HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 645 w/CS Minority Health Care
SPONSOR(S): Jennings and others
TIED BILLS: None. **IDEN./SIM. BILLS:** CS/SB 1178 (s)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Care	23 Y, 0 N w/CS	Mitchell	Collins
2) Health Appropriations (Sub)			
3) Appropriations			
4)			
5)			

SUMMARY ANALYSIS

A study of health disparities in nine states, by the federal Office of Minority Health, found that in Florida:

- Infant mortality rates were at least twice as high for black infants as for white infants;
- Twenty-one percent of Florida counties (14) had shortages of mental health and primary care professionals and 12 of these counties had above average percentages of minorities; and
- Data on Hispanics and Native Americans was limited in Florida as it is in the other study states.

HB 645 w/CS addresses these issues by requiring the Department of Health (DOH) to, within existing resources, monitor and report on Florida's status on goals of the federal Healthy People 2010 initiative. The initiative is a comprehensive, nationwide health promotion and disease prevention agenda. The goals of the Florida program are to help individuals of all ages increase life expectancy and improve their quality of life, and eliminate health disparities among different segments of the population.

DOH is required to report annually to the Legislature on progress in meeting the program's goals using currently available indicators. DOH is required to work with minority physician networks to educate health care professionals on cultural issues; promote partnerships with charitable organizations, hospitals, and minority physician networks to increase the proportion of health care professionals from minority backgrounds; and promote research to reduce disparities at colleges and universities with large minority enrollments and by working with colleges and community representatives to encourage minority college students to pursue professions in health care.

The bill requires the Agency for Health Care Administration (AHCA) to expand the current minority physician network pilot program statewide and to require the networks to collaborate with a public college or university, and a charitable organization. The minority physician networks provide MediPass, managed care, Medicaid services to historically underserved minority patients. The bill requires AHCA to provide for the development and expansion of minority physician networks in each service area of the state. The bill defines "minority physician network" as a network of primary care physicians predominantly owned by minorities, which is defined as an: African American; Hispanic American; Asian American; Native American; and American woman. The definition includes that the networks have a collaborative partnership with a public college or university, and a charitable organization.

The effective date of the bill is July 1, 2004.

DOH estimates the fiscal impact for year one to be over $150,000 with two FTEs.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

1. Reduce government?	Yes[]	No[X]	N/A[]
2. Lower taxes?	Yes[]	No[]	N/A[X]
3. Expand individual freedom?	Yes[]	No[]	N/A[X]
4. Increase personal responsibility?	Yes[]	No[]	N/A[X]
5. Empower families?	Yes[X]	No[]	N/A[]

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

The bill adds additional requirements for a minority physician network, Medicaid providers, and requires state programs to analyze and report additional data.

B. EFFECT OF PROPOSED CHANGES:

HB 645 w/CS requires the Department of Health (DOH) to, within existing resources, monitor and report on Florida's status on goals of the federal Healthy People 2010 Initiative. The goals of the Florida program are to help individuals of all ages increase life expectancy and improve their quality of life, and eliminate health disparities among different segments of the population.

The department is required to:

- Report annually to the Legislature on progress in meeting the program's goals, and on the status of the disparities in health among minorities and non-minorities, using available indicators;
- Work with minority networks to develop programs to educate health care professionals about the importance of culture issues in health status;
- Work with and promote public and private partnerships with charitable organizations, hospitals, and minority physician networks to increase the proportion of health care professionals from minority backgrounds; and
- Promote research on methods to reduce disparities in health care at colleges and universities that have historically large minority enrollments, by working with community representatives to encourage minority college students to pursue professions in health care.

The bill defines "minority physician network" as a network of primary care physicians predominantly owned by minorities, which has a collaborative partnership with a public college or university and a charitable organization. A "minority person," as defined in s. 288.703(3), F.S., includes: African American; a Hispanic American; an Asian American; a Native American; and an American woman.

HB 645 requires the Agency for Health Care Administration (AHCA) to contract with a minority physician network to provide MediPass, managed care, Medicaid services to historically underserved minority patients. The network must provide its primary care physicians with access to data and other management tools necessary to assist them in ensuring the appropriate use of services, including inpatient hospital services and pharmaceuticals. Medicaid recipients enrolled in MediPass must be assigned to a minority physician network based on specified statutory ratios.

The bill requires AHCA to provide for the development and expansion of minority physician networks in each service area of the state to provide services to Medicaid recipients.

The effective date of the bill is July 1, 2004.

CURRENT SITUATION

The federal Healthy People 2010 Initiative is a comprehensive, nationwide health promotion and disease prevention agenda. It is designed to serve as a roadmap for improving the health of all people in the U.S. The Healthy People 2010 objectives reflect a broad agenda and not an agency-specific program. Many of the Healthy People 2010 objectives cannot be tracked in Florida because data is not systematically available or collected.

