

PCB HCC 07-13

ORIGINAL

YEAR

1 A bill to be entitled  
 2 An act relating to health care; amending s. 409.911, F.S.;  
 3 revising the method for calculating disproportionate share  
 4 payments to hospitals; amending s. 409.9112, F.S.;  
 5 revising the time period during which the Agency for  
 6 Health Care Administration is prohibited from distributing  
 7 disproportionate share payments to regional perinatal  
 8 intensive care centers; amending s. 409.9113, F.S.;  
 9 revising the time period for distribution of  
 10 disproportionate share payments to teaching hospitals;  
 11 amending s. 409.9117, F.S.; revising the time period  
 12 during which the agency is prohibited from distributing  
 13 certain moneys under the primary care disproportionate  
 14 share program; providing an effective date.

15  
 16 Be It Enacted by the Legislature of the State of Florida:

17  
 18 Section 1. Subsection (2) of section 409.911, Florida  
 19 Statutes, is amended to read:

20 409.911 Disproportionate share program.--Subject to  
 21 specific allocations established within the General  
 22 Appropriations Act and any limitations established pursuant to  
 23 chapter 216, the agency shall distribute, pursuant to this  
 24 section, moneys to hospitals providing a disproportionate share  
 25 of Medicaid or charity care services by making quarterly Medicaid  
 26 payments as required. Notwithstanding the provisions of s.  
 27 409.915, counties are exempt from contributing toward the cost of  
 28 this special reimbursement for hospitals serving a  
 29 disproportionate share of low-income patients.

PCB HCC 07-13

ORIGINAL

YEAR

30 (2) The Agency for Health Care Administration shall use the  
 31 following actual audited data to determine the Medicaid days and  
 32 charity care to be used in calculating the disproportionate share  
 33 payment:

34 (a) The average of the 2001, 2002, and 2003 ~~2000, 2001, and~~  
 35 ~~2002~~ audited disproportionate share data to determine each  
 36 hospital's Medicaid days and charity care for the 2007-2008 ~~2006-~~  
 37 ~~2007~~ state fiscal year.

38 (b) If the Agency for Health Care Administration does not  
 39 have the prescribed 3 years of audited disproportionate share  
 40 data as noted in paragraph (a) for a hospital, the agency shall  
 41 use the average of the years of the audited disproportionate  
 42 share data as noted in paragraph (a) which is available.

43 (c) In accordance with s. 1923(b) of the Social Security  
 44 Act, a hospital with a Medicaid inpatient utilization rate  
 45 greater than one standard deviation above the statewide mean or a  
 46 hospital with a low-income utilization rate of 25 percent or  
 47 greater shall qualify for reimbursement.

48 Section 2. Section 409.9112, Florida Statutes, is amended  
 49 to read:

50 409.9112 Disproportionate share program for regional  
 51 perinatal intensive care centers.--In addition to the payments  
 52 made under s. 409.911, the Agency for Health Care Administration  
 53 shall design and implement a system of making disproportionate  
 54 share payments to those hospitals that participate in the  
 55 regional perinatal intensive care center program established  
 56 pursuant to chapter 383. This system of payments shall conform  
 57 with federal requirements and shall distribute funds in each  
 58 fiscal year for which an appropriation is made by making

PCB HCC 07-13

ORIGINAL

YEAR

59 | quarterly Medicaid payments. Notwithstanding the provisions of s.  
 60 | 409.915, counties are exempt from contributing toward the cost of  
 61 | this special reimbursement for hospitals serving a  
 62 | disproportionate share of low-income patients. For the state  
 63 | fiscal year 2007-2008 ~~2005-2006~~, the agency shall not distribute  
 64 | moneys under the regional perinatal intensive care centers  
 65 | disproportionate share program.

66 | (1) The following formula shall be used by the agency to  
 67 | calculate the total amount earned for hospitals that participate  
 68 | in the regional perinatal intensive care center program:

69 |

70 | 
$$TAE = HDSP/THDSP$$

71 |

72 | Where:

73 | TAE = total amount earned by a regional perinatal intensive  
 74 | care center.

75 | HDSP = the prior state fiscal year regional perinatal  
 76 | intensive care center disproportionate share payment to the  
 77 | individual hospital.

78 | THDSP = the prior state fiscal year total regional perinatal  
 79 | intensive care center disproportionate share payments to all  
 80 | hospitals.

