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SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date:	April 7, 1998	Revised:			
Subject:	Children's Mental H	Health Services and Substance	Abuse Services		
	<u>Analyst</u>	Staff Director	Reference	<u>Action</u>	
1. <u>Wil</u> 2. 3. 4. 5.	liams	Wilson	HC CF WM	Favorable/CS	

I. Summary:

Committee Substitute for Senate Bill 2334 transfers from the Department of Children and Family Services to the Department of Health's Division of Children's Medical Services those resources relating to children's mental health and children's substance abuse programs via a type two transfer as specified in s. 20.06, F.S., and grants to the Department of Health the authority to organize, classify, and manage the transferred resources as necessary. The transfer is effective January 1, 1999. The bill specifies additional responsibilities for the Department of Health. The bill incorporates conforming revisions into several sections of related statutes. The bill creates a transition advisory committee consisting of three staff members each from the Department of Children and Family Services and the Department of Health, appointed by the respective secretaries effective July 1, 1998. The purpose of the committee is to recommend to the departments: the most effective means of carrying out the transfer; how to best fulfill the shared responsibilities; and any revisions to the statutes necessary to ensure the successful administration of each department's responsibilities. The Governor is to appoint a chairman of the committee. The committee is to hold its first meeting by July 15, 1998, and report its recommendations to the departments by November 2, 1998.

This bill amends sections 230.2317(2), 394.455(8), 394.67(3), 397.311(9), 561.121(1)(b) and (4)(a), 984.225(7), 985.06(2), 985.21(1)(a), and 985.223, F.S., and creates section 394.91, Florida Statutes, and two undesignated sections of law.

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II. Present Situation:

The Alcohol, Drug Abuse, and Mental Health Service System

The Department of Children and Family Services was created to work in partnership with local communities to help people be self-sufficient and live in stable families and communities, and to deliver, or provide for the delivery of, all family services. Chapter 394, F.S., provides the authority for the Department of Children and Family Services to provide mental health services to children and adolescents and includes provisions for voluntary and involuntary admission, rights of patients, district planning, and contracting with community-based mental health providers. Child and adolescent mental health services in Florida are administered by the Alcohol, Drug Abuse, and Mental Health (ADM) Program Office and 15 district ADM offices within the department.

Chapter 397, F.S., contains all statutory provisions for substance abuse assessment and treatment services for adults and minors that include licensure of service providers, rights of clients, voluntary and involuntary procedures. Several sections of chapter 397, F.S., relate only to minors or juvenile offenders: alternative involuntary assessment for minors (ss. 397.6798-6799, F.S.), juvenile offender referrals (ss. 397.705-706, F.S.), and juvenile emergency procedures (s. 397.901, F.S.).

The fiscal year 1996-97 ADM budget for child and adolescent mental health services was approximately \$74 million. In addition to state dollars, Medicaid currently funds about two-thirds [\$125.4 million estimated for FY 1996-97] of the mental health services for children. Medicaid is a federal/state health insurance entitlement program which provides payment for certain mental health services to approved providers for enrolled eligible children and adolescents. The Agency for Health Care Administration administers the Medicaid program.

Child and adolescent alcohol, drug abuse, and mental health services are delivered by both private-for-profit and private nonprofit service providers either under contract or under rate agreements with the district ADM office. Some additional services are delivered by providers who operate on a fee-for-services basis. Local governments provide matching funds for a portion of the ADM budget. The ADM district program offices are responsible for negotiating contracts (primarily performance-based) and purchase-of-service agreements with mental health centers and private mental health professionals such as psychiatrists, psychologists and clinical social workers. In general, the community mental health centers are the primary service providers.