Federal Study of Health Disparities in Florida and Eight Other States
In 1998, a study by the federal Office of Minority Health assessed the minority health infrastructure in nine states and their capacity to address health disparities by race and ethnicity.

Florida findings from the study include:

- Infant mortality rates are at least twice as high for black infants compared to white infants;
- Twenty-one percent of Florida counties (14) had shortages of mental health and primary care professionals and twelve of these counties had percentages of minorities that exceeded the state average; and
- Data on Hispanics and Native Americans is limited in Florida as it is in the other study states.

FLORIDA DEPARTMENT OF HEALTH (DOH) PROGRAMS

Currently, Florida does not have a Healthy People 2010 program. According to DOH, the department is currently addressing some of the federal Healthy People 2010 objectives, and has developed several data collection systems to report on life expectancies, health quality, and health disparities. DOH's efforts towards the federal Healthy People 2010 goals are coordinated by the Office of Equal Opportunity and Minority Health (OEOMH), the Bureau of Chronic Disease Prevention and the Division of Disease Control. OEOMH administers the "Reducing Racial and Ethnic Health Disparities: Closing the Gap Grant Program."

Office of Equal Opportunity and Minority Health
In 1993, Florida's Minority Health Improvement Act authorized a two-year time-limited Minority Health Commission. The Commission was to make recommendations to the Governor and the Legislature regarding:

- The health status of Florida's minority population;
- Increasing access to health care;
- Increasing minority participation in the health professions' industry; and
- Establishing a center or an Office of Minority Health.

In 1998, a new office was created in the Office of the Secretary called the Office of Equal Opportunity and Minority Health (OEOMH). The mission of the Office includes ensuring nondiscrimination and equal opportunity in service delivery in accordance with state and federal laws, and eliminating health disparities in ethnic and minority populations.

"Closing the Gap" Grant Program
In 2000, the Legislature established the Patient Protection Act in HB 2339, and appropriated $5 million to DOH to implement and administer the Reducing Racial and Ethnic Health Disparities: Closing the Gap grant program. The purpose and objectives of the "Closing the Gap" grant program are to decrease racial and ethnic disparities in the following priority areas:

- Maternal and infant mortality rates;
- Mortality rates relating to cancer;
- Morbidity and mortality rates relating to HIV/AIDS;

- Morbidity and mortality rates relating to cardiovascular disease;
- Morbidity and mortality rates relating to diabetes; and
- Increase adult and child immunization rates in certain racial and ethnic populations.

In 2003-2004, the program funded 49 community-based health promotion and disease prevention projects across the state for a total of $1.8 million. It provides grants to local counties and organizations with the intent to increase community based health promotion and disease prevention activities.

An evaluation of Florida's "Closing the Gap" initiative for 2001-2002 found that over 248,154 individuals had been served including:

- Screened, tested, and referred for diagnosis and treatment;
- Participated in weight and diabetes management classes;
- Referred for prenatal care;
- Received immunizations; or
- Referred for HIV counseling and testing.

Among those served, individuals were identified with abnormal cancer screenings, hypertension, high cholesterol, high blood pressure, diabetes, and in need of weight and diabetes management classes. Individuals served were African-American (64 percent); Hispanic (15 percent); Haitian (4 percent); and Asian (4 percent) and others.

Bureau of Chronic Disease Prevention
The Bureau of Chronic Disease's programs support federal Healthy People 2010 objectives to reach populations at risk and reduce health disparities. Currently, the bureau oversees programs addressing coronary heart disease and stroke prevention, arthritis, diabetes, comprehensive cancer control, obesity, epilepsy, coordinated school health, and physical activity and nutrition. The bureau provides training to clinicians and other health care providers on cultural diversity, through partnerships with the Florida Area Health Education Centers (AHECs).

The bureau is not involved in increasing use of interpreter services, establishing minority physician networks nor cost-effectively purchasing goods and services for Medicaid recipients.

FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION PROGRAMS

MediPass, Minority Physician Network Pilot Project
In May 2001, AHCA was authorized by the General Appropriations Act to establish pilot projects for improving the quality of care and the cost effectiveness of the MediPass program. AHCA was authorized to contract with physician-owned and operated organizations with experience managing care for Medicaid and Medicare programs, utilizing at least one predominantly minority, physician network.

Two minority physician networks were awarded contracts: Florida Netpass and PhyTrust. In 2001, these two minority networks of primary care physicians began operating in South Florida, Medicaid Areas 10 and 11. In 2003, the networks expanded to the Tampa and St. Petersburg areas covering Medicaid Areas 5 and 6 under a two-year contract with AHCA. The current contracts expire in 2005.

