RON DESANTIS
GOVERNOR

SHEVAUN L. HARRIS
SECRETARY

Agency for Health Care Administration

Proposed Model Waiver Redesign

DECEMBER 2025

A Report to the Governor, the President of the Senate, and the Speaker of the House

Table of Contents

Executive Summary

Senate Bill 1490, Section 32, directs the Agency for Health Care Administration (Agency) to develop a comprehensive plan to redesign the Florida Medicaid Model Waiver authority to include children who receive Private Duty Nursing (PDN) services. PDN services are nursing services provided in a child's home by a Registered Nurse (RN) or Licensed Practical Nurse (LPN) for 2 to 24 continuous hours per day. Children enrolled in Florida Medicaid who receive PDN services have complex medical needs, are under 21 years of age, and do not live in nursing facilities. Approximately 3,200 Florida Medicaid children receive between 2 to 24 hours of continuous PDN services per day; most of these children (98 percent) are enrolled in and receive services through a Medicaid Managed Care Plan.

Florida Medicaid's Model Waiver, a Medicaid 1915(c) home and community-based services waiver, currently provides medically necessary services to up to 20 eligible children under age 21 who have degenerative spinocerebellar disease and are living at home or in their community or who are medically fragile and have lived in a nursing facility for at least 60 days prior to enrolling in the waiver. The waiver's additional services (beyond Medicaid State Plan services) include respite care, environmental accessibility adaptation, case management, and transition case management.

The Agency worked closely with stakeholders to develop a comprehensive plan for redesigning the Model Waiver to include children who are authorized to receive more than 12 hours of PDN services daily (approximately 2,500 children). The proposed plan adds a new home and community-based service (pediatric nurse aide) and expands the coverage of the existing Model Waiver services.

The Agency understands from stakeholders that skilled nursing care like PDN may not be clinically needed at all times, but there are limited options in the current Medicaid service array to provide less intensive, clinically appropriate alternate services, for a portion of the day. The addition of the new pediatric nurse aide service will enable delivery of tiered support services, customized to meet the needs of these children and their families. Effective use of the pediatric nurse aide service plus access to the additional Model Waiver supportive services, while continuing to provide skilled PDN services when medically necessary and desired by the family,

will decrease costs while improving individual autonomy and quality of care for many of these children and their families. The savings from substituting some PDN services, as appropriate, with lower-intensity services from a pediatric nurse aide are projected to cover the cost of the additional lower intensity services while accruing savings. These savings will fund respite care, environmental accessibility adaptation, and transition case management benefits for all PDN children authorized to receive more than 12 hours of PDN services daily. This report provides the assumptions and methodology used to calculate the estimated Medicaid fiscal impact for the proposed array of additional services and benefits.

Legislative Direction

In 2025 the Florida legislature directed the Florida Agency for Health Care Administration (Agency) via Senate Bill 1490 to develop a comprehensive plan to redesign the Florida Medicaid Model Waiver to include children who receive private duty nursing services (PDN), inclusive of a proposed array of tiered services with the goal of ensuring that institutional care is avoided so children remain in the home or other community setting. The Agency was directed to work with stakeholders in the development of the plan, including families of children who are in the Model Waiver or receiving PDN, advocates for children, providers of services to children receiving PDN, and Statewide Medicaid Managed Care (SMMC) plans.

This report is prepared to fulfill this mandate, which requires that the Agency provide a purpose, rationale, and expected benefits of the redesigned waiver plan, the proposed eligibility criteria and service benefit packages to be offered, a proposed implementation plan and timeline, the fiscal impact for the implementation year and for the subsequent five years, an analysis of the availability of services and service providers with recommendations to increase availability, and a list of all stakeholders who were consulted or contacted during the development of the plan.

This report gives an overview of the present service delivery model for children who receive PDN; the approach to the development of a redesigned Model Waiver inclusive of stakeholder input; a comprehensive plan for the redesigned Model Waiver inclusive of eligibility criteria, services, fiscal impact, and implementation steps and timeline; and an analysis of the availability of notable services and service providers along with recommendations to improve availability.

> Senate Bill 1490: *The Agency for Health Care Administration shall develop a comprehensive plan to redesign the Florida Medicaid Model Waiver for home- and community-based services to include children who receive private duty nursing services. The plan must propose an array of tiered services with the goal of ensuring that institutional care is avoided so children can remain in the home or other community setting. The agency shall work with stakeholders in developing the plan, including, but not limited to, families of children who are in the model waiver or receiving private duty nursing, advocates for children, providers of services to children receiving private duty nursing, and Statewide Medicaid Managed Care plans. The agency is authorized to contract with necessary experts to assist in developing the plan. The agency shall submit a report to the*

Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2025, addressing, at a minimum, all of the following:

(1) The purpose, rationale, and expected benefits of the redesigned waiver plan.

(2) The proposed eligibility criteria for clients and service benefit packages to be offered through the redesigned waiver plan. Managed care plans participating in the Statewide Medicaid Managed Care program must provide services under the redesigned waiver plan.

(3) A proposed implementation plan and timeline, including, but not limited to, recommendations for the number of clients served by the redesigned waiver plan at initial implementation, changes over time, and any per-client benefit caps.

(4) The fiscal impact for the implementation year and projections for the next 5 years determined on an actuarially sound basis.

(5) An analysis of the availability of services and service providers that would be offered under the redesigned waiver plan and recommendations to increase availability of such services, as applicable.

(6) A list of all stakeholders, public and private, who were consulted or contacted during the development of the plan.

Overview of Present Delivery Model

Florida operates the Statewide Medicaid Managed Care Managed Medical Assistance (MMA) program under a Section 1115 waiver that provides primary and acute care services through a comprehensive managed care delivery model. The MMA program covers home health services that are medically necessary and can be safely provided to children in their home or in the community, including intermittent home health visits (skilled nursing and home health aide services), PDN services, family home health aide services, and personal care services.

Private Duty Nursing (PDN) services are provided to children under 21 years of age enrolled in Florida Medicaid who have complex medical needs and who do not live in a nursing facility. The

PDN services are delivered in a child's home by a Registered Nurse (RN) or Licensed Practical Nurse (LPN) for 2 to 24 continuous hours per day. Most children receive all of their State Plan services, including authorized PDN services, through SMMC plans.

Home Health Services Currently Available to Children Under Age 21 with Complex Medical Needs

Table 1 summarizes some of the key services that allow Florida Medicaid children with complex medical conditions to be cared for in their home.

Table 1. Current Services Available to Children with Complex Medical Needs

Medicaid Service	Eligible Population	Services Performed	Service Limits	Staff Qualifications
Private Duty Nursing (PDN)	Medicaid recipients under age 21 requiring medically necessary PDN services	Skilled nursing services that can be safely furnished in the home or community by nurses working within the scope of their practice (e.g., skilled interventions and patient monitoring). PDN provides more extensive and continual care than can be provided through a home health visit	Per Day, Per Recipient: At least 2 and up to 24 hours when ordered by a physician for more extensive and continual care than can be provided through a home health visit. PDN services cannot be used as a respite service for caregivers[1]	RNs and LPNs
Home Health Visit: Skilled Nursing[2]	Medicaid recipients of any age requiring medically necessary home health visit services and have an order from their physician	Skilled nursing services that can be safely furnished in the home or community by nurses working within the scope of their practice (e.g., skilled interventions and patient monitoring)	Not duplicative of another service; up to 4 intermittent visits per day for children under the age of 21	RNs or LPNs working within the scope of their practice

[1] Private Duty Nursing & Family Home Health Aide Services Coverage Policy, September 2024 https://ahca.myflorida.com/medicaid/rules/adopted-rules-service-specific-policies

[2] Florida Medicaid Home Health Visit Services Coverage Policy. https://ahca.myflorida.com/content/download/7034/file/59G-4.130%20Home%20Health%20Visit%20Services%20Coverage%20Policy_FINAL.pdf

Medicaid Service	Eligible Population	Services Performed	Service Limits	Staff Qualifications
Home Health Visit: Home Health Aide	Medicaid recipients of any age who have a medical condition that substantially limits their ability to perform activities of daily living (ADLs) or instrumental activities of daily living (IADLs)	Assistance with ADLs (e.g., eating, bathing, and dressing) and age-appropriate IADLs (e.g., medication management, meal preparation, and laundry) that can be performed in an intermittent visit	Not duplicative of another service; up to 4 visits per day for children under the age of 21	Employed by licensed home health agencies or have documentation of 40 hours of home health aide training
Family Home Health Aide[3]	Medicaid recipients under age 21 requiring medically necessary PDN and family home health aide services delivered in their home or in the community	Aide services provided by a family member that reduce the private duty nursing service hours	Up to 8 hours when ordered by a physician, in conjunction with but not duplicative of PDN	Employed by licensed home health agencies and completed required training
Personal Care[4]	Medicaid recipients under age 21 requiring medically necessary personal care services more extensive and continual than can be provided through a home health visit	Assistance with activities of daily living (e.g., eating, bathing, dressing) and age-appropriate instrumental activities of daily living (e.g., medication management, meal preparation, laundry) that are performed on an hourly basis	Not duplicative of another service; up to 24 hours per recipient per day when recipient does not have a parent or legal guardian able to fully provide; parent or legal guardian must be present and participate in care to extent possible	Licensed home health agencies or independent personal care providers

[3] Florida Medicaid Private Duty Nursing and Family Home Health Aide Servies Coverage Policy. https://ahca.myflorida.com/content/download/7036/file/59G-4.261%20Private%20Duty%20Nursing%20Services%20Coverage%20Policy_FINAL.pdf
Note: In 2025, Senate Bill 1156 amended s. 400.4765, F.S. to allow up to 12 hours. Rule 59G-4.261 is being updated.

