

**COMMITTEE MEETING EXPANDED AGENDA**

**BUDGET SUBCOMMITTEE ON HEALTH AND HUMAN  
SERVICES APPROPRIATIONS**

**Senator Negrón, Chair  
Senator Rich, Vice Chair**

**MEETING DATE:** Wednesday, February 16, 2011

**TIME:** 8:00 —10:15 a.m.

**PLACE:** *Toni Jennings Committee Room, 110 Senate Office Building*

**MEMBERS:** Senator Negrón, Chair; Senator Rich, Vice Chair; Senators Gaetz, Garcia, Oelrich, Richter, and Sobel

---

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Budget Work Session		
2	Discussion on Medicaid Reform		

---

## **Robert F. Milligan**

Retired Marine Corps Lt. Gen. Robert F. Milligan is Interim Executive Director of the Florida Department of Veterans' Affairs. He was appointed by Gov. Charlie Crist and the Cabinet on Aug. 26, 2010 to succeed the late LeRoy Collins Jr.

He directs a state agency responsible for assisting Florida's more than 1.6 million veterans, their families and survivors in improving their health and economic well-being through quality benefit information, advocacy, education and long-term health services.



Milligan's Marine Corps career culminated as Commanding General of Fleet Marine Forces, Pacific, and Marine Corps Bases, Pacific, with headquarters in Hawaii. General Milligan was responsible for two-thirds of the operating forces of the Marine Corps, consisting of 92,000 Marines and sailors serving at 18 bases and stations and aboard ships at sea, stretching from the continental United States to the far reaches of the Pacific and Indian Oceans. He retired in 1991.

He earned a Bachelor of Science degree in engineering from the U.S. Naval Academy and a master's degree in business administration from the University of Rochester. He also studied economics at the doctoral level at the University of Maryland.

General Milligan was elected to a four-year term as Comptroller of Florida in 1994 and re-elected to a second term in 1998. As Florida's Comptroller, Milligan was the state's Chief Financial Officer, serving as the watchdog over taxpayers' money, head of the Department of Banking and Finance and was a member of the Florida Cabinet.

Most recently, he served as the interim director of the State Board of Administration and as chairman of the Florida Veterans Foundation, Inc. General Milligan serves on the Executive Board of the Governor's Commission on Volunteerism and Community Service.

###

Current as of August 2010.  
Visit: [www.FloridaVets.org](http://www.FloridaVets.org)

## State Veterans' Homes Corporation - Concept Overview

February 16, 2011

### **Summary of Concept:**

- **Florida Veterans Homes Corporation** would be created in Chapter 296 as a public corporation and be constituted as a public instrumentality. Concept is similar to the Florida Housing Finance Corporation and modeled closely after Maine and Tennessee.
- Governed by a Board of Trustees (conceptually, the Governor and Cabinet). The Board would hire an executive director.
- Corporation would be self-sustaining.
- Corporation eligible for Federal VA per diem and certain matching funds
- Employees of the corporation would be public employees and would be eligible for state health and retirement benefits.
- Corporation would maintain sovereign immunity and coverage through the State Risk Management Trust Fund.

### **Funding:**

- Resident care funded by VA if service-connected disability is 70% or greater
- VA Per Diem
- Private Pay
- Third-Party Insurance
- Medicare
- Medicaid (Payer of last resort)

### **Goals:**

- Provide the best quality of care for Florida veterans.
- Increase the effectiveness and efficiency of the homes operations.
- Be competitive in recruiting and retaining the best personnel in the long term care industry.

### **Timeframe:**

- FY 2011-2012 Homes Operation remains as in prior years.
- FY 2011-2012 FDVA prepares a business and implementation plan with detailed fiscal analysis. Present the plan to the Governor and Cabinet and the Legislature for 2012 session.
- FY 2012-2013 The Corporation becomes effective on July 1, 2012 and the homes program transitions to the Corporation in accordance with the business and implementation plan recommendations.



