

By the Committees on Health & Human Services  
Appropriations, Children & Families and Representatives Murman  
and Crist

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, is amended to read:

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

29           (3) The agency may contract with:

30           (b)1.a. An entity that is providing comprehensive  
31 behavioral ~~inpatient and outpatient mental~~ health care

1 services and is licensed under chapter 624, chapter 636, or  
2 chapter 641. Unless otherwise authorized by law, the agency  
3 shall limit such contract to services provided to certain  
4 Medicaid recipients in Baker, Clay, Dade, Duval, Escambia,  
5 Hillsborough, Highlands, Hardee, Manatee, Nassau, Okaloosa,  
6 Pinellas, and Polk, Santa Rosa, St. Johns, and Walton  
7 Counties, through a capitated, prepaid arrangement pursuant to  
8 the federal waiver provided for by s. 409.905(5). Such an  
9 entity must become licensed under chapter 624, chapter 636, or  
10 chapter 641 by December 31, 1998, and is exempt from the  
11 provisions of part I of chapter 641 until then. However, if  
12 the entity assumes risk, the Department of Insurance shall  
13 develop appropriate regulatory requirements by rule under the  
14 insurance code before the entity becomes operational.

15 b. In any county in which the agency seeks to  
16 implement its authority to award contracts as provided in this  
17 subparagraph that has a Medicaid population in excess of  
18 300,000, the agency shall award one contract for every 100,000  
19 Medicaid recipients.

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

24 d. In developing the behavioral health care prepaid  
25 plan procurement document, the agency shall consult and  
26 coordinate with the Department of Children and Family Services  
27 and the Department of Juvenile Justice. The Department of  
28 Children and Family Services shall approve the sections of the  
29 behavioral health care prepaid plan procurement document that  
30 relate to children in the care and custody of the Department  
31 of Children and Family Services and the families of such

1 children. The Department of Juvenile Justice shall approve the  
2 sections of the behavioral health care prepaid plan  
3 procurement document that relate to children in the care and  
4 custody of the Department of Juvenile Justice and the families  
5 of such children.

6 e. In any county that has a provider service network  
7 as authorized in this section, which provides behavioral  
8 health care services and is in operation as of October 1,  
9 2000, the agency shall not include those recipients served by  
10 the provider service network in the behavioral health prepaid  
11 plan, pursuant to this paragraph.

12 2. As used in this paragraph:

13 a. "Behavioral health care" includes mental health and  
14 substance abuse services.

15 b. "District" means any district of the Department of  
16 Children and Family Services.

17 c. "Therapeutic or supportive foster care homes" means  
18 any foster care program operated by a Medicaid community  
19 mental health provider which is a licensed residential child  
20 caring or child placing agency as defined in s. 409.175.

21 d. "Specialized therapeutic foster care" means any  
22 foster care program provided under the Medicaid community  
23 mental health program service entitled specialized therapeutic  
24 foster care.

25 3. Children residing in a Department of Juvenile  
26 Justice residential program approved as a Medicaid behavioral  
27 health overlay services provider shall not be included in a  
28 behavioral health care prepaid plan pursuant to this  
29 paragraph.

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- 1           4. When implementing the behavioral health care  
2 prepaid program in Baker, Clay, Dade, Duval, Nassau, or St.  
3 Johns Counties, the agency shall not include the following:  
4           a. Dependent children placed by the Department of  
5 Children and Family Services or a licensed child placing  
6 agency into a licensed residential group care facility which  
7 is operated by a Medicaid community mental health provider.  
8           b. Dependent children of the department receiving  
9 therapeutic or supportive foster home care.  
10          c. Services to children in the care or custody of the  
11 department while they are in an emergency shelter.  
12          d. Children served under the community mental health  
13 program specialized therapeutic foster care.  
14           5. When implementing the behavioral health care  
15 prepaid program in Baker, Clay, Dade, Duval, Nassau, or St.  
16 Johns 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           6. The agency and the department shall approve  
21 behavioral health care criteria and protocols for services  
22 provided to children referred from the child protection team  
23 for followup services.  
24           7. In each the behavioral health care prepaid plan,  
25 substance abuse services shall be reimbursed on a  
26 fee-for-service basis from state Medicaid funds until such  
27 time as the agency determines that adequate funds are  
28 available for prepaid methods. The agency shall ensure that  
29 any contractors for prepaid behavioral health services shall  
30 propose practical methods of integrating mental health and  
31 substance abuse services, including opportunities for

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

5 8. In developing the behavioral health care prepaid  
6 plan procurement document, the agency shall ensure that  
7 conversion to a prepaid system of delivery shall not result in  
8 the displacement of indigent care patients from facilities  
9 receiving state funding to provide indigent behavioral health  
10 care to facilities licensed under chapter 395 which do not  
11 receive state subsidies unless the unsubsidized facilities are  
12 reimbursed for the costs of all treatment, including medical  
13 treatment which is a precondition to admission into a  
14 subsidized facility. Traditional community mental health  
15 providers, under contract with the Department of Children and  
16 Family Services pursuant to part IV of chapter 394, and  
17 inpatient mental health providers licensed pursuant to chapter  
18 395 must be included in any provider network for prepaid  
19 behavioral health services.

20 9. The agency shall notify the Legislature of the  
21 status and plans to expand the behavioral managed care  
22 projects to those counties designated in this paragraph by  
23 October 1, 2001. With respect to any county or district in  
24 which 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. The plan  
29 must also address the status of services to children and their  
30 families in the care and custody of the department and  
31 Juvenile Justice. The plan must address how the services for

1 those children and families will be integrated into the  
2 comprehensive behavioral health care program or how services  
3 will be provided using alternative methods over the 3-year  
4 phase-in.

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

16 Section 2. This act shall take effect October 1, 2000.

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19 HOUSE SUMMARY

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21 Substantively identical to HB 2087, Second Engrossed,  
which passed the House during the 1999 Regular Session.

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23 Authorizes the Agency for Health Care Administration to  
24 contract with entities providing behavioral health care  
25 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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