The providers in the network are reimbursed on a fee-for-service basis and receive a $3.00 case management fee per member per month. The networks receive 50 percent of any cost savings they make through the program which is paid by AHCA as an administrative fee that can be no more than $12 per member per month. Presently, the minority physician networks are not required to partner with a public college or university or a tax-exempt charitable organization. An evaluation of the pilot project is currently being finalized.

The Medicaid Provider Access System (MediPass) Managed Care System
The Medicaid Provider Access System (MediPass) is a managed care alternative for Florida Medicaid recipients established under a federal 1915(b) waiver. MediPass provides health care services to Medicaid eligibles under a primary care, case management model.

The state submitted the original MediPass 1915(b) waiver was approved in January 1990. MediPass has evolved into a comprehensive program since its inception. The program became operational throughout the state and enrolled all eligible recipients in 1996.

Medicaid eligible persons either select or are assigned to a Primary Care Provider (PCP). The PCP is currently paid a fee of $3.00 per month per enrolled person to manage and coordinate the enrollee's care in addition to the customary reimbursement for Medicaid services.

Florida statutes currently mandate individuals in specific Medicaid eligibility categories, Temporary Assistance to Needy Families and Supplemental Security Income without Medicare, to enroll in managed care; individuals dually eligible for Medicaid and Medicare are not included in these eligibility categories.

All eligible Medicaid enrollees now participate in either MediPass or in a health maintenance organization (HMO). Enrollees who do not choose either MediPass or an HMO are assigned using a formula designed to balance the number of enrollees between these programs.

FEDERAL INITIATIVES

The Federal Healthy People 2010 Initiative
The Healthy People 2010 initiative is a set of health objectives for the U.S. to achieve over the first decade of the new century. The Healthy People 2010 initiative builds on initiatives pursued over the past two decades. The 1979 Surgeon General's Report, Healthy People, and Healthy People 2000: National Health Promotion and Disease Prevention Objectives both established national health objectives and served as the basis for the development of state and community plans. Like its predecessors, Healthy People 2010 was developed through a broad consultation process, built on the best scientific knowledge, and designed to measure programs over time.

Healthy People 2010 is designed to achieve two overarching goals:

- Help individuals of all ages increase life expectancy and improve their quality of life; and
- Eliminate health disparities among different segments of the population.

The 28 focus areas of Healthy People 2010 (ranging from environmental health to maternal, infant, and child health) were developed by federal agencies and an alliance of more than 350 national membership organizations and 250 State health, mental health, substance abuse, and environmental agencies. Ten Leading Health Indicators with associated Healthy People Objectives were developed based on their ability to motivate action, the availability of data to measure progress, and their importance as public health issues.

The ten Leading Health Indicators include:

- Physical Activity
- Overweight and Obesity
- Tobacco Use
- Substance Abuse
- Responsible Sexual Behavior
- Mental Health
- Injury and Violence

- Environmental Quality
- Immunization
- Access to Health Care

Institute of Medicine Report on Health Disparities
In 1999, the U.S. Congress requested that the Institute of Medicine (IOM) perform a study to assess differences in the kinds and quality of health care received by U.S. racial and ethnic minorities and non-minorities. The IOM study found that:

- Racial and ethnic disparities in health care exist and are associated with worse outcomes in many cases;
- Racial and ethnic disparities in health care occur in the context of broader historic and contemporary social and economic inequality, and evidence of persistent racial and ethnic discrimination in many sectors of American life;
- Many sources including health systems, health care providers, patients, and utilization managers may contribute to racial and ethnic disparities in health care;
- Bias, stereotyping, prejudice, and clinical uncertainty on the part of health care providers may contribute to racial and ethnic disparities in health care. While indirect evidence from several lines of research supports this statement, a greater understanding of the prevalence and influence of these processes is needed and should be sought through research; and
- A small number of studies suggest that racial and ethnic minority patients are more likely than white patients to refuse treatment. These studies find that differences in refusal rates are generally small and that minority patient refusal does not fully explain health care disparities.

The report made numerous recommendations related to legal, regulatory, and policy interventions, health systems development, patient education, cross-cultural education, and data collection and monitoring.

National Center on Minority Health and Health Disparities
In 2000, Congress passed the Minority Health and Health Disparities Research and Education Act that established the National Center on Minority Health and Health Disparities (NCMHD) and authorized it to fund grants. While focused on minority health, it included other health disparity populations such as the rural and urban poor who live in medically underserved areas. The mission of NCMHD is to promote minority health and to lead, coordinate, support, and assess the National Institute of Health's effort to reduce and ultimately eliminate health disparities. NCMHD conducts and supports basic, clinical, social, and behavioral research, promotes research infrastructure and training, fosters emerging programs, disseminates information, and reaches out to minority and other communities with health disparities.