[4] Florida Medicaid Personal Care Services Coverage Policy. https://ahca.myflorida.com/content/download/25561/file/59G-4.215%20Personal%20Care%20Services%20Coverage%20Policy_Final_10.8.24.pdf

Managed Long-Term Care Program

Florida Medicaid also operates the SMMC Long-Term Care (LTC) program via 1915(b) and 1915(c) waivers that provide long-term care services, including nursing facility and home and community-based services to recipients with needs at a nursing facility level of care. However, waiver eligibility is limited to individuals age 65 and over and individuals age 18 and over who have a disability, so it does not serve children under age 18.

Model Waiver

Florida Medicaid's Model Waiver, a Medicaid 1915(c) home and community-based services waiver, provides medically necessary services to up to 20 eligible children under age 21 who have degenerative spinocerebellar disease and are living at home or in their community or who are medically fragile and have lived in a nursing facility for at least 60 days prior to enrolling in the waiver. There are currently five children enrolled in the Model Waiver.

The Model Waiver allows the parents' income to not be counted when determining financial eligibility, which allows children who may otherwise be ineligible for Medicaid because of their family income level to become Medicaid eligible for the waiver. Once eligible for the waiver the child is eligible for all Medicaid State Plan services, case management, plus the following Model Waiver services:

- Respite care
- Environmental accessibility adaptations
- Transition case management to assist with transitions from nursing facility or hospital to home-based care.

Model Waiver services are provided via a fee-for-service delivery system where providers enroll directly in Medicaid and are paid by the Agency.

Development of a Redesigned Model Waiver

The Agency is directed to develop a comprehensive plan to redesign the Florida Medicaid Model Waiver for home and community-based services to include children who receive PDN.

Purpose

Florida is seeking to enhance the availability of Medicaid home and community-based services for children with complex medical needs. The Agency understands from stakeholder input, that:

- There need to be alternative service options other than PDN and personal care services (PCS).
- An array of respite service options needs to be available.

Rationale

On July 14, 2023, the court entered an Order of Injunction in United States v. Florida, a case which focuses on Medicaid care provided to children with complex medical needs. The Injunction directs the State of Florida to comply with three main orders: (1) Require the managed care plans (SMMC plans) to ensure the provision of all covered and authorized PDN services and develop methods to measure provider performance, including real time reporting of issues with provision of PDN services; (2) Inform and facilitate the transition of children from nursing facilities to a home and community-based setting; and (3) Improve the existing care coordination system to strengthen accountability and eliminate silos of care.

On February 6, 2024, the court granted a stay of several parts of the Injunction. The Agency is continuing to work with its partners to fulfill the remaining requirements of the Injunction and is committed to innovations to ensure that children with complex medical needs and their families receive services and supports in a manner that is clinically appropriate, highly responsive, and accounts for limited nursing resources available in communities.

The Agency continually evaluates Medicaid PDN data collected from the SMMC plans and from the case management entity that serves PDN recipients in fee-for-service (FFS) to monitor and improve delivery of PDN services. The Agency is working to strengthen communication and collaboration with SMMC plans, providers, and the families of children receiving PDN services. The Agency conducts regular meetings with key stakeholders to continue longstanding efforts to improve the quality of care for these children and to identify and mitigate challenges. Through these processes, the Agency has identified opportunities to address some of the largest barriers/concerns expressed by parents of children with complex medical needs. Furthermore, findings attained through ongoing conversations with stakeholders and data collection indicate that some families are using some PDN service hours for certain tasks associated with activities of daily living (ADLs)[5] and instrumental activities of daily living (IADLs)[6] that necessitate in-home support services that do not require a nursing level of skill, but that do require services from a qualified professional trained to support children with complex medical needs. Currently, the

[5] Examples of ADLs include bathing, dressing, and eating.
[6] Examples of IADLs include cooking, cleaning, and managing medications.

only option available is for families to use PDN services for these tasks due to lack of availability of alternative, less intense services.

Overview of Services in the Model Waiver Redesign

The Agency is proposing to include the following ***new*** services in the Model Waiver Redesign:

- Pediatric nurse aide: extensive hands-on assistance with ADLs and IADLs; this is a new service that is not available in the current Model Waiver.

The Agency is proposing to expand/modify existing services covered through the Model Waiver as follows:

- Respite care: short-term, temporary support to the recipient's family; this service will be expanded to include both skilled and non-skilled provider types as well as an increased reimbursement rate.
- Transition case management: specialized case management services to assist with and facilitate transitions from a hospital or nursing facility to the community setting; this service will be expanded to encompass various types of transitions such as transitioning from child to adult Medicaid service programs and to adult care providers, transitioning to a school-setting, or care transitions when a child experiences a change in acuity, condition, and/or symptoms.
- Environmental accessibility adaptations: physical modifications to the home that are necessary to ensure the health, welfare, and safety of the recipient, or to be able to function with greater independence (e.g., making bathrooms wheelchair accessible); this service would be increased from the current $5,000 annual limit per recipient to a new $7,500 annual limit per recipient.

Stakeholder Input

To capture a broad range of perspectives, the Agency sought input from the following five groups:

- Families of children who are in the Model Waiver or receiving PDN services
- Advocates for children
- Providers of services to children receiving PDN services
- Department of Health Children’s Multidisciplinary Team (CMAT)
- SMMC managed care plans

The Agency conducted 90-minute, virtual, stakeholder meetings with each group in September 2025. The Agency presented a slide deck with the purpose of the Model Waiver Redesign and potential proposed changes, including eligibility and services, then asked a series of questions for feedback. Each presentation and set of questions were tailored to suit each audience and obtain their unique feedback. To ensure all stakeholders had an opportunity to provide feedback, the slide deck was shared with all invited participants following the meeting. A dedicated email inbox was utilized to receive any written feedback.

Stakeholders were generally supportive of the need for an additional set of services to children receiving PDN, including the addition of pediatric nurse aide services. Stakeholders broadly emphasized the importance of safety, provider buy-in, and strong collaboration and communication across stakeholders. **Table 2** summarizes key recommendations, concerns, and considerations from stakeholder meetings.

Table 2. Summary of Stakeholder Input by Model Waiver Redesign Component

Model Waiver Redesign Component	Summary of Stakeholder Input
Eligibility Criteria	• Eligibility criteria should not be limited to the number of PDN hours one needs. • Eligibility should be determined by using acuity-based assessment tools. • Include emergency reassessment and redetermination processes to respond to changes in a child's condition. • Stakeholders' opinions varied in how many PDN hours should qualify one for waiver services.
Pediatric Nurse Aide Services	• Services should supplement, not replace, PDN services. • Some stakeholders indicated pediatric nurse aide services are best suited for children with lower acuity needs, while other stakeholders expressed these services are best suited for children with higher acuity needs. • A pediatric nurse aide's scope of practice must be clearly defined to avoid confusion and ensure safety for the child by ensuring that the appropriate level of care is provided by a provider with the appropriate skills. • Develop standardized training and competency testing for pediatric nurse aides and home health aides serving children with complex medical needs. • There was concern over workforce shortages in home health aides and Certified Nursing Assistants (CNAs) in Florida, compounded by low pay rates. Adequate reimbursement and workforce development are critical for successful implementation of this new service.
Respite Services	• Provide options for in-home and out-of-home respite. • Increase limit on respite hours.

Model Waiver Redesign Component	Summary of Stakeholder Input
Transition Case Management	• One care manager should be responsible for all care coordination, not just transitions. • Support should encompass various types of transitions such as from child-to-adult or transitioning to school-setting, not just transitions from nursing facility to home-based care.
Environmental Accessibility Adaptation	• Increase existing annual dollar cap for environmental accessibility adaptations.
Additional Services	• Additional services should include structured day services, caregiver support, a residential option, and financial counseling.
Service Delivery & Implementation	• Strong support for self-directed care. • Ensure strong collaboration between the Agency and the SMMC plans so that information to families is clear and processes are standardized. • Ongoing stakeholder engagement is recommended for continuous improvement and refinement of waiver design.

Appendix 1 of this report provides a complete listing of all stakeholders who were consulted during the development of this plan to redesign the Model Waiver.

Comprehensive Plan for the Redesigned Model Waiver

After incorporating stakeholder feedback, the Agency is proposing to redesign the Model Waiver as detailed in this section. The Agency is conceptualizing the Model Waiver to:

- Serve children with complex medical needs with *the most acute* needs - those who are accessing (or needing access to) more than 12 hours per day of PDN**.**
  The waiver services will provide additional supports to help Medicaid recipients remain in their home and avoid nursing facility care and unnecessary hospitalizations.
- Provide a new service (pediatric nurse aide) that fills the gap in level of service between PDN and PCS **(Figure 1).** The Agency intends to implement this as both a provider-led and participant-directed service option, which is anticipated to provide recipients and their families with more flexibility for this service. The Agency would implement the participant direction option in the same manner (e.g., oversight, accountability) as the other home and community-based services that offer participant direction.
- Enhance the existing transition case management, environmental accessibility modification and respite services.

