

1989

Session Law 89-311

Florida Senate & House of Representatives

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H 746 GENERAL BILL/CS/CS by Rules & Calendar; Health Care; Flagg (Similar S 260, Compare CS/1ST ENG/S 739)
Public Health Facilities; revises conditions for release of funds appropriated for construction or renovation of county public health unit facilities; modifies conditions for employment of public health unit administrator; clarifies types of diseases which must be reported to H.R.S. Dept.; prohibits dept. from contracting on prepaid or fixed-sum basis for Medicaid services with certain persons or entities, etc. Amends 154.01,.04,.06; 381.231, 409.266. Effective Date: 07/05/89.

03/13/89 HOUSE Prefiled
03/14/89 HOUSE Referred to Health Care; Appropriations
04/04/89 HOUSE Introduced, referred to Health Care; Appropriations -HJ 73
04/11/89 HOUSE On Committee agenda—Health Care, 04/13/89, 8:00 am, 317-C—Not considered
04/17/89 HOUSE On Committee agenda—Health Care, 04/19/89, 8:30 am, 317-C
04/19/89 HOUSE Preliminary Committee Action by Health Care: Favorable as a CS
05/03/89 HOUSE Comm. Report: CS by Health Care -HJ 370; CS read first time -HJ 367; Now in Appropriations -HJ 370
05/10/89 HOUSE Withdrawn from Appropriations -HJ 449; Placed on Calendar
05/12/89 HOUSE Withdrawn from Calendar, referred to Rules & Calendar -HJ 483; On Committee agenda—Rules & Calendar, 05/16/89, 1:30 pm, 413-C, or 05/17/89, 8:30 am, 413-C
05/16/89 HOUSE Preliminary Committee Action by Rules & Calendar: Favorable as a CS
05/22/89 HOUSE Comm. Report: CS/CS by Rules & Calendar, placed on Calendar -HJ 567; CS read first time -HJ 566
05/26/89 HOUSE Placed on Consent Calendar; Read second time; Read third time; CS passed; YEAS 109 NAYS 0 -HJ 672
05/26/89 SENATE In Messages
05/30/89 SENATE Received, referred to Health Care; Appropriations -SJ 562
06/01/89 SENATE Withdrawn from Health Care; Appropriations; Substituted for SB 260; CS passed; YEAS 38 NAYS 0 -SJ 768
06/01/89 Ordered enrolled
06/20/89 Signed by Officers and presented to Governor
07/05/89 Approved by Governor; Chapter No. 89-311

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: h746-f.hc
DATE: June 6, 1989

HOUSE OF REPRESENTATIVES
HEALTH CARE COMMITTEE
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 746

RELATING TO: Public Health Unit Delivery System

SPONSOR(S): Committee on Health Care and Rep. Flagg

EFFECTIVE DATE: Upon Becoming Law

DATE BECAME LAW: July 5, 1989

CHAPTER #: 89-311, Laws of Florida

COMPANION BILL(S):

OTHER COMMITTEES OF REFERENCE: (1) Appropriations
(2)

I. SUMMARY:

Committee Substitute for House Bill 746 eliminates the option for county governments to provide at least 25 percent of the cost of the construction or renovation of a public health unit through either cash or an in kind contributions. This bill further provides that any dispute arising under subsection (6) of section 154.01, F.S., must be resolved under the Administrative Procedure Act, chapter 120, F.S.

This bill modifies the conditions for the appointment of a public health unit director or public health unit administrator by the Secretary of the Department of Health and Rehabilitative Services. It also provides that fees for primary care services and communicable disease control services may not be less than the Medicaid reimbursement rates unless those fees are required to be less than the Medicaid reimbursement rates by other laws. In addition, the bill expands on the types of diseases that should be reported to the Department of Health and Rehabilitative Services.

Finally, the bill prohibits the department from contracting for Medicaid prepaid health plans with providers who have been convicted of certain criminal offenses.

A. PRESENT SITUATION:

Under the present statute, funds for the construction and renovation of a public health unit facility may be released by the Department if the board of county commissioners of the county for which the funds have been appropriated provides at least 25 percent of the cost of the construction or renovation either in

cash, in kind contribution, or by agreement of the county not to charge rent or to sell the facility without department approval. In addition, under the present statute there is no provision for the resolution of any dispute which might arise between the Department and any board of county commissioners over the provisions of subsection (6) of section 154.01, Florida Statutes.

Currently, the statute refers to a district health program supervisor. In 1988, the department renamed this position as the deputy district administrator for health. The secretary of the department may appoint a public health unit administrator trained in public health administration only if the deputy district administrator for health is a doctor of medicine or a doctor of osteopathy.

As the statute currently reads, there is no minimum level at which fees for primary care and communicable disease control services must be reimbursed. In addition, practitioners are required to report to the department only communicable diseases.

