



LEGISLATIVE  
BUDGET  
COMMISSION

**Committee Meeting Packet  
for  
September 26, 2001**

# **LEGISLATIVE BUDGET COMMISSION AGENDA**

**September 26, 2001**

**10:00 a.m.**

**Room 412, Knott Building**

<b>Members:</b>	<b>Senator Lisa Carlton</b>	<b>Representative Randy John Ball</b>
	<b>Senator Victor Crist</b>	<b>Representative Paula Dockery</b>
	<b>Senator Daryl Jones</b>	<b>Representative Ronald A. Greenstein</b>
	<b>Senator Jim King</b>	<b>Representative Carlos A. Lacasa</b>
	<b>Senator Tom Rossin</b>	<b>Representative Evelyn J. Lynn</b>
	<b>Senator Jack Latvala</b>	<b>Representative Sandy Murman</b>
	<b>Senator Ronald A. Silver</b>	<b>Representative Rob Wallace</b>

---

## **I. Consideration of the following budget amendments:**

- a. **EOG Number B2002-0255, Department of Management Services**
- b. **EOG Number B2002-0256, Department of Juvenile Justice**
- c. **EOG Number B2002-0216, Department of Children and Family Services**
- d. **EOG Number B2002-0225, Department of Children and Family Services**
- e. **EOG Number B2002-0232, Department of Children and Family Services**
- f. **EOG Number B2002-0253, Department of Children and Family Services**
- g. **EOG Number B2002-0133, Department of Health**
- h. **EOG Number B2002-0227, Department of Health**
- i. **EOG Number B2002-0229, Department of Health**
- j. **EOG Number B2002-0275, Agency for Health Care Administration**
- k. **EOG Number B2002-0277, Agency for Health Care Administration**
- l. **EOG Number B2002-0278, Agency for Health Care Administration**
- m. **EOG Number B2002-0279, Agency for Health Care Administration**

## **II. Presentation on General Revenue Estimate**

## **III. Consideration of other business**

**Department:** B0255

**EOG Number:** Management Services

**Problem Statement:** Section 37 of Chapter 2001-91, Laws of Florida, mandates a type two transfer of the Office of the Judges of Compensation Claims from the Department of Labor and Employment Security (DLES) to the Department of Management Services, Division of Administrative Hearings (DOAH), effective October 1, 2001. The law also requires a type two transfer of 18 direct support positions responsible for coding or entering data for final orders, preparing docketing orders for the petitions for benefits, and performing financial management, accounting, and budgeting functions of the Office.

**Agency Request:** To comply with the law, the Agency requests the transfer of the Workers' Compensation Appeals Program and 18 direct support positions from the Workers' Compensation Program to DOAH for the Workers' Compensation Appeals Program - Judges of Compensation Claims. To comply with the October 1, 2001, effective date, this amendment requests transfer of 197 positions and \$11,542,876 in budget authority from DLES, Workers' Compensation Administrative Trust Fund, to DOAH, Administration Trust Fund. The Agency also requests a transfer of \$8,902,224 in annual approved salary rate.

**Governor's Recommendation:** Recommend approval to transfer 197 positions, \$11,542,876 Trust Fund budget authority and \$8,902,224 in rate from the Department of Labor and Employment Security to the Division of Administrative Hearing to implement the transfer of the Office of Judges Compensation Claims, effective October 1, 2001, pursuant to Chapter 2001-91, L.O.F.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** General Government  
**Senate Analyst:** Tom Barrett  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** tom.barrett@LASPBS.state.fl.us

**House Committee:** General Government Appropriations  
**House Analyst:** Marsha Belcher  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** marsha.belcher@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
<b>Division of Administrative Hearings</b>					
				Revised for Consultation	
	<b>Administrative Hearings</b>				
	<b>Program: Workers' Compensation Appeals - Judges of Compensation Claims</b>				
	<b>Positions and Rate</b>				
	Positions		197.0	197.0	
	Salary Rate		8,902,224	8,902,224	
	Administration Trust Fund				
	Salaries and Benefits				
N/A	72970200-010000-00-2021		8,213,851	8,213,851	
	Other Personal Services				
N/A	72970200-030000-00-2021		749,522	749,522	
	Expenses				
N/A	72970200-040000-00-2021		2,530,922	2,530,922	
	Operating Capital Outlay				
N/A	72970200-060000-00-2021		17,034	17,034	
	Data Processing Services - STO				
N/A	72970200-210018-00-2021		31,547	0	
	<b>Information Mgmt Ctr - LES</b>			<b>31,547</b>	
N/A	<b>72970200-210006-00-2021</b>				

