Chapter 1

Background and Overview

This handbook provides the basic information needed to effectively administer the Health Care Responsibility Act (HCRA). The appendices provide additional information necessary for hospital staff to process applications and bill for services rendered, and for county staff to determine eligibility and make payments to the hospitals.

All HCRA funds, whether in-county or out-of-county, are only to be used to reimburse hospitals for qualified indigent emergency or pre-approved non-emergency care. Please refer to Chapter 3, page 3-8 for services and care NOT covered by HCRA.

1-1 How to Use the HCRA Handbook: Each chapter covers a specific topic relative to the administration of the HCRA. Each chapter is divided into sections by topic. The topics appear in bold type at the beginning of each section.

1-2 How This Handbook Is Divided: This handbook is divided into the following chapters by topic:

**Chapter 1** provides an introduction to the Health Care Responsibility Act (HCRA). It covers the background and history of the HCRA, and also provides a summary of the program's policies and procedures.

**Chapter 2** specifies the administrative responsibilities of the counties, hospitals, and the Agency in regard to HCRA participation. It specifically covers the counties' mandatory participation in HCRA, hospital participation requirements, county reporting requirements, Agency requirements, and file maintenance and record retention requirements for both the counties and participating hospitals.

**Chapter 3** provides information regarding the types of inpatient and outpatient hospital services covered through the HCRA. It also defines the days of care that are HCRA reimbursable and the maximum number of days which may be reimbursed.

**Chapter 4** provides detailed information regarding the application process. Written particularly for the hospital, it explains how to complete the patient's application for HCRA, the time frames in which applications must be submitted to the county, the documents that the hospital will need to submit, and general applicant eligibility information.

**Chapter 5** provides detailed information regarding the eligibility determination process. It is specifically written for the county; however, hospital staff will need to be familiar with it in order to do their part responsibly. This chapter covers the types of documentation required for residency determination, income determination, asset determination, and information regarding the spend-down provision. It also covers the time frames under which the county is required to determine eligibility.
Chapter 6 provides detailed information regarding the claims process. It specifically covers what the hospital must do to submit claims, what the county must do to process claims, the time frames for both, and the State Comptroller's responsibilities regarding claims processing. It also provides information regarding what the hospital may do if the county does not process a claim.

Chapter 7 provides information regarding the appeals process. It specifically covers the different types of appeals processes that are available for hospitals, counties and patients.

Definitions of HCRA terms used throughout this handbook are provided as Appendix A. You will need to understand these terms in order to thoroughly understand the HCRA.

Program Background Information

1-3 The Health Care Responsibility Act (HCRA): HCRA was first enacted in 1977. The original legislation placed ultimate financial obligation for an indigent patient's emergency care on the county in which the patient resides. However, the legislation did not require the following:

A. That each county set aside a specified amount of funds to provide for the care;

B. That uniform eligibility criteria be established for use in determining indigence; or

C. That hospitals other than the major regional referral hospitals be reimbursed by the county of residence.

As a result, when a hospital attempted to bill what it believed to be the county of residence, that county often times did not reimburse the hospital or disagreed with the hospital's claim that such person was indigent and/or a resident of the county billed.

1-4 1988 Legislation: The 1988 Legislature revised the act to address these issues and to prevent the burden of absorbing the cost of this uncompensated charity care from being borne by the hospital, the private pay patients, and, many times, by the taxpayers in the county where the hospital was subsidized by tax revenue. The Health Care Responsibility Act of 1988 required the following:

A. A maximum dollar amount of financial responsibility be set for each country;

B. Uniform eligibility criteria be used for all counties;

C. A standardized procedure be developed for determining the patient's county of residence; and

1-5 HCRA Workgroup: The 1988 Legislature further mandated that the health care community be involved in drafting the administrative rule. Therefore, the administrative rule was based on recommendations of a work group consisting of equal representation by the hospital industry, the counties and the Agency for Health Care Administration.

The HCRA work group first met in October 1988 to assure that problem areas were resolved and that the program achieved an optimal level of success. Although the work group is no longer active, seminars and other forums are held whenever changes occur or problem areas arise within the program.

