

**STORAGE NAME:** h2003.go

**DATE:** April 11, 1999

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
GOVERNMENTAL OPERATIONS  
ANALYSIS**

**BILL #:** HB 2003 (formerly PCB CF 99-02)

**RELATING TO:** Children's Substance Abuse Services

**SPONSOR(S):** Committee on Children & Families and Representative Murman

**COMPANION BILL(S):** SB 2546 (identical), SB 1946 (compare), and CS/SB 2388 (compare)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) CHILDREN & FAMILIES YEAS 8 NAYS 0
  - (2) GOVERNMENTAL OPERATIONS
  - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
  - (4)
  - (5)
- 

**I. SUMMARY:**

This bill would:

- mandate the development and implementation of services, programs, and initiatives which relate specifically to substance abuse services for children.
- ▶ allow the Department of Children & Family Services to use unit cost methods of payment in contracts for purchasing mental health and substance abuse services.
- ▶ require the Department of Children & Family Services to establish standards by rule to address patient fees that are earned on behalf of a specific client.
- ▶ direct the Department of Children & Family Services to recommend to the Governor and Legislature statutory revisions to part IV of chapter 394, F.S., pertaining to financing and contracting structure for publicly funded mental health and substance abuse services.
- ▶ expand the quality assurance program for substance abuse services.
- ▶ delineate general performance outcomes for the children's substance abuse service system.
- ▶ specify the target populations that the Department of Children & Families will provide services to.
- ▶ require each district of the Department of Children & Family Services to develop a children's substance abuse information and referral network by July 1, 2000.
- ▶ require that all districts provide comprehensive array substance abuse services for children.
- ▶ establish case management services for children that receive services from several agencies to address a substance abuse problem.
- ▶ allow for demonstration models to encourage collaboration and maximize the effectiveness of resources among the Department of Children & Family Services and other agencies serving children.
- ▶ establish a utilization management system to authorize care and analyze the services provided in the demonstration models.
- ▶ expand the Department of Children & Family Services' quality assurance program for substance abuse services.
- ▶ establish a school substance abuse prevention partnership grant program to encourage the development of effective substance abuse prevention and early intervention strategies with middle-school-age children.
- ▶ require the department to develop and operate a prevention Internet web site that targets youth, their parents, teachers, and other stakeholders.
- ▶ create the Drug-free communities support match grants. The grants are designed to assist local community coalitions to secure federal drug-free communities support grants by providing the needed match.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

**Cost Reimbursement Contracting**

Part IV of chapter 394, F.S., is known as "The Community Alcohol, Drug Abuse, & Mental Health Services Act" and includes provisions for planning, defining, operating, financing, contracting, and managing the district alcohol, drug abuse, and mental health (ADM) services delivery system. Section 394.74, F.S., authorizes the department to contract for the establishment and operation of local ADM programs with hospitals, clinics, laboratories, institutions or other appropriate service providers. Since 1976, ADM has used a cost reimbursement contracting system where payment to providers is based on reimbursable expenditures. A study was completed in 1989 of the ADM financial reimbursement system by the department's Inspector General concluding that the cost reimbursement contracting policy in chapter 394, F.S., lacks accountability. The Inspector General recommended the performance contracting system with uniform accounting and service reporting and that performance-based guidelines be established for providers. This recommendation to implement performance contracting was made again in 1990 in a legislatively mandated study of the ADM reimbursement system. Consistent with these studies, chapter 91-158, Laws of Florida, required that the department implement an integrated, unit cost based budgeting system and specified that ADM begin this system during FY 1991-92. Based on these recommendations and consistent with departmental policy to improve accountability, the department, in 1990, began requiring that providers report the number of units of services they provide and the identified client populations to be served.