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
<b>Labor and Employment Security</b>					
<b>Program: Workers' Compensation Appeals</b>					
<b>Positions and Rate</b>					
	Positions		(179.0)	(179.0)	
	Salary Rate		(8,369,199)	(8,369,199)	
	Workers' Compensation Administration Trust Fund				
	Salaries and Benefits				
2550C	54050201-010000-00-2795		(7,694,077)	(7,694,077)	
	Other Personal Services				
2550D	54050201-030000-00-2795		(749,522)	(749,522)	
	Expenses				
2550E	54050201-040000-00-2795		(2,354,348)	(2,354,348)	
	Operating Capital Outlay				
2550F	54050201-060000-00-2795		(17,034)	(17,034)	
	Information Mgmt Ctr - LES				
2550H	54050201-210006-00-2795		(31,547)	(31,547)	
<b>Program: Workers' Compensation</b>					
<b>Positions and Rate</b>					
	Positions		(18.0)	(18.0)	
	Salary Rate		(533,025)	(533,025)	
	Workers' Compensation Administration Trust Fund				
	Salaries and Benefits				
2550I	54050202-010000-00-2795		(519,774)	(519,774)	
	Expenses				
2550K	54050202-040000-00-2795		(176,574)	(176,574)	

**Department: Juvenile Justice**

**EOG Number: B0256**

**Problem Statement:** The Department of Juvenile Justice (DJJ) is in the process of outsourcing food services in the Detention Centers Service, effective January 1, 2002, as directed in the 2001-02 General Appropriations Act (GAA). The GAA reflects a reduction of 159 FTEs and a savings of \$243,947 from this outsourcing effort. The GAA also reflects the appropriate transfers from the Salaries and Benefits and Expenses appropriations categories into the Contracted Services appropriations category to cover the cost of the contract. Funds in the Food Products appropriations category which are used to purchase actual food inventory, however, were not transferred. Since the private provider will be responsible for all aspects of the food service operations in detention centers, including the purchase of food products, all funds associated with the contract should be in the contracted services appropriations category.

**Agency Request:** Approve the transfer of \$1,022,228 General Revenue and \$872,450 from the Grants and Donations Trust Fund from the Food Products appropriations category to the Contracted Services appropriations category.

**Governor's Recommendation:** Recommend approval of the transfer of \$1,022,228 General Revenue appropriations and \$872,450 Grants & Donations Trust Fund appropriations from Food Products in the Detention Centers Service to Contracted Services to facilitate outsourcing all detention food services functions on January 1, 2002.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Public Safety & Judiciary  
**Senate Analyst:** Robert Beck  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** robert.beck@LASPBS.state.fl.us

**House Committee:** Criminal Justice Appropriations  
**House Analyst:** Jim DeBeaugrine  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** jim.debeaugrine@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>JUVENILE JUSTICE</b>					
<b><u>Detention Centers</u></b>					
<b>General Revenue</b>					
1179	Food Products 80400100-070000-00-1000		(1,022,228)	(1,022,228)	
1181	Spec.Catg/Contracted Services 80400100-100778-00-1000		1,022,228	1,022,228	
<b>Grants &amp; Donations Trust Fund</b>					
1179	Food Products 80400100-070000-00-2339		(872,450)	(872,450)	
1181	Spec.Catg/Contracted Services 80400100-100778-00-2339		872,450	872,450	

**Department: Children and Family Services**

**EOG Number: B0216**

**Problem Statement:** The Projects for Assistance In Transition from Homelessness (PATH) federal grant has been ongoing since 1990. The grant supports services to homeless or at-risk persons with serious mental illness, including those with co-occurring serious mental illness and substance use disorders. The Department of Children and Family Services (Department) periodically receives increases to the PATH grant: the latest increase was received on August 14, 2001. The Department has insufficient budget authority to support the additional grant expenditures.

