

Committee Substitute for House Bill No. 4415

An act relating to health care; directing the Agency for Health Care Administration to seek a federal waiver for the Healthy Start Program; amending s. 391.011, F.S.; providing a short title; amending s. 391.016, F.S.; providing legislative intent relating to the Children's Medical Services program; amending s. 391.021, F.S.; providing definitions; creating s. 391.025, F.S.; providing for applicability and scope; amending s. 391.026, F.S.; providing powers and duties of the Department of Health; creating s. 391.028, F.S., and renumbering and amending s. 391.051, F.S.; providing for administration of the program; creating s. 391.029, F.S., and renumbering and amending ss. 391.046 and 391.07, F.S.; providing program eligibility; creating s. 391.031, F.S.; establishing benefits; creating s. 391.035, F.S., and renumbering and amending ss. 391.036 and 391.041, F.S.; establishing provider qualifications; creating s. 391.045, F.S.; providing for provider reimbursement; creating s. 391.047, F.S.; establishing responsibility for payments on behalf of program participants when other parties are liable; creating s. 391.055, F.S.; establishing service delivery systems; creating s. 391.065, F.S.; providing for health care provider agreements; creating s. 391.071, F.S.; providing for quality of care requirements; creating s. 391.081, F.S.; establishing grievance reporting and resolution requirements; creating s. 391.095, F.S.; providing for program integrity; renumbering and amending s. 391.061, F.S.; providing for research and evaluation; renumbering ss. 391.201-391.217, F.S., relating to prescribed pediatric extended care centers; designating said sections as pt. IX of ch. 400, F.S.; amending ss. 391.206 and 391.217, F.S.; conforming cross-references; designating ss. 391.221, 391.222, and 391.223, F.S., as pt. II of ch. 391, F.S., entitled "Children's Medical Services Councils and Panels"; creating s. 391.221, F.S.; establishing the Statewide Children's Medical Services Network Advisory Council; renumbering and amending s. 391.091, F.S., relating to the Cardiac Advisory Council; deleting meeting and reporting requirements; creating s. 391.223, F.S.; providing for technical advisory panels; amending ss. 391.301, 391.303, 391.304, 391.305, and 391.307, F.S.; revising provisions relating to developmental evaluation and intervention programs; amending s. 408.701, F.S.; conforming cross-references; creating s. 409.810, F.S.; providing a short title; creating s. 409.811, F.S.; providing definitions; creating s. 409.812, F.S.; creating and establishing the purpose of the Florida Kidcare program; creating s. 409.813, F.S.; specifying program components; specifying that certain program components are not an entitlement; creating s. 409.8132, F.S.; creating and establishing the purpose of the Medikids program component; providing for administration by the Agency for Health Care Administration; exempting Medikids from licensure under the Florida Insurance Code; providing applicability of certain Medicaid requirements;

establishing benefit requirements; providing for eligibility; providing enrollment requirements; authorizing penalties for nonpayment of premiums; creating s. 409.8134, F.S.; providing for program enrollment and expenditure ceilings; creating s. 409.8135, F.S., providing behavior health benefits to non-Medicaid-eligible children with serious emotional needs; creating s. 409.814, F.S.; providing eligibility requirements; creating s. 409.815, F.S.; establishing requirements for health benefits coverage under the Florida Kidcare program; creating s. 409.816, F.S.; providing for limitations on premiums and cost-sharing; creating s. 409.817, F.S.; providing for approval of health benefits coverage as a condition of financial assistance; creating s. 409.8175, F.S.; authorizing health maintenance organizations and health insurers to reimburse providers in rural counties according to the Medicaid fee schedule; creating 409.8177, F.S.; providing for program evaluation; requiring annual reports; creating s. 409.818, F.S.; providing for program administration; specifying duties of the Department of Children and Family Services, the Department of Health, the Agency for Health Care Administration, the Department of Insurance, and the Florida Healthy Kids Corporation; authorizing certain program modifications related to federal approval; renumbering and amending s. 154.508, F.S., relating to outreach activities to identify low-income, uninsured children; creating s. 409.820, F.S.; requiring the Department of Health to develop standards for quality assurance and program access; establishing performance measures and standards for the Florida Kidcare program; directing the Agency for Health Care Administration to conduct a study of Medicaid presumptive eligibility and report its findings to the Legislature; providing an enrollment ceiling; amending s. 409.904, F.S.; expanding Medicaid optional eligibility to certain children and providing for continuous eligibility; amending s. 409.906, F.S.; authorizing the Agency for Health Care Administration to pay for certain services for the Healthy Start program pursuant to a federal waiver; providing for limitations; amending s. 409.9126, F.S., relating to the provision of Children's Medical Services network services for children with special health care needs; deleting definitions; deleting standards for referral of certain children to the network; providing for certain provider reimbursement; amending s. 624.91, F.S., relating to the Florida Healthy Kids Corporation; providing legislative intent; specifying that the program is not an entitlement; revising standards; providing for competitive bids for health plans; providing additional duties; repealing ss. 391.031 and 391.056, F.S., relating to patient care centers and district children's medical program supervisors; repealing s. 624.92, F.S., relating to application for a Medicaid waiver for funds to expand the Florida Healthy Kids Corporation; providing that the provisions of this act do not apply to certain existing contracts; providing for future repeal and review of ss. 409.810-409.820, F.S., relating to the "Florida Kidcare Act," based on specified changes in federal policy; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. The Agency for Health Care Administration, working jointly with the Department of Health and the Florida Association of Healthy Start Coalitions, is directed to seek a federal waiver to secure matching funds under Title XIX of the Social Security Act for the Healthy Start program. The federal waiver application must seek Medicaid matching funds utilizing appropriated general revenue and local contributions.

Section 2. Section 391.011, Florida Statutes, is amended to read:

391.011 Short title.—~~The provisions of this chapter~~ This act shall be known and may be cited as the “Children’s Medical Services Act.”

Section 3. Section 391.016, Florida Statutes, is amended to read:

391.016 Legislative intent.—The Legislature intends that the Children’s Medical Services program:

(1) Provide to children with special health care needs a family-centered, comprehensive, and coordinated statewide managed system of care that links community-based health care with multidisciplinary, regional, and tertiary pediatric specialty care. The program may provide for the coordination and maintenance of consistency of the medical home for children in families with a Children’s Medical Services program participant, in order to achieve family-centered care finds and declares that there is a need to provide medical services for needy children, particularly those with chronic, crippling or potentially crippling and physically handicapping diseases or conditions, and to provide leadership and direction in promoting, planning, and coordinating children’s medical care programs so that the full development of each child’s potential may be realized.

(2) Provide essential preventive, evaluative, and early intervention services for children at risk for or having special health care needs, in order to prevent or reduce long term disabilities.

(3) Serve as a principal provider for children with special health care needs under Titles XIX and XXI of the Social Security Act.

(4) Be complementary to children’s health training programs essential for the maintenance of a skilled pediatric health care workforce for all Floridians.

Section 4. Section 391.021, Florida Statutes, is amended to read:

391.021 Definitions.—When used in this act, unless the context clearly indicates otherwise:

(1) “Children’s Medical Services network” or “network” means a state-wide managed care service system that includes health care providers, as defined in this section.

(2) “Children with special health care needs” means those children under age 21 years whose serious or chronic physical or developmental conditions require extensive preventive and maintenance care beyond that required by typically healthy children. Health care utilization by these children exceeds

the statistically expected usage of the normal child adjusted for chronological age. These children often need complex care requiring multiple providers, rehabilitation services, and specialized equipment in a number of different settings.

(3)(4) “Department” means the Department of Health.

~~(4)(2) “Eligible individual” means a child with a special health care need or a female of any age with a high-risk pregnancy, or an individual below the age of 21 years who has an organic disease, defect, or condition which may hinder the achievement of his or her normal growth and development, and who meets the financial and medical eligibility standards established in s. 391.029, by the department. In addition, where specific legislative appropriation exists, individuals with long-term chronic diseases, such as cystic fibrosis, which originated during childhood and who received services under this act before the age of 21 years shall continue to be eligible beyond that age.~~

(5) “Health care provider” means a health care professional, health care facility, or entity licensed or certified to provide health services in this state that meets the criteria as established by the department.

~~(6)(3) “Health Medical services” includes the prevention, diagnosis, and treatment of human disease, pain, injury, deformity, or disabling physical conditions.~~

(7) “Participant” means an eligible individual who is enrolled in the Children’s Medical Services program.

(8) “Program” means the Children’s Medical Services program established in the Division of Children’s Medical Services of the department.

Section 5. Section 391.025, Florida Statutes, is created to read:

391.025 Applicability and scope.—

(1) This act applies to health services provided to eligible individuals who are:

(a) Enrolled in the Medicaid program;

(b) Enrolled in the Florida Kidcare program; and

(c) Uninsured or underinsured, provided that they meet the financial eligibility requirements established in this act, and to the extent that resources are appropriated for their care.

(2) The Children’s Medical Services program consists of the following components:

(a) The infant metabolic screening program established in s. 383.14.

(b) The regional perinatal intensive care centers program established in ss. 383.15-383.21.

- (c) A federal or state program authorized by the Legislature.
- (d) The developmental evaluation and intervention program.
- (e) The Children's Medical Services network.

(3) The Children's Medical Services program shall not be deemed an insurer and is not subject to the licensing requirements of the Florida Insurance Code or the rules of the Department of Insurance, when providing services to children who receive Medicaid benefits, other Medicaid-eligible children with special health care needs, and children participating in the Florida Kidcare program. This exemption shall not extend to contractors.

Section 6. Section 391.026, Florida Statutes, is amended to read:

391.026 Powers and duties of the department.—~~To administer its programs of children's medical services,~~ The department shall have the following powers, duties, and responsibilities:

(1) To provide or contract for the provision of health ~~medical~~ services to eligible individuals.

(2) To determine the medical and financial eligibility standards for the program and to determine the medical and financial eligibility of individuals seeking health ~~medical~~ services from the program.

(3) To recommend priorities for the implementation of comprehensive plans and budgets.

(4) To coordinate a comprehensive delivery system for eligible individuals to take maximum advantage of all available ~~federal~~ funds.

(5) To promote, establish, and coordinate programs relating to children's medical services in cooperation with other public and private agencies and to coordinate funding of health care programs with federal, state, or local indigent health care funding mechanisms.

(6) To initiate, coordinate, and request review of applications to federal and state agencies for funds, services, or commodities relating to children's medical programs.

(7) To sponsor or promote grants for projects, programs, education, or research in the field of medical needs of children, with an emphasis on early diagnosis and treatment.

(8) To oversee and operate the Children's Medical Services network ~~contract or be contracted with~~.

(9) To establish reimbursement mechanisms for the Children's Medical Services network ~~standards of eligibility for patients of children's medical services programs~~.

