

FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

NEW 5-YEAR SECTION 1115 DEMONSTRATION REQUEST FULL PUBLIC NOTICE

The Florida Agency for Health Care Administration (Agency) intends to submit to the Centers for Medicare & Medicaid Services (CMS) a proposal to implement a new Title XIX section 1115 demonstration that addresses workforce challenges within Medicaid through implementation of new workforce recruitment and retention programs that will increase access to necessary providers in medically underserved areas. The proposed new five-year demonstration will be called the “Florida Health Care Workforce Sustainability Section 1115 Demonstration.”

Pursuant to CMS requirements for new, initial section 1115 demonstration programs, the Agency is providing this full public notice in alignment with federal public notice rules at 42 CFR 431.408 to describe the key components of the proposed demonstration. The proposed draft application and other related public notice materials are available for review and public input for a 45-day period starting December 11, 2024 through January 24, 2025 as described in this notice.

I. Demonstration Program Overview

Health care workforce shortages are widespread nationally. Florida has additional challenges because it is one of the largest and fastest-growing states in the nation. Moreover, Florida is home to a larger percentage of older adults compared to other states. The federal government has recognized the need to invest in the health care workforce and has several initiatives to increase the numbers of health care workers, especially in medically underserved areas. Over the years, Florida Medicaid has made substantial investments in its health care workforce. However, Florida’s health care need is outpacing workforce supply similar to what is occurring across the nation. The need for health care professionals particularly impacts people living in poverty who have higher rates of acute and chronic health conditions and access challenges due to limited transportation, time off from work, and childcare options.¹

To address these workforce issues, on March 21, 2024, Governor DeSantis approved the “Live Healthy” legislation (SB 7016, SB 7018, SB 330, and SB 1758) to strengthen Florida’s health care workforce, increase access to health care services, and incentivize innovation – aspects that are fundamental to establishing a more resilient and patient-focused health care delivery system for Florida residents. Live Healthy received near unanimous bipartisan support from Florida’s legislature. Collectively, they took unprecedented action to increase Florida’s health care workforce to keep pace with the state’s continued rapid population growth and aging population. They created new laws, revised existing laws, and appropriated hundreds of millions of dollars for state agencies to conduct health care workforce expansion objectives.

¹ Health Affairs, Health, Income, & Poverty: Where We Are and What Could Help, October 18, 2018, <https://www.healthaffairs.org/doi/10.1377/hpb20180817.901935/>

Live Healthy builds upon existing foundations to improve health care access and quality, which may serve as a national model because of its innovative focus on workforce supply. Specifically, SB 7016 directs the Agency to seek federal approval to use Title XIX matching funds for the workforce training and loan repayment program components of this strategic investment so that all Florida Medicaid beneficiaries will achieve their highest level of health. The workforce programs proposed under this demonstration proposal are:

1. **The Training, Education, and Clinicals in Health (TEACH) Funding Program** is a workforce training and certification program that will provide funds to participating federally qualified health centers, community mental health centers, certified community behavioral health clinics, and rural health clinics to offset the costs of training residents and students to become licensed health care practitioners that support medically underserved areas.
2. **Florida Reimbursement Assistance for Medical Education (FRAME) Program** allows for loan repayment for primary care physicians, physician assistants, mental health professionals, licensed practical nurses, registered nurses, and advance practice registered nurses.
3. **The Dental Student Loan Repayment Program** is a loan repayment program that promotes access to dental care under the Florida Medicaid program by supporting qualified dentists and dental hygienists who treat medically underserved populations in dental health professional shortage areas or medically underserved areas.
4. **Nursing Indirect Medical Education** through the **Florida Funding Initiative for the Recruitment, Sustainment, and Training of Nursing (FIRST) Program** will make semi-annual payments to eligible public teaching hospitals to offset the higher patient care expenses and increased complexity of cases resulting from nursing education.

Florida has also been cited by the Department of Justice as having specific issues related to home care of children with complex medical needs. The Agency is tasked via an injunction with transitioning children in nursing facilities to a home or community-based setting and to incrementally increase the percentage of in-home nursing hours provided for children until 100 percent of authorized hours are staffed. Thus, Florida Medicaid has a priority need for nurses with training in home and community-based pediatric care.

