

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: March 4, 1998 Revised: \_\_\_\_\_

Subject: Medicaid/Healthy Start Waiver

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Williams</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>WM</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

**I. Summary:**

Committee Substitute for Senate Bill 650 authorizes the Medicaid Program to provide reimbursement for a continuum of risk-appropriate medical and psychosocial services for the Healthy Start program, in accordance with a federal waiver. The waiver may not be implemented unless the waiver permits the state to limit enrollment or the amount, duration, and scope of services to ensure that expenditures will not exceed funds appropriated by the legislature or available from local sources. Further, the bill directs the Agency for Health Care Administration, working jointly with the Department of Health and the Healthy Start Coalitions, to seek a federal waiver to secure Medicaid matching funds for Healthy Start services. Appropriated general revenue funding and local contributions are to be used as the state’s matching funds.

The bill amends s. 409.906, F.S., and creates an undesignated section of law.

**II. Present Situation:**

Medicaid is a medical assistance program that pays for health care for the poor and disabled. The program is jointly funded by the federal government, the state, and Florida counties. The federal government, through law and regulations, has established extensive requirements for the Medicaid Program. The Agency for Health Care Administration (AHCA) is the single state agency responsible for the Florida Medicaid Program. The statutory provisions for the Medicaid Program appear in ss. 409.901 through 409.9205, F.S.

The federal government requires state Medicaid programs to provide services to certain eligibility groups, some of which are required to be covered, specified in s. 409.903, F.S., and some of which are covered at the state’s option, under s. 409.904, F.S. The federal government requires state Medicaid programs to provide payment for certain services as a condition of receiving

federal funds. Section 409.905, F.S., specifies the mandated Medicaid services. The federal government has also agreed to participate financially in paying for 30 other services under states' Medicaid programs, if a state elects to cover these "optional" services. Section 409.906, F.S., specifies those 22 optional Medicaid services which Florida has agreed to provide to Medicaid recipients.

Eligibility for Medicaid is linked primarily to public assistance and based on income, assets, and categorical distinctions such as age, family composition, and health status. Currently, the Florida Medicaid Program covers the following groups of pregnant women and children: pregnant women and children under age 1 up to 185 percent of poverty; children between the ages of 1 to 6 up to 133 percent of poverty; and children between the ages of 6 to 15 up to 100 percent of poverty. Children ages 15 to 19 are covered up to 28 percent of poverty. Under existing federal law, states' Medicaid programs must cover all children born after September 30, 1983, beginning October 1, 2001, with a family income up to 100 percent of the federal poverty level. As with many other states, Florida has taken an incremental approach to this coverage requirement, increasing the coverage of children up to 100 percent of the federal poverty level by year as children age. Fourteen year olds in families with income up to 100 percent of the federal poverty level just became eligible October 1, 1997. (For purposes of illustration, the current federal poverty level for a family of four is \$16,050.) The Florida Medicaid Program is projected to serve 1,490,047 clients this year, approximately half of whom, or more than 745,000, are children.

Created via chapter 91-282, Laws of Florida, the community-based Healthy Start program is designed to improve the well-being of Florida's mothers and babies by ensuring the receipt of needed health care and social support services. The 1991 act amended the following sections of statute:

- s. 383.011, F.S., relating to administration of maternal and child health programs;
- s. 383.013, F.S., relating to prenatal care;
- s. 383.14, F.S., relating to (newborn) screening for metabolic disorders, other hereditary and congenital disorders, and environmental risk factors; and
- s. 383.215, F.S., relating to developmental intervention and parent support and training programs. (This section was transferred and rewritten as ss. 391.301-391.304, F.S., by chapter 94-140, Laws of Florida.)

The act also created:

- s. 383.216, F.S., relating to community-based prenatal and infant health care; and
- s. 383.2161, F.S., relating to an annual maternal and child health report.

