

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 644

SPONSOR: Senator Fasano

SUBJECT: Medicaid Copayments

DATE: March 9, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HC	Favorable
2.	_____	_____	TR	_____
3.	_____	_____	AHS	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill deletes transportation services from the list of additional services under the Medicaid program for which a copayment is required.

This bill amends section 409.9081, Florida Statutes.

II. Present Situation:

The Medicaid Program

Medicaid is a medical assistance program that pays for health care for the poor and disabled. The federal government, the state, and the counties jointly fund the program. 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 Department of Children and Family Services is responsible for determining Medicaid eligibility and managing Medicaid eligibility policy, with approval of any changes by AHCA.

The statutory provisions for the Medicaid Program appear in ss. 409.901 through 409.9205, F.S. Section 409.903, F.S., specifies categories of individuals who are required by federal law to be covered, if determined eligible, by the Medicaid Program (mandatory coverage groups). Section 409.904, F.S., specifies categories of individuals who the federal government gives state Medicaid programs the choice of covering (optional coverage groups). Sections 409.905 and 409.906, F.S., specify the medical and other services the state may provide under the state Medicaid plan.

Medicaid is an entitlement program. Federal laws and regulations require states to make all Medicaid services available to all categorically eligible recipients regardless of diagnosis. If the Medicaid recipient is a child, however, Medicaid is required to provide additional services (which may not be available to adult Medicaid recipients) to treat an illness identified through health screening.

Section 409.9081, F.S., requires the Agency for Health Care Administration, subject to federal regulations and any directions or limitations provided for in the General Appropriations Act, to require copayments for the following services: hospital outpatient, physician, hospital inpatient, laboratory and X-ray services, transportation services, home health care services, community mental health services, rural health services, federally qualified health clinic services, and nurse practitioner services. The Agency may only establish copayments for prescribed drugs or for any other federally authorized service if such copayment is specifically provided for in the General Appropriations Act or other law. Certain Medicaid recipients, as specified in s. 409.9081(3), F.S., are exempt from paying a copayment.

Transportation

Part I, ch. 427, F.S., specifies requirements for transportation services in Florida. Pursuant to s. 427.013, F.S., the Commission for the Transportation Disadvantaged provides oversight of transportation for all state and federal assistance programs such as Medicaid, Medicaid Waivers, Vocational Rehabilitation, and Veteran's Affairs. The Commission for the Transportation Disadvantaged procures community transportation coordinators at the county level to arrange transportation for Medicaid recipients and recipients of other assistance programs.

Under the Medicaid Transportation Coverage Limitations and Reimbursement Handbook, Medicaid recipients, unless otherwise exempt, are responsible for payment of a \$1.00 copayment for each one-way transportation trip. Round trips require two copayments. Pursuant to federal law (42 CFR 447.53), the Medicaid recipients who are exempt from the transportation copayment include: children under 18 years of age; pregnant women; institutional care program recipients; and family planning service recipients. Additionally, individuals who require emergency transportation services, individuals using health maintenance organization or other managed care provided transportation, and recipients of hospice services are exempt from the transportation copayment requirement.

Several landmark court decisions have consistently ruled that states must assure that recipients have access to covered Medicaid services.¹ Such access rights entitle Medicaid recipients to needed medical transportation assistance, and require states to pay for it. Recipients may not be refused services based on their inability to pay the transportation copayment. When the recipient does not pay the copayment, Medicaid reimburses the provider the difference between the established Medicaid payment and the Medicaid copayment amount.

¹ See *Harris v. James*, 127 F.3d 993 (11th Cir. 1997) and *Boatman v. Hammons*, 164 F.3d 286 (6th Cir. 1998). See also, 42 CFR 431.53.

III. Effect of Proposed Changes:

The bill deletes transportation services from the list of additional services under the Medicaid program for which a copayment is required.

The effective date of the bill is July 1, 2003.

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 Art. I, s. 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:

Transportation providers will no longer have to collect copayments from Medicaid recipients and Medicaid recipients will no longer be responsible for payment of the transportation copayments.

C. Government Sector Impact:

According to the Agency for Health Care Administration, the bill will require the Medicaid program to reimburse transportation providers at the amounts determined by their operating rate structures without deducting copayments of \$1.00 per one-way or \$2.00 per round trip. The Medicaid fiscal agent would be required to change transportation billing procedures to halt deductions of copayments. The Agency for Health Care Administration will need to revise the Medicaid Transportation Coverage, Limitations, and Reimbursement Handbook to conform to the elimination of the transportation copayment. The Agency for Health Care Administration estimates it will incur expenditures of (\$1,001,433) in fiscal year 2003-2004 and (\$1,041,522) in fiscal year 2004-2005.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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