Healthcare Council

Thursday, March 13, 2008
1:00 PM – 3:00 PM
Morris Hall

Action Packet

Marco Rubio
Speaker

Aaron Bean
Chair

COUNCIL MEETING REPORT

Healthcare Council

3/13/2008 1:00:00PM

Location: Morris Hall (17 HOB)

Attendance:

	Present	*Absent*	*Excused*
Aaron Bean (Chair)	X		
Thomas Anderson	X		
Loranne Ausley	X		
Joyce Cusack	X		
Bill Galvano	X		
Rene Garcia	X		
Hugh Gibson III	X		
Denise Grimsley	X		
Gayle Harrell	X		
D. Alan Hays	X		
Ed Hooper	X		
Matt Hudson	X		
Jimmy Patronis	X		
Ari Porth	X		
Yolly Roberson	X		
Elaine Schwartz	X		
Kelly Skidmore	X		
Juan Zapata	X		
Totals:	**18**	**0**	**0**

Committee meeting was reported out: Thursday, March 13, 2008 4:54:24PM

COUNCIL MEETING REPORT

Healthcare Council

3/13/2008 1:00:00PM

Location: Morris Hall (17 HOB)

Other Business Appearance:

Hospital Reimbursement Rates
Paul Belcher (Lobbyist) - Information Only
Florida Hospital Association
306 E. College Avenue
Tallahassee FL 32301
Phone: 850-222-9800

ICF/DD Rates
Katie Porta - Information Only
Quest
500 E. Colonial Drive
Orlando FL 32853
Phone: 407-218-4301

ICF/DD Rates
Terry Farmer (Lobbyist) - Information Only
Florida Association of Rehabilitation Facilities
2475 Apalachee Parkway, Suite 205
Tallahassee FL 32301
Phone: 850-877-4816

Medicaid Costs
Brian Pitts - Information Only
Justice-2-Jesus
1119 Newton Avenue S.
St. Petersburg FL 33705
Phone: 727-897-9291

Medicaid Prepaid Plan Rates
Bob Wychulis (Lobbyist) - Information Only
Florida Association of Health Plans
200 W. College Avenue, Suite 104
Tallahassee FL 32301
Phone: 850-386-2904

Medicaid Price Freeze
Dr. Scott Hopes (Lobbyist) - Opponent
Florida Association of Community Health Centers and Florida Rural Health Associations
27347 SW 143rd Ct.
Homestead FL 33032
Phone: 305-247-6672

Medicaid Rate Setting
Dyke Snipes (Lobbyist) (State Employee) (At Request Of Chair) - Information Only
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee FL 32308
Phone: 850-410-8039

Committee meeting was reported out: Thursday, March 13, 2008 4:54:24PM

COUNCIL MEETING REPORT

Healthcare Council

3/13/2008 1:00:00PM

Location: Morris Hall (17 HOB)

Nursing Home Rate Increase
Erwin Bodo (Lobbyist) - Information Only
Florida Association of Homes & Services for the Aging
1812 Riggins Road
Tallahassee FL 32308
Phone: 850-671-3700

Nursing Home Rates
Tony Marshall (Lobbyist) - Information Only
Florida Health Care Association
307 W. Park Avenue
Tallahassee FL 32301
Phone: 850-224-3907

Patient Access to Specialty Care
Representative Ed Homan - Information Only
317 House Office Building
Tallahassee FL 32399
Phone: 850-488-3087

Price Freeze
Tony Carvalho (Lobbyist) - Information Only
Safety Net Hospital Alliance
101 N. Gadsden Street
Tallahassee FL 32301
Phone: 850-201-2096

Committee meeting was reported out: Thursday, March 13, 2008 4:54:24PM

COUNCIL MEETING REPORT

Healthcare Council

3/13/2008 1:00:00PM

Location: Morris Hall (17 HOB)

Summary: No Bills Considered

Committee meeting was reported out: Thursday, March 13, 2008 4:54:24PM

AHCA
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

FLORIDA MEDICAID

Overview of Florida Medicaid Reimbursement Methods

Dyke Snipes
Deputy Secretary for Medicaid

Presented to the
House Healthcare Council

March 13, 2008

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FLORIDA MEDICAID

Florida Medicaid Reimbursement Methods

- There are three methods by which Medicaid Providers are reimbursed:
  - Fee for Service
  - Capitation
  - Cost based

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Fee for Service Reimbursement

- An established fee is paid for services provided by specific Medicaid provider types
- The fees are established based on funding provided through the General Appropriations Act.
- Fees for physician services are set for periodic adjustment via federal directive (based on updates to the Resource Based Relative Value Scale, which requires budget neutrality as part of adjustments).

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Fee for Service Reimbursement

- Specific services reimbursed by fee for service payments are:
  - Physicians/Nurses,
  - Dentists,
  - Pharmacies,
  - Laboratories,
  - DME Suppliers,
  - Home Health Agencies,
  - Dialysis Centers,
  - Emergency Transportation.

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FLORIDA MEDICAID

Capitation Rates

- Section 409.9124, Florida Statutes -- Managed care reimbursement
  - Requires use of fee-for-service expenditures,
  - Requires actuarially sound rates for comparable recipients,
  - Compliant with federal laws and regulations,
  - Requires removal of prior year adjustments that are not appropriate or for policies that have not been implemented.

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FLORIDA MEDICAID

Capitation Rates

- Federal regulations require approval by the Centers for Medicare and Medicaid Services (CMS), and certification of actuarial soundness.
- Rates are set annually and are based upon two years of fee-for-service (FFS) claims for all recipients eligible for enrollment in an HMO. Current rates are based on SFY 2004-05 and 2005-06 data. This is the most current, complete data available for rate setting.

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Capitation Rates

- The FFS base is separated into the following categories:
  - TANF, SSI no Medicare, SSI Medicare Parts A and B, and SSI Medicare Part B only.
  - Geographic areas (AHCA Areas 1-11).
  - Age/gender bands (birth-2 months, 3-11 months, 1-5, 6-13, 14-20 Female, 14-20 Male, 21-54 Female, 21-54 Male, 55+).

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FLORIDA MEDICAID

Capitation Rates

- Rates are based upon:
  - 25 service categories (e.g. hospital inpatient, lab, x-ray, prescribed medicine, etc.),
  - Prescribed medicine is computed net of rebates,
  - A series of adjustments specific to:
    - Claims incurred but not reported,
    - Third party liability claims, and
    - Area discount factors.

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Capitation Rates

- Other elements of the Medicaid Reform capitation rate methodology:
  - Risk Adjustment
  - Kick Payments
  - Enhanced Benefits
  - Phase-In
  - Risk Corridor

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Cost Based Reimbursement

- Fees are established periodically for provider types based on provider's historic cost of providing services.
- Adjustments are typically indexed to predetermined health care inflation indices (price level increases), for institutional providers.

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FLORIDA MEDICAID

Cost Based Reimbursement

- Specific providers reimbursed by cost based means are:
  - Hospitals,
  - Nursing Homes,
  - Intermediate Care Facilities for the Developmentally Disabled
  - Rural Health Clinics,
  - County Health Departments,
  - Hospices, and
  - Federally Qualified Health Centers.

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Cost Based Institutional Rates

- Florida Medicaid's current system:
  - Allowable cost:
    - Historical financial information reported via Medicaid cost report,
    - Subject to audit,
    - Limitations for what is considered allowable as defined in CMS Publication 15-1 (Provider Reimbursement Manual) and the Florida Title XIX Reimbursement Plans,
    - Title XIX Reimbursement Plans are part of the Medicaid State Plan, are subject to CMS approval, and are adopted via the state rulemaking process.

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FLORIDA MEDICAID

Cost Based Institutional Rates

- Limitations to reimbursement
  - Nursing homes have ceilings separately established for patient care costs, operating costs, and property costs.
  - Hospitals have ceilings separately established for inpatient variable costs, property costs, and outpatient costs.
  - Ceilings limited to predetermined rates of growth (e.g. target rate class ceilings).
  - Facility specific costs limited to predetermined rates of growth (e.g. facility specific target rates).

AHCA
FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

FLORIDA MEDICAID

Questions?