II. Demonstration Goals and Objectives

The proposed demonstration is expected to bolster Florida's health care workforce to keep pace with the state's rapid population growth and aging population. Accordingly, the goals and objectives of this demonstration are to improve Medicaid beneficiary access to services and quality of care by:

1. Enhancing the capacity and effectiveness of Florida's health care workforce to meet the evolving needs of the state's diverse population by implementing targeted training and recruitment programs.
2. Improving health care access and quality across Florida by strategically addressing workforce shortages and retention challenges through innovative workforce development initiatives supported by federal funding; and,
3. Developing a resilient framework for community-based health care workforce initiatives aimed at resolving pediatric home care nursing concerns highlighted by the Department of Justice, particularly for children enrolled in Medicaid with complex medical conditions.

III. Workforce Programs Description

The demonstration will authorize federal medical assistance percentage for the state to operate new programs focused on provider certification, training, and student loan repayment. The goal of these programs is to build up Florida’s health care workforce to keep pace with the expected medical demand of the state’s growing and aging population. The proposed workforce programs are described in the below table:

Program Component	Training, Education, and Clinicals in Health (TEACH) Funding Program	Dental Student Loan Repayment Program	Florida Reimbursement Assistance for Medical Education (FRAME) Program	The Florida Funding Initiative for the Recruitment, Sustainment, and Training of Nursing (FIRST) Program
Program Benefit Description	TEACH will offset the administrative costs and loss of revenue associated with training residents and students to become licensed health care practitioners.	The Dental Student Loan Repayment Program will benefit Florida-licensed dentists and dental hygienists.	FRAME will make payments that offset loans and educational expenses incurred by students for studies leading to a medical, nursing, or mental health degree or licensure.	FIRST will make semi-annual payments to eligible public teaching hospitals to offset higher patient care expenses and increased complexity of cases resulting from nursing education.
Eligible Health Care Practitioners or Qualified Facilities	<ul style="list-style-type: none"> • Federally qualified health centers • Community mental health centers • Rural health clinics • Certified community behavioral health clinics 	<ul style="list-style-type: none"> • Dentists • Dental hygienists Practitioners must: <ul style="list-style-type: none"> • Demonstrate active employment in a public health program or 	<ul style="list-style-type: none"> • Medical doctors with primary care specialties: obstetrics, gynecology, general and family practice, geriatrics, internal medicine, pediatrics, psychiatry, 	Public hospital with residents in a state approved Graduate Medical Education training program as of January 1, 2023.

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	<p>Each facility must provide appropriate supervision or precepting for one or more of the following categories of residents or students:</p> <ul style="list-style-type: none"> • Allopathic or osteopathic residents pursuing a primary care specialty. <ul style="list-style-type: none"> ○ Qualified primary care specialties: general internal medicine, family medicine, obstetrics and gynecology, general pediatrics, psychiatry, geriatric medicine, or any other specialty identified by the state as primary care. • Dental residents • Advanced practice registered nursing students pursuing a primary care specialty. • Nursing students. • Allopathic or osteopathic medical students. • Dental students. 	<p>private practice that serves Medicaid recipients and other low-income patients and is located in a dental health professional shortage area or a medically underserved area.</p> <ul style="list-style-type: none"> • Volunteer 25 hours per year providing dental services in a free clinic that is located in a dental health professional shortage area or a medically underserved area, through another volunteer program operated by the state. 	<p>osteopathic medicine, and other specialties which may be identified by the state.</p> <ul style="list-style-type: none"> • Advanced practice registered nurses registered to engage in autonomous practice per Florida law. • Advanced practice registered nurses • Physician assistants • Mental health professionals, including licensed clinical social workers, licensed marriage and family therapists, licensed mental health counselors, and licensed psychologists • Licensed practical nurses and registered nurses • Provide 25 hours annually of volunteer primary care services in a free clinic or through another volunteer program operated by the state. 	

