
COL A11 CH VIIIB-2 REDUCTIONS			
AGENCY/HEALTH CARE ADMIN	POS	AMOUNT	PRIORITY
			CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
FLORIDA SENIOR CARE PILOT PROGRAM			
IMPLEMENTATION			33B2220
			1
GENERAL REVENUE FUND		260,958-	1000
TRUST FUNDS		260,957-	2000

TOTAL ISSUE.....		521,915-	
		=====	

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Florida Senior Care Pilot Program Administrative Funding

ISSUE SUMMARY: This preliminary reduction issue recommends reducing the Medicaid Administration budget by \$521,915 for SFY 2009-2010 as a result of not implementing the Florida Senior Care pilot program. This budget reduction would be achieved by reducing Medicaid administrative funds appropriated for the development, implementation, and operation of the Florida Senior Care pilot program authorized at s. 409.912(5), F.S.

ISSUE DETAIL: During the 2007 Regular Session, House Bill 7065 substantially changed the design of the Florida Senior Care pilot program. The eligible population of the program was expanded to include not only Medicaid recipients who are 60 years of age or older, but also, persons age 21 years of age or older who are dually eligible for Medicare and Medicaid. Enrollment in the program must now occur strictly on a voluntary or "opt-in" basis. In addition, the program will likely generate a greater number of health plan contracts to administer than previously anticipated, since the competitive procurement requirement has been removed.

With both a greater number of health plans and voluntary enrollment, it is unclear what mix of recipients will choose to enroll in the program and it is not clear how plans will generate sufficient enrollment or case mix spread to meet the program's original objectives. Specifically, under the current program design the pilot program now has limited ability to expand access to home and community based services and to provide these services to Medicaid recipients before they reach a crisis, or nursing home level of care.

The legislatively mandated pilot areas for the program have changed from the Pensacola and Orlando areas, to the Miami and Orlando areas. With many home and community based alternatives already available in the Miami area, this area of the state has the lowest incidence of nursing home utilization in the state. There were only 5% of Florida Senior Care eligible recipients in nursing homes in 2005-2006 in the Miami area, compared with an average of over 30% statewide for that same period. In addition, the Orlando area also has a number of existing home and community based alternatives, so beneficiaries in both areas of the state would not be adversely impacted by not implementing the pilot program at this time.

For these reasons, the Agency has identified \$521,915 in recurring Medicaid administrative funds as one source of funding to meet necessary budget reductions.

As of August 2008, the Agency determined that it was necessary to place implementation of Florida Senior Care on hold. Not implementing the Florida Senior Care program as currently designed, will have no direct impact on access to home and

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<u>AGENCY/HEALTH CARE ADMIN</u>			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
FLORIDA SENIOR CARE PILOT PROGRAM			
IMPLEMENTATION	1		33B2220

community based services (HCBS), since no new HCBS funding was appropriated for this program. In addition, there is no Medicaid cost savings anticipated as a result of implementing this pilot program. The Florida Senior Care program was designed to be budget neutral.

Legislative authority would be needed to not implement this pilot program. Specifically, Section 409.912(5), Florida Statutes, would need to be amended to remove the current legislative mandate to implement the integrated care program.

BUDGET SUMMARY:

Health Care Services (68500000)
 Executive Direction and Support Services (68500200)
 Executive Leadership/Support Services (1602000000)

FY 09-10 Recurring

Special Category:

Contracted Services (100777)	
General Revenue (FSI 2)	(\$260,958)
Medical Care Trust Fund (FSI 3)	(\$260,957)
Total	(\$521,915)

SOURCE OF FUNDS:

General Revenue (State 50%)
 Medical Care Trust Fund (Federal 50%)

NURSING HOME DIVERSION		
DISENROLLMENT PENALTY	2	33B2280
GENERAL REVENUE FUND	4,043,550-	1000
TRUST FUNDS	4,968,150-	2000

TOTAL ISSUE.....	9,011,700-	
	=====	

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Nursing Home Diversion Disenrollment Penalty

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to penalize Nursing Home Diversion providers by assessing a disenrollment fee when plan members disenroll from the program and enroll in the

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POS	AMOUNT	PRIORITY	CODES
			68000000
			33B0000
		2	33B2280

AGENCY/HEALTH CARE ADMIN
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING
 NURSING HOME DIVERSION
 DISENROLLMENT PENALTY

Medicaid fee-for-service nursing facility program within two months. This would be a total impact of \$4.0 million in General Revenue and \$5.0 million in Trust Funds for a total of \$9.0 million.

ISSUE DETAIL: The Nursing Home Diversion Waiver was implemented in 1998. The program provides elders age 65 or older with an alternative to nursing home placement. The program's monthly capitation includes reimbursement for risk for nursing facility care. Program providers are required to contract with a sufficient number of nursing facilities to meet the needs of their plan members. However, program disenrollment data indicates that a sizeable number of Nursing Home Diversion beneficiaries are disenrolling from the program and enrolling in the Medicaid fee for service nursing home program. When plan members voluntarily disenroll and seek the Medicaid fee-for-service nursing facility benefit, the Nursing Home Diversion provider is overcompensated for their nursing facility risk.

This proposal would penalize Nursing Home Diversion providers by assessing a disenrollment fee when plan members disenroll from the program and enroll in the Medicaid fee-for-service nursing facility program within two months. The disenrollment fee would encourage Nursing Home Diversion providers to be more pro-active in meeting the needs of their plan members who select nursing facility care. The current Nursing Home Diversion contract does not contain a disenrollment penalty provision. However, the program contract for FY 2009-10 will include a disenrollment penalty clause. By including the disenrollment penalty in the contract, providers would have additional incentives to increase the nursing facility options available to plan members and reduce the need for plan members to disenroll from the program.

The disenrollment rate from the Nursing Home Diversion Program upon entering a nursing home was 6.2 percent in 2006. Capitation rates include allowance for nursing home admissions. Theoretically plans are over compensated when individuals disenroll from a Nursing Home Diversion plan upon entering a nursing home. Assuming that individuals disenroll from the Nursing Home Diversion Program and enter a nursing home facility equally throughout the year, the average length of stay in a nursing home for a Nursing Home Diversion contract year is about six months for an individual disenrolled from Nursing Home Diversion. Assuming that nursing home cost is about \$5,008 per enrollee per month (\$164.73 per day times 30.4 days per month), and assuming that the average Nursing Home Diversion capitation payment in FY 2009-10 is about \$1,778 per enrollee per month, the average cost of disenrollment is \$19,380 per disenrolled individual.

The proposal is to determine the number of disenrollments by plan during the 2008-09 contract year (September 2008 through August 2009). The number of disenrollees will be multiplied by \$19,380 to determine the total amount of the disenrollment fee. The total amount calculated will be recovered from the 2008-09 capitation rates.

If the proposal is implemented for Nursing Home Diversion contract rates effective September 1, 2008 the amount recovered in FY 2009-10 is estimated to be \$9,011,700.

Enrollees	15,000
Discharge Rate (From Diversion to Nursing Home)	3.1%
Number of Individuals Enrolled in Nursing Homes	465
Disenrollment Penalty Per Individual	\$19,380
Total Penalty Amount for FY 2008-09	\$9,011,700

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POS	AMOUNT	PRIORITY	CODES

<u>AGENCY/HEALTH CARE ADMIN</u>			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
NURSING HOME DIVERSION			
DISENROLLMENT PENALTY		2	33B2280

The following caveats to the projected Nursing Home Diversion Disenrollment Penalty projections are discussed below.

Data issues with the new Florida Medicaid Management Information System (FMMIS) involving the Nursing Home Diversion Penalty make it impossible to access the penalty. Since the new FMMIS does not currently provide beginning and ending dates for nursing home spans, developing a list of Nursing Home Diversion beneficiaries who enrolled in the fee-for-service nursing facility program within sixty days of disenrollment is not possible. A Customer Service Request has been submitted to the new Medicaid fiscal agent to eliminate this system defect. However, the timeframe for completion of this Customer Service Request is not available.

Effective July 1, 2007, the Nursing Home Diversion program policy was changed to permit beneficiaries to receive hospice care while remaining in the program. Previously, beneficiaries selecting hospice care were required to disenroll from the Nursing Home Diversion program. The policy change was expected to reduce the Nursing Home Diversion's disenrollment rate by at least 50%. However, due to problems with the new business objects queries, I was not able to verify the reduction in the disenrollment rate. The revised disenrollment rate is based only on our policy revision expectations.

This proposal does not require legislative authority. Section 430.705 (10), F.S., authorizes the Department of Elder Affairs in consultation with the Agency, to administer the Nursing Home Diversion Waiver.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long-Term Care (1303000000)

FY 09-10

Recurring

Special Category:

Nursing Home Diversion Waiver (109970)	
General Revenue (FSI 2)	(\$4,043,550)
Medical Care Trust Fund (FSI 3)	(\$4,968,150)
Issue Total	(\$9,011,700)

SOURCE OF FUNDS:

General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

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AGENCY/HEALTH CARE ADMIN	POS	AMOUNT	PRIORITY
			CODES

			68000000
SCHEDULE VIIIB REDUCTIONS - OPERATING			33B0000
COST REDUCTION FOR BEHAVIORAL HEALTH OVERLAY SERVICES			33B2310
			3
GENERAL REVENUE FUND		1,928,762-	1000
TRUST FUNDS		2,369,793-	2000

TOTAL ISSUE.....		4,298,555-	
		=====	

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Cost Reduction for Behavioral Health Overlay Services

ISSUE SUMMARY: For the fiscal year 2006-07 Behavioral Health Overlay Services for youth in the juvenile justice settings was \$18,449,240, and for youth in a child welfare setting was \$11,640,644 for a total of \$30,089,884 reimbursed by Medicaid. The proposed reduction is to limit the delivery of BHOS services to six days a week for a savings of \$4,298,555. This change would require a change to the handbook or a legislative mandate which restricts the number of days that this service can be provided.

