

June 30, 2004

Ms. Glenda E. Hood  
Secretary of State  
Florida Department of State  
R.A. Gray Building  
500 South Bronough Street  
Tallahassee, Florida 32399

Dear Secretary Hood:

I hereby transmit to you, with my signature, Committee Substitute for Senate Bill 1226, entitled, an act relating to the long-term-care service delivery system, which contains numerous modifications to the structure of long-term care service delivery with the intent of initiating a broad based integration of programs and services.

While the bill includes positive reforms, a number of provisions in the bill cause considerable concern. Chief among these is the merger of the Frail Elder waiver program with the Nursing Home Diversion waiver program. Although sharing similar goals, these two distinct programs involve different types of waivers, different eligibility criteria, and different funding sources which will make integration difficult, if not impossible in the short term. During the transition, it is important to continue serving people from both programs who have come to rely on these services. The language in the bill concerning an enrollment cap for the Frail Elder program as of July 1, 2004 is problematic if interpreted as anything but a limitation on additional slots in the program and not a prohibition against filling open slots as they become available through attrition.

I continue to be concerned about legislation that generates unfunded workload for agencies and provides overly detailed instructions that limit the executive branch's ability to respond flexibly and appropriately to new and developing situations. Committee Substitute for Senate Bill 1226 violates these principles by, first, generating an inordinate burden of compliance for the Agency for Health Care Administration (AHCA) and the Department of Elder Affairs (DOEA), and second, by attempting to dictate a methodology for setting the capitation rate that may violate actuarially sound principles. Consequently, I am asking AHCA and DOEA to work closely with my office and the Legislature to identify clarifications and refinements of these initiatives for the coming year.

Despite my concerns, I am convinced that this legislation takes important first steps in a direction that will improve service delivery and efficiency in long term care. The statewide modification of Area Agencies on Aging into Aging Resource Centers and the establishment of capitation-based system of payment for the programs administered through these agencies constitute substantial and welcomed improvements in the organization of the service delivery system.

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On balance, this legislation offers many benefits for our continuing effort to serve Florida's seniors and I hereby sign Committee Substitute for Senate Bill 1226.

Sincerely,

Jeb Bush