1-6 1990 Legislation: The Governor and the 1990 Legislature made further program revisions. The out-of-county charity care obligation that hospitals had to meet to become eligible was reduced from 5 percent of charity care provided to 2.5 percent. The general charity care requirement of two percent did not change. These charity care requirements are further discussed in Sections 2-10., 2-11., and 2-12. In addition, program access was limited to U.S. citizens and legally admitted aliens. Residents at public institutions (such as prisons) were declared ineligible, and the 45 maximum days of coverage was revised to be determined on a county fiscal year basis (October 1 through September 30), rather than on a calendar year basis.

1-7 1991 Legislation: The Governor and the 1991 Legislature made revisions to increase, for certain counties, the number of persons eligible for the HCRA and to increase the rate at which those counties reimburse hospitals. Specifically, counties not at their 10-mill cap on ad valorem taxes by October 1, 1991, were required to do the following:

A. Reimburse hospitals at a payment rate equivalent to 100 percent of the hospitals' Medicaid per diem rates; and

B. Establish a spend-down program for persons who would otherwise qualify as eligible, but whose average family income, for 12 months preceding the determination, is between 100 percent and 150 percent of the poverty guidelines.

These changes did not apply to counties that were at the 10 mill cap on ad valorem taxes as of October 1, 1991. The counties at the 10 mill cap would continue to administer the HCRA program in the same way as they had previously done. Additionally, the legislation required that procedures in rule be adopted for the spend-down program in rule.

1-8 1998 Legislation: The 1998 Legislature revised the act to fulfill the important state interest of promoting the legislative intent of the Florida Health Care Responsibility Act. The following legislation was added to the act:

A. The maximum amount a county may be required to pay to out-of-county hospitals may be reduced by up to one half provided that the amount not paid has or is being
spent for in-county hospital care provided to qualified non-Medicaid indigent residents.

**1-9 2001 Legislation:** In 2001, the Legislature revised the Act to allow the Agency to reduce the maximum amount that a county having a population of 100,000 or less may be required to pay. The Agency must reduce the official state population estimates by the number of inmates and patients residing in the county in institutions operated by the Federal Government, the Department of Corrections, the Department of Health, or the Department of Children and Family Services, and by the number of active-duty military personnel residing in the county. A county is entitled to receive the benefit of this reduction only if the county accepts and does not require any re-verification of the documentation of financial eligibility and county residency provided to it by the participating hospital or statutory teaching hospital. The submitted documentation must be complete and in accordance with the requirements of Section 154.3105, Florida Statutes.

**1-10 2011 Legislation:** The 2011 Legislature mandated that, instead of semiannually, hospital rates are to be calculated annually effective July 1 of each year. In addition, the law enacted mandated that no adjustments be made to rates after October 31 of the state fiscal year in which the rate is effective. These rates may not be the final rates for certain hospitals and may change due to legislative authority allowing hospitals to buy back the Medicaid trend adjustment and other Medicaid limitations which apply to the individual hospital rate. As a result, hospital rates will be posted July 1 of each year.

**1-11 2012 Legislation:** To ensure all hospitals receive the same payment for rendering the same service, the 2012 Legislature directed the Agency to develop a plan to convert Medicaid inpatient hospital rates to a prospective payment system that categorizes each case into diagnosis-related groups (DRG). DRG transitions hospital inpatient reimbursement from a cost-based per diem to a per discharge, diagnosis-code payment. The only exception is for the State Mental Health Hospitals which will continue to be reimbursed per diem. It was estimated to be budget neutral at a statewide level, so some counties may pay more and others less. The DRG payment system was effective July 1, 2013.

**1-12 Statutes and Rules Governing the HCRA:** The Health Care Responsibility Act (HCRA) is governed by sections 154.301 through 154.331, Florida Statutes. The corresponding rules governing the HCRA are located in Chapter 59H-1, Florida Administrative Code.

This handbook is based on the requirements specified in these statutes and rules.

**1-13 Administration of the HCRA Program:** The Bureau of Central Services, Agency for Health Care Administration (also referred to as the Agency) is responsible for the day-to-day administration of the HCRA on a statewide level. The office was previously within the Florida Department of Health and Rehabilitative Services; however, the 1993 Legislature moved the Medicaid office to the Agency effective July 1, 1993. The mailing address and telephone number are as follows:
HEALTH CARE RESPONSIBILITY ACT (HCRA) OVERVIEW

1-14 Overview of the Application, Eligibility, and Claims Process: Through the HCRA, counties reimburse out-of-county hospitals for emergency care provided to the counties' indigent residents. Chapter 98-191, Laws of Florida, make it possible for counties to use up to one half of the county's HCRA funds to reimburse in-county hospitals for qualified non-Medicaid indigent patients. When an out-of-county, or in-county, hospital provides emergency care to a possibly indigent patient, the HCRA program is considered as a payment mechanism. As an aid in understanding how the HCRA program works, a brief description of the application process, eligibility determination review, and claims submission process is provided below.