Figure 1: Model Waiver Services Filling the Gap Between PDN and PCS

Eligibility Criteria

Current eligibility will not change for those with degenerative spinocerebellar disease and those who are medically fragile and have resided in a skilled nursing facility for at least 60 consecutive days. Reserved waiver capacity will remain as is (five waiver slots for those diagnosed with degenerative spinocerebellar disease and 15 slots for those transitioning from a skilled nursing facility). A third eligible population will be added: those who receive or require more than 12 hours per day of skilled monitoring and intervention for at least six consecutive months within the previous one-year period **(Table 3).** The projected enrollment for this third eligible population is 2,543 children. Eligibility for the waiver will be on a first-come, first-served basis, and the Agency will not maintain a waiting list.

Table 3: Eligibility for the Model Waiver

Model Waiver Eligibility as Currently Approved	Proposed Model Waiver Eligibility
• Child is 20 years or younger • Determined disabled using criteria established by the Social Security Administration (SSA), • Be at risk for hospitalization as determined by the Children's Medical Assessment Team (CMAT), • Diagnosed as having degenerative spinocerebellar disease or deemed medically fragile and have resided in a skilled nursing facility for at least 60 consecutive days prior to enrollment.	• Child is 20 years or younger • Determined disabled using criteria established by the Social Security Administration (SSA), • Be at risk for hospitalization as determined by the CMAT, • Diagnosed as having degenerative spinocerebellar disease, deemed medically fragile and have resided in a skilled nursing facility for at least 60 consecutive days prior to enrollment**, or receiving or deemed to require more than 12 hours per day of skilled monitoring and/or intervention for at least six consecutive months within the previous one-year period.**

Service Benefit Package

The Agency has reviewed other state's waivers and State Plan services for children with medical complexity to identify services that would "fill the gap" in level of service between PDN and PCS services and to identify a complement of respite services that would meet the needs of families in Florida. The Agency completed interviews with state Medicaid agency staff in Colorado, North Carolina, and Texas to inform this approach. **Table 4** outlines the Agency's proposed services in the Model Waiver redesign.

Table 4. Proposed Model Waiver Services

Service /Description	Providers	Parameters
New Service		
Pediatric Nurse Aide Service: Provides extensive hands-on assistance with ADLs and IADLs	• To be determined. The Agency intends to collaborate with the Florida Department of Health, Florida Board of Nursing, home health agencies, and stakeholders to define a provider type that can be aligned with the Nurse Practice Act. The Florida Department of Health will require statutory authority for licensure. • The Agency intends to include a participant-directed option for this service. Providers under this option would need to pass a competency assessment.	• This service would be used in place of PDN, when the needs of the child/youth require a level of skill greater than PCS, but could be completed at the skill level of the PNA service • This service cannot be provided concurrently with other services (PCS, PDN, Family Home Health Aide)

Service /Description	Providers	Parameters
Enhancements to Existing Model Waiver Services		

Respite Care: Provides short-term, temporary support to the recipient's family	• In-home:
	  ○ Home health agencies
	• Out-of-home:
	  ○ Hospitals
	  ○ Pediatric skilled nursing facilities
	• Enhanced to include additional provider types (both skilled and non-skilled) as identified through continued collaboration with stakeholders and based on provider availability and capacity in Florida
		• Payment rate for respite care is increased
		• Same limit as it is currently approved: Approximately 10 days annually (can be used in 15-minute increments up to 970 units)

Case Management: A set of activities in which a care coordinator ensures continuity of care and that the recipient and their family are receiving all necessary support and services available through the waiver and Medicaid State Plan	• Care Coordinators	• Same as it is currently approved: No limits
Transition Case Management: Specialized Case Management services to assist with and facilitate transitioning from a hospital or nursing facility to the community setting; expanding this to support a variety of care and care location transitions, such as, transitioning to adult Medicaid service programs and to adult care providers, to school settings, and care transitions when a child experiences a change in acuity, condition, symptoms, etc.	• Case Management entities • Transition Case Managers	• Same as it is currently approved: No limits
Environmental Accessibility Adaptation: Physical modifications to the home that are necessary to ensure the health, welfare, and safety of the recipient, or to be able to function with greater independence (e.g., making bathrooms wheelchair accessible)	• Contractors licensed by Department of Business and Professional Regulation	• Increased limit up to $7,500 annually per recipient (an increase from the current amount of $5,000 annually per recipient)

Expected Benefits of New Services in the Model Waiver

The Agency is proposing to add a new service to the Model waiver, pediatric nurse aide, and enhance or expand these current Model Waiver services: respite care, transition case management, and environmental accessibility adaptation services. The new pediatric nurse aide service will offer eligible children in-home support services to reduce utilization of authorized PDN services when a nursing level of skill is not required or desired and will also provide additional support to the child and to family caregivers.

Replacing some PDN services with pediatric nurse aide services will generate savings that will offset the cost of adding pediatric nurse aide service hours and enhancing waiver benefits that include respite care, transition case management, and environmental accessibility adaptation services. The supplementary service hours from a pediatric nurse aide and from access to additional benefits will reduce the risk of requiring institutional care and the risk of family caregiver burnout.

Further, children with medical complexity (CMC) can experience frequent emergency department visits and hospitalizations, and research indicates that a proportion of these are potentially avoidable emergency department visits and hospitalizations. The Agency reviewed service data for Medicaid recipients under age 21 who received PDN every month in calendar year 2024. Of the 2,259 Medicaid recipients identified, 62.5% (1,413) used the emergency department at least once in 2024 and 44.4% (1,004) had an inpatient hospitalization at least once in 2024. Total cost for emergency department visits and inpatient hospitalizations for these recipients was approximately $3.5 million dollars in 2024. The Agency believes that, by providing these additional services to families, there will be a reduction in potentially avoidable emergency department visits and hospitalizations in this population.

Eligibility Determination and Service Delivery Model

Children will be determined eligible for the Model Waiver in the same manner as the current process. The child's SMMC care coordinator will inform the family of the availability of waiver services and refer the child to the Department of Health's Children's Multidisciplinary Assessment Team (CMAT) if the family is interested in receiving the waiver services. Once the child is referred, the CMAT team contacts the family to proceed with the Level of Care determination. The CMAT establishes the child/youth's level of care and conducts a staffing meeting to review the comprehensive needs of the child/youth. A Plan of Care will be developed by the recipient's SMMC plan, based on the Level of Care determination and informed by the

CMAT staffing meeting. The Agency will manage enrollment into the waiver. This Plan of Care will direct the services that the child receives under the waiver and include services received under the State Plan (e.g., PDN, Family Home Health Aide, PCS).

Waiver services will be delivered through SMMC plans.

Fiscal Impact

The Agency plans to conduct robust preparation for and communication about the new services. Therefore, it is anticipated that approximately 20-75% of eligible Medicaid recipients will access this waiver for at least one service (20% accessing the pediatric nurse aide service, 20% accessing transition case management, 60% accessing environmental accessibility adaptations, and 75% accessing respite care services). If the actual uptake of waiver services is less than projected (less than 2,543 Medicaid recipients), both savings and costs for additional services will align proportionally to the actual level of waiver utilization. While this would still result in savings, the total amount would decrease in proportion to the reduced waiver uptake. The Agency will assume no material increase in the population eligible for waiver participation growth year over year, based on input from Milliman, the Agency's actuarial vendor, which is consistent with the state's projections of PDN rate cell recipients within the MMA program. Annual benefit caps will only be placed on respite services (a total of 970 units) and environmental accessibility adaptations ($7,500).

The Agency worked with Health Management Associates (HMA) to model the fiscal impact of this new set of waiver services to this population based on a set of utilization assumptions:

- The Agency assumes that 20% of children (or their families) enrolled in the waiver will choose to have care provided by a pediatric nurse aide rather than an RN or LPN providing PDN, for 15 to 25% of their prescribed PDN hours.
- Children using the pediatric nurse aide service could realize up to a 10% increase in daily support, increasing their overall in-home care coverage up to 24 hours per day.
- The savings generated from utilizing the pediatric nurse aide service in place of PDN service hours will offset the additional amount (up to 10%) of daily support from the pediatric nurse aide service and the cost of respite care services, environmental accessibility adaptation services, and transition case management.
- These new services for this population will reduce risk of hospitalizations, nursing facility care, and family caregiver burnout, and provide families with options to meet the unique care needs of their child and their family circumstances.

The Agency estimates the new pediatric nurse aide service will reduce the need for PDN services by 15 to 25% for 20% (509 children) of the eligible population (2,543 children). This is a conservative estimate based on assumptions that a portion of children prescribed PDN could be served by a less intensive service and that their families would be willing to accept a different service to receive up to a 10% increase in daily support hours as well as access to three additional services. These assumptions are based on stakeholder input and review of similar Medicaid services in other states. For example, North Carolina's Medicaid Community Alternatives for Children (CAP/C) waiver includes a pediatric nurse aide service, which is utilized by 32% of the waiver population.

The Agency assumed a reimbursement rate of $24 per hour for the pediatric nurse aide service. This is higher than the rate for Personal Supports in the Florida Medicaid Developmental Disabilities Individual Budgeting Waiver ($21.88) and the State Plan Personal Care rate ($17.32), as there is additional responsibility in caring for medically fragile individuals, and additional training will be required. North Carolina's CAP/C waiver pays $20 per hour[7]. The cost for PDN services used in the fiscal impact analysis is the managed care plan blended PDN unit cost in Florida Medicaid ($51.79 per hour)[8].

The respite care, transition case management, and environmental accessibility adaptation waiver services will be available to waiver enrollees, and this fiscal impact analysis adopts a conservative estimate of uptake for these services:

- Respite care: 75% of the eligible population (1,907 children) will fully utilize the respite service each year.
- Environmental accessibility adaptation: 60% of the eligible population (1,526 children) will fully utilize the environmental accessibility adaptation service each year.
- Transition case management: 20% of the eligible population (509 children) will fully utilize the transition case management benefit each year.

These are conservative estimates compared to historical uptake of similar services in Florida, as well as North Carolina's experience where use of respite and home modification CAP/C additional waiver services is actively encouraged. Almost 63% of the children in North Carolina's CAP/C waiver use the benefit for respite services. The Agency estimated a higher percentage of

[7] As of October 1, 2025, North Carolina implemented rate reductions resulting in a rate decrease for this and other CAP/C services.
[8] Blended PDN unit cost calculated by Milliman, based on projected unit costs for October 2025 through September 2026.

respite use than in North Carolina based on stakeholder input indicating families are in significant need of respite services. Costs associated with the respite services are based on a rate of $52 per hour, which is the rate for a skilled nurse under North Carolina's CAP/C program.

In the North Carolina CAP/C waiver, almost 6% of the children use the home modification benefit – well under the estimates used in this fiscal impact. The Agency estimated a much higher utilization for this benefit (60%) because, based on stakeholder feedback, the Agency believes that more of Florida's eligible families will access this type of benefit, but not as much as respite services. The increase in the dollar value of the benefit will also likely make the benefit more useful, as at its current level it is not enough funding to complete needed home modification projects, and thus the benefit is under-utilized.

In Florida's current Model Waiver, the transition case management benefit has had no utilization (it is limited to transitions from nursing facilities); an estimate of 20% utilization is used for this fiscal impact analysis. This is based on 10% of the eligible population being ages 18-20. This population could utilize the service to help transition to adult care services and providers. The analysis also incorporates an adjustment to include an additional 10% of the population to account for other types of transition (e.g., from location to another, to a higher level or lower level of care). Costs associated with the transition case management benefit are based on the costs used for this service in the Agency's current Model Waiver ($135 per month with an estimated 6 months of utilization per recipient).

Fiscal Detail

Children who are prescribed PDN services for more than 12 hours per day will be eligible to participate in the waiver program, granting them access to the Model Waiver services. Approximately 79% (2,543) of the children who receive PDN services would be eligible for the waiver.

Table 5 summarizes current costs and estimated savings/costs associated with the proposed services, based on the assumptions defined above. If the actual uptake of waiver services is less than the projected 2,543 recipients, both costs and savings will align proportionally to the actual level of waiver utilization. While this would still result in savings, the total amount of savings would decrease in proportion to the reduced waiver uptake.

Table 5. Summary of Fiscal Detail for the Redesigned Model Waiver

Current PDN Costs	
Recipients with 12+ hours continuous PDN services (Eligible Recipients)	**2,543 Recipients** Total Number of Eligible Recipients **$32,512 PMPM** Monthly Cost Per Recipient for PDN Services **$82.7 Million** Total Monthly PDN Cost for Eligible Recipients
Proposed Waiver - Costs for Blend of PDN and Pediatric Nurse Aide Services	
Eligible Recipients estimated to reduce PDN hours through use of the waiver service	**509 Recipients,** 20% of the total eligible recipient population, are assumed to choose option to decrease PDN service by 15%-25% in order to attain additional daily support hours through use of the pediatric nurse aide service. **$32,007 PMPM** Monthly Cost Per Recipient for Services (Across total eligible population with 20% of total eligible recipient population supplementing 15-25% of current PDN hours with pediatric nurse aide services and the remaining 80% of the population maintaining current PDN service) **$81.4 Million** Total Monthly Cost **$1.3 Million Total Monthly Cost Savings** (through reducing PDN services by 15-25% across 20% of the population)
Proposed Waiver – Additional Costs to Increase Payment Rate for Respite Benefit (Limit 970 units per year)	
Assume 75% of All Eligible Recipients use Full Respite Benefit	**1,907 Recipients** Total Number of Recipients Assumed **$290,732 Total Monthly Cost for Benefit**
Proposed Waiver – Additional Costs for Transition Case Management Benefit (Estimating 1 unit per month for 6 months per year)	
Assumes 20% of All Eligible Recipients use Full Transition Case Management Benefit	**509 Recipients** Total Number of Recipients Assumed **$34,331 Total Monthly Cost for Benefit**
Proposed Waiver – Additional Costs for Environmental Accessibility Adaptation ($7,500 per year)	
Assumes 60% of All Eligible Recipients use Full Benefit	**1,526 Recipients** Total Number of Recipients Assumed **$953,625 Total Monthly Cost for Benefit**
Proposed Waiver – Summary of Overall Costs and Savings	

Total Monthly Cost Savings for use of pediatric nurse aide (assumes 20% of eligible recipients use the pediatric nurse aide service to reduce daily PDN services by 15-25%)	**$1,285,625**
Total Monthly Cost for the Additional Services • *Respite ($290,732 additional monthly cost)* • *Transition case management ($34,331 additional monthly cost)* • *Environmental accessibility adaptation – Limited to $7,500 Per Recipient Per Year ($953,625 monthly cost)*	**$1,276,688**
Total Net Savings (Monthly):	**$6,937**

Table 6 highlights potential cost savings from this proposed service delivery model, based on the percentage participation of the eligible recipient population. To achieve adequate savings to fund the additional waiver services within the defined limits and cost parameters, at least 20% of the eligible recipient population on the waiver (509 recipients, assuming 2,543 recipients are on the waiver) would need to substitute approximately 15-25% of their current PDN Service hours with pediatric nurse aide services daily.

Table 6. Potential Cost Savings

Participation in the Blended Support Service Delivery Model (15-25% Reduction of PDN Services that are replaced with pediatric nurse aide services to achieve up to a 10% Increase in total daily support hours)	Total Monthly Savings
100% (2,543 Recipients)	$6,428,124
90% (2,289 Recipients)	$5,785,312
80% (2,034 Recipients)	$5,142,499
70% (1,780 Recipients)	$4,499,687
60% (1,526 Recipients)	$3,856,874
50% (1,272 Recipients)	$3,214,062
40% (1,017 Recipients)	$2,571,250
30% (763 Recipients)	$1,928,437
25% (636 Recipients)	$1,607,031
20% (509 Recipients)	**$1,285,625**
10% (254 Recipients)	$642,812
1% (25 Recipients)	$64,281

Five-Year Projections

The impact to service costs calculated for the implementation year (**Table 4**) are projected for the subsequent five-year period (detailed in **Appendix 2, Exhibit 1** of this report). The following adjustments were applied to the values calculated as part of the fiscal impact for the implementation year:

- Unit cost trend: The calculations assumed in the analysis for the implementation year assume certain unit costs for each service. The following annualized unit cost trends for the projection years were applied:
    - PDN Services: 3.1%, based on unit cost trend assumptions made as part of SMMC MMA capitation rate development for rate year (RY) 25/26, as documented in Milliman's report dated October 6, 2025[9].
    - Pediatric nurse aide services: 3.0%, based on Home Health Services unit cost trend assumptions made as part of SMMC MMA capitation rate development for RY 25/26, as documented in Milliman's report dated October 6, 2025.
    - Respite care services: 2.5%, based on unit cost trend assumptions made as part of SMMC LTC capitation rate development for RY 25/26, as documented in Milliman's report dated September 15, 2025[10].
    - Transition case management: 3.5%, based on unit cost trend assumptions made as part of SMMC LTC capitation rate development for RY 25/26, as documented in Milliman's report dated September 15, 2025.
    - Environmental accessibility adaptation: No unit cost trend is applied. The service is provided up to an annual limit, and the Agency assumes the annual limit will be unchanged for the duration of the projection period.
- Utilization trend: No utilization trend for the projection period was applied. For PDN and pediatric nurse aide services, the analysis is done on the cohort covered under each option based on the number of hours of utilization per day. It is assumed that the distribution of recipients within the cohort remains unchanged. For respite care services,

[9] SMMC Managed Medical Assistance Program Capitation Rate Development, Rate Year 2025-2026, Milliman Report Prepared for the Florida Agency for Health Care Administration, October 6, 2025.

[10] SMMC Long-Term Care Program Capitation Rates, Rate Year 2025-2026, Milliman Report Prepared for the Florida Agency for Health Care Administration, September 15, 2025.

transition case management, and environmental accessibility adaptation, it is assumed that these services are provided to the annual limit for the proportion of recipients using the service.

