

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 develop individual transition plans
14 for clients affected by the transition from
15 Intermediate Care Facility for Developmentally
16 Disabled funding to non-institutional funding;
17 requiring a report; requiring the Department of
18 Children and Family Services to immediately
19 notify the Legislature and develop a spending
20 plan if judicial decisions are continued or
21 rendered which the Department feels will
22 require expenditures in excess of the amount
23 appropriated to Developmental Services;
24 providing for future repeal; providing for
25 privatization of the South Florida State
26 Hospital and providing for hiring preferences;
27 creating s. 409.9127, F.S.; requiring the
28 Agency for Health Care Administration to
29 develop and enforce standards to prohibit
30 conflicts of interest among vendors selected to
31 provide preauthorization and concurrent

1 utilization review management services;
2 authorizing the Department of Children and
3 Family Services to certify local funds as state
4 match for certain children's mental health
5 services and for eligible Title IV-E services
6 for certain children; requiring pass-through of
7 funds to local jurisdictions; prohibiting
8 reduction of certain general revenue funds;
9 authorizing the Agency for Health Care
10 Administration to apply for certain federal
11 waivers if local funds are sufficient for state
12 match; providing an effective date.

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14 Be It Enacted by the Legislature of the State of Florida:

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

19 945.602 State of Florida Correctional Medical
20 Authority; creation; members.--

21 (1) There is created ~~in the Department of Corrections~~
22 the State of Florida Correctional Medical Authority which for
23 administrative purposes shall be assigned to the Department of
24 Health. The governing board of the authority shall be
25 composed of nine persons appointed by the Governor subject to
26 confirmation by the Senate. One member must be a member of
27 the Florida Hospital Association; one member must be a member
28 of the Florida League of Hospitals; one member must be a
29 member of the Association of Community Hospitals and Health
30 Systems of Florida Voluntary Hospitals; and one member must be
31 a member of the Florida Medical Association. The authority

1 shall contract with the Department of Health for the provision
 2 of administrative support services, including purchasing,
 3 personnel, general services, and budgetary matters ~~The~~
 4 ~~Department of Corrections shall provide administrative support~~
 5 ~~and service to the authority.~~ The authority shall not be
 6 subject to control, supervision, or direction by the
 7 Department of Health or the Department of Corrections. The
 8 authority shall annually elect one member to serve as
 9 chairman. Members shall be appointed for terms of 4 years
 10 each. Each member is authorized to continue to serve upon the
 11 expiration of his term until his successor is duly appointed
 12 as provided in this section. Before entering upon his duties,
 13 each member of the authority shall take and subscribe to the
 14 oath or affirmation required by the State Constitution.

15 (2) A member of the authority may not be a current
 16 employee of the Department of Corrections. Not more than one
 17 member of the authority may be a former employee of the
 18 Department of Corrections and such member, if appointed, may
 19 not be appointed to a term of office which begins within 5
 20 years after the date of his or her last employment with ~~by~~ the
 21 department.

22 (7)

23 (b) Neither the provisions of this section nor those
 24 of chapter 119, or of s. 154.207(7), shall apply to any health
 25 care provider under contract with the Department of
 26 Corrections except to the extent such provisions would apply
 27 to any similar provider ~~entity~~ not under contract with the
 28 department.

29 (c) Notwithstanding any general or special law, rule,
 30 regulation, or ordinance of any local agency to the contrary,
 31 service as a member of an authority by a trustee, director,

1 officer, or employee of a health facility shall not in and of
2 itself constitute a conflict of interest. However, any member
3 of the authority who is employed by, or has received income
4 from, a health facility under consideration by the authority
5 or the Department of Corrections shall not vote on any matter
6 related to such facility.

7 Section 2. All powers, duties and functions, rules,
8 records, personnel, property, and unexpended balances of
9 appropriations, allocations, or other funds of the State of
10 Florida Correctional Medical Authority, as established in s.
11 945.602, Florida Statutes, are transferred by a type two
12 transfer, as defined in s. 20.06(2), Florida Statutes, from
13 the Department of Corrections to the Department of Health.

14 Section 3. The Child Care Food Program is transferred
15 by a type two transfer, as defined in s. 20.06(2), Florida
16 Statutes, from the Department of Education to the Department
17 of Health. Current employees of the Department of Education
18 who are assigned to this program shall be given preference in
19 hiring by the Department of Health.

20 Section 4. Report required; department to notify
21 Legislature and develop plan if judicial decisions result in
22 spending requirements in excess of appropriations.