81 | (2) The total additional payment for hospitals that  
 82 | participate in the regional perinatal intensive care center  
 83 | program shall be calculated by the agency as follows:

84 |

85 | 
$$TAP = TAE \times TA$$

86 |

87 | Where:

PCB HCC 07-13

ORIGINAL

YEAR

88 TAP = total additional payment for a regional perinatal  
 89 intensive care center.

90 TAE = total amount earned by a regional perinatal intensive  
 91 care center.

92 TA = total appropriation for the regional perinatal  
 93 intensive care center disproportionate share program.

94 (3) In order to receive payments under this section, a  
 95 hospital must be participating in the regional perinatal  
 96 intensive care center program pursuant to chapter 383 and must  
 97 meet the following additional requirements:

98 (a) Agree to conform to all departmental and agency  
 99 requirements to ensure high quality in the provision of services,  
 100 including criteria adopted by departmental and agency rule  
 101 concerning staffing ratios, medical records, standards of care,  
 102 equipment, space, and such other standards and criteria as the  
 103 department and agency deem appropriate as specified by rule.

104 (b) Agree to provide information to the department and  
 105 agency, in a form and manner to be prescribed by rule of the  
 106 department and agency, concerning the care provided to all  
 107 patients in neonatal intensive care centers and high-risk  
 108 maternity care.

109 (c) Agree to accept all patients for neonatal intensive  
 110 care and high-risk maternity care, regardless of ability to pay,  
 111 on a functional space-available basis.

112 (d) Agree to develop arrangements with other maternity and  
 113 neonatal care providers in the hospital's region for the  
 114 appropriate receipt and transfer of patients in need of  
 115 specialized maternity and neonatal intensive care services.

PCB HCC 07-13

ORIGINAL

YEAR

116 (e) Agree to establish and provide a developmental  
 117 evaluation and services program for certain high-risk neonates,  
 118 as prescribed and defined by rule of the department.

119 (f) Agree to sponsor a program of continuing education in  
 120 perinatal care for health care professionals within the region of  
 121 the hospital, as specified by rule.

122 (g) Agree to provide backup and referral services to the  
 123 department's county health departments and other low-income  
 124 perinatal providers within the hospital's region, including the  
 125 development of written agreements between these organizations and  
 126 the hospital.

127 (h) Agree to arrange for transportation for high-risk  
 128 obstetrical patients and neonates in need of transfer from the  
 129 community to the hospital or from the hospital to another more  
 130 appropriate facility.

131 (4) Hospitals which fail to comply with any of the  
 132 conditions in subsection (3) or the applicable rules of the  
 133 department and agency shall not receive any payments under this  
 134 section until full compliance is achieved. A hospital which is  
 135 not in compliance in two or more consecutive quarters shall not  
 136 receive its share of the funds. Any forfeited funds shall be  
 137 distributed by the remaining participating regional perinatal  
 138 intensive care center program hospitals.

139 Section 3. Section 409.9113, Florida Statutes, is amended  
 140 to read:

141 409.9113 Disproportionate share program for teaching  
 142 hospitals.--In addition to the payments made under ss. 409.911  
 143 and 409.9112, the Agency for Health Care Administration shall  
 144 make disproportionate share payments to statutorily defined

PCB HCC 07-13

ORIGINAL

YEAR

145 teaching hospitals for their increased costs associated with  
 146 medical education programs and for tertiary health care services  
 147 provided to the indigent. This system of payments shall conform  
 148 with federal requirements and shall distribute funds in each  
 149 fiscal year for which an appropriation is made by making  
 150 quarterly Medicaid payments. Notwithstanding s. 409.915, counties  
 151 are exempt from contributing toward the cost of this special  
 152 reimbursement for hospitals serving a disproportionate share of  
 153 low-income patients. For the state fiscal year 2007-2008 ~~2006-~~  
 154 ~~2007~~, the agency shall distribute the moneys provided in the  
 155 General Appropriations Act to statutorily defined teaching  
 156 hospitals and family practice teaching hospitals under the  
 157 teaching hospital disproportionate share program. The funds  
 158 provided for statutorily defined teaching hospitals shall be  
 159 distributed in the same proportion as the state fiscal year 2003-  
 160 2004 teaching hospital disproportionate share funds were  
 161 distributed. The funds provided for family practice teaching  
 162 hospitals shall be distributed equally among family practice  
 163 teaching hospitals.

164 (1) On or before September 15 of each year, the Agency for  
 165 Health Care Administration shall calculate an allocation fraction  
 166 to be used for distributing funds to state statutory teaching  
 167 hospitals. Subsequent to the end of each quarter of the state  
 168 fiscal year, the agency shall distribute to each statutory  
 169 teaching hospital, as defined in s. 408.07, an amount determined  
 170 by multiplying one-fourth of the funds appropriated for this  
 171 purpose by the Legislature times such hospital's allocation  
 172 fraction. The allocation fraction for each such hospital shall be

PCB HCC 07-13

ORIGINAL

YEAR

173 | determined by the sum of three primary factors, divided by three.

