

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB HCC 07-13 Health Care
SPONSOR(S): Healthcare Council and Representative Garcia
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Healthcare Council	15 Y, 0 N	Pridgeon	Gormley
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The bill makes changes to the criteria for which payments are distributed in the Medicaid Disproportionate Share Program. These statutory changes are necessary to implement the Medicaid Disproportionate Share Program funding decisions included in the House version of the General Appropriations Act.

The bill provides \$208.3 million (\$6.2 in state funds, \$83.7 in local government or other local political division contributions and \$118.3 million in federal funds) in special payments to hospitals that provide a disproportionate share of the Medicaid or charity care services to uninsured individuals

This bill has an effective date of July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government—The bill provides \$208.3 million in special payments to hospitals that provide a disproportionate share of the Medicaid or charity care services to uninsured individuals.

B. EFFECT OF PROPOSED CHANGES:

Each year the Low-Income Pool Council (formerly Disproportionate Share Council) makes recommendations to the Legislature on the Medicaid Disproportionate Share Program funding distributions to hospitals that provide a disproportionate share of the Medicaid or charity care services to uninsured individuals. This bill amends chapter 409, Florida Statutes, to implement the current recommendations of the Low-Income Pool Council.

The bill amends section 409.911, Florida Statutes, revising the method for calculating disproportionate share payments to hospitals for Fiscal Year 2007-2008 by changing the years of averaged audited data from 2000, 2001 and 2002 to 2001, 2002 and 2003. The bill amends section 409.9112, Florida Statutes, revising the time period from Fiscal Year 2006-2007 to Fiscal Year 2007-2008 during which the agency is prohibited from distributing funds under the Disproportionate Share Program for Regional Perinatal Intensive Care Centers. The bill also amends section 409.9113, Florida Statutes, requiring that funds for statutorily defined teaching hospitals in Fiscal Year 2007-2008 be distributed in the same proportion as funds were distributed under the Disproportionate Share Program for Teaching Hospitals in Fiscal Year 2003-04. Finally, the bill amends section 409.9117, Florida Statutes, revising the time period from Fiscal Year 2006-2007 to Fiscal Year 2007-2008 during which the agency is prohibited from distributing funds under the Primary Care Disproportionate Share Program.

C. SECTION DIRECTORY:

Section 1. Amends s. 409.911, F.S., implementing Fiscal Year 2007-2008 provisions to the Disproportionate Share Program.

Section 2. Amends s. 409.9112, F.S., implementing Fiscal Year 2007-2008 provisions for the Disproportionate Share Program for Regional Perinatal Intensive Care Centers.

Section 3. Amends s. 409.9113, F.S., implementing Fiscal Year 2007-2008 provisions for the Disproportionate Share Program for Teaching Hospitals.

Section 4. Amends s. 409.9117, F.S., implementing Fiscal Year 2007-2008 provisions for the Primary Care Disproportionate Share Program.

Section 5. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

\$118.4 million—Medicaid funds

2. Expenditures:

\$6.2 million—General Revenue funds transferred from the Department of Health for the Disproportionate Share Program for Teaching Hospitals

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

\$83.7 million in local governments and other local political subdivisions contributions

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Hospitals providing a disproportionate share of Medicaid or charity care services will receive additional reimbursements towards the cost of providing care to uninsured individuals.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None

B. RULE-MAKING AUTHORITY:

No additional rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES