

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY AMD REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: ADMIN AND SUPPORT						68200000
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
AMERICAN RECOVERY AND REINVESTMENT						
ACT OF 2009						40S0000
MEDICAID ELECTRONIC HEALTH RECORD						
INCENTIVE PROGRAM (EHRIP)						40S0170
SPECIAL CATEGORIES						100000
STATE OPERATIONS-ARRA 2009						109910
ADMINISTRATIVE TRUST FUND.....		1,164,526			1,164,526	2021
=====						
G/A-CONTRAC SVCS-ARRA 2009						109911
ADMINISTRATIVE TRUST FUND.....	72,953,854	285,271,650			212,317,796	2021
=====						
TOTAL: MEDICAID ELECTRONIC HEALTH RECORD						40S0170
INCENTIVE PROGRAM (EHRIP)						
TOTAL ISSUE.....	72,953,854	286,436,176			213,482,322	
=====						

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Medicaid Electronic Health Record Incentive Program (EHRIP)

ACTIVITY: Section 4201 of the American Recovery and Reinvestment Act (ARRA) provides funding support for certified electronic health records (EHRs) through incentive payments to eligible Medicaid providers and hospitals. Implementation of the incentive payment program will launch in FY 10/11. The program will continue to make incentive payments through 2021. A system will be developed or procured to administer the payments to providers and hospitals as well as provide outreach and technical assistance.

ISSUE SUMMARY: This issue requests authorization for continued implementation of the Medicaid Electronic Health Record Incentive Program and authority to provide incentives to the hospitals and eligible professionals as directed in 42 CFR 495.

ISSUE DETAIL: The Agency for Health Care Administration (Agency) is responsible for implementing federal incentive payments to Medicaid providers for the adoption and use of electronic health records. In 2010, the Agency applied for and was awarded \$1.7 million in planning funds to develop a state Medicaid Health Information Technology Plan that includes the steps to implement the incentive program. The Centers for Medicare and Medicaid Services (CMS) provides 90% matching funds to the Agency for planning and implementing this program. The incentives paid to providers are 100% federal funds. Providers include hospitals and eligible professionals. The final rule defines eligible professionals for the Medicaid incentive payments as non-hospital-based physicians, dentists, nurse-midwives, nurse practitioners and some physician

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD N/R FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD N/R FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN									68000000	
PGM: ADMIN AND SUPPORT									68200000	
GOV OPERATIONS/SUPPORT									16	
EXEC LEADERSHIP/SUPPRT SVC									1602.00.00.00	
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009									40S0000	
MEDICAID ELECTRONIC HEALTH RECORD INCENTIVE PROGRAM (EHRIP)									40S0170	

assistants. Eligible professionals can receive up to \$63,750 over six years for adopting and meaningfully using EHR technology. In order to be eligible for incentive payments these professionals must meet certain Medicaid patient volume thresholds. Hospitals eligible for Medicaid incentive payments are acute care hospitals, critical access hospitals and children's hospitals. Acute care and critical access hospitals must have a Medicaid patient volume of at least 10% to be eligible to receive payments. Incentive payments to eligible hospitals are based on a complex formula in which a base incentive amount for all hospitals is modified by the number of Medicaid patient discharges as well as other factors.

The Agency is developing a detailed plan for implementing the program to be completed in January 2011 for submission and approval by CMS. The Agency plans to begin registering providers into the Medicaid Electronic Health Record incentive program in April 2011, and will start making incentive payments to providers in August 2011. The Agency must have a system in place to verify eligibility and adoption of a certified EHR, correctly make the payments to providers and also exchange information with CMS to accept provider registrations into the program.

BUDGET SUMMARY: For 2011/2012, the Agency is requesting \$72,953,854 in budget authority which includes \$71,013,778 in incentives to providers, and \$1,940,076 for Contractual Services (management consulting services, marketing and outreach program for providers, technical assistance to providers, call center services and auditing services). The federal match provided for the administration of implementation activities is 90%. The incentives to providers are 100% federal match. The 10% state match will be funded out of existing operations.