(10) To establish Children's Medical Services network standards and credentialing requirements for health care providers and health care ser-

~~VICES coordinate funding of medical care programs with state or local indigent health care funding mechanisms.~~

~~(11) To serve as a provider and principal case manager for children with special health care needs under Titles XIX and XXI of the Social Security Act establish standards for patient care and facilities.~~

~~(12) To monitor the provision of health services in the program, including the utilization and quality of health services.~~

~~(13) To administer the Children with Special Health Care Needs program in accordance with Title V of the Social Security Act.~~

~~(14) To establish and operate a grievance resolution process for participants and health care providers.~~

~~(15) To maintain program integrity in the Children's Medical Services program.~~

~~(16) To receive and manage health care premiums, capitation payments, and funds from federal, state, local, and private entities for the program.~~

~~(17) To appoint health care consultants for the purpose of providing peer review and making recommendations to enhance the delivery and quality of services in the Children's Medical Services program.~~

~~(18)(12)~~ To make rules to carry out the provisions of this act.

Section 7. Section 391.028, Florida Statutes, is created, and section 391.051, Florida Statutes, is renumbered as subsection (1) of said section and amended, to read:

391.028 Administration.—The Children's Medical Services program shall have a central office and area offices.

~~(1) 391.051—Qualifications of director.—The Director of the Division of for Children's Medical Services must be a physician licensed under chapter 458 or chapter 459 who has specialized training and experience in the provision of health medical care to children and who has recognized skills in leadership and the promotion of children's health programs. The division director for Children's Medical Services shall be the deputy secretary and the Deputy State Health Officer for Children's Medical Services and is appointed by and reports to the secretary.~~

(2) The division director shall designate Children's Medical Services area offices to perform operational activities, including, but not limited to:

(a) Providing case management services for the network.

(b) Providing local oversight of the program.

(c) Determining an individual's medical and financial eligibility for the program.

(d) Participating in the determination of a level of care and medical complexity for long-term care services.

(e) Authorizing services in the program and developing spending plans.

(f) Participating in the development of treatment plans.

(g) Taking part in the resolution of complaints and grievances from participants and health care providers.

(3) Each Children's Medical Services area office shall be directed by a physician licensed under chapter 458 or chapter 459 who has specialized training and experience in the provision of health care to children. The director of a Children's Medical Services area office shall be appointed by the division director from the active panel of Children's Medical Services physician consultants.

Section 8. Section 391.029, Florida Statutes, is created, section 391.046, Florida Statutes, is renumbered as subsection (3) of said section and amended, and section 391.07, Florida Statutes, is renumbered as subsection (4) of said section and amended, to read:

391.029 Program eligibility.—

(1) The department shall establish the medical criteria to determine if an applicant for the Children's Medical Services program is an eligible individual.

(2) The following individuals are financially eligible for the program:

(a) A high-risk pregnant female who is eligible for Medicaid.

(b) A child with special health care needs from birth to age 21 years who is eligible for Medicaid.

(c) A child with special health care needs from birth to age 19 years who is eligible for a program under Title XXI of the Social Security Act.

(d) A child with special health care needs from birth to age 21 years whose projected annual cost of care adjusts the family income to Medicaid financial criteria. In cases where the family income is adjusted based on a projected annual cost of care, the family shall participate financially in the cost of care based on criteria established by the department.

(e) A child with special health care needs as defined in Title V of the Social Security Act relating to children with special health care needs.

The department may continue to serve certain children with special health care needs who are 21 years of age or older and who were receiving services from the program prior to April 1, 1998. Such children may be served by the department until July 1, 2000.

(3) 391.046 Financial determination.—The department shall determine the financial and medical eligibility of children for the program. The depart-

ment shall also determine ~~ability of individuals seeking medical services, or~~ the financial ability of the parents, or persons or other agencies having legal custody over such individuals, to pay the costs of ~~health such medical services under the program~~. The department may pay reasonable travel expenses related to the determination of eligibility for or the provision of ~~health medical services~~.

(4) ~~391.07 Indigent and semi-indigent cases.~~—Any child who has been provided with surgical or medical care or treatment under this act prior to being adopted shall continue to be eligible to be provided with such care or treatment after his or her adoption, regardless of the financial ability of the persons adopting the child.

Section 9. Section 391.031, Florida Statutes, is created to read:

391.031 Benefits.—Benefits provided under the program shall be the same benefits provided to children as specified in ss. 409.905 and 409.906. The department may offer additional benefits for early intervention services, respite services, genetic testing, genetic and nutritional counseling, and parent support services, if such services are determined to be medically necessary. No child or person determined eligible for the program who is eligible under Title XIX or Title XXI of the Social Security Act shall receive any service other than an initial health care screening or treatment of an emergency medical condition as defined in s. 395.002, until such child or person is enrolled in Medicaid or a Title XXI program.

Section 10. Section 391.035, Florida Statutes, is created, section 391.036, Florida Statutes, is renumbered as subsection (2) of said section and amended, and section 391.041, Florida Statutes, is renumbered as subsection (3) of said section and amended, to read:

391.035 Provider qualifications.—

(1) The department shall establish the criteria to designate health care providers to participate in the Children's Medical Services network. The department shall follow, whenever available, national guidelines for selecting health care providers to serve children with special health care needs.

(2) ~~391.036 Medical services providers; qualifications.~~—The department shall require that all health care providers under contract with the program of medical services under this act be duly licensed in the state, if such licensure is available, and meet such criteria as may be established by the department.

(3) ~~391.041 Services to other state or local programs or institutions.~~—The department may initiate agreements with other state or local governmental programs or institutions for the coordination of ~~health medical care~~ to eligible individuals receiving services from such programs or institutions.

Section 11. Section 391.045, Florida Statutes, is created to read:

391.045 Reimbursement.—

(1) The department shall reimburse health care providers for services rendered through the Children's Medical Services network using cost-effective methods, including, but not limited to, capitation, discounted fee-for-service, unit costs, and cost reimbursement. Medicaid reimbursement rates shall be utilized to the maximum extent possible, where applicable.

(2) Reimbursement to the Children's Medical Services program for services provided to children with special health care needs who participate in the Florida Kidcare program and who are not Medicaid recipients shall be on a capitated basis.

Section 12. Section 391.047, Florida Statutes, is created to read:

391.047 Responsibility for payments on behalf of Children's Medical Services program participants when other parties are liable.—The Children's Medical Services program shall comply with s. 402.24, concerning third-party liabilities and recovery of third-party payments for health services.

Section 13. Section 391.055, Florida Statutes, is created to read:

391.055 Service delivery systems.—

(1) The program shall apply managed care methods to ensure the efficient operation of the Children's Medical Services network. Such methods include, but are not limited to, capitation payments, utilization management and review, prior authorization, and case management.

(2) The components of the network are:

(a) Qualified primary care physicians who shall serve as the gatekeepers and who shall be responsible for the provision or authorization of health services to an eligible individual who is enrolled in the Children's Medical Services network.

(b) Comprehensive specialty care arrangements that meet the requirements of s. 391.035 to provide acute care, specialty care, long-term care, and chronic disease management for eligible individuals.

(c) Case management services.

(3) The Children's Medical Services network may contract with school districts participating in the certified school match program pursuant to ss. 236.0812 and 409.908(21) for the provision of school-based services, as provided for in s. 409.9071, for Medicaid-eligible children who are enrolled in the Children's Medical Services network.

Section 14. Section 391.065, Florida Statutes, is created to read:

391.065 Health care provider agreements.—The department is authorized to establish health care provider agreements for participation in the Children's Medical Services program.

Section 15. Section 391.071, Florida Statutes, is created to read:

391.071 Quality of care requirements.—The Children’s Medical Services program shall develop quality of care and service integration standards and reporting requirements for health care providers that participate in the Children’s Medical Services program. The program shall ensure that these standards are not duplicative of other standards and requirements for health care providers.

Section 16. Section 391.081, Florida Statutes, is created to read:

391.081 Grievance reporting and resolution requirements.—The department shall adopt and implement a system to provide assistance to eligible individuals and health care providers to resolve complaints and grievances. To the greatest extent possible, the department shall use existing grievance reporting and resolution processes. The department shall ensure that the system developed for the Children’s Medical Services program does not duplicate existing grievance reporting and resolution processes.

Section 17. Section 391.095, Florida Statutes, is created to read:

391.095 Program integrity.—The department shall operate a system to oversee the activities of Children’s Medical Services program participants, and health care providers and their representatives, to prevent fraudulent and abusive behavior, overutilization and duplicative utilization, and neglect of participants and to recover overpayments as appropriate. For the purposes of this section, the terms “abuse” and “fraud” have the meanings provided in s. 409.913. The department shall refer incidents of suspected fraud and abuse, and overutilization and duplicative utilization, to the appropriate regulatory agency.

Section 18. Section 391.061, Florida Statutes, is renumbered as section 391.097, Florida Statutes, and is amended to read:

391.097 ~~391.061~~ Research and evaluation.—

(1) The department may initiate, fund, and conduct research and evaluation projects to improve the delivery of children’s medical services. The department may cooperate with public and private agencies engaged in work of a similar nature.

(2) The Children’s Medical Services network shall be included in any evaluation conducted in accordance with the provisions of Title XXI of the Social Security Act as enacted by the Legislature.

Section 19. Sections 391.201 through 391.217, Florida Statutes, are renumbered as sections 400.901 through 400.917, Florida Statutes, and designated as part IX of chapter 400, Florida Statutes.

Section 20. Section 391.206, Florida Statutes, is renumbered as section 400.906, Florida Statutes, and subsection (1) of said section is amended to read:

400.906 ~~391.206~~ Initial application for license.—

(1) Application for a license shall be made to the agency on forms furnished by it and shall be accompanied by the appropriate license fee unless the applicant is exempt from payment of the fee as provided in s. 400.905 391.205.

Section 21. Section 391.217, Florida Statutes, is renumbered as section 400.917, Florida Statutes, and amended to read:

400.917 391.217 Disposition of moneys from fines and fees.—All moneys received from administrative fines pursuant to s. 400.908 391.208 and all moneys received from fees collected pursuant to s. 400.905 391.205 shall be deposited in the Health Care Trust Fund created in s. 408.16 455.2205.

Section 22. Sections 391.221, 391.222, and 391.223, Florida Statutes, as created by this act, are designated as part II of chapter 391, Florida Statutes, entitled “Children’s Medical Services Councils and Panels.”

Section 23. Section 391.221, Florida Statutes, is created to read:

391.221 Statewide Children’s Medical Services Network Advisory Council.—

(1) The secretary of the department may appoint a Statewide Children’s Medical Services Network Advisory Council for the purpose of acting as an advisory body to the department. Specifically, the duties of the council shall include, but not be limited to:

(a) Recommending standards and credentialing requirements for health care providers rendering health services to Children’s Medical Services network participants.

(b) Making recommendations to the Director of the Division of Children’s Medical Services concerning the selection of health care providers for the Children’s Medical Services network.

(c) Reviewing and making recommendations concerning network health care provider or participant disputes that are brought to the attention of the advisory council.

(d) Providing input to the Children’s Medical Services program on the policies governing the Children’s Medical Services network.

(e) Reviewing the financial reports and financial status of the network and making recommendations concerning the methods of payment and cost controls for the network.

(f) Reviewing and recommending the scope of benefits for the network.