174 | The primary factors are:

175 |       (a) The number of nationally accredited graduate medical  
 176 | education programs offered by the hospital, including programs  
 177 | accredited by the Accreditation Council for Graduate Medical  
 178 | Education and the combined Internal Medicine and Pediatrics  
 179 | programs acceptable to both the American Board of Internal  
 180 | Medicine and the American Board of Pediatrics at the beginning of  
 181 | the state fiscal year preceding the date on which the allocation  
 182 | fraction is calculated. The numerical value of this factor is the  
 183 | fraction that the hospital represents of the total number of  
 184 | programs, where the total is computed for all state statutory  
 185 | teaching hospitals.

186 |       (b) The number of full-time equivalent trainees in the  
 187 | hospital, which comprises two components:

188 |       1. The number of trainees enrolled in nationally accredited  
 189 | graduate medical education programs, as defined in paragraph (a).  
 190 | Full-time equivalents are computed using the fraction of the year  
 191 | during which each trainee is primarily assigned to the given  
 192 | institution, over the state fiscal year preceding the date on  
 193 | which the allocation fraction is calculated. The numerical value  
 194 | of this factor is the fraction that the hospital represents of  
 195 | the total number of full-time equivalent trainees enrolled in  
 196 | accredited graduate programs, where the total is computed for all  
 197 | state statutory teaching hospitals.

198 |       2. The number of medical students enrolled in accredited  
 199 | colleges of medicine and engaged in clinical activities,  
 200 | including required clinical clerkships and clinical electives.  
 201 | Full-time equivalents are computed using the fraction of the year

PCB HCC 07-13

ORIGINAL

YEAR

202 during which each trainee is primarily assigned to the given  
 203 institution, over the course of the state fiscal year preceding  
 204 the date on which the allocation fraction is calculated. The  
 205 numerical value of this factor is the fraction that the given  
 206 hospital represents of the total number of full-time equivalent  
 207 students enrolled in accredited colleges of medicine, where the  
 208 total is computed for all state statutory teaching hospitals.

209  
 210 The primary factor for full-time equivalent trainees is computed  
 211 as the sum of these two components, divided by two.

212 (c) A service index that comprises three components:

213 1. The Agency for Health Care Administration Service Index,  
 214 computed by applying the standard Service Inventory Scores  
 215 established by the Agency for Health Care Administration to  
 216 services offered by the given hospital, as reported on Worksheet  
 217 A-2 for the last fiscal year reported to the agency before the  
 218 date on which the allocation fraction is calculated. The  
 219 numerical value of this factor is the fraction that the given  
 220 hospital represents of the total Agency for Health Care  
 221 Administration Service Index values, where the total is computed  
 222 for all state statutory teaching hospitals.

223 2. A volume-weighted service index, computed by applying  
 224 the standard Service Inventory Scores established by the Agency  
 225 for Health Care Administration to the volume of each service,  
 226 expressed in terms of the standard units of measure reported on  
 227 Worksheet A-2 for the last fiscal year reported to the agency  
 228 before the date on which the allocation factor is calculated. The  
 229 numerical value of this factor is the fraction that the given  
 230 hospital represents of the total volume-weighted service index



PCB HCC 07-13

ORIGINAL

YEAR

231 values, where the total is computed for all state statutory  
 232 teaching hospitals.

233 3. Total Medicaid payments to each hospital for direct  
 234 inpatient and outpatient services during the fiscal year  
 235 preceding the date on which the allocation factor is calculated.  
 236 This includes payments made to each hospital for such services by  
 237 Medicaid prepaid health plans, whether the plan was administered  
 238 by the hospital or not. The numerical value of this factor is the  
 239 fraction that each hospital represents of the total of such  
 240 Medicaid payments, where the total is computed for all state  
 241 statutory teaching hospitals.

242  
 243 The primary factor for the service index is computed as the sum  
 244 of these three components, divided by three.

245 (2) By October 1 of each year, the agency shall use the  
 246 following formula to calculate the maximum additional  
 247 disproportionate share payment for statutorily defined teaching  
 248 hospitals:

$$TAP = THAF \times A$$

249  
 250  
 251  
 252 Where:

253 TAP = total additional payment.

254 THAF = teaching hospital allocation factor.

255 A = amount appropriated for a teaching hospital  
 256 disproportionate share program.

257 Section 4. Section 409.9117, Florida Statutes, is amended  
 258 to read:

PCB HCC 07-13

ORIGINAL

YEAR

259 | 409.9117 Primary care disproportionate share program.--For  
 260 | the state fiscal year 2007-2008 ~~2006-2007~~, the agency shall not  
 261 | distribute moneys under the primary care disproportionate share  
 262 | program.