FY 2011-12	Recurring	Non Recurring	Total
Special Category:			
G/A Contracted Services-ARRA 2009 (109911)			
Administrative Trust Fund (2021-2)	\$56,304		\$56,304
Administrative Trust Fund (2021-3)	\$72,897,550		\$72,897,550
Total	\$72,953,854		\$72,953,854
Issue Total	\$72,953,854		\$72,953,854

SOURCE OF FUNDS:
 (2021-3) Federal Trust Fund (100%) \$71,013,778
 (2021-3) Federal Trust Fund (90%) \$1,883,772
 (2021-2) (10% of Administration) \$56,304
 ISSUE TITLE: Medicaid Electronic Health Record Incentive Program (EHRIP)

Append to Existing Narrative Amended 2011-12 Narrative after February 7, 2011

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	AGY AMD N/R FY 2011-12 POS	AMOUNT	AGY AMD ANZ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: ADMIN AND SUPPORT										68200000
GOV OPERATIONS/SUPPORT										16
EXEC LEADERSHIP/SUPPRT SVC										<u>1602.00.00.00</u>
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009										40S0000
MEDICAID ELECTRONIC HEALTH RECORD INCENTIVE PROGRAM (EHRIP)										40S0170

ACTIVITY: Section 4201 of the American Recovery and Reinvestment Act (ARRA) provides funding support for certified electronic health records (EHRs) through incentive payments to eligible Medicaid providers and hospitals. Implementation of the incentive payment program will launch in FY 10/11. The program will continue to make incentive payments through 2021. A system will be developed or procured to administer the payments to providers and hospitals as well as provide outreach and technical assistance.

ISSUE SUMMARY: This issue requests authorization for continued implementation of the Medicaid Electronic Health Record Incentive Program and authority to provide incentives to the hospitals and eligible professionals as directed in 42 CFR 495.

ISSUE DETAIL: The Agency for Health Care Administration (Agency) is responsible for implementing federal incentive payments to Medicaid providers for the adoption and use of electronic health records. In 2010, the Agency applied for and was awarded \$1.7 million in planning funds to develop a state Medicaid Health Information Technology Plan that includes the steps to implement the incentive program. The Centers for Medicare and Medicaid Services (CMS) provides 90% matching funds to the Agency for planning and implementing this program. The incentives paid to providers are 100% federal funds. Providers include hospitals and eligible professionals. The final rule defines eligible professionals for the Medicaid incentive payments as non-hospital-based physicians, dentists, nurse-midwives, nurse practitioners and some physician assistants. Eligible professionals can receive up to \$63,750 over six years for adopting and meaningfully using EHR technology. In order to be eligible for incentive payments these professionals must meet certain Medicaid patient volume thresholds. Hospitals eligible for Medicaid incentive payments are acute care hospitals, critical access hospitals and children's hospitals. Acute care and critical access hospitals must have a Medicaid patient volume of at least 10% to be eligible to receive payments. Incentive payments to eligible hospitals are based on a complex formula in which a base incentive amount for all hospitals is modified by the number of Medicaid patient discharges as well as other factors.

The Agency is developing a detailed plan for implementing the program to be completed in January 2011 for submission and approval by CMS. The Agency plans to begin registering providers into the Medicaid Electronic Health Record incentive program in April 2011, and will start making incentive payments to providers in August 2011. The Agency must have a system in place to verify eligibility and adoption of a certified EHR, correctly make the payments to providers and also exchange information with CMS to accept provider registrations into the program.

BUDGET SUMMARY: For 2011/2012, the Agency is requesting \$286,436,176 in budget authority which includes \$283,611,508 in incentives to providers, and \$2,824,668 for Contractual Services and Expense (management consulting services, marketing and outreach program for providers, technical assistance to providers, call center services and auditing services). The federal match provided for the administration of implementation activities is 90%. The incentives to providers are 100% federal match.

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
					AGY AMD REQ	
					FY 2011-12	
					OVER(UNDER)	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
ADJUSTMENTS TO CURRENT YEAR						
ESTIMATED EXPENDITURES						1600000
REALIGNMENT OF CONTRACTUAL SERVICES						
BUDGET - ADD						160E020
SPECIAL CATEGORIES						100000
CONTRACTED SERVICES						100777
GENERAL REVENUE FUND		2,367,500			2,367,500	1000
MEDICAL CARE TRUST FUND		2,367,500			2,367,500	2474
TOTAL APPRO.....		4,735,000			4,735,000	

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Realignment of Contracted Services Category Budget Authority - Add

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY: The Agency for Health Care Administration (AHCA) needs to increase budget authority in Budget Entity (68500200) Executive Direction/Support Services within the Contracted Services Category (100777)

Currently the non reform recipient brokerage services contracts are paid from the Medicaid Fiscal Contract, Category (102086). These contracts should be paid from the Contracted Services Category (100777) for the following reasons:

Notification from Center for Medical Services (CMS) that future fiscal agent contracts and/or contracts extensions exclude/remove enrollment broker services.