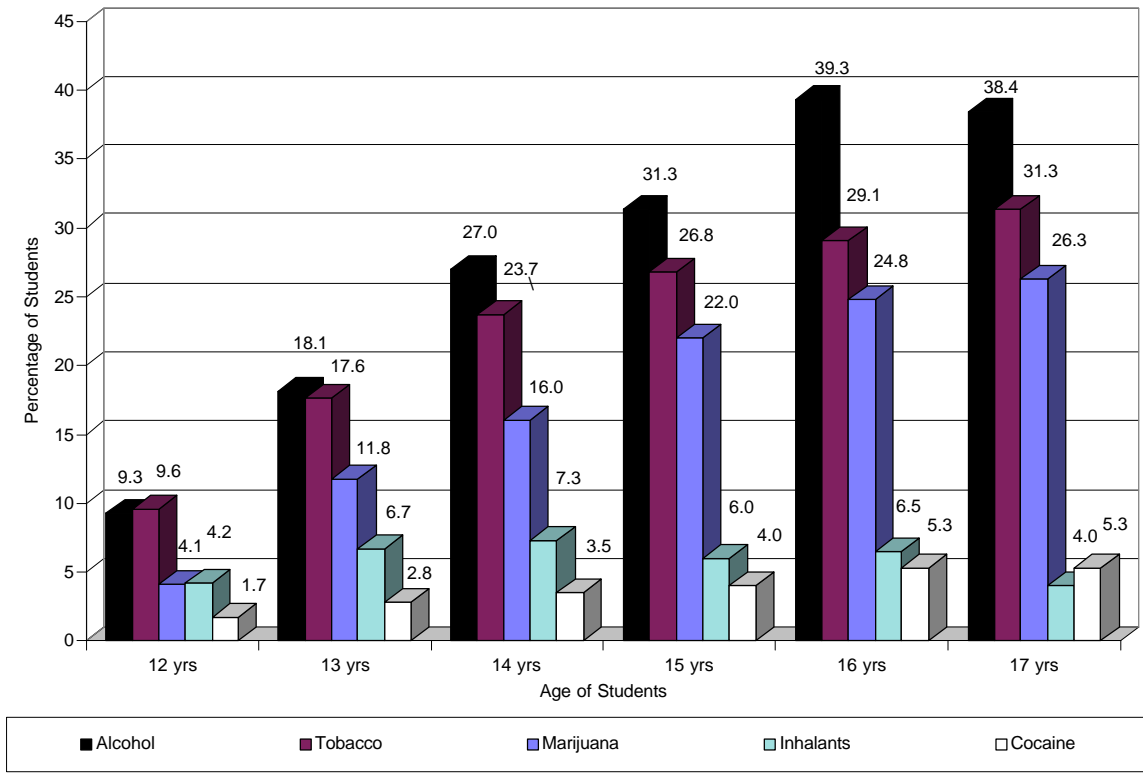
**THE SCOPE OF THE CHILDREN'S SUBSTANCE ABUSE PROBLEM**

**Florida Substance Abuse Prevalence Rates**

Information regarding the scope of the substance abuse problem is hard to get. Schools, the primary source for prevalence rate information, do not uniformly participate in surveys attempting to identify the scope of the substance abuse problem in the state. The decentralized nature of Florida's school system precluded a state-level mandate for an across-the-board sample in every school district/county. From the information that does exist, the substance abuse problem increases with age. The biggest jump in reported use is between the ages of 12 and 13. The most widely used substances are in order:

