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1 A bill to be entitled
2 An act making supplemental appropriations for Medicaid
3 hospital programs; providing moneys for the annual
4 period beginning July 1, 2017, and ending June 30,
5 2018, to fund the state Medicaid program;
6 incorporating by reference certain calculations of the
7 Medicaid Disproportionate Share Hospital and Hospital
8 Reimbursement programs; providing effective dates.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Specific Appropriation 198 of Chapter 2017-70,
13 Laws of Florida, is amended to read:

14
15 SECTION 3 - HUMAN SERVICES

16
17 SPECIFIC APPROPRIATION

18
19 The moneys contained herein are appropriated from the named
20 funds to the Agency for Health Care Administration, Agency for
21 Persons with Disabilities, Department of Children and Families,
22 Department of Elder Affairs, Department of Health, and the
23 Department of Veterans' Affairs as the amounts to be used to pay
24 the salaries, other operational expenditures and fixed capital
25 outlay of the named agencies.

26
27 AGENCY FOR HEALTH CARE ADMINISTRATION

28
29 From the funds provided in Specific Appropriations 162 through

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30 232, the Agency for Health Care Administration shall submit
31 quarterly reports on all travel related to training, seminars,
32 workshops, conferences, or similarly purposed travel that was
33 completed by senior management employees or division or program
34 directors. Each quarterly report shall include the following
35 information: (a) employee name, (b) position title, (c) purpose
36 of travel, (d) dates and location of travel, (e) confirmation of
37 agency head authorization if required by SB 2502, and (f) total
38 travel cost. The report shall be submitted to the chair of the
39 Senate Appropriations Committee, the chair of the House of
40 Representatives Appropriations Committee, and the Executive
41 Office of the Governor. The first report shall be submitted on
42 July 15, 2017, for the period of April 1, 2017, through June 30,
43 2017, and quarterly thereafter.

44

45 PROGRAM: HEALTH CARE SERVICES

46

47 MEDICAID SERVICES TO INDIVIDUALS

48

49 From the funds in Specific Appropriations 191 through 220A, the
50 Agency for Health Care Administration shall provide a quarterly
51 reconciliation report of all Medicaid service appropriation
52 expenditures and fund sources. The reconciliation shall compare
53 actual expenditures paid through each specific appropriation
54 category by fund either through the Florida Medicaid Management
55 Information System (FMMIS) or the Agency for Health Care
56 Administration to expenditure estimates forecasted through the
57 Social Services Estimating Conference Medicaid services
58 forecasting model, as directed in section 216.136(6), Florida

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59 Statutes. The comparison shall include fund source detail for
 60 each comparison. For any category where a variance is
 61 identified, the Agency for Health Care Administration shall
 62 submit a written corrective action plan to address each variance
 63 by category and fund source. The reconciliation shall be
 64 submitted to the Office of the Governor, the President of the
 65 Senate, and the Speaker of the House of Representatives no later
 66 than 30 days after the close of each quarter. The Agency for
 67 Health Care Administration may submit budget amendments to the
 68 Legislative Budget Commission to realign appropriation
 69 categories based on the reconciliation pursuant to the
 70 provisions of chapter 216, Florida Statutes.

71 198 SPECIAL
 CATEGORIES

72 HOSPITAL INPATIENT
 SERVICES

73 FROM GENERAL REVENUE 256,362,940
 FUND 285,444,787

74 FROM HEALTH CARE 42,300,000
 TRUST FUND

75 FROM GRANTS AND 15,915,715
 DONATIONS TRUST FUND

76 FROM MEDICAL CARE 585,613,606

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77	TRUST FUND	631,984,098
	FROM PUBLIC MEDICAL ASSISTANCE TRUST FUND	47,450,732
78	FROM REFUGEE ASSISTANCE TRUST FUND	1,362,689

79
80
81 Funds in Specific Appropriation 198 are contingent upon the
82 state share being provided through grants and donations from
83 state, county or other governmental funds. In the event the
84 state share provided through grants and donations in the Grants
85 and Donations Trust Fund is not available, the Agency for Health
86 Care Administration may submit a revised hospital reimbursement
87 plan, pursuant to chapter 216, Florida Statutes, to the
88 Legislative Budget Commission for approval.