Application Screening Process

A. First, the HCRA participating hospital screens the patient to determine if the patient is potentially eligible for the HCRA:

1. Is the patient a resident of a Florida county?

2. Is there inadequate third party payor coverage?

3. Is the patient not eligible for other state programs?

4. Is the patient not eligible for any federal program?

5. Is the patient a U.S. citizen, or a legally admitted alien?

6. Is the patient not residing in a public institution, such as a correctional facility?

7. Are the patient's assets within the asset limits (as defined in Section 5 of this handbook)?

B. If the answers to the above questions are all "yes," the applicant is potentially eligible for the HCRA program. The hospital staff should then determine if the care provided to the patient is emergency care. If it is, the hospital should continue with the
application process. If the care provided was non-emergency care, the hospital must check to see if there is a written agreement or a pre-approval from the county of residence for the hospital to provide that patient's treatment, and that the treatment provided is not available through county funding at a hospital located in the patient's county of residence.

1. For out-of-county: If the non-emergency services are available through county funding in the patient's county of residence, then the patient is not eligible for reimbursement through the HCRA.

2. For in-county: The HCRA would not apply to persons active with a county medical assistance plan if the treating hospital is a participating facility under the county’s medical assistance plan.

3. For out-of-county: If the non-emergency services are not available in the patient's county of residence, and there is a written agreement between the county and the hospital for the hospital to provide those services, then those hospital services may be reimbursed by the county through the HCRA provided the patient is otherwise eligible.

4. For in-county: There must be a written agreement between the county and the hospital accepting the HCRA or other negotiated reimbursement standards provided the patient is otherwise eligible.

5. If the non-emergency services are not available in the county and there is no written agreement with the county, then such an agreement must be negotiated prior to services being provided in order for the patient to be eligible for HCRA hospital reimbursement.

6. For more information regarding the potential eligibility of patients requesting non-emergency services, see Elective and Non-Emergency Services, Section 3-5.

C. If the applicant has met the eligibility criteria described above, the applicant and the hospital complete the HCRA application. The hospital reviews the applicant's income. If it appears to be within the levels required for HCRA (100% of the poverty guidelines), the hospital should submit the application and any supporting income, asset and residency documentation to the county of residence.

Spend-Down Provision Eligibility

D. If the applicant's income appears to be between 101% and 150% of the poverty guidelines, the hospital checks to see if the applicant may be eligible for the HCRA through the spend-down provision:
1. Is the applicant a resident of a county that was not at its 10 mill cap on ad valorem taxes as of October 1, 1991?

2. If the answer to 1 is yes, the applicant is potentially eligible for the HCRA through the spend-down provision. The hospital should submit the application, an estimate of the hospital charges (which the county will need in order to determine potential eligibility for the spend- down provision), and any other supporting income, asset and residency documentation to the county of residence.

More information regarding the 10 mill cap and the spend-down provision may be found in Sections 2.4, 2.5, and Section 5.15 of this handbook.

Application Submission

E. The hospital must submit the HCRA application to the county of residence:

1. By certified mail; and

2. Within 30 calendar days from date of admission or receipt of emergency treatment. Failure to meet the time limit may cause the application to be denied by the certifying agency pursuant to Section 154.316(1), Florida Statutes. More information regarding the timeliness of applications may be found in Section 4-3., Application Deadlines, of this Handbook.

Eligibility Determination

F. The county determines eligibility upon receipt of the completed application:

1. By determining the timeliness of the application,

2. By determining residency,

3. By determining assets,

4. By determining citizenship,

5. By determining living address/shelter (public institution),

6. By determining income, and
7. If appropriate, by determining eligibility for HCRA through the spend-down provision, including determining the spend-down provision applicant's share of cost.

