



Health Innovation Subcommittee

Action Packet

Wednesday, March 5, 2014
4:00 PM - 6:00 PM
306 HOB

COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

Summary:

Health Innovation Subcommittee

Wednesday March 05, 2014 04:00 pm

HB 31	Favorable With Committee Substitute	Yeas: 11	Nays: 0
	Amendment 244449 Adopted		
HB 373	Favorable With Committee Substitute	Yeas: 11	Nays: 0
	Amendment 093117 Adopted		
PCB HIS 14-02	Favorable	Yeas: 7	Nays: 5

Committee meeting was reported out: Wednesday, March 05, 2014 7:11:40PM

COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Jason Brodeur (Chair)	X		
Michael Bileca	X		
Joseph Gibbons	X		
Walter Hill	X		
Charles Hood, Jr.	X		
Mia Jones	X		
MaryLynn Magar	X		
Kionne McGhee	X		
Sharon Pritchett	X		
Jake Raburn	X		
Ronald Renuart	X		
David Richardson	X		
W. Gregory Steube	X		
Totals:	13	0	0

Committee meeting was reported out: Wednesday, March 05, 2014 7:11:40PM

COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

HB 31 : Dentists

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Michael Bileca			X		
Joseph Gibbons	X				
Walter Hill	X				
Charles Hood, Jr.	X				
Mia Jones	X				
MaryLynn Magar	X				
Kionne McGhee	X				
Sharon Pritchett	X				
Jake Raburn			X		
Ronald Renuart	X				
David Richardson	X				
W. Gregory Steube	X				
Jason Brodeur (Chair)	X				
Total Yeas: 11		Total Nays: 0			

HB 31 Amendments

Amendment 244449

Adopted

Appearances:

Dentists

Paramore, Dr. Jolene (General Public) - Proponent
Florida Dental Association
2240 West 24th Street
Panama City FL 32405
Phone: (850) 769-8277

Dentists

Hart, Joe Ann (Lobbyist) - Proponent
Florida Dental Association
118 E. Jefferson St.
Tallahassee FL 32301
Phone: (850) 224-1089

HB 373

LaFace, Ron (Lobbyist) - Opponent
Florida Association of Health Plans
101 E College Ave
Tallahassee FL 32301
Phone: (850) 222-9075

Committee meeting was reported out: Wednesday, March 05, 2014 7:11:40PM



Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>Y</u>	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Health Innovation
 2 Subcommittee

3 Representative Renuart offered the following:
 4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Section 627.6474, Florida Statutes, is amended
 8 to read:

9 627.6474 Provider contracts.—

10 (1) A health insurer may ~~shall~~ not require a contracted
 11 health care practitioner as defined in s. 456.001(4) to accept
 12 the terms of other health care practitioner contracts with the
 13 insurer or any other insurer, or health maintenance
 14 organization, under common management and control with the
 15 insurer, including Medicare and Medicaid practitioner contracts
 16 and those authorized by s. 627.6471, s. 627.6472, s. 636.035, or
 17 s. 641.315, except for a practitioner in a group practice as



Amendment No.

18 defined in s. 456.053 who must accept the terms of a contract
19 negotiated for the practitioner by the group, as a condition of
20 continuation or renewal of the contract. Any contract provision
21 that violates this section is void. A violation of this
22 subsection ~~section~~ is not subject to the criminal penalty
23 specified in s. 624.15.

24 (2) (a) A contract between a health insurer and a dentist
25 licensed under chapter 466 for the provision of services to an
26 insured may not contain a provision that requires the dentist to
27 provide services to the insured under such contract at a fee set
28 by the health insurer unless such services are covered services
29 under the applicable contract. As used in this paragraph, the
30 term "covered services" means dental care services for which a
31 reimbursement is available under the insured's contract, or for
32 which a reimbursement would be available but for the application
33 of contractual limitations such as deductibles, coinsurance,
34 waiting periods, annual or lifetime maximums, frequency
35 limitations, alternative benefit payments, or any other
36 limitation.

37 (b) A health insurer may not require as a condition of the
38 contract that the dentist participate in a discount medical plan
39 under part II of chapter 636.

40 Section 2. Subsection (13) is added to section 636.035,
41 Florida Statutes, to read:

42 636.035 Provider arrangements.—



Amendment No.

43 (13) (a) A contract between a prepaid limited health
44 service organization and a dentist licensed under chapter 466
45 for the provision of services to a subscriber of the prepaid
46 limited health service organization may not contain a provision
47 that requires the dentist to provide services to the subscriber
48 of the prepaid limited health service organization at a fee set
49 by the prepaid limited health service organization unless such
50 services are covered services under the applicable contract. As
51 used in this paragraph, the term "covered services" means dental
52 care services for which a reimbursement is available under the
53 subscriber's contract, or for which a reimbursement would be
54 available but for the application of contractual limitations
55 such as deductibles, coinsurance, waiting periods, annual or
56 lifetime maximums, frequency limitations, alternative benefit
57 payments, or any other limitation.