Nursing Home Reimbursement

Tony Marshall, Sr. Vice President & COO
Florida Health Care Association
and
Erwin P. Bodo, Chief Operating Officer
Florida Association of Homes & Services for the Aging

Florida Health Care Association

March 12, 2008

FAHSA

The Issue

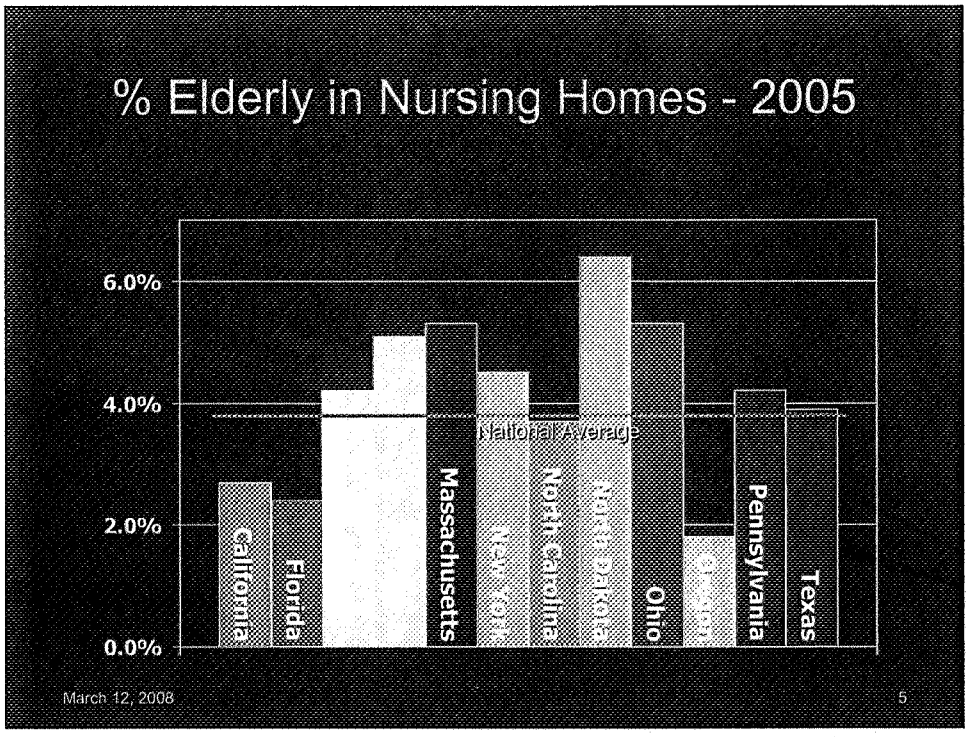
- Failure to adequately fund Medicaid nursing home services will further weaken the already fragile financial state of Florida's nursing home community. Inadequate Medicaid payments will require nursing homes to implement program and staff reductions which will adversely affect the lives of their residents and staff.

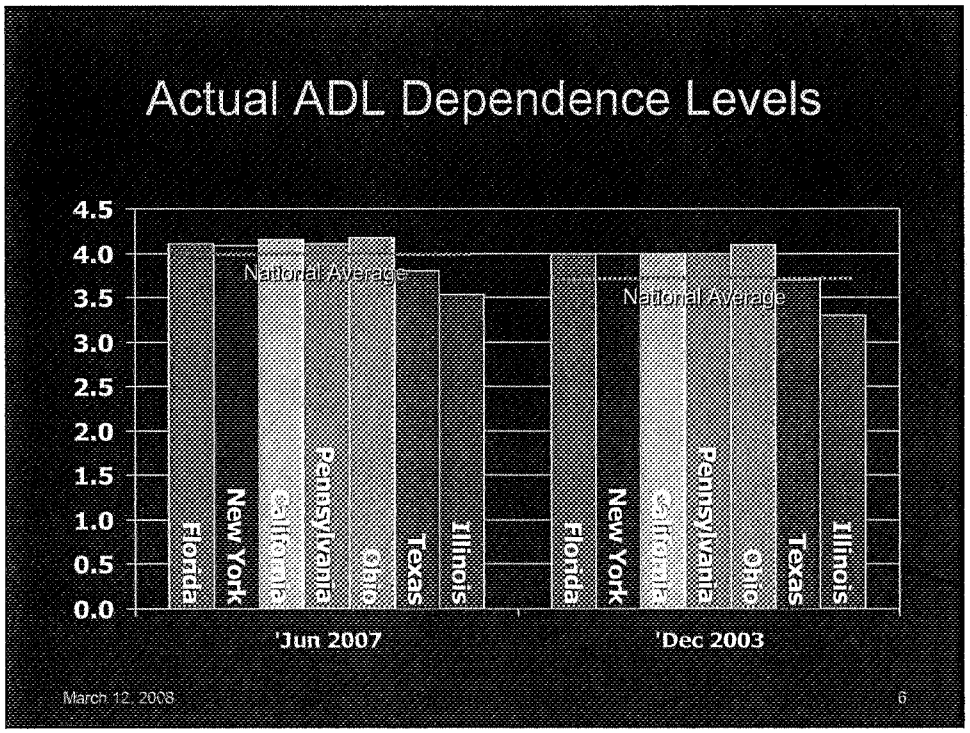
Demographics

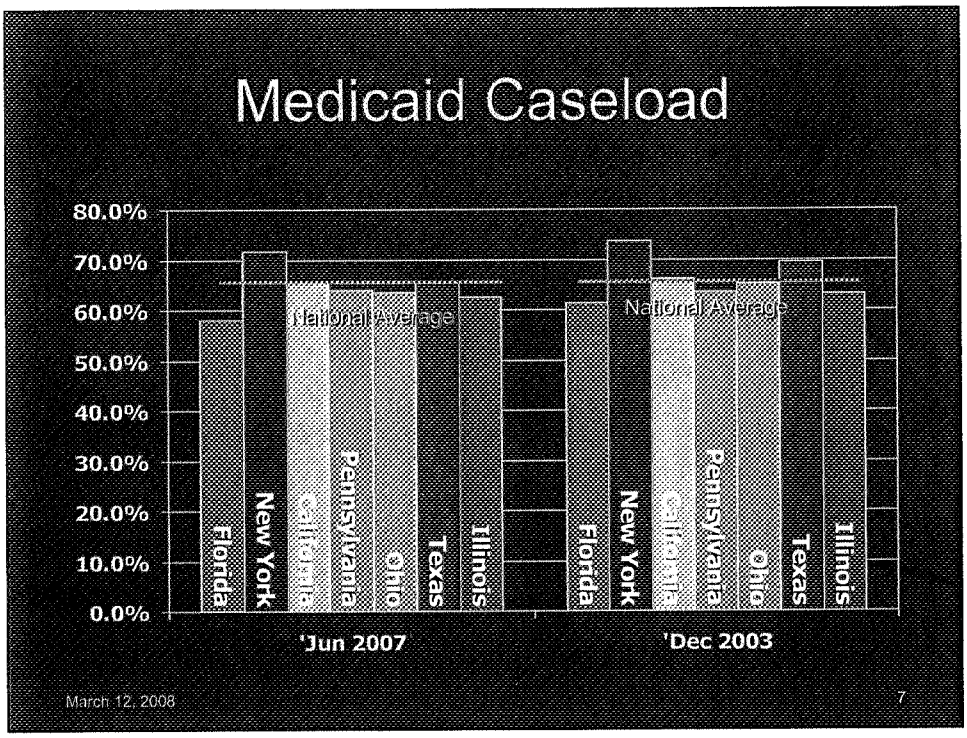
Overview

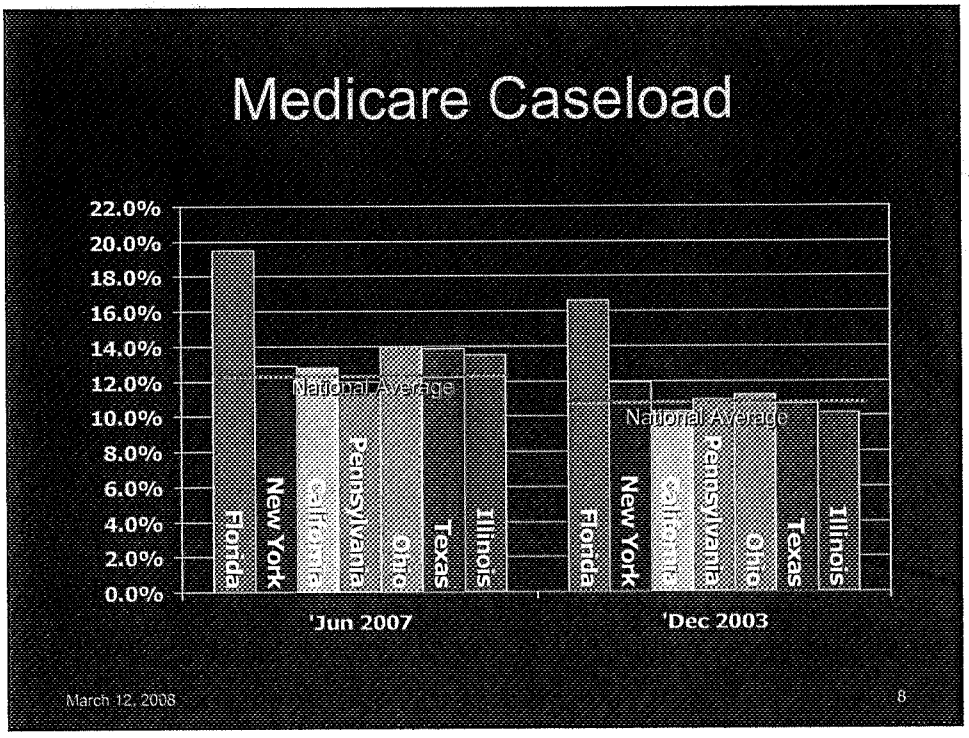
Nursing Homes (Chapter 400)	672
Participating in Medicaid	645
Beds	82,356
Residents (estimated)	72,467
Medicaid Clients (estimated)	43,027