ISSUE DETAIL: Behavioral health overlay services are mental health and substance abuse services for children and adolescents who reside in residential settings that are under contract with Child Welfare privatized providers or the Department of Juvenile Justice. The purpose of behavioral health overlay services is to address, on-site and on a child specific basis, medically necessary mental health and substance abuse treatment needs of children who are placed in these residential group care settings. Additionally, these services provide support to children and youth in these residential settings in order to avoid a more intensive level of care and, particularly for youth in the Juvenile Justice system, to increase the chances of a more successful reintegration into the community.

Behavioral health overlay services (BHOS) are statutorily excluded from managed care. They are reimbursed to providers at a per diem fee-for-service rate excluding room and board and may be billed 365 days a year or 7 days per week. The BHOS rate includes clinical and supportive services only. Medicaid also allows BHOS providers to deliver many services that are reimbursed fee-for-service in conjunction with BHOS. This proposal would act to reduce the number of days per week that providers can be reimbursed for this service from 7 days per week to 6 days per week.

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Therapeutic Services for Children (100436)

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AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 COST REDUCTION FOR BEHAVIORAL
 HEALTH OVERLAY SERVICES 3 33B2310

General Revenue (FSI 2) (\$1,928,762)
 Medical Care Trust Fund (FSI 3) (\$2,369,793)
 Issue Total (\$4,298,555)

SOURCE OF FUNDS:
 General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

INCREASE COUNTY CONTRIBUTIONS FOR
 MEDICAID NURSING HOME CARE 4 33B1000
 GENERAL REVENUE FUND 65,061,612- 1000
 TRUST FUNDS 65,061,612 2000

TOTAL ISSUE.....

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SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Increase the County Contribution for Medicaid Nursing Home Care

ISSUE SUMMARY: This issue recommends an increase in the statutorily mandated contribution that counties are required to make for nursing home and intermediate care facilities. Counties are currently required to participate for 35 percent of the total cost of Medicaid payments for nursing home and intermediate care facilities in excess of \$170 per month, with the exception that a county's contribution may not exceed \$55 per month per person. This issue recommends increasing the limitation to \$202 per person per month. This will result in a reduction to General Revenue by \$65.1 million.

ISSUE DETAIL: Section 409.915, Florida Statutes, requires counties to contribute to the state share of the Medicaid cost of providing hospital inpatient services and nursing home or intermediate care facilities. Counties must pay 35 percent of the total Medicaid cost for inpatient hospitalization in excess of 10 days, but not in excess of 45 days. The Medicaid inpatient cost for pregnant women and children whose income is in excess of the federal poverty level and who do not participate in the Medically Needy program is excluded. Counties are also excluded from contributing to the cost of eliminating certain hospital reimbursement ceilings and special Medicaid payments.

Counties must pay 35 percent of the total cost for Medicaid payments for nursing home or intermediate care facilities care in excess of \$170 per month except that the cost of skilled nursing care for children under age 21 is excluded from county participation. County financial participation for nursing home or intermediate care is further limited to no more than \$55 per month per person.

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POS	AMOUNT	PRIORITY	CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS - OPERATING			33B0000
INCREASE COUNTY CONTRIBUTIONS FOR MEDICAID NURSING HOME CARE		4	33B1000

The county participation for nursing home or intermediate facilities payments has not been increased since the Medicaid program was implemented in Florida in 1970. Prior to the implementation of the Medicaid program, counties were paying for nursing home care for many of their low-income residents. The implementation of Medicaid gave Florida the opportunity to draw down federal dollars using the counties' contributions as a portion of the state match.

However, the required county financial participation in the Medicaid cost of providing nursing home and intermediate care facilities has not kept pace with the total increases experienced by the Medicaid program for these services. The average Medicaid monthly cost per person for nursing facilities has increased substantially each year while the \$55 limit per person per month for the county contribution has remained constant. The county billing limit as a percent of the average Medicaid cost per person per month went from over 10 percent in FY 1978-79 to approximately 1.29 percent by FY 2006-07. The following shows the increase in average Medicaid cost per person per month and the decrease in the counties' contributions as a percent of the average Medicaid cost.

Fiscal Year	Average Medicaid Cost Per Person Per Month	County Contribution Limit Per Person Per Month	Percent of Medicaid Cost
1978-79	\$521.06	\$55	10.56%
1979-80	\$584.07	\$55	9.42%
1980-81	\$653.70	\$55	8.41%
1981-82	\$704.78	\$55	7.80%
1982-83	\$775.69	\$55	7.09%
1983-84	\$928.55	\$55	5.92%
1984-85	\$1,024.73	\$55	5.37%
1985-86	\$1,104.47	\$55	4.98%
1986-87	\$1,189.79	\$55	4.62%
1987-88	\$1,298.09	\$55	4.24%
1988-89	\$1,370.71	\$55	4.01%
1989-90	\$1,426.66	\$55	3.86%
1990-91	\$1,623.76	\$55	3.39%
1991-92	\$1,739.22	\$55	3.16%
1992-93	\$1,934.00	\$55	2.84%
1993-94	\$1,998.33	\$55	2.75%
1994-95	\$2,075.12	\$55	2.65%
1995-96	\$2,184.66	\$55	2.52%
1996-97	\$2,233.46	\$55	2.46%
1997-98	\$2,376.17	\$55	2.31%
1998-99	\$2,501.63	\$55	2.20%
1999-00	\$2,757.31	\$55	1.99%
2000-01	\$2,999.43	\$55	1.83%
2001-02	\$3,266.13	\$55	1.68%
2002-03	\$3,652.91	\$55	1.51%

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 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 INCREASE COUNTY CONTRIBUTIONS FOR
 MEDICAID NURSING HOME CARE 4 33B1000

2003-04	\$3,870.71	\$55	1.42%
2004-05	\$3,890.60	\$55	1.41%
2005-06	\$4,083.80	\$55	1.35%
2006-07	\$4,257.63	\$55	1.29%
2007-08 (Estimated)	\$4,665.93	\$55	1.18%
2008-09 (Estimated)	\$4,528.75	\$55	1.12%
2009-10 (Estimated)	\$4,519.11	\$55	1.18%

The total amount billed to counties has increased from \$13.3 million in FY 1982-83 to \$32.7 million in FY 2006-07, but as a percentage of the total Medicaid cost for nursing homes, the total billings have gone from 6.6 percent to less than 2 percent.

Fiscal Year	Total Medicaid Cost for Nursing Home Care	Amount Billed Counties	Amount Billed to Counties as Percent of Total Cost
1982-83	\$200,938,757	\$13,291,257	6.61%
1983-84	\$256,112,509	\$14,699,252	5.74%
1984-85	\$304,504,726	\$16,094,912	5.29%
1985-86	\$354,878,544	\$17,403,049	4.90%
1986-87	\$415,645,051	\$19,181,044	4.62%
1987-88	\$493,762,150	\$21,040,954	4.26%
1988-89	\$543,460,728	\$22,969,539	4.23%
1989-90	\$616,298,806	\$23,366,172	3.79%
1990-91	\$758,982,651	\$26,022,277	3.43%
1991-92	\$855,278,015	\$27,494,257	3.21%
1992-93	\$987,290,516	\$28,825,087	2.92%
1993-94	\$1,043,439,021	\$29,454,457	2.82%
1994-95	\$1,110,158,488	\$30,212,168	2.72%
1995-96	\$1,194,738,895	\$29,777,110	2.49%
1996-97	\$1,241,232,796	\$29,457,446	2.37%
1997-98	\$1,329,864,014	\$30,519,618	2.29%
1998-99	\$1,393,357,698	\$31,941,678	2.29%
1999-00	\$1,552,044,721	\$32,416,611	2.09%
2000-01	\$1,693,767,364	\$32,775,288	1.94%
2001-02	\$1,837,866,321	\$32,808,263	1.79%
2002-03	\$2,091,099,715	\$32,952,176	1.59%
2003-04	\$2,238,956,267	\$34,254,759	1.53%
2004-05	\$2,216,008,576	\$33,470,219	1.51%
2005-06	\$2,296,156,032	\$33,039,267	1.44%
2006-07	\$2,342,856,744	\$32,728,133	1.40%
2007-08 (Estimate)	\$2,369,245,469	\$25,349,940	1.07%

COL A11 CH VIII B-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIII B REDUCTIONS -			
OPERATING			33B0000
INCREASE COUNTY CONTRIBUTIONS FOR			
MEDICAID NURSING HOME CARE		4	33B1000
2008-09 (Estimate)	\$2,289,012,750	\$24,788,280	1.08%
2009-10 (Estimate)	\$2,243,088,834	\$24,342,780	1.09%

Following the direction of the 2002 Legislature, the Office of Program Policy Analysis and Governmental Accountability (OPPAGA) assessed options to the current counties' contribution to Medicaid nursing home costs. In February 2003, OPPAGA released Report No. 03-11, "Legislative Options for County Share of Medicaid Nursing Home Costs". The report included three options for county funding of Medicaid nursing home care: setting the county contribution at 1.5 percent; equally splitting the projected cost increase between state and counties; or fixing the county contribution rate at 10 percent.