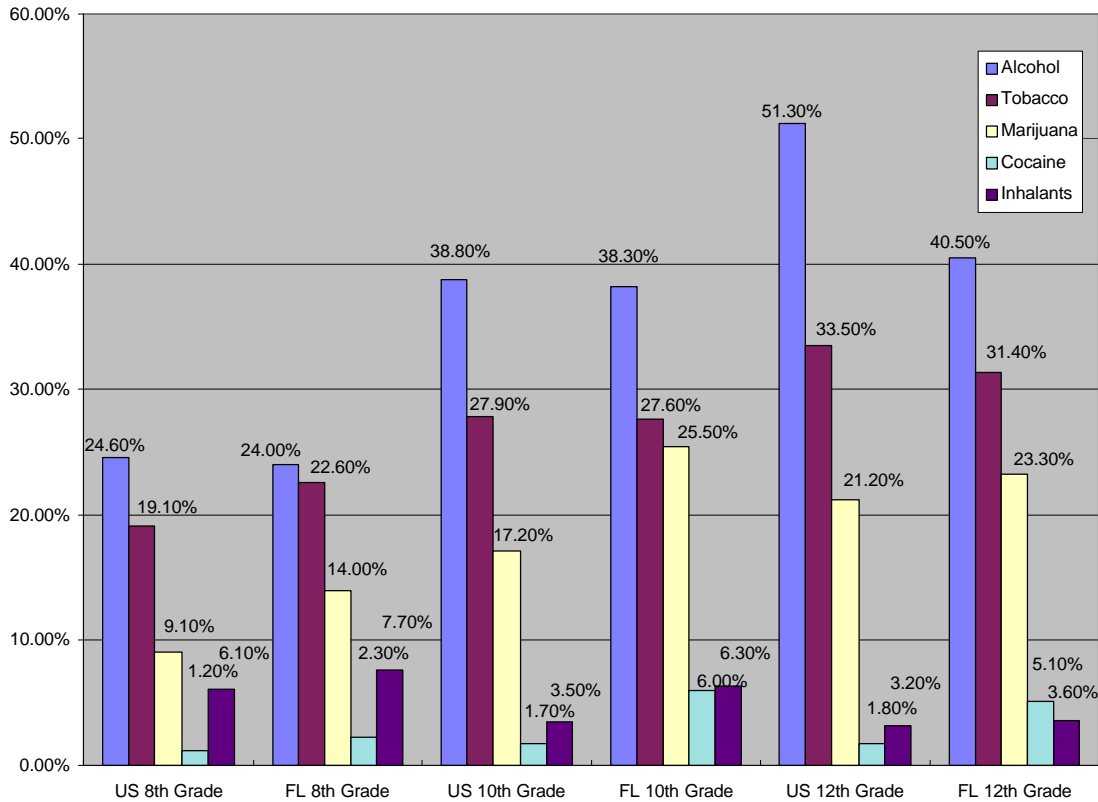
- ▶ Alcohol
- ▶ Tobacco
- ▶ Marijuana
- ▶ Inhalants
- ▶ Cocaine

The following chart shows how drug use increases with age among youth 12-17 years of age. Alcohol is the most used substance followed by tobacco and marijuana.



The following chart shows the Florida drug use rates are similar to national rates by grade level.

**Comparison of National and Florida Monthly Drug Use by Grade Level**



**Service Delivery System**

The service delivery system for children’s substance abuse services is highly privatized. Program services are provided by community substance abuse agencies under contract with the Department of Children & Families’ 15 service districts. Districts provide policy oversight and program monitoring of services. District offices also license public and private substance abuse programs. The following services are available:

- ▶ Intervention services identify children at risk of substance abuse problems and provide short-term counseling and referral to the children and their families.
- ▶ Targeted prevention services consist primarily of programs designed to increase educational achievement and reduce substance abuse risk factors of students in grades 4 through 8. Family services are also included to address family risk and protective factors. These programs, known as Alpha and Beta programs, are provided through community agencies in partnership with county school boards.
- ▶ Universal or non-targeted prevention services are designed to reach communities, groups or the population at large with strategies designed to forestall the experimentation and use of alcohol, tobacco, and other drugs.
- ▶ Case management ensures that services are comprehensive, coordinated, and meet client needs on an ongoing basis.
- ▶ Outpatient services include assessment, and individual, group, and family counseling.

### **Funding**

For children with a substance abuse problem, current funding is \$62.5\* million (\$28.3 million General Revenue, \$21.1 million trust funds including federal block grant, and \$13.1 million in Medicaid and local match). \$52.3 millions of these funds are used for treatment services for children abusing substances.