Source: AHCA 2/5/2008

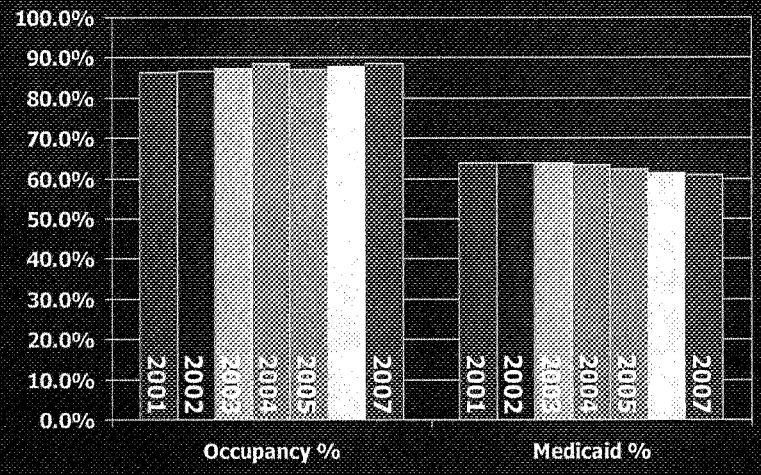

% Elderly in Nursing Homes - 2005
6.0%
4.0%
2.0%
0.0%
National Average
California
Florida
Massachusetts
New York
North Carolina
North Dakota
Ohio
Oregon
Pennsylvania
Texas
March 12, 2008
5


Actual ADL Dependence Levels
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
National Average
National Average
Florida
New York
California
Pennsylvania
Ohio
Texas
Illinois
Florida
New York
California
Pennsylvania
Ohio
Texas
Illinois
'Jun 2007
'Dec 2003
March 12, 2008
6


Medicaid Caseload
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
National Average
National Average
Florida
New York
California
Pennsylvania
Ohio
Texas
Illinois
'Jun 2007
'Dec 2003
March 12, 2008
7


Medicare Caseload
22.0%
20.0%
18.0%
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
National Average
National Average
Florida
New York
California
Pennsylvania
Ohio
Texas
Illinois
'Jun 2007
'Dec 2003
March 12, 2008
8

Occupancy and Medicaid Caseload



Current Reimbursement Policy

Payment Methodology: Costs

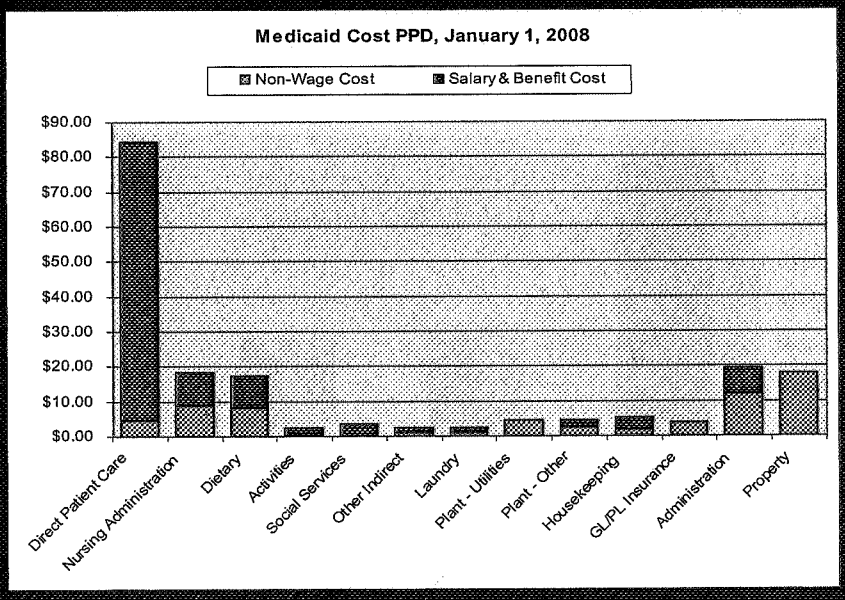
- Cost Reports
  - Some audited or desk-reviewed
  - Chart of accounts and electronic filing
- Cost Components
  - Operating: Administrative, Housekeeping, Liability Insurance, Laundry, Plant Operations, Utilities
  - Property: Depreciation, Property Insurance, Interest, Taxes
  - Patient Care:
    - Direct Care – RN, LPN, CNA
    - Indirect Care – Activities, Dietary, Social Work, Other Nursing, Supplies, Therapy
- Inflation Adjustment