This issue proposes to increase the county participation limit by \$147 per resident per month from the current \$55 per person per month to \$202 per person per month.

It is estimated that the increase in the county contribution limit will cost the counties an additional \$65.1 million each year. Applying the proposed \$202 per person maximum limit to FY 2009-10, the limit as a percent of the Medicaid average per person cost is estimated to be about 4.5 percent. This would increase the county contribution as a percent of total cost to percentage levels comparable to those experienced over a decade ago.

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY: Revenues collected from counties under the provisions of s. 409.915, Florida Statutes, are deposited into the General Revenue Fund unallocated. Currently, there is no direct impact on the Medicaid budget for county contributions under s. 409.915, F.S. If the General Revenue appropriated to the Medicaid budget is reduced to reflect the additional revenues estimated to be generated by this issue, trust fund budget must be appropriated and the additional revenue must be retained by the Agency.

Additional Revenue - General Revenue Unallocated:
 Estimated Average Monthly County Billing Caseload for Nursing Homes 36,883
 Additional County Billing per Person \$147
 Estimated Total Additional Annual County Billing \$65,061,612

Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long Term Care (1303000000)

Nursing Home Care (102233)
 General Revenue (FSI 2) (\$65,061,612)
 Medical Care Trust Fund (FSI 2) \$65,061,612

SOURCE OF FUNDS:
 County Contributions - Section 409.915, F.S. \$65,061,612

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                                COL A11
                                CH VIIIB-2
                                REDUCTIONS
                                POS      AMOUNT PRIORITY      CODES
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AGENCY/HEALTH CARE ADMIN                                68000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING
CONTRACTED SERVICES REDUCTION                                5      33B0000
                                                33B2440

TRUST FUNDS.....                                638,338-      2000
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SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Contracted Services Budget Reduction

ISSUE SUMMARY: Due to a proposed 10% budget reduction required of state agencies, the Agency for Health care Administration is reducing budget in the contracted services category.

ISSUE DETAIL: The Agency recommends a reduction of \$638,338 from the budget, of which \$178,338 would come from Organ and Tissue Donor funds, program component 1204.02; and \$460,000 from the Nursing Home Quality Improvement funds, program component 1204.01.

Effective FY 2009-10, the organ donor registry will be contracted to an outside entity. The contracted services funding the Agency receives for organ donor will indexing will be dealt with by the contractor. The Agency will retain sufficient funding should an unforeseen need arise.

The Nursing Home Quality Improvement funds were appropriated at \$1,000,000 payable to qualifying facilities for improvements to enhance the quality of life for the residents. This amount was reduced to \$960,000 during the prior budget reduction. The Agency will now limit contract amounts to \$500,000 reducing the \$1,000,000 by an additional \$460,000.

BUDGET SUMMARY:

CLASS TITLE	CC	PG	FTE	RATE	ANNUAL SALARIES	ANNUAL EXPENSES	OCO	CONTRACTED SERVICES	HR SERVICES	FY 2009-10 TOTAL
								(\$178,338)		(\$178,338)
								(\$460,000)		(\$460,000)
Total								(\$638,338)		(\$638,338)

Recurring	Non Recurring	Total
FY 09-10	FY 09-10	FY 09-10

Special Category:
 Contracted Services (100777)

Health Care Regulation (68700700)		
Organ and Tissue Donor Education (1204020000)		
Health Care Trust Fund (2003-1)	(\$178,338)	(\$178,338)

Health Care Regulation (68700700)		
Facility Regulation (1204010000)		
Quality of Long-Term Care Facility Improvement Trust Fund (2126-3)	(\$460,000)	(\$460,000)

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 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 CONTRACTED SERVICES REDUCTION 5 33B2440

Issue Total (\$638,338) (\$638,338)

SOURCE OF FUNDS:

Quality of Long-Term Care Facility Improvement Trust Fund
 Health Care Trust Fund

EMERGENCY ALTERNATIVE PLACEMENT
 REDUCTION 6 33B2450

TRUST FUNDS..... 612,825- 2000
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SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Emergency Alternative Placement Reduction

ISSUE SUMMARY: Due to a proposed 10% budget reduction required of state agencies, the Agency of Health Care Administration is reducing budget in the emergency alternative placement category.

ISSUE DETAIL: We are recommending a reduction in our Emergency Alternate Placement budget based on the historical need for the funds. The remaining \$612,826 will allow for approximately three nursing home receiverships and exceeds any previous years' spending. The proposed reduction will require statutory revisions.

BUDGET SUMMARY:

Health Care Regulation (68700700)
 Facility Regulation (1204010000)

	Recurring FY 09-10	Non Recurring FY 09-10	Total FY 09-10
Emergency Alternative Placement (101113)			
Health Care Trust Fund (2003-1)	(\$612,825)		(\$612,825)
Total	(\$612,825)		(\$612,825)
Issue Total	(\$612,825)		(\$612,825)

SOURCE OF FUNDS:

Health Care Trust Fund (100%)

COL A11
 CH VIIIB-2
 REDUCTIONS

POS	AMOUNT	PRIORITY	CODES
			68000000
			33B0000
		7	33B2460
	48,680-		2000

AGENCY/HEALTH CARE ADMIN
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING
 OTHER PERSONAL SERVICES REDUCTION

TRUST FUNDS.....

48,680-
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SCH VIIIB-2 NARR 09-10 NOTES:
 ISSUE TITLE: OPS Budget Reduction

ISSUE SUMMARY: Due to a proposed 10% budget reduction required of state agencies, the Agency for Health Care Administration is reducing budget in the OPS category.

ISSUE DETAIL: We are recommending a reduction in our OPS budget due to the requirement to reduce budgets by 10%.

BUDGET SUMMARY:

CLASS TITLE	FTE	RATE	ANNUAL SALARIES	ANNUAL EXPENSES	OPS	OCO	CONTRACTED SERVICES	HR SERVICES	FY 2009-10 TOTAL
OPS Budget Reduction					(\$48,680)				(\$48,680)
Total					(\$48,680)				(\$48,680)
FY 2009-10					Recurring FY 2009-10		Non Recurring FY 2009-10		Total FY 2009-10
OPS (030000)									
Health Care Regulation (68700700)									
Facility Regulation (1204010000)									
Health Care Trust Fund (2003-1)					(\$48,680)				(\$48,680)
Total					(\$48,680)				(\$48,680)

SOURCE OF FUNDS:
 Health Care Trust Fund (100%)

SALARY AND BENEFITS REDUCTION

8

33B2470

GENERAL REVENUE FUND 448,337-
 TRUST FUNDS 426,468-

1000
 2000

TOTAL POSITIONS.....
 TOTAL ISSUE.....

12.00-
 874,805-
 =====

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 SALARY AND BENEFITS REDUCTION 8 33B2470

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Salary and Benefits Reduction

ISSUE SUMMARY: Due to a proposed 10% budget reduction required of state agencies, the Agency for Health Care Administrations is eliminating 12 nurse monitor positions.

ISSUE DETAIL: The Agency recommends elimination of the 12 quality of care monitor and rapid response team member (nurse monitors) positions from the Bureau of Field Operations. This deletion of positions would require repeal of sections 400.118(2)(a)through(c)and(3), F.S.; and Florida Administrative Code provisions established thereunder.

Deletion of these 12 nurse monitor positions would cut \$874,805 from the budget, of which \$426,468 would come from the Health Care Trust Fund and \$448,337 from General Revenue. The program component is 1204.01.

While the nurse monitor program is appreciated by the facilities because it allows them to discuss process improvements, the efficacy of the program in improving nursing home performance cannot be determined. By statute the nurse monitors are limited in their function; they cannot survey. As such, their status is not consistent with the regulatory and enforcement responsibilities of the Agency. Nurse monitors constitute non-essential services in times of budgetary constraints. The Agency recommends elimination of the nurse monitor program.