(g) Reviewing network performance measures and outcomes and making recommendations for improvements to the network and its maintenance and collection of data and information.

(2) The council shall be composed of 12 members representing the private health care provider sector, families with children who have special health

care needs, the Agency for Health Care Administration, the Department of Insurance, the Florida Chapter of the American Academy of Pediatrics, an academic health center pediatric program, and the health insurance industry. Members shall be appointed for 4-year, staggered terms. In no case shall an employee of the Department of Health serve as a member or as an ex officio member of the advisory council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may not be appointed to more than two consecutive terms. However, a member may be reappointed after being off the council for at least 2 years.

(3) Members shall receive no compensation, but shall be reimbursed for per diem and travel expenses in accordance with the provisions of s. 112.061.

Section 24. Section 391.091, Florida Statutes, is renumbered as section 391.222, Florida Statutes, and amended to read:

391.222 ~~391.091~~ Cardiac Advisory Council.—

(1)(a) The secretary of the department may appoint a Cardiac Advisory Council for the purpose of acting as the advisory body to the Division of Children's Medical Services Program Office in the delivery of cardiac services to children. Specifically, the duties of the council shall include, but not be limited to:

(a)1. Recommending standards for personnel and facilities rendering cardiac services for the Division of Children's Medical Services;

(b)2. Receiving reports of the periodic review of cardiac personnel and facilities to determine if established standards for the Division of Children's Medical Services cardiac services are met;

(c)3. Making recommendations to the division ~~Children's Medical Services staff~~ director as to the approval or disapproval of reviewed personnel and facilities;

(d)4. Making recommendations as to the intervals for reinspection of approved personnel and facilities; and

(e)5. Providing input to the Division of Children's Medical Services on all aspects of Children's Medical Services cardiac programs, including the rule-making process.

(2) The council shall be composed of eight members with technical expertise in cardiac medicine. Members shall be appointed for 4-year, staggered terms. In no case shall an employee of the Department of Health serve as a member or as an ex officio member of the advisory council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may not be appointed to more than two consecutive terms. However, a member may be reappointed after being off the council for at least 2 years.

(3)(b) Members shall receive no compensation, but shall be reimbursed for per diem and travel expenses in accordance with the provisions of s. 112.061.

(2) ~~The Cardiac Advisory Council shall meet at the call of the chair, at the request of a majority of its membership, or at the call of the staff director of the Children's Medical Services Program Office, but no more frequently than quarterly. Minutes shall be recorded for all meetings of such council and shall be kept on file in the Children's Medical Services Program Office.~~

(3) ~~No later than December 1 of each year preceding a legislative session in which a biennial budget will be adopted, the department shall present a summary report to the President of the Senate and the Speaker of the House of Representatives documenting compliance with this act and the accomplishments and expenditures of the Cardiac Advisory Council.~~

Section 25. Section 391.223, Florida Statutes, is created to read:

391.223 Technical advisory panels.—The secretary of the department may establish technical advisory panels to assist the Division of Children's Medical Services in developing specific policies and procedures for the Children's Medical Services program.

Section 26. Section 391.301, Florida Statutes, is amended to read:

391.301 Developmental evaluation and intervention programs; legislative findings and intent.—

(1) The Legislature finds that the high-risk and disabled newborn infants in this state need in-hospital and outpatient developmental evaluation and intervention and that their families need training and support services. The Legislature further finds that there is an identifiable and increasing number of infants who need developmental evaluation and intervention and family support due to the fact that increased numbers of low-birthweight and sick full-term newborn infants are now surviving because of ~~due to~~ the advances in neonatal intensive care medicine; increased numbers of medically involved infants are remaining inappropriately in hospitals because their parents lack the confidence or skills to care for these infants without support; and increased numbers of infants are at risk due to parent risk factors, such as substance abuse, teenage pregnancy, and other high-risk conditions.

(2) It is the intent of the Legislature to establish developmental evaluation and intervention ~~services programs~~ services at all hospitals providing Level II or Level III neonatal intensive care services, in order that families with high-risk or disabled infants may gain the services and skills they need to support their infants.

(3) It is the intent of the Legislature to provide a statewide coordinated program to screen, diagnose, and manage high-risk infants identified as hearing-impaired. The program shall develop criteria to identify infants who are at risk of having hearing impairments, and shall ensure that all parents or guardians of newborn infants are provided with materials regarding hearing impairments prior to discharge of the newborn infants from the hospital.

(4) It is the intent of the Legislature that a methodology be developed to integrate information on infants with potentially disabling conditions with

other early intervention programs, including Part C of Pub. L. No. 105-17 and the reporting system to be established under the Healthy Start program.

Section 27. Section 391.303, Florida Statutes, is amended to read:

391.303 Program requirements.—

(1) ~~A Developmental evaluation and intervention services program shall be established at each hospital that provides Level II or Level III neonatal intensive care services. Program services shall be made available to an infant or toddler identified as being at risk for developmental disabilities, or identified as medically involved, who, along with his or her family, would benefit from program services. Program services shall be made available to infants or toddlers in a Level II or Level III neonatal intensive care unit or in a pediatric intensive care unit, infants who are identified as being at high risk for hearing impairment or who are hearing-impaired, or infants who have a metabolic or genetic disorder. The developmental evaluation and intervention programs are subject to the availability of moneys and the limitations established by the General Appropriations Act or chapter 216. Hearing screening, evaluation and referral services, and initial developmental assessments services shall be provided to each infant or toddler. Other program services may be provided to an infant or toddler, and the family of the infant or toddler, who do not meet the financial eligibility criteria for the Children's Medical Services program based on the availability of funding, including insurance and fees.~~

(2) Each developmental evaluation and intervention program shall have a program director, a medical director, and necessary staff to carry out the program. The program director shall establish and coordinate the developmental evaluation and intervention program. The program shall include, but is not limited to:

(a) In-hospital evaluation and intervention services, parent support and training, and family support planning and case management.

(b) Screening and evaluation services to identify each infant at risk of hearing impairment, and a medical and educational followup and care management program for an infant who is identified as hearing-impaired, with management beginning as soon after birth as practicable. The medical management program must include the genetic evaluation of an infant suspected to have genetically determined deafness and an evaluation of the relative risk.

(c) Regularly held multidisciplinary team meetings to develop and update the family support plan. In addition to the family, a multidisciplinary team may include a physician, physician assistant, psychologist, psychotherapist, educator, social worker, nurse, physical or occupational therapist, speech pathologist, developmental evaluation and intervention program director, case manager, and others who are involved with the in-hospital and posthospital discharge care plan, and anyone the family wishes to include as a member of the team. The family support plan is a written plan that describes the infant or toddler, ~~and the therapies and services the infant or~~

toddler and his or her family need, and the intended outcomes of the services.

(d) Discharge planning by the multidisciplinary team, including referral and followup to primary medical care and modification of the family support plan.

(e) Education and training for neonatal and pediatric intensive care services staff, volunteers, and others, as needed, in order to expand the services provided to high-risk, developmentally disabled, medically involved, or hearing-impaired infants and toddlers and their families.

(f) Followup intervention services after hospital discharge, to aid the family and the high-risk, developmentally disabled, medically involved, or hearing-impaired infant's or toddler's transition into the community. ~~These services shall include, but are not limited to, home intervention services and other intervention services, both contractual and voluntary.~~ Support services shall be coordinated at the request of the family and within the context of the family support plan.

(g) Referral to and coordination of services with community providers.

(h) Educational materials about infant care, infant growth and development, community resources, medical conditions and treatments, and family advocacy. Materials regarding hearing impairments shall be provided to each parent or guardian of a hearing-impaired infant or toddler.

(i) Involvement of the parents and guardians of each identified high-risk, developmentally disabled, medically involved, or hearing-impaired infant or toddler.

Section 28. Paragraph (a) of subsection (1) of section 391.304, Florida Statutes, is amended to read:

391.304 Program coordination.—

(1) The Department of Health shall:

(a) Coordinate with the Department of Education, ~~the Offices of Prevention, Early Assistance, and Child Development,~~ the Florida Interagency Coordinating Council for Infants and Toddlers, and the State Coordinating Council for Early Childhood Services in planning and administering ss. 391.301-391.307. This coordination shall be in accordance with s. 411.222.

Section 29. Subsection (1) of section 391.305, Florida Statutes, is amended to read:

391.305 Program standards; rules.—The Department of Health shall adopt rules for the administration of the developmental evaluation and intervention program. The rules shall specify standards for the development and operation of the program, including, but not limited to:

(1) Standards governing the eligibility need for program services and the requirements of the population to be served.

Section 30. Subsection (1) of section 391.307, Florida Statutes, is amended to read:

391.307 Program review.—

(1) At least annually during the contract period, the Department of Health shall evaluate each developmental evaluation and intervention program. The department shall develop criteria to evaluate child and family outcomes ~~patient outcome~~, program participation, service coordination ~~case management~~, and program effectiveness.

Section 31. Subsection (13) of section 408.701, Florida Statutes, is amended to read:

408.701 Community health purchasing; definitions.—As used in ss. 408.70-408.706, the term:

(13) “Health care provider” or “provider” means a state-licensed or state-authorized facility, a facility principally supported by a local government or by funds from a charitable organization that holds a current exemption from federal income tax under s. 501(c)(3) of the Internal Revenue Code, a licensed practitioner, a county health department established under part I of chapter 154, ~~a patient care center described in s. 391.031~~, a prescribed pediatric extended care center defined in s. 400.902 ~~391.202~~, a federally supported primary care program such as a migrant health center or a community health center authorized under s. 329 or s. 330 of the United States Public Health Services Act that delivers health care services to individuals, or a community facility that receives funds from the state under the Community Alcohol, Drug Abuse, and Mental Health Services Act and provides mental health services to individuals.

Section 32. Section 409.810, Florida Statutes, is created to read:

409.810 Short title.—Sections 409.810-409.820 may be cited as the “Florida Kidcare Act.”

Section 33. Section 409.811, Florida Statutes, is created to read:

409.811 Definitions.—As used in ss. 409.810-409.820, the term:

(1) “Actuarially equivalent” means that:

(a) The aggregate value of the benefits included in health benefits coverage is equal to the value of the benefits in the benchmark benefit plan; and

(b) The benefits included in health benefits coverage are substantially similar to the benefits included in the benchmark benefit plan, except that preventive health services must be the same as in the benchmark benefit plan.

(2) “Agency” means the Agency for Health Care Administration.

(3) “Applicant” means a parent or guardian of a child or a child whose disability of nonage has been removed under chapter 743, who applies for

determination of eligibility for health benefits coverage under ss. 409.810-409.820.

(4) "Benchmark benefit plan" means the form and level of health benefits coverage established in s. 409.815.

(5) "Child" means any person under 19 years of age.

(6) "Child with special health care needs" means a child whose serious or chronic physical or developmental condition requires extensive preventive and maintenance care beyond that required by typically healthy children. Health care utilization by such a child exceeds the statistically expected usage of the normal child adjusted for chronological age, and such a child often needs complex care requiring multiple providers, rehabilitation services, and specialized equipment in a number of different settings.