89
90 ~~From the funds in Specific Appropriation 198, the calculations~~
91 ~~of the Medicaid Hospital Funding Programs for the 2017-2018~~
92 ~~fiscal year are incorporated by reference in Senate Bill 2502.~~
93 ~~The calculations are the basis for the appropriations made in~~
94 ~~the General Appropriations Act.~~

95
96 From the funds in Specific Appropriation 198, the Agency for
97 Health Care Administration may establish a global fee for bone
98 marrow transplants and the global fee payment shall be paid to

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99 approved bone marrow transplant providers that provide bone
100 marrow transplants to Medicaid beneficiaries.

101
102 From the funds in Specific Appropriations 198 and 206,
103 \$2,827,046 from the Grants and Donations Trust Fund and
104 \$4,538,889 from the Medical Care Trust Fund are provided to make
105 Medicaid payments for multi-visceral transplants and intestine
106 transplants in Florida. The Agency for Health Care
107 Administration shall establish a global fee for these transplant
108 procedures and the payments shall be used to pay approved multi-
109 visceral transplant and intestine transplant facilities a global
110 fee for providing these transplant services to Medicaid
111 beneficiaries. Payment of the global fee is contingent upon the
112 non-federal share being provided through grants and donations
113 from state, county or other governmental funds. The agency is
114 authorized to seek any federal waiver or state plan amendment
115 necessary to implement this provision.

116
117 From the funds in Specific Appropriation 198, the Agency for
118 Health Care Administration shall continue a Diagnosis Related
119 Grouping (DRG) reimbursement methodology for hospital inpatient
120 services as directed in section 409.905 (5) (c), Florida
121 Statutes.

122 Base Rate - \$3,485.82 ~~\$3,310.98~~
123 Neonates Service Adjustor Severity Level 1 - 1.0
124 Neonates Service Adjustor Severity Level 2 - 1.52
125 Neonates Service Adjustor Severity Level 3 - 1.8
126 Neonates Service Adjustor Severity Level 4 - 2.0
127 Neonatal, Pediatric, Transplant Pediatric, Mental Health

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128 and

129 Rehab DRGs:

130 Severity Level 1 - 1.0

131 Severity Level 2 - 1.52

132 Severity Level 3 - 1.8

133 Severity Level 4 - 2.0

134 Free Standing Rehabilitation Provider Adjustor - 2.840

135 ~~2.843~~

136 Rural Provider Adjustor - 2.115 ~~2.116~~

137 Long Term Acute Care (LTAC) Provider Adjustor - 2.218

138 ~~2.199~~

139 High Medicaid and High Outlier Provider Adjustor - 2.504

140 ~~2.548~~

141 Outlier Threshold - \$60,000

142 Marginal Cost Percentage - 60%

143 Marginal Cost Percentage for Pediatric Claims Severity

144 Levels 3 or 4 - 80%

145 Marginal Cost Percentage for Neonates Claims Severity

146 Levels 3 or 4 - 80%

147 Marginal Cost Percentage for Transplant Pediatric Claims

148 Severity Levels 3 or 4 - 80%

149 Documentation and Coding Adjustment - 1/3 of 1%

150 Level I Trauma Add On - 17%

151 Level II or Level II and Pediatric Add On - 11%

152 Pediatric Trauma Add On - 4%

153

154 Funds in Specific Appropriation 198 reflect an increase of

155 \$2,668,209 ~~\$2,480,485~~ in nonrecurring funds from the General

156 Revenue Fund and \$4,283,872 ~~\$3,982,478~~ in nonrecurring funds

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157 from the Medical Care Trust Fund for sole community hospitals
158 that meet the definition of "rural hospital" under section
159 395.602 (2) (e), Florida Statutes, to be recognized as rural
160 hospitals in the Agency for Health Care Administration's
161 Diagnosis Related Group (DRG) reimbursement methodology for
162 hospital inpatient services (HB 3791).