BUDGET SUMMARY:

CLASS TITLE	CC	PG	FTE	RATE	ANNUAL SALARIES	ANNUAL EXPENSES	CONTRACTED OCO SERVICES	HR SERVICES	FY 2009-10 TOTAL
Reg Nurse Consultant	5312	79	(11)	(543,432)	(\$731,886)	(\$82,203)	(\$726)		(\$814,815)
Reg Nurse Specialist	5294	75	(1)	(37,439)	(\$ 52,451)	(\$ 7,473)	(\$ 66)		(\$ 59,990)
Total			(12)	(580,871)	(\$784,337)	(\$89,676)	(\$792)		(\$874,805)

Health Care Regulation (68700700)
 Facility Regulation (1204010000)

	Recurring FY 09-10	Non-Recurring FY 09-10	Total FY 09-10
Salaries and Benefits (010000)			
General Revenue (1000-2)	(\$401,971)		(\$401,971)
Health Care Trust Fund (2003-2)	(\$382,366)		(\$382,366)
Total	(\$784,337)		(\$784,337)
Expenses (040000)			
General Revenue (1000-2)	(\$45,960)		(\$45,960)
Health Care Trust Fund (2003-2)	(\$43,716)		(\$43,716)
Total	(\$89,676)		(\$89,676)

Special Category:

COL A11 CH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>AGENCY/HEALTH CARE ADMIN</u>			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
SALARY AND BENEFITS REDUCTION		8	33B2470
Contracted Services (100777)			
General Revenue (1000-2)	(\$406)		(\$406)
Health Care Trust Fund (2003-2)	(\$386)		(\$386)
Total	(\$792)		(\$792)
Issue Total	(\$874,805)		(\$874,805)
SOURCE OF FUNDS:			
Health Care Trust Fund (48.75%)			
General Revenue (51.25%)			

ELIMINATE THE ADULT DAY HEALTH CARE WAIVER		9	33B1800
GENERAL REVENUE FUND	873,555-		1000
TRUST FUNDS	1,073,303-		2000

TOTAL ISSUE.....	1,946,858-		
	=====		

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Eliminate the Adult Day Health Care Waiver

ISSUE SUMMARY: The Medicaid Comprehensive Adult Day Health Care waiver program is authorized under Sections 1915(b)(4) and 1915(c) of the Social Security Act and under the fiscal year 2002-2003 General Appropriations Act, Chapter 2002-394, Laws of Florida, as a pilot program in two counties. The waiver and contract provide for a total of 100 unduplicated beneficiaries. In fiscal year 2005-2006, 28 unduplicated beneficiaries were enrolled. In fiscal year 2006-2007, the program enrolled a total of 38 unduplicated beneficiaries.

ISSUE DETAIL: The Medicaid Comprehensive Adult Day Health Care waiver program is intended to assist community-based Medicaid beneficiaries who meet the following eligibility criteria:

- Currently enrolled in the Medicaid program
- Age 75 or older and live with a caretaker
- Not reside in a nursing facility or other institutional setting
- Not be enrolled in another Medicaid home and community based service waiver
- Not be a member of a hospice
- Be a resident of Lee or Palm Beach counties
- Meet nursing home facility level of care

COL A11 CH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS - OPERATING			33B0000
ELIMINATE THE ADULT DAY HEALTH CARE WAIVER		9	33B1800

The Legislature budgeted \$1,946,858 for the Comprehensive Adult Day Health Care waiver for fiscal year 2007-2008. Medicaid spent \$86,288 for this program in fiscal year 2006-2007. The waiver beneficiaries currently enrolled in the Adult Day Health Care waiver could be moved into the Aged and Disabled Adult (A/DA) waiver through attrition in the A/DA waiver. The current Adult Day Health Care waiver beneficiaries would be given priority for enrollment into the A/DA waiver, where adult day health care services are also provided and where the current Adult Day Health Care waiver provider is already enrolled.

Legislative authority would be necessary to eliminate this waiver program and the contract with this provider would need to be terminated.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long Term Care (1303000000)

FY 09-10

Recurring

Special Category:

Home and Community Based Services (101554)
 General Revenue (FSI 2) (\$873,555)
 Medical Care Trust Fund (FSI 3) (\$1,073,303)
 Issue Total (\$1,946,858)

SOURCE OF FUNDS:

General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

ELIMINATION OF THE CHIROPRACTIC PROGRAM		10	33B2120
GENERAL REVENUE FUND	420,845-		1000
TRUST FUNDS	526,636-		2000

TOTAL ISSUE.....	947,481-		
	=====		

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF THE CHIROPRACTIC			
PROGRAM	10		33B2120

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of the Chiropractic Program

ISSUE SUMMARY: This budget reduction issue proposes elimination of chiropractic services as a covered Medicaid benefit.

ISSUE DETAIL: Chiropractors treat neuromusculoskeletal disorders and related clinical conditions including back pain, neck pain, and headaches. Under Medicaid, chiropractic services are not a mandatory benefit, but rather an optional service. It is within each state's discretion whether to include chiropractic services as a covered Medicaid benefit. Currently 30 state Medicaid programs cover chiropractic services. Chiropractic care does not take the place of medically necessary physician services such as orthopedic, neurological, and pain management services utilized by beneficiaries with chronic conditions such as headache, neck and back pain.

This would require amendment of the Florida Medicaid State Plan and legislative approval including a revision to Florida Statutes. Additionally, this would require a change to Florida Administrative Code for deletion of the Chiropractic Services Coverage and Limitations Handbook rule.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Physician Services (102541)	
General Revenue (FSI 2)	(\$420,845)
Medical Care Trust Fund (FSI 3)	(\$522,346)
Refugee Assistance Trust Fund (FSI 3)	(\$4,290)
Issue Total	(\$947,481)

SOURCE OF FUNDS:

General Revenue (State 44.42%)
 Medical Care Trust Fund (Federal 55.13%)
 Refugee Assistance Trust Fund (Federal 0.45%)

	COL A11		
	CH VIIIIB-2		
	REDUCTIONS		
	POS	AMOUNT	PRIORITY

			CODES
AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF THE PODIATRIST			
PROGRAM		11	33B2190
GENERAL REVENUE FUND		1,123,501-	1000
TRUST FUNDS		1,405,928-	2000

TOTAL ISSUE.....		2,529,429-	
		=====	

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of the Podiatrist Program

ISSUE SUMMARY: This budget reduction issue proposes elimination of podiatrist services as a covered Medicaid benefit.

ISSUE DETAIL: Podiatrists treat corns, calluses, ingrown toenails, bunions, heel spurs, and arch problems; ankle and foot injuries, deformities, and infections; and foot complaints associated with diabetes and other diseases. They perform surgery and prescribe drugs along with physical therapy to treat these problems. Under Medicaid, podiatrist services are not a mandatory benefit, but rather an optional service. It is within each state's discretion whether to include podiatrist services as a covered Medicaid benefit. Currently 30 state Medicaid programs cover podiatrist services.

This would require an amendment of the Florida Medicaid State Plan and legislative approval including a revision to Florida Statutes. Additionally, this would require a change to Florida Administrative code for deletion of the Podiatrist Services Coverage and Limitations Handbook rule.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Physician Services (102541)	
General Revenue (FSI 2)	(\$1,123,501)
Medical Care Trust Fund (FSI 3)	(\$1,394,474)
Refugee Assistance Trust Fund (FSI 3)	(\$11,454)
Issue Total	(\$2,529,429)

SOURCE OF FUNDS:

General Revenue (State 44.42%)
 Medical Care Trust Fund (Federal 55.13%)
 Refugee Assistance Trust Fund (Federal 0.45%)

	COL A11		
	CH VIIIB-2		
	REDUCTIONS		
	POS	AMOUNT	PRIORITY

			CODES
AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF ELIGIBILITY FOR			
NINETEEN AND TWENTY YEAR OLD KIDS		12	33B2130
GENERAL REVENUE FUND		8,453,403-	1000
TRUST FUNDS		10,386,360-	2000

TOTAL ISSUE.....		18,839,763-	
		=====	

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of Eligibility for Children Age 19 and 20

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to eliminate optional eligibility for children aged 19 and 20 which would have an impact of \$8.4 million in General Revenue and \$10.4 million in Trust Funds for a total reduction of \$18.8 million.

ISSUE DETAIL: For Fiscal Year 09-10, there will be an estimated 7,764 individuals in this age group. This issue eliminates the optional eligibility and coverage for children aged 19 and 20. These individuals use a wide range of services in many different appropriation categories.

The top 92.7% of expenditures for the affected eligible's are as follows:

- Prepaid Health Plans - \$5,372,897 - 28.52%
- Hospital Inpatient - \$5,197,065 - 27.59%
- Prescribed Medicine - \$3,599,779 - 19.12%
- Hospital Outpatient - \$1,965,116 - 10.43%
- Physician Services - \$1,326,663 - 7.04%
- Other - \$1,378,243 - 7.30%

The "Other" portion of this funding has been included in Prepaid Health Plans for ease of presentation below.

Legislative Authority is needed to achieve reduction.

BUDGET SUMMARY:

- Health Care Services (68500000)
- Medicaid Services to Individuals (68501400)
- Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

- Prepaid Health Plans (102673)
- General Revenue (FSI 2)

(\$3,029,237)

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATION OF ELIGIBILITY FOR
 NINETEEN AND TWENTY YEAR OLD KIDS 12 33B2130

Medical Care Trust Fund (FSI 3) (\$3,721,903)
 Total (\$6,751,140)

Hospital Inpatient Services (101582)
 General Revenue (FSI 2) (\$2,331,923)
 Medical Care Trust Fund (FSI 3) (\$2,865,142)
 Total (\$5,197,065)

Prescribed Medicine/Drugs (102681)
 General Revenue (FSI 2) (\$1,615,221)
 Medical Care Trust Fund (FSI 3) (\$1,984,558)
 Total (\$3,599,779)

Hospital Outpatient Service (101596)
 General Revenue (FSI 2) (\$881,748)
 Medical Care Trust Fund (FSI 3) (\$1,083,368)
 Total (\$1,965,116)

Physician Services (102541)
 General Revenue (FSI 2) (\$595,274)
 Medical Care Trust Fund (FSI 3) (\$731,389)
 Total (\$1,326,663)

Issue Total
 General Revenue (FSI 2) (\$8,453,402)
 Medical Care Trust Fund (FSI 3) (\$10,386,361)
 Issue Total (\$18,839,763)

SOURCE OF FUNDS:
 General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

ELIMINATION OF ADULT VISION AND HEARING SERVICES 13 33B2170

GENERAL REVENUE FUND 5,459,708- 1000
 TRUST FUNDS 6,980,956- 2000

TOTAL ISSUE..... 12,440,664-
 =====

COL A11 CH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>AGENCY/HEALTH CARE ADMIN</u>			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF ADULT VISION AND			
HEARING SERVICES		13	33B2170

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of Adult Vision and Hearing Services

ISSUE SUMMARY: This budget reduction issue proposes termination of coverage of routine vision and hearing services for adult beneficiaries.