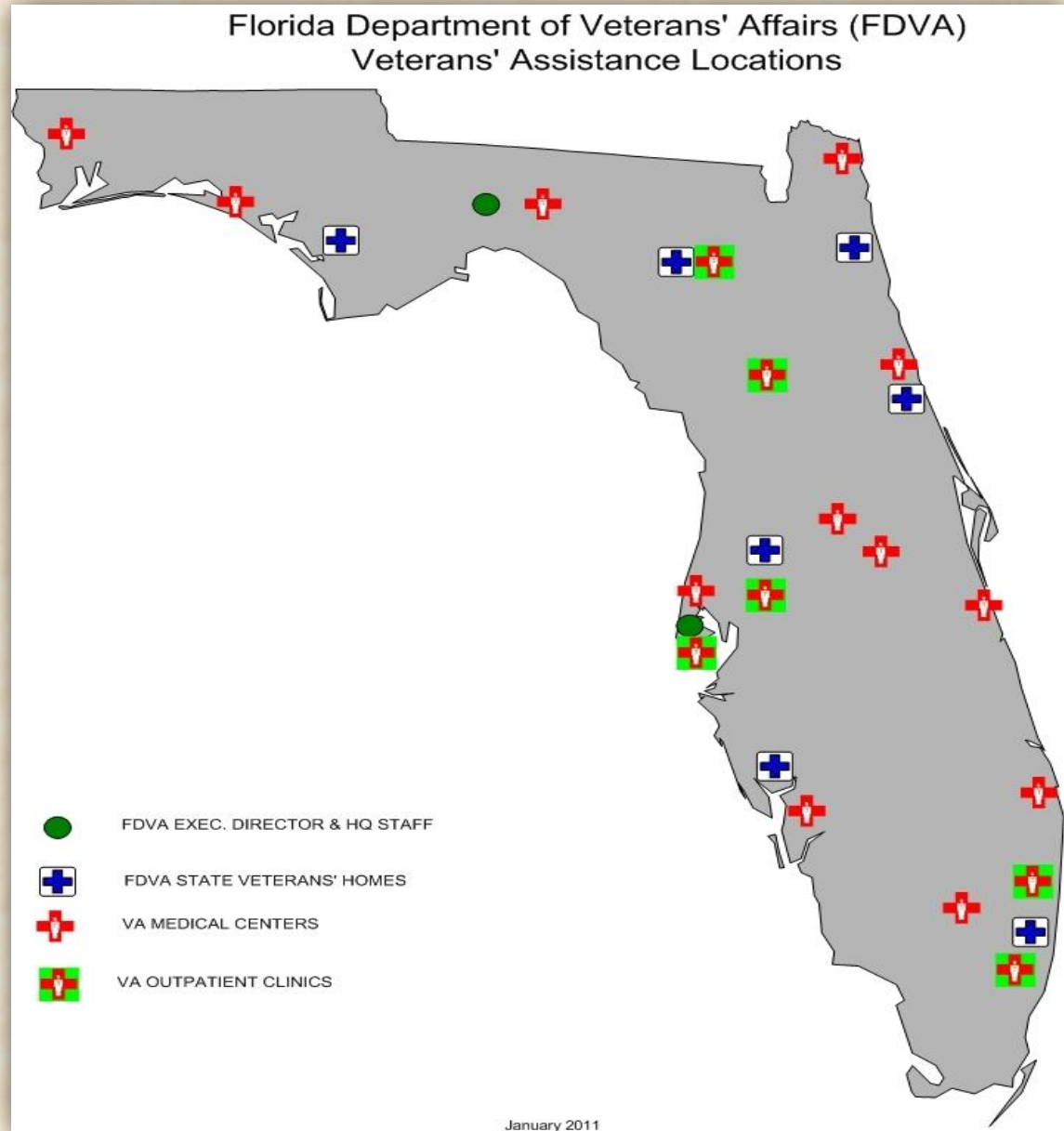
# Florida Department of Veterans' Affairs

Lieutenant General Bob Milligan  
U.S. Marine Corps (Ret)  
Interim Executive Director



