

**STORAGE NAME:** h1703a.jo.doc  
**DATE:** April 12, 2001

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
JUDICIAL OVERSIGHT  
ANALYSIS**

**BILL #:** HB 1703 (formerly PCB CFS 01-03)  
**RELATING TO:** Interstate Compact on Adoption and Medical Assistance  
**SPONSOR(S):** Committee on Child and Family Security  
**TIED BILL(S):**

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

- (1) CHILD AND FAMILY SECURITY YEAS 10 NAYS 0
  - (2) JUDICIAL OVERSIGHT YEAS 10 NAYS 0
  - (3) COUNCIL FOR HEALTHY COMMUNITIES
  - (4)
  - (5)
- 

I. SUMMARY:

The federal "ADOPTION AND SAFE FAMILIES ACT OF 1997" (P.L.105-89), was signed into law on November 19, 1997. This federal law requires states to move children more quickly through foster care into permanent homes. States are required to provide health insurance coverage for any child with special needs for whom there is an adoption assistance agreement between the state and the adoptive parents, and who the state has determined could not be placed for adoption without medical assistance because the child has special needs for medical, mental health, or rehabilitative care. Such health insurance coverage can be provided through Medicaid, or one or more state medical assistance programs, if coverage is Medicaid-comparable. Forty-four states have joined into a compact to provide a seamless system for issuing a Medicaid card and providing other services to special needs children and their adoptive families who move from another state. Florida is not part of this state interstate compact.

The bill creates the Interstate Compact on Adoption and Medical Assistance Act (s. 409.406, Florida Statutes). The act ensures families with special needs children under adoption assistance agreements, who move from Florida to another state, or from another state to Florida, are able to obtain a Medicaid card in the other state or Florida as well as other services. The bill authorizes the Department of Children and Family Services to enter into agreements with the child protection agencies of other states participating in the compact for the provision of interstate children's adoption assistance.

The bill also creates section 409.407, Florida Statutes, that prohibits the Department of Children and Family Services from expanding the financial commitment of Florida beyond its current obligation for the adoption assistance agreements and Medicaid through the interstate agreements.

Florida would join 44 other states that have created a compact providing a seamless system for issuing a Medicaid card and providing other services to special needs children and their adoptive families who move from another state.

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 type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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:

The child welfare priority of the Department of Children and Family Services is to preserve and strengthen a child's family of origin so the parents are able to reassume custody. The department only initiates the termination of parental rights when the child's welfare is at risk. In order to place these children in safe, permanent homes the department is responsible for:

- M proceedings to terminate parental rights;
- M recruiting, screening, and preparing adoptive families;
- M supervising adoptive placements while the court finalizes adoption proceedings, and
- M providing for court costs, health services, and cash subsidies for children with special needs.

The department focuses its placement efforts on special needs children who are difficult to place because they are older, belong to an ethnic minority, have siblings, or have physical, developmental, or emotional disabilities. Non-special needs children are usually referred to private adoption agencies.

The federal "ADOPTION AND SAFE FAMILIES ACT OF 1997" (P.L. 105-89), was signed into law on November 19, 1997. This federal law requires states to move children more quickly through foster care into permanent homes. States are required to provide health insurance coverage for any child with special needs for whom there is an adoption assistance agreement between the state and the adoptive parents, and who the state has determined could not be placed for adoption without medical assistance because the child has special needs for medical, mental health, or rehabilitative care. Such health insurance coverage can be provided through Medicaid, or one or more state medical assistance programs, if coverage is Medicaid-comparable.

According to the Department of Children and Families (DCF), 44 states have created a compact providing a seamless system for issuing a Medicaid card and providing other services to special needs children and their adoptive families who move from another state. Florida is not part of this state interstate compact. There is no uniform procedure in Florida to ensure that Assistance Agreement Families that move to Florida from other states receive a Medicaid card and other services in a timely manner. According to DCF, there have been instances of substantial delays in children obtaining assistance and a Florida Medicaid card. According to the department, of the 15,621 special needs children with Florida adoption assistance agreements in 1997, 1,406 were

living in other states. Of these special needs children with adoption assistance living in other states, 1,125 have their Medicaid coverage provided by the other state under federal requirements because they are Title IV-E eligible. Florida provides Medicaid coverage to the remaining 281 special needs children with Florida adoption assistance agreements who are not Title IV-E eligible.

By comparison 622 special needs children with adoption assistance agreements from other states lived in Florida in 1997. Of these 622 children with adoption agreements from other states, Florida provided 414 with Medicaid because they are Title IV-E eligible. Other states provide Medicaid to the 208 children they have adoption agreements with who are living in Florida and who are not Title IV-E eligible. More recent data on the number of out-of-state children in Florida will not be available until another national survey is completed.

**C. EFFECT OF PROPOSED CHANGES:**

The bill creates an Interstate Compact on Adoptions and Medical Assistance (s. 409.406, Florida Statutes) that ensures families with special needs children under adoption assistance agreements, who move to another state, are able to obtain a Medicaid card in the other state as well as other services. The bill authorizes the Department of Children and Family Services to enter into agreements with the child protection agencies of other states participating in the compact for the provision of interstate children's adoption assistance.

Florida will join 44 other states in providing a seamless system for issuing a Florida Medicaid card and providing other services to special needs children and their adoptive families who move here from another state. Likewise, Florida families who adopt a special needs child and have an adoption assistance agreement will receive the same assistance when they move to another member state.

