

Executive Summary

The Social Services Estimating Conference convened on October 8 to revisit the estimates of Medicaid caseloads, and reconvened on October 28 to reestimate Medicaid expenditures for FY2004-05 and adopt a new forecast for FY2005-06.

Caseload estimating conference- The conference adopted a caseload projection for the current fiscal year that is only slightly changed from the projection upon which the appropriation was based. Caseload groups representing the elderly and disabled were revised upward by 0.8% for FY2004-05, while the groups comprising women and children were basically unchanged.

For the upcoming fiscal year, elderly and disabled groups are expected to increase by 4.0% from this fiscal year, while women and children are projected to rise by 4.2%. Currently, approximately 11.4% of Floridians are entitled to receive full Medicaid services, with another 0.9% receiving a subset of Medicaid services.

Expenditure estimating conference- With regard to expenditures, the conference adopted a forecast for FY2004-05 that is \$419.2 million higher than the appropriation, for a total cost of \$14,385 million (up 10.6% from the prior year). The new forecast anticipates a deficit in General Revenue funding of \$164 million for the current fiscal year. Higher than expected utilization and costs are contributing to deficits in physician services and hospital inpatient, along with higher utilization of prescribed medicine services. In addition, some of the cost saving policy changes that were instituted during the 2004 session have been delayed, further increasing the cost this year. It should be noted that this deficit reflects the state share of the Medicaid program and does not necessarily have to be funded from the General Revenue fund. At present, there is expected to be a small surplus of approximately \$31 million in General Revenue left from the 2003-04 fiscal year, which will revert on December 31.

For the upcoming fiscal year, program expenditures are expected to rise to \$15,334 million, an increase of 12.8% from the current year recurring appropriation base. The General Revenue share of the increase is projected at \$781.1 million (+20.6%) above the recurring FY2004-05 base appropriation. The projection for FY2005-06 anticipates full and immediate implementation of the new Medicare prescription drug coverage plan (Part D), beginning January 2006. If individuals are allowed to transition into the new plan at a slower rate (which is allowed by the new law) or if coverage for drugs now included under Medicaid but not included under the new plan is maintained, there would be additional costs incurred.

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
October 28, 2004

FY 2004-05
APPROPRIATION COMPARED TO NEW FORECAST

	Appropriation	New Forecast	Surplus/ (Deficit)
Physician Services	754.5	793.2	(38.7)
Hospital Inpatient Services	1762.3	2011.1	(248.8)
Special Payments to Hospitals	577.3	577.3	0.0
G/A RIPPC DSH	0.2	0.2	0.0
Graduate Medical Education-DSH	0.0	0.0	0.0
Mental Health DSH	68.6	68.6	0.0
G/A Rural Health Financial Assistance	12.7	12.7	0.0
TB Hospital DSH	2.4	2.4	0.0
Primary Care DSH	0.0	0.0	0.0
Hospital DSH	226.9	226.9	0.0
Hospital Insurance Benefits	132.3	137.1	(4.8)
Nursing Home Care	2314.2	2271.0	43.2
Prescribed Medicine Services	2643.6	2679.0	(35.5)
Hospital Outpatient Services	533.4	571.8	(38.3)
Other Lab & X-ray Services	41.8	43.1	(1.2)
Family Planning Services	11.3	8.0	3.3
Clinic Services	78.2	78.2	0.1
Dev Eval/Early Intervention-Part H	4.3	4.3	0.0
Supplemental Medical Services	539.4	594.7	(55.2)
State Mental Health Hospital	6.5	9.4	(2.9)
Home Health Services	162.9	170.9	(8.1)
EPSDT	136.3	132.5	3.8
Adult Dental, Visual, & Hearing	13.3	14.2	(0.9)
Patient Transportation	109.4	108.2	1.1
Inter. Care Facilities/Sunland	150.9	149.4	1.4
Inter. Care Facilities/Community	194.8	179.7	15.1
Rural Health Clinics	53.4	54.2	(0.8)
Birthing Center Services	1.1	1.2	(0.0)
Nurse Practitioner Services	6.3	5.9	0.4
Hospice	219.7	210.2	9.5
Community Mental Health Services	31.0	58.5	(27.4)
Physician Assistant Services	2.4	2.2	0.1
Home & Community Based Services	769.7	774.0	(4.3)
Community Supported Living Waiver	28.5	28.5	0.0
ACLF Resident Waiver	37.7	31.9	5.7
Dialysis Center	10.6	11.2	(0.6)
Assistive Care Services Waiver	32.9	32.9	0.0
Healthy Start Waiver	14.8	14.8	0.0
Nursing Home Diversion Waiver	128.5	133.4	(4.9)
Prepaid Health Plan	1622.4	1541.1	81.3
Case Management Services	80.1	97.8	(17.7)
Therapeutic Services for Children	159.3	234.9	(75.6)
Personal Care Services	20.4	20.8	(0.4)
Physical Therapy Services	13.6	17.2	(3.6)
Occupational Therapy Services	16.2	20.7	(4.5)
Speech Therapy	21.2	27.6	(6.4)
Respiratory Therapy Services	4.0	4.4	(0.4)
Private Duty Nursing Services	136.3	138.6	(2.3)
MediPass Services	28.0	28.7	(0.7)
Medicaid School Financing	50.0	50.0	0.0
TOTAL	13965.7	14384.9	(419.2)
General Revenue	3952.0	4116.0	(164.0)
Medical Care Trust Fund	7922.5	8144.5	(222.0)
Refugee Assistance Trust Fund	26.3	21.8	4.5
Public Medical Assistance Trust Fund	407.8	407.8	0.0
Other State Funds	441.0	438.6	2.3
Grants and Donations Trust Fund	1134.4	1174.4	(40.0)
Tobacco Settlement Trust Fund	81.8	81.8	0.0

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
October 28, 2004

FY 2005-06
APPROPRIATION BASE COMPARED TO NEW FORECAST

	FY 2004-05 Appropriation Base	New Forecast	Surplus/ (Deficit)
Physician Services	698.4	759.0	(60.6)
Hospital Inpatient Services	1568.8	2066.7	(497.9)
Special Payments to Hospitals	577.3	577.3	0.0
G/A RIPPC DSH	0.2	7.5	(7.3)
Graduate Medical Education-DSH	0.0	20.9	(20.9)
Mental Health DSH	68.6	61.0	7.6
G/A Rural Health Financial Assistance	12.7	12.7	0.0
TB Hospital DSH	2.4	2.4	0.0
Primary Care DSH	0.0	0.0	0.0
Hospital DSH	226.9	200.6	26.3
Hospital Insurance Benefits	116.0	133.0	(17.0)
Nursing Home Care	2314.2	2651.9	(337.8)
Prescribed Medicine Services	2634.5	2543.4	91.1
Hospital Outpatient Services	488.3	608.2	(119.9)
Other Lab & X-ray Services	39.5	39.6	(0.1)
Family Planning Services	10.5	7.8	2.7
Clinic Services	76.0	86.8	(10.8)
Dev Eval/Early Intervention-Part H	4.3	4.5	(0.1)
Supplemental Medical Services	524.4	688.2	(163.8)
State Mental Health Hospital	6.5	9.9	(3.4)
Home Health Services	159.9	200.2	(40.3)
EPSDT	135.5	138.2	(2.8)
Adult Dental, Visual, & Hearing	3.8	11.4	(7.6)
Patient Transportation	105.8	109.9	(4.0)
Inter. Care Facilities/Sunland	150.9	155.6	(4.8)
Inter. Care Facilities/Community	194.8	191.0	3.9
Rural Health Clinics	51.9	56.2	(4.3)
Birthing Center Services	0.8	1.1	(0.3)
Nurse Practitioner Services	5.9	5.7	0.3
Hospice	219.7	254.8	(35.1)
Community Mental Health Services	29.6	42.9	(13.3)
Physician Assistant Services	2.3	2.2	0.1
Home & Community Based Services	769.7	775.4	(5.7)
Community Supported Living Waiver	28.5	28.5	0.0
ACLF Resident Waiver	37.7	34.6	3.1
Dialysis Center	10.2	10.7	(0.5)
Assistive Care Services Waiver	32.9	32.9	0.0
Healthy Start Waiver	14.8	14.8	0.0
Nursing Home Diversion Waiver	128.5	142.2	(13.7)
Prepaid Health Plan	1622.3	2066.4	(444.0)
Case Management Services	78.9	109.5	(30.6)
Therapeutic Services for Children	159.3	168.9	(9.6)
Personal Care Services	20.3	21.3	(1.0)
Physical Therapy Services	13.6	14.8	(1.2)
Occupational Therapy Services	16.1	17.9	(1.8)
Speech Therapy	21.2	23.9	(2.8)
Respiratory Therapy Services	3.9	4.4	(0.6)
Private Duty Nursing Services	133.7	138.2	(4.5)
MediPass Services	27.7	29.3	(1.6)
Medicaid School Financing	50.0	50.0	0.0
TOTAL	13599.9	15334.5	(1734.6)
General Revenue	3794.9	4576.0	(781.1)
Medical Care Trust Fund	7714.3	8532.7	(818.4)
Refugee Assistance Trust Fund	26.1	24.2	2.0
Public Medical Assistance Trust Fund	407.8	478.4	(70.6)
Other State Funds	441.0	443.8	(2.9)
Grants and Donations Trust Fund	1134.0	1197.5	(63.5)
Tobacco Settlement Trust Fund	81.8	81.8	(0.1)

