

**STORAGE NAME:** h0959.hcs

**DATE:** March 14, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
HEALTH CARE SERVICES  
ANALYSIS**

**BILL #:** HB 959

**RELATING TO:** Financial Responsibility for Indigent Hospital Patients

**SPONSOR(S):** Rep. Crady

**TIED BILL(S):**

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

- (1) HEALTH CARE SERVICES
  - (2) COMMUNITY AFFAIRS
  - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
  - (4)
  - (5)
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**I. SUMMARY:**

HB 959 provides for the exclusion of active-duty military personnel and residents in institutions run by the federal government, Department of Corrections, Department of Health, or the Department of Children and Family Services from state population estimates of counties when calculating a county's financial responsibility for hospitals' treatment of the county's indigent. This will reduce the obligation of counties in providing services to indigent hospital patients under the Health Care Responsibility Act.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

**Health Care Responsibility Act (HCRA)**

The Health Care Responsibility Act (ss. 156.301-154.316, F.S.), was first enacted in 1977 and revised by the 1988 Legislature to place the financial obligation for reimbursing hospitals for emergency inpatient and outpatient services provided to out-of-county indigent patients on the counties in which the patients reside.

The 1991 Legislature amended the act to increase the number of eligible applicants through the creation of a spend-down program and to increase hospital reimbursement rates. Both of these measures pertained only to counties that were not at their 10 mill cap on ad valorem taxes as of October 1, 1991. Such counties are referred to as spend-down provision eligible counties.

The 1998 Legislature further amended the act to allow counties the option of using up to one-half of the designated HCRA funds to reimburse participating hospitals within the county for emergency inpatient and outpatient services provided to in-county indigent patients.

The act consists of the following subsections:

- |          |  |
|----------|--|
| 154.301  | Short title;   |
| 154.302  | Legislative intent;  |
| 154.304  | Definitions;   |
| 154.306  | Financial responsibility for certified residents who are qualified indigent patients treated at an out-of-county participating hospital or regional referral hospital; |
| 154.308  | Determination of patient's eligibility; spend-down program;  |
| 154.309  | Certification of county of residence;  |
| 154.31   | Obligation of participating hospital or regional referral hospital;  |
| 154.3105 | Rules;   |
| 154.312  | Procedure for settlement of disputes;  |
| 154.314  | Certification of the State of Florida; and   |
| 154.316  | Hospital's responsibility to notify of admission of indigent patients.   |

Under s. 154.306, F.S., a county's financial obligation for qualified applicants does not exceed 45 days per county fiscal year. The rate of payment set by this act is 100 percent of the per diem reimbursement rate currently in effect for the out-of-county hospital under Medicaid, except that those counties that were at their 10-mil cap on October 1, 1991, reimburse hospitals for such services at not less than 80 percent of the hospital Medicaid per diem. If a county has negotiated a formal agreement with a hospital, the payment rate set by the agreement is substituted for the payment rate set by the statute. The maximum a county is required to pay is equivalent to \$4 multiplied by the most recent official state population estimate for the county. Currently, all active duty military personnel and institutionalized persons are included in the counties' population estimates.

### **Numbers of Active Duty Military and Institutionalized People in Florida**

According to the Bureau of Economic and Business Research at the University of Florida, the number of prisoners in institutions in the state, as of April 1, 1999, was 78,687. Other institutionalized persons totaled 13,491 as of April 1, 1999. As of September 30, 1998, the count for active duty military personnel in the state was 53,692. This represents a combined total of approximately 145,870 such persons as of April 1, 1999.

#### **C. EFFECT OF PROPOSED CHANGES:**

The bill will reduce counties' financial responsibility for treating indigent hospital patients under the Health Care Responsibility Act. The bill provides an exclusion for certain institutionalized persons and for active duty military personnel when calculating the maximum amount a county may be required to pay for services for indigent hospital patients.

#### **D. SECTION-BY-SECTION ANALYSIS:**

**Section 1.** Amends s. 154.306, F.S., relating to financial responsibility for certified residents who are qualified indigent patients treated at an out-of-county participating hospital or regional referral hospital under the Health Care Responsibility Act, to exclude inmates and patients residing in institutions operated by the federal government, the Department of Corrections, the Department of Health, or the Department of Children and Family Services, and by the number of active-duty military personnel from state estimates of county populations.

**Section 2.** Provides an effective date of July 1, 2000.

### **III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

Most counties will likely see some reduction in the amount of financial responsibility for indigent patients under the Health Care Responsibility Act. The bill would exclude approximately, 145,870 people from the state's calculation of counties' populations. This would reduce the counties' statewide financial obligations under the Health Care Responsibility Act by an aggregate sum of \$583,480.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

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**B. RULE-MAKING AUTHORITY:**

N/A

**C. OTHER COMMENTS:**

According to the Agency for Health Care Administration, the bill does not specify how the agency will obtain the information relating to the number of inmates and patients in institutions operated by the federal government, the Department of Health, the Department of Children and Family Services, and the number of active duty military personnel within a county. Presently, the Bureau of Economic and Business Research at the University of Florida provides the estimated population numbers to the agency with and without the prison population of each county.

Before excluding any other populace for the purposes of determining a county's obligation under the Health Care Responsibility Act, it should first be determined if those numbers are available, and if not, how and when the information would be obtained and as of what date within the reporting period.

**VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

N/A

**VII. SIGNATURES:**

COMMITTEE ON Health Care Services:

Prepared by:

Staff Director:

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Tonya Sue Chavis, Esq.

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Phil Williams