(7) "Children's Medical Services network" or "network" means a state-wide managed care service system as defined in s. 391.021(1).

(8) "Community rate" means a method used to develop premiums for a health insurance plan that spreads financial risk across a large population and allows adjustments only for age, gender, family composition, and geographic area.

(9) "Department" means the Department of Health.

(10) "Enrollee" means a child who has been determined eligible for and is receiving coverage under ss. 409.810-409.820.

(11) "Enrollment ceiling" means the maximum number of children receiving premium assistance payments, excluding children enrolled in Medicaid, that may be enrolled at any time in the Florida Kidcare program. The maximum number shall be established annually in the General Appropriations Act or by general law.

(12) "Family" means the group or the individuals whose income is considered in determining eligibility for the Florida Kidcare program. The family includes a child with a custodial parent or caretaker relative who resides in the same house or living unit or, in the case of a child whose disability of nonage has been removed under chapter 743, the child. The family may also include other individuals whose income and resources are considered in whole or in part in determining eligibility of the child.

(13) "Family income" means cash received at periodic intervals from any source, such as wages, benefits, contributions, or rental property. Income also may include any money that would have been counted as income under the Aid to Families with Dependent Children (AFDC) state plan in effect prior to August 22, 1996.

(14) "Guarantee issue" means that health benefits coverage must be offered to an individual regardless of the individual's health status, preexisting condition, or claims history.

(15) “Health benefits coverage” means protection that provides payment of benefits for covered health care services or that otherwise provides, either directly or through arrangements with other persons, covered health care services on a prepaid per capita basis or on a prepaid aggregate fixed-sum basis.

(16) “Health insurance plan” means health benefits coverage under the following:

(a) A health plan offered by any certified health maintenance organization or authorized health insurer, except a plan that is limited to the following: a limited benefit, specified disease, or specified accident; hospital indemnity; accident only; limited benefit convalescent care; Medicare supplement; credit disability; dental; vision; long-term care; disability income; coverage issued as a supplement to another health plan; workers’ compensation liability or other insurance; or motor vehicle medical payment only; or

(b) An employee welfare benefit plan that includes health benefits established under the Employee Retirement Income Security Act of 1974, as amended.

(17) “Medicaid” means the medical assistance program authorized by Title XIX of the Social Security Act, and regulations thereunder, and ss. 409.901-409.920, as administered in this state by the agency.

(18) “Medically necessary” means the use of any medical treatment, service, equipment, or supply necessary to palliate the effects of a terminal condition, or to prevent, diagnose, correct, cure, alleviate, or preclude deterioration of a condition that threatens life, causes pain or suffering, or results in illness or infirmity and which is:

(a) Consistent with the symptom, diagnosis, and treatment of the enrollee’s condition;

(b) Provided in accordance with generally accepted standards of medical practice;

(c) Not primarily intended for the convenience of the enrollee, the enrollee’s family, or the health care provider;

(d) The most appropriate level of supply or service for the diagnosis and treatment of the enrollee’s condition; and

(e) Approved by the appropriate medical body or health care specialty involved as effective, appropriate, and essential for the care and treatment of the enrollee’s condition.

(19) “Medikids” means a component of the Florida Kidcare program of medical assistance authorized by Title XXI of the Social Security Act, and regulations thereunder, and s. 409.8132, as administered in the state by the agency.

(20) “Preexisting condition exclusion” means, with respect to coverage, a limitation or exclusion of benefits relating to a condition based on the fact

that the condition was present before the date of enrollment for such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

(21) "Premium" means the entire cost of a health insurance plan, including the administration fee or the risk assumption charge.

(22) "Premium assistance payment" means the monthly consideration paid by the agency per enrollee in the Florida Kidcare program towards health insurance premiums.

(23) "Program" means the Florida Kidcare program, the medical assistance program authorized by Title XXI of the Social Security Act as part of the federal Balanced Budget Act of 1997.

(24) "Qualified alien" means an alien as defined in s. 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended, Pub. L. No. 104-193.

(25) "Resident" means a United States citizen, or qualified alien, who is domiciled in this state.

(26) "Rural county" means a county having a population density of less than 100 persons per square mile, or a county defined by the most recent United States Census as rural, in which there is no prepaid health plan participating in the Medicaid program as of July 1, 1998.

(27) "Substantially similar" means that, with respect to additional services as defined in s. 2103(c)(2) of Title XXI of the Social Security Act, these services must have an actuarial value equal to at least 75 percent of the actuarial value of the coverage for that service in the benchmark benefit plan and, with respect to the basic services as defined in s. 2103(c)(1) of Title XXI of the Social Security Act, these services must be the same as the services in the benchmark benefit plan.

Section 34. Section 409.812, Florida Statutes, is created to read:

409.812 Program created; purpose.—The Florida Kidcare program is created to provide a defined set of health benefits to previously uninsured, low-income children through the establishment of a variety of affordable health benefits coverage options from which families may select coverage and through which families may contribute financially to the health care of their children.

Section 35. Section 409.813, Florida Statutes, is created to read:

409.813 Program components; entitlement and nonentitlement.—The Florida Kidcare program includes health benefits coverage provided to children through:

(1) Medicaid;

(2) Medikids as created in s. 409.8132;

(3) The Florida Healthy Kids Corporation as created in s. 624.91;

(4) Employer-sponsored group health insurance plans approved under ss. 409.810-409.820; and

(5) The Children's Medical Services network established in chapter 391.

Except for coverage under the Medicaid program, coverage under the Florida Kidcare program is not an entitlement. No cause of action shall arise against the state, the department, the Department of Children and Family Services, or the agency for failure to make health services available to any person under ss. 409.810-409.820.

Section 36. Section 409.8132, Florida Statutes, is created to read:

409.8132 Medikids program component.—

(1) PROGRAM COMPONENT CREATED; PURPOSE.—The Medikids program component is created in the Agency for Health Care Administration to provide health care services under the Florida Kidcare program to eligible children using the administrative structure and provider network of the Medicaid program.

(2) ADMINISTRATION.—The director of the agency shall appoint an administrator of the Medikids program component, which shall be located in the Division of State Health Purchasing. The Agency for Health Care Administration is designated as the state agency authorized to make payments for medical assistance and related services for the Medikids program component of the Florida Kidcare program. Payments shall be made, subject to any limitations or directions in the General Appropriations Act, only for covered services provided to eligible children by qualified health care providers under the Florida Kidcare program.

(3) INSURANCE LICENSURE NOT REQUIRED.—The Medikids program component shall not be subject to the licensing requirements of the Florida Insurance Code or rules of the Department of Insurance.

(4) APPLICABILITY OF LAWS RELATING TO MEDICAID.—The provisions of ss. 409.902, 409.905, 409.906, 409.907, 409.908, 409.910, 409.912, 409.9121, 409.9122, 409.9123, 409.9124, 409.9127, 409.9128, 409.913, 409.916, 409.919, 409.920, and 409.9205 apply to the administration of the Medikids program component of the Florida Kidcare program, except that s. 409.9122 applies to Medikids as modified by the provisions of subsection (7).

(5) BENEFITS.—Benefits provided under the Medikids program component shall be the same benefits provided to children as specified in ss. 409.905 and 409.906.

(6) ELIGIBILITY.—

(a) A child who is under the age of 5 years is eligible to enroll in the Medikids program component of the Florida Kidcare program, if the child

is a member of a family that has a family income which exceeds the Medicaid applicable income level as specified in s. 409.903, but which is equal to or below 200 percent of the current federal poverty level. In determining the eligibility of such a child, an assets test is not required. A child who is eligible for Medikids may elect to enroll in Florida Healthy Kids coverage or employer-sponsored group coverage. However, a child who is eligible for Medikids may participate in the Florida Healthy Kids program only if the child has a sibling participating in the Florida Healthy Kids program and the child's county of residence permits such enrollment.

(b) The provisions of s. 409.814(3), (4), and (5) shall be applicable to the Medikids program.

(7) ENROLLMENT.—Enrollment in the Medikids program component may only occur during periodic open enrollment periods as specified by the agency. During the first 12 months of the program, there shall be at least one, but no more than three, open enrollment periods. The initial open enrollment period shall be for 90 days, and subsequent open enrollment periods during the first year of operation of the program shall be for 30 days. After the first year of the program, the agency shall determine the frequency and duration of open enrollment periods. An applicant may apply for enrollment in the Medikids program component and proceed through the eligibility determination process at any time throughout the year. However, enrollment in Medikids shall not begin until the next open enrollment period; and a child may not receive services under the Medikids program until the child is enrolled in a managed care plan or MediPass. In addition, once determined eligible, an applicant may receive choice counseling and select a managed care plan or MediPass. An applicant may select MediPass under the Medikids program component only in counties that have fewer than two managed care plans available to serve Medicaid recipients and only if the federal Health Care Financing Administration determines that MediPass constitutes "health insurance coverage" as defined in Title XXI of the Social Security Act.

(8) SPECIAL ENROLLMENT PERIODS.—The agency shall establish a special enrollment period of 30 days' duration for any newborn child who is eligible for Medikids, or for any child who is enrolled in Medicaid if such child loses Medicaid eligibility and becomes eligible for Medikids, or for any child who is enrolled in Medikids if such child moves to another county that is not within the coverage area of the child's Medikids managed care plan or MediPass provider.

(9) PENALTIES FOR VOLUNTARY CANCELLATION.—The agency shall establish enrollment criteria that must include penalties or waiting periods of not fewer than 60 days for reinstatement of coverage upon voluntary cancellation for nonpayment of premiums.

Section 37. Section 409.8134, Florida Statutes, is created to read:

409.8134 Program enrollment and expenditure ceilings.—

(1) Except for the Medicaid program, a ceiling shall be placed on annual federal and state expenditures and on enrollment in the Florida Kidcare

program as provided each year in the General Appropriations Act. The agency, in consultation with the Department of Health, may propose to increase the enrollment ceiling in accordance with chapter 216.

(2) Except for the Medicaid program, whenever the Social Services Estimating Conference determines that there is presently, or will be by the end of the current fiscal year, insufficient funds to finance the current or projected enrollment in the Florida Kidcare program, all additional enrollment must cease and additional enrollment may not resume until sufficient funds are available to finance such enrollment.

(3) The agency shall collect and analyze the data needed to project Florida Kidcare program enrollment, including participation rates, caseloads, and expenditures. The agency shall report the caseload and expenditure trends to the Social Services Estimating Conference in accordance with chapter 216.

Section 38. Section 409.8135, Florida Statutes, is created to read:

409.8135 Behavioral health services.—In order to ensure a high level of integration of physical and behavioral health care and to meet the more intensive treatment needs of enrollees with the most serious emotional disturbances or substance abuse problems, the Department of Health shall contract with the Department of Children and Family Services to provide behavioral health services to non-Medicaid-eligible children with special health care needs. The Department of Children and Family Services, in consultation with the Department of Health and the agency, is authorized to establish the following:

(1) The scope of behavioral health services, including duration and frequency.

(2) Clinical guidelines for referral to behavioral health services.

