

STORAGE NAME: h1839.hcl

DATE: March 25, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE LICENSING & REGULATION
ANALYSIS**

BILL #: HB 1839

RELATING TO: Health Care/Transfer of Medical Quality Assurance

SPONSOR(S): Representative Ritter

COMPANION BILL(S): SB 2202(i) and CS/SB 880(c)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH CARE LICENSING & REGULATION
 - (2) GOVERNMENTAL OPERATIONS
 - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

HB 1839 transfers from the Agency for Health Care Administration (agency) to the Department of Health (department) the powers, duties, functions, and assets that relate to the consumer complaint services, investigations, and prosecutorial services that are performed by the agency. These services are the *final* sections of Medical Quality Assurance remaining with the agency. The agency has been under contract with the department to provide these services since transferral of the professional regulatory boards and professions to the department in 1997. The bill authorizes all rules to remain in effect until such time as the rules are changed pursuant to legislative authority.

The consumer complaint and investigative services units are to be placed in the Division of Medical Quality Assurance of the department and the prosecutorial unit is to be placed in the Office of the General Counsel of the department.

Existing authority for the Department of Health to contract with the Agency for Health Care Administration for these services is repealed.

Based on information provided by the Agency for Health Care Administration, 186.5 employees currently housed in the Agency for Health Care Administration would be transferred to the department. \$15,281,448 is currently expended for consumer complaint, investigative, and prosecutorial services. Of that amount, \$181,500 goes to the Department of Children & Families for background checks, and \$386,960 goes to the Florida Department of Law Enforcement for background checks. Revenues transferred from the Department of Health total \$14,825,216.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

In 1996, the Department of Health (department) was created, in part, to regulate health care practitioners as necessary for the preservation of the health, safety, and welfare of the public. All of the health care regulatory boards and professions were transferred from the Agency for Health Care Administration (agency) to the department's Division of Medical Quality Assurance, effective July 1, 1997. The complaint analysts, investigators, and prosecutors; however, remained with the agency. The law originally required the department to contract with the agency to provide the consumer complaint, investigative, and prosecutorial services required by the department's Division of Medical Quality Assurance.

Before the transferral went into effect in 1997, the law changed "shall" to "may" so that the department could contract with the agency, but was no longer statutorily mandated to do so. The department and the agency entered into an interagency agreement, effective upon the date of the original transfer, which has since been twice amended. The 186.5 agency employees currently performing under contract are solely dedicated to those department functions and do no other services for the agency.

B. EFFECT OF PROPOSED CHANGES:

HB 1839 transfers from the Agency for Health Care Administration to the Department of Health all powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, and other funds relating to consumer complaint services, investigations, and prosecutorial services. The transferral shall take effect July 1, 1999.

The consumer complaint and investigative services units are to be placed in the Division of Medical Quality Assurance of the department and the prosecutorial unit is to be placed in the Office of the General Counsel of the department.

The bill also deletes a provision which authorizes the department to contract with the agency to provide consumer complaint, investigative, and prosecutorial services.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

All of the rules in effect at the time of the transfer shall remain in effect until specifically changed in accordance with law.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes, the Department of Health will have responsibility for consumer complaints, investigative, and prosecutorial functions related to Medical Quality Assurance which are currently handled by the Agency for Health Care Administration.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

The Medical Quality Assurance consumer complaint, investigative, and prosecutorial services are transferred to the Department of Health.

- (2) what is the cost of such responsibility at the new level/agency?

186.5 FTEs will be transferred to the Department of Health. It is reported by the Agency for Health Care Administration that this bill will result in \$15,281,448 being expended.

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Section 20.43, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Effective July 1, 1999, transfers from the Agency for Health Care Administration to the Department of Health all powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, and other funds relating to consumer complaint services, investigations, and prosecutorial services.

The consumer complaint and investigative services units are placed in the Division of Medical Quality Assurance of the department and the prosecutorial unit is placed in the Office of the General Counsel of the department.

Section 2. Amends. s. 20.43, F.S., to delete a provision which authorizes the department to contract with the agency to provide consumer complaint, investigative, and prosecutorial services.

Section 3. Provides an effective date of July 1, 1999.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. <u>Non-recurring Effects:</u>	1999-00
Revenues:	
Transfers from the Department of Health	(\$14,825,126)
Expenditures:	
Salaries and Benefits (186.5 FTEs)	
General Revenue	(141,159)
Health Care Trust Fund	<u>(7,598,020)</u>
Total Salaries & Benefits	<u>(\$7,739,179)</u>
OPS - Health Care Trust Fund	(2,886,483)
Expenses	
General Revenue	(101,209)
Health Care Trust Fund	<u>(3,247,236)</u>
Total Expenses	<u>(\$3,348,445)</u>
OCO	
General Revenue	(29,204)
Health Care Trust Fund	<u>(227,797)</u>
Total OCO	<u>(257,001)</u>
Risk Management Insurance - HC Trust Fund	(59,090)
SAMAS User Charge - HC Trust Fund	(53,290)
Reimburse Nursing Home Screen	
General Revenue	(184,750)
Health Care Trust Fund	<u>(184,750)</u>
Total Reimburse Nursing Home Screen	<u>(\$369,500)</u>
Transfer to DCF for Background Checks - HC Trust Fund	(181,500)
Transfer to FDLE to Background Checks - HC Trust Fund)	(386,960)
Total Non-recurring Expenditures:	
General Revenue	(456,322)
Health Care Trust Fund	<u>(14,825,126)</u>
Total	<u>(15,281,448)</u>
2. <u>Recurring Effects:</u>	
None.	

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Revenues:

Transfers from the Department of Health (14,825,126)

Expenditures:

Salaries & Benefits (186.5 FTEs)	(7,739,179)
OPS	(2,886,483)
Expenses	(3,348,445)
OCO	(257,001)
Risk Management Insurance	(59,090)
SAMAS User Charge	(53,290)
Reimburse Nursing Home Screen	(369,500)
Transfer to DCF for Background Checks	(181,500)
Transfer to FDLE for Background Checks	(386,960)
Total Expenditures	(15,281,448)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

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A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE LICENSING & REGULATION:

Prepared by:

Staff Director:

Lucretia Shaw Collins

Lucretia Shaw Collins