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2 An act relating to Medicaid; requiring that the Agency
3 for Health Care Administration request an extension of
4 a specified federal waiver; requiring the agency to
5 report each month to the Legislature; requiring that
6 certain changes of terms and conditions relating to
7 the low-income pool be approved by the Legislative
8 Budget Commission; requiring that the agency develop a
9 methodology for intergovernmental transfers in any
10 expansion of prepaid managed care in the Medicaid
11 program; requiring that the secretary appoint a
12 technical advisory panel; requiring a report to the
13 Governor and Legislature; creating s. 624.35, F.S.;
14 providing a short title; creating s. 624.351, F.S.;
15 providing legislative findings; establishing the
16 Medicaid and Public Assistance Fraud Strike Force
17 within the Department of Financial Services to
18 coordinate efforts to eliminate Medicaid and public
19 assistance fraud; providing for membership; providing
20 for meetings; specifying duties; requiring an annual
21 report to the Legislature and Governor; creating s.
22 624.352, F.S.; directing the Chief Financial Officer
23 to prepare model interagency agreements that address
24 Medicaid and public assistance fraud; specifying which
25 agencies may be a party to such agreements; amending
26 s. 16.59, F.S.; conforming provisions to changes made
27 by the act; requiring the Divisions of Insurance Fraud
28 and Public Assistance Fraud in the Department of
29 Financial Services to be collocated with the Medicaid

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30 Fraud Control Unit if possible; requiring positions
31 dedicated to Medicaid managed care fraud to be
32 collocated with the Division of Insurance Fraud;
33 amending s. 20.121, F.S.; establishing the Division of
34 Public Assistance Fraud within the Department of
35 Financial Services; amending ss. 411.01, 414.33, and
36 414.39, F.S.; conforming provisions to changes made by
37 the act; transferring, renumbering, and amending s.
38 943.401, F.S.; directing the Department of Financial
39 Services rather than the Department of Law Enforcement
40 to investigate public assistance fraud; creating s.
41 409.91212, F.S.; requiring that each managed care plan
42 adopt an anti-fraud plan; specifying requirements for
43 the plan; requiring that a managed care plan providing
44 Medicaid services to establish and maintain a fraud
45 investigative unit or contract for such services;
46 providing requirements for reports to the Office of
47 Medicaid Program Integrity; authorizing the agency to
48 impose fines against a managed care plan that fails to
49 submit an anti-fraud plan or make certain reports;
50 authorizing the agency to adopt rules; directing the
51 Auditor General and the Office of Program Policy
52 Analysis and Government Accountability to review the
53 Medicaid fraud and abuse processes in the Agency for
54 Health Care Administration; requiring a report to the
55 Legislature and Governor by a certain date;
56 establishing the Medicaid claims adjudication project
57 in the Agency for Health Care Administration to
58 decrease the incidence of inaccurate payments and to

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59 improve the efficiency of the Medicaid claims
60 processing system; amending s. 409.912, F.S.;
61 authorizing the Agency for Health Care Administration
62 to contract with an entity that provides comprehensive
63 behavioral health care services to certain Medicaid
64 recipients who are not enrolled in a Medicaid managed
65 care plan or a Medicaid provider service network under
66 certain circumstances; amending s. 409.91211, F.S.;
67 revising certain provisions governing the Medicaid
68 managed care pilot program to conform to the extension
69 of the federal waiver; authorizing an administrative
70 fee to be paid to the specialty plan for the
71 coordination of services; transferring activities
72 relating to public assistance fraud from the
73 Department of Law Enforcement to the Division of
74 Public Assistance Fraud in the Department of Financial
75 Services by a type two transfer; providing effective
76 dates.

77
78 Be It Enacted by the Legislature of the State of Florida:

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80 Section 1. By July 1, 2010, the Agency for Health Care
81 Administration shall begin the process of requesting an
82 extension of the Section 1115 waiver and shall ensure that the
83 waiver remains active and current. The agency shall report at
84 least monthly to the Legislature on progress in negotiating for
85 the extension of the waiver. Changes to the terms and conditions
86 relating to the low-income pool must be approved by the
87 Legislative Budget Commission.

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88 Section 2. (1) The Agency for Health Care Administration
89 shall develop a methodology to ensure the availability of
90 intergovernmental transfers in any expansion of prepaid managed
91 care in the Medicaid program. The purpose of this methodology is
92 to support providers that have historically served Medicaid
93 recipients, including, but not limited to, safety net providers,
94 trauma hospitals, children's hospitals, statutory teaching
95 hospitals, and medical and osteopathic physicians employed by or
96 under contract with a medical school in this state. The agency
97 may develop a supplemental capitation rate, risk pool, or
98 incentive payment to plans that contract with these providers.
99 The agency may develop the supplemental capitation rate to
100 consider rates higher than the fee-for-service Medicaid rate
101 when needed to ensure access and supported by funds provided by
102 a locality. The agency shall evaluate the development of the
103 rate cell to accurately reflect the underlying utilization to
104 the maximum extent possible. The methodology may include interim
105 rate adjustments as permitted under federal regulations. Any
106 such methodology shall preserve federal funding to these
107 entities and must be actuarially sound.

108 (2) The Secretary of Health Care Administration shall
109 appoint members and convene a technical advisory panel to advise
110 the agency in the study and development of intergovernmental
111 transfer distribution methods. The panel shall include
112 representatives from contributing hospitals, medical schools,
113 local governments, and managed care plans. The panel shall
114 advise the agency regarding the best methods for ensuring the
115 continued availability of intergovernmental transfers, specific
116 issues to resolve in negotiations with the Centers for Medicare

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117 and Medicaid, and appropriate safeguards for appropriate
118 implementation of any developed payment methodologies.

119 (3) By January 1, 2011, the agency shall provide a report
120 to the Speaker of the House of Representatives, the President of
121 the Senate, and the Governor on the intergovernmental transfer
122 methodologies developed. The agency shall not implement such
123 methodologies without express legislative authority.

124 Section 3. Section 624.35, Florida Statutes, is created to
125 read:

126 624.35 Short title.—Sections 624.35-624.352 may be cited as
127 the "Medicaid and Public Assistance Fraud Strike Force Act."

128 Section 4. Section 624.351, Florida Statutes, is created to
129 read:

130 624.351 Medicaid and Public Assistance Fraud Strike Force.—

131 (1) LEGISLATIVE FINDINGS.—The Legislature finds that there
132 is a need to develop and implement a statewide strategy to
133 coordinate state and local agencies, law enforcement entities,
134 and investigative units in order to increase the effectiveness
135 of programs and initiatives dealing with the prevention,
136 detection, and prosecution of Medicaid and public assistance
137 fraud.

138 (2) ESTABLISHMENT.—The Medicaid and Public Assistance Fraud
139 Strike Force is created within the department to oversee and
140 coordinate state and local efforts to eliminate Medicaid and
141 public assistance fraud and to recover state and federal funds.
142 The strike force shall serve in an advisory capacity and provide
143 recommendations and policy alternatives to the Chief Financial
144 Officer.

145 (3) MEMBERSHIP.—The strike force shall consist of the