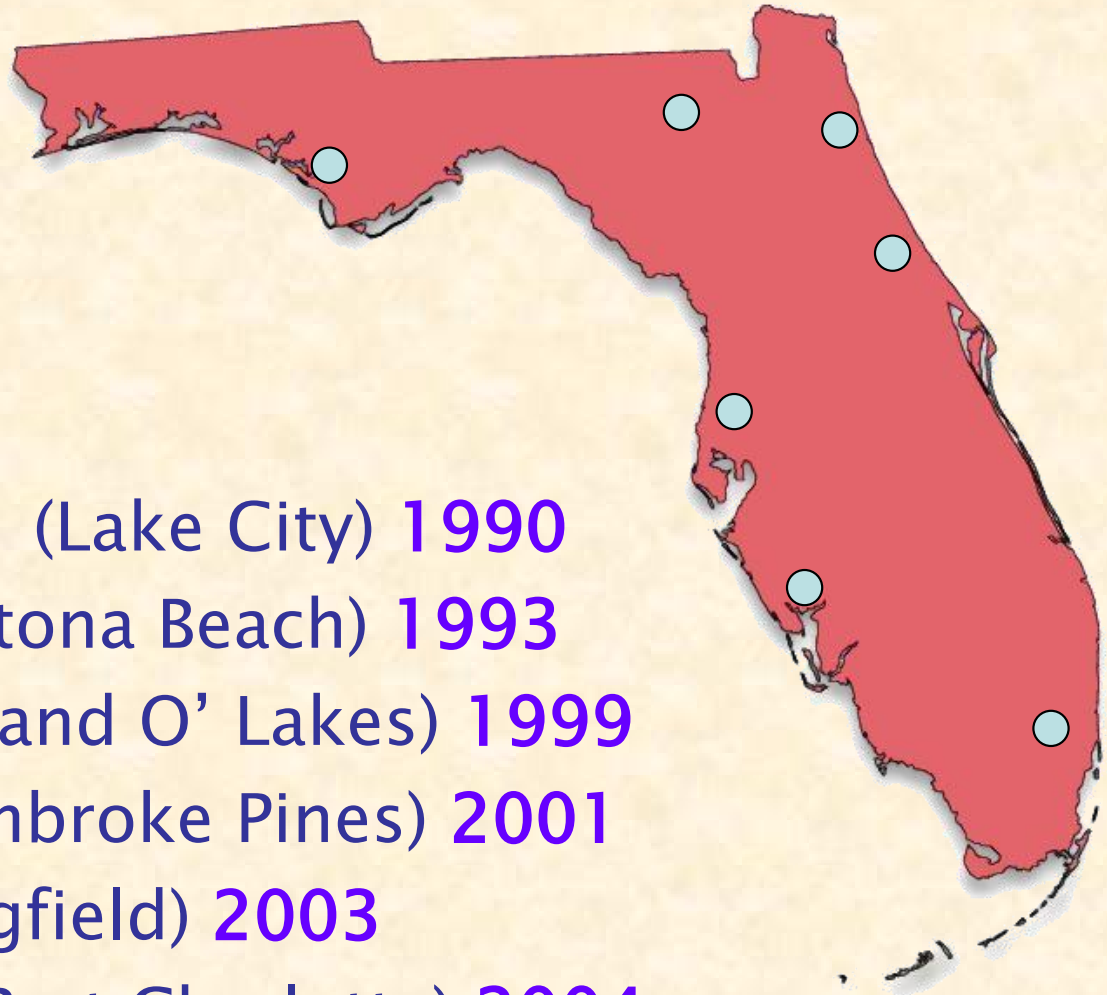
# ***FDVA Footprint***

- 27 locations
- 6 Veterans' Nursing Homes
- 1 Domiciliary (ALF)
- 22 field offices staffed with Claims Examiners
- 3 division headquarters