Department of Health, Division of Children's Medical Services

The Department of Health was created to protect and promote the health and safety of residents of, and visitors to, the state. Under the authority of chapters 383 and 391, F.S., the Children's Medical Services (CMS) Division of the Department of Health provides a comprehensive system of care ranging from prevention services to long-term care services for financially-eligible

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high-risk pregnant women, sick or low birth weight newborns, and children with chronically handicapping or potentially handicapping conditions. Prevention services are available through statewide programs such as infant metabolic screening, infant hearing screening, and poison control centers. Prevention services also include the statewide Regional Perinatal Intensive Care Centers (RPICC) Program, which provides specialized services to high-risk pregnant women and newborns. Early intervention services are available throughout the state for infants and toddlers who are at risk for developmental delay. These services are provided by local agencies and Developmental Evaluation and Intervention programs.

Eligible individuals may receive medical and support services through local CMS clinics staffed by private contract physicians, in local private physician offices, or other local health care organizations, through regional programs, hospitals, referral centers, and statewide programs. Specialty clinics are available for a wide range of medical problems. Children are referred from local physicians and specialty clinics into regional and tertiary programs for such problems as kidney disease, diabetes, and cancer. Children with medically complex problems receive specialized community-based services and long-term care such as medical foster care, developmental and medical care, in-home services, and skilled nursing facility care. The continuum of CMS services is organized as a formal network of providers throughout the state. Providers and families are supported by nurse case managers and social workers.

Section 409.9126, F.S., created by ch. 96-199, L.O.F., authorizes the statewide Children's Medical Services network of providers to serve Medicaid-eligible children with special health care needs, pursuant to federal waiver approval. Network providers are reimbursed on a fee-for-service basis for such services. The term "children with special health care needs" is specifically defined. Such children are assigned to a CMS network provider, who serves as the child's service gatekeeper. Rules for the network are developed by the Agency for Health Care Administration, in conjunction with the Department of Health.

III. Effect of Proposed Changes:

Section 1. Transfers from the Department of Children and Family Services to the Department of Health's Division of Children's Medical Services those powers, duties, and resources relating to children's mental health and children's substance abuse programs via a type two transfer as specified in s. 20.06, F.S., and grants to the Department of Health the authority to organize, classify, and manage the transferred resources as necessary.

Section 2. Amends s. 230.2317(2), F.S., relating to educational multi-agency services for students with severe emotional disturbance, to add the Secretary of the Department of Health as an appointing authority for membership on an advisory board.

Section 3. Amends s. 394.455(8), F.S., relating to definitions used in the Florida Mental Health Act, to redefine "department" to mean the Department of Children and Family Services when referring to services for adults and the Department of Health when referring to services for children and adolescents.

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Section 4. Amends s. 394.67(3), F.S., relating to definitions used in the Community Alcohol, Drug Abuse, and Mental Health Services Act, to redefine "department" to mean the Department of Children and Family Services when referring to services for adults and the Department of Health when referring to services for children and adolescents.

- **Section 5.** Creates s. 394.91, F.S., providing responsibilities for the Department of Health regarding alcohol, drug abuse, and mental health contracts, planning, and outcomes.
- **Section 6.** Amends s. 397.311(9), F.S., relating to definitions used for purposes of alcohol and drug abuse services, to redefine "department" to mean the Department of Children and Family Services when referring to services for adults and the Department of Health when referring to services for minors or juveniles.
- **Section 7.** Amends s. 561.121(4)(a), F.S., relating to the deposit of certain alcoholic beverage surcharge revenue into the Children and Adolescents Substance Abuse Trust Fund, to replace reference to the Department of Health and Rehabilitative Services with reference to the Department of Health.
- **Section 8.** Effective July 1, 1999, amends s. 561.121(1)(b), F.S., relating to the deposit of certain beer, wine, and liquor revenue into the Children and Adolescents Substance Abuse Trust Fund, to replace reference to the Department of Children and Family Services with reference to the Department of Health.
- **Section 9.** Amends s. 984.225(7), F.S., relating to placement of children in staff-secure shelters, to clarify departmental responsibilities with regard to the placement needs of the child.
- **Section 10.** Amends s. 985.06(2), F.S., relating to an inter-agency workgroup on information sharing relating to juveniles, to add the Department of Health to the workgroup.
- **Section 11.** Amends s. 985.21(1)(a), F.S., relating to delinquency intake and case management, to authorize Department of Health employees or agents to cooperate in case management.
- **Section 12.** Amends s. 985.223, F.S., relating to incompetency in juvenile delinquency cases, to specify that the Department of Health, rather than the Department of Children and Family Services, must annually provide the courts with a list of mental health professionals who have received specific training.
- **Section 13.** Creates a transition advisory committee consisting of three staff members each from the Department of Children and Family Services and the Department of Health, appointed by the respective secretaries effective July 1, 1998. The purpose of the committee is to recommend to the respective departments: the most effective means of carrying out the transfer; how to best fulfill the shared responsibilities; and any revisions to the statutes necessary to ensure the successful administration of each department's responsibilities. The Governor is to appoint a