G. Based upon the information obtained through the determination process, the county must do the following:

1. Verify that the service provided was at a participating hospital;

2. Refer disputed residency cases to the Agency for resolution;

3. Determine eligibility, including eligibility for the spend-down provision, if appropriate, within 60 days. If the certifying agency cannot make an eligibility determination within the 60 days, a written explanation must be provided to the hospital; and

4. Complete and mail the Notification of Eligibility (NOE), to the applicant and hospital. The certifying agency may send the notification form via certified mail to insure delivery within the specified time frame.

**Submitting the Claim Form**

H. Upon receipt of the NOE for the eligible patient, the hospital completes the UB-04 claim form and submits it with a copy of the NOE to the county of residence. The hospital must submit these documents to the county within six months from the date the hospital received the NOE.

**Reimbursing the Hospital**

I. Upon receipt of the UB-04 claim form and copy of the NOE, the county proceeds by:

1. Verifying that the reimbursement is for covered services as outlined in Section 6-13 for inpatient and outpatient services,

2. Verifying that the reimbursement is within the inpatient or outpatient reimbursement limits, as appropriate (see Section 3-16., Reimbursement Limitations, and Section 3-17., Exceptions to the $1,500 Reimbursement Limit, for more information regarding reimbursement limits),

3. Reimbursing the hospital for outpatient care provided at a rate equal to 100% of the Medicaid line item rates or other negotiated rate,
4. Reimbursing the hospital, if it is a county that was at its 10 mill cap on ad valorem taxes as of October 1, 1991, at a rate equal to 80% of Medicaid reimbursement rate for inpatient services or at another negotiated rate,

5. Reimbursing the hospital, if it is a county that was not at its 10 mill cap on ad valorem taxes as of October 1, 1991, at a rate equal to 100% of Medicaid reimbursement rate for inpatient services or at another negotiated rate,

6. Reimbursing the hospital, if for a spend-down provision eligible applicant, at the Medicaid rate or other negotiated rate, minus the applicant's share of cost,

7. Reimbursing the hospital within 90 days from the date the county received the UB-04.

State Comptroller Responsibilities

J. The hospital may submit the claim directly to the State Comptroller if the county does not reimburse the hospital within the required time frame. The State Comptroller will reimburse the hospital from any funds due the county.

1-15 In-County Procedures

All current policies and procedures governing out-of-county HCRA reimbursement will be utilized to govern in-county HCRA reimbursement. All participating hospitals must meet the 2% charity care obligation unless there is no other hospital(s) within the county to provide indigent care or if no other hospital(s) within the county meets the 2% charity care obligation. Under those circumstances, the county must provide the Agency with a written statement that no hospital within the county meets the 2% requirement.

In all cases, there must be a written agreement between the county and the in-county hospital accepting the HCRA or other negotiated reimbursement standards. A copy of the letter from the county to the hospital and a copy of the letter from the hospital to the county accepting the HCRA standards, or a copy of a signed contract, must be filed with the Agency. Upon receipt of the aforementioned letters or contract, the Agency will provide the in-county designated hospital(s) with the necessary forms and a copy of the HCRA Handbook. There is no limit to the number of HCRA qualified in-county hospitals that a county may elect to contract with.

The county is then responsible for completing the In-County information on the Monthly Caseload and Appeals Reports and the Quarterly Financial Reports.

The applicant must be a resident of the county where the hospital is located and services were provided and the county must have elected to reimburse its in-county hospitals. All in-county HCRA applicants must meet the same HCRA eligibility requirements used for out-of-county
eligibility determination. If the county has established less restrictive requirements, the applicant would be required to meet the county’s requirements on file with the Agency. The HCRA would not apply to persons active with a county medical assistance plan if the treating hospital is a participating facility under the county’s medical assistance plan.

The HCRA is the payor of last resort.

The maximum amount of HCRA funds that a county can allocate for in-county reimbursement is up to ½ of its total HCRA funds, i.e., if a county must designate $500,000 for the fiscal year, it can only use a maximum of $250,000 for in-county hospital reimbursements. No county has the statutory authority to use out-of-county designated funds to supplement its in-county reimbursement amount above the aforementioned one half. Should a county exceed its designated in-county reimbursement limit, the additional funds must be provided through other funding sources from the county’s budget and the amount exceeded shall not reduce the out-of-county obligation.