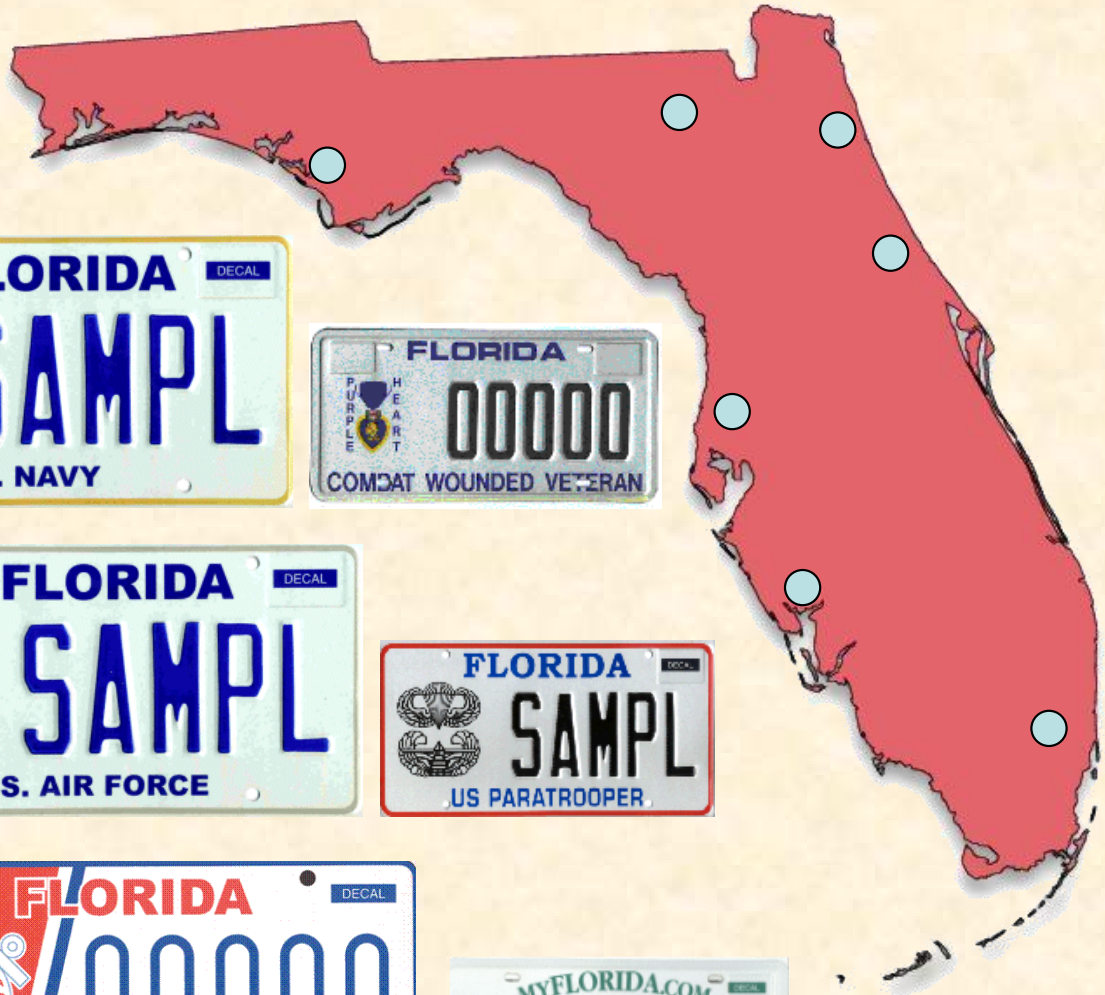
# ***Our Veterans' Homes***



- **Robert Jenkins Domiciliary (Lake City) 1990**
- **Emory Bennett SVNH (Daytona Beach) 1993**
- **Baldomero Lopez SVNH (Land O' Lakes) 1999**
- **Sandy Ninger SVNH (Pembroke Pines) 2001**
- **Clifford Sims SVNH (Springfield) 2003**
- **Douglas Jacobson SVNH (Port Charlotte) 2004**
- **Clyde Lassen SVNH (St. Augustine) 2010**