(3) Behavioral health services standards.

(4) Performance-based measures and outcomes for behavioral health services.

(5) Practice guidelines for behavioral health services to ensure cost-effective treatment and to prevent unnecessary expenditures.

(6) Rules to implement this section.

Section 39. Section 409.814, Florida Statutes, is created to read:

409.814 Eligibility.—A child whose family income is equal to or below 200 percent of the federal poverty level is eligible for the Florida Kidcare program as provided in this section. In determining the eligibility of such a child, an assets test is not required.

(1) A child who is eligible for Medicaid coverage under s. 409.903 or s. 409.904 must be enrolled in Medicaid and is not eligible to receive health

benefits under any other health benefits coverage authorized under ss. 409.810-409.820.

(2) A child who is not eligible for Medicaid, but who is eligible for the Florida Kidcare program, may obtain coverage under any of the other types of health benefits coverage authorized in ss. 409.810-409.820 if such coverage is approved and available in the county in which the child resides. However, a child who is eligible for Medikids may participate in the Florida Healthy Kids program only if the child has a sibling participating in the Florida Healthy Kids program and the child's county of residence permits such enrollment.

(3) A child who is eligible for the Florida Kidcare program who is a child with special health care needs, as determined through a risk-screening instrument, is eligible for health benefits coverage from and may be referred to the Children's Medical Services network.

(4) The following children are not eligible to receive premium assistance for health benefits coverage under ss. 409.810-409.820, except under Medicaid if the child would have been eligible for Medicaid under s. 409.903 or s. 409.904 as of June 1, 1997:

(a) A child who is eligible for coverage under a state health benefit plan on the basis of a family member's employment with a public agency in the state;

(b) A child who is covered under a group health benefit plan or under other health insurance coverage, excluding coverage provided under the Florida Healthy Kids Corporation as established under s. 624.91;

(c) A child who is seeking premium assistance for employer-sponsored group coverage, if the child has been covered by the same employer's group coverage during the 6 months prior to the family's submitting an application for determination of eligibility under the Florida Kidcare program;

(d) A child who is an alien, but who does not meet the definition of qualified alien, in the United States; or

(e) A child who is an inmate of a public institution or a patient in an institution for mental diseases.

(5) A child whose family income is above 200 percent of the federal poverty level or a child who is excluded under the provisions of subsection (4) may participate in the Florida Kidcare program, excluding the Medicaid program, but is subject to the following provisions:

(a) The family is not eligible for premium assistance payments and must pay the full cost of the premium, including any administrative costs.

(b) The agency is authorized to place limits on enrollment in Medikids by these children in order to avoid adverse selection. The number of children participating in Medikids whose family income exceeds 200 percent of the federal poverty level must not exceed 10 percent of total enrollees in the Medikids program.

(c) The board of directors of the Florida Healthy Kids Corporation is authorized to place limits on enrollment of these children in order to avoid adverse selection. In addition, the board is authorized to offer a reduced benefit package to these children in order to limit program costs for such families. The number of children participating in the Florida Healthy Kids program whose family income exceeds 200 percent of the federal poverty level must not exceed 10 percent of total enrollees in the Florida Healthy Kids program.

(d) Children described in this subsection are not counted in the annual enrollment ceiling for the Florida Kidcare program.

(6) Once a child is determined eligible for the Florida Kidcare program, the child is eligible for coverage under the program for 6 months without a redetermination or reverification of eligibility, if the family continues to pay the applicable premium. Effective January 1, 1999, a child who has not attained the age of 5 and who has been determined eligible for the Medicaid program is eligible for coverage for 12 months without a redetermination or reverification of eligibility.

Section 40. Section 409.815, Florida Statutes, is created to read:

409.815 Health benefits coverage; limitations.—

(1) MEDICAID BENEFITS.—For purposes of the Florida Kidcare program, benefits available under Medicaid and Medikids include those goods and services provided under the medical assistance program authorized by Title XIX of the Social Security Act, and regulations thereunder, as administered in this state by the agency. This includes those mandatory Medicaid services authorized under s. 409.905 and optional Medicaid services authorized under s. 409.906, rendered on behalf of eligible individuals by qualified providers, in accordance with federal requirements for Title XIX, subject to any limitations or directions provided for in the General Appropriations Act or chapter 216, and according to methodologies and limitations set forth in agency rules and policy manuals and handbooks incorporated by reference thereto.

(2) BENCHMARK BENEFITS.—In order for health benefits coverage to qualify for premium assistance payments for an eligible child under ss. 409.810-409.820, the health benefits coverage, except for coverage under Medicaid and Medikids, must include the following minimum benefits, as medically necessary.

(a) Preventive health services.—Covered services include:

1. Well-child care, including services recommended in the Guidelines for Health Supervision of Children and Youth as developed by the American Academy of Pediatrics;

2. Immunizations and injections;

3. Health education counseling and clinical services;

4. Vision screening; and
5. Hearing screening.

(b) Inpatient hospital services.—All covered services provided for the medical care and treatment of an enrollee who is admitted as an inpatient to a hospital licensed under part I of chapter 395, with the following exceptions:

1. All admissions must be authorized by the enrollee's health benefits coverage provider.
2. The length of the patient stay shall be determined based on the medical condition of the enrollee in relation to the necessary and appropriate level of care.
3. Room and board may be limited to semiprivate accommodations, unless a private room is considered medically necessary or semiprivate accommodations are not available.
4. Admissions for rehabilitation and physical therapy are limited to 15 days per contract year.

(c) Emergency services.—Covered services include visits to an emergency room or other licensed facility if needed immediately due to an injury or illness and delay means risk of permanent damage to the enrollee's health. Health maintenance organizations shall comply with the provisions of s. 641.513.

(d) Maternity services.—Covered services include maternity and newborn care, including prenatal and postnatal care, with the following limitations:

1. Coverage may be limited to the fee for vaginal deliveries; and
2. Initial inpatient care for newborn infants of enrolled adolescents shall be covered, including normal newborn care, nursery charges, and the initial pediatric or neonatal examination, and the infant may be covered for up to 3 days following birth.

(e) Organ transplantation services.—Covered services include pretransplant, transplant, and postdischarge services and treatment of complications after transplantation for transplants deemed necessary and appropriate within the guidelines set by the Organ Transplant Advisory Council under s. 381.0602 or the Bone Marrow Transplant Advisory Panel under s. 627.4236.

(f) Outpatient services.—Covered services include preventive, diagnostic, therapeutic, palliative care, and other services provided to an enrollee in the outpatient portion of a health facility licensed under chapter 395, except for the following limitations:

1. Services must be authorized by the enrollee's health benefits coverage provider; and

2. Treatment for temporomandibular joint disease (TMJ) is specifically excluded.

(g) Behavioral health services.—

1. Mental health benefits include:

a. Inpatient services, limited to not more than 30 inpatient days per contract year for psychiatric admissions, or residential services in facilities licensed under s. 394.875(8) or s. 395.003 in lieu of inpatient psychiatric admissions; however, a minimum of 10 of the 30 days shall be available only for inpatient psychiatric services when authorized by a physician; and

b. Outpatient services, including outpatient visits for psychological or psychiatric evaluation, diagnosis, and treatment by a licensed mental health professional, limited to a maximum of 40 outpatient visits each contract year.

2. Substance abuse services include:

a. Inpatient services, limited to not more than 7 inpatient days per contract year for medical detoxification only and 30 days of residential services; and

b. Outpatient services, including evaluation, diagnosis, and treatment by a licensed practitioner, limited to a maximum of 40 outpatient visits per contract year.

(h) Durable medical equipment.—Covered services include equipment and devices that are medically indicated to assist in the treatment of a medical condition and specifically prescribed as medically necessary, with the following limitations:

1. Low-vision and telescopic aides are not included.

2. Corrective lenses and frames may be limited to one pair every 2 years, unless the prescription or head size of the enrollee changes.

3. Hearing aids shall be covered only when medically indicated to assist in the treatment of a medical condition.

4. Covered prosthetic devices include artificial eyes and limbs, braces, and other artificial aids.

(i) Health practitioner services.—Covered services include services and procedures rendered to an enrollee when performed to diagnose and treat diseases, injuries, or other conditions, including care rendered by health practitioners acting within the scope of their practice, with the following exceptions:

1. Chiropractic services shall be provided in the same manner as in the Florida Medicaid program.

2. Podiatric services may be limited to one visit per day totaling two visits per month for specific foot disorders.

(j) Home health services.—Covered services include prescribed home visits by both registered and licensed practical nurses to provide skilled nursing services on a part-time intermittent basis, subject to the following limitations:

1. Coverage may be limited to include skilled nursing services only;
2. Meals, housekeeping, and personal comfort items may be excluded; and
3. Private duty nursing is limited to circumstances where such care is medically necessary.

(k) Hospice services.—Covered services include reasonable and necessary services for palliation or management of an enrollee's terminal illness, with the following exceptions:

1. Once a family elects to receive hospice care for an enrollee, other services that treat the terminal condition will not be covered; and
2. Services required for conditions totally unrelated to the terminal condition are covered to the extent that the services are included in this section.

(l) Laboratory and X-ray services.—Covered services include diagnostic testing, including clinical radiologic, laboratory, and other diagnostic tests.

(m) Nursing facility services.—Covered services include regular nursing services, rehabilitation services, drugs and biologicals, medical supplies, and the use of appliances and equipment furnished by the facility, with the following limitations:

1. All admissions must be authorized by the health benefits coverage provider.
2. The length of the patient stay shall be determined based on the medical condition of the enrollee in relation to the necessary and appropriate level of care, but is limited to not more than 100 days per contract year.
3. Room and board may be limited to semiprivate accommodations, unless a private room is considered medically necessary or semiprivate accommodations are not available.
4. Specialized treatment centers and independent kidney disease treatment centers are excluded.
5. Private duty nurses, television, and custodial care are excluded.
6. Admissions for rehabilitation and physical therapy are limited to 15 days per contract year.

(n) Prescribed drugs.—

1. Coverage shall include drugs prescribed for the treatment of illness or injury when prescribed by a licensed health practitioner acting within the scope of his or her practice.

2. Prescribed drugs may be limited to generics if available and brand name products if a generic substitution is not available, unless the prescribing licensed health practitioner indicates that a brand name is medically necessary.

3. Prescribed drugs covered under this section shall include all prescribed drugs covered under the Florida Medicaid program.

(o) Therapy services.—Covered services include rehabilitative services, including occupational, physical, respiratory, and speech therapies, with the following limitations:

1. Services must be for short-term rehabilitation where significant improvement in the enrollee's condition will result; and

2. Services shall be limited to not more than 24 treatment sessions within a 60-day period per episode or injury, with the 60-day period beginning with the first treatment.

(p) Transportation services.—Covered services include emergency transportation required in response to an emergency situation.

(q) Lifetime maximum.—Health benefits coverage obtained under ss. 409.810-409.820 shall pay an enrollee's covered expenses at a lifetime maximum of \$1 million per covered child.

(r) Cost-sharing.—Cost-sharing provisions must comply with s. 409.816.

