

By the Committee on Children & Families and Representative Murman

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 with entities providing behavioral  
6           health care services to certain Medicaid  
7           recipients in certain counties under certain  
8           circumstances; providing requirements;  
9           providing limitations; providing definitions;  
10          providing an effective date.

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

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14           Section 1. Paragraph (b) of subsection (3) of section  
15 409.912, Florida Statutes, 1998 Supplement, is amended to  
16 read:

17           409.912 Cost-effective purchasing of health care.--The  
18 agency shall purchase goods and services for Medicaid  
19 recipients in the most cost-effective manner consistent with  
20 the delivery of quality medical care. The agency shall  
21 maximize the use of prepaid per capita and prepaid aggregate  
22 fixed-sum basis services when appropriate and other  
23 alternative service delivery and reimbursement methodologies,  
24 including competitive bidding pursuant to s. 287.057, designed  
25 to facilitate the cost-effective purchase of a case-managed  
26 continuum of care. The agency shall also require providers to  
27 minimize the exposure of recipients to the need for acute  
28 inpatient, custodial, and other institutional care and the  
29 inappropriate or unnecessary use of high-cost services.

30           (3) The agency may contract with:  
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1           (b)1.a. An entity that is providing comprehensive  
2 behavioral inpatient and outpatient mental health care  
3 services to certain Medicaid recipients in Hillsborough,  
4 Highlands, Hardee, Manatee, ~~and~~ Polk, Escambia, Santa Rosa,  
5 Okaloosa, Walton, Baker, Nassau, Duval, Clay, St. Johns,  
6 Hamilton Suwannee, Lafayette, Dixie, Columbia, Gilchrist,  
7 Levy, Union, Bradford, Alachua, Pasco, Pinellas, and Dade  
8 Counties, through a capitated, prepaid arrangement pursuant to  
9 the federal waiver provided for by s. 409.905(5). Such an  
10 entity must become licensed under chapter 624, chapter 636, or  
11 chapter 641 ~~by December 31, 1998, and is exempt from the~~  
12 ~~provisions of part I of chapter 641 until then. However, if~~  
13 ~~the entity assumes risk, the Department of Insurance shall~~  
14 ~~develop appropriate regulatory requirements by rule under the~~  
15 ~~insurance code before the entity becomes operational.~~

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

21           c. Total administrative cost for contracts under this  
22 paragraph, including administrative costs associated with  
23 subcontracts or subcapitation, shall be capped at 10 percent  
24 of the flat monthly payment per enrollee or the capitation  
25 rate.

26           d. In counties which have a provider service network  
27 in operation as of October 1, 1999, and authorized by  
28 paragraph (d), the agency shall not include those recipients  
29 served by such provider service network in the behavioral  
30 health project pursuant to this paragraph.

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1           e. The agency shall not initiate procurement for a  
2 prepaid plan not in operation on July 1, 1999, unless the  
3 agency has ensured the readiness of affected communities and  
4 adequacy of community based providers to successfully  
5 implement a prepaid plan. The agency shall work cooperatively  
6 with the Department of Children and Family Services at both  
7 the local and state levels to plan for implementation of any  
8 prepaid plan and shall ensure that procurements address the  
9 critical needs of populations which are also served by the  
10 department. The agency shall ensure that behavioral health  
11 services provided under the prepaid plan are coordinated with  
12 ongoing programs funded by the Department of Children and  
13 Family Services and shall ensure that Medicaid costs are not  
14 shifted onto programs funded by the department.

15           2. As used in this paragraph:

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

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

20           3. The agency shall consult and coordinate with the  
21 Department of Children and Family Services and the Department  
22 of Juvenile Justice regarding plans to expand behavioral  
23 managed care projects to each county or district through a  
24 request-for-proposal procurement process, phased in over a  
25 3-year period.

26           4. Plans must be county or district specific and  
27 developed with local community participation, including, but  
28 not limited to, input from community-based mental health,  
29 substance abuse, child welfare, delinquency providers that are  
30 currently under contract with the agency or departments to  
31 furnish nonresidential and residential services.

1           5. Children receiving residential and nonresidential  
2 services from the Department of Juvenile Justice or its  
3 providers and children receiving residential and  
4 nonresidential services from the Department of Children and  
5 Family Services or its providers shall not be included in a  
6 behavioral health care contract pursuant to this paragraph.

7           6. The plan must ensure that conversion to a capitated  
8 system of delivery will not result in the displacement of  
9 indigent care patients from facilities receiving state funding  
10 to provide indigent behavioral health care to facilities  
11 licensed under chapter 395 which do not receive state  
12 subsidies unless the unsubsidized facilities are reimbursed  
13 for the cost of all treatment, including medical treatment  
14 which is a precondition to admission into a subsidized  
15 facility. The agency and departments shall further ensure that  
16 facilities licensed under chapter 395 are included in the  
17 development of the county or district plans.

18           7. Plans to expand must be submitted by November 1,  
19 2000, to the appropriate fiscal and substantive committees of  
20 the House of Representatives and the Senate. Authority to  
21 expand behavioral managed care projects to other counties or  
22 districts shall be granted by the Legislature.

23           8. With respect to any county or district in which  
24 expansion of behavioral managed care projects cannot be  
25 accomplished within the 3-year timeframe, the plan must  
26 clearly state the reasons the timeframe cannot be met and the  
27 efforts that should be made to address the obstacles, which  
28 may include alternatives to behavioral managed care.

29           9. Traditional inpatient mental health providers  
30 licensed pursuant to chapter 395 must be included in any  
31 subcontract for inpatient behavioral health service.

1           Section 2. This act shall take effect October 1, 1999.

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HOUSE SUMMARY

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Authorizes the Agency for Health Care Administration to contract with entities providing behavioral health care services to certain Medicaid recipients in specified counties through a capitated, prepaid arrangement pursuant to a federal waiver. Provides contract requirements and limitations. See bill for details.

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