

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	HB 5101	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Health Care Appropriations Subcommittee and Hudson	86 Y's	27 N's
COMPANION BILLS:	SB 2508	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

HB 5101 passed both chambers on March 11, 2016. The bill conforms statutes to the funding decisions related to Health Care Services included in the General Appropriations Act (GAA) for Fiscal Year 2016-2017. The bill:

- Authorizes the Agency for Health Care Administration (AHCA) to access photographic images of driver licenses to aid in preventing health care fraud.
- Clarifies payment rates for emergency services provided to an enrollee of a Medicaid managed care plan by a provider, not under contract with the managed care plan. Also, clarifies payment rates for non-contracted emergency services to Florida Healthy Kids enrollees served by an HMO.
- Amends the definition of "rural hospital" to include a sole community hospital with up to 175 beds.
- Transfers responsibility for conducting Medicaid fair hearings for Medicaid Managed Care to AHCA from the Department of Children and Families (DCF) by March 1, 2017.
- Removes the five-year waiting period for lawfully residing children to give them access to health care coverage under Medicaid or the Children's Health Insurance Program (CHIP).
- Removes the six visit per fiscal year limitation for hospital emergency department visits for non-pregnant Medicaid recipients 21 years of age or older.
- Requires AHCA to implement a prospective payment methodology for hospital outpatient and ambulatory surgical center reimbursement by July 1, 2017.
- Directs AHCA to seek federal approval to provide flexible services for persons with severe mental illness or substance abuse disorders and requires AHCA to establish a managed care payment for these services.
- Adds Down syndrome and Phelan-McDermid syndrome to the definition of "developmental disability."
- Revises the parameters used by the Agency for Persons with Disabilities (APD) to assign priority to specified waiver-waitlist clients and authorizes APD to increase iBudget funding for transportation services under specific circumstances. Reenacts s. 393.067(15), F.S. relating to facility licensure, and reenacts s.393.18, F.S., relating to the comprehensive transitional education programs, contingent upon CS/CS/HB 1083, or similar legislation failing to become law.
- Authorizes AHCA to certify a Medicaid provider as out of business and overpayments cannot be collected under state law.
- Authorizes AHCA to reimburse private and charter schools for providing Medicaid school-based services.
- Adds class III psychiatric hospitals to the current list of facilities for which AHCA is authorized to establish an alternative reimbursement methodology to the DRG-based prospective payment system.
- Adds psychiatry as a primary care specialty and enables federally qualified health centers to receive residency slot funding through the Statewide Medicaid Residency Program (SMRP).
- Clarifies the term "essential provider" and deletes provision to require managed care plans to pay hospitals the rate AHCA would have paid on the first day of the contract.
- Creates or expands the Program for the All-inclusive Care for the Elderly (PACE) offerings, in Escambia, Clay, Duval, St. Johns, Baker, Nassau, Lake, Hillsborough Pinellas and Miami-Dade counties.

The bill was approved by the Governor on March 17, 2016, ch. 2016-65, L.O.F. and will become effective July 1, 2016, except as otherwise provided in the bill.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Current Situation

Florida's Medicaid Program

Medicaid is a joint federal and state funded program that provides health care for low income Floridians. AHCA administers the program with financing from federal and state sources. Medicaid enrolls over 3.8 million Floridians and its enrollees make up over 20 percent of Florida's population.¹ Medicaid's estimated expenditure for FY 2015-16 is \$24.9 billion.² The total Medicaid budget for the 2015-2016 state fiscal year is over \$24.5 billion.³ Federal funds comprise 60.5% or \$14.6 billion of this amount.⁴ The state statutory authority for the Medicaid program is contained in ch. 409, Florida Statutes.