All counties must notify the Agency of its decision to provide in-county reimbursement starting with the county fiscal year 1999-2000. Any changes to its decision must be filed with the Agency along with copies of notifications to the affected in-county hospitals no later than 45 days following the start of the new county fiscal year in which the change takes effect (on or around November 14).

All HCRA funds, whether in-county or out-of-county, are only to be used to reimburse hospitals for qualified indigent emergency or pre-approved non-emergency care. Please refer to the current HCRA Handbook, page 3-8 for services and care NOT covered by HCRA.

**1-16 Program Descriptions:** The program descriptions on the following pages describe in short detail the policies and requirements of this program and may be photocopied as a quick reference guide.
**Health Care Responsibility Act (HCRA) Fact Sheet**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>1977 – Mandatory for All Counties</th>
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<tbody>
<tr>
<td>Basic Purpose</td>
<td>Reimburse out-of-county hospitals for emergency services (in-patient and outpatient) provided to county indigents. 1998 - Counties can now reimburse in-county participating hospitals for emergency services (in-patient and outpatient) provided to county indigents.</td>
</tr>
<tr>
<td>Funding</td>
<td>100 percent county – maximum county fiscal year liability is $4 per capita (county population). Counties with a population of 100,000 or less can reduce the funding based on number of persons living in institutions operated by the Federal Government, the Department of Corrections, the Department of Health or the Department of Children and Family Services, and by the number of active-duty military personnel residing in the county. In order to make this reduction, the county must accept without re-verification documentation provided by the filing hospital regarding financial eligibility and county residency as long as the documentation complies with section 154.3105, F.S.</td>
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</tbody>
</table>
| Eligible Persons | - Out-of-county resident  
- Not eligible for Medicaid or other state or federal health care programs  
- No or inadequate insurance  
- Income of up to 150% of poverty, if a resident of a county which was NOT at its 10 mill cap on ad valorem taxes as of October 1, 1991 (such persons must spend down to 100% of the poverty guidelines)  
- Assets up to the medically needy limit  
- Not a resident of a public institution  
- Is a U.S. citizen or lawfully admitted alien |
| Who Determines Eligibility | County performs function itself. If unable, the Agency may perform function. |
| Participating Health Criteria | Must meet two percent over-charity care obligation and have either:  
- An agreement with resident county to treat its indigent poor; or  
- Have 2.5% of its uncompensated charity care generated by out-of-county residents |
| Covered Services | - Emergency out-patient up to $1,500 per year  
- Emergency in-patient up to 45 days per county fiscal year  
- Elective and non-emergency, only if prior approved by county of residence and service not available in county of residence |
| Reimbursement Rates | - Emergency outpatient – 100% Medicaid line item reimbursement rate, unless another reimbursement rate is negotiated  
- Emergency in-patient – 80% of hospital’s Medicaid rate if county was at its 10 mill cap as of October 1, 1991; otherwise, reimbursement is set at 100% of the Medicaid rate, unless another rate is negotiated  
- Elective or non-emergency – Same reimbursement rates as for emergency services  
- Reimbursement for covered services is considered payment in full. Recipients cannot be billed for remaining balances for services reimbursed through HCRA. |
HISTORY: The Health Care Responsibility Act (HCRA) was first enacted in 1977 and revised by the 1988 Legislature to place the financial obligation for reimbursing hospitals for emergency in-patient and out-patient services provided to out-of-county indigent patients on the counties in which the patients reside.

The 1991 Legislature amended the Act to increase the number of eligible applicants through the creation of a spend-down program and to increase hospital reimbursement rates. Both of these measures pertained ONLY to counties that were not at their 10 mill cap on ad valorem taxes as of October 1, 1991. Such counties are referred to as spend-down provision eligible counties.

The 1998 Legislature further amended the Act to allow counties to reimburse in-county eligible hospitals up to one-half of the total HCRA funds for non-Medicaid indigent residents.

In 2001, the Legislature revised the Act to allow Agency to reduce the maximum amount that a county having a population of 100,000 or less may be required to pay. The Agency must reduce the official state population estimates by the number of inmates and patients residing in the county in institutions operated by the Federal Government, the Department of Corrections, the Department of Health, or the Department of Children and Family Services, and by the number of active-duty military personnel residing in the county. A county is entitled to receive the benefit of this reduction only if the county accepts and does not require any re-verification of the documentation of financial eligibility and county residency provided to it by the participating hospital or statutory teaching hospital. The submitted documentation must be complete and in accordance with the requirements of Section 154.3105, Florida Statutes.

