

1                                   A bill to be entitled  
2           An act relating to Medicaid managed behavioral  
3           health care; amending s. 409.912, F.S.;  
4           authorizing the Agency for Health Care  
5           Administration to contract for prepaid  
6           behavioral health care services for Medicaid  
7           recipients in specified counties; providing  
8           requirements for the agency in developing  
9           procurement procedures; authorizing the agency  
10          to contract for the provision of certain  
11          services in Alachua County and authorizing it  
12          to make certain determinations regarding  
13          Sarasota County; prohibiting the inclusion of  
14          certain children in such services; requiring  
15          the agency to require certain providers to  
16          prevent the displacement of certain indigent  
17          care patients; providing for certain  
18          traditional mental health providers to be  
19          offered a contract to participate in such  
20          prepaid services plans; defining the term  
21          "comprehensive behavioral health care  
22          services"; providing deadlines for entering  
23          such contracts; deleting provisions requiring  
24          the Department of Insurance to develop certain  
25          requirements for entities that provide mental  
26          health care services; authorizing the Agency  
27          for Health Care Administration to contract for  
28          mental health and substance abuse treatment  
29          services for Medicaid recipients through an  
30          administrative services organization agreement;  
31          providing requirements for procurement and

1           availability of such services; providing an  
2           effective date.

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

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6           Section 1. Paragraph (b) of subsection (3) of section  
7 409.912, Florida Statutes, is amended, and paragraph (e) is  
8 added to that subsection, to read:

9           409.912 Cost-effective purchasing of health care.--The  
10 agency shall purchase goods and services for Medicaid  
11 recipients in the most cost-effective manner consistent with  
12 the delivery of quality medical care. The agency shall  
13 maximize the use of prepaid per capita and prepaid aggregate  
14 fixed-sum basis services when appropriate and other  
15 alternative service delivery and reimbursement methodologies,  
16 including competitive bidding pursuant to s. 287.057, designed  
17 to facilitate the cost-effective purchase of a case-managed  
18 continuum of care. The agency shall also require providers to  
19 minimize the exposure of recipients to the need for acute  
20 inpatient, custodial, and other institutional care and the  
21 inappropriate or unnecessary use of high-cost services.

22           (3) The agency may contract with:

23           (b) An entity that is providing comprehensive  
24 behavioral ~~inpatient and outpatient mental~~ health care  
25 services to certain Medicaid recipients ~~in Hillsborough,~~  
26 ~~Highlands, Hardee, Manatee, and Polk Counties,~~ through a  
27 capitated, prepaid arrangement pursuant to the federal waiver  
28 provided for by s. 409.905(5). Such an entity must ~~be~~ become  
29 licensed under chapter 624, chapter 636, or chapter 641 and  
30 must possess the clinical systems and operational competence  
31 to manage risk and provide comprehensive behavioral health

1 care to Medicaid recipients. As used in this paragraph, the  
2 term "comprehensive behavioral health care services" means  
3 covered mental health and substance abuse treatment services  
4 that are available to Medicaid recipients. The Secretary of  
5 the Department of Children and Families shall approve  
6 provisions of procurements related to children in the  
7 department's care or custody prior to enrolling such children  
8 in a prepaid behavioral health plan. Any contract awarded  
9 under this paragraph must be competitively procured. In  
10 developing the behavioral health care prepaid plan procurement  
11 document, the agency shall ensure that the procurement  
12 document requires the contractor to develop and implement a  
13 plan to ensure compliance with s. 394.4574 related to services  
14 provided to residents of licensed assisted living facilities  
15 that hold a limited mental health license. The agency must  
16 ensure that Medicaid recipients have available the choice of  
17 at least two managed care plans for their behavioral health  
18 care services. The agency may reimburse for  
19 substance-abuse-treatment services on a fee-for-service basis  
20 until the agency finds that adequate funds are available for  
21 capitated, prepaid arrangements.

22 1. By January 1, 2001, the agency shall modify the  
23 contracts with the entities providing comprehensive inpatient  
24 and outpatient mental health care services to Medicaid  
25 recipients in Hillsborough, Highlands, Hardee, Manatee, and  
26 Polk Counties, to include substance-abuse-treatment services.

27 2. By December 31, 2001, the agency shall contract  
28 with entities providing comprehensive behavioral health care  
29 services to Medicaid recipients through capitated, prepaid  
30 arrangements in Charlotte, Collier, DeSoto, Escambia, Glades,  
31 Hendry, Lee, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota,

1 and Walton Counties. The agency may contract with entities  
2 providing comprehensive behavioral health care services to  
3 Medicaid recipients through capitated, prepaid arrangements in  
4 Alachua County. The agency may determine if Sarasota County  
5 shall be included as a separate catchment area or included in  
6 any other agency geographic area.

7 3. Children residing in a Department of Juvenile  
8 Justice residential program approved as a Medicaid behavioral  
9 health overlay services provider shall not be included in a  
10 behavioral health care prepaid health plan pursuant to this  
11 paragraph.

12 4. In converting to a prepaid system of delivery, the  
13 agency shall in its procurement document require an entity  
14 providing comprehensive behavioral health care services to  
15 prevent the displacement of indigent care patients by  
16 enrollees in the Medicaid prepaid health plan providing  
17 behavioral health care services from facilities receiving  
18 state funding to provide indigent behavioral health care, to  
19 facilities licensed under chapter 395 which do not receive  
20 state funding for indigent behavioral health care, or  
21 reimburse the unsubsidized facility for the cost of behavioral  
22 health care provided to the displaced indigent care patient.

23 5. Traditional community mental health providers under  
24 contract with the Department of Children and Families pursuant  
25 to Part IV of chapter 394 and inpatient mental health  
26 providers licensed pursuant to chapter 395, must be offered an  
27 opportunity to accept or decline a contract to participate in  
28 any provider network for prepaid behavioral health services.  
29 ~~by December 31, 1998, and is exempt from the provisions of~~  
30 ~~part I of chapter 641 until then. However, if the entity~~  
31 ~~assumes risk, the Department of Insurance shall develop~~

1 ~~appropriate regulatory requirements by rule under the~~  
2 ~~insurance code before the entity becomes operational.~~

3 (e) An entity that provides comprehensive behavioral  
4 health care services to certain Medicaid recipients through an  
5 administrative services organization agreement. Such an entity  
6 must possess the clinical systems and operational competence  
7 to provide comprehensive health care to Medicaid recipients.  
8 As used in this paragraph, the term "comprehensive behavioral  
9 health care services" means covered mental health and  
10 substance abuse treatment services that are available to  
11 Medicaid recipients. Any contract awarded under this paragraph  
12 must be competitively procured. The agency must ensure that  
13 Medicaid recipients have available the choice of at least two  
14 managed care plans for their behavioral health care services.

15 Section 2. This act shall take effect July 1, 2000.

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