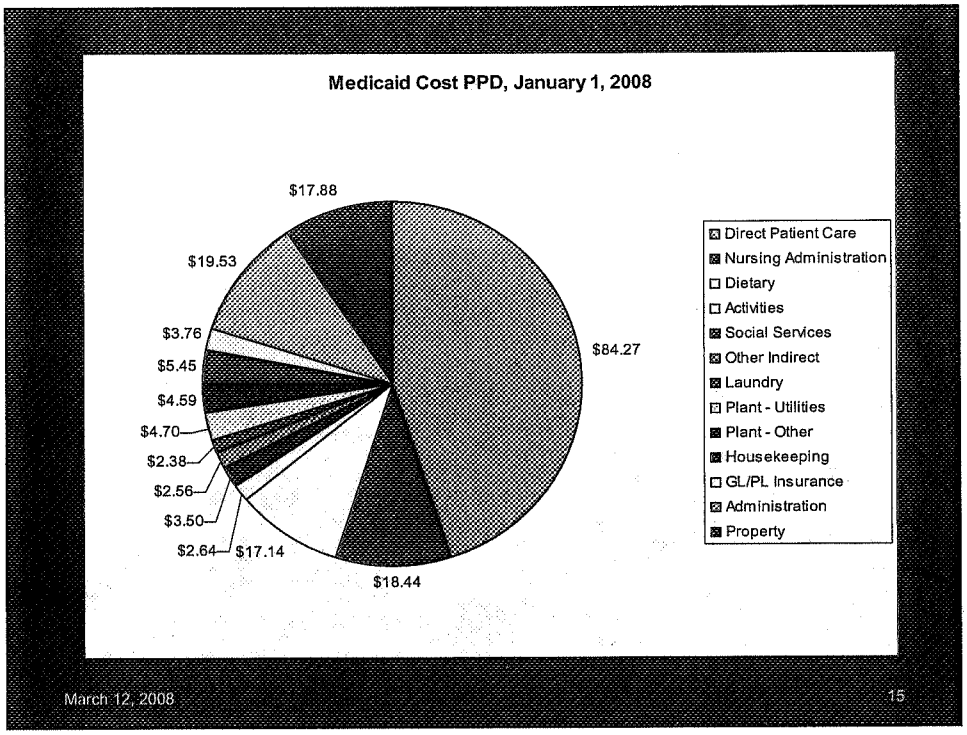
Payment Methodology: Rates

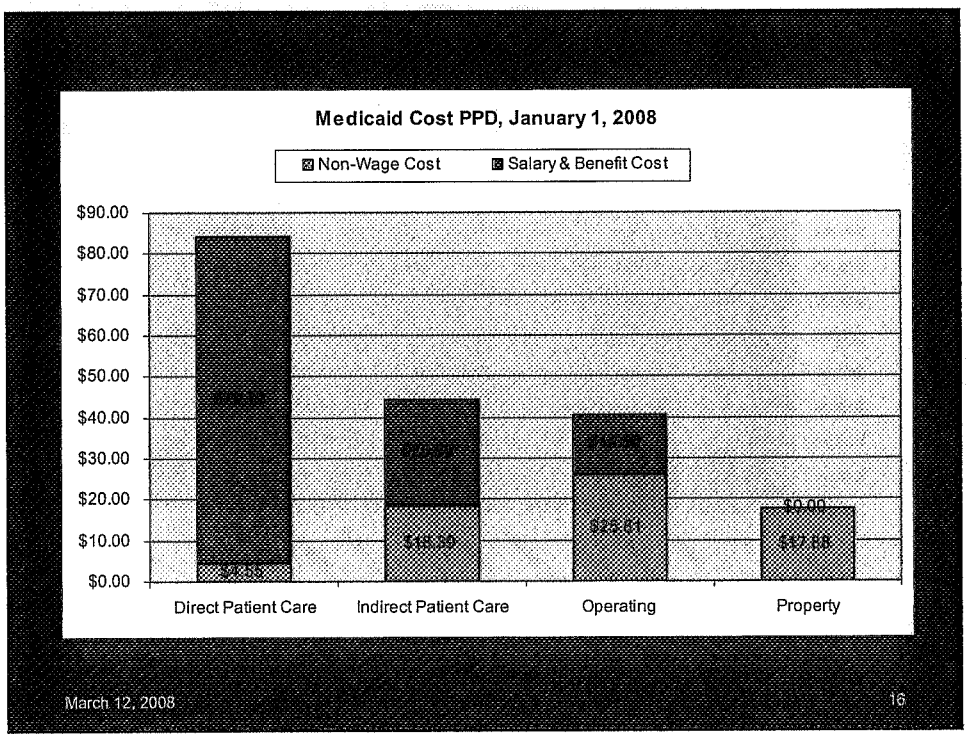
- Semi-Annual Rate Setting
- Limitations
  - Operating
    - Cost-based and target class ceilings
    - Provider specific and new provider target limits
  - Property
    - FRVS and statewide ceilings
  - Direct Patient Care
    - Cost-based class ceilings
  - Indirect Patient Care
    - Cost-based and target class ceilings
    - Provider specific and new provider target limits

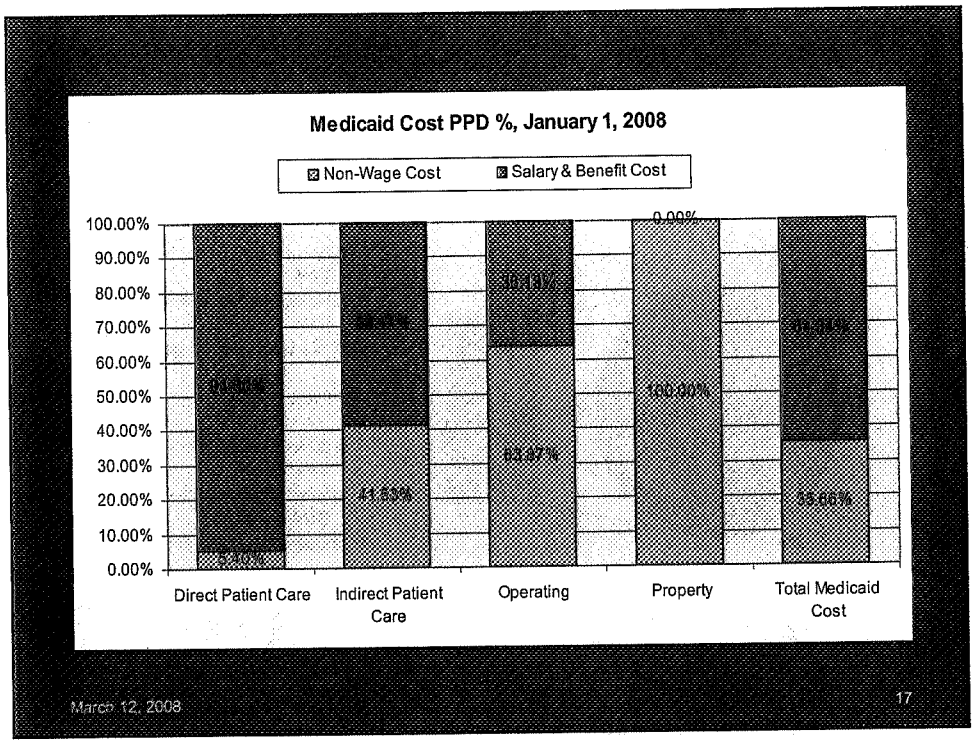
January 1, 2008 Per Diems

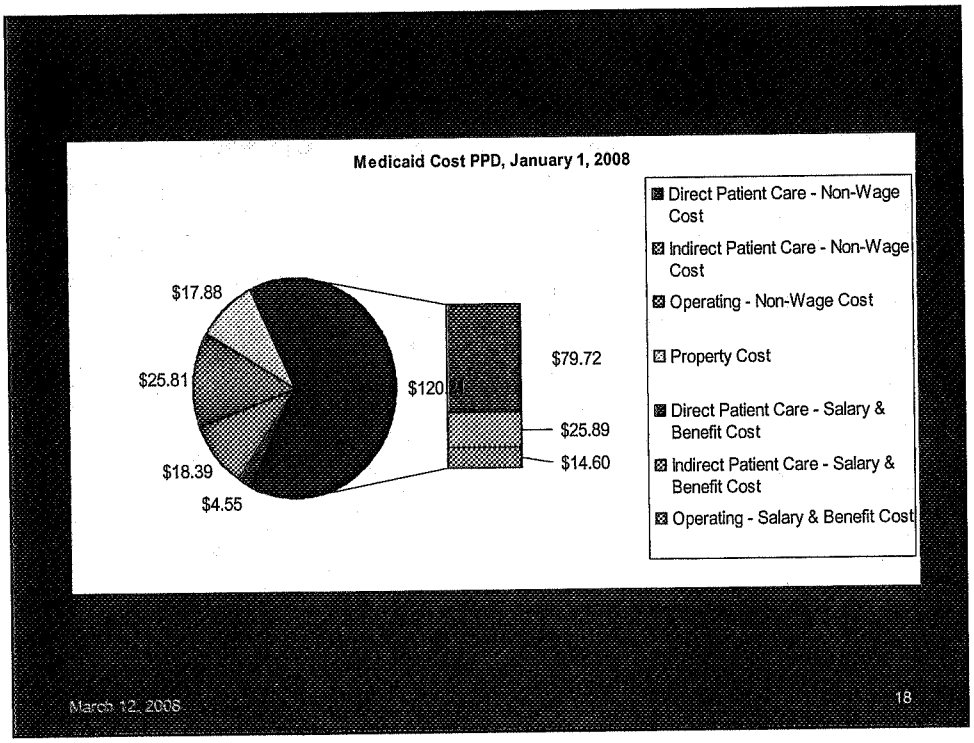
Component	Cost	Payment	Loss	% with Loss
Direct Care	$ 84.27	$ 81.77		
Indirect Care	$ 44.28	$ 42.28		
Operating	$ 40.41	$ 37.10		
Property	$ 17.88	$ 13.49		
TOTAL	$ 186.84	$ 174.60		