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
October 28, 2004

	FY00-01	% chg	FY01-02	% chg	FY02-03	% chg
Physician Services	454.6	10.8%	529.6	16.5%	601.4	13.6%
Hospital Inpatient Services	1202.3	29.3%	1293.4	7.6%	1488.4	15.1%
Special Payments to Hospitals	144.3	NA	352.4	244.2%	422.3	19.8%
G/A RIPPC DSH	7.0	1.7%	6.9	-1.6%	7.4	7.0%
Graduate Medical Education-DSH	19.8	0.2%	19.7	-0.4%	20.7	4.9%
Mental Health DSH	84.8	1.4%	82.8	-2.3%	51.8	-37.5%
G/A Rural Health Financial Assistance	10.7	-2.9%	12.1	12.9%	12.2	0.6%
TB Hospital DSH	2.4	0.0%	2.4	0.0%	2.4	-0.9%
Primary Care DSH	10.2	0.2%	10.2	-0.4%	10.7	4.9%
Hospital DSH	159.3	3.8%	175.2	10.0%	131.0	-25.2%
Hospital Insurance Benefits	83.3	9.9%	91.2	9.5%	98.1	7.5%
Nursing Home Care	1693.8	9.1%	1837.9	8.5%	2091.1	13.8%
Prescribed Medicine Services	1448.6	10.3%	1668.0	15.1%	1985.8	19.1%
Hospital Outpatient Services	381.7	2.7%	372.9	-2.3%	429.6	15.2%
Other Lab & X-ray Services	29.2	14.7%	32.8	12.5%	38.6	17.5%
Family Planning Services	9.8	0.5%	10.8	10.7%	10.5	-2.5%
Clinic Services	42.0	16.8%	50.6	20.6%	59.5	17.6%
Dev Eval/Early Intervention-Part H	2.2	14.9%	2.0	-6.3%	2.2	6.3%
Supplemental Medical Services	371.0	6.4%	404.9	9.1%	438.2	8.2%
State Mental Health Hospital	9.5	-20.9%	6.4	-32.4%	6.1	-5.5%
Home Health Services	84.6	15.1%	99.1	17.1%	118.2	19.3%
EPSDT	101.6	-3.0%	109.8	8.0%	123.7	12.7%
Adult Dental, Visual, & Hearing	32.0	13.9%	37.5	17.2%	19.3	-48.6%
Patient Transportation	90.3	14.6%	99.1	9.7%	109.9	11.0%
Inter. Care Facilities/Sunland	127.7	6.6%	129.1	1.1%	131.6	1.9%
Inter. Care Facilities/Community	0.0	NA	0.0	NA	0.0	NA
Rural Health Clinics	35.6	13.3%	40.7	14.1%	47.3	16.4%
Birthing Center Services	0.9	14.3%	0.9	0.8%	1.0	8.0%
Nurse Practitioner Services	5.0	20.6%	5.8	16.4%	5.7	-1.5%
Hospice	83.3	25.3%	107.2	28.7%	141.8	32.2%
Community Mental Health Services	56.5	12.2%	55.8	-1.3%	56.6	1.5%
Physician Assistant Services	1.6	142.5%	2.0	26.8%	2.3	14.3%
Home & Community Based Services	686.8	17.2%	933.7	35.9%	902.2	-3.4%
Community Supported Living Waiver	0.1	-72.8%	0.0	-61.6%	0.0	8.1%
ACLF Resident Waiver	20.5	55.0%	22.0	6.9%	28.0	27.2%
Dialysis Center	8.4	57.8%	8.7	3.8%	10.5	20.5%
Assistive Care Services Waiver	0.0	NA	27.9	NA	35.5	27.1%
Healthy Start Waiver	0.0	NA	0.0	NA	0.0	NA
Nursing Home Diversion Waiver	21.9	112.1%	24.1	10.0%	25.2	4.7%
Prepaid Health Plan	894.0	25.0%	1014.5	13.5%	1191.4	17.4%
Case Management Services	70.4	45.3%	76.4	8.5%	78.9	3.3%
Therapeutic Services for Children	167.8	14.6%	184.2	9.8%	200.8	9.0%
Personal Care Services	17.3	9.5%	18.2	5.0%	19.1	5.0%
Physical Therapy Services	10.8	13.1%	13.7	26.6%	15.9	16.0%
Occupational Therapy Services	12.1	49.2%	15.5	27.9%	18.9	21.6%
Speech Therapy	17.1	30.1%	20.9	22.3%	24.7	17.8%
Respiratory Therapy Services	2.9	11723.4%	3.4	17.6%	3.7	8.8%
Private Duty Nursing Services	112.7	21.4%	124.7	10.6%	126.3	1.3%
MediPass Services	22.6	16.7%	23.6	4.2%	26.0	10.4%
Medicaid School Financing	49.5	45.6%	58.8	18.8%	64.2	9.2%
TOTAL	8900.8	14.7%	10219.6	14.8%	11436.6	11.9%
General Revenue	2432.2	3.5%	2865.7	17.8%	3285.0	14.6%
Medical Care Trust Fund	4977.0	16.5%	5695.4	14.4%	6478.8	13.8%
Refugee Assistance Trust Fund	14.9	20.5%	14.3	-4.2%	14.7	2.8%
Public Medical Assistance Trust Fund	380.3	-2.5%	358.6	-5.7%	364.5	1.6%
Other State Funds	373.7	17.1%	486.9	30.3%	471.8	-3.1%
Grants and Donations Trust Fund	453.8	29.1%	668.3	47.3%	771.4	15.4%
Tobacco Settlement Trust Fund	268.9	295.8%	130.5	-51.5%	50.5	-61.3%

