

By the Committee on Health, Aging and Long-Term Care; and
Senator Kirkpatrick

317-2207-99

1 A bill to be entitled
2 An act relating to Medicaid managed health
3 care; amending s. 409.912, F.S.; authorizing
4 the Agency for Health Care Administration to
5 contract for prepaid behavioral health care
6 services for Medicaid recipients in specified
7 counties; providing requirements for the agency
8 in developing procurement procedures; providing
9 certain limitations on services; providing
10 requirements for the agency in implementing the
11 prepaid plan; requiring a local planning
12 process; deleting provisions requiring the
13 Department of Insurance to develop certain
14 requirements for entities that provide mental
15 health care services; providing an effective
16 date.

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

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20 Section 1. Paragraph (b) of subsection (3) of section
21 409.912, Florida Statutes, 1998 Supplement, is amended to
22 read:

23 409.912 Cost-effective purchasing of health care.--The
24 agency shall purchase goods and services for Medicaid
25 recipients in the most cost-effective manner consistent with
26 the delivery of quality medical care. The agency shall
27 maximize the use of prepaid per capita and prepaid aggregate
28 fixed-sum basis services when appropriate and other
29 alternative service delivery and reimbursement methodologies,
30 including competitive bidding pursuant to s. 287.057, designed
31 to facilitate the cost-effective purchase of a case-managed

1 continuum of care. The agency shall also require providers to
2 minimize the exposure of recipients to the need for acute
3 inpatient, custodial, and other institutional care and the
4 inappropriate or unnecessary use of high-cost services.

5 (3) The agency may contract with:

6 (b) A comprehensive behavioral health care services
7 plan licensed under chapter 624, chapter 636, or chapter 641.
8 Unless otherwise authorized by law, the agency shall limit
9 such contract to services provided to certain Medicaid
10 recipients in Hillsborough, Highlands, Hardee, Manatee, Polk,
11 Escambia, Santa Rosa, Okaloosa, Walton, Baker, Nassau, Duval,
12 Clay, St. Johns, and Dade Counties. Any contract awarded under
13 this paragraph must be competitively procured and must be
14 reimbursed through a capitated, prepaid arrangement pursuant
15 to the federal waiver provided for by s. 409.905(5).

16 1. In counties in which the agency seeks to implement
17 its authority to award contracts as provided in this paragraph
18 and which have a Medicaid population that exceeds 300,000, the
19 agency shall award one contract for every 100,000 Medicaid
20 recipients.

21 2. The agency shall set, as part of the competitive
22 procurement, an allowable medical/loss ratio to limit
23 administrative costs and shall use industry standards that
24 shall be adjusted based on the size of the plan.

25 3. In developing its procurement procedures, the
26 agency must consult and coordinate closely with the Department
27 of Children and Family Services and the Department of Juvenile
28 Justice regarding all matters that may affect services to its
29 clients. Notwithstanding any other provision, the enrollment
30 of children in the care or custody of the state in a Medicaid
31 comprehensive behavioral health care services prepaid plan is

1 contingent upon the Secretary of Children and Family Services
2 and the Secretary of Juvenile Justice approving the provisions
3 of the agency's procurement process which relate to such
4 children and their families and those sections that address
5 the service transition for such groups while permanency is
6 being achieved. The Department of Children and Families must
7 be included in all aspects of the oversight of any contract
8 awarded under this paragraph.

9 4. In any county that has a provider service network
10 authorized under this section which provides behavioral health
11 care services and is in operation on October 1, 1999, the
12 agency may not include those recipients served by such
13 provider service network in the behavioral health prepaid plan
14 under this paragraph.

15 5. As used in this paragraph, the term:

16 a. "Behavioral health care" includes mental health and
17 substance abuse treatment services.

18 b. "District" means any district of the Department of
19 Children and Family Services.

20 c. "Therapeutic or supportive foster care home" means
21 any foster care program operated by a Medicaid community
22 mental health provider that is a licensed residential child
23 caring or child placing agency as defined in s. 409.175.

24 d. "Specialized therapeutic foster care" means any
25 foster care program provided under the Medicaid community
26 mental health program services and designated as such care.

27 6. Children who reside in a residential program of the
28 Department of Juvenile Justice which is approved as a Medicaid
29 behavioral health overlay services provider may not be
30 included in a behavioral health care prepaid plan provided
31 under this paragraph.

1 7. When implementing the behavioral health care
2 prepaid program in Baker, Nassau, Duval, Clay, St. Johns, and
3 Dade Counties, the agency may not include:

4 a. Children in the care or custody of the state or
5 placed by a licensed child placing agency who reside in a
6 licensed residential group care facility operated by a
7 Medicaid community mental health provider.

8 b. Children in the care or custody of the state who
9 receive therapeutic or supportive foster home care.

10 c. Services to children in the care or custody of the
11 state while they are in emergency shelter.

12 d. Children served under the community mental health
13 program that specializes in therapeutic foster care.

14 8. When implementing the behavioral health care
15 prepaid program in Baker, Nassau, Duval, Clay, St. Johns, and
16 Dade Counties, the agency shall require that any existing
17 licensed child caring or child placing agency that is also a
18 Medicaid community mental health program provider be part of
19 the provider network.

20 9. The service criteria and protocols for services
21 provided to children who are referred for followup by the
22 child protection teams must receive prior approval by the
23 agency and the appropriate department.

