



RICK SCOTT
GOVERNOR

Better Health Care for all Floridians

ELIZABETH DUDEK
SECRETARY

FOR IMMEDIATE RELEASE

January 31, 2013

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Florida Families First Budget Holds Home-based and Skilled Nursing Services Harmless

~ Funding also proposed for projects that create efficiency and simplicity ~

Tallahassee, Fla. – Among the highlights of Governor Rick Scott’s proposed *Florida Families First Budget* for the Agency for Health Care Administration are consistent funding for home-based and skilled nursing services for Medicaid providers. Maintaining the funding for these services has been recognized by advocates as a sign of this administration’s commitment to Florida’s most vulnerable population and to protecting essential services.

“Governor Scott has demonstrated his commitment to the frailest Floridians by proposing additional funds for nursing home diversion while simultaneously ensuring funding is available for the elderly who reside in skilled nursing homes, and consistent with previous years, no services for children have been affected,” said Secretary Liz Dudek.

J. Emmett Reed, Executive Director of the Florida Health Care Association said, “Florida’s long term care facilities need resources to deliver high quality care for Florida’s frail elders who rely on government funding as their health care safety net. FHCA is pleased Governor Scott recognizes the challenges that come with balancing a budget and applauds him for proposing to hold nursing homes harmless this year. We’re thankful to Governor Scott for recognizing that preserving Medicaid funding for nursing home care ensures that our residents and patients have access to critical services and that our caregiver workforce remains stable.”

Janegale Boyd, President and CEO of LeadingAge Florida said, “LeadingAge Florida has a history of joining forces with other organizations to oppose funding reductions for elder care services and we’re pleased to learn Governor Scott’s proposal did not cut home-based or skilled nursing services, but also increased funding for nursing home diversion. LeadingAge Florida members are known for the high quality of care and services they provide and holding the reimbursement rates constant will enable them to continue doing so.”

Bobby Lolley, Executive Director of Home Care Association of Florida said, “Safeguarding adequate and appropriate payment for home health services is important. HCAF recognizes there is only so much money available to cover all services provided by the state and we’re thankful that Governor Scott recognizes the importance of ensuring reimbursement levels that strive to adequately meet the actual costs of providing care.”

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Additionally, several items in the Governor's proposed budget will enable the Agency to effectively implement long-term projects that will help improve Florida Medicaid for the more than 3.3 million recipients served by the program and the nearly 100,000 participating providers. These highlights that promote efficiency include:

- **Planning for Diagnosis Code Conversion** (\$6.9 million Non-recurring; \$1,481,854 state/\$5,420,959 federal funds) – Requests funding to continue the conversion from ICD-9 to the ICD-10 coding system as required by federal mandate. The transition entails converting the existing International Classification of Diseases, ninth revision (ICD-9) to the tenth revision (ICD-10) of the ICD code set. This encompasses both clinical diagnoses and inpatient procedural diagnoses, and impacts almost every health care provider in the State of Florida.

Anthony Pelezo, M.D., ICD-10 Project Lead, Sacred Heart Health System, said, “The American Health Information Management Association (AHIMA) has, in my opinion, compiled one of the best set of arguments that support the need for the ICD-10 transition: the granularity of the ICD-10 code set allows for enhanced quality measures, improved patient care, better tracking of outcomes, better design of clinical algorithms, reducing fraud and abuse, and promoting cost effectiveness. There are other advantages to the implementation. The ICD-10 code set offers opportunity for greater congruence with technological advances in healthcare, as well as refinements in payment and improved care and disease management.”

- **Online Licensing and Reconciliation System** (\$1.7 million Non-recurring state funds) – Requests funding for Year 3 of this ongoing project to automate the online licensing and reconciliation system. Upon completion, this system will allow online payments, integration with AHCA's internal document management system, provide a web portal for providers to submit applications, check status, and update licensure information between license renewals for the 29 provider types regulated by AHCA. The system will integrate all of AHCA's fees, assessments, overpayments, and fines to ensure full collection before a license is issued or renewed.