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
October 28, 2004

	FY03-04	% chg	FY04-05	% chg	FY05-06	% chg
Physician Services	675.0	12.2%	793.2	17.5%	759.0	-4.3%
Hospital Inpatient Services	1726.7	16.0%	2011.1	16.5%	2066.7	2.8%
Special Payments to Hospitals	587.9	39.2%	577.3	-1.8%	577.3	0.0%
G/A RIPPC DSH	7.5	1.1%	0.2	-97.7%	7.5	4340.2%
Graduate Medical Education-DSH	20.9	1.2%	0.0	-100.0%	20.9	NA
Mental Health DSH	53.4	3.0%	68.6	28.6%	61.0	-11.1%
G/A Rural Health Financial Assistance	12.7	4.8%	12.7	0.0%	12.7	0.0%
TB Hospital DSH	2.4	0.9%	2.4	0.0%	2.4	0.0%
Primary Care DSH	10.8	1.2%	0.0	-100.0%	0.0	NA
Hospital DSH	135.2	3.2%	226.9	67.9%	200.6	-11.6%
Hospital Insurance Benefits	120.3	22.6%	137.1	14.0%	133.0	-3.0%
Nursing Home Care	2319.1	10.9%	2271.0	-2.1%	2651.9	16.8%
Prescribed Medicine Services	2476.5	24.7%	2679.0	8.2%	2543.4	-5.1%
Hospital Outpatient Services	490.7	14.2%	571.8	16.5%	608.2	6.4%
Other Lab & X-ray Services	41.1	6.4%	43.1	4.9%	39.6	-8.1%
Family Planning Services	10.0	-5.3%	8.0	-19.3%	7.8	-3.3%
Clinic Services	66.7	12.0%	78.2	17.2%	86.8	11.1%
Dev Eval/Early Intervention-Part H	3.6	66.6%	4.3	18.8%	4.5	3.7%
Supplemental Medical Services	479.5	9.4%	594.7	24.0%	688.2	15.7%
State Mental Health Hospital	6.3	2.8%	9.4	51.0%	9.9	4.7%
Home Health Services	135.3	14.4%	170.9	26.3%	200.2	17.1%
EPSDT	133.3	7.7%	132.5	-0.6%	138.2	4.3%
Adult Dental, Visual, & Hearing	3.8	-80.1%	14.2	269.3%	11.4	-19.4%
Patient Transportation	112.7	2.5%	108.2	-3.9%	109.9	1.5%
Inter. Care Facilities/Sunland	141.0	7.1%	149.4	6.0%	155.6	4.2%
Inter. Care Facilities/Community	191.6	NA	179.7	-6.2%	191.0	6.2%
Rural Health Clinics	49.2	4.0%	54.2	10.0%	56.2	3.8%
Birthing Center Services	1.1	7.5%	1.2	9.0%	1.1	-6.1%
Nurse Practitioner Services	5.7	0.6%	5.9	2.6%	5.7	-3.6%
Hospice	179.7	26.7%	210.2	17.0%	254.8	21.2%
Community Mental Health Services	56.7	0.1%	58.5	3.1%	42.9	-26.7%
Physician Assistant Services	2.3	1.6%	2.2	-2.6%	2.2	-1.8%
Home & Community Based Services	773.7	-14.2%	774.0	0.0%	775.4	0.2%
Community Supported Living Waiver	0.3	804.9%	28.5	8780.6%	28.5	0.0%
ACLF Resident Waiver	30.6	9.5%	31.9	4.3%	34.6	8.3%
Dialysis Center	10.6	1.3%	11.2	5.4%	10.7	-3.9%
Assistive Care Services Waiver	33.3	-6.0%	32.9	-1.4%	32.9	0.0%
Healthy Start Waiver	11.8	NA	14.8	25.4%	14.8	0.0%
Nursing Home Diversion Waiver	43.4	72.2%	133.4	207.0%	142.2	6.6%
Prepaid Health Plan	1256.7	5.5%	1541.1	22.6%	2066.4	34.1%
Case Management Services	72.6	-8.0%	97.8	34.8%	109.5	11.9%
Therapeutic Services for Children	224.7	11.9%	234.9	4.6%	168.9	-28.1%
Personal Care Services	20.0	4.7%	20.8	4.0%	21.3	2.6%
Physical Therapy Services	16.1	1.4%	17.2	6.4%	14.8	-13.7%
Occupational Therapy Services	19.2	2.0%	20.7	7.9%	17.9	-13.5%
Speech Therapy	25.2	2.2%	27.6	9.6%	23.9	-13.4%
Respiratory Therapy Services	3.9	6.2%	4.4	12.5%	4.4	1.3%
Private Duty Nursing Services	132.6	5.0%	138.6	4.5%	138.2	-0.3%
MediPass Services	27.7	6.5%	28.7	3.4%	29.3	2.3%
Medicaid School Financing	50.0	-22.1%	50.0	0.0%	50.0	0.0%
TOTAL	13011.2	13.8%	14384.9	10.6%	15334.5	6.6%
General Revenue	3305.8	0.6%	4116.0	24.5%	4576.0	11.2%
Medical Care Trust Fund	7758.2	19.7%	8144.5	5.0%	8532.7	4.8%
Refugee Assistance Trust Fund	18.4	25.2%	21.8	18.3%	24.2	11.0%
Public Medical Assistance Trust Fund	410.4	12.6%	407.8	-0.6%	478.4	17.3%
Other State Funds	397.7	-15.7%	438.6	10.3%	443.8	1.2%
Grants and Donations Trust Fund	1025.6	33.0%	1174.4	14.5%	1197.5	2.0%
Tobacco Settlement Trust Fund	95.1	88.2%	81.8	-14.0%	81.8	0.1%