**Agency Request:** The Department requests an increase of \$1,081,560 in Federal Grants Trust Fund budget authority to support the increase in the PATH grant award.

**Governor's Recommendation:** Recommend approval to increase Federal Grants Trust Fund budget authority by \$1,081,560 to support PATH grant expenditures.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations

**Senate Analyst:** Tim Sadberry

**Phone Number:** (850) 487-5140 or SunCom 277-5140

**E-mail Address:** tim.sadberry@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations

**House Analyst:** Stephanie Massengale

**Phone Number:** (850) 488-6204 or SunCom 278-6204

**E-mail Address:** stephanie.massengale@LASPBS.state.fl.us



**BUDGET AMENDMENT FORM**

Line Item No.	Budget Entity / Fund / Appropriation Category Title		<b>REQUESTED BY AGENCY</b>	<b>RECOMMENDED BY GOVERNOR</b>	<b>APPROVED BY THE LEGISLATIVE BUDGET COMMISSION</b>
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>Children and Family Services</b>					
<b>MENTAL HEALTH PROGRAMS</b>					
<b>Adult Community Mental Health Services</b>					
	G/A Community Mental Health				
	Federal Grants Trust Fund				
400	60910502-100610-00-2261		1,002,640	1,002,640	
<b>Program Management and Compliance</b>					
	Expenses				
	Federal Grants Trust Fund				
421	60910505-040000-00-2261		78,920	78,920	

**Department: Children and Family Services**

**EOG Number: B0225**

**Problem Statement:** The Department of Children and Family Services (Department) received a federal grant on August 27, 2001, for a Coalition-Building Among Community Partners project in Orange County. The grant provides infrastructure resources to help providers of prevention programs targeted for mental health and substance abuse services establish local coalitions and improve service delivery. There is not sufficient budget authority in the Department's budget to support the grant expenditures in the current fiscal year.

**Agency Request:** The Department requests an increase of \$512,692 in Federal Grants Trust Fund budget authority to support grant expenditures.

**Governor's Recommendation:** Recommend approval to increase Federal Grants Trust Fund budget authority by \$512,692 to support grant expenditures for the Coalition-Building Among Community Partners project in Orange County.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations

**Senate Analyst:** Tim Sadberry

**Phone Number:** (850) 487-5140 or SunCom 277-5140

**E-mail Address:** tim.sadberry@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations

**House Analyst:** Stephanie Massengale

**Phone Number:** (850) 488-6204 or SunCom 278-6204

**E-mail Address:** stephanie.massengale@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>Department of Children and Family Services</b>					
400	<b>MENTAL HEALTH PROGRAM</b> <b>Adult Community Mental Health Services</b> G/A Community Mental Health Federal Grants Trust Fund 60910502-100610-00-2261		512,692	512,692	

**Department: Children and Family Services**

**EOG Number: B0232**

**Problem Statement:** A U.S. Department of Justice grant established a Juvenile Drug Court Program designed to provide nonviolent juvenile offenders in Broward County with comprehensive substance abuse treatment and intensive judicial supervision. The grant had originally been scheduled to end May 31, 2001. Program start up was delayed and the federal government approved a no-cost extension of the grant period through May 31, 2002. The Department of Children and Family Services (Department) does not have sufficient budget authority to use the balance of the grant funds in the current fiscal year.

**Agency Request:** The Department requests an increase of \$282,030 in Federal Grants Trust Fund budget authority to continue implementation of the Juvenile Drug Court Program in Broward County.