# License Plate Sales





# ***Homes' Program - Current Funding***

- **Construction & Renovation Reimbursement Sources:**
  - 65% Federal VA funding
  - 35% State of Florida matching funds
- **Resident Care Reimbursement Sources:**
  - Resident care funded by VA if service-connected disability is 70% or greater
  - VA Per Diem
  - Private pay
  - Third-Party Insurance
  - Medicare
  - Medicaid (*Payer of Last Resort*)
  - General Revenue





# **A New Concept for State Veterans' Homes**



# ***Public Corporation Concept***

- **Operation of State Veterans' Homes transferred to Public Corporation**
- **Public Corporation to be self-funded -- no GR**
- **Improve Veteran resident quality of care**
- **Improve flexibility to recruit & retain employees**
- **Allow homes to compete with industry incentives**
- **Corporation reports directly to Governor & Cabinet as Board of Trustees**
- **FDVA & Public Corporation coordinate on Veterans' issues**
- **Retain Federal VA Per Diem funding**
- **Sovereign Immunity & risk management continue to apply**



# Florida Department of Veterans' Affairs

[www.FloridaVets.org](http://www.FloridaVets.org)

Mark Alvarez

*Mark is the Commander of VFW Post 3308 in Tallahassee. Five times honored as an All-State Post Commander and Twice honored as an All-American Post Commander of the Veterans of Foreign Wars.*

*He is a United State Army combat veteran of the Vietnam War. Mark and his wife Marilyn reside in Tallahassee.*

**Joseph Mitchell**

*Joseph Mitchell, Chairman & CEO, Summit Care, serves as both Florida Health Care Association Multifacility Vice President and Co-Chair of the Reimbursement Committee. Joe brings extensive health care experience from government and industry to offer a combination of resources in accounting and reimbursement expertise for various health care operations. His organization currently serves approximately 200 health care facilities and related organizations, including hospitals, hospices, and home health agencies. Joe currently oversees new development and management of all Summit Care operations.*