58 (b) A prepaid limited health service organization may not
59 require as a condition of the contract that the dentist
60 participate in a discount medical plan under part II of this
61 chapter.

62 Section 3. Subsection (11) is added to section 641.315,
63 Florida Statutes, to read:

64 641.315 Provider contracts.—

65 (11) (a) A contract between a health maintenance
66 organization and a dentist licensed under chapter 466 for the
67 provision of services to a subscriber of the health maintenance
68 organization may not contain a provision that requires the



Amendment No.

69 dentist to provide services to the subscriber of the health
70 maintenance organization at a fee set by the health maintenance
71 organization unless such services are covered services under the
72 applicable contract. As used in this paragraph, the term
73 "covered services" means dental care services for which a
74 reimbursement is available under the subscriber's contract, or
75 for which a reimbursement would be available but for the
76 application of contractual limitations such as deductibles,
77 coinsurance, waiting periods, annual or lifetime maximums,
78 frequency limitations, alternative benefit payments, or any
79 other limitation.

80 (b) A health maintenance organization may not require as a
81 condition of the contract that the dentist participate in a
82 discount medical plan under part II of chapter 636.

83 Section 4. This act applies to contracts entered into or
84 renewed on or after July 1, 2014.

85 Section 5. This act shall take effect July 1, 2014.

86
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T I T L E A M E N D M E N T

90 Remove everything before the enacting clause and insert:
91 An act relating to dentists; amending s. 627.6474, F.S.;
92 prohibiting a contract between a health insurer and a dentist
93 from requiring the dentist to provide services at a fee set by
94 the insurer under certain circumstances; defining the term



Amendment No.

95 "covered services" as it relates to contracts between a health
96 insurer and a dentist; prohibiting a health insurer from
97 requiring as a condition of a contract that a dentist
98 participate in a discount medical plan; amending s. 636.035,
99 F.S.; prohibiting a contract between a prepaid limited health
100 service organization and a dentist from requiring the dentist to
101 provide services at a fee set by the organization under certain
102 circumstances; defining the term "covered services" as it
103 relates to contracts between a prepaid limited health service
104 organization and a dentist; prohibiting the prepaid limited
105 health service organization from requiring as a condition of a
106 contract that a dentist participate in a discount medical plan;
107 amending s. 641.315, F.S.; prohibiting a contract between a
108 health maintenance organization and a dentist from requiring the
109 dentist to provide services at a fee set by the organization
110 under certain circumstances; defining the term "covered
111 services" as it relates to contracts between a health
112 maintenance organization and a dentist; prohibiting the health
113 maintenance organization from requiring as a condition of a
114 contract that a dentist participate in a discount medical plan;
115 providing for application of the act; providing an effective
116 date.

117

118

COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

HB 373 : Hospitals

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Michael Bileca	X				
Joseph Gibbons	X				
Walter Hill	X				
Charles Hood, Jr.	X				
Mia Jones	X				
MaryLynn Magar	X				
Kionne McGhee	X				
Sharon Pritchett	X				
Jake Raburn			X		
Ronald Renuart	X				
David Richardson	X				
W. Gregory Steube			X		
Jason Brodeur (Chair)	X				
Total Yeas: 11		Total Nays: 0			

HB 373 Amendments

Amendment 093117

Adopted

Appearances:

HB 373

Scott, Jeff (Lobbyist) - Waive In Support
Florida Medical Association
1430 Piedmont Dr E
Tallahassee FL 32308
Phone: (850) 224-6496

Committee meeting was reported out: Wednesday, March 05, 2014 7:11:40PM



Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>Y</u>	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Health Innovation
 2 Subcommittee

3 Representative Peters offered the following:

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:
 7 Section 1. Section 395.1051, Florida Statutes, is amended to
 8 read:

9 395.1051 Duty to notify patients and physicians.-

10 (1) An appropriately trained person designated by each
 11 licensed facility shall inform each patient, or an individual
 12 identified pursuant to s. 765.401(1), in person about adverse
 13 incidents that result in serious harm to the patient.
 14 Notification of outcomes of care which ~~that~~ result in harm to
 15 the patient under this section does ~~shall~~ not constitute an
 16 acknowledgment or admission of liability and may not, ~~nor can it~~
 17 be introduced as evidence.



Amendment No.

18 (2) A hospital shall notify each obstetrical physician who
19 has privileges at the hospital at least 120 days before the
20 hospital closes its obstetrical department or ceases to provide
21 obstetrical services.