- Enrollment trend: No material increase in the population eligible for waiver expansion is assumed. This is consistent with the state's projections of PDN rate cell recipients within the MMA program, as outlined in the Social Services Estimating Conference (SSEC), and aligns with the Milliman review of children historically using PDN services.

Appendix 2 of this report provides detailed documentation supporting the actuarial sound basis used for determining the fiscal impact for the implementation year and projection years. The fiscal impact of changes in service costs across five years of projections is detailed in Appendix 2, Exhibit 1.

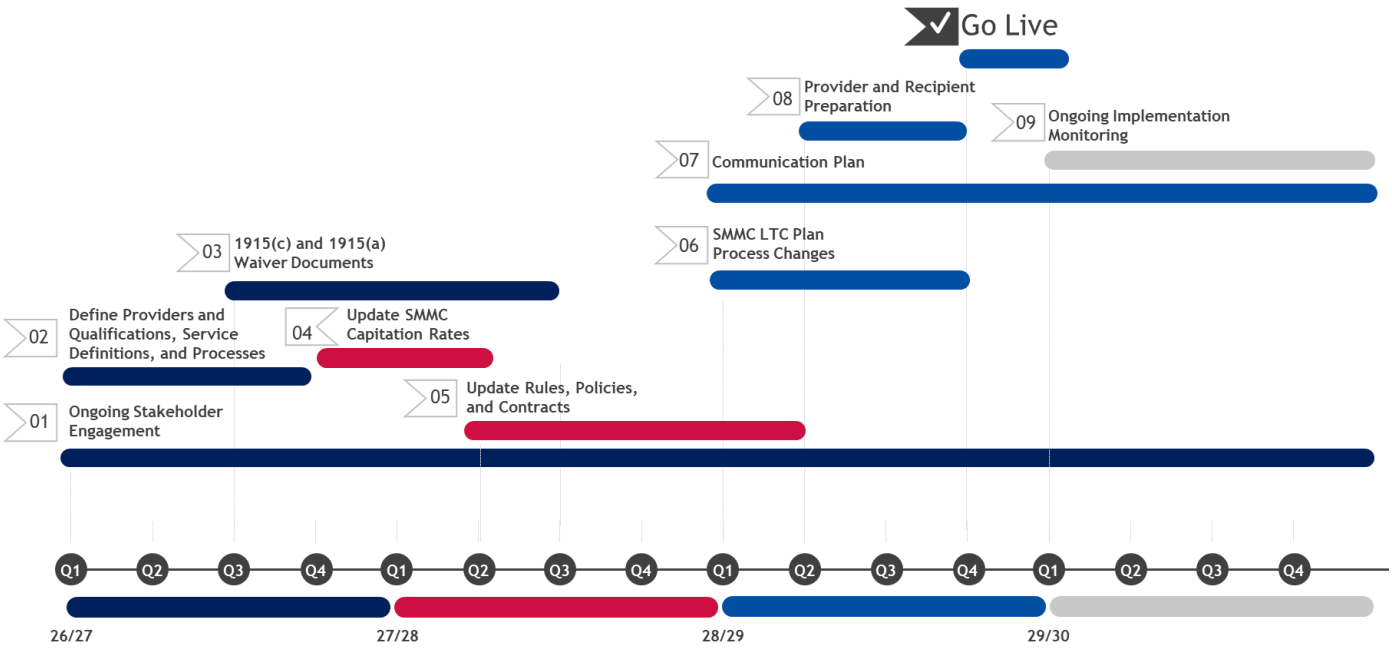
Proposed Implementation Plan

The Agency proposes a 36-month implementation period that begins July 2026 and ends with children/youth receiving services starting Q4 28/29. The process includes regular engagement with stakeholders for meaningful input into the design and operationalization of the additional waiver services for the eligible population.

Implementation Timeline

The following image (**Figure 3**) depicts the Agency's proposed timeline for the Model Waiver Redesign and Implementation.

Figure 3: Proposed Implementation Timeline



Key Steps and Milestones of Implementation

- **Ongoing Stakeholder Engagement:**

  The stakeholder engagement steps are designed to ensure that the perspectives of stakeholders, including families, providers, advocacy groups, and SMMC plans are considered throughout the Model Waiver redesign and implementation process. By identifying the core stakeholder group, updating as necessary to ensure relevancy, and maintaining ongoing communication, the Agency can identify service needs, clarify provider qualifications, and quickly address implementation challenges as they emerge. This collaborative approach is important because it helps create services that are responsive, effective, and tailored to the needs of the eligible population.

  - Identify/update core stakeholder group (Q1 FY 26/27)
    - To provide feedback and input to the continued needed service design requirements (e.g., providers, provider qualifications, service definitions)
  - Continue to engage stakeholders through various avenues (Q1 FY 26/27 – Ongoing)
    - To share updates and gather input as needed

- **Define Providers and Qualifications, Service Definitions, and Processes**:

This step will establish clear criteria for who can deliver services, what those services entail, and the procedures for participation in the waiver program. This is important because it ensures that only qualified professionals provide care, promotes consistency and quality in service delivery, and helps safeguard the health and well-being of participants.

  - Engage Florida Department of Health and Florida Board of Nursing to determine pediatric nurse aide education, credentialing, and certification requirements and process. (Q1 FY 26/27 – Q3 26/27)
  - Engage CMAT to determine forms and processes to complete levels of care for eligible Medicaid recipients for waiver participation. (Q1 FY 26/27 – Q3 26/27)

- **1915(c) and 1915(a) Waiver Documents:**

  The process of updating the 1915(c) and 1915(a) Waiver documents is crucial because it ensures that the waiver program remains compliant with federal guidelines, reflects current service needs, and incorporates stakeholder feedback. This helps ensure federal compliance and enables access to Medicaid federal funding for specialized services.

  - Draft 1915(c) waiver amendment document (Q3 FY 26/27)
  - Waiver public hearings (2) and comment period (30 days) (Q4 FY 26/27)
  - Submit waiver documents to CMS (Q4 FY 26/27)
  - Work with CMS to answer questions and refine application as requested by CMS (Q4 FY 26/27 – Q2 FY 27/28)
  - Receive CMS approval (can take up to 180 days) (Q2 FY 27/28)

- **Update SMMC Capitation Rates:**

  The capitation rate for the Model Waiver is envisioned to be like the rate for the Long-Term Care and Intellectual and Developmental Disabilities Comprehensive Managed Care Waiver programs in that it will be a separate capitation rate that is paid for SMMC recipients who are enrolled in the Model Waiver. While this rate will be incorporated in the SMMC contracts starting in October 2028 (the beginning of Contract Year 28/29), it will only be paid once a recipient enrolls in the Model Waiver program.

  - Complete actuarial analysis and updated capitation rates (Q4 FY 26/27 - Q1 FY 27/28)

- **Update Rules, Policies, and Contracts:**

  The Agency will follow established guidelines to update rules, policies, and contracts. Updating these foundational documents will allow the state to align operational

standards with the intended goals of the Model Waiver, promote quality care, and facilitate compliance by providers and managed care organizations.

- Draft Model Waiver rule and policies (Q2 FY 27/28)
  - To include an updated Level of Care Tool and Plan of Care template
- Administrative rule process (Q3 FY 27/28 – Q1 FY 28/29)
- Amend contracts with SMMC plans that provide LTC services to require provision of Model Waiver services (Q1 FY 28/29)

- **SMMC LTC Plan Process Changes:**

  Key preparatory steps for the SMMC LTC plans to implement the Model Waiver program include updating billing and IT systems to ensure accurate claims payment and compliance, revising member and provider handbooks to clearly communicate new services and requirements, and conducting a readiness review to verify all systems and processes are in place. These measures are essential for a smooth rollout, helping providers and recipients understand and utilize benefits while safeguarding program integrity.

  - SMMC LTC plans' program billing systems and other IT changes (Q1-Q2 FY 28/29)
  - Update SMMC LTC plan Member and Provider Handbooks (Q1-Q2 FY 28/29)
  - Readiness review/check of SMMC plans (Q3 FY 28/29)

- **Communication Plan:**

  The Agency is committed to a communication strategy that will ensure that all stakeholders are well-informed and supported through the updated Model Waiver's implementation.

  - Communication and Education (Q1 FY 28/29 – Ongoing)
    - To SMMC Plans, families of children eligible for the waiver, providers, CMATs

- **Provider and Recipient Preparation:**

  Providers that will be providing waiver services and will begin preparing for go live by making sure they are properly eligible, credentialed, and contracted to provide services. Recipients that will be potential waiver enrollees will begin preparing for go live by working with their SMMC plan assigned care coordinators to begin the CMAT process.

  - New provider enrollment process, education and recruitment (Q2 FY 28/29 – Ongoing)

    - Begin CMAT Level of Care Determinations for potential waiver enrollees (Q3 FY 28/29)
- **Go Live:**
  Go Live marks the official availability of Model Waiver services to eligible recipients. Implementation will be managed by SMMC plans in collaboration with the CMAT teams and monitored by the Agency for quality and compliance.
    - Begin services (Q4 28/29)
- **Ongoing Implementation Monitoring:**
  Following established procedures for waiver implementation and monitoring, and in accordance with any approved waiver documents, the Agency will conduct continuous quality improvement and performance measurement to ensure that the Model Waiver meets its objectives.
    - Quality Improvement and Performance Measurement (Q1 29/30 – Ongoing)

Analysis of Availability of Services and Service Providers

Ensuring availability of and access to appropriate services and service providers is critical to successfully achieve the goals of this proposed Model Waiver. The tiered home and community-based services proposed in this waiver rely on access to a sufficient number of qualified providers to effectively meet the demand for those services and fully meet the unique care needs of eligible medically fragile children and their families.

