residing in hospice service area 1 (Escambia, Okaloosa, Santa Rosa, and Walton counties), hospice service area 2A (Bay, Calhoun, Gulf, Holmes, Jackson, and Washington counties), and hospice service area 2B (Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla counties) with up to 100 initial enrollee slots.
 - Authorizes a new PACE site to serve frail elders residing in Clay, Duval, St. Johns, Baker, and Nassau counties with up to 300 initial enrollee slots.
 - Authorizes a new PACE site to serve frail elders residing in hospice service area 7B (Orange and Osceola counties) and hospice service area 3E (Lake and Sumter counties) with up to 150 initial enrollee slots.
 - Authorizes a new PACE site to serve frail elders residing in Hillsborough County with up to 150 initial enrollee slots.
 - Amends s. 391.055, F.S., to update a cross-reference to changes made in the bill.
 - Amends s. 427.0135, F.S., to update a cross-reference to changes made in the bill.
 - Amends s. 1002.385, F.S., to provide cross-references to changes made in the bill.
 - Amends s. 1011.70, F.S., to correct cross-references to changes made in the bill.

If approved by the Governor, these provisions take effect July 1, 2016, except as otherwise expressly provided.

Vote: Senate 40-0; House 96-23

¹ Section 2 of HB 7087 and s. 46 of SB 12 repealed this provision of HB 5101.