Healthy Start uses universal screening of pregnant women and newborns to identify those at highest risk of poor health and social and developmental outcomes. It also includes an assessment of high-risk women and infants to determine their needs, and then provides the necessary care using Healthy Start and community resources. Specific services include clinical prenatal services, risk screening, care coordination, childbirth and parenting education to pregnant women, breast-feeding education, nutritional counseling services, psychosocial counseling services, smoking cessation counseling, outreach, and home visiting. In 1997, the Legislature expanded eligibility for Healthy Start services to cover children up to age 3 via the General Appropriations Act.

There are now 30 Healthy Start Coalitions representing 64 counties in Florida. The remaining three counties are forming their own coalitions at the present time. According to the 1996 annual report, these coalitions collectively leveraged the following resources with \$4,410,000 in state funding:

- 47,033 volunteer hours, with an estimated value of \$1,272,567.
- \$678,832 worth of in-kind services and resources;
- More than \$1,203,167 additional cash to expand the system of care for mothers and infants;
- More than \$3,571,316 which communities have re-directed into providing needed services for pregnant women and children.

These amounts represent at least \$1.53 return for each public dollar invested in the funding of Healthy Start Coalitions. Coalition appropriations for the current fiscal year are \$5,402,221.

The previous-referenced 1996 annual report of the Healthy Start program, the most recent report available, offers the following information. There were 69,784 women who received Healthy Start services between October 1995 and June 1996. Of these, two-thirds required ongoing care coordination. There were 51,710 infants who received Healthy Start services during this period of time, 64 percent of whom received ongoing care coordination. More than 49 percent of all pregnant women and 72 percent of infants were screened for Healthy Start services. The infant screening rates have been holding steady while prenatal screening rates are again increasing after two years of decline. The percentage of positive screens has remained steady for infants but has shown a decrease for pregnant women. The caseloads, however, continue to grow due to referrals made over and above those women and infants identified as being at highest risk through the screening process. The report Executive Summary concludes “(f)ull and effective implementation of Healthy Start continues to be a focus for ongoing improvement. Areas targeted for improvement include screening and referral rates, delivering “risk-appropriate” services based on assessments of risk and individual resources, and timely service delivery.”

The Healthy Start program has been widely recognized for the positive impact it is having on maternal and child health outcomes. The program is funded by state general revenue, and to a varying extent by local matching funds. The only Healthy Start program activities that currently qualify for Medicaid reimbursement are the assessment screenings. This is a very limited portion of the overall program activities. A federal Medicaid waiver would allow Florida the opportunity to use existing state general revenue funding and documented local contributions to draw down federal Medicaid matching funds, at no additional cost to the state. This would allow the Healthy Start Coalitions to extend their services to more clients, and cover a wider array of services under Medicaid. According to the Department of Health, 44 other states are currently drawing down additional federal Medicaid funding for enhanced prenatal and infant risk reduction services, such as case management, nutrition counseling, and parenting skills.

### III. Effect of Proposed Changes:

**Section 1.** Amends s. 409.906, F.S., relating to optional Medicaid services, to authorize the Medicaid Program to provide reimbursement for a continuum of risk-appropriate medical and psychosocial services for the Healthy Start program, in accordance with a federal waiver. The

waiver may not be implemented unless the waiver permits the state to limit enrollment or the amount, duration, and scope of services to ensure that expenditures will not exceed funds appropriated by the legislature or available from local sources.

**Section 2.** Directs the Agency for Health Care Administration, working jointly with the Department of Health and the Healthy Start Coalitions, to seek a federal waiver to secure Medicaid matching funds for Healthy Start services. Appropriated general revenue funding and local contributions are to be used as the state's matching funds.

**Section 3.** Provides an effective date of July 1, 1998.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

##### **B. Public Records/Open Meetings Issues:**

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Subsections 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. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

Those Medicaid eligible pregnant women and children will benefit from the ready availability of needed services. Healthy Start Coalitions and providers of direct services will receive additional funding for services provided to Medicaid eligible clients.

##### **C. Government Sector Impact:**

The provisions of this bill will have no direct impact on the state's general revenue obligations. The Governor's budget recommendations for fiscal year 1998-99 indicate that

\$26.1 million in federal funds will be used to match \$20.7 million in existing state and local Healthy Start funds for Medicaid coverage of Healthy Start services to pregnant women and at-risk infants and young children ages 0 to 3.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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