Covered Services: The Act covers emergency services provided on either an inpatient or outpatient basis. The county may choose to cover elective and non-emergency services if such services are not available at a county funded hospital within the patient’s county. The county may choose to cover services for in-county indigent care beginning July 1, 1998 for services at participating hospitals within the patient’s county.

Hospital Eligibility Criteria: To receive reimbursement, a hospital must meet minimum standards. Teaching hospitals that meet the two-percent overall charity care obligation also are eligible for HCRA. Non-teaching hospitals must first be certified by the Agency for Health Care Administration, Bureau of Central Services, Financial Analysis Unit as having met a two-percent charity care obligation and then have either:

- Demonstrated to the Financial Analysis Unit that at least 2.5% of its overall charity care was provided to out-of-county residents; or
- Have an agreement with the patient’s county of residence to provide emergency care to that county’s indigent population.

**Applicant Eligibility Criteria:** To be eligible, an applicant must:

- Have received services covered by HCRA at a HCRA eligible out-of-county hospital;
- Have received services covered by HCRA at a HCRA eligible in-county hospital if the county uses up to one-half of its HCRA funds for in-county indigent care;
- Be certified by the county or the Agency as being a county resident;
- Have at a maximum, if a resident of a county, which was at its 10 mill cap on ad valorem taxes, a gross income of 100% of the poverty guidelines;
- Have at a maximum, if a resident of a spend-down provision eligible county, a gross income of 150% of the poverty guidelines, provided the applicant “spends down” to 100% of the poverty guidelines;
- Not be eligible for any other federally or state funded hospital reimbursement program (such as Medicaid or Medicare);
- Not live in a public institution;
- Have assets less than the Medicaid medically needy levels;
- Have no or inadequate private insurance; and
- Be a U.S. citizen or lawfully admitted alien.

**Application Processing Responsibilities for the Hospital:** The hospital providing emergency services to the indigent is responsible for submitting an application (AHCA Form 5220-0001) by certified mail to the indigent applicant’s county of residence within 30 days of the date that the emergency inpatient or outpatient services were provided.

**Applications Processing Responsibilities for the County:** The county of residence is responsible for determining residency and eligibility. If the county is unable to determine residency, the Agency will determine residency for the county. The county has the right of refusal in determining HCRA eligibility. If the county so chooses, the eligibility function will be performed by the Agency for Health Care Administration office in Tallahassee.
The county must notify the hospital and the patient regarding eligibility within 60 days of receipt of the completed application by using the Notification of Eligibility. If the certifying agency cannot determine eligibility within the 60 days, a written explanation must be provided to the hospital.

**Hospital/County Reimbursement Procedures:** Upon receipt of the notice that the patient is eligible, the hospital has six (6) months to submit its claim to the county of residence. The county has 90 days to reimburse the hospital. If payment is not received, the hospital may certify to the State Comptroller the amount owed by the county. The Comptroller will then pay the hospital (within 45 days of receipt of the claim) from any revenue sharing or tax-sharing funds due the county, except as otherwise provided by the state constitution.

The hospital must refund the county or the State Comptroller for any payments received from third party payers or from any federal or state programs.

**Hospital Reimbursement:** Counties are obligated to pay up to 45 days of out-of-county hospital services per eligible HCRA applicant per county fiscal year. The maximum amount that a county is obligated to spend through HCRA for any county fiscal year is $4 per capita. The out-of-county amount may be lessened to one-half if the funds are used to pay for in-county hospital services for qualified non-Medicaid indigent residents.