Finally, there are no statutory provisions that restrict with whom the department may contract for Medicaid prepaid health plans.

B. EFFECT OF PROPOSED CHANGES:

This bill would allow the release of funds for the construction and renovation of public health unit facilities by the department if the board of county commissioners for which the funds have been appropriated agrees that the public health unit facility will be used only for public health unit services, and that the county will not charge rent for the use of the facility and that the county will not attempt to sell the facility without the agreement of the department. This bill also provides a method for resolving any dispute which arises with regard to the construction, renovation, use or sale of the public health unit facility.

The amendment to section 154.04, Florida Statutes, 1988 Supplement, allows the appointment of a non-physician as a public health unit administrator by the deputy district administrator if the deputy district administrator is a doctor of medicine or a doctor of osteopathy or a full-time medical director onsite is a doctor of medicine or a doctor of osteopathy. This amendment to section 154.04, Florida Statutes, 1988 Supplement, also changes the reference to district health program supervisor to deputy district administrator for health.

The amendment to section 154.05, Florida Statutes, provides that fees for primary care services and communicable disease control services may not be less than Medicaid reimbursement rates unless otherwise required by federal or state law or regulation. Section 381.231, Florida Statutes, was amended to require practitioners to report not just communicable diseases, but all diseases of public health significance to the department immediately.

The amendment to section 409.266, Florida Statutes, explicitly prohibits the department from contracting with any provider that has been found guilty of fraud or certain other felonies.

C. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends subsection (6) of section 154.01, Florida Statutes, 1988 Supplement, to change the conditions under which funds may be released for the construction or renovation of public health unit facilities.

Section 2. Amends section 154.04, Florida Statutes, 1988 Supplement, to clarify the change of reference from district health program supervisor to deputy district administrator for health.

Amends section 154.04, Florida Statutes, 1988 Supplement, to provide for the appointment of a public health unit administrator where the deputy district administrator for health or the full-time medical director onsite is a doctor of medicine or doctor of osteopathy.

Section 3. Amends subsection (1) of section 154.06, Florida Statutes, to provide that fees for primary care services and communicable disease control services may not be less than Medicaid reimbursement rates.

Section 4. Directs practitioners who are licensed to practice medicine, osteopathic medicine, chiropractic, naturopathic or veterinary medicine to report to the Department of Health and Rehabilitative Services on all diseases of public significance not just on communicable diseases as was previously required.

Section 5. Amends subsection (3) of section 409.266, Florida Statutes, to prohibit the department from contracting with providers who have been found guilty of fraud or certain felonies.

Section 6. Provides for an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Appropriations Consequences:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise, and Employment Markets:

None.

D. FISCAL COMMENTS:

III. LONG RANGE CONSEQUENCES:

This bill will prohibit county governments from selling or disposing of public health unit facilities without consent of the department. The bill will also limit the use of public health unit facilities to only public health unit purposes. These two provisions will assure that public health unit programs are not forced out of their locations without the consent of the department. The bill will better ensure that the department contracts for Medicaid prepaid health plans only with health care providers which have good standing in the community. The bill is consistent with the State Comprehensive Plan, the Committee Mission Statement; the bill is silent in regard to the Issues Conference Policy Statements.

IV. COMMENTS:

History

- 4/4/89 Introduced to House, referred to Health Care Committee and Appropriations Committee.
- 4/19/89 Passed out of Health Care as a Committee Substitute (15 yeas, 0 nays).
- 5/10/89 Withdrawn from Appropriations and placed on Calendar.
- 5/12/89 Withdrawn from Calendar and referred to Rules & Calendar.
- 5/16/89 Passed Rules & Calendar with two amendments.
- 5/26/89 Placed on Consent Calendar; Committee Substitute for the Committee Substitute passed (109 yeas, 0 nays).
- 6/1/89 In Senate, received and withdrawn from Health Care Committee and Appropriations Committee. Substituted for SB 260. Committee Substitute passed (38 yeas, 0 nays).
- 6/1/89 Bill ordered engrossed and then enrolled.

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:



 Kate C. Morgan

Staff Director:



 Mike Hansen

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Staff Director:

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Williams</u>	<u>Wilson</u>	1. <u>HC</u>	<u>Favorable</u>
2. _____	_____	2. <u>AP</u>	<u>Withdrawn</u>
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT: County Public Health Facilities

BILL NO. AND SPONSOR: SB 260 by Senator Malchon

I. SUMMARY:

A. Present Situation:

Chapter 154, Florida Statutes, relates to public health facilities. Part I of chapter 154, Florida Statutes, specifically governs county public health units.