**Governor's Recommendation:** Recommend approval to increase Federal Grant Trust Fund budget authority by \$282,030 to continue a U.S. Department of Justice grant for a Juvenile Drug Court Program in Broward County.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations

**Senate Analyst:** Tim Sadberry

**Phone Number:** (850) 487-5140 or SunCom 277-5140

**E-mail Address:** tim.sadberry@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations

**House Analyst:** Stephanie Massengale

**Phone Number:** (850) 488-6204 or SunCom 278-6204

**E-mail Address:** stephanie.massengale@LASPBS.state.fl.us

**BUDGET AMENDMENT FORM**

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
<b>Children and Family Services</b>					
430	<b>SUBSTANCE ABUSE PROGRAM</b> <b>Child Substance Abuse Prevention, Evaluation and Treatment Services</b> Federal Grants Trust Fund G/A -Children and Adol. Substance Abuse Svcs. 60910602-100420-00-2261		282,030	282,030	

**Department: Children and Family Services**

**EOG Number: B0253**

**Problem Statement:** The Department of Children and Family Services (Department) received a federal grant for the Village Adolescent Treatment Program for Girls in Dade County. The program provides treatment to adolescent females 12 to 17 years of age with both mental health and substance abuse problems. Although the grant was scheduled to end September 29, 2001, all grant funds have not been expended or obligated. The federal government has granted preliminary approval for a grant extension, which would enable the Department to access the remaining grant funds. The Department does not have sufficient budget authority in the current fiscal year to use these unexpended funds.

**Agency Request:** The Department requests an increase of \$687,733 in Federal Grants Trust Fund budget authority to use the unexpended grant funds to continue the Village Adolescent Treatment Program for Girls.

**Governor's Recommendation:** Recommend approval to increase Federal Grants Trust Fund budget authority by \$687,733 to continue funding for the Village Adolescent Treatment Program for Girls in Dade County.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Tim Sadberry  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** tim.sadberry@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Stephanie Massengale  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** stephanie.massengale@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>Children and Family Services</b>					
430	<b>SUBSTANCE ABUSE PROGRAM</b> <b>Child Substance Abuse Prevention, Evaluation and Treatment Services</b> Federal Grants Trust Fund G/A -Children and Adol. Substance Abuse Svcs. 60910602-100420-00-2261		687,733	687,733	

**Department: Health**

**EOG Number: B0133**

**Problem Statement:** The Florida Health Insurance Study by the Agency for Health Care Administration in January 2000, reported 450,000, or 24.6 percent of Miami-Dade residents under age 65 as uninsured. For children, the rate is 19.1 percent, in spite of aggressive KidCare outreach. The diversity of the population in Miami-Dade County is a key factor in the number of uninsured residents. Research conducted by the Department of Health demonstrates that a variety of strategies are needed to reach these diverse populations, and that personal referral from a trusted source is most effective with minority populations. The General Appropriations Act for 2001-2002 contains proviso language following Specific Appropriation 532, which states "For the purposes of expanding KidCare and Medicaid outreach, a local governmental entity may certify local matching funds to serve as the state matching requirement to expand KidCare and Medicaid outreach". The Federal to State matching ratio for outreach funding is 90:10. Jackson Memorial Hospital in Dade County has certified expenditures of \$100,000 as match for federal Medicaid funds. The Department proposes to contract with Jackson Memorial Hospital to provide outreach activities to families potentially eligible for KidCare and Medicaid services through sub-contracts with community based organizations to help reduce the number of uninsured persons in Miami-Dade County.

**Agency Request:** The Department of Health requests an increase of \$900,000 in Federal Grants Trust Fund budget authority supported with federal Medicaid funds to contract with Jackson Memorial Hospital for outreach activities associated with the KidCare and Medicaid programs.

**Governor's Recommendation:** Recommend approval to increase the Federal Grants Trust Fund budget by \$900,000 in Family Health Services to provide outreach to families potentially eligible for KidCare and Medicaid services.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Paul Belcher  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** paul.belcher@laspbs.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Tom Weaver  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** tom.weaver@LASPBS.state.fl.us



Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
		CF	Appropriation	Appropriation	Appropriation
<b>Health</b>					
	<b><u>Family Health Services</u></b>				
N/A	Federal Grants Trust Fund G/A Contracted Services 64200300-100778-00-2261		900,000	900,000	

**Department: Health**

**EOG Number: B0227**

**Problem Statement:** The Agency for Health Care Administration (AHCA) has received a grant award from the federal Center for Medicare and Medicaid Services for the Nursing Home Transition 2000 Program. This program will target Medicaid eligible individuals residing in nursing facilities who are under the age of 55 and who have sustained a traumatic brain injury and/or spinal cord injury and will seek to transition these individuals back into the community. AHCA will serve as the lead state agency with responsibility for administrative oversight of the program. AHCA will transfer funds to the Department of Health's (DOH) Brain and Spinal Cord Injury Program for the programmatic and operational management of the program. DOH's Community Health Resources budget entity does not have sufficient budget authority in the Federal Grants Trust Fund to implement its portion of the program.