Diane Godfrey, who oversees regulatory affairs for Florida Hospital and the Florida Division of AHS said, “The Florida Division of Adventist Health System operates 22 inpatient facilities throughout Florida in addition to many other provider types that are licensed by the Agency for Health Care Administration. The ability to access, submit updates, and monitor all of its AHCA licenses electronically should reduce the processing time required by both the provider and the Agency staff. While a lot of work has been done to streamline the licensure applications, moving from a paper environment to an electronic environment would greatly improve the process and remove delays such as the scanning of all documents and resubmissions.”

- **Background Screening Grant** (\$500,000 Non-recurring federal funds) – Requests funding to support the implementation of background screening enhancements for long-term care providers' employees. Reducing the number of multiple screenings is estimated to save health care providers and workers in excess of \$500,000 annually. The Clearinghouse, which will be fully implemented by September 30, 2013, is to provide a single data source for background screening results of persons required to be screened by law to provide services to children, the elderly and disabled and will reduce duplicate screenings.

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“There are many benefits to be realized by transitioning to the Agency’s Background Screening Clearinghouse. It will enable professional staff who is currently required to be screened multiple times to move across health care settings without repeated screening. It will save time and money for my staff and our community through efficiencies in automation, and will help ensure those who are employed in our community are eligible to be working in a health care setting. Overall, the program is extremely successful and benefits both management and the Floridians we serve,” said Martin Goetz, Chief Executive Officer, River Garden Senior Services. River Garden Hebrew Home is a six-time recipient of the Governor’s Gold Seal Award for Excellence in Long-Term Care.

Highlights of Savings Measures:

- **Elimination of the Chiropractic and Podiatrist Programs**, representing \$758,000 and \$2.7 million respectively. Medicaid recipients are still able to see a general practitioner to receive care and treatment for services that may have been rendered by these specialists. With the upcoming implementation of Statewide Medicaid Managed Care, recipients enrolled in managed care will be able to choose among plans that offer expanded benefits. Chiropractic and podiatry services may be offered as expanded benefits if the plans choose to include services for potential enrollees.
- **Hospital inpatient rate changes** (\$81.8 million; \$33.5 million state/\$48.3 million federal) for hospitals except those with a children’s or rural specialty designation. For the hospitals impacted, Medicaid represents an average of 10% of their revenue; therefore this change is just 20 cents per every \$100 of revenue.
- **Clinic service reimbursement rate changes for county health departments**, which represents \$9.1 million (\$3.7 state/\$5.4 federal). Medicaid reimbursement for care provided at a county health department is made based on an “all-inclusive encounter rate,” which includes diagnosis, therapy and consultation for primary care or prevention services. The average rate for a county health department encounter is approximately \$150.00. This encounter rate is substantially higher than the fee-for-service rate paid to stand alone providers who deliver similar services in other clinic setting.

The Governor’s recommendation also includes savings that are the result of streamlining processes, increasing efficiencies and decreasing duplication by the Agency:

- **Administrative Efficiencies in Other Personal Services Category** – Due to streamlined processes within the Agency, a \$1.2 million savings is achieved.
- **Savings in Contracted Services Category** – As a result of negotiating lower rates in various contractual arrangements, this budget includes \$557,000 savings in contracted services.

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- **Elimination of the Subscriber Assistance Panel** (\$192,000 in savings) – Currently, this panel helps health maintenance organization subscribers resolve grievances against providers, but was made duplicative by a federal provision that required all health plans to use an independent review organization to provide a similar grievance process nationwide.

To view the complete list of Governor Scott's *Florida Families First* Budget recommendations, visit www.floridafamiliesfirst.com.

The Agency for Health Care Administration is committed to better health care for all Floridians. The Agency administers Florida's Medicaid program, licenses and regulates more than 45,000 health care facilities and 37 health maintenance organizations, and publishes health care data and statistics at www.FloridaHealthFinder.gov.

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