HOUSE AMENDMENT Bill No. CS/HBs 1927 & 961, 1st Eng. Amendment No. ____ (for drafter's use only) CHAMBER ACTION Senate House ORIGINAL STAMP BELOW Representative(s) Sanderson offered the following: Amendment to Senate Amendment (875086) (with title amendment) On page 24, between lines 13 & 14, of the amendment Section 16. Subsection (13) of section 409.912, Florida Statutes, 1998 Supplement, is amended to read:

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insert:

20 409.912 Cost-effective purchasing of health care.--The 21 agency shall purchase goods and services for Medicaid 22 recipients in the most cost-effective manner consistent with 23 the delivery of quality medical care. The agency shall maximize the use of prepaid per capita and prepaid aggregate 24 25 fixed-sum basis services when appropriate and other 26 alternative service delivery and reimbursement methodologies, 27 including competitive bidding pursuant to s. 287.057, designed 28 to facilitate the cost-effective purchase of a case-managed 29 continuum of care. The agency shall also require providers to minimize the exposure of recipients to the need for acute 30 inpatient, custodial, and other institutional care and the 31 1

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inappropriate or unnecessary use of high-cost services. 1 2 (13)(a) The agency shall identify health care 3 utilization and price patterns within the Medicaid program 4 which are not cost-effective or medically appropriate and assess the effectiveness of new or alternate methods of 5 providing and monitoring service, and may implement such 6 7 methods as it considers appropriate. Such methods may include 8 disease management initiatives, an integrated and systematic 9 approach for managing the health care needs of recipients who 10 are at risk of or diagnosed with a specific disease by using 11 best practices, prevention strategies, clinical-practice 12 improvement, clinical interventions and protocols, outcomes research, information technology, and other tools and 13 resources to reduce overall costs and improve measurable 14 15 outcomes. 16 (b) The responsibility of the agency under this 17 subsection shall include the development of capabilities to 18 identify actual and optimal practice patterns; patient and provider educational initiatives; methods for determining 19 patient compliance with prescribed treatments; fraud, waste, 20 21 and abuse prevention and detection programs; and beneficiary 22 case management programs. The practice pattern identification program shall 23 1. 24 evaluate practitioner prescribing patterns based on national and regional practice guidelines, comparing practitioners to 25 their peer groups. The agency and its Drug Utilization Review 26 27 Board shall consult with a panel of practicing health care professionals consisting of the following: the Speaker of the 28 House of Representatives and the President of the Senate shall 29 30 each appoint three physicians licensed under ch. 458 or ch. 459; and the Governor shall appoint two pharmacists licensed 31 2

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under ch. 465 and one dentist licensed under ch. 466 who is an 1 2 oral surgeon. Terms of the panel members shall expire at the discretion of the appointing official. The panel shall begin 3 4 its work by August 1, 1999, regardless of the number of appointments made by that date. The advisory panel shall be 5 responsible for evaluating treatment guidelines and 6 7 recommending ways to incorporate their use in the practice 8 pattern identification program. Practitioners who are prescribing inappropriately or inefficiently, as determined by 9 10 the agency, may have their prescribing of certain drugs 11 subject to prior authorization. 12 2. The agency shall also develop educational 13 interventions designed to promote the proper use of 14 medications by providers and beneficiaries. 15 3. The agency shall implement a pharmacy fraud, waste, and abuse initiative that may include a surety bond or letter 16 17 of credit requirement for participating pharmacies, enhanced 18 provider auditing practices, the use of additional fraud and abuse software, recipient management programs for 19 beneficiaries inappropriately using their benefits, and other 20 steps that will eliminate provider and recipient fraud, waste, 21 22 and abuse. The initiative shall address enforcement efforts to reduce the number and use of counterfeit prescriptions. 23 24 The agency may apply for any federal waivers needed 4. 25 to implement this paragraph. 26 27 28 And the title is amended as follows: 29 30 On page 27, line 14, of the amendment 31 3

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1	insert	after the semicolon:
2		amending s. 409.912, F.S., relating to purchase
3		of goods and services for Medicaid recipients;
4		requiring the Agency for Health Care
5		Administration to develop certain programs and
6		initiatives relating to the prescribing, use,
7		and dispensing of drugs; providing for an
8		advisory panel on prescription practice
9		patterns;
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