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chairman of the committee. The committee is to hold its first meeting by July 15, 1998, and report its recommendations to the respective departments by November 2, 1998.

Section 14. Except as otherwise provided, provides for a January 1, 1999, effective date.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Subsections 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Children and Family Services provided the following funding information for fiscal year 1997-98 for portions of the ADM program subject to transfer under this bill:

Appropriation Category	General Revenue	Trust Fund	Total
Children and Adolescent Substance Abuse	\$23,298,408	\$20,440,909	\$43,739,317
Children's Mental Health	\$16,286,824	\$ 6,541,086	\$22,827,910
Children's Baker Act	8,908,208		8,908,208

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Appropriation Category	General Revenue	Trust Fund	Total
Purchased Residential Treatment Services	22,284,763		22,284,763
Children's Therapeutic Services	6,745,372	8,238,154	14,983,526
Purchase of Therapeutic Services for Children	9,317,814		9,317,814
Total Children's Mental Health	\$63,542,981	\$14,779,240	\$78,322,221
GRAND TOTAL	\$86,841,389	\$35,220,149	\$122,061,538

The number of personnel impacted by the proposed transfer is unavailable.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Committee Substitute for Senate Bill 1228, as approved by the Senate Committee on Health Care on March 24, 1998, provides for the inclusion of behavioral health care services as part of the Children's Medical Services network, s. 409.9126, F.S., by adding a definition of "behavioral health services" and directing DOH to contract with the Department of Children and Family Services for the provision of such services, and authorizing the Department of Children and Family Services to establish behavioral health services' scope, clinical guidelines, standards, performance and outcome measures, practice guidelines, and rules.

House Bill 1991, which has been adopted by both houses of the Legislature and approved by the Governor on April 3, 1998, includes statutory revisions and additions to ch. 394, F.S., for comprehensive child and adolescent mental health services to be implemented statewide, and establishes demonstration models to pilot locally-organized systems of care for children and adolescents with serious emotional disturbances who have complex service needs.

In its review of Senate Bill 2334, the Department of Health noted the following. The bill fragments functions related to the overall care of children with mental health problems between and among at least four agencies: the Department of Health, the Department of Children and Family Services, the Department of Education, and the Department of Juvenile Justice. Because children with mental health problems may also be developmentally disabled or delinquent, the oversight of services and programs becomes problematic. Furthermore, the current children's mental health program is decentralized and functions within a district structure. Children's Medical Services has re-centralized its administrative functions within the Department of Health's

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"flat" structure, and is in the process of reorganizing to operate a managed care system which does not include decentralized service centers or facilities such as residential care centers.

The primary concerns raised by the Department of Children and Family Services in its review of Senate Bill 2334 relate to the family-centered nature of the current service delivery system and federal block grant funding issues. Services are closely linked to the department's Family Safety and Preservation Program because of the high incidence of cross-over clients among these programs, the support services needed by families with children served by the ADM program, and the need for ongoing care as children grow into adulthood. As to federal funding, there are specific, ongoing reporting and coordination requirements imposed by both mental health and substance abuse block grants, which could be potentially impaired by separation of children's and adult's program functions.

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None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.