Medicare and Medicaid account for 58 percent of nationwide hospital care.⁵ Hospitals are not required to participate in Medicaid. However, non-profit hospitals must provide care for Medicare and Medicaid beneficiaries in order to receive a federal tax exemption.⁶ Each state operates its own Medicaid program under a state plan that must be approved by the federal Centers for Medicare and Medicaid Services.⁷ The state plan outlines current Medicaid eligibility standards, policies, and reimbursement methodologies, including inpatient and outpatient hospital rate charges. The State Plan may be modified via waiver, which permits specific deviations from state or federal requirements detailed in the State Plan.⁸ Florida's State Plan and its attachments provide the methodology for reimbursing hospitals for inpatient and outpatient Medicaid services.⁹

Applicants for Medicaid must be United States citizens or qualified noncitizens, must be Florida residents, and must provide social security numbers for data matching. While self-attestation is permitted for a number of data elements on the application, most components are matched through the Federal Data Services Hub.¹⁰ Applicants must agree to cooperate with Child Support Enforcement during the application process.¹¹ In order to qualify for Medicaid, beneficiaries must fall into a benefit category and meet the related age, income and asset requirements. The benefit categories are:

- Aged or disabled individuals receiving social security income;
- Pregnant women;

¹ Agency for Health Care Administration, Statewide Medicaid Enrollment Report December 2015, available at http://ahca.myflorida.com/Medicaid/Finance/data_analytics/enrollment_report/index.shtml (last visited December 17, 2015). See also <http://quickfacts.census.gov/qfd/states/12000.html>

² Agency For Health Care Administration Presentation to Senate Health and Human Services Committee October 20, 2015 available at http://www.fdhc.state.fl.us/medicaid/recent_presentations/Florida_Medicaid_to_Senate_HHS_Appropriations_2015-10-20.pdf (last visited December 17, 2015)

³ Chapter 2015-532, Laws of Florida Section 3, human services, lines 220A and 230A.

⁴ *Supra* note 2, at slide 3.

⁵ American Hospital Association, Underpayment by Medicare and Medicaid Fact Sheet 2015, available at <http://www.aha.org/content/15/medicaremedicaidunderpmt.pdf> (last visited December 17, 2015).

⁶ *Id.*

⁷ Medicaid.gov, Medicaid State Plan Amendments, available at <http://www.medicaid.gov/state-resource-center/medicaid-state-plan-amendments/medicaid-state-plan-amendments.html> (last visited December 17, 2015).

⁸ Medicaid.gov, Medicaid Waivers <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/waivers.html> (last visited 12/17/2015)

⁹ Agency for Health Care Administration, Medicaid State Plan under Title XIX of the Social Security Act Medical Assistance Program, available at <http://www.fdhc.state.fl.us/Medicaid/stateplan.shtml> (last visited December 17, 2015).

¹⁰ Florida Department of Children and Families, Family-Related Medicaid Programs Fact Sheet, (January 2015), p.3, <http://www.dcf.state.fl.us/programs/access/docs/Family-RelatedMedicaidFactSheet.pdf> (last visited: December. 17, 2015).

¹¹ *Id.*

- Children on Medicaid, including their parents, caretakers and children;
- Medically needy individuals with high healthcare costs;
- Former foster children up to age 26¹² (there is no income requirement for foster children); and
- Foreigners experiencing a medical emergency.

Federal law establishes minimum Medicaid Benefits, which all states must offer. Such minimum benefits include physician services, hospital services, home health services, and family planning.¹³ For children under 21, benefits must include the Early and Periodic Screening, Diagnostic and Treatment services, which correct or ameliorate defects, illnesses and conditions discovered by screening services, consistent with federal law.¹⁴ States can also offer optional benefits, pending federal approval. Florida's optional benefits include prescription drugs, adult dental services, and dialysis.¹⁵

Medicaid Hearings

Pursuant to federal law, AHCA must have a system to conduct Fair Hearings for Medicaid enrollees whose Medicaid services are denied, suspended or reduced.¹⁶ Currently, the Office of Fair Hearings within the Department of Children and Families (DCF) administers these hearings on behalf of AHCA.¹⁷ The Fair Hearing jurisdiction of DCF's Office of Appeal Hearings covers not only Medicaid services, but other areas within DCF's purview including eligibility and food stamp benefits. DCF rules govern all hearings conducted by the Department.¹⁸