Pediatric Nurse Aide Services

The primary service provider type proposed in the redesigned Model Waiver is a new type of provider called the pediatric nurse aide. While pediatric nurse aides do not exist in Florida today, based on research and stakeholder input, the Agency anticipates this type of provider will be a specialized subset of Certified Nursing Assistants (CNAs), who seek additional specialized training and certification in pediatric care for medically complex children.

Workforce Considerations. The Agency assessed availability of CNAs to understand challenges that may impede efforts to recruit them for the pediatric nurse aide certification. A study completed by the Florida Center for Nursing in 2025 determined the supply of CNAs in Florida was sufficient in 2022, however, the study identified trends of declining supply and increased demand. The study projects that the supply of CNAs will continue to decline over time due to attrition, while demand for services performed by CNAs, primarily services focused on

Florida's aging population, will continue to grow. The study predicts that by 2026 all regions of Florida will experience shortages that will continually worsen over time, resulting in severe deficits across most Florida regions by 2037[11]. High CNA attrition rates and growing care needs across Florida require workforce retention and expansion strategies for these types of providers; the State continues to implement programs and initiatives to expand this workforce.

Workforce capacity concerns, and potential for a 5-10 percent loss of the CNA workforce in Florida, were also voiced by multiple stakeholder groups consulted by the Agency during the development of this plan. The need for a thorough provider capacity analysis that includes rural and underserved regions was reiterated. Stakeholders expressed concern about workforce availability, stating that thousands of families struggle to secure care because of the workforce shortage. They believe that the Model Waiver redesign offers a rare opportunity to expand workforce capacity through the new pediatric nurse aide while improving service flexibility to support families' ability to continue to serve these children home.

Skilled and Non-Skilled Respite Services

The intensive demands of caring for a medically fragile child impact the entire family. Parents/guardians experience lack of sleep, emotional stress, and difficulty balancing the needs of the child with the needs of other family members and essential responsibilities. Numerous studies indicate that the lack of respite services for parents/guardians results in otherwise avoidable hospital admissions and the availability of respite services helps families remain intact and keeps their medically fragile child living within the community. Despite this, there is often low uptake of respite services, even when made available. It is essential to support parents/guardians with information about available respite care options; lack of awareness of options was noted during the stakeholder meetings as a barrier to accessing respite services. Parents/guardians are less likely to use respite benefits if the options and process to access the service are unclear and if they do not have support to find the right option or type of provider to deliver the service.

Workforce Considerations. A lack of consistent, reliable respite care service providers, consisting of a well-trained and trusted pool of providers, reduces use of respite services and is another major driver of family caregiver burnout. In addition to the declining number of CNAs, there is also a widely recognized nationwide nursing shortage (skilled nursing staff at both the

[11] Florida Center for Nursing. (2025). *Florida Workforce Projections 2022-2037.* Prepared by the GlobalData Health Workforce Consulting Team.

RN and LPN levels). Furthermore, there is a critical shortage of other non-licensed direct care workers across the nation and in Florida - including home health and personal care aides. The America's Health Rankings® 2025 Senior Report, funded by the United Health Foundation, finds that Florida ranks 50th in the availability of home health and personal care aides. Low pay undermines workforce stability and is a major barrier to recruiting and retaining direct care workers. According to the report, direct care workers earn four dollars or more less per hour than comparable jobs[12]. These direct care workers supplement the skilled nursing services delivered by PDNs and are integral for delivery of comprehensive respite care services to support parents/guardians.

Recommendations

The State of Florida continues to take multiple steps to support growth of the nursing and direct care workforce in Florida. Specific recommendations to ensure adequate supply of service providers to operationalize the proposed redesigned Model Waiver include:

1. Collaborate with the Florida Board of Nursing to create a new pediatric nurse aide provider type designation; further engaging stakeholders to ensure education, training, credentialing and certification requirements of the new provider type align with skills and qualifications needed to support medically complex children.
2. Implement a participant-directed option for the pediatric nurse aide service, similar to how North Carolina has implemented this option in their waiver. There would need to be specialized training for these providers, but it would not require the specialized certification, which would assist with workforce shortages.
3. Continue to incentivize career entry and retention by offering training, benefits, and career advancement opportunities to maximize the number of individuals who are trained and willing to work in the field as CNAs as well as pursuing additional certification as pediatric nurse aides.
4. Continue to partner with health care professionals and institutions to implement and scale programs for recruiting and training, focusing on skills required to handle complex pediatric medical needs.

[12] United Health Foundation. (2025, April 4). Florida's home care crisis deepens as nation faces direct care workforce shortage. AmericasHealthRankings.org. https://assets.americashealthrankings.org/AHR_2025Senior_ComprehensiveReport_FINAL-Web.pdf

5. Explore additional models of policy and wage reform, considering successful approaches used in states like Washington and New Hampshire and including tactics to target investments in the direct care workforce.
6. Collaborate with advocacy groups and providers to raise awareness of respite services, to help connect families with the appropriate respite service providers, and to build partnerships that will make services easier for families/guardians to access.
7. Create flexible options that allow for a variety of respite type services to meet different needs. For example, in-home care, out of home models, day programs, camps, and self-directed respite models that allow for flexibility to adjust services based on individualized and evolving care needs.

Appendix 1: Listing of Stakeholders Consulted

Stakeholder Group	Consulted Individuals
Families	Redacted for privacy – total of 4 family members were identified and invited to provide insight and feedback
Advocates	Richard La Belle, Family Network on Disabilities
	Joseph La Belle, Family Network on Disabilities
	Lisa Math, Family Network on Disabilities
	Andrea Hickson, NICU Alumni, Florida Department of Health
	Angela Miney, University of Florida, Pediatric Pulmonary Division
CMAT	Joni R Hollis, Children's Medical Services Bureau Chief, Florida Department of Health
	Linda H Starnes, Statewide Family Leader, Florida Department of Health
	Dr. Jennifer Takagishi
	Dr. Mansooreh Salari
	JoAnn C Blenman
	Sherry Buchman
	Linda B Peterson
	Claudio Feliciano
	Sieglinde Campbell
	Christie M Sparks
	Maria Pizzurro
	Laura Luke
	Julie Perez
	Seema R Gobin
	Anjulie V Perez
	Jeffrey Douglas
	Amy Hofher
	Laurie Lillich Ridgeway
	Katrina D Ward
Providers	**Home Health Agencies**
	Melissa Allman, Bayada Home Health Care
	Jimmy Card, Continental Strategy
	Denise Bellville, Home Care Association of Florida

Kyle Simon, Home Care Association of Florida
Jennifer Lang, Family First Homecare
Brenda Roberts, Family First Homecare
Jennifer Ungru, Jones Walker
Crystal Stickle, Magnolia Advocacy
Gary Boldizsar, Maxim Healthcare Services
Tracy Colvard, Maxim Healthcare Services
Adam Foxworthy, Maxim Healthcare Services
Jessica Gardner, Maxim Healthcare Services
Kristina Rogers, Maxim Healthcare Services
Phil Stewart, Maxim Healthcare Services
Martha VanLith-Jensen, Maxim Healthcare Services
Lindsay Littlefield, The Stephen Group

Nursing Facilities

Lashawn McCray, Broward Children's Center
Richard Grosso, Broward Children's Center
Rochilda Fevrius, Broward Children's Center
Ian Trenchfield, Plantation Rehab
Kelsea August, Plantation Rehab
Neil Sutton, NuVision Management
Wendy Tabor-Underhill, Sabal Health and Rehab
Scott Allen, Sabal Health and Rehab
Lulu Baione, Sabal Health and Rehab
Lisa Kolman-Befort, Sabal Health and Rehab
Chris Snow, Snow Strategies
Teri Henning, Aveanna
Jim Melancon, Aveanna
Jessica Campoli, The Good Man Group

SMMC Plans

Linday Sullivan, Aetna
Dr. Olunwa Ikpeazu, Aetna
Meagan Towner, Aetna
Lupe Rivero, Community Care Plan
Alexander Fabano, Community Care Plan
Miguel Venereo, Community Care Plan

Robert Furno, Community Care Plan
Kelsea Sharp, Florida Community Care
Holly Prince, Florida Community Care
Carol Gormley, Florida Community Care
Dr. Mayda Antun, Florida Community Care
Tatiana Pita, Florida Community Care
Natalia Aresu, Humana
Erica Baker, Humana
Dr. Traci Thompson, Humana
Arlene Silberman, Humana
April Evans, Humana
Nina Lioy, Humana
Christina Curry, Humana
Stephanie Sanchez, Humana
Jackelyn Salcedo, Humana
Maria Trujillo, Humana
Hector Feliciano, Molina
Dr. Mark Bloom, Molina
Dania Batista, Molina
Dolores Hernandez-Piloto, Molina
Blanche Fuentes, Simply Health Care Plans
Dr. Marc Kaprow, Simply Health Care Plans
Michelle Stout, Simply Health Care Plans
Vonda Forrester, Simply Health Care Plans
Warren Moore, Sunshine Health
Felicia Thomas, Sunshine Health
Renata Trager, Sunshine Health
Kristan Mowder, Sunshine Health
Tamela Perdue, Sunshine Health
Maria Samerson, Sunshine Health
Tricia Cloud, Sunshine Health
Jennifer Barry, Sunshine Health
Brittani Lewis, Sunshine Health
Charlene G. Zein, Sunshine Health