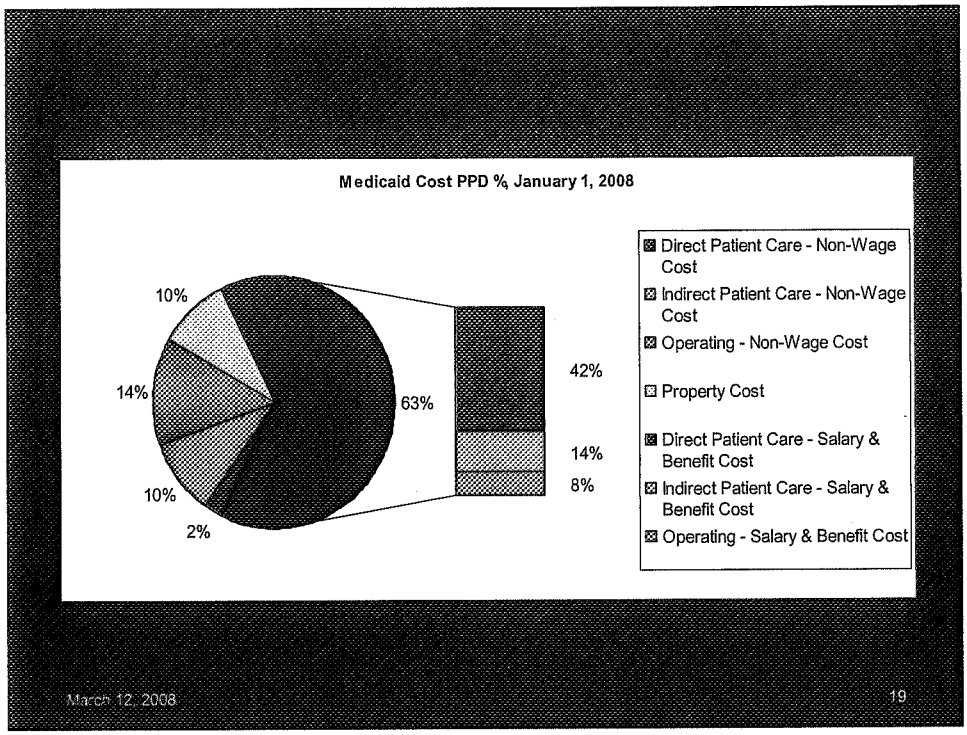


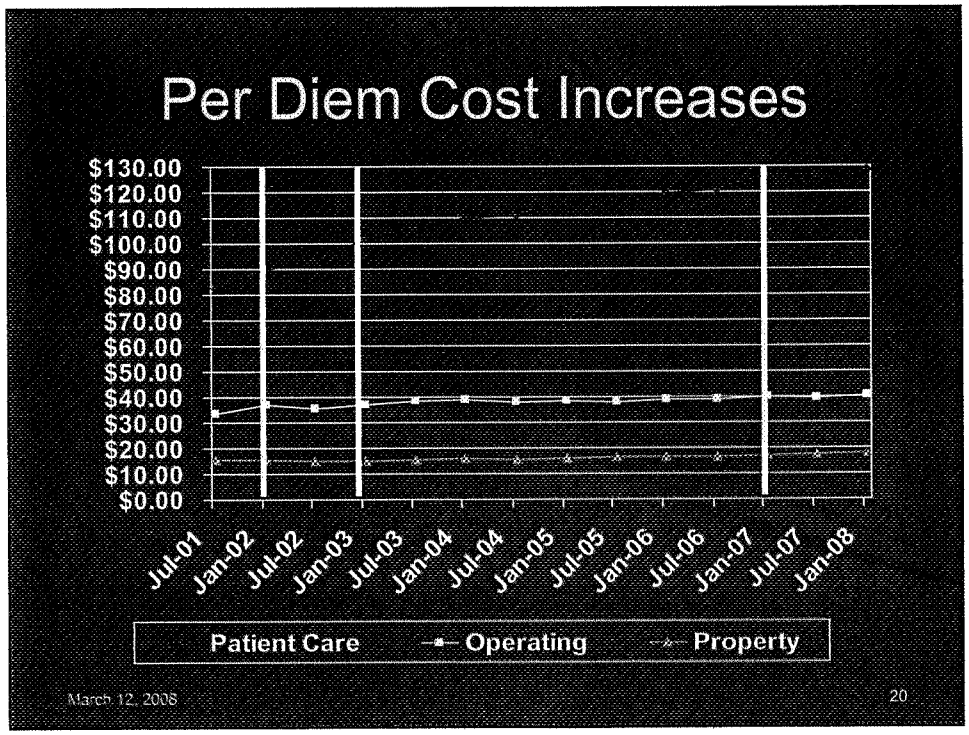

Medicaid Cost PPD, January 1, 2008
$17.88
$19.53
$3.76
$5.45
$4.59
$4.70
$2.38
$2.56
$3.50
$2.64
$17.14
$18.44
$84.27
Direct Patient Care
Nursing Administration
Dietary
Activities
Social Services
Other Indirect
Laundry
Plant - Utilities
Plant - Other
Housekeeping
GL/PL Insurance
Administration
Property
March 12, 2008
15

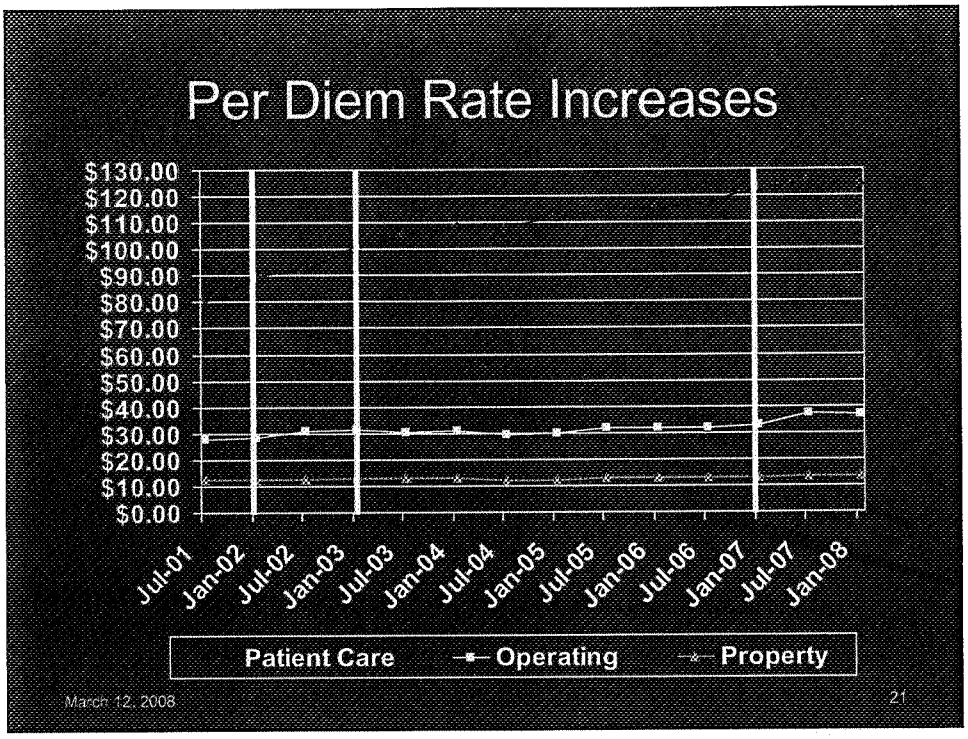

Medicaid Cost PPD, January 1, 2008
Non-Wage Cost
Salary & Benefit Cost
$90.00
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$0.00
Direct Patient Care
Indirect Patient Care
Operating
Property
March 12, 2008
16


Medicaid Cost PPD %, January 1, 2008
Non-Wage Cost
Salary & Benefit Cost
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
0.00%
100.00%
Direct Patient Care
Indirect Patient Care
Operating
Property
Total Medicaid Cost
March 12, 2008
17


Medicaid Cost PPD, January 1, 2008
$17.88
$25.81
$18.39
$4.55
$120.
$79.72
$25.89
$14.60
Direct Patient Care - Non-Wage Cost
Indirect Patient Care - Non-Wage Cost
Operating - Non-Wage Cost
Property Cost
Direct Patient Care - Salary & Benefit Cost
Indirect Patient Care - Salary & Benefit Cost
Operating - Salary & Benefit Cost
March 12, 2008
18


Medicaid Cost PPD % January 1, 2008
10%
14%
10%
2%
63%
42%
14%
8%
Direct Patient Care - Non-Wage Cost
Indirect Patient Care - Non-Wage Cost
Operating - Non-Wage Cost
Property Cost
Direct Patient Care - Salary & Benefit Cost
Indirect Patient Care - Salary & Benefit Cost
Operating - Salary & Benefit Cost
March 12, 2008
19


Per Diem Cost Increases
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$0.00
Jul-01
Jan-02
Jul-02
Jan-03
Jul-03
Jan-04
Jul-04
Jan-05
Jul-05
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Patient Care
Operating
Property
March 12, 2008
20


