Center for Medicare and Medicaid Services (CMS) Denies Low Income Pool (LIP) Funding to Florida

Last week, the Center for Medicare and Medicaid Services (CMS) informed state officials the federal government will not extend federal funding for the Low Income Pool (LIP), a $2.2 billion impact to the state's budget. The letter specifically stated that the failure to expand Medicaid under Affordable Care Act (ACA) is “an important consideration” regarding an extension of LIP. The letter also specifically singled out the Senate’s plan to draw down federal dollars and insure more than 800,000 Floridians who cannot afford health care.

Senate leaders are willing to move forward with its expansion plans, but the House of Representatives and Governor Rick Scott have continued to publicly oppose the measure. The House and the Governor object to CMS's linking the LIP extension with Medicaid expansion or any other plan that would extend health care coverage to Florida's expanded Medicaid population under the ACA. In response to CMS's communication, Governor Scott has threatened to file suit over the failure to approve an extension of LIP. CMS previously stated, however, that Florida should not rely on LIP funds passed for FY 2014-15 and uncompensated care is not an economical method in which to deliver preventative care to uninsured/underinsured individuals.

State Budget Impasse Likely to Prevent a Timely Sine Die

With the rumored decision of CMS not to extend LIP now memorialized, the House and Senate are more than $5 billion apart in their respective budgets. The Senate takes into account LIP money along with new federal dollars (about $2.8 billion) for Medicaid expansion. The 2015 Session is scheduled to end, better known as “sine die,” on May 1, 2015. Senate Appropriations Chair Tom Lee and House Speaker Steve Crisafulli both stated publicly that the session is going to go into overtime. As of the time of this report, no official plans have been made.

Civil Citation Expansion Moves to Floor

On April 14, 2015, the House Judiciary Committee unanimously passed HB 99 – Juvenile Justice by Rep. Clarke Reed. The bill would allow law enforcement officers...
more discretion in issuing verbal warnings, informing the parents of or requiring a diversion program for a juvenile who commits a non-violent misdemeanor. The bill also limits a juvenile to three total issued civil citations. The bill is now headed to the House floor. The Senate companion measure, SB 378 by Sen. Garcia, will be voted on by the Senate on April 22nd.

Local Government Construction Preference Bill Clarified on Senate Floor

SB 778 – Local Government Construction Preferences by Sen. Hays, prohibits local governments from applying local preference ordinances where at least fifty percent of the funds used in the project are allocated by the state. The bill was amended on the Senate floor to clarify that state funds are defined as “state-appropriated funds which have been appropriated at the time of the competitive solicitation” and do not include any federal funds as a part of the state share.

Local governments sought this change to differentiate between multiple sources of funding, especially when the state acts as a pass-through entity. The modification will limit the number of projects to which a local government may not apply its local preference ordinance. The bill will be voted on in the full Senate on April 22nd. The House companion measure, HB 113 by Rep. Perry, is on the House 2nd Reading calendar waiting scheduling for consideration by the full House of Representatives.

Homeless Measure Allows for Limited Rental Assistance

SB 1500 – Housing for the Homeless by Sen. Latvala, essentially shifts more funding to the State Housing Initiatives Partnership Program (SHIP) to help low income individuals attain housing. The bill was amended to allow local governments to use up to 25 percent of SHIP funds to assist housing seekers with security and utility deposits in very low income households where a live-in family member has special needs or is considered homeless. SB 1500 is now in Senate Appropriations. However, the bill’s fate is in serious jeopardy since the House companion, HB 379 by Rep. Peters, has not been heard in the Economic Development & Tourism Subcommittee, its first committee of reference, and appears dead for the session.

Senate Mental Health Set for Final Approval

CS/SB 7068 – Mental Health and Substance Abuse Services – reforms the delivery and funding of mental health and substance abuse services referred to as behavioral health services. The bill is the Senate's answer to the House's proposed reforms in CS/HB 7119, both with similar provisions and differences too.

SB 7068 requires the Agency for Health Care Administration (AHCA) and the Department of Children and Families (DCF) to develop a plan to obtain federal approval for the increased availability of federal Medicaid funding to behavioral health services. The bill also reorganizes behavioral health managing entities by requiring the managing entities to create a coordinated care organization (CCO) in each region of the state. CCOs will be a network of behavioral health care providers
who offer a comprehensive range of services and capable of integrating behavioral health care and primary care services. The bill further revises criteria for priority populations to be served when demand for publically-funded behavioral health services exceeds available resources.

On Tuesday, April 14th, the full Senate considered and amended the bill on 2nd Reading. Among the amendments the approved, the Senate clarified that representatives of local governments, including counties, school boards, sheriffs, and independent hospital districts, could serve on the governing boards of managing entities even if such local governments contracted with the managing entity to provide behavioral health services. An earlier change to the bill in committee had cast doubt on whether local government providers could serve on a managing entity's governing board. The Senate also amended the bill to require that the plan for increased federal Medicaid funding include a preference for quality improvement organizations as defined in the Social Security Act.

CS/SB 7068 will be up for a final vote of the Senate when the Senate convenes on April 22nd. CS/HB 7119 is on the House 2nd Reading calendar waiting scheduling for consideration by the full House of Representatives.