Section 5., chapter 88-235, Laws of Florida, amended section 154.01, Florida Statutes, relating to the conditions which must be met before state funds for the construction or renovation of county public health unit facilities can be released. The board of county commissioners must provide at least 25 percent cash or in-kind match; or agree not to use the facility for purposes other than public health, not to charge rent to the public health unit, and not to attempt to sell the building without the Department of Health and Rehabilitative Services' (HRS) concurrence. Presumably, a county which met the match requirement would not have to agree to the second set of conditions. No mechanism was specified for resolving disputes arising from these provisions.

County public health units are operated under a partnership between HRS and the boards of county commissioners, with each contributing to the costs of operation. The amounts each party contributes are specified annually in a contract pursuant to section 154.01, Florida Statutes (1988 Supplement). Likewise, construction and renovation of county public health unit facilities has been a joint venture. The Department of HRS has asked for the ability to use state funds for construction and renovation of county public health unit facilities in those few counties which may be unable to contribute to the cost of these projects.

Section 2., chapter 88-235, Laws of Florida, amended section 20.19, Florida Statutes. Among other things, this legislation created a deputy district administrator for health in each HRS district. This deputy is responsible for all public health activities in the district, including the supervision of the county public health units and the district health program office staff. The language in section 154.04, Florida Statutes, was not concurrently amended to reflect the establishment of this new position. Section 154.04, Florida Statutes (1988 Supplement), provides for the appointment of a county public health unit administrator (non-physician) in lieu of a public health unit director (physician) only in counties located in districts where the district health program supervisor (deputy district administrator for health) is a physician. This requirement was originally necessary to assure medical supervision in the county public health unit. With the establishment of county public health unit primary care services, most county public health units now have adequate on-site medical supervision. The current language contained in section 154.04, Florida Statutes (1988 Supplement), on use of

county public health unit administrators, is unnecessarily restrictive.

Section 154.06, Florida Statutes, provides that fees charged by public health units for personal health and primary care services must be established by resolution of the boards of county commissioners and by rule of HRS, respectively. Federal Medicaid regulations require Medicaid providers to be reimbursed at the lesser of Medicaid service rates or the usual and customary provider charges. In several recent instances, the fees set by the county commissions are less than Medicaid reimbursement rates. This results in loss of revenue to the public health units which could then only bill Medicaid the lower rates in effect in those counties.

B. Effect of Proposed Changes:

Senate Bill 260 amends sections 154.01 and 154.04, Florida Statutes (1988 Supplement), to correct technical problems arising from chapter 88-235, Laws of Florida, relating to county public health unit facilities and personnel, and to assure that fees charged for certain county public health unit services are at least equal to Medicaid reimbursement rates.

Sectional Analysis

Section 1. Amends section 154.01, Florida Statutes (1988 Supplement), to require that, in all instances, state funds for county public health unit construction or renovation can be released only if the board of county commissioners: 1) agrees to use the facility only for public health purposes unless HRS agrees to a different use; 2) agrees not to charge rent; and 3) agrees not to sell the building without approval of HRS. The bill deletes the provision for local match requirement for county public health unit construction and renovation. The bill also provides a formal mechanism for resolution of disputes arising from these provisions.

Section 2. Amends section 154.04, Florida Statutes (1988 Supplement), regarding the deputy district administrator for health, to conform to the changes made in section 20.19, Florida Statutes (1988 Supplement). The bill also permits the appointment of a county public health unit administrator in counties located in those districts with a non-physician deputy district administrator for health if there is a full-time physician medical director on-site at the county public health unit.

Section 3. Amends section 154.06, Florida Statutes, to require that fees charged by county public health units for primary care services and communicable disease control services not be less than Medicaid reimbursement rates unless otherwise required by state or federal law. This will enable public health units to maximize their revenues from Medicaid.

Section 4. Provides an effective date upon becoming law.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

Due to the amendment of section 154.06, Florida Statutes, requiring county public health unit fees for certain services to be established at least at the Medicaid fee rate, the public may face slight increases in fees for those services. However, it is generally the policy of the county public health unit not to turn away those who cannot pay even minimum fees.

B. Government:

County public health units will be able to maximize their Medicaid revenue as a result of this bill. No specific fiscal estimate has been made for this modification, but any increase in Medicaid dollars paid to county public health units will be borne by the state and federal governments at the usual rate of federal financial participation for the Medicaid Program.

The 25 percent match requirement for local contributions to county public health unit facility construction and renovation was codified into statute in 1988. This provision, according to HRS, is basically unenforcable due to the financial inability of some counties to contribute to such projects. The Department of HRS indicates that for those construction and renovation projects during fiscal year 1988-1989, local contributions exceeded 25 percent of project costs. Nonetheless, deleting this provision has the potential of requiring more General Revenue funds to complete needed projects.

III. COMMENTS:

The Department of HRS has discussed the provisions of this bill with county public health unit directors and administrators, deputy district administrators for health, and representatives of the State Association of Counties.

IV. AMENDMENTS:

None.