163
164 Funds in Specific Appropriation 198 reflect an increase of
165 \$9,421,726 in the General Revenue Fund, of which, \$804,168 is
166 nonrecurring, and \$15,126,804 in the Medical Care Trust Fund, of
167 which, \$1,291,111 is nonrecurring, to increase the High Medicaid
168 and High Outlier Provider Adjustor for the Agency for Health
169 Care Administration's Diagnosis Related Group (DRG)
170 reimbursement methodology for hospital inpatient services.

171
172 Funds in Specific Appropriations 198 and 207 reflect a reduction
173 of \$58,284,811 from the General Revenue Fund and \$93,577,645
174 from the Medical Care Trust Fund based on a reduction to the
175 Diagnosis Related Grouping Base Rate.

176
177 Funds in Specific Appropriations 198 and 207 reflect a reduction
178 of \$160,882,696 ~~\$160,401,653~~ from the General Revenue Fund and
179 \$258,300,982 ~~\$257,528,657~~ from the Medical Care Trust Fund as a
180 result of reducing Hospital Inpatient Automatic Rate
181 Enhancements. ~~The calculations of the Medicaid Hospital Funding~~
182 ~~Programs for the 2017-2018 fiscal year are incorporated by~~
183 ~~reference in Senate Bill 2502. The calculations are the basis~~
184 ~~for the appropriations made in the General Appropriations Act.~~

185

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186 From the funds in Specific Appropriations 198, ~~and 203, and 207,~~
187 \$50,000,000 in nonrecurring funds from the General Revenue Fund
188 and \$80,276,186 in nonrecurring funds from the Medical Care
189 Trust Fund are provided to partially restore reductions applied
190 to DRG base rates and Hospital Inpatient and Hospital Outpatient
191 exemption payments.

192

193 From the funds in Specific Appropriations 198, 203, and 207,
194 \$100,000,000 in nonrecurring funds from the General Revenue Fund
195 and \$160,552,371 in nonrecurring funds from the Medical Care
196 Trust Fund are provided to restore reductions applied to DRG
197 base rates and Hospital Inpatient and Hospital Outpatient
198 exemption payments.

199 Section 2. Specific Appropriation 203 of Chapter 2017-70,
200 Laws of Florida, is amended to read:

201

202 SECTION 3 - HUMAN SERVICES

203

204 SPECIFIC APPROPRIATION

205

206 The moneys contained herein are appropriated from the named
207 funds to the Agency for Health Care Administration, Agency for
208 Persons with Disabilities, Department of Children and Families,
209 Department of Elder Affairs, Department of Health, and the
210 Department of Veterans' Affairs as the amounts to be used to pay
211 the salaries, other operational expenditures and fixed capital
212 outlay of the named agencies.

213

214 AGENCY FOR HEALTH CARE ADMINISTRATION

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215
216 From the funds provided in Specific Appropriations 162 through
217 232, the Agency for Health Care Administration shall submit
218 quarterly reports on all travel related to training, seminars,
219 workshops, conferences, or similarly purposed travel that was
220 completed by senior management employees or division or program
221 directors. Each quarterly report shall include the following
222 information: (a) employee name, (b) position title, (c) purpose
223 of travel, (d) dates and location of travel, (e) confirmation of
224 agency head authorization if required by SB 2502, and (f) total
225 travel cost. The report shall be submitted to the chair of the
226 Senate Appropriations Committee, the chair of the House of
227 Representatives Appropriations Committee, and the Executive
228 Office of the Governor. The first report shall be submitted on
229 July 15, 2017, for the period of April 1, 2017, through June 30,
230 2017, and quarterly thereafter.

