

STORAGE NAME: h2111a.go
DATE: April 21, 1999

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

BILL #: HB 2111 (PCB HCS 99-02)
RELATING TO: Health Care
SPONSOR(S): Committee on Health Care Services and Representative Peaden
COMPANION BILL(S): CS/SB 2388 (compare)

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

- (1) HEALTH CARE SERVICES YEAS 16 NAYS 1
 - (2) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

HB 2111 creates the Commission on Mental Health and Substance Abuse within the Executive Office of the Governor to be composed of 22 members. The duties of the committee include conducting a review and evaluation of the existing publicly supported mental health and substance abuse systems and services and formulating recommendations to the Governor and the Legislature. The commission is to appoint an advisory committee to represent all state agencies involved in administering mental health and substance abuse services. Staff support is provided. The commission is to conduct its first meeting no later than September, 1999, and submit an interim report to the Governor, Speaker of the House of Representatives, and President of the Senate no later than March 1, 2000, and a final report no later than December 1, 2000.

This bill authorizes the Department of Children and Family Services to continue using unit-costing methods of payment in contracts for purchasing mental health and substance abuse services through June 30, 2001. The unit-cost contracting system is to account for those patient fees that are paid on behalf of a specific client, and those that are earned and used by the provider for those services funded in whole or in part by the department. The department may reimburse actual expenditures for start-up contracts and fixed capital outlay contracts in accordance with contract specifications. The bill authorizes the department to adopt administrative rules pursuant to ch. 120, F.S., to implement this section.

This bill provides an effective date of July 1, 1999.

This bill has a fiscal impact requiring an appropriation of \$75,000 from the General Revenue Fund, and \$75,000 from the Title XIX (Medicaid) administrative funds. The \$150,000 in total appropriations to fund the commission would apply to both fiscal years 1999-2000, and 2000-2001,

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Alcohol, Drug Abuse, and Mental Health Service System

The Department of Children and Family Services (CFS) 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. Chapters 394 and 397, F.S., authorize CFS to provide mental health services and substance abuse assessment and treatment services to adults and children. These services are administered by the Alcohol, Drug Abuse, and Mental Health (ADM) Program office and 15 district ADM offices within the department.

The ADM program provides services to reduce the occurrence, severity, and disabling effects of mental health and substance abuse problems. The program serves over 300,000 individuals and is structured into two components according to the client groups that receive services. The mental health component serves: children with mental health problems; children incompetent to proceed with juvenile justice hearings; adults with a mental illness who live in the community; and adults with a mental illness who live in state institutions. The substance abuse component serves children with, or at serious risk of substance abuse problems, and adults with substance abuse problems.

The department's mental health and substance abuse programs provide a statewide system of community-based and institutional services. Most community-based services are provided by private non-profit mental health centers and substance abuse agencies that contract with the department's 15 service districts.

For Fiscal Year (FY) 1998-99, CFS has allocated \$669 million for programs that serve its mental health and substance abuse client groups. In previous years, sources for funding included general revenue, state trust funds, and federal block grants.

Florida's public mental health and substance abuse programs coexist with a separately administered and funded Medicaid program. As a result, two state agencies administer funds for services. CFS manages ADM, and the Agency for Health Care Administration (AHCA) manages the Medicaid Program. In 1997-98, the two agencies spent over \$984 million on mental health and substance abuse services; federal funds covered 39% of the cost. Medicaid has grown as a funding mechanism for community-based mental health and substance abuse programs, from 24% of total appropriations in FY 1992-93, to 28% of total appropriations in FY 1997-98.

CFS's mental health and substance abuse programs have a low number of staff relative to budget size because third parties deliver most community-based services. The Legislature appropriates funds for district staff to plan and evaluate programs and to manage contracts with service providers.

Part IV, ch. 394, F.S., is known as "The Community Alcohol, Drug Abuse, and Mental Health Services Act,". It states that the intent of the Legislature with respect to alcohol, drug abuse, and mental health services includes promoting and improving the mental health of the citizens of the state through a system of comprehensive, coordinated alcohol, drug abuse and mental health services. Section 394.675, F.S., provides that this system is to include primary care services, rehabilitative services, and preventive services. This section also addresses the planning for and funding of these services, including local match requirements.

B. EFFECT OF PROPOSED CHANGES:

A Commission on Mental Health and Substance Abuse will be created within the Executive Office of the Governor. The commission will be composed of 22 members who will conduct a review and evaluation of existing publicly supported mental health and substance abuse systems and services. The commission will also appoint an advisory committee to represent all state agencies involved in administering mental health and substance abuse services.

The Department of Children and Family Services will be given the authority to use unit-cost methods of payment in contracts for purchasing mental health and substance abuse services

through June 30, 2001. The unit-cost contracting system will account for those patient fees that are paid on behalf of a specific client and those that are earned and used by the provider for those services funded in whole or in part by the department.

An appropriation of \$75,000 from the General Revenue Fund and \$75,000 from the administrative funds available under Title XIX (Medicaid) for each of fiscal years 1999-2000 and 2000-2001 will be provided to fund the costs of the commission.

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 given authority to adopt rules to implement section 3 of the bill.

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

A Commission on Mental Health and Substance Abuse will be created within the Executive Office of the Governor, and the members' duties will include conducting a review and evaluation of existing publicly supported mental health and substance abuse services.

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

No.

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 need?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

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?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Creates an unnumbered section.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates the Commission on Mental Health and Substance Abuse within the Executive Office of the Governor to be composed of 22 members. The duties of the commission include conducting a review and evaluation of the existing publicly supported mental health and substance abuse systems and services and formulating recommendations to the Governor and the Legislature. The commission is to appoint an advisory committee to represent all state agencies involved in administering mental health and substance abuse services. Staff support is provided. The commission is to conduct its first meeting no later than September, 1999, submit an interim report to the Governor, Speaker of the House of Representatives, and President of the Senate no later than March 1, 2000, and a final report no later than December 1, 2000.

Section 2. Provides an appropriation of \$75,000 from the General Revenue Fund and \$75,000 from the administrative funds available under Title XIX (Medicaid) to the Executive Office of the Governor to fund the commission for each of fiscal years 1999-2000 and 2000-2001.

Section 3. creates the following subsections relating to interim contract and payment authorization: Subsection (1) authorizing the Department of Children and Family Services to use unit-costing methods of payment in contracts for purchasing mental health and substance abuse services through June 30, 2001. The unit-cost contracting system shall account for those patient fees that are paid on behalf of a specific client and those that are earned and used by the provider for those services funded in whole or in part by the department; Subsection (2) providing that the department may reimburse actual expenditures for start-up contracts and fixed capital outlay contracts in accordance with contract specifications; Subsection (3) authorizing the department to adopt administrative rules pursuant to ch. 120, F.S., to implement this section.

Section 4. Provides an effective date of July 1, 1999.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

An appropriation of \$75,000 from the General Revenue Fund and \$75,000 from the administrative funds available under Title XIX (Medicaid) for each of fiscal years 1999-2000 and 2000-2001 will be provided to fund the costs of the commission.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

\$150,000 for two years, but undeterminate after fiscal year 2000-2001.

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:

None.

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 counties or municipalities 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:

At its meeting on April 21, 1999, the Committee on Governmental Operations adopted two (2) amendments.

The first amendment removes from the bill unnecessary rulemaking language.

The second amendment clarifies that the duties of the commission includes establishing the scope of emergency behavioral health care services.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE SERVICES:

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