**Agency Request:** The Department requests an additional \$410,000 in Federal Grants Trust Fund budget authority in the Community Health Resources budget entity for the implementation of the Nursing Home Transition Program.

**Governor's Recommendation:** Recommend approval to increase the Federal Grants Trust Fund budget by \$410,000 for the implementation of the Nursing Home Transition Program.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Paul Belcher  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** paul.belcher@laspbs.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Tom Weaver  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** tom.weaver@LASPBS.state.fl.us

BUDGET AMENDMENT FORM

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>Health</b>					
	<u>Community Health Resources</u>				
	Federal Grants Trust Fund				
	Other Personal Services				
N/A	64400200-030000-00-2261		45,000	45,000	
	Expenses				
623	64400200-040000-00-2261		320,000	320,000	
	Purchased Client Services				
N/A	64400200-102933-00-2261		45,000	45,000	

**Department: Health**

**EOG Number: B0229**

**Problem Statement:** Chapter 401, Part II, Florida Statutes, assigns responsibility for the administration of the Emergency Medical Services Grant Program to the Department of Health (DOH). Funds to support this grant program are derived from traffic violation surcharges that are transferred from the Department of Highway Safety & Motor Vehicles (DHSMV). Forty-five percent of the funds received are returned to counties for distribution by the board of county commissioners to various emergency medical service organizations within their respective county. Revenue received from DHSMV for this program exceeds the amount appropriated for FY 2001-02 by \$1,205,201.

**Agency Request:** DOH requests an increase of \$1,205,201 in Emergency Medical Services Trust Fund budget authority in the Community Health Resources budget entity in order to comply with s. 401.113 (a), Florida Statutes.

**Governor's Recommendation:** Recommend approval to increase the DOH Emergency Medical Services Trust Fund budget by \$1,205,201 for the distribution of emergency medical services funds to the counties based on proportional shares provided in s. 401.113, Florida Statutes.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Paul Belcher  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** paul.belcher@laspbs.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Tom Weaver  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** tom.weaver@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<p><b>Health</b></p> <p>625</p>	<p><b>Community Health Resources</b>                      Emergency Medical Services Trust Fund                      G/A - EMS County Grants                      64400200-059998-00-2192</p>		<p>1,205,201</p>	<p>1,205,201</p>	

**Department: Agency for Health Care Administration**

**EOG Number: B0275**

**Problem Statement:** The 2001 Legislature appropriated funding of \$7.5 million for the administrative costs of implementing and administering a Medicaid Drug Formulary Program. The proposed contract amendment under negotiation with the Medicaid fiscal agent for the implementation and administration of the drug formulary and other drug reduction initiatives, however, is estimated to cost \$11,674,032, which is \$4,174,032 more than the initial \$7.5 million estimate. The \$7.5 million was an initial estimate of the expected costs for the implementation and administration of the Medicaid Drug Formulary Program. The increase in costs to \$11,674,032 is based on negotiations with the Medicaid fiscal agent where it was determined that there will be an expected call volume for prior authorizations of 115,000 calls per month beginning October 1, 2001 and decreasing to 44,000 calls per month by February 1, 2002. Initial prior authorization requests or responses to prior authorization calls will require an estimated 161,000 monthly faxes between the fiscal agent, physicians and pharmacists beginning October 1, 2001. The monthly fax volume is expected to decrease to 95,000 per month by February 1, 2002 consistent with the decrease in monthly phone calls. Initially, prior authorizations for non-preferred drug list products will require 57 pharmacists and 38 pharmacy technicians on October 1, 2001 to handle the expected volume of phone calls and responses. The number of required staff will be reduced on February 1, 2002 to 30 pharmacists and 18 pharmacy technicians given the expected decrease in monthly phone calls.