(s) Exclusions.—

1. Experimental or investigational procedures that have not been clinically proven by reliable evidence are excluded;

2. Services performed for cosmetic purposes only or for the convenience of the enrollee are excluded; and

3. Abortion may be covered only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.

(t) Enhancements to minimum requirements.—

1. This section sets the minimum benefits that must be included in any health benefits coverage, other than Medicaid or Medikids coverage, offered under ss. 409.810-409.820. Health benefits coverage may include additional benefits not included under this subsection, but may not include benefits excluded under paragraph (s).

2. Health benefits coverage may extend any limitations beyond the minimum benefits described in this section.

Except for the Children's Medical Services network, the agency may not increase the premium assistance payment for either additional benefits provided beyond the minimum benefits described in this section or the imposition of less restrictive service limitations.

(u) Applicability of other state laws.—Health insurers, health maintenance organizations, and their agents are subject to the provisions of the Florida Insurance Code, except for any such provisions waived in this section.

1. Except as expressly provided in this section, a law requiring coverage for a specific health care service or benefit, or a law requiring reimbursement, utilization, or consideration of a specific category of licensed health care practitioner, does not apply to a health insurance plan policy or contract offered or delivered under ss. 409.810-409.820 unless that law is made expressly applicable to such policies or contracts.

2. Notwithstanding chapter 641, a health maintenance organization may issue contracts providing benefits equal to, exceeding, or actuarially equivalent to the benchmark benefit plan authorized by this section and may pay providers located in a rural county negotiated fees or Medicaid reimbursement rates for services provided to enrollees who are residents of the rural county.

Section 41. Section 409.816, Florida Statutes, is created to read:

409.816 Limitations on premiums and cost-sharing.—The following limitations on premiums and cost-sharing are established for the program.

(1) Enrollees who receive coverage under the Medicaid program may not be required to pay:

(a) Enrollment fees, premiums, or similar charges; or

(b) Copayments, deductibles, coinsurance, or similar charges.

(2) Enrollees in families with a family income equal to or below 150 percent of the federal poverty level, who are not receiving coverage under the Medicaid program, may not be required to pay:

(a) Enrollment fees, premiums, or similar charges that exceed the maximum monthly charge permitted under s. 1916(b)(1) of the Social Security Act; or

(b) Copayments, deductibles, coinsurance, or similar charges that exceed a nominal amount, as determined consistent with regulations referred to in s. 1916(a)(3) of the Social Security Act. However, such charges may not be imposed for preventive services, including well-baby and well-child care, age-appropriate immunizations, and routine hearing and vision screenings.

(3) Enrollees in families with a family income above 150 percent of the federal poverty level, who are not receiving coverage under the Medicaid program or who are not eligible under s. 409.814(5), may be required to pay enrollment fees, premiums, copayments, deductibles, coinsurance, or similar charges on a sliding scale related to income, except that the total annual aggregate cost-sharing with respect to all children in a family may not exceed 5 percent of the family's income. However, copayments, deductibles, coinsurance, or similar charges may not be imposed for preventive services,

including well-baby and well-child care, age-appropriate immunizations, and routine hearing and vision screenings.

Section 42. Section 409.817, Florida Statutes, is created to read:

409.817 Approval of health benefits coverage; financial assistance.—In order for health insurance coverage to qualify for premium assistance payments for an eligible child under ss. 409.810-409.820, the health benefits coverage must:

(1) Be certified by the Department of Insurance under s. 409.818 as meeting, exceeding, or being actuarially equivalent to the benchmark benefit plan;

(2) Be guarantee issued;

(3) Be community rated;

(4) Not impose any preexisting condition exclusion for covered benefits; however, group health insurance plans may permit the imposition of a preexisting condition exclusion, but only insofar as it is permitted under s. 627.6561;

(5) Comply with the applicable limitations on premiums and cost-sharing in s. 409.816;

(6) Comply with the quality assurance and access standards developed under s. 409.820; and

(7) Establish periodic open enrollment periods, which may not occur more frequently than quarterly.

Section 43. Section 409.8175, Florida Statutes, is created to read:

409.8175 Delivery of services in rural counties.—A health maintenance organization or a health insurer may reimburse providers located in a rural county according to the Medicaid fee schedule for services provided to enrollees in rural counties if the provider agrees to accept such fee schedule.

Section 44. Section 409.8177, Florida Statutes, is created to read:

409.8177 Program evaluation.—The agency, in consultation with the Department of Health, the Department of Children and Family Services, and the Florida Healthy Kids Corporation, shall by January 1 of each year submit to the Governor and the Legislature a report of the Florida Kidcare program. In addition to the items specified under s. 2108 of Title XXI of the Social Security Act, the report shall include an assessment of crowd-out and access to health care, as well as the following:

(1) An assessment of the operation of the program, including the progress made in reducing the number of uncovered low-income children.

(2) An assessment of the effectiveness in increasing the number of children with creditable health coverage.

(3) The characteristics of the children and families assisted under the program, including ages of the children, family income, and access to or coverage by other health insurance prior to the program and after disenrollment from the program.

(4) The quality of health coverage provided, including the types of benefits provided.

(5) The amount and level, including payment of part or all of any premium, of assistance provided.

(6) The average length of coverage of a child under the program.

(7) The program's choice of health benefits coverage and other methods used for providing child health assistance.

(8) The sources of nonfederal funding used in the program.

(9) An assessment of the effectiveness of Medikids, Children's Medical Services network, and other public and private programs in the state in increasing the availability of affordable quality health insurance and health care for children.

(10) A review and assessment of state activities to coordinate the program with other public and private programs.

(11) An analysis of changes and trends in the state that affect the provision of health insurance and health care to children.

(12) A description of any plans the state has for improving the availability of health insurance and health care for children.

(13) Recommendations for improving the program.

(14) Other studies as necessary.

Section 45. Section 409.818, Florida Statutes, is created to read:

409.818 Administration.—In order to implement ss. 409.810-409.820, the following agencies shall have the following duties:

(1) The Department of Children and Family Services shall:

(a) Develop a simplified eligibility application mail-in form to be used for determining the eligibility of children for coverage under the Florida Kid-care program, in consultation with the agency, the Department of Health, and the Florida Healthy Kids Corporation. The simplified eligibility application form must include an item that provides an opportunity for the applicant to indicate whether coverage is being sought for a child with special health care needs. Families applying for children's Medicaid coverage must also be able to use the simplified application form without having to pay a premium.

(b) Establish and maintain the eligibility determination process under the program except as specified in subsection (5). The department shall

directly, or through the services of a contracted third-party administrator, establish and maintain a process for determining eligibility of children for coverage under the program. The eligibility determination process must be used solely for determining eligibility of applicants for health benefits coverage under the program. The eligibility determination process must include an initial determination of eligibility for any coverage offered under the program, as well as a redetermination or reverification of eligibility each subsequent 6 months. Effective January 1, 1999, a child who has not attained the age of 5 and who has been determined eligible for the Medicaid program is eligible for coverage for 12 months without a redetermination or reverification of eligibility. In conducting an eligibility determination, the department shall determine if the child has special health care needs.

(c) Inform program applicants about eligibility determinations and provide information about eligibility of applicants to Medicaid, Medikids, the Children's Medical Services network, and the Florida Healthy Kids Corporation, and to insurers and their agents, through a centralized coordinating office.

(d) Adopt rules necessary for conducting program eligibility functions.

(2) The Department of Health shall:

(a) Design an eligibility intake process for the program, in coordination with the Department of Children and Family Services, the agency, and the Florida Healthy Kids Corporation. The eligibility intake process may include local intake points that are determined by the Department of Health in coordination with the Department of Children and Family Services.

(b) Design and implement program outreach activities under s. 409.819.

(c) Chair a state-level coordinating council to review and make recommendations concerning the implementation and operation of the program. The coordinating council shall include representatives from the department, the Department of Children and Family Services, the agency, the Florida Healthy Kids Corporation, the Department of Insurance, local government, health insurers, health maintenance organizations, health care providers, families participating in the program, and organizations representing low-income families.

(d) In consultation with the Florida Healthy Kids Corporation and the Department of Children and Family Services, establishing a toll-free telephone line to assist families with questions about the program.

(e) Adopt rules necessary to implement outreach activities.

(3) The Agency for Health Care Administration, under the authority granted in s. 409.914(1), shall:

(a) Calculate the premium assistance payment necessary to comply with the premium and cost-sharing limitations specified in s. 409.816. The premium assistance payment for each enrollee in a health insurance plan participating in the Florida Healthy Kids Corporation shall equal the premium

approved by the Florida Healthy Kids Corporation and the Department of Insurance pursuant to ss. 627.410 and 641.31, less any enrollee's share of the premium established within the limitations specified in s. 409.816. The premium assistance payment for each enrollee in an employer-sponsored health insurance plan approved under ss. 409.810-409.820 shall equal the premium for the plan adjusted for any benchmark benefit plan actuarial equivalent benefit rider approved by the Department of Insurance pursuant to ss. 627.410 and 641.31, less any enrollee's share of the premium established within the limitations specified in s. 409.816. In calculating the premium assistance payment levels for children with family coverage, the agency shall set the premium assistance payment levels for each child proportionately to the total cost of family coverage.

(b) Annually calculate the program enrollment ceiling based on estimated per-child premium assistance payments and the estimated appropriation available for the program.

(c) Make premium assistance payments to health insurance plans on a periodic basis. The agency may use its Medicaid fiscal agent or a contracted third-party administrator in making these payments. The agency may require health insurance plans that participate in the Medikids program or employer-sponsored group health insurance to collect premium payments from an enrollee's family. Participating health insurance plans shall report premium payments collected on behalf of enrollees in the program to the agency in accordance with a schedule established by the agency.

(d) Monitor compliance with quality assurance and access standards developed under s. 409.820.

(e) Establish a mechanism for investigating and resolving complaints and grievances from program applicants, enrollees, and health benefits coverage providers, and maintain a record of complaints and confirmed problems. In the case of a child who is enrolled in a health maintenance organization, the agency must use the provisions of s. 641.511 to address grievance reporting and resolution requirements.

(f) Approve health benefits coverage for participation in the program, following certification by the Department of Insurance under subsection (4).

(g) Adopt rules necessary for calculating premium assistance payment levels, calculating the program enrollment ceiling, making premium assistance payments, monitoring access and quality assurance standards, investigating and resolving complaints and grievances, administering the Medikids program, and approving health benefits coverage.

The agency is designated the lead state agency for Title XXI of the Social Security Act for purposes of receipt of federal funds, for reporting purposes, and for ensuring compliance with federal and state regulations and rules.

(4) The Department of Insurance shall certify that health benefits coverage plans that seek to provide services under the Florida Kidcare program, except those offered through the Florida Healthy Kids Corporation or the

Children's Medical Services network, meet, exceed, or are actuarially equivalent to the benchmark benefit plan and that health insurance plans will be offered at an approved rate. In determining actuarial equivalence of benefits coverage, the Department of Insurance and health insurance plans must comply with the requirements of s. 2103 of Title XXI of the Social Security Act. The department shall adopt rules necessary for certifying health benefits coverage plans.