# Department of Children and Families

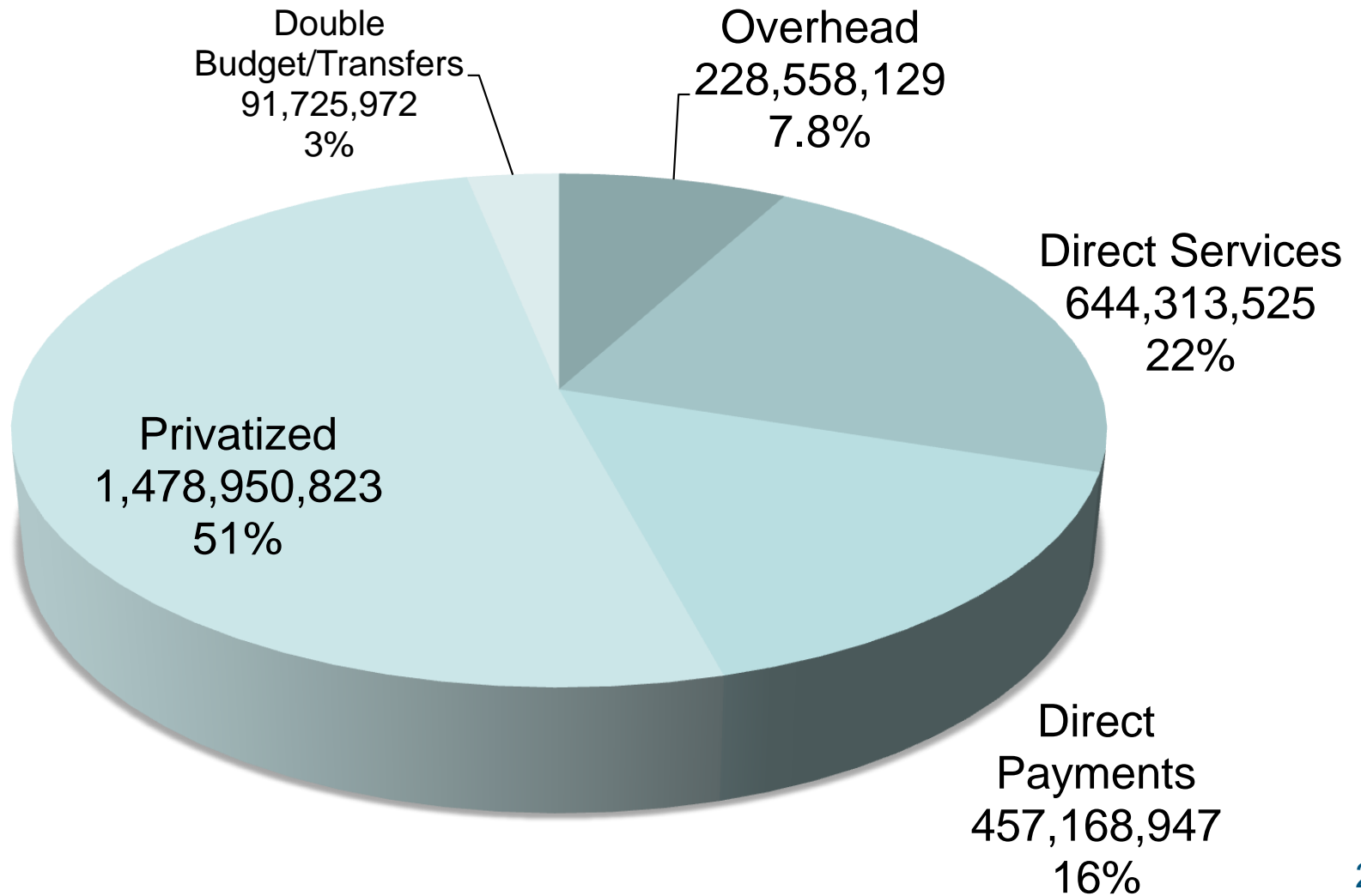
## *Administrative Reductions in Fiscal Year 2011-2012*

*GOAL: Reduce "Overhead" from 7.7% to  
5% over three years.*

Nevin Smith, PhD  
Budget Director



# Fiscal Year 2010-2011 Appropriation by Payment Type





## Prior Year Reduction History

- Fiscal Year 2004-2005 = \$10.9 Million / 278 FTE
- Fiscal Year 2005-2006 and 2006-2007 No Change
- Fiscal Year 2007-2008 = \$11.1 Million / 26 FTE
- Fiscal Year 2008-2009 = \$23.7 Million / 221.5 FTE
- Fiscal Year 2009-2010 = \$5.0 Million / 54.5 FTE

**TOTAL REDUCTIONS FOR THE SIX YEAR PERIOD**  
**\$50.7 Million / 580 FTE**





# OVERHEAD REDUCTION

## HOW

- Vacancies
- Streamlining
- Efficiencies

## WHERE

- Headquarters
- District Administration
- Family Safety Administration
- Mental Health Hospital Administration
- Mental Health Program Administration
- Substance Abuse Administration



# Eliminate Administrative Vacancies

• Executive Leadership	(1)
(\$95,281)	
• Assistant Secretary for Administration	(10)
(\$451,681)	
• Mental Health Program Office	(1)
(\$75,072)	
• Substance Abuse Services program Office	(2)
(\$121,173)	
• Economic Self Sufficiency program Office	(1)
(\$54,825)	
<b>Total</b>	<b>15</b>
<b>\$ 798,032</b>	



# Eliminate Additional Vacancies

• Executive Leadership		(\$220,060)	(5.0)
• Adult Protection		(\$569,091)	(13.5)
• Child Protection		(\$861,927)	(18.5)
• Economic Self Sufficiency Services		(\$2,909,427)	(71.5)
• Information Technology		(\$2,094,982)	(17.0)
• Total	126 FTE		\$6,655,477