ISSUE DETAIL: Prior to July 1, 2006, Medicaid limited reimbursement for adult hearing services to hearing diagnostic testing when performed for medical diagnoses. Medicaid did not cover hearing services related to hearing aid candidacy. Vision services for adults was limited to contact lenses for more complex vision problems that are not corrected with regular eyeglasses or lenses, and prosthetic eye services when medically necessary. On July 1, 2006, the Legislature restored vision and hearing services to include routine exams and fitting, dispensing, and repair of eyeglasses for adult beneficiaries. The bill also restored coverage for hearing aid services for adult beneficiaries.

For Fiscal Year 09-10, there will be an estimated 685,881 individuals eligible to use these optional services and since the projected cost for restoration of these services is \$12,440,664, the expected savings would be equal to that amount. Cessation of this coverage would require a State Plan amendment and legislative approval. Additionally, this would require a change to Florida Administrative Code for revision of the Vision Services Coverage and Limitations Handbook, and the Hearing Services Coverage and Limitations Handbook.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Adult Vision/Hearing Services (100062)	
General Revenue (FSI 2)	(\$5,459,708)
Medical Care Trust Fund (FSI 3)	(\$6,708,128)
Refugee Assistance Trust Fund (FSI 3)	(\$272,828)
Issue Total	(\$12,440,664)

SOURCE OF FUNDS:

General Revenue (State 43.89%)
 Medical Care Trust Fund (Federal 53.92%)
 Refugee Assistance Trust Fund (Federal 2.19%)

COL A11 CH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS - OPERATING			33B0000
DISCONTINUE COVERAGE OF ADULT DENTAL SERVICES FOR PARTIAL DENTURES		14	33B2110
GENERAL REVENUE FUND	313,810-		1000
TRUST FUNDS	392,529-		2000

TOTAL ISSUE.....	706,339-		
	=====		

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Discontinue Coverage of Adult Dental Service for Partial Dentures

ISSUE SUMMARY: Prior to July 1, 2006, Medicaid limited reimbursement for dental services to emergency dental services and full dentures. On July 1, 2006, the Legislature authorized Medicaid coverage of partial denture services for adults.

ISSUE DETAIL: This budget reduction issue proposes termination of coverage for adult partial dentures for beneficiaries 21 and over. The projected cost for these services for Fiscal Year 2009-10 is \$706,339. The expected savings would be equal to that amount. Cessation of this coverage would require a State Plan amendment and legislative approval. Additionally, this would require a change to Florida Administrative Code for revision of Dental Services Coverage and Limitations Handbook.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Adult Dental Services (100903)	
General Revenue (FSI 2)	(\$313,810)
Medical Care Trust Fund (FSI 3)	(\$385,566)
Refugee Assistance Trust Fund (FSI 3)	(\$6,963)
Issue Total	(\$706,339)

SOURCE OF FUNDS:

General Revenue (State 44.43%)
 Medical Care Trust Fund (Federal 54.59%)
 Refugee Assistance Trust Fund (Federal 0.98%)

COL A11 CH VIII B-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIII B REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF ADULT DENTAL SERVICE		15	33B2160
GENERAL REVENUE FUND	6,174,854-		1000
TRUST FUNDS	7,723,812-		2000

TOTAL ISSUE.....	13,898,666-		
	=====		

SCH VIII B-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of Adult Dental Services

ISSUE SUMMARY: This budget reduction issue proposes termination of coverage for adult dental services for beneficiaries 21 and over.

ISSUE DETAIL: Prior to July 1, 2006, Medicaid limited reimbursement for dental services to emergency dental services and full dentures. On July 1, 2006, the Legislature authorized Medicaid coverage of partial denture services for adults.

For Fiscal Year 09-10, there will be an estimated 685,881 individuals eligible to use these optional services and the projected cost for these services is \$13,898,666. The expected savings would be equal to that amount. Cessation of this coverage would require a State Plan amendment and legislative approval. Additionally, this would require a change to Florida Administrative Code for revision of Dental Services Coverage and Limitations Handbook.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Adult Dental Services (100903)	
General Revenue (FSI 2)	(\$6,174,854)
Medical Care Trust Fund (FSI 3)	(\$7,586,799)
Refugee Assistance Trust Fund (FSI 3)	(\$137,013)
Issue Total	(\$13,898,666)

SOURCE OF FUNDS:

General Revenue (State 44.43%)
 Medical Care Trust Fund (Federal 54.59%)
 Refugee Assistance Trust Fund (Federal 0.98%)

	COL A11		
	CH VIIIB-2		
	REDUCTIONS		
	POS	AMOUNT	PRIORITY

			CODES
AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF HOSPICE SERVICES		16	33B2180
GENERAL REVENUE FUND	154,042,260-		1000
TRUST FUNDS	189,300,786-		2000

TOTAL ISSUE.....	343,343,046-		
	=====		

SCH VIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of Hospice Services

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to eliminate coverage of hospice services as a covered Medicaid benefit which would have an impact of \$154.0 million in General Revenue and \$189.3 million in Trust Funds for a total reduction of \$343.3 million.

ISSUE DETAIL: For Fiscal Year 2009-10, there will be an estimated 8,301 individuals using these optional services. Hospice services are forms of palliative health care and support services for terminally ill patients and their families. The services are administered by a hospice agency and coordinated by the hospice nurse assigned to the patient.

The elimination of hospice services will provide an estimated total impact of (\$343,343,046). This estimate is based on a 12 month period beginning July 1, 2009.

This would require an amendment of the Florida Medicaid State Plan and legislative approval including a revision to Florida Statutes.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Hospice Services (101575)	
General Revenue (FSI 2)	(\$154,042,260)
Medical Care Trust Fund (FSI 3)	(\$189,265,651)
Refugee Assistance Trust Fund (FSI 3)	(\$35,135)
Issue Total	(\$343,343,046)

SOURCE OF FUNDS:

General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.12%)
 Refugee Assistance Trust Fund (Federal 0.01%)

COL A11 CH VIIIIB-2 REDUCTIONS			
AGENCY/HEALTH CARE ADMIN	POS	AMOUNT	PRIORITY
			CODES

			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
HOSPITAL INPATIENT RATE REDUCTION		17	33B2230
GENERAL REVENUE FUND		73,204,769-	1000
TRUST FUNDS		107,362,817-	2000

TOTAL ISSUE.....		180,567,586-	
		=====	

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Hospital Inpatient Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the reimbursement rates for Hospital Inpatient Services by 7.5 percent. This would reduce General Revenue by \$73.2 million and Federal Funds by \$107.4 million for a total reduction of \$180.6 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce the Hospital Inpatient Services.

The following details reflect the calculations used as the basis for developing this issue:

		7.5%	Reduction
HOSPITAL INPATIENT SERVICES			
Medicaid Caseload	937,292	937,292	
Medicaid Utilization Rate	2.19%	2.19%	
Medicaid Admissions Per Month	20,489	20,489	
Medicaid Days Per Admission	4.58	4.58	
Medicaid Per Diem	\$1,604	\$1,484	(\$120)
Medicaid Total Cost	\$1,804,810,820	\$1,669,450,009	(\$135,360,811)
PREPAID HEATHLH PLANS			
Caseload	839,027	839,027	
Unit Cost	\$199	\$195	(\$4)
Total Cost	\$2,003,719,215	\$1,958,512,440	(\$45,206,775)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

 COL A11
 CH VIII B-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIII B REDUCTIONS -
 OPERATING 33B0000
 HOSPITAL INPATIENT RATE REDUCTION 17 33B2230

Hospital Inpatient Service (101582)
 General Revenue (FSI 2) (\$53,085,372)
 Medical Care Trust Fund (FSI 3) (\$82,275,439)
 Total (\$135,360,811)
 Prepaid Health Plans (102673)
 General Revenue (FSI 2) (\$20,119,397)
 Medical Care Trust Fund (FSI 3) (\$24,725,444)
 Refugee Assistance Trust Fund (FSI 3) (\$361,934)
 Total (\$45,206,775)

Issue Total
 General Revenue (FSI 2) (\$73,204,769)
 Medical Care Trust Fund (FSI 3) (\$107,000,883)
 Refugee Assistance Trust Fund (FSI 3) (\$361,934)
 Issue Total (\$180,567,586)

SOURCE OF FUNDS:
 General Revenue (State 40.54%)
 Medical Care Trust Fund (Federal 59.26%)
 Refugee Assistance Trust Fund (Federal 0.20%)

HOSPITAL OUTPATIENT RATE REDUCTION 18 33B2200

GENERAL REVENUE FUND 21,955,408- 1000
 TRUST FUNDS 27,243,202- 2000

TOTAL ISSUE..... 49,198,610-
 =====

SCH VIII B-2 NARR 09-10 NOTES:

ISSUE TITLE: Hospital Outpatient Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the reimbursement rates for Hospital Outpatient Services by 7.5 percent. This would reduce General Revenue by \$22.0 million and Federal Funds by \$27.2 million for a total reduction of \$49.2 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce the Hospital Outpatient Services.