Per Diem Rate Increases
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$0.00
Jul-01
Jan-02
Jul-02
Jan-03
Jul-03
Jan-04
Jul-04
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Jan-06
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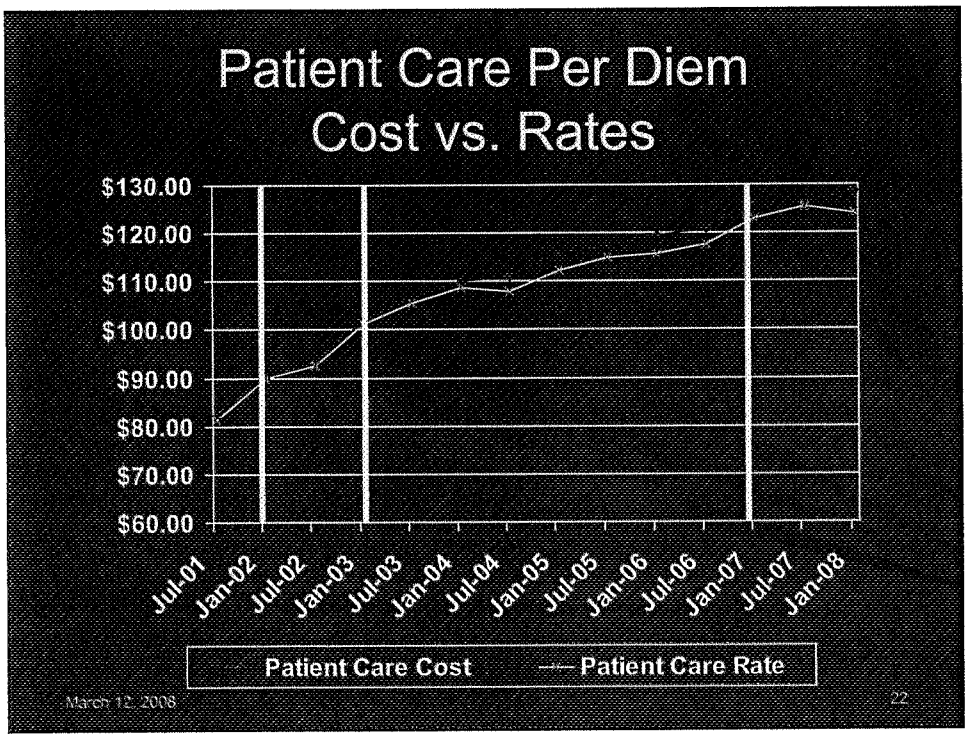
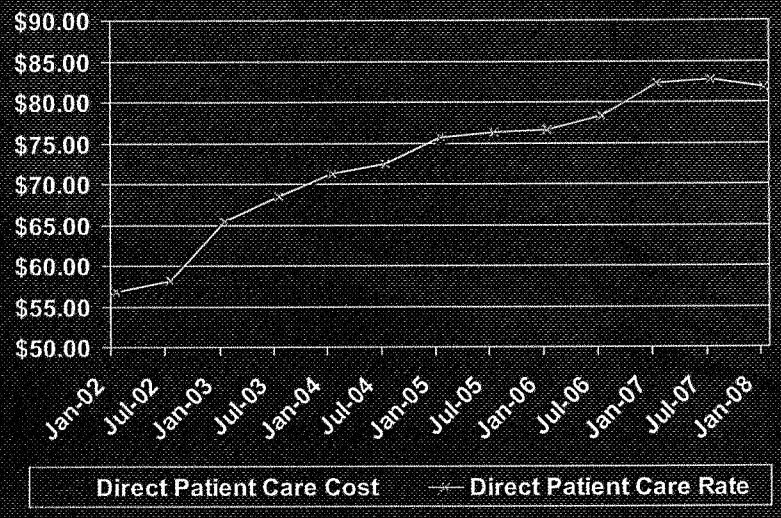
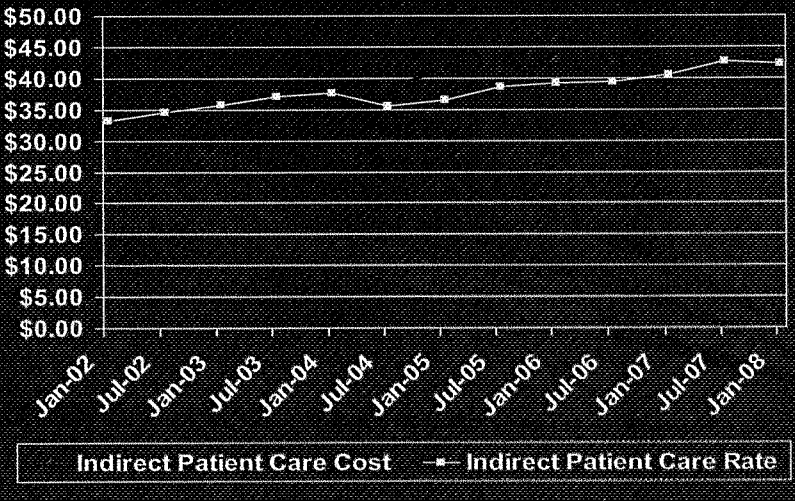
Jan-07
Jul-07
Jan-08
Patient Care
Operating
Property
March 12, 2008
21


Patient Care Per Diem
Cost vs. Rates
$130.00
$120.00
$110.00
$100.00
$90.00
$80.00
$70.00
$60.00
Jul-01
Jan-02
Jul-02
Jan-03
Jul-03
Jan-04
Jul-04
Jan-05
Jul-05
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Patient Care Cost
Patient Care Rate
March 12, 2008
22

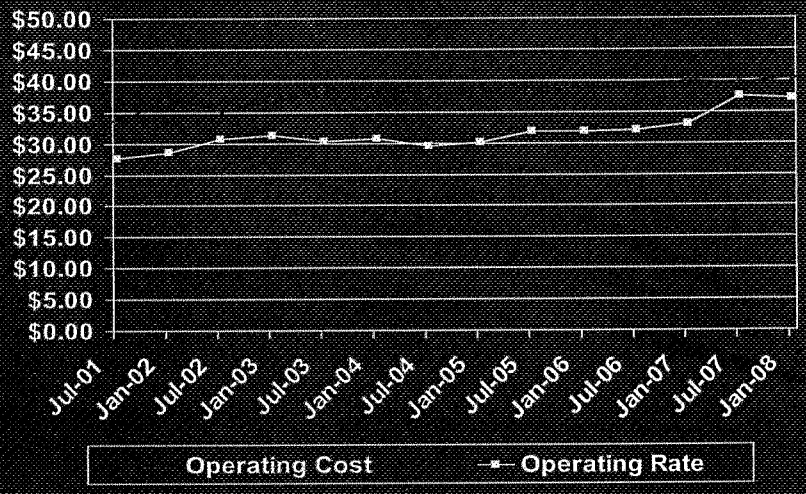
Direct Patient Care Per Diem Cost vs. Rates



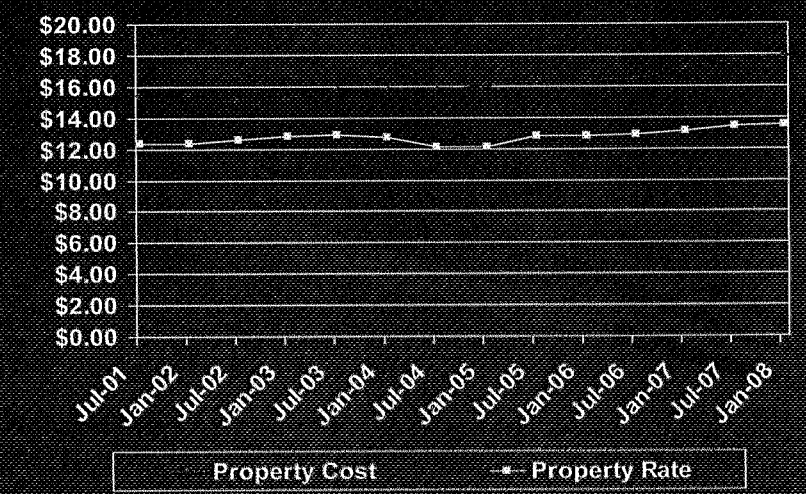
Indirect Patient Care Per Diem Cost vs. Rate