Transitioning these services now improves implementation for multiple initiatives - Health Information Exchange/Health Information Technology, (HIE/HIT)5010, etc...) By spreading out the initiatives, instead of implementing concurrently.

Overall performance will be improved by moving to an operation structure that is solely focused on Enrollment Broker functions.

Additionally, CMS recently informed AHCA that it perceives a potential conflict of interest with Hewlett Packard providing the brokerage services, similar to the CMS position taken regarding a conflict of interest with Affiliated Computer Services (ACS) having responsibility for Medicaid Reform brokerage services, which led to the ITN and eventual transition of the Medicaid Reform brokerage services 2 years ago from (ACS) to Automated Health Systems (AHS), effective 07/10. The CMS expectation at this point is that Florida proceed with this present transition of these Medicaid

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	AGY AMD N/R FY 2011-12 POS	AMOUNT	AGY AMD ANZ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
ADJUSTMENTS TO CURRENT YEAR										
ESTIMATED EXPENDITURES										1600000
REALIGNMENT OF CONTRACTUAL SERVICES										
BUDGET - ADD										160E020

non-reform brokerage services from the responsibility of Hewlett Packard.

Budget Amendment, EOG# B7286 was approved on 02/22/2011 transferring budget authority from the Medicaid Fiscal Contract (102086) to Contracted Services Category (100777).

SUMMARY: This is a new issue.

ISSUE DETAIL: This is a technical issue. There is no fiscal impact.

Executive Direction and Support Services (68500200) Recurring
 Executive Leadership/Support Services (1602000000) FY 2011-12

Budget Summary:

Contracted Services (100777)
 General Revenue (1000-2) \$2,367,500
 Medical Care Trust Fund (2474-3) \$2,367,500
 Issue Total \$4,735,000

Source of Funds
 General Revenue (1000-2)
 Medical Care Trust Fund (2474-3)

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY AMD REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
ADJUSTMENTS TO CURRENT YEAR						
ESTIMATED EXPENDITURES						1600000
REALIGNMENT OF MEDICAID FISCAL						
CONTRACT BUDGET AUTHORITY - DEDUCT						160E050
SPECIAL CATEGORIES						100000
MEDICAID FISCAL CONTRACT						102086
GENERAL REVENUE FUND		2,367,500-			2,367,500-	1000
MEDICAL CARE TRUST FUND		2,367,500-			2,367,500-	2474
TOTAL APPRO.....		4,735,000-			4,735,000-	

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Realignment of Medicaid Fiscal Contract Budget Authority - (Deduct)

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY: The Agency for Health Care Administration (AHCA) needs to transfer budget authority in Budget Entity (68500200) Executive Direction/Support Services within the Medicaid Fiscal Contract Category (102086).

Currently the non reform recipient brokerage services contracts are paid from the Medicaid Fiscal Contract, Category (102086). These contracts should be paid from the Contracted Services Category (100777) for the following reasons:

Notification from Center for Medical Services (CMS) that future fiscal agent contracts and/or contracts extensions exclude/remove enrollment broker services.

Transitioning these services now improves implementation for multiple initiatives - Health Information Exchange/Health Information Technology, (HIE/HIT)5010, etc...) By spreading out the initiatives, instead of implementing concurrently.

Overall performance will be improved by moving to an operation structure that is solely focused on Enrollment Broker functions.

Additionally, CMS recently informed AHCA that it perceives a potential conflict of interest with Hewlett Packard providing the brokerage services, similar to the CMS position taken regarding a conflict of interest with Affiliated Computer Services (ACS) having responsibility for Medicaid Reform brokerage services, which led to the ITN and eventual transition of the Medicaid Reform brokerage services 2 years ago from (ACS) to Automated Health Systems (AHS), effective 07/10. The CMS expectation at this point is that Florida proceed with this present transition of these Medicaid

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	POS	AGY AMD REQ FY 2011-12	POS	AGY AMD N/R FY 2011-12	POS	AGY AMD ANZ FY 2011-12	POS	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
ADJUSTMENTS TO CURRENT YEAR										
ESTIMATED EXPENDITURES										1600000
REALIGNMENT OF MEDICAID FISCAL										
CONTRACT BUDGET AUTHORITY - DEDUCT										160E050

non-reform brokerage services from the responsibility of Hewlett Packard.