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 HOSPITAL OUTPATIENT RATE REDUCTION 18 33B2200

The following details reflect the calculations used as the basis for developing this issue:

			7.5%	Reduction
HOSPITAL OUTPATIENT SERVICES				
Medicaid Caseload	938,368	938,368		
Medicaid Utilization Rate	16.30%	16.30%		
Medicaid Services Per Month	152,978	152,978		
Medicaid Unit Cost	\$247	\$228		(\$19)
Medicaid Total Cost	\$453,435,094	\$419,427,462		(\$34,007,632)
PREPAID HEALTH PLAN				
Caseload	839,027	839,027		
Unit Cost	\$199	\$197		(\$2)
Total Cost	\$2,003,719,215	\$1,988,528,237		(\$15,190,978)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10 Recurring

Special Category:

Hospital Outpatient Service (101596)
 General Revenue (FSI 2) (\$15,194,622)
 Medical Care Trust Fund (FSI 3) (\$18,736,950)
 Refugee Assistance Trust Fund (FSI 3) (\$76,060)
 Total (\$34,007,632)

Prepaid Health Plans (102673)
 General Revenue (FSI 2) (\$6,760,786)
 Medical Care Trust Fund (FSI 3) (\$8,308,570)
 Refugee Assistance Trust Fund (FSI 3) (\$121,622)
 Total (\$15,190,978)

Issue Total
 General Revenue (FSI 2) (\$21,955,408)
 Medical Care Trust Fund (FSI 3) (\$27,045,520)
 Refugee Assistance Trust Fund (FSI 3) (\$197,682)
 Issue Total (\$49,198,610)

SOURCE OF FUNDS:

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 HOSPITAL OUTPATIENT RATE REDUCTION 18 33B2200

General Revenue (State 44.63%)
 Medical Care Trust Fund (Federal 54.97%)
 Refugee Assistance Trust Fund (Federal 0.40%)

REDUCE PRESCRIPTION DRUG COSTS 19 33B2270
 GENERAL REVENUE FUND 17,967,831- 1000
 TRUST FUNDS 26,983,354- 2000

 TOTAL ISSUE..... 44,951,185-
 =====

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Reduce Prescription Drug Cost by 3 Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the rates for pharmacy reimbursements. This would reduce General Revenue by \$18.0 million and Federal Funds by \$27.0 million for a total reduction of \$45.0 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 3 percent to General Revenue funding be made to reduce the Prescribed Medicines and Drugs.

Projected budget cost for the Medicaid Prescribed Drug Program for the State Fiscal Year 2009-10 is \$1,015,148,723. Reducing prescription drug expenditures by roughly 3 percent will result in a reduction in General Revenue spending of \$17,967,831.

Reductions could be achieved by various means including but not limited to reducing ingredient cost reimbursement using one or a combination of the following:

- a. Additional ingredient cost reimbursement: \$10.0 million
- b. Reduce the retail dispensing fee by \$1 per prescription: \$13.0 million
- c. Require patients to pay a Rx copay of \$1 per prescription: \$4.0 million
- d. Implement prior auth criteria for adults receiving ADHD medications: \$1.0 million
- e. Tighten prior auth criteria for non-PDL medications: \$3.0 million
- f. Tighten prior auth for branded products when generics are available: \$3.0 million
- g. Implement prior auth criteria for antipsychotics & anticonvulsants: \$5.0 million
- h. Implement all generic PDL for statin drugs: \$1.5 million
- i. Implement all generic PDL for proton pump inhibitors: \$4.0 million
- j. Restrict Synagis utilization in kids over 2yo (FDA guidelines): \$0.5 million

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE PRESCRIPTION DRUG COSTS 19 33B2270

- k. Reduce Synagis "season" to standard medical criteria: \$5.0 million
- l. Revise Synagis criteria to exclude low risk kids in the second season: \$4.0 million
- m. Implement prior auth criteria to Singulair (asthma only): \$1.0 million
- Total: \$45.0 million

Some reductions could also be achieved through increased supplemental rebates.

The following details reflect the calculations used as the basis for developing this issue:

		3%	Reduction
PRESCRIBED MEDICINE			
Medicaid Caseload	937,292	937,292	
Medicaid Utilization Rate	110.37%	110.37%	
Medicaid Prescriptions per month	\$81.78	\$79.34	(\$2.44)
Medicaid Unit Cost	\$1,015,148,723	\$984,897,291	(\$30,251,432)
PREPAID HEALTH PLAN			
Caseload	839,027	839,027	
Unit Cost	\$199.01	\$197.55	(\$1.46)
Total Cost	\$2,003,719,215	\$1,989,019,462	(\$14,699,753)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:
 Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10 Recurring

Special Category:
 Prescribed Medicine/Drugs (102681)
 General Revenue (FSI 2) (\$11,425,666)
 Medical Care Trust Fund (FSI 3) (\$18,754,790)
 Refugee Assistance Trust Fund (FSI 3) (\$70,976)
 Total (\$30,251,432)

Prepaid Health Plans (102673)
 General Revenue (FSI 2) (\$6,542,165)
 Medical Care Trust Fund (FSI 3) (\$8,039,899)
 Refugee Assistance Trust Fund (FSI 3) (\$117,689)
 Total (\$14,699,753)

Issue Total

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE PRESCRIPTION DRUG COSTS 19 33B2270

General Revenue (FSI 2) (\$17,967,831)
 Medical Care Trust Fund (FSI 3) (\$26,794,689)
 Refugee Assistance Trust Fund (FSI 3) (\$188,665)
 Issue Total (\$44,951,185)

SOURCE OF FUNDS:
 General Revenue (State 39.97%)
 Medical Care Trust Fund (Federal 59.61%)
 Refugee Assistance Trust (Federal 0.42%)

REDUCE CLINIC SERVICES 20 33B2420
 GENERAL REVENUE FUND 4,596,723- 1000
 TRUST FUNDS 5,738,448- 2000

TOTAL ISSUE.....

 10,335,171-
 =====

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Reduce Clinic Services by Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the reimbursement rates for County Health Departments by 7.5 percent. This would reduce General Revenue by \$4.6 million and Federal Funds by \$5.7 million for a total reduction of \$10.3 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce the County Health Departments.

The following details reflect the calculations used as the basis for developing this issue:

CLINIC SERVICES		7.5%	Reduction
Medicaid Caseload	937,292	937,292	
Medicaid Utilization Rate	5.11%	5.11%	
Medicaid Services Per Month	47,941	47,941	
Medicaid Unit Cost	\$194.96	\$180.33	(\$14.62)
Medicaid Total Cost	\$112,156,808	\$103,745,047	(\$8,411,761)

PREPAID HEALTH PLAN			
Caseload	839,027	839,027	

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE CLINIC SERVICES 20 33B2420

Unit Cost	\$199.01	\$198.82	(\$0.19)
Total Cost	\$2,003,719,215	\$2,001,795,805	(\$1,923,410)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10 Recurring

Special Category:

Clinic Services (103742)	
General Revenue (FSI 2)	(\$3,740,704)
Medical Care Trust Fund (FSI 3)	(\$4,609,004)
Refugee Assistance Trust Fund (FSI 3)	(\$62,053)
Total	(\$8,411,761)

Prepaid Health Plans (102673)	
General Revenue (FSI 2)	(\$856,019)
Medical Care Trust Fund (FSI 3)	(\$1,051,992)
Refugee Assistance Trust Fund (FSI 3)	(\$15,399)
Total	(\$1,923,410)

Issue Total	
General Revenue (FSI 2)	(\$4,596,723)
Medical Care Trust Fund (FSI 3)	(\$5,660,996)
Refugee Assistance Trust Fund (FSI 3)	(\$77,452)
Issue Total	(\$10,335,171)

SOURCE OF FUNDS:

General Revenue (State 44.48%)
 Medical Care Trust Fund (Federal 54.77%)
 Refugee Assistance Trust Fund (Federal 0.75%)

	COL A11		
	CH VIIIIB-2		
	REDUCTIONS		
	POS	AMOUNT	PRIORITY

			CODES

AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE NURSING HOME DIVERSION		21	33B2410
GENERAL REVENUE FUND	11,050,081-		1000
TRUST FUNDS	13,576,799-		2000

TOTAL ISSUE.....	24,626,880-		
	=====		

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Nursing Home Diversion Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: For FY 2008-09, Nursing Home Diversion (NHD) received authorization to serve a total of 15,000 beneficiaries. Based upon current NHD provider rates, the program can serve the 15,000 authorized beneficiaries for the Fiscal Year 2009-10 with the current appropriation after this reduction is made. Due to projected Nursing Home Diversion program rate reductions for FY 2009-10, this reduction can be accommodated without impairing the program's ability to serve the projected caseload. This reduction would not require a waiver amendment or reimbursement plan change.

