

By the Committee on Health & Human Services Appropriations
and Representative Sanderson

1 A bill to be entitled
2 An act relating to health and human services;
3 amending s. 945.602, F.S.; providing for
4 assignment of the State of Florida Correctional
5 Medical Authority to the Department of Health
6 for administrative purposes; transferring to
7 the department powers and duties of the State
8 of Florida Correctional Medical Authority;
9 transferring the Child Care Food Program from
10 the Department of Education to the Department
11 of Health and providing for hiring preferences;
12 requiring the Department of Children and Family
13 Services to cover any deficit resulting from
14 any judicial decision or lawsuit settlement
15 related to intermediate care facilities for the
16 developmentally disabled; providing for future
17 repeal; providing for privatization of the
18 South Florida State Hospital and providing for
19 hiring preferences; creating s. 409.9127, F.S.;
20 requiring the Agency for Health Care
21 Administration to develop and enforce standards
22 to prohibit conflicts of interest among vendors
23 selected to provide preauthorization and
24 concurrent utilization review management
25 services; authorizing the Department of
26 Children and Family Services to certify local
27 funds as state match for certain children's
28 mental health services and for eligible Title
29 IV-E services for certain children; requiring
30 pass-through of funds to local jurisdictions;
31 prohibiting reduction of certain general

1 revenue funds; authorizing the Agency for
2 Health Care Administration to apply for certain
3 federal waivers if local funds are sufficient
4 for state match; providing an effective date.
5

6 Be It Enacted by the Legislature of the State of Florida:
7

8 Section 1. Subsections (1) and (2), and paragraphs (b)
9 and (c) of subsection (7), of section 945.602, Florida
10 Statutes, 1996 Supplement, are amended to read:

11 945.602 State of Florida Correctional Medical
12 Authority; creation; members.--

13 (1) There is created ~~in the Department of Corrections~~
14 the State of Florida Correctional Medical Authority which for
15 administrative purposes shall be assigned to the Department of
16 Health. The governing board of the authority shall be
17 composed of nine persons appointed by the Governor subject to
18 confirmation by the Senate. One member must be a member of
19 the Florida Hospital Association; one member must be a member
20 of the Florida League of Hospitals; one member must be a
21 member of the Association of Community Hospitals and Health
22 Systems of Florida ~~Voluntary Hospitals~~; and one member must be
23 a member of the Florida Medical Association. The authority
24 shall contract with the Department of Health for the provision
25 of administrative support services, including purchasing,
26 personnel, general services, and budgetary matters ~~The~~
27 ~~Department of Corrections shall provide administrative support~~
28 ~~and service to the authority~~. The authority shall not be
29 subject to control, supervision, or direction by the
30 Department of Health or the Department of Corrections. The
31 authority shall annually elect one member to serve as

1 chairman. Members shall be appointed for terms of 4 years
2 each. Each member is authorized to continue to serve upon the
3 expiration of his term until his successor is duly appointed
4 as provided in this section. Before entering upon his duties,
5 each member of the authority shall take and subscribe to the
6 oath or affirmation required by the State Constitution.

7 (2) A member of the authority may not be a current
8 employee of the Department of Corrections. Not more than one
9 member of the authority may be a former employee of the
10 Department of Corrections and such member, if appointed, may
11 not be appointed to a term of office which begins within 5
12 years after the date of his or her last employment with ~~by~~ the
13 department.

14 (7)

15 (b) Neither the provisions of this section nor those
16 of chapter 119, or of s. 154.207(7), shall apply to any health
17 care provider under contract with the Department of
18 Corrections except to the extent such provisions would apply
19 to any similar provider ~~entity~~ not under contract with the
20 department.

21 (c) Notwithstanding any general or special law, rule,
22 regulation, or ordinance of any local agency to the contrary,
23 service as a member of an authority by a trustee, director,
24 officer, or employee of a health facility shall not in and of
25 itself constitute a conflict of interest. However, any member
26 of the authority who is employed by, or has received income
27 from, a health facility under consideration by the authority
28 or the Department of Corrections shall not vote on any matter
29 related to such facility.

30 Section 2. All powers, duties and functions, rules,
31 records, personnel, property, and unexpended balances of

1 appropriations, allocations, or other funds of the State of
2 Florida Correctional Medical Authority, as established in s.
3 945.602, Florida Statutes, are transferred by a type two
4 transfer, as defined in s. 20.06(2), Florida Statutes, from
5 the Department of Corrections to the Department of Health.

6 Section 3. The Child Care Food Program is transferred
7 by a type two transfer, as defined in s. 20.06(2), Florida
8 Statutes, from the Department of Education to the Department
9 of Health. Current employees of the Department of Education
10 who are assigned to this program shall be given preference in
11 hiring by the Department of Health.

12 Section 4. For the 1997-1998 fiscal year only and
13 notwithstanding any provision of chapter 216, Florida
14 Statutes, to the contrary, and with specific reference to
15 section 216.351, Florida Statutes, the Department of Children
16 and Family Services shall cover, from within the developmental
17 services budget entity, any deficit created by expenditure
18 requirements resulting from any judicial decision or lawsuit
19 settlement related to intermediate care facilities for the
20 developmentally disabled. The department shall either hold
21 funds in reserve or reduce ongoing contractual or other
22 obligations as necessary to implement the provisions of this
23 section. This section is repealed on July 1, 1999.

24 Section 5. The Department of Children and Family
25 Services shall develop a request for proposals by October 1,
26 1997, for the purpose of locating a suitable contractor for
27 the operation of South Florida State Hospital. The department
28 may contract with a private provider to construct up to a
29 350-bed facility and to operate all aspects of daily
30 operations within this facility. The contractor shall operate
31 South Florida State Hospital as a state-owned mental health

1 institution that serves voluntarily or involuntarily committed
2 indigent adults who meet the Baker Act criteria and who reside
3 in the South Florida State Hospital service area. As a
4 state-owned mental health institution, South Florida State
5 Hospital shall remain a participant in the mental health
6 disproportionate share program so long as the defined client
7 population receives eligible services. Current hospital
8 employees shall be given first preference for continued
9 employment by the selected contract provider. The department
10 shall make every reasonable effort to find suitable job
11 placements for employees who wish to remain within the Florida
12 Career Service System.

13 Section 6. Section 409.9127, Florida Statutes, is
14 created to read:

15 409.9127 Preauthorization and concurrent utilization
16 review; conflict of interest standards.--

17 (1) The Agency for Health Care Administration shall be
18 solely responsible for developing and enforcing standards to
19 prohibit financial and other conflicts of interest among
20 vendors selected to provide preauthorization and concurrent
21 utilization review management with direct-service
22 organizations providing alcohol, substance abuse, mental
23 health, or related services to clients who have services
24 authorized through the preauthorization and concurrent
25 utilization review management system established to achieve
26 cost savings in the provision of alcohol, substance abuse,
27 mental health, or related services. The agency may require the
28 posting of a surety bond to guarantee that no financial or
29 other conflicts of interest exist or will exist among vendors
30 selected to provide preauthorization and concurrent
31 utilization review management services.

1 (2) Vendors selected to conduct preauthorization or
2 concurrent utilization review management, or both, may be
3 peer-review organizations, qualified licensed clinical
4 practitioners, or public or private organizations that
5 demonstrate the ability to conduct such reviews according to
6 criteria developed by the agency and that have no financial or
7 other conflict of interest with any direct-service
8 organization providing alcohol, substance abuse, mental
9 health, or related services. Selection of vendors shall be
10 accomplished through a competitive process.

11 Section 7. In order to implement Specific
12 Appropriations 330 and 334 through 352 of the 1997-1998
13 General Appropriations Act, the Department of Children and
14 Family Services is authorized to certify local funds as state
15 match for children's mental health services funded by Medicaid
16 in excess of the amount of state general revenue matching
17 funds appropriated for such services through the 1997-1998
18 General Appropriations Act. The department is also authorized
19 to certify local funds as state match for eligible Title IV-E
20 services for children under the supervision and custody of the
21 state in excess of the amount of state general revenue
22 matching funds appropriated for such services by the 1997-1998
23 General Appropriations Act in Specific Appropriations 334
24 through 352. Federal Medicaid or Title IV-E funds provided to
25 the state as federal financial participation consequent to
26 certified local matching funds shall automatically be passed
27 through to the local jurisdiction that provided the certified
28 local match. Certified local match shall in no way result in a
29 reduction of state general revenue for the local areas that
30 provided the local match and shall not be considered in any
31 allocation formula of state general revenue funds for the same

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1 purposes. The Agency for Health Care Administration is
 2 authorized to apply for federal waivers to modify the state
 3 Medicaid plan to include optional Medicaid in-home and
 4 therapeutic services for Medicaid-eligible children if the
 5 state match for such services is provided by local funds
 6 certified by the department as state match. Such services
 7 shall only be available in communities that provide the
 8 certified match.

9 Section 8. This act shall take effect July 1, 1997.

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11 HOUSE SUMMARY

12 Provides for assignment of the State of Florida
 13 Correctional Medical Authority to the Department of
 14 Health for administrative purposes and transfers to the
 15 department powers and duties of the State of Florida
 16 Correctional Medical Authority. Transfers the Child Care
 17 Food Program from the Department of Education to the
 18 Department of Health and provides for hiring preferences.
 19 Requires the Department of Children and Family Services
 20 to cover any deficit resulting from any judicial decision
 21 or lawsuit settlement related to intermediate care
 22 facilities for the developmentally disabled. Provides for
 23 privatization of the South Florida State Hospital and
 24 provides for hiring preferences. Requires the Agency for
 25 Health Care Administration to develop and enforce
 26 standards to prohibit conflicts of interest among vendors
 27 selected to provide preauthorization and concurrent
 28 utilization review management services. Authorizes the
 29 Department of Children and Family Services to certify
 30 local funds as state match for certain children's mental
 31 health services and for eligible Title IV-E services for
 certain children, requires pass-through of funds to local
 jurisdictions, prohibits reduction of certain general
 revenue funds, and authorizes the Agency for Health Care
 Administration to apply for certain federal waivers if
 local funds are sufficient for state match. See bill for
 details.