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	<ul style="list-style-type: none"> • Dental hygiene students. • Physician assistant students. • Behavioral health students, including students studying psychology, clinical social work, marriage and family therapy, or mental health counseling. 			
Funding Awards	<p>TEACH reimbursement funds to qualified facilities are as follows:</p> <ul style="list-style-type: none"> • For qualified facilities, up to \$75,000 per fiscal year • For qualified facilities that also operate a residency program, up to \$100,000 each fiscal year 	<p>Dental loan reimbursement will equal 20% of a dentist’s or dental hygienist’s principal loan amount at the time he or she applied for the program but may not exceed \$50,000 per year per eligible dentist or \$7,500 per year per eligible dental hygienist</p>	<p>FRAME funds will be awarded for a four-year period of continued proof of practice in a rural or underserved area as designated by DOH:</p> <ul style="list-style-type: none"> • Up to \$150,000 for physicians • Up to \$90,000 for advanced practice registered nurses registered to engage in autonomous practice and practicing autonomously • Up to \$75,000 for advanced practice registered nurses and physician assistants • Up to \$75,000 for mental health professionals • Up to \$45,000 for licensed practical nurses and 	<p>FIRST IME payments will equal one-half of the annual computed IME payment (paid on a semiannual basis) calculated by the Agency for eligible teaching hospitals.</p>

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			registered nurses	
Funding Award Process	The state will issue reimbursement based on the number of clinical training hours reported quarterly. The state will reimburse qualified facilities a per student hourly rate by student type as designated in the law.	The state will issue a loan repayment award to qualified dentists or dental hygienists annually, up to a maximum of five awards for each year he or she maintains program eligibility.	The state will issue a loan repayment award that equals 25 percent of a practitioner's principal loan amount at the time he or she applied for the program up to the maximum dollar award at the end of each year that a practitioner participates in the FRAME program and adheres to program requirements.	The state will issue awards based on each hospital's ratio of nursing full-time equivalents to beds and Medicaid inpatient payments. Semiannual IME payments will be calculated using the most recently filed and available Medicare Cost Report (CMS Form 2552) extracted from the Health care Cost Report Information System and the Florida Hospital Uniform Reporting System (FHURS).
Eligible Expenses	Loan repayment awards can only be used to pay the costs of tuition, books, other educational costs, and reasonable living expenses as determined by the state.	Loan repayment awards can only be used to pay the costs of tuition, books, dental equipment and supplies, uniforms, and reasonable living expenses as determined by the state.	Costs for tuition, matriculation, registration, books, laboratory and other fees, other educational costs, and reasonable living expenses as determined by the state.	Public hospital costs associated with operating Graduate Medical Education training programs approved by the state's Accreditation Council for Graduate Medical Education

IV. Demonstration Eligibility, Benefits, and Cost-sharing

The demonstration is not intended to enroll individuals into Medicaid as beneficiaries or providers but rather to expand federal support to implement health care workforce training programs that will support enrolled Medicaid members. The demonstration

benefits are the training certification and reimbursement and loan repayment programs enacted under Live Healthy for eligible qualified providers and facilities. There will be no cost-sharing imposed for workforce training offered under the demonstration.

V. Demonstration Health Care Delivery System

The state utilizes a managed care delivery system for enrolled members with exemptions for certain members only eligible for limited Medicaid coverage. As this demonstration is not providing direct care to Medicaid enrollees, it is not expected to impact program eligibility, enrollment, or the delivery of medical services to program enrollees.

VI. Demonstration Projected Program Enrollment

This section estimates the ranges of newly qualified practitioners and/or teaching facilities that will be eligible to receive awards over the initial five-year demonstration period. The variance in numbers in each program reflects the differences in the loan reimbursement amount available to different practitioner types. Actual participation in the programs may vary.

- TEACH – 633 – 844 qualified health facilities will be eligible to receive awards each year of the demonstration period. The number varies depending on whether the facility operates a residency program.
- FRAME – 2887 – 9591 licensed or certified health care practitioners professionals, depending on practice area, will be eligible to receive awards each year of the demonstration period.
- Dental Student Loan Repayment Program – 459 – 3065 qualified dentists and dental hygienists will be eligible to receive awards each year of the demonstration period.
- FIRST IME – Approximately 13 qualified public hospitals with residency training programs will be eligible to receive awards each year of the demonstration period.