In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the Nursing Home Diversion rates by 7.5 percent. This would reduce General Revenue by \$11.0 million and Federal Funds by \$13.6 million for a total reduction of \$24.6 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce Nursing Home Diversion rates.

Projected FY 2009-10 Expenditures

Total Projected Expenditures = Average Current Statewide Rate x Number of Enrollees x Average Annual Waiver Span
 = (\$1,624.33) X (15,000 beneficiaries) X (11 months)
 = \$268,014,450.

Current FY 08-09 Appropriation--\$296,094,518

Projected FY 2009-10 Surplus after Reduction

Current Appropriation - Total Projected Expenditures = Unexpended Appropriation

\$296,094,518 - 268,014,450 = \$28,014,450

With the proposed reduction, the Nursing Home Diversion program will have a "cushion" of \$3,453,188 to respond to unanticipated program trends.

Projected Program Surplus after Reduction

Projected Program Surplus - Proposed Reduction = Program Surplus

\$28,014,450 - 24,626,880 = \$3,453,188

The following details reflect the calculations used as the basis for developing this issue:

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE NURSING HOME DIVERSION 21 33B2410

NURSING HOME DIVERSION		7.5%	Reduction
Medicaid Caseload	2,199,286	2,199,286	
Medicaid Utilization Rate	0.68%	0.68%	
Medicaid Services Per Month	15,000	15,000	
Medicaid Unit Cost	\$1,824	\$1,687	(\$137)
Total Cost	\$328,358,400	\$303,731,520	(\$24,626,880)
Medicaid Caseload Pace	2,199,286	2,199,286	
Medicaid Utilization Rate	0.02%	0.02%	
Medicaid Services Per Month	503	503	
Medicaid Unit Cost	\$1,792	\$1,792	
Total Cost	\$10,816,271	\$10,816,271	
Total General Revenue	\$152,187,675	\$141,137,594	(\$11,050,081)
Total Medical Care	\$186,986,996	\$173,410,197	(\$13,576,799)
Total Cost	\$339,174,671	\$314,547,791	(\$24,626,880)

BUDGET SUMMARY:
 Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long Term Care (1303000000)

FY 09-10 Recurring

Special Category:
 Nursing Home Diversion Waiver (109970)
 General Revenue (FSI 2) (\$11,050,081)
 Medical Care Trust Fund (FSI 3) (\$13,576,799)
 Issue Total (\$24,626,880)

SOURCE OF FUNDS:
 General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

NURSING HOME RATE REDUCTION 22 33B2250

GENERAL REVENUE FUND	72,849,340-	1000
TRUST FUNDS	111,795,570-	2000

TOTAL ISSUE.....	184,644,910-	
	=====	

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 NURSING HOME RATE REDUCTION 22 33B2250

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Nursing Home Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the reimbursement rates for Nursing Home Services by 7.5 percent. This would reduce General Revenue by \$72.8 million and Federal Funds by \$111.8 million for a total reduction of \$184.6 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce Nursing Home rates.

The following details reflect the calculations used as the basis for developing this issue:

		7.5%	Reduction
NURSING HOMES	41,363	41,363	
Skilled Care Caseload	12,126	12,126	
Skilled Care Unit Cost	\$4,739	\$4,384	(\$355)
Skilled Care Total Cost	\$689,595,598	\$637,876,589	(\$51,719,009)
Intermediate Care Caseload	27,619	27,619	
Intermediate Care Unit Cost	\$4,408	\$4,078	(\$330)
Intermediate Care Total Cost	\$1,460,999,947	\$1,351,424,184	(\$109,575,763)
General Care Caseload	1,325	1,325	
General Care Unit Cost	\$4,403	\$4,073	(\$330)
General Care Total Cost	\$70,007,839	\$64,757,202	(\$5,250,637)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long Term Care (1303000000)

FY 09-10 Recurring

Special Category:

Nursing Home Care (102233)
 General Revenue (FSI 2) (\$72,849,340)
 Medical Care Trust Fund (FSI 3) (\$111,793,718)
 Refugee Assistance Trust Fund (FSI 3) (\$1,852)
 Issue Total (\$184,644,910)

 COL A11
 CH VIII B-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIII B REDUCTIONS -
 OPERATING 33B0000
 NURSING HOME RATE REDUCTION 22 33B2250

SOURCE OF FUNDS:
 General Revenue (State 39.45%)
 Medical Care Trust Fund (Federal 60.55%)
 Refugee Assistance Trust Fund (Federal 0.00%)

HEALTH MAINTENANCE ORGANIZATION
 RATE REDUCTION 23 33B2260

GENERAL REVENUE FUND 66,785,995- 1000
 TRUST FUNDS 83,534,082- 2000

TOTAL ISSUE..... 150,320,077-
 =====

SCH VIII B-2 NARR 09-10 NOTES:

ISSUE TITLE: Health Maintenance Organizations Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the reimbursement rates of health maintenance organizations (HMOs) by 7.5 percent. This would reduce General Revenue by \$66.8 million and Federal Funds by \$83.5 million for a total reduction of \$150.3 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce the HMO rates.

The following details reflect the calculations used as the basis for developing this issue:

PREPAID HEALTH PLAN		7.5%	Reduction
Caseload	839,027	839,027	
Unit Cost	\$199	\$184	(\$15)
Total Cost	\$2,003,719,215	\$1,853,399,138	(\$150,320,077)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 HEALTH MAINTENANCE ORGANIZATION
 RATE REDUCTION 23 33B2260

FY 09-10 Recurring

Special Category:
 Prepaid Health Plans (102673)
 General Revenue (FSI 2) (\$66,785,995)
 Medical Care Trust Fund (FSI 3) (\$82,330,590)
 Refugee Assistance Trust Fund (FSI 3) (\$1,203,492)
 Issue Total (\$150,320,077)

SOURCE OF FUNDS:
 General Revenue (State 44.43%)
 Medical Care Trust Fund (Federal 54.77%)
 Refugee Assistance Trust Fund (Federal 0.80%)

INERMEDIATE CARE FACILITIES/
 DEVELOPMENTALLY DISABLED RATE
 REDUCTION 24 33B2400

GENERAL REVENUE FUND 8,076,794- 1000
 TRUST FUNDS 9,923,640- 2000

 TOTAL ISSUE..... 18,000,434-
 =====

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Intermediate Care Facilities/Developmentally Disabled Rate Reduction of Seven and a Half Percent

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to reduce the Intermediate Care Facilities/Developmentally Disabled (ICF/DD) reimbursement rates by 7.5 percent. This would reduce General Revenue by \$8.1 million and Federal Funds by \$9.9 million for a total reduction of \$18.0 million.

ISSUE DETAIL: The Agency for Health Care Administration is recommending that a price level reduction adjustment of 7.5 percent be made to reduce the ICF/DD rates.

The following details reflect the calculations used as the basis for developing this issue:

ICF-MR COMMUNITY		7.5%	Reduction
Caseload Private	1,397	1,397	

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 INERMEDIATE CARE FACILITIES/
 DEVELOPMENTALLY DISABLED RATE
 REDUCTION 24 33B2400

Unit Cost	\$8,678	\$8,027	(\$651)
Total Cost	\$145,469,812	\$134,559,599	(\$10,910,213)
Caseload Cluster	389	389	
Unit Cost	\$11,457	\$10,598	(\$859)
Total Cost	\$53,481,770	\$49,470,624	(\$4,011,146)
Caseload Six bed	341	341	
Unit Cost	\$10,033	\$9,280	(\$753)
Total Cost	\$41,054,104	\$37,975,029	(\$3,079,075)

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Long Term Care (68501500)
 Long Term Care (1303000000)

FY 09-10 Recurring

Special Category:

ICF/DD - Community (101649)
 General Revenue (FSI 2) (\$8,076,794)
 Medical Care Trust Fund (FSI 3) (\$9,923,640)
 Issue Total (\$18,000,434)

SOURCE OF FUNDS:

General Revenue (State 44.87%)
 Medical Care Trust Fund (Federal 55.13%)

ELIMINATE ELIGIBILITY FOR PREGNANT
 WOMEN WITH 150-185% FEDERAL POVERTY
 LEVEL 25 33B2100

GENERAL REVENUE FUND	15,268,690-	1000
TRUST FUNDS	46,148,768-	2000

TOTAL ISSUE.....	61,417,458-	
	=====	

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>AGENCY/HEALTH CARE ADMIN</u>			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE ELIGIBILITY FOR PREGNANT			
WOMEN WITH 150-185% FEDERAL POVERTY			
LEVEL	25		33B2100

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of Eligibility for Pregnant Women with Income of 150 percent up to 185 percent of the Federal Poverty Level

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to eliminate optional eligibility for pregnant women with income of 150 percent up to 185 percent of the federal poverty level which would have an impact of \$15.3 million in General Revenue and \$46.1 million in Trust Funds for a total reduction of \$61.4 million.

ISSUE DETAIL: For Fiscal Year 2009-10, there will be an estimated 6,786 individuals in this optional eligibility group. This issue eliminates the optional eligibility and coverage for pregnant women with income of 150 percent up to 185 percent of the federal poverty level. These individuals use a wide range of services in many different appropriation categories.