The estimated General Revenue savings from the Drug Formulary Program and other cost containment initiatives is \$126.8 million in the Prescribed Medicine/Drugs appropriation category. The Agency does not have sufficient budget authority in the Medicaid Fiscal Contract category to execute the contract by October 1 to ensure that the savings amounts will be achieved.

**Agency Request:** The Agency requests a transfer of \$2,087,016 in General Revenue and \$2,087,016 in trust fund budget authority from the Prescribed Medicine/Drugs appropriation category to the Medicaid Fiscal Contract category to implement and administer the Medicaid Drug Formulary Program and other cost containment initiatives. Due to the lower federal match percentage of 50% state/50% federal for administrative costs compared to Medicaid services of 44% state/56% federal, it is requested that an additional \$618,198 in unmatched trust fund budget in the Prescribed Medicine/Drugs category be held in reserve.

The Social Services Estimating Conference will meet on September 28, 2001 to update the estimate for Medicaid expenditures this fiscal year. Subsequent budget transfers may be necessary to realign estimated expenditures with approved budget amounts by appropriation category, including the Prescribed Medicine/Drugs category, which is the source for this amendment.

*Legislative Budget Commission Meeting  
September 26, 2001*

**Governor's Recommendation:** Recommend approval of the transfer of \$2,087,016 in General Revenue and \$2,087,016 in trust fund budget authority from the Prescribed Medicine/Drugs appropriation category to the Medicaid Fiscal Contract category to support fiscal agent enhancements necessary to implement the Medicaid Drug Formulary Program and other cost containment initiatives in order to achieve the savings reflected in the General Appropriations Act. Also recommend that \$618,198 in unfunded trust fund budget be held in reserve.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Elaine Peters  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** elaine.peters@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Cynthia Kelly  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** cynthia.kelly@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Reserve	Appropriation
	<b>MEDICAID EXECUTIVE DIRECTION/ SUPPORT SERVICES</b>					
	<b>General Revenue Fund</b>					
237	Medicaid Fiscal Contract 68500200-102086-00-1000		2,087,016	2,087,016		
	<b>Administrative Trust Fund</b>					
237	Medicaid Fiscal Contract 68500200-102086-00-2021		2,087,016	2,087,016		
	<b>MEDICAID SERVICES TO INDIVIDUALS</b>					
	<b>General Revenue Fund</b>					
267	Prescribed Medicine/Drugs 68501400-102681-00-1000		(2,087,016)	(2,087,016)		
	<b>Medical Care Trust Fund</b>					
267	Prescribed Medicine/Drugs 68501400-102681-00-2474		(2,087,016)	(2,087,016)	618,918	



**Department:** Agency for Health Care Administration

**EOG Number:** B0277

**Problem Statement:** The 2001 Florida Legislature reduced the Agency for Health Care Administration's (Agency) appropriations for FY 2001-02 from General Revenue and trust funds by \$213.8 million and amended Chapter 409, Florida Statutes, to require the implementation of a drug formulary and other cost containment initiatives in the Medicaid Prescribed Drug Program. A specific total reduction of \$7,959,816 was associated with the expansion of the Drug Utilization Review Program to include pharmacist prescriber and patient consulting. The proposed contract amendment under negotiation with the Medicaid fiscal agent to implement this initiative is expected to cost \$3,496,010 in FY 2001-02, assuming a start date of November 1, 2001. The administrative costs include \$496,010 for staffing, equipment, training, and other expenses, and \$3,000,000 for encounter fees paid to participating pharmacists for the consultations. However, no additional administrative funding was provided for the establishment of the pharmacist prescriber and patient consulting.