23 (1) The Department of Children and Family Services
24 shall develop individual support plans for the approximately
25 2,176 persons directly affected by the transition from funding
26 through the Intermediate Care Facility for Developmentally
27 Disabled Program to non-institutional funding. The individual
28 plans shall provide for appropriate services to each affected
29 individual in the most cost effective manner possible. The
30 Department shall report the projected aggregate cost of
31 providing services by fund source through the individual plans

1 to the Office of Planning and Budgeting, the Senate Ways and
 2 Means Committee, and the House Health and Human Services
 3 Appropriations Committee by September 30, 1997. The aggregate
 4 costs reported shall be based on typical industry rates and
 5 shall not include special adjustments for property costs or
 6 other additional costs unique to any individual provider or
 7 type of provider. The Department may, however, report any
 8 such costs separately. The report must further provide
 9 detailed information on Department efforts to maximize
 10 Medicare and other funding available outside the
 11 Developmental Services Program and the use of generic
 12 community resources along with a calculation of the value of
 13 such resources. The report must also include a summary of the
 14 Department's progress in recruiting alternative providers in
 15 the event that any current providers decide to discontinue
 16 services to clients or cannot provide quality services within
 17 the anticipated rate structure.

18 (2) If judicial decisions are continued or rendered
 19 that the Department of Children and Family Services feels will
 20 require spending in excess of the amounts budgeted for
 21 Developmental Services, the Department shall immediately
 22 notify the Chairmen of the Senate Ways and Means Committee,
 23 the House Fiscal Responsibility Council, and the House Health
 24 and Human Services Appropriations Committee. Within one week
 25 of providing notification pursuant to this paragraph, the
 26 Department shall submit a spending plan that addresses the
 27 projected deficit. This plan shall not assume that budget
 28 surpluses will be available in other state agencies or that
 29 receipts which normally serve as an offset to the General
 30 Revenue Fund will be available.

31 (3) This section is repealed on July 1, 1999.

1 Section 5. The Department of Children and Family
2 Services shall develop a request for proposals by October 1,
3 1997, for the purpose of locating a suitable contractor for
4 the operation of South Florida State Hospital. The department
5 may contract with a private provider to construct up to a
6 350-bed facility and to operate all aspects of daily
7 operations within this facility. The contractor shall operate
8 South Florida State Hospital as a state-owned mental health
9 institution that serves voluntarily or involuntarily committed
10 indigent adults who meet the Baker Act criteria and who reside
11 in the South Florida State Hospital service area. As a
12 state-owned mental health institution, South Florida State
13 Hospital shall remain a participant in the mental health
14 disproportionate share program so long as the defined client
15 population receives eligible services. Current hospital
16 employees shall be given first preference for continued
17 employment by the selected contract provider. The department
18 shall make every reasonable effort to find suitable job
19 placements for employees who wish to remain within the Florida
20 Career Service System.

21 Section 6. Section 409.9127, Florida Statutes, is
22 created to read:

23 409.9127 Preauthorization and concurrent utilization
24 review; conflict of interest standards.--

25 (1) The Agency for Health Care Administration shall be
26 solely responsible for developing and enforcing standards to
27 prohibit financial and other conflicts of interest among
28 vendors selected to provide preauthorization and concurrent
29 utilization review management with direct-service
30 organizations providing alcohol, substance abuse, mental
31 health, or related services to clients who have services

1 authorized through the preauthorization and concurrent
2 utilization review management system established to achieve
3 cost savings in the provision of alcohol, substance abuse,
4 mental health, or related services. The agency may require the
5 posting of a surety bond to guarantee that no financial or
6 other conflicts of interest exist or will exist among vendors
7 selected to provide preauthorization and concurrent
8 utilization review management services.

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

19 Section 7. In order to implement Specific
20 Appropriations 330 and 334 through 352 of the 1997-1998
21 General Appropriations Act, the Department of Children and
22 Family Services is authorized to certify local funds as state
23 match for children's mental health services funded by Medicaid
24 in excess of the amount of state general revenue matching
25 funds appropriated for such services through the 1997-1998
26 General Appropriations Act. The department is also authorized
27 to certify local funds as state match for eligible Title IV-E
28 services for children under the supervision and custody of the
29 state in excess of the amount of state general revenue
30 matching funds appropriated for such services by the 1997-1998
31 General Appropriations Act in Specific Appropriations 334

1 through 352. Federal Medicaid or Title IV-E funds provided to
2 the state as federal financial participation consequent to
3 certified local matching funds shall automatically be passed
4 through to the local jurisdiction that provided the certified
5 local match. Certified local match shall in no way result in a
6 reduction of state general revenue for the local areas that
7 provided the local match and shall not be considered in any
8 allocation formula of state general revenue funds for the same
9 purposes. The Agency for Health Care Administration is
10 authorized to apply for federal waivers to modify the state
11 Medicaid plan to include optional Medicaid in-home and
12 therapeutic services for Medicaid-eligible children if the
13 state match for such services is provided by local funds
14 certified by the department as state match. Such services
15 shall only be available in communities that provide the
16 certified match.

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