# Streamline District Administration

- Human Resources 12 FTE
- Financial Services 4 FTE
- General Services 14 FTE
- Contracting Services 3 FTE
- Budget Services 18 FTE

**TOTAL 51 FTE \$5,500,000**



# Reduce Administrative Overhead

• Office of the Secretary	5 FTE	\$ 500,000
• Assistant Secretary for Administration	7 FTE	\$ 1,000,000
• Family Safety/Preservation Program Office	108 FTE	\$ 8,000,000
• Civil Institutions Administration	28 FTE	\$ 2,519,697
• Forensic Institutions Administration	72 FTE	\$ 6,280,303
• Mental Health Services Program Office	33 FTE	\$ 2,500,000
• Substance Abuse Services Program Office	24 FTE	\$ 1,700,000

<b>Total</b>	<b>277 FTE</b>	<b>\$22,500,000</b>
--------------	----------------	---------------------



# Lease Savings Efficiencies

- Administration (\$ 135,073)
- Information Technology (\$ 284,984)
- Child Protection (\$ 318,392)
- Mental Health Program Office (\$ 21,255)
- Substance Abuse Program Office (\$ 4,370)
- Economic Self Sufficiency (\$ 563,337)

**TOTAL**                      **\$1,327,411**



# TWO NEW MANAGING ENTITIES

Two More Managing Entities in SFY 2011-2012

Reduce FTE involved in state contract oversight  
30 positions.

Improved service delivery.



# Total Overhead Reduction

Overhead Reductions 373.5 FTE

Overhead Costs Eliminated \$28,798,032

Additional Vacancies 126 FTE

Additional Costs Eliminated \$6,655,487

Space Reductions \$1,327,411

**Total**                      **499.5 FTE**                      **\$36,780,920**



**CRISIS-RELATED  
SUBSTANCE ABUSE SERVICES  
DEPARTMENT OF CHILDREN AND FAMILIES  
FEBRUARY 2, 2011**

Crisis services are designed to provide immediate assessment and quick short term intervention services to stabilize an individual experiencing a medical or emotional crisis because they abuse alcohol or drugs. Crisis services prevent further medical deterioration as well as harm.

The services include evidence-based methods of clinical assessment to determine the nature and extent of the crisis that results in targeted immediate medical and crisis stabilization services. The specific substance abuse services that provide crisis response and stabilization are: detoxification, intervention, and brief evidence-based clinical treatment services that are provided in a residential or outpatient setting to address the individual's immediate needs.

The majority of the people that receive crisis services are directed to community level substance abuse providers by the adult criminal justice system, the juvenile justice system, or the child welfare system. This comprises approximately 59% of the annual total numbers served in our system. This percentage does not include individuals in crisis who receive acute medical services in an emergency room or hospital setting because our data system does not collect this information. Thus, the 59% should be interpreted as a low percentage because it does not include individuals referred to our system from acute medical services in an emergency room or hospital setting.

One way to understand the cost of crisis services is to divide it into two general categories: immediate medical crisis and crisis stabilization.

For the purposes of this analysis, the following assumptions have been made:

1. **Immediate Medical Crisis** includes: assessment (to determine the type of crisis services required), detoxification, emergency/crisis support and medical services related to substance abuse for adults and children. **All of the persons receiving** these services were in a medical crisis that required immediate response.
  - # adults receiving assessment services — 17,769 (\$1,090,623) \$2,660,057
  - # children receiving assessment services — 10,265 (\$780,152) \$1,902,809
  - # adults receiving detoxification services — 22,773 (\$11,241,894) \$27,419,253
  - # children receiving detoxification services — 2,640 (\$1,476,636) \$3,601,551
  - # adults receiving emergency/crisis support services — 4,042 (\$310,632) \$757,639
  - # children receiving emergency/crisis support services — 1,011 (\$26,525) \$64,695
  - # adults receiving medical services (e.g., medication-assisted treatment) — 9,157 (\$1,099,126) \$2,680,796
  - # children receiving medical services—1,595 (\$226,135) \$551,550

**TOTAL IMMEDIATE MEDICAL CRISIS SERVICES—(\$16,251,723\*) \$39,638,350**

2. **Crisis Stabilization Services** include: residential levels 1 and 2 care, intensive outpatient, intervention, and outpatient services for adults and children.
- a. **Adult** Crisis Stabilization Services: Fifty four percent (54%) of the total number of adult service recipients received crisis stabilization services as defined above. This is the percentage of adults directed into treatment from criminal justice and child welfare systems.
- # adults receiving intervention services — 56,195 (\$2,269,765) \$5,536,013
  - # adults receiving outpatient services (including intensive outpatient) — 47,622 (\$5,677,104) \$13,846,596
  - # adults receiving residential 1 services — 1,384 (\$1,068,370) \$2,605,781
  - # adults receiving residential 2 services — 7,238 (\$13,326,042) \$32,502,542
  - # adults receiving intensive outpatient services — 2,801 (\$1,136,529) \$2,772,021

**TOTAL ADULT CRISIS STABILIZATION SERVICES** — (\$18,990,090\*) \$46,317,293

- b. **Children/Adolescent** Crisis Stabilization Services: Sixty three percent (63%) of the total number of children/adolescent service recipients received crisis stabilization services as defined above. This reflects the percentage of children/adolescents directed into treatment from criminal and juvenile justice and child welfare systems between ages 6 to 17.
- # children receiving intervention services —16,253 (\$1,404,440) \$3,425,464
  - # children receiving outpatient services — 12,500 (\$1,972,596) \$4,811,209
  - # children receiving residential 1 services — 82 (\$507,240) \$1,237,170
  - # children receiving residential 2 services — 1,827 (\$7,271,060) \$17,734,293

**TOTAL CHILDREN CRISIS STABILIZATION SERVICES**—(\$9,263,551\*) \$22,593,53

\* Substance abuse services are funded based on the following fund source split—59% Federal and 41% State. The Federal funding is divided amount the Substance Abuse Block Grant (48% of total funding) and Federal discretionary grants (11% of total funding). The State funding sources are General Revenue and State Trust Funds. Dollar amounts listed above in parenthesis reflect the State costs for the services provided. The dollar amount listed adjacent and not in parenthesis reflects total funding.

**Unduplicated Number** of Persons Served in Substance Program during FY 08-09  
by Medicaid Eligibility Status, Age Group, and Service Status

Medicaid Eligibility Status	Age Group	Service Status						Total
		0 to 29 Day Admissions		30 to 90 Day Admissions		91 to 365 Day Admissions		
		Number	Percent	Number	Percent	Number	Percent	
Medicaid Eligible	Adults	5,096	77.8%	300	4.6%	1,158	17.7%	6,554
	Children	3,903	74.6%	255	4.9%	1,074	20.5%	5,232
	Total	8,999	76.4%	555	4.7%	2,232	18.9%	<b>11,786</b>
Not Medicaid Eligible	Adults	40,349	80.8%	2,111	4.2%	7,452	14.9%	49,912
	Children	15,273	81.6%	672	3.6%	2,762	14.8%	18,707
	Total	55,622	81.1%	2,783	4.1%	10,214	14.9%	<b>68,619</b>

**Methodology:**

First, we selected persons who had a substance abuse service event during the period from November 1, 2008 through November 30, 2009. From this population, we eliminated those who had an other admission prior to 11/1/2008.

Of the remaining population, we identified those who had an other admission in the next 365 days following their ininitial admission. If a person had more than one admission during the 365-day period, we counted that person in the highest readmission bracket. For example, if a person had two readmissions (0-29 and 30-90), the person was counted in the 30-90 day bracket. If a person had three readmissions(0-29, 30-90, and 91-365) the person was counted in the 91- 365 day bracket.

Source: Substance Abuse and Mental Health Information System

Run Date: February 15, 2011

Tables Used: SERV; OUTC