For patients who are residents of counties, which were at their 10 mill cap on ad valorem taxes at October 1, 1991, counties must reimburse hospitals at 80% of their Medicaid per diem rates, unless another reimbursement rate is negotiated. For patients who are residents of spend-down provision eligible counties, counties must reimburse hospitals at 100% of their Medicaid rates, unless another reimbursement rate has been negotiated. **HCRA reimbursement for covered services is considered payment in full and the hospital cannot charge the recipient for any remaining balance.**

**Agency Responsibilities:** The Agency provides technical assistance to counties and participating hospitals, which include providing the following information: each county’s maximum fiscal obligation, a HCRA handbook, and lists of all eligible hospitals, spend-down provision eligible counties, Medicaid reimbursement rates (sent each July), and county and hospital contacts.
Health Care Responsibility Act Spend-Down Provision Information

The spend-down provision is a way in which county residents who do not meet the HCRA income criterion may become eligible for HCRA by meeting a share of cost requirement. To be eligible for the HCRA spend-down provision, an applicant must be a resident of a Florida county which was NOT at its 10 mill cap on ad valorem taxes as of October 1, 1991, and meet all HCRA eligibility criteria, except income.

The spend-down provision is unnecessary for applicants whose family income is less than or equal to 100% of the poverty guidelines. Such applicants meet the HCRA income requirements.

If an applicant’s income is between 100% and 150% of the poverty guidelines, then he/she may qualify for HCRA by using the spend-down provision.

Spend-Down Provision Applicant Requirements

To be eligible, an applicant must meet all of the following:

A. Be a resident of a county which was not at its 10 mill cap on ad valorem taxes as of October 1, 1991;

B. Meet the definition of a qualified non-Medicaid indigent patient as defined in Section 59H-1.0035(32), Florida Administrative Rule, excluding the income requirement;

C. Have a gross family unit income, for the 12 months preceding the determination, between 100% and 150% of the poverty guidelines; and

D. Have incurred out-of-county hospital expenses of an amount which exceeds the applicant’s share of cost.

Share of Cost Definition

The share of cost is the difference between the spend-down provision applicant’s monthly gross family income and the amount of income equal to 100% of the poverty guidelines specified for the applicant’s family unit size.
Recap of Policy and Procedure for In-County Hospital Reimbursements

All current policies and procedures governing out-of-county HCRA reimbursement will be utilized to govern in-county HCRA reimbursement. All participating hospitals must meet the 2% charity care obligation unless there is no other hospital(s) within the county to provide indigent care or if no other hospital(s) within the county meets the 2% charity care obligation. Under those circumstances, the county must provide the Agency with a written statement that no hospital within the county meets the 2% requirement.

In all cases, there must be a written agreement between the county and the in-county hospital accepting the HCRA or other negotiated reimbursement standards. A copy of the letter from the county to the hospital and a copy of the letter from the hospital to the county accepting the HCRA standards, or a copy of a signed contract, must be filed with the Agency. Upon receipt of the aforementioned letters or contract, the Agency will provide the in-county designated hospital(s) with the necessary forms and a copy of the HCRA Handbook. There is no limit to the number of HCRA qualified in-county hospitals that a county may elect to contract with.

The county is then responsible for completing the In-County information on the Monthly Caseload and Appeals Reports and the Quarterly Financial Reports.

The applicant must be a resident of the county where the hospital is located and services were provided and the county must have elected to reimburse its in-county hospitals. All in-county HCRA applicants must meet the same HCRA eligibility requirements used for out-of-county eligibility determination. If the county has established less restrictive requirements, the applicant would be required to meet the county’s requirements on file with the Agency. The HCRA would not apply to persons active with a county medical assistance plan if the treating hospital is a participating facility under the county’s medical assistance plan. The HCRA is the payor of last resort.

The maximum amount of HCRA funds that a county can allocate for in-county reimbursement is up to ½ of its total HCRA funds, i.e., if a county must designate $500,000 for the fiscal year, it can only use a maximum of $250,000 for in-county hospital reimbursements. No county has the statutory authority to use out-of-county designated funds to supplement its in-county reimbursement amount above the aforementioned one half. Should a county exceed its designated in-county reimbursement limit, the additional funds must be provided through other funding sources from the county’s budget and the amount exceeded shall not reduce the out-of-county obligation.

All counties must notify the Agency of its decision to provide in-county reimbursement starting with the county fiscal year 1999-2000. Any changes to its decision must be filed with the
Agency along with copies of notifications to the affected in-county hospitals no later than 45 days following the start of the new county fiscal year in which the change takes effect (on or around November 14).

All HCRA funds, whether in-county or out-of-county, are only to be used to reimburse hospitals for qualified indigent emergency or pre-approved non-emergency care. Please refer to the current HCRA Handbook, page 3-8 for services and care NOT covered by HCRA.