263 | (1) If federal funds are available for disproportionate  
 264 | share programs in addition to those otherwise provided by law,  
 265 | there shall be created a primary care disproportionate share  
 266 | program.

267 | (2) The following formula shall be used by the agency to  
 268 | calculate the total amount earned for hospitals that participate  
 269 | in the primary care disproportionate share program:

270 |  
 271 | 
$$TAE = HDSP/THDSP$$

272 |  
 273 | Where:

274 | TAE = total amount earned by a hospital participating in the  
 275 | primary care disproportionate share program.

276 | HDSP = the prior state fiscal year primary care  
 277 | disproportionate share payment to the individual hospital.

278 | THDSP = the prior state fiscal year total primary care  
 279 | disproportionate share payments to all hospitals.

280 | (3) The total additional payment for hospitals that  
 281 | participate in the primary care disproportionate share program  
 282 | shall be calculated by the agency as follows:

283 |  
 284 | 
$$TAP = TAE \times TA$$

285 |  
 286 | Where:

287 | TAP = total additional payment for a primary care hospital.

PCB HCC 07-13

ORIGINAL

YEAR

288 TAE = total amount earned by a primary care hospital.

289 TA = total appropriation for the primary care  
290 disproportionate share program.

291 (4) In the establishment and funding of this program, the  
292 agency shall use the following criteria in addition to those  
293 specified in s. 409.911, payments may not be made to a hospital  
294 unless the hospital agrees to:

295 (a) Cooperate with a Medicaid prepaid health plan, if one  
296 exists in the community.

297 (b) Ensure the availability of primary and specialty care  
298 physicians to Medicaid recipients who are not enrolled in a  
299 prepaid capitated arrangement and who are in need of access to  
300 such physicians.

301 (c) Coordinate and provide primary care services free of  
302 charge, except copayments, to all persons with incomes up to 100  
303 percent of the federal poverty level who are not otherwise  
304 covered by Medicaid or another program administered by a  
305 governmental entity, and to provide such services based on a  
306 sliding fee scale to all persons with incomes up to 200 percent  
307 of the federal poverty level who are not otherwise covered by  
308 Medicaid or another program administered by a governmental  
309 entity, except that eligibility may be limited to persons who  
310 reside within a more limited area, as agreed to by the agency and  
311 the hospital.

312 (d) Contract with any federally qualified health center, if  
313 one exists within the agreed geopolitical boundaries, concerning  
314 the provision of primary care services, in order to guarantee  
315 delivery of services in a nonduplicative fashion, and to provide  
316 for referral arrangements, privileges, and admissions, as

PCB HCC 07-13

ORIGINAL

YEAR

317 appropriate. The hospital shall agree to provide at an onsite or  
 318 offsite facility primary care services within 24 hours to which  
 319 all Medicaid recipients and persons eligible under this paragraph  
 320 who do not require emergency room services are referred during  
 321 normal daylight hours.

322 (e) Cooperate with the agency, the county, and other  
 323 entities to ensure the provision of certain public health  
 324 services, case management, referral and acceptance of patients,  
 325 and sharing of epidemiological data, as the agency and the  
 326 hospital find mutually necessary and desirable to promote and  
 327 protect the public health within the agreed geopolitical  
 328 boundaries.

329 (f) In cooperation with the county in which the hospital  
 330 resides, develop a low-cost, outpatient, prepaid health care  
 331 program to persons who are not eligible for the Medicaid program,  
 332 and who reside within the area.

333 (g) Provide inpatient services to residents within the area  
 334 who are not eligible for Medicaid or Medicare, and who do not  
 335 have private health insurance, regardless of ability to pay, on  
 336 the basis of available space, except that nothing shall prevent  
 337 the hospital from establishing bill collection programs based on  
 338 ability to pay.

339 (h) Work with the Florida Healthy Kids Corporation, the  
 340 Florida Health Care Purchasing Cooperative, and business health  
 341 coalitions, as appropriate, to develop a feasibility study and  
 342 plan to provide a low-cost comprehensive health insurance plan to  
 343 persons who reside within the area and who do not have access to  
 344 such a plan.

PCB HCC 07-13

ORIGINAL

YEAR

345 (i) Work with public health officials and other experts to  
 346 provide community health education and prevention activities  
 347 designed to promote healthy lifestyles and appropriate use of  
 348 health services.

349 (j) Work with the local health council to develop a plan  
 350 for promoting access to affordable health care services for all  
 351 persons who reside within the area, including, but not limited  
 352 to, public health services, primary care services, inpatient  
 353 services, and affordable health insurance generally.

354  
 355 Any hospital that fails to comply with any of the provisions of  
 356 this subsection, or any other contractual condition, may not  
 357 receive payments under this section until full compliance is  
 358 achieved.

359 Section 5. This act shall take effect July 1, 2007.