Budget Amendment, EOG# B7286 was approved on 02/22/2011 transferring budet authority from the Medicaid Fiscal Contract (102086) to Contracted Services Category (100777).

SUMMARY: This is a new issue.

ISSUE DETAIL: This is a technical issue. There is no fiscal impact.

BUDGET SUMMARY:

Executive Direction and Support Services (68500200)	Recurring
Executive Leadership/Support Services (1602000000)	FY 2011-12

Medicaid Fiscal Contract (102086)

General Revenue (1000-2)	(\$2,367,500)
Medical Care Trust Fund (2474-3)	(\$2,367,500)
Issue Total	(\$4,735,000)

Source of Funds:

General Revenue (1000)
 Medical Care Trust Fund (2474)

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	POS	AGY AMD REQ FY 2011-12	POS	AGY AMD N/R FY 2011-12	POS	AGY AMD ANZ FY 2011-12	POS	AGY AMD REQ FY 2011-12	POS	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
ADMINISTRATIVE EFFICIENCIES										4000000
CONSULTANT FOR MEDICAID INFORMATION TECHNOLOGY ARCHITECTURE (MITA)										
ASSESS										4000170
SPECIAL CATEGORIES										100000
CONTRACTED SERVICES										100777
MEDICAL CARE TRUST FUND.....			1,676,344					1,676,344	2474	

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Consultant Services to Conduct Medicaid Information Technology Architecture (MITA) Assessment

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY: This issue requests funding to allow Medicaid to continue to contract with CSG Government Solutions (CSG) to perform the Medicaid Information Technology Architecture (MITA) State Self Assessment. The timeline for the procurement of this contract was longer than originally anticipated. The CSG contract was executed on 12/30/2010, necessitating the need to move funding for a portion of the project, a thirteen month duration, from FY 2010-11 to FY 2011-12. The Agency received nonrecurring funding in FY 2010-11 for this contract. MITA is an initiative of the federal Centers for Medicare and Medicaid Services (CMS) and is currently in the rule-making process at the federal level, which will mandate the MITA concepts for state Medicaid systems. MITA provides a common business and technology vision for state Medicaid programs that emphasizes goals such as: a patient-centric view not constrained by organizational barriers; interoperability between state Medicaid programs within and across states, web-based integration, software reusability and the integration of public health data.

ISSUE DETAIL: CMS requires that state Medicaid programs conduct a State Self-Assessment based on MITA concepts to accompany Advanced Planning Documents (APD) to CMS to obtain Federal Financial Participation (FFP) enhanced match for Medicaid fiscal agent operations. Without this assessment, CMS will not grant enhanced federal financial participation for the Medicaid system. Because this is a very specialized and technical assessment, the services of a consultant with specific skill-sets are needed to assist the Medicaid program with the assessment. Activities include:

- Development of the Concept of Operations
- Identification of stakeholders and enablers
- Identification of major data exchanges that will be affected by the transformation plans
- Assist the state in determining the level of maturity in the business operations and system(s) desired in the 5 and 10 year transition plans
- Develop an analysis of the level of effort and resources required to achieve the 5 and 10 year transition plans.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD N/R FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD N/R FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
										68000000
										68500000
										68500200
										16
										<u>1602.00.00.00</u>
										4000000
										4000170

AGENCY/HEALTH CARE ADMIN
 PGM: HEALTH CARE SERVICES
EXECUTIVE DIR/SUPPORT SVCS
 GOV OPERATIONS/SUPPORT
EXEC LEADERSHIP/SUPPRT SVC
 ADMINISTRATIVE EFFICIENCIES
 CONSULTANT FOR MEDICAID INFORMATION
 TECHNOLOGY ARCHITECTURE (MITA)
 ASSESS

The specific tasks of the consultant contract to be completed during FY 2010-11 are setting up the Project Management Office, documenting Agency goals and objectives related to MITA, training plan and plan for conducting work sessions to complete the assessment, and setting up an electronic repository for the work of the project. The consultant has begun work on the electronic repository, completed the Project Management Office deliverable, and submitted the report required to document the Agency goals and objectives as of March 1, 2011. The tasks of the consultant that are planned for next FY 2011-12 include the work sessions to complete the assessment and a final report of the results of those work sessions.