22 Section 2. This act shall take effect July 1, 2014.

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24

25 -----

26 **T I T L E A M E N D M E N T**

27 Remove everything before the enacting clause and insert:
28 An act relating to hospitals; amending s. 395.1051, F.S.;
29 requiring a hospital to notify obstetrical physicians before the
30 hospital closes its obstetrical department or ceases to provide
31 obstetrical services; providing an effective date.

COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

PCB HIS 14-02 : Recovery Care Services

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Michael Bileca			X		
Joseph Gibbons		X			
Walter Hill	X				
Charles Hood, Jr.	X				
Mia Jones		X			
MaryLynn Magar	X				
Kionne McGhee		X			
Sharon Pritchett		X			
Jake Raburn	X				
Ronald Renuart	X				
David Richardson		X			
W. Gregory Steube	X				
Jason Brodeur (Chair)	X				
	Total Yeas: 7	Total Nays: 5			

Appearances:

PCB HIS 14-02

Bell, Bill (Lobbyist) - Opponent

Florida Hospital Association

306 E College Ave

Tallahassee FL 32301

Phone: (850) 222-9800

Recovery Care Services

Large, Toni (Lobbyist) - Proponent

Florida Orthopaedic Society

519 E Park Ave

Tallahassee FL 32301

Phone: (850) 556-1461

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COMMITTEE MEETING REPORT

Health Innovation Subcommittee

3/5/2014 4:00:00PM

Location: 306 HOB

Presentation/Workshop/Other Business Appearances:

Ambulatory Surgery Center

Madewell, Michael (At Request Of Chair) - Information Only

Panama City Surgery Center

1800 Jenks Ave

Panama City FL 32405

Phone: (850) 769-3191

Ambulatory Surgical Centers

Valadie, Dr. Alan (At Request Of Chair) - Information Only

Orthopedic Surgeon

4900 62nd Ave S

St. Petersburg FL 33715

Phone: (941) 518-5546

Ambulatory Surgical Centers

McKinstry, Molly (Lobbyist) (State Employee) - Information Only

Agency for Health Care Administration

2727 Mahan Drive

Tallahassee FL 32308

Phone: (850)412-3626

Ambulatory Surgical Centers

Crook, Deborah Lee (At Request Of Chair) - Information Only

Valley Ambulatory Surgery Center/ Valley Medical Inn

OS955 Thompson Ridge Dr.

Elburn IL 60119

Phone: (630) 815-9080

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Recovery Care Centers

PCB HIS 14-02

5 MARCH 2014

Dr. Alan Valadie

Orthopedic Surgeon

17+ years in practice

Focus on hip and knee replacement

Perform approximately 500 hip and knee replacements per year

Interested in the best and most efficient use of health care resources

Joint replacement

Have partnered for years with local hospitals to optimize quality of joint replacement procedures

Medical director of Joint Center at local HCA facility

Chief of Surgery 2012-2013

There is a better way for many joint replacement patients

Burden on the health care system - National data

600,000 knee replacements annually

250,000 hip replacements

Expected by 2030:

3.5 million knee replacements

600,000 hip replacements

Florida, 2012, all populations:

77,000 Total Joint Replacement Surgeries

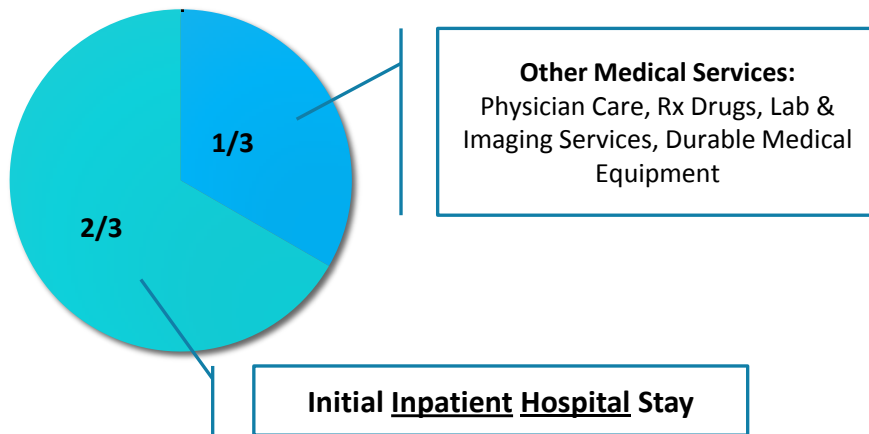
- Total Hip Replacement: **33,000**
- Total Knee Replacement: **44,000**
- **Private Payor** = Approximately **60%** (**45,000 Private Pay Patients**)
- **Medicare** = Approximately **40%** (**32,000 Medicare Patients**)
- **Younger, Healthier Patient Demand:** By 2016, more than **50%** of all Total Hip & Knee Replacement surgery patients will be **less than 65 years old**.
Projected demand to grow fastest in the 45-54 yo age group (Kurtz 2009)

High need for high quality, low cost solutions

Financial burden

Florida 2011: Medicare Payments for **31,000** Total Knee & Total Hip Surgeries exceeded **\$413,000,000**.

