The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Health Policy Committee

BILL:	SB 262
INTRODUCER:	Senator Wilson
SUBJECT:	Hospital County Reimbursement
DATE:	March 4, 2008
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Stovall	Wilson	HP	**Pre-meeting**
2.			CA	
3.			HA	
4.				
5.				
6.				

I. Summary:

This bill provides for expedited reimbursement for the reasonable and necessary costs of care provided by a county hospital and county hospital district to an indigent patient who is a resident of another county. The county where the indigent patient is a resident must reimburse the county hospital or county hospital district within 60 days after the date of the request for reimbursement by the hospital.

This bill creates the following section of the Florida Statutes: 154.317.

II. Present Situation:

The Health Care Responsibility Act (HCRA) 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. In 1998, the HCRA was amended 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 HCRA is found in part IV of ch. 154, Florida Statutes. Chapter 59H-1, Florida Administrative Code, further implements the HCRA.

Hospital Eligibility

In order to be eligible for reimbursement, a hospital must first meet a two percent charity care obligation, which is measured as the ratio of uncompensated charity care days to the total acute care inpatient days based on the hospital's most recent audited actual experience. A hospital

must also have signed an agreement with a county to treat the county's indigent patients or the hospital must demonstrate to the Agency for Health Care Administration (Agency) that at least 2.5 percent of its uncompensated charity care is generated by out-of-county residents. The Agency notifies a hospital when it has met the 2 percent overall charity care obligation and it becomes a participating hospital eligible for reimbursement. The hospital must provide documentation to the county that it is a participating hospital. A teaching hospital as defined in s. 408.07, F.S., may also participate in the HCRA program as a regional referral hospital.

Patient Eligibility

A county has the primary responsibility for determining eligibility for patients applying for coverage under the HCRA; however the Agency may conduct eligibility determinations if a county demonstrates to the Agency that staff are not available for this purpose. Patient eligibility involves a determination on both the financial and residency status of the patient.

Hospitals screen patients to determine the availability and adequacy of third party insurance and potential eligibility for Medicaid or other state or federal government programs. A hospital has 30 days from the date of admission or emergency treatment to submit an application, signed by the patient or patient's designated representative, seeking certification from the county or Agency that the patient is an eligible patient.

The county, or Agency, has 60 days following receipt of the application from the hospital to certify the patient's eligibility. If a county is unable to determine the applicant's county of residence within 60 days, the hospital must notify the Agency. The Agency has an additional 45 days to determine residency after receiving the hospital's notification that the county was unable to determine residency. The county or Agency notifies the applicant and the hospital of the disposition of the application on a Notification of Eligibility Form.

Reimbursement Claims Processing

The hospital submits a copy of the patient's Notification of Eligibility Form with the request for reimbursement to the county in which the patient is a resident. This request must be submitted to the county within 6 months after the date of the Notification of Eligibility otherwise the claim may be rejected at the option of the county.

The county must reimburse the hospital within 90 days after receipt of a claim, unless the claim is disputed. The provisions of ch. 120, F.S., apply if the claim is disputed. If a hospital has not received payment from the county within 90 days after receipt of a claim, or the county has not paid a claim within 60 days after resolution of a disputed claim, the hospital may certify the amount owed by the county to the State Comptroller. The State Comptroller then pays the hospital from any funds due to the county under any revenue sharing or tax-sharing fund established by the state.

County Financial Responsibility

The total payment to a hospital is not to exceed 45 days per county fiscal year, per patient, at the Medicaid reimbursement rate, or other negotiated rate, minus the eligible patient's spend-down

share of the costs. A patient may be subject to a spend-down provision that results in a patient participating in a share of the cost of care. Counties that were at the 10-mill cap on October 1, 1991, are required to reimburse hospitals at not less than 80 percent of the hospital Medicaid per diem. If the patient becomes eligible for third party payment, disability benefits, or other state or federal benefits, the hospital is required to reimburse the county for any overpayment within 30 days after receipt of the payment from the other source. The county, through the HCRA, is to be the payor of last resort.

Yearly, by March 1, the Agency calculates and certifies to each county the maximum amount the county may be required to pay to hospitals during the year. This amount is calculated by multiply the most recent official state population estimate for the total population of the county by $4 per capita.

III. Effect of Proposed Changes:

Section 1. Creates s. 154.317, F.S., authorizing a hospital that is an instrumentality of a county and any county hospital district to immediately request reimbursement from an indigent patient's county of residence for reasonable and necessary costs of medical care incurred for the patient's medical care. The indigent patient's county of residency must reimburse the county or hospital district for the reasonable and necessary costs of medical care provided to that patient within 60 days after the request. This section begins with the phrase, "notwithstanding any other provision of this part."

Section 2. Provides that the bill becomes effective upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill may impact municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution. The notwithstanding clause in the bill may eliminate the cap on the cumulative amount a county is required to pay annually. The bill does not articulate the important state interest in enacting this law and no provision is made for additional funding.

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. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

A government hospital would be able to request reimbursement from counties prior to reaching the 2 percent charity care obligation. The county or county hospital district should receive the reimbursement sooner than under the current patient eligibility determination procedure and claims processing timeframe. See also the discussion under Related Issues.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The notwithstanding clause in the bill raises the following concerns:

- The phrase "reasonable and necessary costs of care" is not defined. As a result, the amount that must be reimbursed may exceed the current maximum of the Medicaid reimbursement rate or other negotiated rate.
- The cap may be eliminated on the cumulative amount a county is required to pay annually.
- The expedited reimbursement timeframe of 60 days after submission of the request for reimbursement may allow for submission of a request prior to determination of a patient's eligibility and could result in reimbursement for ineligible patients.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.