Film and Entertainment Incentives Postponed on House Floor

As noted in previous updates, CS/HB 451 represents the House of Representatives' policy changes to Florida's Film and Entertainment Industry incentive program. The bill makes significant modifications to the incentives and benefits the state presently offers to film and entertainment productions, including reorganizing the state's Film Office, its incentive tax credit program, and the sales and use tax exemption the state also offers to qualifying productions.

Last Wednesday, the House temporarily postponed floor consideration of the bill as an unfriendly amendment was filed by Rep. Chris Latvala relating to the creation of a "qualified television revolving loan fund" program. Rep. Latvala has filed independent legislation (CS/HB 237) which was approved as a committee substitute by the House Economic Affairs Committee last week. CS/HB 237 creates a qualified television revolving loan fund ("QTV Fund") – a public-private partnership fund, privately managed under state oversight, which will offer loans for qualified television content productions throughout the state. Production companies must repay the principal and interest to the QTV Fund, and as repayment occurs, the state's funds, less any QTV Fund expenses, returned to the account will be available to loan to subsequent borrowers. Loans will not exceed 36 months in duration, and QTV funds must be invested and reinvested in a manner so not to subject the funds to state or federal taxes. The QTV Fund expires on December 31, 2025, and any remaining funds in the fund at that time will revert to the state's General Revenue Fund. The QTV Fund legislation is allegedly being sought by a foreign investor who desires to produce television shows in Florida for distribution in China.

CS/HB 237 has passed all its committees in the House and is sitting on the House's
2^{nd} Reading calendar waiting to be scheduled for floor consideration. However, the companion measure in the Senate, SB 196 by Sen. Bean, has not been heard in its first committee of reference, the Senate Commerce and Tourism Committee, which is chaired by Sen. Detert, the sponsor of Senate’s primary Entertainment Industry legislation (CS/SB 1046) which is waiting its final hearing in the Senate Appropriations Committee. Consequently, there is strong disagreement about making the substance of CS/HB 237 part of CS/HB 451.

**FDOT and Transportation Packages Pass House – Senate Transportation Measure Measure Moves**

Last week the House of Representatives passed CS/HB 7039 on a vote of 104-8. Among its several provisions, the bill contains an increase from $15 million to $25 million in annual appropriations from the State Transportation Trust Fund for the Florida Seaport and Economic Development (FSTED) program. Mayor Ryan, Commissioner LaMarca, Port and IA staff, and members of the Port Everglades Action Team lobbied in Tallahassee prior to the start of the session for this increased funding to the FSTED program. The bill also updates the state’s process for managing airspace and land use at or near Florida's airports.

The full House also unanimously approved (113-0), CS/CS/HB 7075 a comprehensive transportation bill. In summary, the bill:

- Requires agencies to consider certain criteria when procuring transportation services related to cargo, freight, and package delivery.
- Separates the definition of “autonomous technology” from “autonomous vehicle.”
- Defines “driver-assistive truck platooning technology.”
- Exempts vehicles engaged in driver-assistive truck platooning from provisions related to following too close.
- Authorizes television receivers to be located so the screen is visible from the driver’s seat for autonomous vehicles and vehicles engaged in driver-assistive truck platooning.
- Reclassifies a second, noncriminal traffic infraction as a first degree misdemeanor under specific circumstances and revokes the person’s driver license.
- Extends the allowable length of semitrailers under certain circumstances.
- Extends the allowable length of a trailer transporting multiple sections or single units of a manufactured building under a special permit.
- Authorizes the Department of Transportation (DOT) to assume specified responsibilities under the National Environmental Policy Act (NEPA).
- Provides that motor vehicles being relocated within a port facility via designated port district roads are exempt from motor vehicle registration requirements.
- Revises requirements for when a DOT Work Program amendment must be approved by the Legislative Budget Commission.
- Requires metropolitan planning organizations to consider advances in
vehicle technology, including autonomous vehicles, when developing their long-range transportation plans.

- Requires DOT to consider advances in vehicle technology, including autonomous vehicles, when developing its Strategic Intermodal System (SIS) plan.
- Exempts certain nonprofit entities from surety bond requirements for contracts with DOT.
- Repeals an obsolete reference to bonds issued through the Broward County Expressway Authority.
- Increases the maximum population for counties eligible for the Small County Outreach Program from 150,000 to 165,000.
- Repeals obsolete Florida Statewide Transportation Corridors, which is duplicative of the SIS.
- Provides that certain members of the Central Florida Expressway Authority’s (CFX) board must be elected officials from their respective counties.
- Provides a date for terms to end for members of CFX’s board appointed by the Governor.
- Provides that the Secretary of CFX is not required to be a member of its board.
- Makes technical corrections to the Central Florida Expressway Authority Act.

An amendment filed by Rep. Gaetz, which would have prohibited local governments who regulated "transportation network companies" from receiving any state transportation funding, was withdrawn prior to final approval.

On April 14th, the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee considered and unanimously passed as a committee substitute, the Senate's proposed transportation bill, CS/CS/SB 1554. As approved, the bill contains many of the provisions in CS/CS/HB 7075, along with the changes made in CS/HB 7039, including the increased funding for the FSTED program and the airspace and land use updates for airports. The bill is scheduled to be heard by the Senate Appropriations Committee on April 21st.