24 10. In all the prepaid plans, substance abuse
25 treatment services shall be reimbursed on a fee-for-service
26 basis from state Medicaid funds until the agency determines
27 that adequate funds are available for prepaid methods. The
28 agency shall ensure that any contractor for prepaid behavioral
29 health care services shall propose practical methods of
30 integrating mental health and substance abuse treatment
31 services, including opportunities for community-based

1 substance abuse treatment agencies to become partners in the
2 provider networks established at a district or area level, and
3 to participate in the development of protocols for substance
4 abuse treatment services.

5 11. The plan must ensure that conversion to a prepaid
6 system of delivery will not result in displacing indigent care
7 patients from facilities that receive state funds to provide
8 indigent behavioral health care to facilities licensed under
9 chapter 395 and which do not receive state subsidies, unless
10 the unsubsidized facilities are reimbursed for the cost of all
11 treatment, including medical treatment that is a precondition
12 to admission into a subsidized facility. Traditional inpatient
13 mental health providers licensed under chapter 395 must be
14 included in any provider network for prepaid behavioral health
15 care services.

16 12. The agency shall notify the Legislature of the
17 status and plans to expand the behavioral managed care
18 projects to those counties designated in this paragraph by
19 March 15, 2000. With respect to any county or district in
20 which expansion of behavioral managed care projects cannot be
21 accomplished within the 3-year timeframe, the plan must
22 clearly state the reasons the timeframe cannot be met and the
23 efforts that should be made to address the obstacles, which
24 may include alternatives to behavioral managed care. The plan
25 must also address the status of services to children and their
26 families in care and custody of the Department of Children and
27 Family Services or the Department of Juvenile Justice, and
28 must include a plan as to how the services for those children
29 and families will be integrated into the comprehensive
30 behavioral health care program or provided by using
31 alternative methods over the 3-year phase-in. For counties not

1 specifically designated in this subparagraph, a local planning
2 process shall be completed prior to the agency expanding
3 behavioral managed care projects to other areas. The planning
4 process shall be completed with local community participation
5 including, but not limited to, input from community-based
6 mental health, substance abuse, child welfare, and delinquency
7 providers currently under contract with the Department of
8 Children and Family Services, the Department of Juvenile
9 Justice, or the agency. Facilities licensed under chapter 395
10 will be included in the local planning process.

11 13. Traditional community mental health providers
12 under contract pursuant to part IV of chapter 394 must be
13 included in any provider network for prepaid behavioral health
14 services.

15 ~~(b) An entity that is providing comprehensive~~
16 ~~inpatient and outpatient mental health care services to~~
17 ~~certain Medicaid recipients in Hillsborough, Highlands,~~
18 ~~Hardee, Manatee, and Polk Counties, through a capitated,~~
19 ~~prepaid arrangement pursuant to the federal waiver provided~~
20 ~~for by s. 409.905(5). Such an entity must become licensed~~
21 ~~under chapter 624, chapter 636, or chapter 641 by December 31,~~
22 ~~1998, and is exempt from the provisions of part I of chapter~~
23 ~~641 until then. However, if the entity assumes risk, the~~
24 ~~Department of Insurance shall develop appropriate regulatory~~
25 ~~requirements by rule under the insurance code before the~~
26 ~~entity becomes operational.~~

27 Section 2. This act shall take effect October 1, 1999.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1134

4 The CS removes the definition of "comprehensive behavioral
5 health care"; deletes the requirement that entities providing
6 comprehensive behavioral health care possess clinical systems
7 and operational competence to manage risk and provide
8 comprehensive behavioral health care to Medicaid recipients;
9 expands the counties in which the agency can contract with
10 comprehensive behavioral health care plans; requires one
11 contract per 100,000 Medicaid recipients in counties with over
12 300,000 Medicaid recipients; requires the agency to set an
13 allowable medical/loss ratio using industry standards,
14 adjusted based on the size of the plan; requires close
15 coordination with Department of Children and Family Services
16 and Department of Juvenile Justice in developing a procurement
17 process; makes enrollment of children in the care or custody of
18 the state contingent on the approval of the secretaries of
19 these departments; requires the Department of Children and
20 Families to be involved in all aspects of the oversight of
21 contracts awarded; excludes recipients participating in
22 certain provider supported networks from participating in the
23 behavioral health prepaid plan; provides definitions of
24 "behavioral health care", "District' and "Specialized
25 therapeutic foster care"; prohibits enrollment of certain
26 children in the behavioral health care plan; requires
27 participation of existing child caring and child placing
28 agencies that are community mental health providers in certain
29 counties; requires prior approval by the agency and the
30 appropriate department of protocols for services to children
31 referred for follow up by child protection teams; requires
that substance abuse treatment services be reimbursed
fee-for-service until the agency determines that adequate
funds are available for prepaid methods; requires that the
agency ensure that contractors propose methods to integrate
services and opportunities to become partners in the prepaid
plan provider networks; requires that the plan ensure that
indigent care patients are not displaced from hospitals which
receive state funds to those which do not, unless unsubsidized
facilities are reimbursed the cost of the care they provide;
requires inclusion of traditional providers of inpatient and
community mental health care; requires that the agency notify
the legislature of the status and plans to expand the
behavioral managed care projects by March 15,2000; and
requires a local planning process prior to an expansion of
behavioral managed care projects.