This MITA assessment is required to review Medicaid's readiness to become aligned to the continually changing designs/models that CMS creates. This model will change year to year. If the MITA assessment is not conducted then CMS will not approve any future APDs, Contract Amendments, and will not continue to provide enhanced FFP for Medicaid Management Information System (MMIS) endeavors. This MITA assessment for which funding is needed will set the base for Medicaid's continuous MITA alignment efforts.

SUMMARY: This is a new issue.

BUDGET SUMMARY: Funding of the consultant contract is currently 90% FFP and 10% state funds and will continue to be funded this way. The requested amount for this LBR was calculated for nine consultant analysts using a "mean" rate of three vendors on the DMS State Term Contracts list for Management Consulting Services. Usual funding for MMIS is 75% federal and 25% state. Without this initiative the funding for MMIS could revert to 50% federal and 50% state. Based on the FY 2009-10 budget for MMIS operations, without the enhanced FFP the Agency estimates it will lose over \$8 million in federal funding and the state would have to make up this amount.

Again, the contract with CSG for the MITA assessment was executed 12/30/2010, necessitating the need to move funding for a portion of the project, a thirteen month duration, from FY 2010-11 to FY 2011-12. The Agency was appropriated \$2,600,000 in non-recurring funds for FY 2010-11 and will spend \$923,656 of this amount in FY 2010-11. The remaining amount, \$1,676,344 is being requested for FY 2011-12 in order to be able to fund the remainder of the MITA assessment.

Health Care Services (68500000)
 Executive Direction and Support Services (68500200)
 Executive Leadership and Support Services (160200000)

FY 11-12

FY 11-12

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY AMD REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
EXECUTIVE DIR/SUPPORT SVCS						68500200
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
ADMINISTRATIVE EFFICIENCIES						4000000
CONSULTANT FOR MEDICAID INFORMATION						
TECHNOLOGY ARCHITECTURE (MITA)						
ASSESS						4000170

	Recurring	Non Recurring	Total
Special Category:			
Contracted Services (100777)			
Medical Care Trust Fund 2474 (FSI 2)	\$0	\$167,634	\$167,634
Medical Care Trust Fund 2474 (FSI 3)	\$0	\$1,508,710	\$1,508,710
Total	\$0	\$1,676,344	\$1,676,344

SOURCE OF FUNDS:

Medical Care Trust Fund 2474 (FSI 2)	\$0	\$167,634	\$260,000
Medical Care Trust Fund 2474 (FSI 3)	\$0	\$1,508,710	\$1,508,710
Issue Total	\$0	\$1,676,344	\$1,676,344

ENSURING ACCESS TO CARE					4100000
PLANNING FOR DIAGNOSIS CODE					
CONVERSION					4100160
EXPENSES					040000

GENERAL REVENUE FUND		2,000			2,000	1000
MEDICAL CARE TRUST FUND		2,000			2,000	2474
TOTAL APPRO.....		4,000			4,000	

SPECIAL CATEGORIES						100000
CONTRACTED SERVICES						100777

GENERAL REVENUE FUND		748,000			748,000	1000
MEDICAL CARE TRUST FUND		4,348,000			4,348,000	2474
TOTAL APPRO.....		5,096,000			5,096,000	

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
					AGY AMD REQ	
					FY 2011-12	
					OVER (UNDER)	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
ENSURING ACCESS TO CARE						4100000
PLANNING FOR DIAGNOSIS CODE						
CONVERSION						4100160
SPECIAL CATEGORIES						100000
MEDICAID FISCAL CONTRACT						102086
GENERAL REVENUE FUND		150,237			150,237	1000
MEDICAL CARE TRUST FUND		1,352,131			1,352,131	2474
TOTAL APPRO.....		1,502,368			1,502,368	
=====		=====			=====	
TOTAL: PLANNING FOR DIAGNOSIS CODE						4100160
CONVERSION						
TOTAL ISSUE.....		6,602,368			6,602,368	
=====		=====			=====	

AGENCY ISSUE NARRATIVE:
 2011-2012 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Planning for Diagnosis Code Conversion (ICD-9 to ICD-10)

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY: This issue provides funding for consulting contractors and additional funding for the Medicaid Fiscal Agent contractor necessitated by federally required changes in Medicaid policy and billing procedures (International Classification of Diseases (ICD)-9 to ICD-10). The ICD-10 federally required changes are applied to the entire US health care industry and represent a significant modification to diagnosis coding that all health care providers and payers must adopt. Medicaid policy and claims billing rules encompass a complex set of operations and standards. The Health Insurance Portability and Accountability Act (HIPAA) mandated that all providers and payers begin using the International Classification of Disease-10th revision (ICD-10) by October 1, 2013. This change represents for Florida Medicaid, as well as all health care entities, substantial modifications to business rules, coverage and limitations policy, and systems changes. The changes with the ICD-10 revision impact health care policy, business rules, and claims adjudication processes, and will have a direct effect on submitted health care claims and the resulting Medicaid claims payments.