**Agency Request:** The Agency requests a transfer of \$1,748,005 in General Revenue and \$1,748,005 in trust fund budget authority from the Prescribed Medicine/Drugs appropriation category to the Medicaid Fiscal Contract category for the expansion and enhancement of the Drug Utilization Review Program to include pharmacist prescriber and patient consulting, and to implement and maintain operation of the Pharmacy Consulting Network. Due to the lower federal match percentage of 50% state/50% federal for administrative costs compared to Medicaid services of 44% state/56% federal, it is requested that an additional \$517,779 in unmatched trust fund budget in the Prescribed Medicine/Drugs category be held in reserve, since it will no longer be needed.

The Social Services Estimating Conference will meet on September 28, 2001, to update the estimate for Medicaid expenditures this fiscal year. Subsequent budget transfers may be necessary to realign estimated expenditures with approved budget amounts by appropriation category, including the Prescribed Medicine/Drugs category, which is the source for this amendment.

**Governor's Recommendation:** Recommend approval to transfer \$1,748,005 in General Revenue and \$1,748,005 in trust fund budget authority from the Prescribed Medicine/Drugs category to the Medicaid Fiscal Contract category to support fiscal agent enhancements necessary to expand the Drug Utilization Review Program to include pharmacist prescriber and patient consulting effective November 1, 2001. Also recommend that \$517,779 in unfunded trust fund budget be held in reserve.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Elaine Peters  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** elaine.peters@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Cynthia Kelly  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** cynthia.kelly@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR		APPROVED BY LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Reserve	Appropriation
<b>Agency for Health Care Administration</b>						
<b>MEDICAID EXECUTIVE DIRECTION/ SUPPORT SERVICES</b>						
<b>General Revenue Fund</b>						
237	Medicaid Fiscal Contract 68500200-102086-00-1000		1,748,005	1,748,005		
<b>Administrative Trust Fund</b>						
237	Medicaid Fiscal Contract 68500200-102086-00-2021		1,748,005	1,748,005		
<b>MEDICAID SERVICES TO INDIVIDUALS</b>						
<b>General Revenue Fund</b>						
267	Prescribed Medicine/Drugs 68501400-102681-00-1000		(1,748,005)	(1,748,005)		
<b>Medical Care Trust Fund</b>						
267	Prescribed Medicine/Drugs 68501400-102681-00-2474		(1,748,005)	(1,748,005)	517,779	

**Department:** Agency for Health Care Administration

**EOG Number:** B0278

**Problem Statement:** The 2001 Florida Legislature reduced the Agency's appropriations for FY 2001-02 from General Revenue and trust funds by \$148.1 million and amended section 409.912, F.S., relating to cost-effective purchasing of health care. Chapter 2001-104, Laws of Florida, allows the Agency to establish a restricted drug formulary, and pursuant to the establishment of the formulary, to negotiate supplemental rebates from manufacturers.

Pfizer Inc. and the Agency entered into negotiations for other program benefits under the supplemental rebate program. On June 22, 2001, Pfizer agreed to provide funding for a health literacy program, a disease management program, product donation, and a savings guarantee. Under the agreement Pfizer will provide a grant of \$4.2 million in FY 2001-02 to the Agency for the health literacy program and for the disease management program. Pfizer Inc. also guarantees a total savings of \$15 million for year one of the agreement and \$18 million for year two. The Agency requires budget authority in the Grants and Donations Trust Fund to implement the health literacy and disease management initiatives funded by the Pfizer grant, and budget authority in the Administrative Trust Fund for expenditure of the federal matching funds of \$4.2 million.

**Agency Request:** The Agency requests an increase of \$4.2 million in Administrative Trust Fund budget authority and \$4.2 million in Grants and Donations Trust Fund budget authority to implement a health literacy program and a disease management program with Pfizer Inc., beginning October 1, 2001.