(5) The Florida Healthy Kids Corporation shall retain its functions as authorized in s. 624.91, including eligibility determination for participation in the Healthy Kids program.

(6) The agency, the Department of Health, the Department of Children and Family Services, the Florida Healthy Kids Corporation, and the Department of Insurance, after consultation with and approval of the Speaker of the House of Representatives and the President of the Senate, are authorized to make program modifications that are necessary to overcome any objections of the United States Department of Health and Human Services to obtain approval of the state's child health insurance plan under Title XXI of the Social Security Act.

Section 46. Section 154.508, Florida Statutes, is transferred, renumbered as section 409.819, Florida Statutes, and amended to read:

409.819 154.508 Identification of low-income, uninsured children; determination of Medicaid eligibility for the Florida Kidcare program; alternative health care information.—The Department of Health Agency for Health Care Administration shall develop a program, in conjunction with the Department of Education, the Department of Children and Family Services, the Agency for Health Care Administration, the Florida Healthy Kids Corporation the Department of Health, local governments, employers school districts, and other stakeholders to identify low-income, uninsured children and, to the extent possible and subject to appropriation, refer them to the Department of Children and Family Services for a Medicaid eligibility determination and provide parents with information about choices alternative sources of health benefits coverage under the Florida Kidcare program care. These activities shall include, but not be limited to: training community providers in effective methods of outreach; conducting public information campaigns designed to publicize the Florida Kidcare program, the eligibility requirements of the program, and the procedures for enrollment in the program; and maintaining public awareness of the Florida Kidcare program. Special emphasis shall be placed on the identification of minority children for referral to and participation in the Florida Kidcare program.

Section 47. Section 409.820, Florida Statutes, is created to read:

409.820 Quality assurance and access standards.—Except for Medicaid, the Department of Health, in consultation with the agency and the Florida Healthy Kids Corporation, shall develop a minimum set of quality assurance and access standards for all program components. The standards must include a process for granting exceptions to specific requirements for quality assurance and access. Compliance with the standards shall be a condition

of program participation by health benefits coverage providers. These standards shall comply with the provisions of chapters 409 and 641 and Title XXI of the Social Security Act.

Section 48. The following performance measures and standards are adopted for the Florida Kidcare program:

(1) The total number of previously uninsured children who receive health benefits coverage as a result of state activities under Title XXI of the Social Security Act: 254,000 uninsured children expected to obtain coverage during the 1998-1999 fiscal year.

(a) The number of children enrolled in the Medicaid program as a result of eligibility expansions under Title XXI of the Social Security Act: 29,500 children enrolled in Medicaid under new eligibility groups during the 1998-1999 fiscal year.

(b) The number of children enrolled in the Medicaid program as a result of outreach efforts under Title XXI of the Social Security Act who are eligible for Medicaid but who have not enrolled in the program: 80,000 children previously eligible for Medicaid, but not enrolled in Medicaid, who enroll in Medicaid during the 1998-1999 fiscal year.

(c) The number of uninsured children enrolled in Medikids under Title XXI of the Social Security Act: 17,000 children enrolled in Medikids during the 1998-1999 fiscal year.

(d) The number of uninsured children added to the enrollment for the Florida Healthy Kids Corporation program under Title XXI of the Social Security Act: 70,000 additional children enrolled in the Florida Healthy Kids Corporation program during the 1998-1999 fiscal year.

(e) The number of uninsured children enrolled in employer-sponsored group health insurance coverage under Title XXI of the Social Security Act: 48,000 uninsured children enrolled in health insurance coverage during the 1998-1999 fiscal year.

(f) The number of uninsured children enrolled in the Children's Medical Services network under Title XXI of the Social Security Act: 9,500 uninsured children enrolled in the Children's Medical Services network during the 1998-1999 fiscal year.

(2) The percentage of uninsured children in this state as of July 1, 1998, who receive health benefits coverage under the Florida Kidcare program: 30.9 percent of uninsured children enrolled in the Florida Kidcare program during the 1998-1999 fiscal year.

(3) The percentage of children enrolled in the Florida Kidcare program with up-to-date immunizations: 80 percent of enrolled children with up-to-date immunizations.

(4) The percentage of compliance with the standards established in the Guidelines for Health Supervision of Children and Youth as developed by

the American Academy of Pediatrics for children eligible for the Florida Kidcare program and served under:

- (a) Medicaid;
- (b) Medikids;
- (c) The Florida Healthy Kids Corporation program;
- (d) Employer-sponsored group health insurance plans; and
- (e) The Children's Medical Services network.

For each category of coverage, the health care provided is in compliance with the health supervision standards for 80 percent of enrolled children.

(5) The perception of the enrollee or the enrollee's family concerning coverage provided to children enrolled in the Florida Kidcare program and served under:

- (a) Medicaid;
- (b) Medikids;
- (c) Florida Healthy Kids Corporation;
- (d) Employer-sponsored group health insurance plans; and
- (e) The Children's Medical Services network.

For each category of coverage, 90 percent of the enrollees or the enrollee families indicate satisfaction with the care provided under the program.

Section 49. The Agency for Health Care Administration shall conduct a study of the feasibility of extending presumptive eligibility for Medicaid to children who have not attained the age of 19. The study shall assess whether families delay seeking health care services or health care coverage because of the lack of presumptive eligibility. The agency shall report its findings to the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the respective health care committees no later than December 31, 1998.

Section 50. For fiscal year 1998-1999, the enrollment ceiling for the non-Medicaid portion of the Florida Kidcare program is 270,000 children. Thereafter, the enrollment ceiling shall be established in the General Appropriations Act or general law.

Section 51. Subsections (6) and (7) are added to section 409.904, Florida Statutes, to read:

409.904 Optional payments for eligible persons.—The agency may make payments for medical assistance and related services on behalf of the following persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law. Payment

on behalf of these Medicaid eligible persons is subject to the availability of moneys and any limitations established by the General Appropriations Act or chapter 216.

(6) A child born before October 1, 1983, living in a family that has an income which is at or below 100 percent of the current federal poverty level, who has attained the age of 6, but has not attained the age of 19, and who would be eligible in s. 409.903(6), if the child had been born on or after such date. In determining the eligibility of such a child, an assets test is not required.

(7) A child who has not attained the age of 19 who has been determined eligible for the Medicaid program is deemed to be eligible for a total of 6 months, regardless of changes in circumstances other than attainment of the maximum age. Effective January 1, 1999, a child who has not attained the age of 5 and who has been determined eligible for the Medicaid program is deemed to be eligible for a total of 12 months regardless of changes in circumstances other than attainment of the maximum age.

Section 52. Subsections (11) through (22) of section 409.906, Florida Statutes, are renumbered as subsections (12) through (23), respectively, and a new subsection (11) is added to that section to read:

409.906 Optional Medicaid services.—Subject to specific appropriations, the agency may make payments for services which are optional to the state under Title XIX of the Social Security Act and are furnished by Medicaid providers to recipients who are determined to be eligible on the dates on which the services were provided. Any optional service that is provided shall be provided only when medically necessary and in accordance with state and federal law. Nothing in this section shall be construed to prevent or limit the agency from adjusting fees, reimbursement rates, lengths of stay, number of visits, or number of services, or making any other adjustments necessary to comply with the availability of moneys and any limitations or directions provided for in the General Appropriations Act or chapter 216. Optional services may include:

(11) HEALTHY START SERVICES.—The agency may pay for a continuum of risk-appropriate medical and psychosocial services for the Healthy Start program in accordance with a federal waiver. The agency may not implement the federal waiver unless the waiver permits the state to limit enrollment or the amount, duration, and scope of services to ensure that expenditures will not exceed funds appropriated by the Legislature or available from local sources.

Section 53. Section 409.9126, Florida Statutes, is amended to read:

409.9126 Children with special health care needs.—

~~(1) As used in this section:~~

~~(a) “Children’s Medical Services network” means an alternative service network that includes health care providers and health care facilities specified in chapter 391 and ss. 383.15-383.21, 383.216, and 415.5055.~~

~~(b) “Children with special health care needs” means those children whose serious or chronic physical or developmental conditions require extensive preventive and maintenance care beyond that required by typically healthy children. Health care utilization by these children exceeds the statistically expected usage of the normal child matched for chronological age and often needs complex care requiring multiple providers, rehabilitation services, and specialized equipment in a number of different settings.~~

~~(2) The Legislature finds that Medicaid-eligible children with special health care needs require a comprehensive, continuous, and coordinated system of health care that links community-based health care with multidisciplinary, regional, and tertiary care. The Legislature finds that Florida’s Children’s Medical Services program provides a full continuum of coordinated, comprehensive services for children with special health care needs.~~

~~(1)(3) Except as provided in subsection (4) subsections (8) and (9), children eligible for Children’s Medical Services who receive Medicaid benefits, and other Medicaid-eligible children with special health care needs, shall be exempt from the provisions of s. 409.9122 and shall be served through the Children’s Medical Services network established in chapter 391.~~

~~(2)(4) The Legislature directs the agency to apply to the federal Health Care Financing Administration for a waiver to assign to the Children’s Medical Services network all Medicaid-eligible children who meet the criteria for participation in the Children’s Medical Services program as specified in s. 391.021(2), and other Medicaid-eligible children with special health care needs.~~

~~(5) The Children’s Medical Services program shall assign a qualified MediPass primary care provider from the Children’s Medical Services network who shall serve as the gatekeeper and who shall be responsible for the provision or authorization of all health services to a child who has been assigned to the Children’s Medical Services network by the Medicaid program.~~

~~(3)(6) Services provided through the Children’s Medical Services network shall be reimbursed on a fee-for-service basis and shall utilize a primary care case management process. However, effective July 1, 1999, reimbursement to the Children’s Medical Services program for services provided to Medicaid-eligible children with special health care needs through the Children’s Medical Services network shall be on a capitated basis.~~

~~(7) The agency, in consultation with the Children’s Medical Services program, shall develop by rule quality-of-care and service integration standards.~~

~~(8) The agency may issue a request for proposals, based on the quality-of-care and service integration standards, to allow managed care plans that have contracts with the Medicaid program to provide services to Medicaid-eligible children with special health care needs.~~

~~(4)(9) The agency may shall approve requests to provide services to Medicaid-eligible children with special health care needs from managed care~~

plans that meet access, quality-of-care, network, and service integration standards and are in good standing with the agency. The agency shall monitor on a quarterly basis managed care plans which have been approved to provide services to Medicaid-eligible children with special health care needs. The agency may determine the number of enrollment slots approved for a managed care plan based on the managed care plan's network capacity to serve children with special health care needs.

~~(5)(10)~~ The agency, in consultation with the Department of Health and Rehabilitative Services, shall adopt rules that address Medicaid requirements for referral, enrollment, and disenrollment of children with special health care needs who are enrolled in Medicaid managed care plans and who may benefit from the Children's Medical Services network.