ISSUE DETAIL: ICD-10 is a coding of diseases and signs, symptoms, abnormal findings, complaints, social circumstances and external causes of injury or diseases, as classified by the World Health Organization (WHO). Compliance with this standard set of diagnosis and inpatient hospital procedure codes will necessitate that the state revise not only the codes used, but the Medicaid policies that govern the application of the codes. These changes will include, in part, major revisions of most provider coverage and limitation handbooks, reimbursement handbooks, Medicaid reporting to internal and external entities, Medicaid operating procedures, the rules that govern the administration of Medicaid

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD N/R FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	AGY AMD REQ FY 2011-12	AGY AMD ANZ FY 2011-12	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
										68000000
										68500000
										68500200
										16
										<u>1602.00.00.00</u>
										4100000
										4100160

AGENCY/HEALTH CARE ADMIN
 PGM: HEALTH CARE SERVICES
EXECUTIVE DIR/SUPPORT SVCS
 GOV OPERATIONS/SUPPORT
EXEC LEADERSHIP/SUPPRT SVC
 ENSURING ACCESS TO CARE
 PLANNING FOR DIAGNOSIS CODE
 CONVERSION

policy, the Medicaid claims processing system, as well as changes to Medicaid fraud and abuse detection. This effort will encompass four major components:

1) Change Medicaid policy that governs the use of diagnosis and inpatient hospital procedure codes. The Agency must procure the services of a consultant with sufficient expertise to guide policy specialists in determining the most appropriate application of the new coding system. Policy changes will necessitate the revision of Medicaid policy and reimbursement handbooks, as well as internal and external reporting mechanisms. Once made, these policy changes will be submitted to the Medicaid Fiscal Agent for programming the changes in the Florida Medicaid Management Information System (FMMIS). Medicaid efforts in fraud and abuse detection will also require updating due to these changes. Policy changes will cover a three year timeline and consultant costs are projected to be: Year 1 - \$2,400,000; Year 2 - \$2,400,000; and Year 3 - \$1,414,000. These expenditures will be eligible for 90% federal match.

2) Determine the most appropriate reimbursement rates for the new procedure code system in a budget neutral manner. The Agency must procure the services of a consultant with sufficient expertise to determine sound reimbursement rates for fee-for-service Medicaid providers. Once made, the new reimbursement rates will be submitted to the Medicaid Fiscal Agent for programming the changes in FMMIS. Reimbursement changes will cover a three year timeline and consultant costs are projected to be: Year 1 - \$2,750,000; Year 2 - \$2,750,000; and Year 3 - \$1,550,000. These expenditures will be eligible for 90% federal match.

3) Augment Fiscal Agent staffing provider call center and provider training for the ICD-10 transition. The Agency must also remain proactive in its relations with the more than 100,000 enrolled Medicaid providers regarding Medicaid policy changes and billing procedures and must enhance its current provider outreach and training program. The Agency must require the Medicaid Fiscal Agent to augment its staff and provider training materials to ensure that providers are fully apprised of the changes arising from the implementation of the ICD-10 code set. . This effort will be staged in essentially two phases: in Year 1, the fiscal agent will prepare for the actual outreach and training with the provider community and the activities involved with Year 1 will include: developing an overall communication plan for all provider outreach and training activities; assessing the broad areas of impact and the provider types that will be most affected; preparing the training materials to be used to train providers on the changes needed in Medicaid for the conversion; preparing the outreach material, including letters, flyers, web announcements, collaboration with provider associations, collaboration with other state agencies and provider call center scripts (all of this material will have to be developed to effectively work with providers to ensure they understand the changes required when billing/reporting Medicaid services); developing the plan for provider training sessions. In Year 2 and 3, the activities will continue with some of the Year 1 type efforts, and concentrate on the actual outreach and training and provider testing. In conjunction with the augmented provider support, the state will incur related travel and training for state staff. The total new expenses for additional provider support will cover a three year timeline and are projected to be: Year 1 -\$600,000 Year 2 - \$2,504,000; and Year 3 - \$2,102,000. These expenditures will be eligible for 50% federal match.