SOCIAL SERVICES ESTIMATING CONFERENCE - BASIC MEDICAID CASELOADS, HISTORICAL AND FORECASTED
AVERAGE MONTHLY CASELOADS BY FISCAL YEAR, FY 1996-97 TO FY 2005-06
 October 8, 2004

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
SSI (A)	401,661	417,713	432,012	437,605	451,694	464,240	468,142	480,185	491,474	503,651
TANF (B)	675,222	582,882	508,570	500,647	572,041	600,234	624,195	655,986	706,031	750,610
Categorically Eligible (C)	37,734	61,553	67,115	63,141	71,984	88,662	95,295	107,127	124,693	140,589
Medically Needy (D)	15,933	13,853	12,870	14,967	18,384	20,981	27,077	30,730	36,161	44,091
General Assistance (E)	5,367	3,830	4,785	6,516	6,687	6,839	6,392	7,878	9,338	9,427
MEDS Elderly & Disabled (F)	84,775	84,131	83,988	88,014	91,275	94,437	97,052	104,501	116,064	125,037
Qualified Medicare Beneficiaries(G)	33,826	37,453	41,129	47,422	57,035	63,788	70,776	78,428	87,011	106,724
MEDS Pregnant Women <100% FPL (H)	34,164	32,001	31,024	31,038	32,313	35,229	38,343	40,809	44,064	46,987
MEDS Pregnant Women > 100% FPL (I)	9,225	9,247	9,595	10,396	11,276	12,169	13,697	15,298	16,129	10,081
Family Planning Waiver	0	0	22,843	83,193	117,150	109,314	111,062	25,417	3,190	6,877
MEDS Children <100% FPL (H)	190,804	178,576	200,597	261,557	312,080	368,412	434,404	450,387	438,789	440,285
MEDS Children > 100% FPL (I)	28,829	27,927	33,089	43,050	54,894	68,575	80,970	85,486	84,335	84,904
Children Title XXI (J)	0	2,099	23,621	20,854	15,728	8,397	2,026	1,457	1,285	1,385
TOTAL	1,517,540	1,451,265	1,471,238	1,608,400	1,812,541	1,941,277	2,069,431	2,083,689	2,158,564	2,270,648

(A) Elderly or disabled individuals of low income who are determined eligible for supplemental security income as determined by the Social Security Administration.

(B) Individuals in single-parent low-income families who meet the AFDC eligibility standards effective in September 1996 or meet TANF eligibility guidelines.

(C) Unemployed parents and children under 18, children under 21 in intact families, or children born after 9/83 living with non-relatives, where family income meets AFDC standards.

(D) Individuals who meet SSI or AFDC eligibility after expenses for medical care are deducted.

(E) This category is 100% federally funded and covers the first eight months in the U.S. for individuals who generally meet the TANF and SSI eligibility requirements.

(F) Elderly and disabled individuals with income above the criteria for supplemental security income but less than 90% of the Federal Poverty Level.

(G) Medicaid covers certain Medicare-related expenses for elderly and disabled individuals between 90-120% of the Federal Poverty Level (excludes Silver Saver program).

(H) Pregnant women under 100% of the Federal Poverty Level and children age 6 and older in families under 100% of the Federal Poverty Level.

(I) Children age 1 to 6 under 133% of the Federal Poverty Level; pregnant women and infants less than one year old with incomes less than 185% of the Federal Poverty Level.

(J) Children born after 10/93 who have not reached age 19 and are under 100% of the Federal Poverty Level.

**2004 Legislative Session
Major Appropriation Highlights
Health and Human Services Subcommittee
Conference Agreement FY 2004-05**

AGENCY FOR HEALTH CARE ADMINISTRATION

Additions

- ✓ **Medicaid Workload and Price Level - \$1,799.2 million**
Provides \$1,187.9 million for Medicaid workload because of changes in caseloads and utilization of services and \$611.3 million related to price level increases in reimbursement rates for institutional facilities, rural health clinics, and prescribed medicine providers. The Medicaid caseload for FY 2004-05 is projected to be 2.4 million Floridians.