In 2014, AHCA began enrolling Medicaid Beneficiaries in managed care plans, pursuant to the Statewide Medicaid Managed Care program.¹⁹ The program, authorized by a federal Medicaid waiver, permits AHCA to contract with Managed Care Organizations (MCOs) in 11 regions of the state. In turn, the MCOs provide comprehensive Medicaid coverage to most of the state's Medicaid enrollees.²⁰ Following the 2014 implementation of Statewide Medicaid Managed Care (SMMC), Medicaid hearings no longer revolve around AHCA action. Rather, hearings arise when a Medicaid recipient appeals an MCO's denial, suspension or reduction of Medicaid service.²¹ Thus most, if not all, witnesses involved in SMMC Fair Hearings are employees or contractors of the MCO. Likewise, documentary evidence is created by, and in the sole possession of, the MCOs, not AHCA. Consequently, federal law requires the MCO itself (rather than AHCA) be a party to hearings that arise when Medicaid beneficiaries appeal an MCO's denial of Medicaid Services.²² DCF's fair hearings rule pre-dates implementation of SMMC, and conflicts with federal law because it requires AHCA to be the sole party to all Medicaid service related fair hearings—including SMMC fair hearings.²³

Agency for Persons with Disabilities

The Agency for Persons with Disabilities (APD) provides services to persons with developmental disabilities. A developmental disability is defined as a disorder or syndrome that is attributable to intellectual disability, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome; that manifests

¹² <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/medicaid>

¹³ Section 409.905, F.S.

¹⁴ See Section 1905 9(r) of the Social Security Act

¹⁵ Section 409.906, F.S.

¹⁶ *see* 42 CFR ss. 431 and 438

¹⁷ Rule 65-2.042, F.A.C., *see also* 409.285, F.S.

¹⁸ *Supra*, note 19.

¹⁹ ch. 2011-134, L.O.F

²⁰ *See Generally* s. 409.964, F.S.

²¹ The service may be denied because a peer review physician employed by a Quality Improvement Organization under contract with the MCO found that the Medicaid service requested by the enrollee is not medically necessary. *Supra* 12

²² 42 CFR s. 438.408 (f)(2).

²³ *See* Rule 65-2.042, F.A.C. (Parties in any Section 120.569, F.S., proceedings are agencies and appellants. Party includes the Agency.)

before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.²⁴

While Down syndrome is not among the disabilities included in the definition of “developmental disability”, it is specifically included as a qualifying disability for eligibility for Home and Community-Based (HCBS) waiver services provided by APD.²⁵ Down syndrome is a chromosomal condition that is associated with intellectual disability, a characteristic facial appearance, and weak muscle tone (hypotonia) in infancy. All affected individuals experience cognitive delays and so may qualify for APD services due to their intellectual disability (though the intellectual disability is usually mild to moderate).²⁶ Individuals with a primary diagnosis of Down syndrome comprise about 1% of APD’s clients.²⁷

The HCBS waiver, known as iBudget Florida, offers 27 supports and services delivered by contracted service providers to assist individuals to live in their community. Examples of waiver services enabling children and adults to live in their own home, a family home, or in a licensed residential setting are residential habilitation, behavioral services, companion, adult day training, employment services, and physical therapy.²⁸

While the majority of individuals served by APD live in the community, a small number live and receive services in Intermediate Care Facilities for the Developmentally Disabled (ICF/DD). ICF/DD’s are defined in s. 393.063(22), F.S., as residential facilities licensed and certified by AHCA pursuant to part VIII of ch. 400. ICF/DD’s are considered institutional placements.

Program of All-Inclusive Care for the Elderly (PACE)

The Florida PACE project provides alternative, long-term care options for elders who qualify for Medicare and the state Medicaid program. The PACE project was initially authorized in ch. 98-327, L.O.F., and is codified in s. 430.707(2), Florida Statutes. The PACE model targets individuals who would otherwise qualify for Medicaid nursing home placement and provides them with a comprehensive array of home and community based services at a cost less than the cost of nursing home care. The PACE project is administered by the Department of Elder Affairs in consultation with the AHCA. In addition to receiving the necessary legislative authority, developing a new PACE organization or expanding an existing program is a lengthy process that includes: identifying a service area, acquiring and renovating a PACE facility and processing the PACE application through the state and the federal review systems.