For children at risk of a substance abuse problem, current funding is \$6.1 million used for prevention services to 3,000 targeted children who are at risk of abusing substances. \$4.1 million is used for prevention services for the general population, reaching approximately 107,000 children.

### **Staff Resources**

The Legislature appropriates funds for district staff to administer services for the community-based client groups served by Alcohol, Drug Abuse & Mental Health Services programs. Statewide, 117 administrative positions were authorized in 1997-98; 24 of these staff members oversee children's substance abuse programs. Funds are not appropriated for staff to provide direct services, since services are primarily provided by third-party agencies under contract with the 15 districts.

### **PB<sup>2</sup>**

Performance Contracting: In July 1996 the Department of Children & Families began integrating performance measures into its annual contracts with the community-based agencies that provide client services. For FY 1998-99, the department is collecting information about the following indicators of the effectiveness of its contracted services for children with, or at risk of, substance abuse problems:

- completion of treatment;
- increased consumer and client satisfaction;
- improved educational achievement in reading and mathematics; and
- perception of substance abuse as harmful.

The department recommended additional program measures, as indicators of program effectiveness, that are also included in the General Appropriations Act for 1998-99: reduced readmissions for substance abuse, and decreased commitment or recommitment to the Department of Juvenile Justice. These measures are not incorporated yet in the provider contracts. In addition, an annual survey assessing community partner satisfaction with departmental services was implemented in 1998. This survey assesses the satisfaction of community partners such as law enforcement, judicial, county and city governments, school boards and vocational-technical centers, and foster parents' associations that work with the Department of Children & Families. It focuses, in part, on the areas of timeliness, accessibility, and competency.

### **STATUTORY AUTHORITY**

Chapter 397, Florida Statutes, provides the basic statutory authority and framework for the Department of Children & Family Services' substance abuse program. The chapter does not distinguish between adult and children's services except in s. 397.811, s. 397.821 and part X.

Section 397.811, F.S., requires the state comprehensive plan for substance abuse impairment to contain a section on juvenile substance abuse impairment prevention and early intervention. In order to implement that plan, it requires the development of positive alternatives to substance abuse for juveniles and cooperative agreements between counties and public and private agencies.

Section 397.821, F.S., allows judicial circuits to establish a juvenile substance abuse impairment prevention and early intervention council composed of at least 12 members, to identify the needs of its community in juvenile substance abuse impairment prevention and early intervention, identifies priorities for providers and services, proposes methods of coordination of services to ensure effectiveness and avoid duplication and fragmentation, and develops recommendations to address the identified needs.

Part X of ch. 397 delineates the framework for juvenile addiction receiving facilities. These facilities are designed to provide substance abuse impairment treatment services and

community-based detoxification, stabilization, and short-term treatment and medical care to juveniles found impaired, in need of emergency treatment as a consequence of being impaired, or incapable of making an informed decision about their need for care. There are currently eight such facilities in Florida.

**B. EFFECT OF PROPOSED CHANGES:**

This bill mandates the development and implementation of services, programs, and initiatives which relate specifically to substance abuse services for children. The purpose of this bill is to improve access to services at the local level relative to the targeted populations. Children with complex needs would be given increased attention through a strengthened case management capability at the local level. Demonstration models would be implemented for delivering substance abuse services to the targeted populations through local networks involving experienced and effective service providers. This would provide the impetus for the development and implementation of uniform procedures and standards for the various levels and types of available services. Contingent upon the availability of funds, a utilization management process would be implemented to assess the use and allocation of resources within networks while districts of the department would implement a formal quality assurance program to assess the quality of services provided to children generally.