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12	POS	AGY AMD REQ FY 2011-12	POS	AGY AMD N/R FY 2011-12	POS	AGY AMD ANZ FY 2011-12	POS	AGY AMD REQ FY 2011-12	AGY FIN REQ FY 2011-12	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
ENSURING ACCESS TO CARE										4100000
PLANNING FOR DIAGNOSIS CODE										
CONVERSION										4100160

4) Augment Fiscal Agent staffing for system changes for the ICD-10 transition. Additional system programmers are needed for the increase in work associated with the ICD-10 transition. Additional Fiscal Agent staffing for system changes will cover a three year timeline and costs are projected to be: Year 1 - \$852,368; Year 2 - \$869,257; and Year 3 - \$664,610. These expenditures will be eligible for 90% federal match.

The total costs per year are as follows:

Year 1	\$6,602,368
Year 2	\$8,523,257
Year 3	\$5,730,610
Total	\$20,856,235

SUMMARY: This is a new issue.

BUDGET SUMMARY: The following is a fiscal breakdown by the four major components detailed above:

ICD-10 Estimates

	Total	State	Federal
1. Policy Consultant% 90%FFP Year 1	\$2,400,000	\$240,000	\$2,160,000
2. Rate Setting Consul.-90% FFP Year 1	\$2,750,000	\$275,000	\$2,475,000
3. Provider Support - 5% FFP Year 1	\$ 600,000	\$300,000	\$ 300,000
4. FA System Staff -90% FFP Year 1	\$ 852,368	\$ 85,237	\$ 767,131
Grand Total	\$6,602,368	\$900,237	\$5,702,131

Executive Direction and Support Services (68500200)
 Executive Leadership and Support Services (1602000000)

	Recurring	Non-Recurring	Total
Special Category:	FY 2011-12	FY 2011-12	FY 2011-12
Expense (040000)			
General Revenue 1000 (FSI 2)	\$ 2,000	\$0	\$2,000
Medical Care Trust Fund 2474 (FSI 3)	\$ 2,000	\$0	\$2,000

	COL A12	COL A14	COL A15	COL A16	COL A14-A12 AGY AMD REQ FY 2011-12 OVER(UNDER) AGY FIN REQ FY 2011-12	CODES
	AGY FIN REQ FY 2011-12 POS AMOUNT	AGY AMD REQ FY 2011-12 POS AMOUNT	AGY AMD N/R FY 2011-12 POS AMOUNT	AGY AMD ANZ FY 2011-12 POS AMOUNT	AGY FIN REQ FY 2011-12 POS AMOUNT	
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
ENSURING ACCESS TO CARE						4100000
PLANNING FOR DIAGNOSIS CODE						
CONVERSION						4100160
Total	\$ 4,000	\$ 0	\$ 4,000			
Contracted Services (100777)						
General Revenue 1000 (FSI 2)	\$ 748,000	\$ 0	\$ 748,000			
Medical Care Trust Fund 2474 (FSI 3)	\$4,348,000	\$ 0	\$4,348,000			
Total	\$5,096,000	\$ 0	\$5,096,000			
Medicaid Fiscal Contract (102086)						
General Revenue 1000 (FSI 2)	\$ 150,237	\$ 0	\$150,237			
Medical Care Trust Fund 2474 (FSI 3)	\$1,352,131	\$ 0	\$1,352,131			
Total	\$1,502,368	\$ 0	\$1,502,368			
Total Issue						
General Revenue 1000 (FSI 2)	\$ 900,237	\$ 0	\$ 900,237			
Medical Care Trust Fund 2474 (FSI 3)	\$5,702,131	\$ 0	\$5,702,131			
Issue Total	\$6,602,368	\$ 0	\$6,602,368			

SOURCE OF FUNDS:
 General Revenue
 Medical Care Trust Fund

TOTAL: EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
BY FUND TYPE						
GENERAL REVENUE FUND		900,237			900,237	1000
TRUST FUNDS		7,378,475			7,378,475	2000
TOTAL PROG COMP.....		8,278,712			8,278,712	
	=====	=====	=====	=====	=====	

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY AMD REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	POS	POS	POS	POS	AMOUNT
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
MEDICAID LONG TERM CARE						68501500
HEALTH AND HUMAN SERVICES						13
LONG-TERM CARE						1303.00.00.00
FUND SHIFT						3400000
GENERAL REVENUE IN NURSING HOME						
CARE FROM GRANTS AND DONATIONS						
TRUST FUND - ADD						3402610
SPECIAL CATEGORIES						100000
NURSING HOME CARE						102233
GENERAL REVENUE FUND.....		1,530,600				1,530,600 1000

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: General Revenue in Nursing Home Care from Grants and Donations - Add

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY:

SUMMARY: This is a new issue.