~~(11)~~ ~~The Children's Medical Services network may contract with school districts participating in the certified school match program pursuant to ss. 236.0812 and 409.908(21) for the provision of school-based services, as provided for in s. 409.9071, for Medicaid-eligible children who are enrolled in the Children's Medical Services network.~~

~~(12)~~ ~~After 1 complete year of operation, the agency shall conduct an evaluation of the Children's Medical Services network. The evaluation shall include, but not be limited to, an assessment of whether the use of the Children's Medical Services network is less costly than the provision of the services would have been in the Medicaid fee-for-service program. The evaluation also shall include an assessment of patient satisfaction with the Children's Medical Services network, an assessment of the quality of care delivered through the network, and recommendations for further improving the performance of the network. The agency shall report the evaluation findings to the Governor and the chairpersons of the appropriations and health care committees of each chamber of the Legislature.~~

Section 54. Section 624.91, Florida Statutes, is amended to read:

624.91 The Florida Healthy Kids Corporation Act.—

(1) SHORT TITLE.—This section may be cited as the "William G. 'Doc' Myers Healthy Kids Corporation Act."

(2) LEGISLATIVE INTENT.—

(a) The Legislature finds that increased access to health care services could improve children's health and reduce the incidence and costs of childhood illness and disabilities among children in this state. Many children do not have comprehensive, affordable health care preventive services available or funded, and for those who do, lack of access is a restriction to getting service. It is the intent of the Legislature that the Florida Healthy Kids a nonprofit Corporation be organized to facilitate a program to bring preventive health care services to children, if necessary through the use of school facilities in this state when more appropriate sites are unavailable, and to provide comprehensive health insurance coverage to such children. A goal for The corporation is encouraged to cooperate with any existing health preventive service programs funded by the public or the private sector.

(b) It is the intent of the Legislature that the Florida Healthy Kids Corporation serve as one of several providers of services to children eligible for medical assistance under Title XXI of the Social Security Act. Although the corporation may serve other children, the Legislature intends the primary recipients of services provided through the corporation be school-age children with a family income below 200 percent of the federal poverty level, who do not qualify for Medicaid. It is also the intent of the Legislature that state and local government Florida Healthy Kids funds, to the extent permissible under federal law, be used to obtain matching federal dollars.

(3) NONENTITLEMENT.—Nothing in this section shall be construed as providing an individual with an entitlement to health care services. No cause of action shall arise against the state, the Florida Healthy Kids Corporation, or a unit of local government for failure to make health services available under this section.

(4)(3) CORPORATION AUTHORIZATION, DUTIES, POWERS.—

(a) There is created The Legislature hereby creates the Florida Healthy Kids Corporation, a not-for-profit corporation which operates shall operate on sites to be designated by the corporation.

(b) The Florida Healthy Kids Corporation shall phase in a program to:

1. ~~Organize school children groups to facilitate the provision of preventive health care services to children and to provide comprehensive health insurance coverage to children;~~

2. ~~Arrange for the collection of any family, local contributions, or employer payment or premium, in an amount to be determined by the board of directors, from all participant families or employers to provide for payment of for preventive health care services or premiums for comprehensive insurance coverage and for the actual or estimated administrative expenses incurred during the period for which family or employer payments are made;~~

3. Establish the administrative and accounting procedures for the operation of the corporation;

4. Establish, with consultation from appropriate professional organizations, standards for preventive health services and providers and comprehensive insurance benefits appropriate to children; provided that such standards for rural areas shall not limit primary care providers to board-certified pediatricians;

5. Establish eligibility criteria which children must meet in order to participate in the program;

6. Establish procedures under which applicants to and participants in the program may have grievances reviewed by an impartial body and reported to the board of directors of the corporation;

7. Establish participation criteria and, if appropriate, contract with an authorized insurer, health maintenance organization, or insurance administrator to provide administrative services to the corporation;

8. Establish enrollment criteria which shall include penalties or waiting periods of not fewer than 60 days for reinstatement of coverage upon voluntary cancellation for nonpayment of family premiums;

9. If a space is available, establish a special open enrollment period of 30 days' duration for any child who is enrolled in Medicaid or Medikids if such child loses Medicaid or Medikids eligibility and becomes eligible for the Florida Healthy Kids program;

10.8. Contract with authorized insurers or any provider of health care services, meeting standards established by the corporation, for the provision of comprehensive insurance coverage and preventive health care services to participants. Such standards shall include criteria under which the corporation may contract with more than one provider of health care services in program sites. Health plans shall be selected through a competitive bid process. The selection of health plans shall be based primarily on quality criteria established by the board. The health plan selection criteria and scoring system, and the scoring results, shall be available upon request for inspection after the bids have been awarded;

11.9. Develop and implement a plan to publicize the Florida Healthy Kids Corporation, the eligibility requirements of the program, and the procedures for enrollment in the program and to maintain public awareness of the corporation and the program;

12.10. Secure staff necessary to properly administer the corporation. Staff costs shall be funded from state and local matching funds and such other private or public funds as become available. The board of directors shall determine the number of staff members necessary to administer the corporation;

13.11. As appropriate, enter into contracts with local school boards or other agencies to provide onsite information, enrollment, and other services necessary to the operation of the corporation; and

14.12. Provide a report on an annual basis to the Governor, Insurance Commissioner, Commissioner of Education, Senate President, Speaker of the House of Representatives, and Minority Leaders of the Senate and the House of Representatives;,-

15.13. Each fiscal year, establish a maximum number of participants by county, on a statewide basis, who may enroll in the program without the benefit of local matching funds. Thereafter, the corporation may establish local matching requirements for supplemental participation in the program. The corporation may vary local matching requirements and enrollment by county depending on factors which may influence the generation of local match, including, but not limited to, population density, per capita income, existing local tax effort, and other factors. The corporation also may accept in-kind match in lieu of cash for the local match requirement to the extent allowed by Title XXI of the Social Security Act; and For the 1996-1997 fiscal year only, funds may be appropriated to the Florida Healthy Kids Corporation to organize school children groups to facilitate the provision of preven-

~~tive health care services to children at sites in addition to those allowed in subparagraph 1. This subparagraph is repealed on July 1, 1997.~~

16. Establish eligibility criteria, premium and cost-sharing requirements, and benefit packages which conform to the provisions of the Florida Kidcare program, as created in ss. 409.810-409.820.

(c) Coverage under the corporation's program is secondary to any other available private coverage held by the participant child or family member. The corporation may establish procedures for coordinating benefits under this program with benefits under other public and private coverage.

(d) The Florida Healthy Kids Corporation shall be a private corporation not for profit, organized pursuant to chapter 617, and shall have all powers necessary to carry out the purposes of this act, including, but not limited to, the power to receive and accept grants, loans, or advances of funds from any public or private agency and to receive and accept from any source contributions of money, property, labor, or any other thing of value, to be held, used, and applied for the purposes of this act.

(5)(4) BOARD OF DIRECTORS.—

(a) The Florida Healthy Kids Corporation shall operate subject to the supervision and approval of a board of directors chaired by the Insurance Commissioner or her or his designee, and composed of 12 other members selected for 3-year terms of office as follows:

1. One member appointed by the Commissioner of Education from among three persons nominated by the Florida Association of School Administrators;

2. One member appointed by the Commissioner of Education from among three persons nominated by the Florida Association of School Boards;

3. One member appointed by the Commissioner of Education from the Office of School Health Programs of the Florida Department of Education;

4. One member appointed by the Governor from among three members nominated by the Florida Pediatric Society;

5. One member, appointed by the Governor, who represents the Children's Medical Services Program;

6. One member appointed by the Insurance Commissioner from among three members nominated by the Florida Hospital Association;

7. Two members, appointed by the Insurance Commissioner, who are representatives of authorized health care insurers or health maintenance organizations;

8. One member, appointed by the Insurance Commissioner, who represents the Institute for Child Health Policy;

9. One member, appointed by the Governor, from among three members nominated by the Florida Academy of Family Physicians;

10. One member, appointed by the Governor, who represents the Agency for Health Care Administration; and

11. The State Health Officer or her or his designee.

~~In order to provide for staggered terms, the initial term of the members appointed under subparagraphs 1., 4., and 6. shall be for 2 years and the initial term of the members appointed under subparagraphs 2., 5., 8., and 10. shall be for 4 years.~~

(b) A member of the board of directors may be removed by the official who appointed that member. The board shall appoint an executive director, who is responsible for other staff authorized by the board.

(c) Board members are entitled to receive, from funds of the corporation, reimbursement for per diem and travel expenses as provided by s. 112.061.

(d) There shall be no liability on the part of, and no cause of action shall arise against, any member of the board of directors, or its employees or agents, for any action they take in the performance of their powers and duties under this act.

~~(6)(5)~~ LICENSING NOT REQUIRED; FISCAL OPERATION.—

(a) The corporation shall not be deemed an insurer. The officers, directors, and employees of the corporation shall not be deemed to be agents of an insurer. Neither the corporation nor any officer, director, or employee of the corporation is subject to the licensing requirements of the insurance code or the rules of the Department of Insurance. However, ~~the Department of Insurance may require that~~ any marketing representative utilized and compensated by the corporation must be appointed as a representative of the insurers or health services providers with which the corporation contracts.

(b) The board has complete fiscal control over the corporation and is responsible for all corporate operations.

(c) The Department of Insurance shall supervise any liquidation or dissolution of the corporation and shall have, with respect to such liquidation or dissolution, all power granted to it pursuant to the insurance code.

~~(7)(6)~~ ACCESS TO RECORDS; CONFIDENTIALITY; PENALTIES.— Notwithstanding any other laws to the contrary, the Florida Healthy Kids Corporation shall have access to the medical records of a student upon receipt of permission from a parent or guardian of the student. Such medical records may be maintained by state and local agencies. Any identifying information, including medical records and family financial information, obtained by the corporation pursuant to this subsection is confidential and is exempt from the provisions of s. 119.07(1). Neither the corporation nor the staff or agents of the corporation may release, without the written consent of the participant or the parent or guardian of the participant, to any state or federal agency, to any private business or person, or to any other entity, any confidential information received pursuant to this subsection. A viola-

tion of this subsection is a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

Section 55. (1) Sections 391.031 and 391.056, Florida Statutes, are hereby repealed.

(2) Section 624.92, Florida Statutes, as created by section 9 of chapter 97-260, Laws of Florida, is hereby repealed.

Section 56. The provisions of this act which would require changes to contracts in existence on June 30, 1998, between the Florida Healthy Kids Corporation and its contracted providers shall be applied to such contracts upon the renewal of the contracts, but not later than July 1, 2000.

Section 57. Sections 409.810 through 409.820, Florida Statutes, as created by this act, are repealed, subject to prior legislative review, on the first July 1 occurring at least 1 year after the effective date of an act of the United States Congress or the federal Health Care Financing Administration which:

(1) Reduces Florida's federal matching rate under Title XXI of the Social Security Act to less than 65 percent federal match; or

(2) Reduces the federal funds allotted to Florida under Title XXI of the Social Security Act to less than \$250 million annually.

Section 58. This act shall take effect July 1 of the year in which enacted.

Approved by the Governor May 28, 1998.

Filed in Office Secretary of State May 28, 1998.