This bill provides innovative approaches to the substance abuse problem with provisions encouraging the development of effective prevention and early intervention strategies through a partnership grant program targeting school-age populations. This is a departure from the way prevention and intervention initiatives have historically been approached because it involves a full partnership effort among the state agencies of the Department of Children & Family Services, the Department of Education, the Department of Juvenile Justice, and community-based organizations. Another innovation is the development and implementation of an Internet web site for school-age children and others which would provide immediate access, consistent with the Florida Cooperative Initiative, to information on numerous topics related to prevention specifically and substance abuse generally. This would include information on resources at the local level which are available to children and their families who are in need of services.

**C. APPLICATION OF PRINCIPLES:**

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes. The Department of Children and Family Services is required, by rule, to establish standards for contract budgeting, methods of payment, and accounting fees.

The department is directed to propose statutory revisions to ch. 394, F.S., and to develop and implement a quality assurance program as part of the contract management process.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The bill establishes several additional responsibilities for the Department of Children & Family Services and providers who contract with the department for substance abuse services.

- (3) any entitlement to a government service or benefit?

The department is required to provide services such as: district wide comprehensive children's substance abuse information and referral networks; a Children's Network of Care Demonstration Models for children with substance abuse problems, or who are at-risk; and the development of a publicly available substance abuse prevention internet website targeting youth, parents, teachers and other stakeholders.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

Substance abuse providers under contract with the Department of Children & Family Services.

- (2) Who makes the decisions?

Substance abuse providers under contract with the Department of Children & Family Services.

- (3) Are private alternatives permitted?

Yes. The substance abuse system is completely privatized.

- (4) Are families required to participate in a program?

Unless it is court ordered, families are not required to participate.

- (5) Are families penalized for not participating in a program?

Unless it is court ordered, families are not penalized for not participating.

- b. Does the bill directly affect the legal rights and obligations between family members?

No.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

The bill allows service providers within the parameter established by law, policy, rules and contract requirements to operate programs.



(3) government employees/agencies?

N/A

**D. STATUTE(S) AFFECTED:**

Amends ss. 394.66, 394.74, 394.78, chapter 397, part X, and 397.419, F.S.; Creates ss. 397.92, 397.93, 397.94, 397.95, 397.951, 397.96, 397.97, 397.98, 397.99, 397.997, and 397.998, F.S.

**E. SECTION-BY-SECTION ANALYSIS:**

**Section 1** - Amends 394.66, F.S., conforming statutory references to the Department of Children and Family Services.

**Section 2** - Amends 394.74, F.S.: allowing the Department of Children & Family Services to use unit cost methods of payment in contracts for purchasing mental health and substance abuse services. Unit cost means the price per an approved unit of service;

allowing the department to reimburse for start-up contracts and fixed capital contracts.

**Section 3** - Amends 394.78, F.S. 1998 Supplement, requiring the Department of Children & Family Services to establish standards by rule to address patient fees that are earned on behalf of a specific client.

**Section 4** - Directs the Department of Children & Family Services to recommend to the Governor and Legislature statutory revisions to part IV of chapter 394, F.S., pertaining to a financing and contracting structure for publicly funded mental health and substance abuse services; and providing a due date of December 1, 1999 for the recommendations.

**Section 5** - Amends s. 397.419, F.S., expanding the quality assurance program for substance abuse services; and providing that a quality assurance program is to be implemented as part of the department's contract management process. The quality assurance program includes the following components:

- ▶ tracking performance measures and standards established by the Legislature;
- ▶ providing a framework for evaluating outcomes separate from the performance-based process;
- ▶ providing a system of analyzing those factors which have an effect on performance at the local level;
- ▶ providing a system of reporting results of quality assurance reviews; and
- ▶ incorporating best practice models for use in improving performance in those areas which are deficient;

establishing a peer review process, to include program reviews of providers by departmental district staff and other providers, and reviews of individual district programs by other districts; and creating a quality assurance coordinator position, contingent upon specific appropriations, within each service district to oversee the implementation and operation of the quality assurance program.

**Section 6** - Retitles part X of ch. 397, F.S., to JUVENILE EMERGENCY PROCEDURES AND CHILDREN'S SUBSTANCE ABUSE SERVICES.