Effect of Proposed Changes

Fraud Prevention

The bill amends s. 322.143, F.S., to provide that, for the purpose of combatting health care fraud, the Department of Highway Safety and Motor Vehicles will provide photographic access to AHCA, if the agency contracts with a private entity to carry out duties related to preventing health care fraud. The bill requires AHCA to include the following provisions in its contracts with private, fraud prevention contractors:

²⁴ S. 393.063(9), F.S.

²⁵ S. 393.0662(1), F.S., provides eligibility for individuals with a diagnosis of Down syndrome.

²⁶ Rule 65G-4.014, F.A.C. requires that qualifying under an intellectual disability diagnosis requires “significantly subaverage general intellectual functioning evidenced by an Intelligence Quotient (IQ) two or more standard deviations below the mean on an individually administered standardized intelligence test, and significant deficits in adaptive functioning in one or more” domains such as communication skills, self-care and home living.

²⁷ *Overview of the Agency for Persons with Disabilities*, presentation at the House Children, Families, and Seniors Subcommittee, Jan. 7, 2015.

²⁸ Agency for Persons with Disabilities, Quarterly Report on Agency Services to Floridians with Developmental Disabilities and Their Costs: First Quarter Fiscal Year 2015-16, November 2015.

- Provisions requiring internal controls and audit processes to identify access, use, and unauthorized access of information;
- A requirement to report unauthorized access or use to the Agency for Health Care Administration within 1 business day after the discovery of the unauthorized access or use; and
- Provisions for liquidated damages for unauthorized access or use of no less than \$5,000 per occurrence.

Payments by Medicaid Managed Care Plans for Emergency Services

The bill amends s. 409.91285(5), F.S., to comply with federal law by clarifying payment rates for emergency services provided to an enrollee of a Medicaid managed care plan by a provider, not under contract with the managed care plan. The bill also amends s. 409.967, F.S. to comply with federal law by clarifying payment rates for non-contracted emergency services to Florida Healthy Kids enrollees served by an HMO. The bill also requires the AHCA to post on its website annually, or more frequently as needed, the applicable fee-for-service fee schedules and their effective dates, less any amounts for indirect costs of medical education and direct costs of graduate medical education that would otherwise be included in the fee-for-service payments.

Rural Hospitals

The bill amends s. 395.602, F.S., to provide that a hospital classified as a sole community hospital which has up to 175 licensed beds is included in the definition of “rural hospital.”

Medicaid Hearings

This legislation amends s. 409.285, F.S., giving AHCA statutory authority to hear and render final administrative decisions on appeals relating to Medicaid programs directly administered by the agency, including SMMC appeals. Appeals relating to the Medicaid Program administered by the APD and DCF’s own Medicaid eligibility decisions would remain under the jurisdiction of the existing Medicaid Fair Hearings program within DCF. Finally, the bill obligates AHCA to seek federal approval as necessary. Such approval includes seeking amendments to the State Plan and applicable federal waivers.²⁹

Medicaid Residency Program

This legislation amends s. 409.909 to modify the definition of “Medicaid payments” under the SMRP to include outpatient services. This change is necessitated by the proposed transition to a prospective outpatient payment system. This is similar to transition that occurred when Florida moved to inpatient Diagnosis Related Groups.

Children’s Health Insurance Program

The bill amends definitions under s. 409.811, F.S., to permit certain non-citizen children to receive federal financial premium assistance under Medicaid or the Children’s Health Insurance Program (CHIP).

A definition of a “lawfully residing child” is added to s. 409.811, F.S., and is a child who:

- Is present in the United States as defined under 8 C.F.R. s. 103.12(a);
- Meets Medicaid or CHIP residency requirements, and
- May be eligible for federal financial premium assistance under s. 214 of the Children’s Health Insurance Program Reauthorization Act (CHIPRA) and related federal regulations.

The definition of a “resident” in s. 409.811, F.S., is amended to substitute “lawfully residing child” in place of “qualified alien.” And, the definition for a “qualified alien” is deleted from s. 409.811, Florida Statutes.