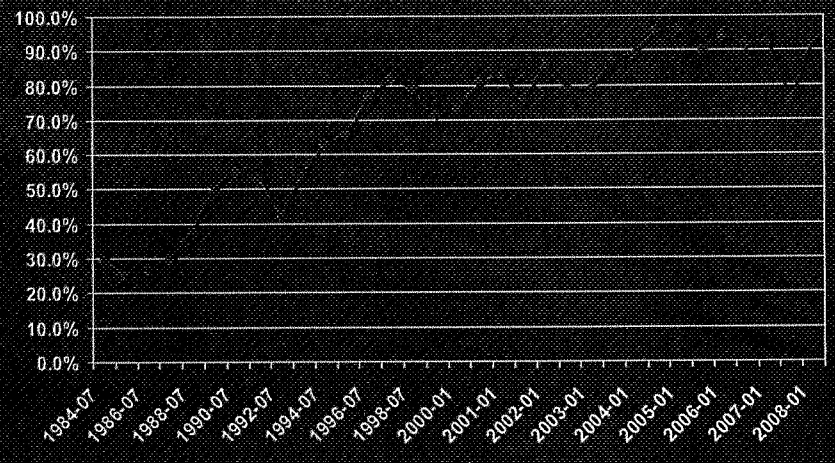
Operating Per Diem Cost vs. Rate



Property Per Diem Cost vs. Rate

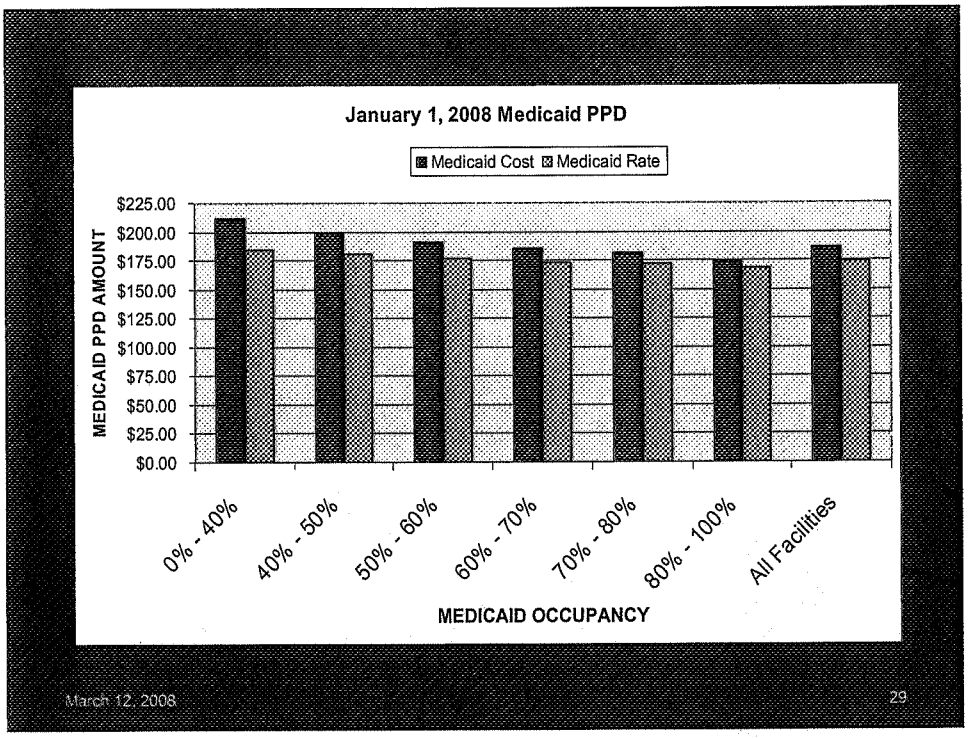


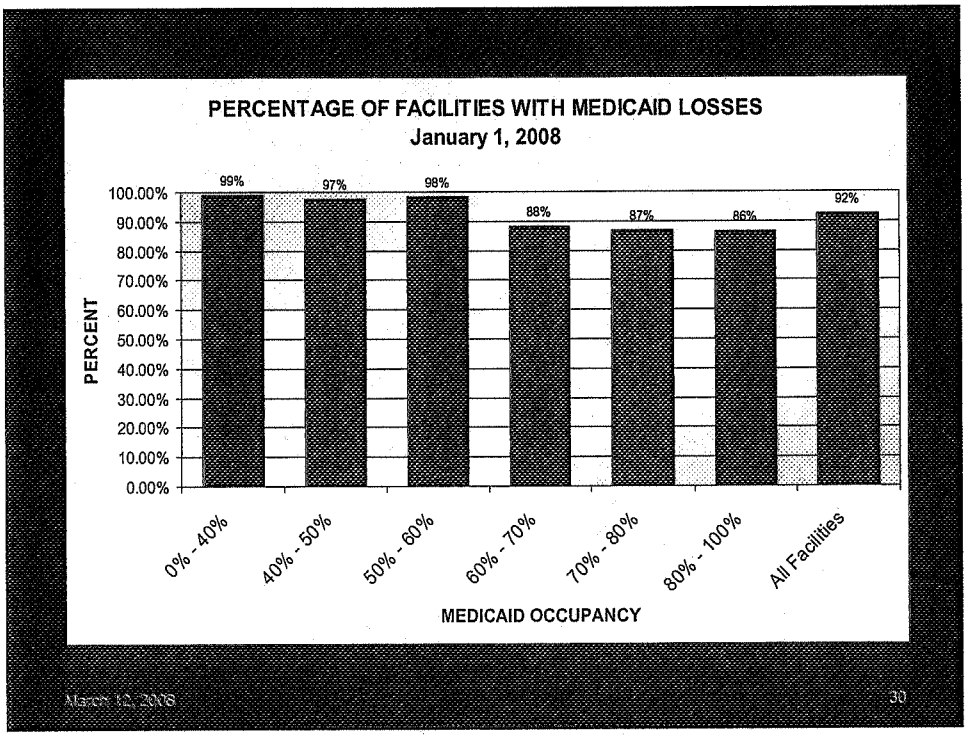
Medicaid: Percentage of Nursing Homes with Losses



January 1, 2008 Per Diems

Medicaid Utilization	# of Facilities	Medicaid Patient Days	Cost	Payment	Loss	% with Loss
0% - 40%	95	946,310	$ 211.93	$ 184.90		
40% - 50%	79	1,415,248	$ 199.36	$ 181.08		
50% - 60%	121	2,806,602	$ 191.13	$ 176.91		
60% - 70%	162	4,624,782	$ 185.81	$ 173.57		
70% - 80%	129	3,909,614	$ 181.23	$ 172.71		
80% - 100%	59	2,170,653	$ 174.55	$ 168.51		
All Facilities	645	15,873,209	$ 186.84	$ 174.60		


January 1, 2008 Medicaid PPD
Medicaid Cost
Medicaid Rate
MEDICAID PPD AMOUNT
$225.00
$200.00
$175.00
$150.00
$125.00
$100.00
$75.00
$50.00
$25.00
$0.00
0% - 40%
40% - 50%
50% - 60%
60% - 70%
70% - 80%
80% - 100%
All Facilities
MEDICAID OCCUPANCY
March 12, 2008
29


PERCENTAGE OF FACILITIES WITH MEDICAID LOSSES
January 1, 2008
PERCENT
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
99%
97%
98%
88%
87%
86%
92%
0% - 40%
40% - 50%
50% - 60%
60% - 70%
70% - 80%
80% - 100%
All Facilities
MEDICAID OCCUPANCY
March 12, 2008
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Funding

MEDICAID APPROPRIATIONS/EXPENDITURES

Fiscal Year	Appropriation	Actual
2001-2002	$1,832,203,873	$1,837,900,000
2002-2003	$2,167,696,927	$2,091,100,000
2003-2004	$2,192,208,353	$2,239,000,000
2004-2005	$2,331,722,480	$2,216,000,000
2005-2006	$2,530,656,742	$2,296,200,000
2006-2007	$2,512,674,147	$2,342,900,000
2007-2008 Regular Session	$2,636,273,997	
2007-2008 Special Session	$2,476,946,528	$2,376,100,000 (est.)
2008-2009		$2,541,200,000 (est.)

Observations

- **Quality has improved significantly since 2001**
- **Most nursing homes have certificate of need conditions that mandate minimum Medicaid occupancy requirements**
- **A significant portion of the Medicaid rate increases have been for the additional expenses incurred to implement mandated staffing increases (10,500+ new CNAs, 700+ new nurses)**
- **Wages, recruitment/retention costs, training costs, and employee benefits have increased at rates greater than Medicaid reimbursement**

Observations

- Today, Florida's nursing home staffing standards are the highest in the nation
- The Florida legislature has funded these required staffing increases, but the new Medicaid rates effective January 1, 2008 cut funding an annualized $75 million, which wipes out the funding received for the January 1, 2007 mandatory CNA staffing increases (from 2.6 to 2.9 CNA hours of patient care per day)
- Two-thirds of nursing homes' costs are for people – salaries and benefits
- When nursing home funding is cut, people are cut – individual workloads increase, which contributes to increased turnover

Observations

- The cost of energy and fuel has skyrocketed – funding has not kept pace
- Nursing homes have aging buildings with commensurate increases in maintenance and repair costs
- Renovation or replacement of plant has been delayed or deferred because of inadequate funding
- Nursing homes have incurred cumulative funding reductions resulting in a complex and inequitable payment system

Nursing homes must be adequately reimbursed for the skilled nursing care they provide and must remain financially viable in order to meet the needs of Florida's elderly population.

Money is tight in Florida, but legislators should not balance the budget on the backs of frail, elderly people. Give facilities the resources they need to do their critically important work.

TOTAL MEDICAID COSTS (Per Day Averages)

Rate Semester	Total Medicaid Cost	Total Medicaid Rate	Total Medicaid Per Day Loss	% With Total Per Day Loss
Jul 2001	$ 131.39	$ 121.31	$ (10.08)	75.35%
Jan 2002	$ 142.34	$ 130.77	$ (11.57)	86.21%
Jul 2002	$ 143.72	$ 135.81	$ (7.91)	78.41%
Jan 2003	$ 153.86	$ 145.35	$ (8.51)	78.77%
Jul 2003	$ 160.52	$ 148.71	$ (11.81)	87.15%
Jan 2004	$ 164.76	$ 152.28	$ (12.48)	88.77%
Jul 2004	$ 164.48	$ 149.67	$ (14.81)	95.49%
Jan 2005	$ 170.16	$ 154.44	$ (15.72)	96.12%
Jul 2005	$ 171.36	$ 159.51	$ (11.85)	89.61%
Jan 2006	$ 175.05	$ 160.45	$ (14.60)	94.25%
Jul 2006	$ 176.01	$ 162.72	$ (13.29)	91.61%
Jan 2007	$ 183.31	$ 169.09	$ (14.22)	92.70%
Jul 2007	$ 183.03	$ 176.29	$ (6.74)	75.31%
Jan 2008	$ 186.84	$ 174.60	$ (12.24)	92.40%