**Section 7** - Creates s. 397.92, F.S., delineating general performance outcomes for the children's substance abuse service system. These performance outcomes include:

- ▶ Improvement in the child's or adolescent's ability to function in the family, school and community with minimum supports.
- ▶ Reducing behaviors that may be linked to substance abuse, such as unintended pregnancy, delinquency, sexually transmitted diseases, smoking, and other negative behaviors;

Requiring the department to annually develop performance outcomes and performance measures to assess the performance of the children's substance abuse service system in relation to these performance outcomes.

**Section 8** - Creates s. 397.93, F.S., specifying the target populations to whom the Department of Children & Families will provide services; and defining target populations by using a frequency of drug use taxonomy that aligns with the continuum of program intervention from prevention to long-term residential treatment. The target populations include:

- ▶ Children at risk due to regular or periodic exposure to negative factors related to the family, community, school, self, or peers.
- ▶ Children at risk due to experimental and social use of substances.
- ▶ Children who use substances on a daily, weekly, or monthly basis.
- ▶ Children with substance dependency or addiction.

**Section 9** - Creates s. 397.94, F.S., requiring each district of the Department of Children & Family Services to develop a children's substance abuse information and referral network by July 1, 2000; allowing the districts to determine the most cost-effective method for delivering the service. Districts can select new providers or utilize existing providers with a record of success in providing information and referral services; and establishing the requirements for the information system.

**Section 10** - Creates s. 397.95, F.S., requiring that all districts provide the following substance abuse services for children:

- ▶ Screening
- ▶ Intake
- ▶ Assessment
- ▶ Enrollment
- ▶ Service Planning
- ▶ Case management

**Section 11** - Creates s. 397.951, F.S., delineating sanctions available which are intended to force participation and completion of treatment; and providing that the department of Children and Family Services is responsible to ensure providers employ these sanctions when appropriate.

**Section 12** - Creates s. 397.96, F.S., providing case management services for children considered complex cases; defining complex cases as those involving children who receive services from several agencies addressing substance abuse problems; declaring the primary function of case management is coordination of services; and delineating the activities associated with case management, and allowing the department to establish rules for these activities.

**Section 13** - Creates s. 397.97, F.S., creating the Children & Adolescent Network of Care Demonstration Models to operate for four years for children and adolescents who are at risk of or who have substance abuse problems;

Providing the purpose of demonstration models is to encourage collaboration among the Department of Children & Family Services, the Agency for Health Care Administration, the Department of Education, the Department of Health, the Department of Juvenile Justice, local government agencies, and any other interested party by entering into a partnership agreement; providing the objective of partnership agreements is to provide a locally organized system of care for children, adolescents and their families to maximize the effectiveness of resources; and providing for utilizing uniform placement criteria established in rule.

The specific criteria to achieve this objective includes:

- ▶ developing uniform procedures regarding screening, intake, assessment, enrollment, service planning, case management, and utilization management;
- ▶ eliminating duplication of services;
- ▶ employing natural supports in the family and the community to help meet the service needs of the child or adolescent who is at risk of or has a substance abuse problem;

- ▶ improving interagency planning efforts through greater collaboration between public and private community-based agencies;
- ▶ testing creative and flexible strategies for financing the care of children and adolescents who are at risk of or have a substance abuse problem; and
- ▶ sharing information about the child or adolescent with appropriate community agencies.

Delineating the governance structure of demonstration models and specifying other requirements that must be met. The governance structure is made up of a multi-agency consortium of state and county agencies, referred to as the purchasing agent, or other public agency that purchases individualized services for children and adolescents who are at risk of or have a substance abuse problem.

Providing the secretary of the department with the authority to approve model proposals based on criteria developed by the department.