231

232 PROGRAM: HEALTH CARE SERVICES

233

234 MEDICAID SERVICES TO INDIVIDUALS

235

236 From the funds in Specific Appropriations 191 through 220A, the
237 Agency for Health Care Administration shall provide a quarterly
238 reconciliation report of all Medicaid service appropriation
239 expenditures and fund sources. The reconciliation shall compare
240 actual expenditures paid through each specific appropriation
241 category by fund either through the Florida Medicaid Management
242 Information System (FMMIS) or the Agency for Health Care
243 Administration to expenditure estimates forecasted through the

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244 Social Services Estimating Conference Medicaid services
 245 forecasting model, as directed in section 216.136(6), Florida
 246 Statutes. The comparison shall include fund source detail for
 247 each comparison. For any category where a variance is
 248 identified, the Agency for Health Care Administration shall
 249 submit a written corrective action plan to address each variance
 250 by category and fund source. The reconciliation shall be
 251 submitted to the Office of the Governor, the President of the
 252 Senate, and the Speaker of the House of Representatives no later
 253 than 30 days after the close of each quarter. The Agency for
 254 Health Care Administration may submit budget amendments to the
 255 Legislative Budget Commission to realign appropriation
 256 categories based on the reconciliation pursuant to the
 257 provisions of chapter 216, Florida Statutes.

258
 259 203 SPECIAL
 CATEGORIES

HOSPITAL OUTPATIENT
 SERVICES

FROM GENERAL REVENUE	<u>54,208,290</u>
FUND	62,253,217

FROM GRANTS AND	5,047,647
DONATIONS TRUST FUND	

FROM MEDICAL CARE	<u>129,294,879</u>
TRUST FUND	142,211,200

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263 FROM PUBLIC MEDICAL 20,768,022
 ASSISTANCE TRUST
 FUND

264 FROM REFUGEE 948,222
 ASSISTANCE TRUST
 FUND

265
 266
 267 ~~From the funds in Specific Appropriation 203, the calculations~~
 268 ~~of the Medicaid Hospital Funding Programs for the 2017-2018~~
 269 ~~fiscal year are incorporated by reference in Senate Bill 2502.~~
 270 ~~The calculations are the basis for the appropriations made in~~
 271 ~~the General Appropriations Act.~~

272
 273 From the funds in Specific Appropriations 203 and 207,
 274 \$22,767,278 from the Grants and Donations Trust Fund and
 275 \$36,553,405 from the Medical Care Trust Fund are provided to
 276 increase the outpatient cap for adults from \$500 to \$1,500 per
 277 year. Payments to increase outpatient caps are contingent upon
 278 the non-federal share being provided through intergovernmental
 279 transfers in the Grants and Donations Trust Fund. In the event
 280 the funds are not available in the Grants and Donations Trust
 281 Fund, the State of Florida is not obligated to continue
 282 reimbursements at the higher amount.

283
 284 From the funds in Specific Appropriation 203, \$400,000 from the
 285 General Revenue Fund and \$642,209 from the Medical Care Trust

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286 Fund is provided to Nemours Children's Hospital as a Hospital
287 Outpatient exemption payment.

288

289 From the funds in Specific Appropriation 203, the Agency for
290 Health Care Administration shall implement an Enhanced
291 Ambulatory Patient Grouping (EAPG) reimbursement methodology for
292 hospital outpatient services as directed in section
293 409.905(6)(b), Florida Statutes.

294

295 Ambulatory Surgical Center Base Rate - \$276.66

296 Hospital Outpatient Base Rate - \$267.82

297 Rural Hospital Provider Adjustor - 1.4736

298 High Medicaid and High Outlier Hospital Adjustor - 2.0182

299 Documentation and Coding Adjustment - 2%

300

301 From the funds in Specific Appropriation 203, the Agency for
302 Health Care Administration shall apply a transition methodology
303 that will limit provider gains and losses in a budget neutral
304 manner resulting from the implementation of EAPG payment
305 methodologies. The agency shall cap provider losses from EAPG
306 payment at 5% for any in-state hospital with at least 1,000
307 annual Medicaid outpatient visits and a payment decrease
308 projected to be greater than 5%. For each applicable hospital,
309 the hospital's EAPG base rate shall be set to a value that
310 models EAPG payment to be 95% of the hospital's current baseline
311 payment. The agency shall cap gains from EAPG payment at a
312 percentage to ensure budget neutrality. Both EAPG and current
313 baseline payments shall be values independent of rate
314 enhancements. EAPG base rate adjustments shall be applied after