**Governor's Recommendation:** Recommend approval to increase Administrative Trust Fund budget authority by \$4.2 million and Grants and Donations Trust Fund budget authority by \$4.2 million to contract for a health literacy program and disease management initiative to achieve pharmaceutical cost savings pursuant to s. 409.912 (37)(a) Florida Statutes.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations

**Senate Analyst:** Elaine Peters

**Phone Number:** (850) 487-5140 or SunCom 277-5140

**E-mail Address:** [elaine.peters@LASPBS.state.fl.us](mailto:elaine.peters@LASPBS.state.fl.us)

**House Committee:** Health & Human Services Appropriations

**House Analyst:** Cynthia Kelly

**Phone Number:** (850) 488-6204 or SunCom 278-6204

**E-mail Address:** [cynthia.kelly@LASPBS.state.fl.us](mailto:cynthia.kelly@LASPBS.state.fl.us)

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
<b>Agency for Health Care Administration</b>					
<b>MEDICAID EXECUTIVE DIRECTION/ SUPPORT SERVICES</b>					
<b>Administrative Trust Fund</b>					
231	Other Personal Services 68500200-030000-00-2021		153,750	153,750	
232	Expenses 68500200-040000-00-2021		4,046,250	4,046,250	
<b>Grants and Donations Trust Fund</b>					
N/A	Other Personal Services 68500200-030000-00-2339		153,750	153,750	
232	Expenses 68500200-040000-00-2339		4,046,250	4,046,250	

**Department: Agency for Health Care Administration**

**EOG Number: B0279**

**Problem Statement:** The Centers for Medicare and Medicaid Services approved the Healthy Start Medicaid Waiver services to provide risk reduction services to pregnant women, at-risk infants and young children ages birth to three. There are currently 32 Healthy Start Coalitions, and the Department of Health will modify the contracts with the coalitions to include the waiver services and requirements. The state match for most of the waiver costs will be provided through the Department of Health certifying that sufficient state funds were expended for covered Healthy Start Medicaid Waiver services to meet the required state match. In the General Appropriations Act for FY 2001-2002, the Legislature appropriated to the Department of Health \$13 million from the Federal Grants Trust Fund in Specific Appropriation 527, Aid to Local Governments-Improved Pregnancy Outcome Program, for the estimated federal revenues to be generated by the approved waiver services. However, no additional funding was appropriated to the Agency for Health Care Administration to process the payments of the federal funds to the Department of Health for the Healthy Start Medicaid Waiver services.

**Agency Request:** The Agency requests increased budget authority of \$15,973,656 in the Medical Care Trust Fund to process the payments of the federal funds to the Department of Health for the Healthy Start Medicaid Waiver services.

**Governor's Recommendation:** Recommend approval to increase the Medical Care Trust Fund budget by \$15,973,656 for the MediPass Services and Home and Community Based Services to process the payments of federal funds to the Department of Health for the Health Start Medicaid Waiver Services. Although budget for Home and Community Based Services was requested in the Medicaid Long Term Care budget entity, since that entity and appropriation category contains waiver funding for other Home and Community Based Services, the budget is recommended to be placed in the Medicaid Services to Individuals budget entity to accurately reflect to whom services are provided.

**Commission Staff Comments:** Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

**Senate Subcommittee:** Health & Human Services Appropriations  
**Senate Analyst:** Elaine Peters  
**Phone Number:** (850) 487-5140 or SunCom 277-5140  
**E-mail Address:** elaine.peters@LASPBS.state.fl.us

**House Committee:** Health & Human Services Appropriations  
**House Analyst:** Cynthia Kelly  
**Phone Number:** (850) 488-6204 or SunCom 278-6204  
**E-mail Address:** cynthia.kelly@LASPBS.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
<b>Agency for Health Care Administration</b>					
<b>MEDICAID SERVICES TO INDIVIDUALS</b>					
270A	Medical Care Trust Fund MediPass Services 68501400-103558-00-2474		1,147,500	Revised for Consultation  1,147,500	
<b>MEDICAID LONG TERM CARE</b>					
280	Home and Community Based Services 68501500-101554-00-2474		14,826,156	0	
<b>MEDICAID SERVICES TO INDIVIDUALS</b>					
N/A	Medical Care Trust Fund Home and Community Based Services 68501400-101554-00-2474			14,826,156	



# Legislative Budget Commission Calendar

- JUNE 28, 2001
- JULY 26, 2001
- AUGUST 30, 2001
- SEPTEMBER 26, 2001
- OCTOBER 25, 2001
- NOVEMBER 29, 2001
- DECEMBER 20, 2001

Additional meetings may be scheduled upon call of the Chair.

Meetings scheduled are subject to notice requirements of the  
Senate and House.