- ✓ **Florida KidCare Program - \$149.2 million**
Provides funds to continue the Florida KidCare program which provides health insurance for eligible children. These funds annualize expenditures for the estimated 90,280 children added to the program from the March 11, 2004 wait list. It is estimated that 430,000 children will receive health insurance coverage by June 30, 2005.

- ✓ **Uncovered Medical Expenses for Medicaid Nursing Home Residents - \$52.7 million**
Provides funds to change Medicaid policies regarding the deduction of out-of-pocket medical expenses for services not covered by Medicaid from the calculation of a resident's share of cost of nursing or other institutional care. Of this total, \$35.1 million is provided for FY 2004-05 and \$17.6 million is provided to cover the expenses, beginning January 1, 2004, associated with the state's contribution to the cost of nursing facility care for Medicaid recipients in fiscal year 2003-04.

- ✓ **Eliminate Exclusion of Special Hospital Payments from HMO Rate Setting - \$56.3 million**
Provides funds to adjust Medicaid HMO rates to include in the hospital inpatient calculation any special Medicaid payments, such as the Upper Payment Limit or Disproportionate Share Hospital payments, made to qualifying hospitals through the fee-for-service programs effective on or after July 1, 2003.

- ✓ **Special Medicaid Payments to Hospitals – \$71.7 million**
Provides funds to increase special Medicaid payments to hospitals under the Upper Payment Limit program.

- ✓ **Disproportionate Share Hospital Program - \$68.0 million**
Provides for an increase of \$52.7 million for the public hospital disproportionate share hospital program and an increase of \$15.3 million for the mental health disproportionate share hospital program resulting from an increase in the federal allotment.

- ✓ **Physician Upper Payment Limit - \$68.3 million**
Provides additional funds for services provided by physicians employed or under contract with the Florida State University, the University of Florida, the University of South Florida, the University of Miami, and the Nova Southeastern University in accordance with the approved Medicaid state plan amendment.

- ✓ **Physician Rate Increase - \$12.2 million**
Provides for an increase in reimbursement rates to physicians for services provided to individuals under the age of 21 with emphasis on pediatric specialty care for those services deemed by AHCA to be the most difficult to secure under the current reimbursement methodology.
- ✓ **Restoration of Adult Dentures - \$9.5 million**
Restores adult dentures for Medicaid recipients effective January 1, 2005.
- ✓ **Additional Resources for Fraud and Abuse - \$1.7 million**
Provides 17 positions to increase the agency's efforts in deterring and detecting Medicaid fraud and abuse and to contract for the planning and development of guidelines and tools to promote cost effective drug use.
- ✓ **Enhanced Assistive Care Services - \$3.7 million**
Provides funds for enhanced assistive care services for individuals with severe and persistent mental illness.
- ✓ **Expand Waiver Service for Medically Complex Technology Dependent Young Adults - \$1.1 million**
Provides funds to provide Medicaid waiver services to an additional 10 medically complex, technologically dependent, young adults aging out of coverage under the Children's Medical Services program.
- ✓ **Geriatric Falls Prevention Pilot \$4.8 million**
Provides funds to implement a demonstration project to reduce geriatric falls among community-based Medicaid beneficiaries at risk of falls and who reside in Broward and Miami-Dade counties.
- ✓ **Wireless Handheld Drug Database- \$4.5 million**
Provides funds to expand by 2,000 the number of physicians participating in the Medicaid wireless handheld drug information database programs.

Reductions

KidCare

- ✓ **Limit Florida Healthy Kids Dental Benefits - (\$17.9 million)**
Reduces the per member per month premium for Florida Healthy Kids dental services to not more than \$12.

Prescribed Medicines

- ✓ **Lifesaver Rx – (\$28.9 million)**
Postpones implementation of the Lifesaver Rx program designed to provide discounts on drugs for low-income individuals over 65 due to delays resulting from the recently enacted Medicare legislation. An amount of \$500,000 is provided pending approval of the program. AHCA is authorized to submit a budget amendment to the Legislative Budget Commission to implement the program.
- ✓ **Expansion of the State MAC Pricing - (\$24.6 million)**
Authority was granted to the AHCA to expand the current Maximum Allocable Cost (MAC) program and to competitively procure multi-source generic drugs.