MEDICAID PATIENT CARE COSTS (Per Day Averages)

Rate Semester	Patient Care Cost	Patient Care Rate	Patient Care Per Day Loss	% With Patient Care Per Day Loss
Jul 2001	$ 82.33	$ 81.29	$ (1.04)	44.14%
Jan 2002	$ 89.94	$ 89.84	$ (0.10)	19.85%
Jul 2002	$ 93.15	$ 92.56	$ (0.59)	29.71%
Jan 2003	$ 101.87	$ 101.18	$ (0.69)	34.62%
Jul 2003	$ 106.26	$ 105.52	$ (0.74)	41.80%
Jan 2004	$ 110.19	$ 108.81	$ (1.38)	47.27%
Jul 2004	$ 110.98	$ 108.01	$ (2.97)	71.70%
Jan 2005	$ 115.81	$ 112.21	$ (3.60)	77.02%
Jul 2005	$ 116.95	$ 114.85	$ (2.10)	58.85%
Jan 2006	$ 119.63	$ 115.74	$ (3.89)	77.95%
Jul 2006	$ 120.78	$ 117.73	$ (3.05)	68.79%
Jan 2007	$ 126.29	$ 122.97	$ (3.32)	69.83%
Jul 2007	$ 125.96	$ 125.39	$ (0.57)	46.89%
Jan 2008	$ 128.55	$ 124.01	$ (4.54)	95.35%

MEDICAID DIRECT PATIENT CARE COSTS (Per Day Averages)

Rate Semester	Direct Patient Care Cost	Direct Patient Care Rate	Direct Patient Care Per Day Loss	% With Direct Patient Care Per Day Loss
Jul 2001	N/A	N/A	N/A	N/A
Jan 2002	56.71	56.73	$ 0.02	14.55%
Jul 2002	58.43	58.08	$ (0.35)	20.21%
Jan 2003	65.49	65.44	$ (0.05)	15.54%
Jul 2003	68.14	68.43	$ 0.29	15.48%
Jan 2004	71.00	71.22	$ 0.22	17.00%
Jul 2004	71.91	72.51	$ 0.60	16.95%
Jan 2005	74.97	75.67	$ 0.70	12.58%
Jul 2005	75.78	76.28	$ 0.50	33.54%
Jan 2006	76.99	76.64	$ (0.35)	54.66%
Jul 2006	78.38	78.32	$ (0.06)	42.55%
Jan 2007	82.54	82.34	$ (0.20)	46.66%
Jul 2007	82.95	82.73	$ (0.22)	46.43%
Jan 2008	84.27	81.77	$ (2.50)	94.42%

MEDICAID INDIRECT PATIENT CARE COSTS (Per Day Averages)

Rate Semester	Indirect Patient Care Cost	Indirect Patient Care Rate	Indirect Patient Care Per Day Loss	% With Indirect Patient Care Per Day Loss
Jul 2001	N/A	N/A	N/A	N/A
Jan 2002	33.23	33.11	$ (0.12)	11.06%
Jul 2002	34.72	34.48	$ (0.24)	17.15%
Jan 2003	36.38	35.74	$ (0.64)	31.38%
Jul 2003	38.12	37.09	$ (1.03)	41.33%
Jan 2004	39.19	37.59	$ (1.60)	47.43%
Jul 2004	39.07	35.50	$ (3.57)	99.84%
Jan 2005	40.84	36.54	$ (4.30)	100.00%
Jul 2005	41.17	38.57	$ (2.60)	62.79%
Jan 2006	42.64	39.10	$ (3.54)	80.90%
Jul 2006	42.40	39.41	$ (2.99)	72.05%
Jan 2007	43.75	40.63	$ (3.12)	72.47%
Jul 2007	43.01	42.66	$ (0.35)	45.03%
Jan 2008	44.28	42.24	$ (2.04)	95.97%

MEDICAID OPERATING COSTS (Per Day Averages)

Rate Semester	Operating Cost	Operating Rate	Operating Per Day Loss	% With Operating Per Day Loss
Jul 2001	33.60	27.70	$ (5.90)	82.13%
Jan 2002	36.96	28.55	$ (8.41)	86.82%
Jul 2002	35.41	30.65	$ (4.76)	61.10%
Jan 2003	36.78	31.37	$ (5.41)	67.08%
Jul 2003	38.53	30.30	$ (8.23)	93.65%
Jan 2004	38.81	30.70	$ (8.11)	90.95%
Jul 2004	37.77	29.52	$ (8.25)	100.00%
Jan 2005	38.26	30.09	$ (8.17)	100.00%
Jul 2005	38.11	31.85	$ (6.26)	100.00%
Jan 2006	39.11	31.92	$ (7.19)	100.00%
Jul 2006	38.84	32.10	$ (6.74)	100.00%
Jan 2007	39.88	32.99	$ (6.89)	100.00%
Jul 2007	39.48	37.46	$ (2.02)	99.69%
Jan 2008	40.41	37.10	$ (3.31)	100.00%

MEDICAID PROPERTY COSTS (Per Day Averages)

Rate Semester	Property Cost	Property Rate	Property Per Day Loss	% With Property Per Day Loss
Jul 2001	15.46	12.32	(3.14)	65.33%
Jan 2002	15.44	12.38	(3.06)	63.03%
Jul 2002	15.16	12.60	(2.56)	61.10%
Jan 2003	15.21	12.80	(2.41)	61.85%
Jul 2003	15.73	12.89	(2.84)	63.93%
Jan 2004	15.76	12.77	(2.99)	65.52%
Jul 2004	15.73	12.14	(3.59)	70.76%
Jan 2005	16.09	12.14	(3.95)	70.65%
Jul 2005	16.30	12.81	(3.49)	69.61%
Jan 2006	16.31	12.79	(3.52)	70.50%
Jul 2006	16.39	12.89	(3.50)	70.50%
Jan 2007	17.14	13.13	(4.01)	71.85%
Jul 2007	17.59	13.44	(4.15)	71.43%
Jan 2008	17.88	13.49	(4.39)	69.46%

CONTACT INFORMATION

Florida Health Care Association

Tony Marshall
Sr. Vice President & COO
Florida Health Care Association
307 W. Park Avenue
Tallahassee, FL 32301
(850) 224-3907
tmarshall@fhca.org

FAHSA

Erwin P. Bodo
Chief Operating Officer
Florida Association of Homes & Services for the Aging
1812 Riggins Rd.
Tallahassee, FL 32308
(850) 671-3700
ebodo@fahsa.org

Association of Rehabilitation Facilities

Florida ARF

A Voice for Community Agencies

Florida ICFDD Community Residential Program

Intermediate Care Facilities for the Developmentally Disabled (ICFDD) provide health and rehabilitative services to individuals with developmental disabilities. ICFDDs provide a protected residential setting, ongoing evaluation, service planning, 24-hour supervision, coordination, and integration of health or rehabilitative services to help individuals function at their greatest ability. Federal requirements mandate that ICFDDs provide Active Treatment which means aggressive, consistent implementation of a program of specialized and generic training, treatment and health services.

Types of ICFDDs (86 total)

- **Six Bed (38)** Six-bed homes operate similarly to group homes. They are located within residential neighborhoods and residents are involved in community activities.
- **Clusters (23)** Clusters feature three homes located in close proximity which operate as separate living units. Each home has four semi-private rooms. Clusters specialize in extensive medical care and rehabilitative services such as therapies.
- **64 bed Campus (6)** The 64-bed homes have four separate living units on a campus site. Each home has 8 semi-private rooms. They typically offer more medical care than a group home.
- **Other (19)** Other ICFDDs are variations of the models described above and have more than 12 beds. One program has 120 beds housed in multiple buildings.

Why are ICFDDs different from other long-term care programs?

- ICFDDs are 100% federally funded and have no capability to cost shift.
- Most individuals residing in ICFDDs have no place to transition to if significant cuts occur. Particularly, the Clusters provide deep-end care that would be much more expensive in institutional settings.
- ICFDD recipients considered to have less extensive care needs (Level 7) are being served at a more appropriate and cost beneficial rate than other residential options.
- The ICFDD program is governed by federal policy. Attempts to reduce program requirements and commensurate funding will likely violate program standards.

Florida ARF Position Statement

While funding cuts are never welcomed and will ultimately diminish the quality of service, the consensus of the membership is that the methodology presented below is the least harmful.

Notwithstanding the provisions of this section to the contrary and any rules adopted there under to the contrary, the agency shall limit each provider's reimbursement rate by reducing the provider's reimbursement rate in an amount necessary to reduce the statewide weighted average rate for the new rate semester to equal the statewide weighted average rate for the preceding rate semester. This provision shall sunset at the end of Fiscal Year 08-09.