The compact provides Florida and other states a mechanism to provide a smooth transition and continuity of care for adoptive children with special needs, who move with their parents. In addition, the compact provides for reciprocal funding for children residing in other states. Under the compact, children with a Florida adoption assistance agreement who live in another state, and are not Title IV-E eligible, will have their Medicaid match provided by that state. Florida will provide the Medicaid match for non Title IV-E eligible child from out-of-state living in Florida. In 1997, there were 208 special needs children with adoption assistance agreements from other states living in Florida and 281 children with Florida agreements living in other states. The net fiscal effect of assuming responsibility for 208 children in place of 281 Florida children in other states is positive or at least neutral.

This new compact has no relationship to the Interstate Compact on the Placement of Children (ICPC) (See s. 409.401, Florida Statutes). The ICPC approves all adoptive placement requests coming into Florida from other states, or leaving Florida going to other states. The new compact deals exclusively with adoption assistance children who have already been adopted and are moving to another state with the need to have a seamless transition with reference to medical and other social needs related to their respective disabilities that could (and have been) unnecessarily interrupted or disrupted by the inability to obtain these services to which they are entitled.

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

**Section 1. Creates s. 409.406, Florida Statutes,** establishing the Interstate Compact on Adoption and Medical Assistance.

Statutory language format for interstate compacts is unique (see s. 409.401, Florida Statutes, relating to the Interstate Compact on the Placement of Children). Accordingly, the language of the compact is usually adopted verbatim, including the use of the word 'Article.'

**Article I.**

Provides findings regarding the need for assistance and special measures when adoptive parents move to other states or are residents of another state, and the special difficulties when provision of services takes place in other states.

**Article II.**

Provides that the purpose of the act is to authorize the Department of Children and Family Services to enter into agreements with other states on behalf of adopted children receiving services from the department, and to develop procedures for adoption assistance payments and medical payments.

**Article III.**

Provides definitions for terms including, but not limited to, the "adoption assistance state" which is the state that signs an adoption assistance agreement in a particular case and the "residence state" which is where the child resides.

**Article IV.**

Authorizes the Department of Children and Family Services to negotiate and enter into interstate compacts for adoption assistance that have the effect of law as long as they remain in force.

**Article V.**

Requires compact provisions including:

M The compact can be joined by all states.

M States can withdraw from the compact by written notice, but the withdrawal does not take effect for one year.

M All children and families covered by the compact continue to receive assistance after withdrawal. (This applies only to non-Title IV-E children, since states are already mandated to provide Medicaid coverage to Title IV-E children who move to their state.)

M A written agreement between the adoptive parents and the child welfare agency of the state providing assistance covers each assistance case, and it is enforceable by the parents.

**Article VI.**

Provides for options that may include procedures and entitlements for medical and social services for children living in a state other than the one responsible for their services or costs.

**Article VII.**

Provides requirements for medical assistance that include:

M A child with special needs having an adoption assistance agreement with another state is entitled to medical assistance as soon as Florida receives a certified copy of the agreement. Adoptive parents are required to show the adoptive agreement is still in force at least annually.

M DCF and the Agency for Health Care Administration (AHCA) may provide Medicaid benefits to children under a state adoption agreement in addition to children required to be provided Title IV-E support under a federal adoption assistance agreement.

M Under this agreement AHCA will provide the same assistance to children from other states as it does to Florida children.

M Florida will only provide benefits for children under adoption assistance agreements from states that have entered into an interstate compact with Florida.

M Provides for rule making authority.

**Article VIII.**

Requires the department and agencies administering must include in any state plan pursuant to applicable federal aid and law (including the Adoption Assistance and Child Welfare Act of 1980, Pub. L. No. 96-272), Titles IV (E) and XIX of the Social Security Act) the provisions of adoption and medical assistance for which the Federal Government pays for any cost.

**Section 2. Creates section 409.407, Florida Statutes,** that prohibits the Department of Children and Family Services from expanding the financial commitment of Florida beyond its current obligation for the adoption assistance agreements and Medicaid through the interstate agreements

**Section 3.** Establishes that the act takes effect on July 1, 2001.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

	<b>FY 00-01</b>	<b>FY 01-02</b>
Recurring Expenditures (@ FTE's)	\$112,102	\$112,102
Nonrecurring Expenditures	\$ 25,732	
<b>TOTAL Program Costs</b>	<b>\$137,834</b>	<b>\$112,102</b>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The department estimates Florida will not have a fiscal impact from benefit coverage from the compact because of the reciprocal nature of the agreements. Special needs children under adoption assistance agreements who are eligible for IV-E benefits already have Medicaid coverage by the state where they reside under federal IV-E requirements. Under the compact, children who are not IV-E eligible, will also have their Medicaid match provided by the state where the child lives. Under the provisions of the compact Florida would have provided the Medicaid match for 208 special needs children in 1997 from states having an adoption assistance compact agreement with Florida. In exchange compact states would provide the Medicaid match for 281 special needs children with adoptive assistance agreements from Florida residing there.

The Department of Children and Families estimates one professional senior human services program specialist position will be needed to serve as the coordinator of the interstate compact on medical assistance, and one administrative assistant I position will be needed to process the incoming and outgoing mail, maintain the filing system and support the specialist and office. A computer software program will be needed to enter, track and monitor Florida children leaving the state, and children from other states moving into Florida.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditures of funds.

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:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 12, 2001, the Committee on Judicial Oversight adopted three technical and conforming amendments.

VII. SIGNATURES:

COMMITTEE ON JUDICIAL OVERSIGHT:

Prepared by:

Bob Barrios

Staff Director:

Bob Barrios

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AS REVISED BY THE COMMITTEE ON JUDICIAL OVERSIGHT:

Prepared by:

Staff Director:

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Carol Preston

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Lynne Overton