The Agency for Health Care Administration is requesting to fund shift budget authority from the Grants and Donations Trust Fund in the amount of \$1,530,600, Nursing Home Care Category (102233) to General Revenue. Currently, Nursing Homes put up lease bond funds for the liability for Medicaid overpayments per Florida Statute 400.179. Withdraws of lease bond alternative monies can only be used to repay Medicaid overpayments owing from leasehold nursing facility licensees to the agency as determined by final Agency audits. Reasonable collections efforts will have been made, including but not limited to, use of a collection agency. Repayment of the Medicaid overpayments by the lease bond alternative account will not release the nursing facility licensee from the liability. Future repayments by the nursing facility licensee will be returned to the lease bond account. Based on the last four years the agency has been averaging write offs of approximately \$251,000 per year. Therefore, the Agency for Health Care Administration requests the realignment of budget authority accordingly.

BUDGET SUMMARY:

Medicaid Long Term Care (68501500)	Recurring
Long Term Care (1303000000)	FY 2011-12
Nursing Home Care (102233)	
General Revenue (1000-2)	\$1,530,600

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>MEDICAID LONG TERM CARE</u>						68501500
HEALTH AND HUMAN SERVICES						13
<u>LONG-TERM CARE</u>						<u>1303.00.00.00</u>
FUND SHIFT						3400000
GENERAL REVENUE IN NURSING HOME						
CARE FROM GRANTS AND DONATIONS						
TRUST FUND - ADD						3402610
Issue Total						\$1,530,600

Source of Funds:
 General Revenue (1000)

GENERAL REVENUE IN NURSING HOME						3402620
CARE FROM GRANTS AND DONATIONS -						100000
DEDUCT						102233
SPECIAL CATEGORIES						
NURSING HOME CARE						

GRANTS AND DONATIONS TF..... 1,530,600- 1,530,600- 2339

AGENCY ISSUE NARRATIVE:

2011-2012 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: General Revenue in Nursing Home Care from Grants and Donations Trust Fund - Deduct

Amended 2011-12 Narrative after February 7, 2011

ISSUE SUMMARY:

The Agency for Health Care Administration is requesting to fund shift budget authority from the Grants and Donations Trust Fund in the amount of \$1,530,600, Nursing Home Care Category (102233) to General Revenue. Currently, Nursing Homes put up lease bond funds for the liability for Medicaid overpayments per Florida Statute 400.179. Withdraws of lease bond alternative monies can only be used to repay Medicaid overpayments owing from leasehold nursing facility licensees to the agency as determined by final Agency audits. Reasonable collections efforts will have been made, including but not limited to, use of a collection agency. Repayment of the Medicaid overpayments by the lease bond alternative account will not release the nursing facility licensee from the liability. Future repayments by the nursing facility licensee will be returned to the lease bond account. Based on the last four years the agency has been averaging write offs of approximately \$251,000 per year. Therefore, the Agency for Health Care Administration requests the realignment of budget

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	AGY AMD N/R FY 2011-12 POS	AMOUNT	AGY AMD ANZ FY 2011-12 POS	AMOUNT	AGY AMD REQ FY 2011-12 POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
MEDICAID LONG TERM CARE										68501500
HEALTH AND HUMAN SERVICES										13
LONG-TERM CARE										<u>1303.00.00.00</u>
FUND SHIFT										3400000
GENERAL REVENUE IN NURSING HOME										
CARE FROM GRANTS AND DONATIONS -										
DEDUCT										3402620

authority accordingly.

SUMMARY: This is a new issue.

BUDGET SUMMARY:

Medicaid Long Term Care (68501500)	Recurring
Long Term Care (1303000000)	FY 2011-12
Nursing Home Care (102233)	
Grants and Donations Trust Fund (2339-2)	\$(1,530,600)
Issue Total	\$(1,530,600)

Source of Funds:

Grants and Donations Trust Fund (2339)

TOTAL: LONG-TERM CARE		<u>1303.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	1,530,600	1,530,600 1000
TRUST FUNDS	1,530,600-	1,530,600- 2000
TOTAL PROG COMP.....	=====	=====