²⁹*Supra* note11, at 2

The bill amends s. 409.814, F.S., to replace a reference to “qualified alien” with a reference to “lawfully residing child” when referring to children who are not eligible for Title XXI funded premium assistance. The bill also clarifies that Kidcare program eligibility is not being extended to undocumented immigrants.

The bill amends s. 409.904, F.S., relating to optional Medicaid payments, to designate that a child younger than 19 years of age who is a lawfully residing child, as defined in s. 409.811, F.S., is eligible for Medicaid under s. 409.903, F.S. The bill also clarifies that Medicaid eligibility is not being extended to undocumented immigrants.

Outpatient Reimbursement

The bill amends s. 409.905, F.S., replacing AHCA’s existing per diem and retroactive adjustment fee methodology for Medicaid outpatient care, with a prospective payment system. Under the new system, AHCA will calculate reimbursement rates annually; the new rates will go into effect on October 1 during the first year of implementation and on July 1 every year thereafter. The new methodology must function like an outpatient prospective payment system by categorizing the amount and type of services used in outpatient visits, and group together procedures that share similar characteristics and costs. The bill also amends deadlines for discovering errors in cost data to reflect the new implementation schedule, and updates the term “Medicaid payments” to include outpatient services. The bill also deletes the requirement that AHCA limit payment for hospital emergency department visits for non-pregnant Medicaid recipients 21 years of age or older to six visits per fiscal year.

Flexible Services for Persons with Mental illness

The bill amends s. 409.906, F.S., to require the AHCA to seek federal approval to pay for flexible services for persons with severe mental illness or substance abuse disorders, including, but not limited to, temporary housing assistance. The bill amends s. 409.968, F.S., to require the AHCA to establish a payment methodology to fund managed care plans within Statewide Medicaid Managed Care for flexible services for persons with severe mental illness and substance abuse disorders, including, but not limited to, temporary housing assistance. After receiving such payments for at least one year, a managed care plan must document the results of its efforts to maintain the target population in stable housing up to the maximum duration allowed under federal approval.

Phelan-McDermid and Down syndrome

The bill also adds Down syndrome and Phelan-McDermid Syndrome to the list of developmental disabilities contained in s. 393.063, F.S. The bill also provides a definition for “Phelan-McDermid syndrome”.

APD Waiver Waitlist

This bill permanently codifies the Fiscal Year 2015-2016 implementing bill (Chapter 2015-222, L.O.F.) changes related to the waiver waiting list prioritization categories. The bill:

- Requires APD, to prioritize individuals in Category 1 when moving individuals off the waitlist and into the waiver program;
- Requires APD to prioritize, in Category 2, children in the child welfare system being reunified with their families or being placed permanently with an adoptive family or relatives and youth with developmental disabilities in extended foster care who must be served by both APD and the community-based care (CBC) organizations. The bill also delineates the responsibilities of the different entities providing services to these youth; specifically, APD must provide waiver services, including residential habilitation that supports individuals living in congregate settings, and the CBC lead agency must fund room and board at the prevailing foster care rate as well as provide case management and related services;
- Allows waiver enrollment without first being placed on the waiting list for individuals who were on an HCBS waiver in another state and whose parent or guardian is an active-duty military service member transferred into the state. This means active-duty service members’

dependents previously on a waiver are not placed in a waiting list category but are immediately enrolled on the waiver;

- Specifies that after individuals formerly on the waiting list are enrolled on the waiver, those remaining on the waiting list are not entitled to a hearing; and
- Permits rulemaking to specify tools for prioritizing waiver enrollment within categories.

Contingency Legislation

Contingent upon CS/CS/HB 1083 or similar legislation failing to pass, the bill amends 393.0662, relating to iBudgets by adding a significant need for transportation services relating to adult day training or employment services to the list of needs in current law for which the APD may authorize an increase in iBudget funding if the need that cannot be accommodated within previously approved funding, under specified parameters. In the event CS/CS/HB 1083 or similar legislation fails to become law, the bill also reenacts ss. 393.067(15), and 393.18, Florida Statutes.