The top 91.9% of expenditures for the affected eligibles are as follows:

- Hospital Inpatient - \$31,022,215 - 50.51%
- Physician Services - \$14,129,181 - 23.01%
- Hospital Outpatient - \$6,485,532 - 10.56%
- Other Lab and X-Ray - \$2,767,371 - 4.50%
- Clinic Services - \$2,037,751 - 3.32%
- Other - \$4,975,408 - 8.10%

The "Other" portion of this funding has been included in Hospital Inpatient for ease of presentation below.

Legislative authority is needed to achieve reduction.

BUDGET SUMMARY:

- Health Care Services (68500000)
- Medicaid Services to Individuals (68501400)
- Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

- Hospital Inpatient Services (101582)
- General Revenue (FSI 2) (\$7,330,075)
- Medical Care Trust Fund (FSI 3) (\$16,145,429)
- Public Medical Assistance Trust Fund (FSI 2) (\$11,941,383)
- Grants and Donations Trust Fund (FSI 2) (\$580,736)

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE ELIGIBILITY FOR PREGNANT
 WOMEN WITH 150-185% FEDERAL POVERTY
 LEVEL 25 33B2100

Total (\$35,997,623)

Physician Services (102541)
 General Revenue (FSI 2) (\$4,412,543)
 Medical Care Trust Fund (FSI 3) (\$9,716,638)
 Total (\$14,129,181)

Hospital Outpatient Services (101596)
 General Revenue (FSI 2) (\$2,025,432)
 Medical Care Trust Fund (FSI 3) (\$4,460,100)
 Total (\$6,485,532)

Other Lab and X-Ray Services (102324)
 General Revenue (FSI 2) (\$864,250)
 Medical Care Trust Fund (FSI 3) (\$1,903,121)
 Total (\$2,767,371)

Clinic Services (103742)
 General Revenue (FSI 2) (\$636,390)
 Medical Care Trust Fund (FSI 3) (\$1,401,361)
 Total (\$2,037,751)

Issue Total
 General Revenue (FSI 2) (\$15,268,689)
 Medical Care Trust Fund (FSI 3) (\$33,626,650)
 Public Medical Assistance Trust Fund (FSI 2) (\$11,941,383)
 Grants and Donations Trust Fund (FSI 2) (\$580,736)
 Issue Total (\$61,417,458)

SOURCE OF FUNDS:
 General Revenue (State 24.86%)
 Medical Care Trust Fund (Federal 54.75%)
 Public Medical Assistance Trust Fund (Federal 19.44%)
 Grants and Donations Trust Fund (Federal 0.95%)

	COL A11		
	CH VIIIIB-2		
	REDUCTIONS		
	POS	AMOUNT	PRIORITY

			CODES
AGENCY/HEALTH CARE ADMIN			68000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE FAMILY PLANNING WAIVER		26	33B1600
GENERAL REVENUE FUND	3,175,005-		1000
TRUST FUNDS	6,053,443-		2000

TOTAL ISSUE.....	9,228,448-		
	=====		

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of the Family Planning Waiver Eligibility Group

ISSUE SUMMARY: In Fiscal Year 2009-10, the Agency for Health Care Administration proposes to eliminate optional eligibility for the family planning waiver which would have an impact of \$3.2 million in General Revenue and \$6.0 million in Trust Funds for a total reduction of \$9.2 million.

ISSUE DETAIL: For Fiscal Year 2009-10, there will be an estimated 63,943 individuals in this optional eligibility group. This issue eliminates the optional eligibility and coverage for the family planning waiver. These individuals use a wide range of services in many different appropriation categories.

The top 91.65% of expenditures for the affected eligibles are as follows:

- Clinic Services - \$3,894,787 - 42.21%
- Prescribed Medicine - \$2,937,790 - 31.83%
- Family Planning - \$1,624,908 - 17.61%
- Other - \$770,963 - 8.35%

The "Other" portion of this funding has been included in Clinic Services for ease of presentation below.

Legislation Authority is needed to achieve reduction.

BUDGET SUMMARY:

- Health Care Services (68500000)
- Medicaid Services to Individuals (68501400)
- Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

- Clinic Services (103742)
- General Revenue (FSI 2) (\$2,174,523)
- Medical Care Trust Fund (FSI 3) (\$2,491,227)
- Total (\$4,665,750)

 COL A11
 CH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE FAMILY PLANNING WAIVER 26 33B1600

Prescribed Medicine/Drugs (102681)
 General Revenue (FSI 2) (\$837,991)
 Medical Care Trust Fund (FSI 3) (\$1,029,606)
 Grants and Donations Trust Fund (FSI 2) (\$462,965)
 Grants and Donations Trust Fund (FSI 3) (\$607,228)
 Total (\$2,937,790)

Family Planning (101246)
 General Revenue (FSI 2) (\$162,491)
 Medical Care Trust Fund (FSI 3) (\$1,462,417)
 Total (\$1,624,908)

Issue Total
 General Revenue (FSI 2) (\$3,175,005)
 Medical Care Trust Fund (FSI 3) (\$4,983,250)
 Grants and Donations Trust Fund (FSI 2) (\$462,965)
 Grants and Donations Trust Fund (FSI 3) (\$607,228)
 Issue Total (\$9,228,448)

SOURCE OF FUNDS:
 General Revenue (State 34.40%)
 Medical Care Trust Fund (Federal 54.00%)
 Grants and Donations Trust Fund (Match/Federal 11.60%)

ELIMINATION OF MEDICALLY NEEDY
 PREGNANT WOMEN AND KIDS 27 33B2140
 GENERAL REVENUE FUND 23,602,124- 1000
 TRUST FUNDS 28,583,047- 2000

TOTAL ISSUE..... 52,185,171-
 =====

SCH VIIIIB-2 NARR 09-10 NOTES:

ISSUE TITLE: Elimination of the Medically Needy Program for Children and Pregnant Women

ISSUE SUMMARY: In Fiscal Year 2009-10 the Agency for Health Care Administration proposes to eliminate the Medically Needy Program for Children and Pregnant Women which would have an impact of \$23.6 million in General Revenue and \$29.8 million in Trust Funds.

COL A11 CH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES
			68000000
			33B0000
		27	33B2140

AGENCY/HEALTH CARE ADMIN
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING
 ELIMINATION OF MEDICALLY NEEDY
 PREGNANT WOMEN AND KIDS

ISSUE DETAIL: The Medically Needy Program is for persons who have income above regular Medicaid levels, but incur medical expenses that cause income to qualify. During the 2008 Session the Legislature eliminated the Medically Needy Program except for Children and Pregnant Women. Currently, there are 1,677 estimated individuals in this Optional Eligibility group who are above the income limit to qualify for Medicaid. Of this amount an estimated 164 individuals are children and an estimated 1,513 are pregnant women. This issue would remove the program eligibility and coverage for children and pregnant women.

Crossover payments, premiums and deductibles would continue for Qualified Medicaid Beneficiary (QMB) eligibles as well as premiums for Special Low Income Medicare Beneficiary (SLMB) and Qualified Individual (QI) eligibles.

Legislation Authority is needed to achieve reduction.

The top 89.37% of expenditures for the affected eligible's are as follows:

Hospital Inpatient - \$30,177,572 - 56.52%
 Prescribed Medicine - \$8,909,755 - 16.69%
 Physician Services - \$6,435,285 - 12.05%
 Other - \$7,869,362 - 14.74%

The "Other" portion of this funding has been included in Hospital Inpatient for ease of presentation below.

Legislation Authority is needed to achieve reduction.

BUDGET SUMMARY:

Health Care Services (68500000)
 Medicaid Services to Individuals (68501400)
 Health Services to Individuals (1301000000)

FY 09-10

Recurring

Special Category:

Hospital Inpatient Services (101582)
 General Revenue (FSI 2) (\$20,275,693)
 Medical Care Trust Fund (FSI 3) (\$17,771,241)
 Total (\$38,046,934)

Prescribed Medicine/Drugs (102681)
 General Revenue (FSI 2) (\$438,919)
 Medical Care Trust Fund (FSI 3) (\$2,352,085)
 Grants and Donations (FSI 2) (\$4,911,948)
 Total (\$7,702,952)

 COL A11
 CH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

AGENCY/HEALTH CARE ADMIN 68000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATION OF MEDICALLY NEEDY
 PREGNANT WOMEN AND KIDS 27 33B2140

Physician Services (102541)
 General Revenue (FSI 2) (\$2,887,512)
 Medical Care Trust Fund (FSI 3) (\$3,547,773)
 Total (\$6,435,285)

Issue Total
 General Revenue (FSI 2) (\$23,602,125)
 Medical Care Trust Fund (FSI 3) (\$23,671,099)
 Grants and Donations (FSI 2) (\$4,911,948)
 Issue Total (\$52,185,171)

SOURCE OF FUNDS:
 General Revenue (State 44.21%)
 Medical Care Trust Fund (Federal 49.13%)
 Grants and Donations (Match 6.67%)

TOTAL: AGENCY/HEALTH CARE ADMIN 68000000
 BY FUND TYPE
 GENERAL REVENUE FUND 567,137,915- 1000
 TRUST FUNDS 628,997,079- 2000

 TOTAL POSITIONS..... 12.00-
 TOTAL DEPARTMENT..... 1196,134,994-
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