- ✓ **Limit Lifestyle Drugs - (\$3.9 million)**
Limits prescribed products to treat erectile dysfunction to a dosing level of no more than one pill per month.
- ✓ **Pharmacy Ingredient Cost Adjustments – (\$25.7 million)**
Reduces payments for prescribed drugs from the current reimbursement levels to the lesser of Average Wholesale Price (AWP) less 15.4% or Wholesaler Acquisition Cost (WAC) plus 5.75%.
- ✓ **Reduce Dosage to Recommended Levels – (\$7.8 million)**
Limits Cox II Inhibitor utilization to once a day unless prescribed for an indication requiring more frequent dosing per the Federal Drug Administration approved product level.
- ✓ **Expand Supplemental Drug Rebate for Name Brand Drugs to 29% - (\$6.1 million)**
Increases the supplemental rebates from manufacturers for name brand drugs to a minimum threshold of 29 percent.
- ✓ **Prior Authorize Off Label Use of Prescribed Drugs – (\$7.0 million)**
Reduces prescribed drug payments resulting from savings from prior authorization for the off-label use of Neurontin.
- ✓ **Decrease Selected Prescriptions to Single Dosages per Day – (\$6 million)**
Decrease the dosage frequency and amount of Zyprexa to the dosage amount recommended by the federal Food and Drug Administration.
- ✓ **Pharmacy Management of Behavioral Health Prescribed Drugs – (\$33.8 million)**
Implements a Medicaid behavioral health pharmacy drug management program.
- ✓ **Eliminate Pharmaceutical Value Added Contracts – (\$85.2 million)**
Eliminates current value-added programs in lieu of supplemental rebates, prior authorization and brand limitations.
- ✓ **Provider Network Management (\$14.0 million)**
Limits the Medicaid provider network to providers through provider credentialing and to those providers which meet certain standards of quality.

Medicaid Prepaid Health Plans

- ✓ **Mandatory managed Care Enrollment Effective on the Date of Medicaid Enrollment (\$2.7 million)**
Increases enrollment in managed care plans as a result of enrolling individuals within 30 days of the eligibility start date.

Long-Term Care

- ✓ **Impact to Hospice Rates due to Reducing Nursing Home Rate – (\$7.2 million)**
Reduces hospice rates due to the impact of reducing nursing home rates.
- ✓ **Delays Nursing Home Staffing Increase (\$72.1 million)**
Reduces nursing home services due to the delay in nursing home staffing from 2.6 hours of direct care per resident per day to 2.9 hours effective July 1, 2005.

- ✓ **Reduce Nursing Home Reimbursement Rates (\$66.7 million)**
Adjusts nursing home per diems, except for the direct patient care component, in accordance with the current state plan methodology and then reduces rates proportionately until the required savings are achieved.
- ✓ **Reduce ICF/DD Reimbursement Rates (4.8 million)**
Adjusts Intermediate Care Facility for the Developmentally Disabled (ICF/DDs) rates in accordance with the current state plan methodology and then reduces rates proportionately until the required savings are achieved.
- ✓ **Elimination of Nursing Home and ICF/DD Bed Hold Days (\$14.5 million)**
Eliminates Medicaid coverage of bed hold days for Medicaid beneficiaries residing in nursing homes and Intermediate Care Facility for the Developmentally Disabled (ICF/DDs) with reported occupancy levels less than 95 percent.
- ✓ **Continuation of Nursing Home Transition Initiative (\$18.4 million)**
Reduces nursing home expenditures by transitioning at least 800 nursing home clients to other more appropriate and less costly home and community-based alternatives.
- ✓ **Nursing Home Diversion Expansion (\$14.3 million)**
Expands the nursing home diversion program to other more appropriate and less costly alternatives by at least 3,000 slots.
- ✓ **Establish Home and Community Based Services (HCBS) Utilization Review/Prior Authorization Program (\$7.2 million)**
Reduces payments under the home and community-based services waivers due to the implementation of a utilization management program designed to prior authorize home and community-based services.
- ✓ **Consolidate Home and Community Based Waiver Services (\$6.9 million)**
Reduces payments under the home and community-based services waivers due to the consolidation of types of services.

Hospitals

- ✓ **Reduce Hospital Inpatient Reimbursement Rates (\$69.7 million)**
Adjusts hospital inpatient reimbursement rates in accordance with the current state plan methodology and then reduces rates proportionately until the required savings are achieved.
- ✓ **Reduce Hospital Outpatient Reimbursement Rates (\$14.1 million)**
Adjusts hospital outpatient reimbursement rates in accordance with the current state plan methodology and then reduces rates proportionately until the required savings are achieved.
- ✓ **Utilization Review of Neonatal Intensive Care Unit Services – (\$1.3 million)**
Reduces hospital inpatient services due to the implementation of a comprehensive utilization management program for hospital neonatal intensive care stays.
- ✓ **Establish a Hospitalist Program for Medicaid Recipients (\$19.1 million)**
Reduces hospital inpatient services due to implementation of a hospitalist program.

- ✓ **Utilization Management of Private Duty Nursing (\$8.3 million)**
Reduces private duty nursing expenditures due to implementation of a comprehensive utilization program that requires prior authorization of private duty nursing services for children, including children serviced in the Children's Medical Services program.

Physicians

- ✓ **Physician Services Lock-In – (\$0.9 million)**
Reduces physician services based on implementation of a physician lock-in program for recipients that participate in the pharmacy lock-in program.