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315 the impact related to Graduate Medical Education funding has
316 been transferred to the Graduate Medical Education category.
317
318 Funds in Specific Appropriations 203 and 207 reflect a reduction
319 of \$30,832,608 ~~\$31,313,536~~ from the General Revenue Fund and
320 \$49,502,484 ~~\$50,274,625~~ from the Medical Care Trust Fund as a
321 result of reducing Hospital Outpatient Automatic Rate
322 Enhancements. ~~The calculations of the Medicaid Hospital Funding~~
323 ~~Programs for the 2017-2018 fiscal year are incorporated by~~
324 ~~reference in Senate Bill 2502. The calculations are the basis~~
325 ~~for the appropriations made in the General Appropriations Act.~~

326 Section 3. Specific Appropriation 207 of Chapter 2017-70,
327 Laws of Florida, is amended to read:

328
329 SECTION 3 - HUMAN SERVICES

330
331 SPECIFIC APPROPRIATION

332
333 The moneys contained herein are appropriated from the named
334 funds to the Agency for Health Care Administration, Agency for
335 Persons with Disabilities, Department of Children and Families,
336 Department of Elder Affairs, Department of Health, and the
337 Department of Veterans' Affairs as the amounts to be used to pay
338 the salaries, other operational expenditures and fixed capital
339 outlay of the named agencies.

340
341 AGENCY FOR HEALTH CARE ADMINISTRATION

342
343 From the funds provided in Specific Appropriations 162 through

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344 232, the Agency for Health Care Administration shall submit
345 quarterly reports on all travel related to training, seminars,
346 workshops, conferences, or similarly purposed travel that was
347 completed by senior management employees or division or program
348 directors. Each quarterly report shall include the following
349 information: (a) employee name, (b) position title, (c) purpose
350 of travel, (d) dates and location of travel, (e) confirmation of
351 agency head authorization if required by SB 2502, and (f) total
352 travel cost. The report shall be submitted to the chair of the
353 Senate Appropriations Committee, the chair of the House of
354 Representatives Appropriations Committee, and the Executive
355 Office of the Governor. The first report shall be submitted on
356 July 15, 2017, for the period of April 1, 2017, through June 30,
357 2017, and quarterly thereafter.

358

359 PROGRAM: HEALTH CARE SERVICES

360

361 MEDICAID SERVICES TO INDIVIDUALS

362

363 From the funds in Specific Appropriations 191 through 220A, the
364 Agency for Health Care Administration shall provide a quarterly
365 reconciliation report of all Medicaid service appropriation
366 expenditures and fund sources. The reconciliation shall compare
367 actual expenditures paid through each specific appropriation
368 category by fund either through the Florida Medicaid Management
369 Information System (FMMIS) or the Agency for Health Care
370 Administration to expenditure estimates forecasted through the
371 Social Services Estimating Conference Medicaid services
372 forecasting model, as directed in section 216.136(6), Florida

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DONATIONS TRUST FUND

391 FROM MEDICAL CARE 7,521,165,423
 TRUST FUND ~~7,305,709,389~~

392 FROM PUBLIC MEDICAL 692,598,885
 ASSISTANCE TRUST
 FUND

393 FROM REFUGEE 57,759,492
 ASSISTANCE TRUST
 FUND

394
 395 Section 4. For the purposes of Specific Appropriations 198,
 396 199, 203, and 207 of the 2017-2018 General Appropriations Act,
 397 the calculations for the Medicaid Disproportionate Share
 398 Hospital and Hospital Reimbursement programs for the 2017-2018
 399 fiscal year contained in the document titled "Medicaid Hospital
 400 Funding Programs," dated June 8, 2017, and filed with the
 401 Secretary of the Senate, are incorporated by reference for the
 402 purpose of displaying the calculations used by the Legislature,
 403 consistent with the requirements of state law, in making
 404 appropriations for the Medicaid Disproportionate Share Hospital
 405 and Hospital Reimbursement programs. This section expires July
 406 1, 2018.

407 Section 5. This act shall take effect July 1, 2017; or, if
 408 this act fails to become a law until after that date, it shall
 409 take effect upon becoming a law and shall operate retroactively
 410 to July 1, 2017.