For Private Pay Patients: At an estimated **\$30,000 per surgery**, the **45,000** privately insured **Floridians** are paying over **\$1,350,000,000** for total hip and knee replacement surgeries, **per year**.



February 2014:

The National Institute for Health Care Reform publishes study illustrating that it is the inpatient hospital prices that drive the spending variation of Total Knee and Hip Replacement episodes of care for privately insured patients.

2/3rd of payment allocated to inpatient hospital stay.

Hospital based

Positives

- Safe, long track record

Negatives

- High cost, hospital acquired infections, lack of control over the pt experience, resources such as PT stretched thin,
- Recent Journal of Patient Safety: “more than 400,000 premature deaths per year in the United States are associated with preventable hospital errors”

Outpatient ASC based Surgery

Many procedures have moved to the outpt setting

Generally we see better quality, lower cost, better pt experience

Why not joint replacement?

- Historically a more significant procedure with a longer and more difficult recovery
- This is changing!

Changes in joint replacement

Younger patients

Better procedures

- Less invasive surgical techniques
- Better pain control methods
- Technology and medications that have almost eliminated the need for blood transfusions

- We still need a day or two to get patients ready to go home. Current ASC regulations only allow 4 hours. Younger patients do not need the high intensity, expensive level of care in the hospital, but do need more than 4 hours

Joint replacement options

1. Continue hospital based joint replacement
2. Perform at the ASC and send home
3. Perform at the ASC and send to a nursing home
4. Outpt recovery care center model

Recovery Care Center

- Recovery center adjacent to an ASC
- Focus and specialization in outpatient total joint replacement surgery and recovery lead to excellence in quality outcomes and ensure cost-containment: Price Transparency to Patient, Payor, & Provider.
- Comfortable, private rooms and facility designed for prompt physical therapy and patient's and family's ongoing training in pain management and self-care.
- Ideal setting for Effectiveness & Outcomes Monitoring: Quality Metrics & Patient-Reported Experience Outcomes can be routinely and consistently captured in the Recovery Care Center to demonstrate good value
- No existing statutes that allow this type of facility!



Henderson, Nevada

A model outpatient recovery care center adjacent to an ambulatory surgery center has performed over 600 total joint replacement surgeries and demonstrated outstanding clinical and patient-experience outcomes.

Patients walk (ambulate), on average, within 79 minutes of admission to the recovery care center, under the supervision of physiotherapists and nurses solely focused on caring for these total joint patients.



Summary

- Traditionally, Hip and Knee replacement surgery has been performed in the hospital setting.
- Patients having Total Hip and Knee Replacement are younger, healthier, and more active.
- The ASC/Recovery care center model is high quality, high value, lower cost
- This Outpatient model has documented excellent outcomes
 - Recovery Care Center patients have no IV access, no urinary catheters.
 - A qualified nursing staff provides protective oversight of a physician prescribed pain management program and accelerated rehabilitation protocol.
 - Over 600 patients presented were discharged to home in 2.5 days. No patient required an acute rehabilitation stay. No blood clots, pulmonary complications, or blood transfusions

Summary

Many will still need to be done in a hospital setting

- Older, comorbidities, slower with rehab

Younger, healthier pts good candidates for outpt surgery

With good patient selection: Safe, focus resources such as therapy, optimize pt and family experience, lower cost

Selected References

- [1] Kurtz SM et al. **Future Young Patient Demand for Primary and Revision Joint Replacement: National Projections from 2010 to 2030.** *Clin Orthop Relat Res.* 2009 October, 467 (10):2606-2612.
- [2] White C, et al. **Inpatient Hospital Prices Drive Spending Variation for Episodes of Care for Privately Insured Patients.** *National Institute for Health Care Reform, Research Brief No. 14, February 2014*
- [2] Losina E et al. **Cost-effectiveness of Total Knee Arthroplasty in the United States: Patient Risk and Hospital Volume.** *Arch Intern Med,* 169 (12), June 2009.
- [3] Haas, S et al. **Venous Thromboembolic Disease After Total Hip and Knee Arthroplasty.** *Journal of Bone and Joint Surgery Am.* 2008 December, 90A (12):2764-2780.
- [4] EW Paxton et al. **The Kaiser Permanente Implant Registries: Effect on Patient Safety, Quality Improvement, Cost Effectiveness, and Research Opportunities.** *Perm J.* 2012 Spring, 16 (2): 36-44
- [5] Data Source: **CMS – 2011 – Top 100 Diagnosis-Related Groups, CMS Medicare Provider Analysis and Review (MEDPAR) inpatient data which contains discharge information for 100% of Medicare fee-for-service beneficiaries using hospital inpatient services.**