**Section 14** - Creates s. 397.98, F.S., establishing a utilization management system for services provided in the demonstration models. Utilization management is the process used to authorize care and analyze the services provided in the demonstration models (s. 397.97). This process includes:

- ▶ monitoring the appropriateness of admission;
- ▶ monitoring duration of care; and
- ▶ developing patterns of care and profiles of providers.

The utilization management process is subject to approval by the secretary and contingent on the availability of funds.

**Section 15** - Creates s. 397.99, F.S., establishing a school substance abuse prevention partnership grant program to encourage the development of effective substance abuse prevention and early intervention strategies with middle-school-age children. The program allows schools, or community-based organizations in partnership with schools to submit a grant proposal for funding or continued funding to the department by March 1 of each year.

The department is required to establish grant application procedures. The section describes basic requirements for programs applying for a grant. The department is required to coordinate a review of program proposals with the Department of Education and the Department of Juvenile Justice and make a determination no later than June 30 of each year.

**Section 16** - Creates s. 397.997, F.S., requiring the department to develop a publicly available prevention Internet web site that targets youth, their parents, teachers, and other stakeholders; and requiring the Internet web site to contain, at a minimum, the following components:

- ▶ the nature of Florida's current youth alcohol, tobacco, and other drug use concerns;
- ▶ the health, social, and legal effects of alcohol, tobacco, and other drug use on individuals, families, schools, and the economy;
- ▶ national, state, and local prevention and treatment resources; and classroom, home, and individual instructional activities and games geared to teach targeted youth about of the harmful effects of alcohol, tobacco, or other drug use; refusal and other prevention skills; and how to get help for someone using drugs.

**Section 17** - Creates s. 397.998, F.S., creating the Drug-free communities support match grants. The grants are designed to assist local community coalitions to secure federal drug-free communities support grants by providing needed match.

The support match grants supply match funds or in-kind match. The federal requirements for Drug Free Communities Support Program grants under Public Law 105-20 call for a dollar for dollar match by communities.

This section also delineates application procedures and requirements. Match grant funds are released as required by federal regulations to community coalitions upon documentation that a community coalition has secured a Drug Free Communities Support Program Grants.

Requiring the department to establish rules specifically to address procedures necessary to administer the Drug Free Communities Match Grants.

**Section 18** - Providing an effect date of July 1, 1999.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

1. Quality Assurance Program.  
Non-recurring funds: \$71,200
2. Internet Website.  
Non-recurring funds: \$5,000
5. Utilization Management  
Non-recurring funds: \$43,415

2. Recurring Effects:

a. Quality Assurance Program.

Costs are associated with the development and implementation of a formal quality assurance program and creation of a quality assurance coordinator position in each district of the department and the Substance Abuse Program Office. First year costs are as follows:

Recurring funds: \$1,549,473

b. Internet Website.

Costs are associated with an Internet web site which will provide immediate access to information on prevention and other substance abuse services. First year costs are as follows:

Recurring funds: \$30,000

c. Substance Abuse Partnership Grant Program

Costs are associated with 45 projects, administration of projects, and staff for technical assistance and evaluation. First year costs are as follows:

Recurring funds: \$4,803,750

d. Information and Referral Services

These are new services for all 15 district children's substance abuse systems of care. The costs are based on expanding the current Information and Referral Services being provided.

Recurring funds: \$1,328,746

e. Utilization Management

These are costs for 17 FTEs to monitor the care to approximately 3,000 adolescents that are high users or at risk of multiple readmissions.

Recurring funds: \$1,053,664

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Unknown.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

(1) Quality Assurance Program	\$1,620,673
(2) Partnership Grant Program	\$4,803,750
(3) Internet Web Site	\$35,000
(4) Information and Referral	\$1,044,976
(5) Utilization Management	<u>\$790,230</u>
Estimated Total	\$8,294,629

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

Committee on Children & Families:  
Prepared by:

Bob Barrios

Staff Director:

Bob Barrios

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Russell J. Cyphers, Jr.

Staff Director:

Jimmy O. Helms