Out-of-Business Medicaid Providers

The bill amends s. 409.907, F.S., to authorize the AHCA to certify that a Medicaid provider is out of business and that any overpayments made to the provider cannot be collected under state law.

Medicaid Reimbursement for Charter Schools

The bill creates s. 409.9072, F.S., to authorize the AHCA to reimburse private schools and charter schools for providing Medicaid school-based services identical to those offered under the Medicaid certified school match program and under the same eligibility criteria as children eligible for services under that program.

Private and charter schools wishing to become Medicaid providers of such school-based services must apply to the AHCA and agree to specified conditions, such as verifying Medicaid eligibility, developing and maintaining financial and individual education plan records needed to document the appropriate use of state and federal funds, complying with all state and federal laws, rules, regulations, and policies relating to Medicaid, and being responsible for reimbursing the cost of any state or federal disallowance that results from failure to comply with state or federal Medicaid laws, rules, or regulations. For reimbursements to private and charter schools, the AHCA is directed to apply the reimbursement schedule developed for providers within the certified school match program.

Medicaid Reimbursement

The bill amends s. 409.908, F.S., to add class III psychiatric hospitals to the current list of facilities for which AHCA is authorized to establish an alternative reimbursement methodology to the DRG-based prospective payment system otherwise required under state law. The bill also provides that, effective July 1, 2017, AHCA is required to reimburse ambulatory surgical centers with a prospective payment system, thereby replacing the current cost-based reimbursement methodology on that date.

Statewide Medicaid Residency Program

The bill amends s. 409.909, F.S., relating to the SMRP, to provide that federally qualified health centers are qualifying institutions for the purpose of receiving funds for residency slots through the SMRP; to require hospitals applying for the start-up bonus to submit to AHCA certain validations of new resident positions by certain timeframes; and to revise the definition of "Medicaid payments," effective July 1, 2017, to conform to the transition to a prospective payment system for hospital outpatient reimbursement on that date. The bill also adds Psychiatry to the list of primary care specialties as specified within the SMRP.

Medicaid Managed Care Providers

The bill amends s. 409.975, F.S., to clarify that the term "essential provider" includes providers determined to be essential Medicaid providers under s. 409.975(1)(a), F.S., and providers specified as statewide essential providers under s. 409.975(1)(b), F.S., for the purpose of applying the criteria for

excluding an essential provider from a managed care plan network for failure to meet quality or performance standards under s. 409.975(1)(c), F.S.

The bill provides a cross-reference to changes made in Section 19 of the bill regarding payments required of a managed care plan within the Statewide Medicaid Managed Care program to a non-contracted provider that has rendered emergency services to a member of the managed care plan, in order to comply with federal law.

The bill also deletes the provision in s. 409.975(6), F.S., requiring that for rates, methods, and terms of payment negotiated after an MMA contract between the AHCA a managed care plan has been executed, the managed care plan must pay hospitals within its provider networks, at a minimum, the rate that the AHCA would have paid on the first day of the contract between the provider and the plan.

Healthy Kids Corporation

The bill amends s. 624.91, F.S., the Florida Healthy Kids Corporation Act, to conform to changes made under the bill and update references to modified or deleted terms.

Reimbursements by HMOs

The bill amends s. 641.513, F.S., to provide that, as part of the Florida Insurance Code, the amount of reimbursement paid by a health maintenance organization (HMO) to a non-contracted provider for emergency services provided to a member of the HMO who is a Medicaid recipient will be determined under ch. 409. The bill also provides, as required by the federal law, that the amount of reimbursement for emergency services provided to subscribers who are enrolled in an HMO pursuant to the Florida Healthy Kids program by a provider for whom no contract exists between the provider and the HMO, will be the lesser of the:

- Provider's charges;
- Usual and customary provider charges for similar services in the community where the services were provided;
- Charge mutually agreed to by the managed care plan and the provider within 60 days after submittal of the claim; or
- Medicaid rate.