DEPARTMENT OF CHILDREN AND FAMILIES

Additions

- ✓ **Serving Developmentally Disabled Citizens - \$45.0 million**
Provides resources to serve an additional 360 of the most vulnerable citizens who require developmental services and are in crisis, and to serve an additional 2166 citizens currently on the waiting list for developmental services. Resources will also be used to supply supported employment services to 167 citizens on the waiting list for developmental services.
- ✓ **Domestic Violence Services - \$1 million**
Includes funding to provide additional services to victims of domestic violence. These services include shelter beds, care for children, victim support, case management and legal advocacy support.
- ✓ **Adoptions Subsidies - \$18.1 million**
Increases funding for Maintenance Adoption Subsidies to place an additional 4,442 hard-to-place children who would otherwise linger in costly foster care arrangements for long periods of time.
- ✓ **Equity Funding for Community-Based Providers - \$23.6 million**
Provides additional funding to achieve a more equitable distribution of child protection resources among the Department of Children and Families districts and Suncoast Region.
- ✓ **Domestic Violence Construction - \$4 million**
Increases funding to renovate domestic violence shelters throughout the state.
- ✓ **Expand Crisis Stabilization Units - \$6.4 million**
Funds additional mental health crisis beds in districts with the greatest need.
- ✓ **Expand Substance Abuse Services - \$2 million**
Provides additional services to 1333 individuals with substance abuse problems.
- ✓ **Provide Treatment for Individuals Involved in the Criminal Justice System - \$8.5 million**
Provides mental health treatment in community based programs.
- ✓ **Restore Programs Funded with Nonrecurring Funding with Recurring Funding - \$9 million**
Funds services critical to meeting the substance abuse service needs of the state.

Reductions

- ✓ **Home and Community Services Efficiencies-(\$14 million)**
Savings from reducing inconsistencies between districts in the level of services provided, and the supply of medically inappropriate medical services.
- ✓ **Efficiencies in Eligibility Determination of Cash Assistance, Medicaid and Food Stamps - (\$22 million)**
Reduces staff in Economic Self Sufficiency by 750 full-time equivalent positions to implement efficiencies in the eligibility determination activities. The Senate budget includes proviso language authorizing the Department of Children and Families to outsource this function.
- ✓ **Management Reductions – (\$19.1 million)**
This issue reduces the administrative budgets in the Department of Children and Families by \$19.1 million. This reduction is based on consolidating the administrative functions in the 13 DCF districts and one region into 6 zones.

DEPARTMENT OF ELDER AFFAIRS

Additions

- ✓ **Alzheimer’s Center Construction - \$12 million**
Funds are provided for the Jonnie B. Byrd Sr. Alzheimer’s Center and Research Institute for completing the construction of the building and purchasing equipment.
- ✓ **Local Services Programs - \$3.3 million**
Provides nonrecurring funds to continue funding for community care for the elderly programs.
- ✓ **Office of Public Guardianship Office - \$1 million**
Provides additional funds for the Office of Public Guardianship.
- ✓ **CARES Workload - \$0.6 million**
Provides funds for 10 positions related to increased workload for the Comprehensive Assessment and Review of Long Term Care Services (CARES) that provide preadmission screening for nursing homes.

Reductions

- ✓ **Establish Home and Community Based Services (HCBS) Utilization Review/Prior Authorization Program (\$4.5 million)**
Reduces payments under the home and community-based services waivers due to the implementation of a utilization management program designed to prior authorize home and community-based services.
- ✓ **Consolidate Home and Community Based Waiver Services (\$4.5 million)**
Reduces payments under the home and community-based services waivers due to the consolidation of types of services.

DEPARTMENT OF HEALTH

Additions

- ✓ **James and Esther King Biomedical Research Program – \$3.6 million**
Provides additional research funding to enhance Biomedical Research activities through universities and related research programs.
- ✓ **Mayo Clinic Cancer Research Program - \$2.0 million**
Provides funding for a cancer research initiative affiliated with the Mayo Clinic in Jacksonville.
- ✓ **Tobacco Awareness / Use Reduction Program - \$1.0 million**
Continues the tobacco awareness and educational program targeted toward youth.
- ✓ **St. Joseph's Children's Heart Center – \$1.0 million**
Funds the St. Joseph's Children's Heart Center which is a regional source for pediatric cardiac patients with a demonstrated success rate for children's' health care.
- ✓ **Children's Cardiac Program – \$0.3 million**
Provides continuation funding for the children's cardiac program at Wolfson Hospital.
- ✓ **Pepin Heart Institute - \$1.0 million**
Increased funding for the Pepin Heart Institute.
- ✓ **County Health Department Facility Replacements - \$18.8 million**
Provides funding for the construction or renovation of county health department facilities in Brevard, Lee, Gulf and Palm Beach Counties.
- ✓ **Public Health Institute - \$1.3 million**
Provides funding for the creation of a Public Health Institute on the grounds of the A.G. Holley Hospital in Lantana.

DEPARTMENT OF VETERANS' AFFAIRS

- ✓ **Veterans' Nursing Homes Final Phase of Start-Up (Bay, Charlotte Homes) - \$8.5 million**
Provides the final general revenue portion of start-up funding and necessary trust fund authority for the two new Veterans' Nursing Homes in Bay and Charlotte Counties.