William M. Kruegel, Sunshine Health
Maria E. Samerson, Sunshine Health
Dalia Abate, Sunshine Health
Susan Frishman, United Healthcare
Joe Rogers, United Healthcare
Nikhil Holla, United Healthcare
Susana Lau, United Healthcare

Appendix 2: Documentation Supporting Fiscal Impact Analysis

Milliman

17335 Golf Parkway
Suite 100
Brookfield, WI 53045 USA

Tel +1 262 784 2250

milliman.com

November 10, 2025

Joycee Barry
Chief of Medicaid Data Analytics
Florida Agency for Health Care Administration
2727 Mahan Drive – MS #21
Tallahassee, FL 32308-5407
joycee.barry@ahca.myflorida.com

Re: Florida Medicaid Waiver Expansion – Fiscal Impact Projections

Dear Joycee:

The Agency for Health Care Administration (Agency) is proposing to request waiver authority to add three new home and community-based services for children with complex medical needs who are authorized to receive private duty nursing (PDN) services to an existing Florida Medicaid waiver. This expansion will either be implemented through 1115 Managed Medical Assistance waiver or the Model Waiver, a 1915(c) home and community-based service waiver currently providing medically necessary services to up to 20 eligible children under age 21 who have degenerative spinocerebellar disease and are living at home or in their community or who are medically fragile and have lived in a nursing facility for at least 60 days prior to enrolling in the waiver. The Agency contracted with Health Management Associates (HMA) to develop a plan for this proposed waiver expansion, including eligibility criteria and service benefit packages to be offered through the redesigned waiver plan.

As part of waiver expansion plan, the Florida state legislature is requesting the fiscal impact of the Model Waiver expansion for the implementation year and projections for the subsequent five years, determined on an actuarially sound basis. This letter summarizes Milliman's analysis of the fiscal impact for this time period. The attached exhibit provides the annual fiscal impacts for the expansion plan proposed by the Agency based on the assumed percentage of children eligible for the waiver who choose to replace a portion of their PDN utilization with pediatric nurse aide services. Table 1 below summarizes these results of this analysis, assuming a 20% participation rate. HMA projects that there are 2,543 total eligible recipients, of which 509 recipients will choose to decrease PDN services to obtain additional support hours through the use of pediatric nurse aide services. The table below is separated by the state share and federal share of expenditures, assuming a Federal Medical Assistance Percentage (FMAP) percentage of 55.43%, Florida's FMAP effective October 2026.

TABLE 1
STATE OF FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION
MEDICAID WAIVER EXPANSION FISCAL IMPACT
ASSUMING 20% PARTICIPATION RATE

YEAR	ELIGIBLE RECIPIENTS	PARTICIPATING RECIPIENTS	TOTAL FISCAL IMPACT	STATE SHARE	FEDERAL SHARE
Implementation Year	2,543	509	$84,942	$37,859	$47,084
Projection Year 1	2,543	509	$629,999	$280,790	$349,208
Projection Year 2	2,543	509	$1,196,646	$533,345	$663,301
Projection Year 3	2,543	509	$1,785,676	$795,876	$989,800
Projection Year 4	2,543	509	$2,397,910	$1,068,749	$1,329,162
Projection Year 5	2,543	509	$3,304,197	$1,352,342	$1,681,855

The fiscal impacts in this letter rely substantially on analysis, assumptions, and results from HMA. HMA provided the results of their analysis to Milliman on November 7, 2025, including an outline of the Agency's plan for expanded waiver eligibility based on the number of hours of PDN services the individual receives per day. This analysis includes estimates of the monthly savings that result from the use of pediatric nurse aide services in lieu of PDN services, and monthly costs related to additional services offered to the population covered under the expanded eligibility criteria. Milliman reviewed the methodology, assumptions, and results for reasonability. The results of this letter should only be reviewed in conjunction with HMA's analysis, including HMA's commentary around various assumptions used in their analysis. The fiscal impacts are sensitive to the assumptions made around the percentage of the number of children eligible and the participation rates, anticipated utilization of new services, and the reimbursement rate for those services. Generally, HMA has used conservative assumptions which are likely to result in an understatement of the fiscal impact of the waiver expansion proposal.

WAIVER EXPANSION PROPOSAL

The Agency is proposing to expand an existing Medicaid waiver to add four services for children who are authorized PDN services: pediatric nurse aide, respite care, transition case management, and environmental accessibility adaptation. The expectation is that a subset of children who are authorized PDN services will choose to replace a portion of their utilization of PDN services with pediatric nurse aide services. This utilization shift will generate savings in excess of the costs of adding respite care, transition case management, and environmental accessibility adaptation as covered services for these participants.

The Agency is proposing to include children who require more than 12 hours per day of skilled monitoring and intervention. HMA has estimated the total number of individuals eligible for expansion based on a review of utilization of PDN services for children in Florida's Statewide Medicaid Managed Care (SMMC) Managed Medical Assistance (MMA) program as of May 2024.

HMA assumes that 20% of children eligible under the waiver expansion criteria will choose to participate. This is the minimum participation rate, such that savings from shifting utilization from PDN to pediatric nurse aide services are sufficient to offset the cost of providing additional services. HMA uses this 20% assumption as a conservative participation rate assumption. Deviation from the participation rate assumption will have a material impact on the fiscal estimates assumed in this letter. The attached exhibit provides the fiscal impact based on a 20% participation rate, as well as the fiscal impact at varying levels of participation.

FISCAL IMPACT OF CHANGES IN SERVICE COSTS – IMPLEMENTATION YEAR

The impact to service costs for the implementation year involves two separate components: the savings generated from shifting PDN utilization to pediatric nurse aide services for the participating population; and the additional costs to provide respite services, transition case management, and environmental accessibility adaptation services for all eligible individuals.

PDN Utilization Shifting to Pediatric Nurse Aide

HMA assumes that 15% to 25% of PDN hours used by participating individuals will instead be provided by pediatric nurse aides. Participating individuals are assumed to receive a reduction of 15% to 25% in PDN hours, replaced by pediatric nurse aide hours, such that the total support hours is an increase of up to 10% from the originally prescribed PDN service hours, limited to 24 hours per day of overall in-home services. The average unit cost for pediatric nurse aide services is estimated at $24.00 per hour, compared to $51.79 per hour for PDN services, calculated by Milliman based on projected unit costs for October 2025 through September 2026.

Additional Covered Services

Three additional services will be offered to all individuals eligible under the waiver expansion criteria – respite care, transition case management, and environmental accessibility adaptation services. HMA used the assumption that 75% of individuals eligible under the waiver expansion criteria will utilize respite services; 20% will utilize transition case management services; and 60% will utilize environmental accessibility adaptation services. Utilizers of these services will use up to the proposed annual service limit (970 units of 15-minute increments for respite care, six months for transitional case management, and $7,500 for environmental accessibility adaptation). Additionally, while receiving respite care, it is assumed that children would not receive the typical PDN or pediatric nurse aide services.

For each component, HMA calculated the monthly cost of providing these services. The fiscal impact on service costs for the implementation year is the monthly impact calculated by HMA multiplied by 12.

FISCAL IMPACT OF CHANGES IN SERVICE COSTS – PROJECTION YEARS

The impact to service costs calculated for the implementation year are projected for the subsequent five-year period. We apply the following adjustments to the values calculated as part of the fiscal impact for the implementation year:

- Unit cost trend: The calculations assumed in HMA's analysis for the implementation year assume certain unit costs for each service. We apply the following annualized unit cost trends for the projection years:
  - PDN Services: 3.1%, based on unit cost trend assumptions made as part of SMMC Medical Managed Assistance (MMA) capitation rate development for RY 25/26, as documented in Milliman's report dated October 6, 2025.
  - Pediatric nurse aide services: 3.0%, based on Home Health Services unit cost trend assumptions made as part of SMMC MMA capitation rate development for RY 25/26, as documented in Milliman's report dated October 6, 2025.
  - Respite care services: 2.5%, based on unit cost trend assumptions made as part of SMMC Long-Term Care (LTC) capitation rate development for RY 25/26, as documented in Milliman's report dated September 15, 2025.
  - Transition case management: 3.5%, based on unit cost trend assumptions made as part of SMMC LTC capitation rate development for RY 25/26, as documented in Milliman's report dated September 15, 2025.
  - Environmental accessibility adaptation: No unit cost trend is applied. The service is provided up to an annual limit, and we assume the annual limit will be unchanged for the duration of the projection period.
- Utilization trend: We apply no utilization trend for the projection period. For PDN and pediatric nurse aide services, HMA's analysis is done on the cohort covered under each option based on the number of hours of utilization per day. We assume that the distribution of members within the cohort remains unchanged. For respite care services, transition case management, and environmental accessibility adaptation, HMA assumes that these services are provided to the annual limit for the proportion of members using the service.
- Enrollment trend: We assume no material increase in the population eligible for waiver expansion. This is consistent with the state's projections of PDN rate cell members within the MMA program, as outlined in the Social Services Estimating Conference (SSEC),and aligns with our review of children historically using PDN services.

