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John Grant – Legislative Economics 5/8/2008

The following is FDA's economic round-up of the session. While we had wanted a Medicaid fee increase and the Governor had proposed it, in the end result we did not get it, but are fortunate that we did not get a decrease, as did other Medicaid providers. We are already laying the ground work for next year's session and hopefully by then the economy will have rebounded and we can once again push for an increase and for indexing.

THE FLORIDA LEGISLATURE ADOPTS BUDGET FOR 2008-2009

The Legislative Session ended with the Legislature adopting a \$66 billion budget for fiscal year 2008- 2009. This budget reflects a significant reduction from the \$70 billion budget passed last year. Funding for many issues in the area of health care and education were reduced or not funded due to a lean budget year. Dentistry, in particular, started out as one of the items to receive a reduction in the area of the adult dental Medicaid program. But as the House and Senate deliberated in their budget negotiations, the final decision was made to keep the funding for adult dental services. Even with the Agency for Health Care Administration (AHCA) and the Governor recommending increasing dental fees by \$21.8 million, the Legislature did not provide any funding for a fee increase for Medicaid dental providers. This decision was a direct result of the limited amount of funds available this year and the possibility of other essential services being cut or eliminated.

Other issues of interest include the following:

- funding in the KidCare program to cover an additional 38,000 eligible children, as well as maintaining the funding to provide dental services
- budget authority of \$600,000 for the Agency for Persons with Disabilities to establish a pilot to provide dental services to community clients from dentists working in/with the state's developmental services institutions (Gulf Coast Center – Lee County, Sunland – Marianna and Tacahale – Gainesville)
- a rural dental service program for Escambia, Okaloosa, Santa Rosa and Walton Counties received \$550,000 to provide a dental residency program in the Panhandle through Nova Southeastern University College of Dental Medicine
- \$2.5 million is allocated for rural diversity healthcare in Crestview from the public education capital outlay fund

- Community Smiles, a program based in Miami-Dade County, received \$300,000 to continue its local efforts

Many other issues were impacted by the state's budget reductions that will have a huge affect on access to affordable health care. Hospitals, nursing homes, health maintenance organizations (HMOs) and county health departments received at least a 6.5 percent reduction in their Medicaid reimbursement rates.

Additionally, county health departments received an overall budget cut of \$10 million. The Florida Healthy Kids Program received a freeze in its reimbursement rates effective September 30, 2008. The Medically Needy Program and the Medicaid Aged/Disabled (MEDS AD) Program was funded with non-recurring funds (Lawton Chiles Endowment funds) for one-year and is due to expire on June 30, 2009, unless the Legislature decides to continue funding the program next session. On July 1, 2009, the Medically Needy Program will be limited to pregnant women and children. Although it was initially recommended by the House, the Legislature did not provide its authority to expand Medicaid reform outside of the current five counties (Baker, Broward, Clay, Duval and Nassau).

As you can see, this year's budget presented the Legislature with a difficult challenge as it made some extremely tough decisions. At the end of the day, issues relating to the dental profession fared well. As the economy continues to struggle, next year's Legislative Session could possibly bring more of the same challenges.

The FDA would like to thank all of its members who involved themselves in this process and responded to all of the legislative alerts, attended Dentists' Day on the Hill and to those who just made themselves available when needed. All of your hard work made a difference.

John Grant