

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Health Policy Committee

BILL: CS/SB 1740

INTRODUCER: Health Policy Committee and Senator Fasano

SUBJECT: The Florida Kidcare Program

DATE: March 28, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Garner	Wilson	HP	Fav/CS
2.			BI	
3.			HA	
4.				
5.				
6.				

I. Summary:

The bill requires the Agency for Health Care Administration (AHCA) to seek a state plan amendment and waiver authority, if necessary, from the federal Centers for Medicare and Medicaid Services to establish the highest “maximum income threshold” of up to 225 percent of the most recently stated federal poverty limit for eligibility in Florida Kidcare programs like Medikids and Florida Healthy Kids.

The bill adds a definition of “maximum income threshold” to the Florida Kidcare Act and replaces the phrase “200 percent of the current federal poverty level” with “maximum income threshold” throughout the Florida Kidcare Act and the Florida Healthy Kids Corporation statutes as it relates to eligibility for the Medikids program, the Florida Kidcare program, and the Florida Healthy Kids program.

The bill modifies the Medikids mandatory assignment process to keep family members assigned to the same managed care plans or MediPass providers to the greatest extent possible. It also establishes presumptive eligibility for a child transitioning from Medicaid to a Title-XXI-funded component of the Florida Kidcare program. The bill repeals the requirement that a child who is dropped from employer-sponsored coverage is ineligible for Florida Kidcare for 6 months in certain situations. The bill requires managed care plans and MediPass providers to be notified that their members or patients will lose their Medicaid eligibility so they may assist the family in transitioning.

The bill requires eligibility information to be electronically verified and specifies that full-pay applicants are not required to provide eligibility information required under the Florida Kidcare Act. The bill requires the Department of Children and Families (DCF) to design a plan for

determining eligibility for public assistance and Medicaid that will allow children to also apply for the Healthy Kids program using the same application. The plan must be submitted to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2007.

The bill allows health and dental plans to develop and distribute marketing and other promotional materials related to the Florida Healthy Kids program. The bill also requires the Florida Healthy Kids Corporation to establish an assignment process to keep family members assigned to the same managed care plan to the greatest extent possible.

This bill amends ss. 409.811, 409.8132, 409.8134, 409.814, 409.818, and 624.91, F.S.

II. Present Situation:

State Children's Health Insurance Program

The State Children's Health Insurance Program (SCHIP), enacted as part of the Balanced Budget Act of 1997, created Title XXI of the federal Social Security Act, which provides health insurance to uninsured children in low-income families either through a Medicaid expansion, a separate children's health program, or a combination of both. The SCHIP was designed as a federal/state partnership, similar to Medicaid, with the goal of expanding health insurance to children whose families earn too much money to be eligible for Medicaid, but not enough money to purchase private insurance. The SCHIP is the single largest expansion of health insurance coverage for children since the initiation of Medicaid in the mid-1960s. The program is scheduled for federal reauthorization in 2007.

SCHIP Income Eligibility Thresholds

As specified in federal law, the SCHIP is designed to provide coverage to "targeted low-income children." A "targeted low-income child" is one who resides in a family with income below 200 percent of the Federal Poverty Level (FPL) or whose family has income up to 50 percent higher than the state's Medicaid eligibility threshold.

Because of the program's flexibility, some states have expanded SCHIP eligibility beyond the 200 percent FPL limit, and others are covering entire families and not just children. As of July 2006, thirty-four states and the District of Columbia have eligibility levels up to and including 200 percent of the FPL. An additional fourteen states cover children with family income up to and including 300 percent of the FPL, and one state (New Jersey) offers SCHIP coverage to children up to 350 percent of the FPL.¹

In order to increase the income eligibility threshold beyond 200 of the FPL, a state must apply for a Section 1115 demonstration waiver with the federal Centers for Medicare and Medicaid Services. The SCHIP 1115 Waivers allow states substantial flexibility by providing three

¹ Tennessee provides coverage to children above the Medicaid state plan level under an 1115 Research and Demonstration Waiver that does not have a specific upper income eligibility limit.

possible options including: 1) expanding benefits and service; 2) expanding coverage to new populations; or, 3) both.

Most importantly, all state activities under the SCHIP 1115 Waivers must be “budget neutral.” In the case of the SCHIP, this means “allotment neutrality.” That is, a state cannot exceed its individual SCHIP funds allotment. Reallocated funds from previously unspent SCHIP allotments do not count toward the available amount. If an SCHIP demonstration project is operated under an SCHIP state-designed program, no more federal funds are available once the SCHIP funds are exhausted, and all services must be paid for using general revenue or other sources.²

The Florida Kidcare Program

The Florida Kidcare program was established in 1998 as a combination of Medicaid expansions and public/private partnerships, with a wrap-around delivery system serving children with special health care needs. The Florida Kidcare program is primarily targeted to uninsured children under age 19 whose family income is at or below 200 percent of the FPL (\$41,300 for a family of four in 2007). The Florida Kidcare program is outlined in ss. 409.810 through 409.821, F.S.

As structured, Florida Kidcare is an “umbrella” program that currently includes the following four components: Medicaid for children; Medikids; the Florida Healthy Kids program; and the Children’s Medical Services Network, which includes a behavioral health component. Family income level, age of the child, and whether the child has a serious health condition are the eligibility criteria that determine which component serves a particular child.