VII. Projected Demonstration Expenditures

The state’s total projected expenditures (inclusive of state and federal share) to implement the workforce programs described above over the requested five-year demonstration period are listed in the table below.

Demo Year 01	Demo Year 02	Demo Year 03	Demo Year 04	Demo Year 05
\$641,237,255	\$623,965,857	\$611,679,217	\$605,313,202	\$604,109,264

VIII. Evaluation Parameters

The state’s proposed evaluation parameters to assess the impact of the demonstration on Medicaid workforce are listed in the table below.

Proposed Hypothesis	Anticipated Measure(s)	Proposed Data Sources
The TEACH program will increase the number	Number of federally qualified health centers, community mental	Agency for Health Care Administration Live

Proposed Hypothesis	Anticipated Measure(s)	Proposed Data Sources
federally qualified health centers, community mental health centers, certified community behavioral health clinics, and rural health clinics offering clinical training and/or increase the overall numbers of training slots for the targeted practitioners.	health centers, certified community behavioral health clinics, and rural health clinics offering clinical training.	Healthy program reports
The FRAME program and the Dental Student Loan Repayment Program will increase the recruitment and retention of health care professionals in Florida’s medically underserved areas.	Number of practitioners receiving loan repayment who initiate their service commitment. Length of service in underserved areas by practitioners receiving loan repayment.	Agency for Health Care Administration Live Healthy program reports Department of Health licensure data
The number of nurses in clinical training will increase.	Number of nurse trainees in TEACH and nursing IME.	Agency for Health Care Administration Florida Center for Nursing
The number of mental health therapists in clinical training will increase.	Number of social work, mental health counseling, marriage and family therapy, and psychology students in TEACH.	Agency for Health Care Administration Live Healthy program reports

IX. Proposed Waiver and Expenditure Authorities

Section 1115(a)(1) Waiver Authorities	Florida does not anticipate needing any waivers of the provisions under Title XIX of the Social Security Act to implement this demonstration.
Section 1115(a)(2) Expenditure Authorities	Florida is requesting expenditure authority to implement the workforce programs proposed therein.

X. Public Notice and Comment Process

As announced in the abbreviated public notice released in the Florida Administrative Registrar on December 11, 2024, the draft section 1115 demonstration proposal and related public notice materials are posted for a 45-day public comment period starting December 11, 2024 through January 24, 2025 on the Federal Waivers home page located on the Agency’s website: <https://ahca.myflorida.com/medicaid/medicaid-policy-quality-and-operations/medicaid-policy-and-quality/medicaid-policy/federal-authorities/federal-waivers>.

The Agency will conduct two public hearings on the proposed application as listed below:

Public Hearing 1:

Wednesday, January 8, 2025
1:30 P.M. – 3:30 P.M.

The Agency for Health Care Administration
2727 Mahan Drive
Building 3, Conference Room A
Tallahassee, FL 32308

Public Hearing 2:

Friday, January 10, 2025
10 A.M. – 12 P.M.

Orlando Hurston Complex
400 W Robinson St
North Tower N109, Conference Room 1
Orlando, FL 32801

Interested parties may submit written comments electronically via email to FLMedicaidWaivers@ahca.myflorida.com or may send written comments concerning the proposed new demonstration to:

Agency for Health Care Administration
Managed Medical Assistance Amendment
2727 Mahan Drive, MS #20
Tallahassee, Florida 32308

Hard copies of the proposed application can be obtained by contacting Kimberly Quinn at 850-412-4277 or by email at Kimberly.Quinn@ahca.myflorida.com.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least seven days before the workshop/meeting by contacting Kimberly Quinn at 850-412-4277 or by email at Kimberly.Quinn@ahca.myflorida.com.

If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1 (800) 955-8771 (TTY) or 1 (800) 955-8770 (Voice).