Program of All-Inclusive Care for the Elderly (PACE)

The bill amends Chapter 2012-33, Laws of Florida, and allows the existing PACE organization in Broward County to serve frail elders residing in Miami-Dade County using existing slots. The PACE program for Southeast Florida is located in Broward County, and has 150 slots for serving frail elders who live in Broward.³⁰ Subject to federal approval, the bill also requires AHCA to expand PACE services offered in Escambia, Clay, Duval, St Johns, Baker, Nassau, Lake, Hillsborough and Pinellas Counties.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill permits AHCA to certify that a Medicaid provider is out-of-business and that overpayments cannot be collected. As a result, Florida will not have to refund the federal share of future Medicaid overpayments to providers who are certified as out-of-business, which AHCA estimates will total between \$1 million and \$3 million per fiscal year.³¹

³⁰ Chapter 2012-33, Laws of Florida.

³¹ Agency for Health Care Administration, *2016 Agency Legislative Bill Analysis for HB 1245*, January 23, 2016 (on file with the Health Care Appropriations Subcommittee staff).

2. Expenditures:

The House Bill 5001, the General Appropriations Act provides a transfer of two full-time equivalent (FTE) positions with associated rate and resources from DCF to AHCA to address the increased workload at AHCA resulting from the transfer of Medicaid related hearings from DCF.

House Bill 5001, the General Appropriations Act, contains the following appropriations:

	FY 2016-17
Graduate Medical Education	
General Revenue	\$ 31,192,000
Grants and Donations Trust Fund	\$ 38,990,000
Medical Care Trust Fund	\$ 109,818,000
Total	\$ 180,000,000
Fraud and Abuse Prevention	
Medical Care Trust Fund	\$ 250,000
Total	\$ 250,000
Rural Hospital/Sole Community	
General Revenue	\$ 935,762
Medical Care Trust Fund	\$ 1,464,243
Total	\$ 2,400,005
Lawfully Residing Children (Florida KidCare coverage)	
Grants and Donations Trust Fund	\$ 296,429
Medical Care Trust Fund	\$ 28,538,785
Total	\$ 28,835,214
Homeless Mental Health Transitional Housing	
General Revenue	\$ 4,000,000
Medical Care Trust Fund	\$ 6,259,041
Total	\$ 10,259,041
Medicaid Charter/Private School Reimbursement	
General Revenue	\$ 4,000,000
Medical Care Trust Fund	\$ 6,259,041
Total	\$ 10,259,041
Phelan McDermid Syndrome	
General Revenue	\$ 1,000,000
Medical Care Trust Fund	\$ 1,564,760
Total	\$ 2,564,760
TOTAL BUDGETARY IMPACT	
General Revenue	\$ 41,127,762
Grants and Donations Trust Fund	\$ 39,286,429
Medical Care Trust Fund	\$ 154,153,870
Total	\$ 234,568,061
FTE Positions associated with Medicaid Fair Hearings	2.0

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

In order to earn matching federal dollars for the Graduate Medical Education program, local governments and other local political subdivisions would be required to provide \$38,990,000 in contributions.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The AHCA will distribute \$180,000,000 to hospitals and other qualifying institutions eligible for the Statewide Medicaid Residency Program and the Graduate Medical Education Startup Bonus Program. Additionally, AHCA will provide reimbursement to private schools and charter schools for providing Medicaid school-based services identical to those offered under the Medicaid certified school match program and under the same eligibility criteria as children eligible for services under that program. Finally, children who are lawfully present in the state will be eligible for health insurance coverage; therefore, health care providers may see an increase in patients as a result of increasing the access to medical care.

D. FISCAL COMMENTS:

The fiscal impact from increased enrollment in the Title XIX and Title XXI program will be offset by a reduction in expenditures under the Emergency Medical Assistance for Noncitizens (EMA) program.³² Medicaid currently pays for emergency services for part of the population of children who will be newly eligible for coverage under the bill.

³² Noncitizens, who are Medicaid eligible except for citizenship, may be eligible for Medicaid to cover a serious medical emergency. If so, Medicaid will cover necessary treatment until the medical emergency has abated. Before Medicaid may be authorized, applicants must provide proof from a medical professional stating the treatment was due to an emergency condition. The proof also must include the date or dates of the emergency.