Federal Study of State Laws and Health Plans
The Office of Minority Health responded to the IOM study by contracting for a study to analyze the status and the perceptions of state laws and actual practices of selected health plans, health insurers, and governing entities regarding collection and reporting of racial and ethnic data by health insurers and managed care plans.

The study found that racial and ethnic data are not routinely collected by many health service delivery systems or insurers, most likely stemming in part from their confusion about whether relevant laws and regulations prohibit or allow such data collection. The lack of data on enrollees' race and ethnicity is a major barrier to performance measurement and clinical quality improvement efforts.

C. SECTION DIRECTORY:

Section 1. Creates s. 381.736, F.S., to require the Department of Health to promote activities to meet federal Healthy People 2010 goals in Florida.

Section 2. Amends s. 409.901, F.S., to provide a definition of “minority physician network.”

Section 3. Amends s. 409.912, F.S., to require the Agency for Health Care Administration to contract with a minority physician network for Medicaid services and provide for expansion of networks to each service area.

Section 4. Provides July 1, 2004 as the effective date of the bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   The Agency for Health Care Administration estimates no fiscal impact on the agency.

   The Department of Health estimates the following impact on the department:

Estimated Expenditures	1st Year	2nd Year (Annualized/Recurring)
Salaries		
2 Mgmt. Review Spc. @ $52,000 (FTE computed w/28% fringe)	$104,000	$106,080
Other Personal Services (To provide data input on HP2010 Objectives)	$10,000	$10,000
Expense		
2 FTE @ Std DOH profess. pkg. w/medium travel @ $6,714	$33,258	$33,258
Operating Capital Outlay		
2 FTE @ Std DOH profess. pkg.	$3,000	
Total Estimated Expenditures	$150,258	$149,338

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The Department of Health expects the expansion of the Healthy People 2010 initiative at the state level to help communities with health disparities.

AHCA is concerned that existing minority physician networks that do not have collaborative partnerships with public colleges and universities or tax-exempt charitable corporations will be excluded from operating in the MediPass program.

D. FISCAL COMMENTS:

Department of Health (DOH)
DOH estimates the fiscal impact of the bill would be expenditures of approximately $150,000 per year to encourage public entities to carry out the objectives of the bill. These expenditures are in addition to $205,877 currently spent by the DOH Bureau of Chronic Disease Prevention for data collection, analysis and staff salaries related to the federal Healthy People 2010 objectives.

Agency for Health Care Administration (AHCA)
According to AHCA, based on past performance of the existing minority physician networks, it is estimated that the networks could achieve an annual savings of approximately $2,852,397 if the program were to expand statewide. Under current law and contract, the minority physician network would be paid for 50% of the savings or $1,426,198.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

According to the Department of Health and the Agency for Health Care Administration, the bill will not require them to establish any rule.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Minority Physician Networks
The Agency for Health Care Administration is concerned that as currently written, the definition of minority physician network only applies to the definitions section of the bill and does not apply specifically to the MediPass program.

Also, the bill defines a minority physician network as a network of primary care physicians that is predominantly minority-owned, as defined in s. 288.703, F.S., and has a collaborative partnership with a public college or university and a tax-exempt charitable corporation. According to AHCA, this language would exclude all minority physician networks that do not have collaborative partnerships with public colleges and universities or tax-exempt charitable corporations from providing services under the MediPass program. AHCA is also concerned that since the agency has contractual agreements with two managed care organizations under the MediPass minority physician network pilot project, which are not affiliated with a public college or university, or a tax-exempt charitable organization, these organizations may contest the proposed legislative changes.

According to AHCA, the agency will need to obtain a federal waiver to assign recipients to the minority physician networks according to ratios under s. 409.9122, F.S., when a Medicaid recipient does not choose a managed care plan or MediPass provider. According to the agency, federal rule 42 U.S.C. 1396a(a)(23) provides in part that "any individual eligible for medical assistance . . . may obtain such assistance from any institution, agency, community pharmacy, or person, qualified to perform the service or services required (including an organization which provides such services, or arranges for

their availability, on a prepayment basis), who undertakes to provide him such services." According to the agency, assigning Medicaid recipients to minority physician networks would interfere with a recipient's freedom of choice and require a federal waiver.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 10, 2004, the Health Care Committee adopted a strike-all amendment and reported the bill favorably, with a committee substitute. The committee substitute clarifies that the federal Healthy People 2010 goals and objectives are not a program, and that the Department of Health is not required to develop or fund any programs related to the bill. The committee substitute clarifies that, within existing resources, the department will work with minority physician networks and others to promote better understanding of cultural issues and improved health outcomes for minorities. It removes a provision that would use cost savings from the minority physician networks to fund Department of Health efforts, and retains the current sharing of the cost savings with the networks as an incentive.