Enrollment in the Florida Kidcare program was initiated on October 1, 1998, and 1,388,520 children were enrolled in the various components of the Florida Kidcare program as of March 2007. Of this total, 207,626 children are Title XXI eligible, 26,906 children are non-Title XXI eligible, and 1,153,988 children are eligible under the Medicaid Title XIX program.

The Florida Kidcare Program Administration

The Florida Healthy Kids program component of Kidcare is administered by the non-profit Florida Healthy Kids Corporation, established in s. 624.91, F.S. The Florida Healthy Kids program existed prior to the implementation of the federal Title XXI SCHIP. Florida was one of three states to have the benefit package of an existing child health insurance program grandfathered in as part of the Balanced Budget Act of 1997, which created SCHIP.

The Florida Healthy Kids Corporation contracts with managed care plans throughout the state for the provision of health care coverage. The Florida Healthy Kids Corporation contracts with a fiscal agent to perform initial eligibility screening for the program and final eligibility determination for children who are not Medicaid eligible.

The Florida Kidcare application is a simplified application that serves applicants for both the Title XXI Kidcare program as well as Title XIX Medicaid. Pursuant to federal law, each

² <http://www.ncsl.org/programs/health/forum/1115waivers.htm> (last visited by March 28, 2007)

application is screened for the child's eligibility for Title XIX Medicaid. The fiscal agent refers children who appear to be eligible for Medicaid to the DCF for Medicaid eligibility determination, and children who appear to have a special health care need to Children's Medical Services Network within the Department of Health for evaluation.

If eligible for Medicaid, the child is enrolled immediately into that program. If the child is not eligible for Medicaid, the application is processed for Title XXI and if the child is eligible under Title XXI, the child is enrolled into the appropriate Florida Kidcare program component. Medicaid for children and Medikids are administered by the AHCA. Medikids uses the Medicaid infrastructure, offering the same provider choices and package of benefits.

III. Effect of Proposed Changes:

Section 1. Amends s. 409.811, F.S., adding a definition of "maximum income threshold" to mean a percentage of the current FPL used to determine eligibility for certain program components, as approved by federal waiver or an amendment to the state plan.

Sections 2. Amend s. 409.8132, F.S., changing the phrase "200 percent of the current federal poverty level" to a reference to the maximum income threshold as it relates to eligibility for the Medikids program; and modifying the Medikids mandatory assignment process to keep family members assigned to the same managed care plans or MediPass providers to the greatest extent possible.

Section 3. Amends s. 409.8134, F.S., removing the specific designation of "federal and state" from the types of funds that are used by the Social Services Estimating Conference to determine if there are sufficient resources to continue open enrollment; repealing an obsolete date; and allowing an applicant to reactivate a child's application if the application is greater than 4 months old and the child has not been enrolled.

Section 4. Amends s. 409.814, changing the phrase "200 percent of the current federal poverty level" to a reference to the maximum income threshold as it relates to eligibility for the Florida Kidcare program; establishing presumptive eligibility for a child transitioning from Medicaid to a Title-XXI-funded component of the Florida Kidcare program; repealing the requirement that a child who is dropped from employer-sponsored coverage is ineligible for Florida Kidcare for 6 months in certain situations; requiring managed care plans and MediPass providers to be notified that their members or patients will lose their Medicaid eligibility so they may assist the family in transitioning to another component of the Florida Kidcare program; and requiring eligibility information (including income, birth certificate, and proof of identity) be electronically verified and that full-pay applicants are not required to provide eligibility information required under this section.

Section 5. Amends 409.818, F.S., requiring the DCF to develop a standardized application; allowing for 12 months continuous enrollment; requiring the DCF to design a plan for determining eligibility for public assistance and Medicaid that will allow children to also apply for the Healthy Kids program using the same application; requiring that this plan be submitted to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2007; and requiring the AHCA to seek a state plan amendment and waiver

authority, if necessary, from the federal Centers for Medicare and Medicaid Services for the highest maximum income threshold of up to 225 percent of the most recently stated federal poverty limit; specifying that until the federal agency approves the request, the maximum income threshold used for the Florida Kidcare program shall be 200 percent of the most recently stated federal poverty limit or the highest income threshold allowed under current federal law and the state plan amendment, whichever is higher; and specifying that any such expansion under this subsection is subject to a specified appropriation for such purpose.

Section 6. Amends s. 624.91, F.S., changing the phrase “200 percent of the current federal poverty level” to a reference to the maximum income threshold as it relates to eligibility for the Florida Healthy Kids program; allowing health and dental plans to develop and distribute marketing and other promotional materials related to the Florida Healthy Kids program; and requiring the Florida Healthy Kids Corporation to establish an assignment process to keep family members assigned to the same managed care plan to the greatest extent possible.

Section 7. Provides that the act takes effect upon becoming a law.

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 Article I, Section 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:

None.

C. Government Sector Impact:

The bill requires the AHCA to seek a federal waiver or state plan amendment to be able to go up to 225 percent of the FPL for Florida Kidcare eligibility. The number of children who would be eligible through this expansion was unknown at the time of publication.

Other parts of the bill would likely reduce administrative barriers allowing for higher retention rates and increased new enrollment.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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