FISCAL IMPACT OF CHANGES IN NON-BENEFIT COSTS

The cohort covered under the waiver expansion is currently covered under the SMMC MMA program and will continue to be covered under the SMMC MMA program upon implementation. The state pays each MMA capitated plan a monthly capitation rate for each member covered. In addition to a projection of service costs, the capitation rate includes a projection of health plan administrative expenses and a gain / loss margin.

For the implementation year and the projection period, we assume that the model waiver expansion has no material impact on health plan administrative expenses and we make no related adjustment.

We include a 2.0% load to the fiscal impacts for the implementation year and projection period to account for the decrease in the gain / loss margin paid to health plans as a result of the decrease in projected service costs.

IMPORTANT LIMITATIONS AND CAVEATS

We prepared this letter for the specific purpose of providing fiscal impacts related to proposed options around Florida's waiver expansion plan. It may not be appropriate, and should not be used, for other purposes.

This letter is intended solely for the internal use and benefit of the Florida Agency for Health Care Administration (Agency), and it is only to be relied upon by the Agency. Milliman recognizes that materials it delivers to the Agency may be public records subject to disclosure to third parties; however, Milliman does not intend to benefit, and assumes no duty or liability to, parties other than the Agency who receive this work. This material should only be distributed and reviewed in its entirety and in conjunction with the HMA's analysis.

In preparing this letter, we relied on information and analysis performed by HMA and provided by the Agency. We did not audit this information, but we did assess the methodology, assumptions, and results for reasonableness. If the information used by HMA or the analysis performed by HMA is inadequate or incomplete, the results of this letter will be likewise inadequate or incomplete.

Milliman has developed certain models to estimate the values included in this letter. The intent of the models was to develop fiscal estimates of the waiver expansion plan for the implementation year and subsequent five year period. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models, including all input, calculations, and output, may not be appropriate for any other purpose.

Actual experience during the implementation and projection periods will differ from the estimates included in this letter due to a variety of factors, including actual waiver expansion eligibility, participation rate, utilization assumptions, and differences in future expectations around unit cost, utilization, and enrollment trend. The results of this analysis are sensitive to the assumptions made by HMA. The results should be reviewed in conjunction with the HMA report and analysis, including HMA's commentary around the assumptions used in their calculations.

The results of this letter and associated report are technical in nature and are dependent upon specific assumptions and methods. No party should rely on these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Kyle McClone and James Johnson are Consulting Actuaries for Milliman, members of the American Academy of Actuaries, meet the Qualification Standards of the Academy to render the actuarial communication contained herein. To the best of their knowledge and belief, this communication is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

Thank you for the opportunity to assist the Agency with this important project.

Sincerely,

Kyle J. McClone, FSA, MAAA
Principal and Consulting Actuary

James Johnson, FSA, MAAA
Senior Consulting Actuary

KJM/JJ/zk

Attachment

Attachment

Exhibit 1
State of Florida Agency for Healthcare Administration
Medicaid Waiver Expansion Fiscal Impact
Varying Participation Rate Scenarios

Participation Rate	Eligible Members	Participating Members	Implementation Year			Projection Year 1			Projection Year 2		
			State Share	Federal Share	Total Fiscal Impact	State Share	Federal Share	Total Fiscal Impact	State Share	Federal Share	Total Fiscal Impact
20% Participation Rate (Baseline)	**2,543**	**509**	**$37,859**	**$47,084**	**$84,942**	**$280,790**	**$349,208**	**$629,999**	**$533,345**	**$663,301**	**$1,196,646**
100% Participation Rate	2,543	2,543	$28,103,310	$34,951,009	$63,054,319	$29,274,636	$36,407,742	$65,682,378	$30,486,147	$37,914,452	$68,400,599
90% Participation Rate	2,543	2,289	$24,595,129	$30,588,019	$55,183,147	$25,650,405	$31,900,425	$57,550,830	$26,742,047	$33,258,058	$60,000,105
80% Participation Rate	2,543	2,034	$21,086,947	$26,225,028	$47,311,975	$22,026,174	$27,393,109	$49,419,283	$22,997,946	$28,601,664	$51,599,610
70% Participation Rate	2,543	1,780	$17,578,766	$21,862,037	$39,440,803	$18,401,944	$22,885,792	$41,287,736	$19,253,846	$23,945,270	$43,199,116
60% Participation Rate	2,543	1,526	$14,070,585	$17,499,046	$31,569,631	$14,777,713	$18,378,475	$33,156,188	$15,509,746	$19,288,876	$34,798,622
50% Participation Rate	2,543	1,272	$10,562,403	$13,136,056	$23,698,459	$11,153,482	$13,871,158	$25,024,641	$11,765,646	$14,632,482	$26,398,128
40% Participation Rate	2,543	1,017	$7,054,222	$8,773,065	$15,827,287	$7,529,252	$9,363,842	$16,893,093	$8,021,545	$9,976,089	$17,997,634
30% Participation Rate	2,543	763	$3,546,040	$4,410,074	$7,956,115	$3,905,021	$4,856,525	$8,761,546	$4,277,445	$5,319,695	$9,597,140
25% Participation Rate	2,543	636	$1,791,950	$2,228,579	$4,020,529	$2,092,906	$2,602,867	$4,695,772	$2,405,395	$2,991,498	$5,396,893
10% Participation Rate	2,543	254	-$3,470,323	-$4,315,907	-$7,786,230	-$3,343,440	-$4,158,109	-$7,501,549	-$3,210,755	-$3,993,093	-$7,203,848
5% Participation Rate	2,543	127	-$5,224,413	-$6,497,402	-$11,721,816	-$5,155,556	-$6,411,767	-$11,567,323	-$5,082,805	-$6,321,290	-$11,404,095
1% Participation Rate	2,543	25	-$6,627,686	-$8,242,599	-$14,870,285	-$6,605,248	-$8,214,694	-$14,819,942	-$6,580,445	-$8,183,848	-$14,764,293

Participation Rate	Eligible Members	Participating Members	Projection Year 3			Projection Year 4			Projection Year 5		
			State Share	Federal Share	Total Fiscal Impact	State Share	Federal Share	Total Fiscal Impact	State Share	Federal Share	Total Fiscal Impact
25% Participation Rate (Baseline)	**2,543**	**509**	**$795,876**	**$989,800**	**$1,785,676**	**$1,068,749**	**$1,329,162**	**$2,397,910**	**$1,352,342**	**$1,681,855**	**$3,034,197**
100% Participation Rate	2,543	2,543	$31,739,198	$39,472,824	$71,212,022	$33,035,190	$41,084,599	$74,119,789	$34,375,569	$42,751,577	$77,127,146
90% Participation Rate	2,543	2,289	$27,871,283	$34,662,446	$62,533,729	$29,039,385	$36,115,170	$65,154,555	$30,247,666	$37,617,862	$67,865,528
80% Participation Rate	2,543	2,034	$24,003,368	$29,852,068	$53,855,436	$25,043,580	$31,145,740	$56,189,320	$26,119,762	$32,484,147	$58,603,909
70% Participation Rate	2,543	1,780	$20,135,452	$25,041,690	$45,177,142	$21,047,775	$26,176,310	$47,224,085	$21,991,859	$27,350,432	$49,342,290
60% Participation Rate	2,543	1,526	$16,267,537	$20,231,312	$36,498,849	$17,051,969	$21,206,881	$38,258,850	$17,863,955	$22,216,716	$40,080,672
50% Participation Rate	2,543	1,272	$12,399,622	$15,420,934	$27,820,556	$13,056,164	$16,237,451	$29,293,615	$13,736,052	$17,083,001	$30,819,053
40% Participation Rate	2,543	1,017	$8,531,707	$10,610,556	$19,142,263	$9,060,359	$11,268,021	$20,328,380	$9,608,148	$11,949,286	$21,557,434
30% Participation Rate	2,543	763	$4,663,791	$5,800,178	$10,463,970	$5,064,554	$6,298,591	$11,363,145	$5,480,245	$6,815,571	$12,295,816
20% Participation Rate	2,543	636	$2,729,834	$3,394,989	$6,124,823	$3,066,651	$3,813,877	$6,880,528	$3,416,293	$4,248,713	$7,665,006
10% Participation Rate	2,543	254	-$3,072,039	-$3,820,578	-$6,892,617	-$2,927,056	-$3,640,268	-$6,567,324	-$2,775,562	-$3,451,860	-$6,227,422
5% Participation Rate	2,543	127	-$5,005,997	-$6,225,766	-$11,231,763	-$4,924,959	-$6,124,983	-$11,049,942	-$4,839,514	-$6,018,717	-$10,858,231
1% Participation Rate	2,543	25	-$6,553,163	-$8,149,918	-$14,703,081	-$6,523,281	-$8,112,755	-$14,636,036	-$6,490,675	-$8,072,204	-$14,562,879