

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. An entity that is providing comprehensive
 21 behavioral health care services to certain Medicaid recipients
 22 through an administrative services organization agreement.
 23 Such an entity must possess the clinical systems and
 24 operational competence to provide comprehensive health care to
 25 Medicaid recipients. As used in this paragraph, the term
 26 "comprehensive behavioral health care services" means covered
 27 mental health and substance abuse treatment services that are
 28 available to Medicaid recipients. Any contract awarded under
 29 this paragraph must be competitively procured. The agency must
 30 ensure that Medicaid recipients have available the choice of
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1 at least two managed care plans for their behavioral health
2 care services.

3 d. The agency shall set as part of the competitive
4 procurement an allowable medical/loss ratio to limit
5 administrative costs and shall use industry standards, which
6 shall be adjusted based upon size of the plan.

7 e. In developing the behavioral health care prepaid
8 plan procurement document, the agency shall consult and
9 coordinate with the Department of Children and Family Services
10 and the Department of Juvenile Justice. The Department of
11 Children and Family Services shall approve the sections of the
12 behavioral health care prepaid plan procurement document that
13 relate to children in the care and custody of the Department
14 of Children and Family Services and the families of such
15 children. The Department of Juvenile Justice shall approve the
16 sections of the behavioral health care prepaid plan
17 procurement document that relate to children in the care and
18 custody of the Department of Juvenile Justice and the families
19 of such children.

20 f. In any county that has a provider service network
21 as authorized in this section, which provides behavioral
22 health care services and is in operation as of October 1,
23 2000, the agency shall not include those recipients served by
24 the provider service network in the behavioral health prepaid
25 plan, pursuant to this paragraph.

26 2. As used in this paragraph:

27 a. "Behavioral health care" includes mental health and
28 substance abuse services.

29 b. "District" means any district of the Department of
30 Children and Family Services.

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

5 d. "Specialized therapeutic foster care" means any
6 foster care program provided under the Medicaid community
7 mental health program service entitled specialized therapeutic
8 foster care.

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

14 4. When implementing the behavioral health care
15 prepaid program in Baker, Clay, Dade, Duval, Nassau, or St.
16 Johns Counties, the agency shall not include the following:

17 a. Dependent children placed by the Department of
18 Children and Family Services or a licensed child placing
19 agency into a licensed residential group care facility which
20 is operated by a Medicaid community mental health provider.

21 b. Dependent children of the department receiving
22 therapeutic or supportive foster home care.

23 c. Services to children in the care or custody of the
24 department while they are in an emergency shelter.

25 d. Children served under the community mental health
26 program specialized therapeutic foster care.

27 5. When implementing the behavioral health care
28 prepaid program in Baker, Clay, Dade, Duval, Nassau, or St.
29 Johns Counties, the agency shall require that any existing
30 licensed child caring or child placing agency that is also a
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1 Medicaid community mental health program provider be part of
2 the provider network.

3 6. The agency and the department shall approve
4 behavioral health care criteria and protocols for services
5 provided to children referred from the child protection team
6 for followup services.

7 7. In each the behavioral health care prepaid plan,
8 substance abuse services shall be reimbursed on a
9 fee-for-service basis from state Medicaid funds until such
10 time as the agency determines that adequate funds are
11 available for prepaid methods. The agency shall ensure that
12 any contractors for prepaid behavioral health services shall
13 propose practical methods of integrating mental health and
14 substance abuse services, including opportunities for
15 community-based substance abuse agencies to become partners in
16 the provider networks established at a district or area level,
17 and to participate in the development of protocols for
18 substance abuse services.

19 8. In developing the behavioral health care prepaid
20 plan procurement document, the agency shall ensure that
21 conversion to a prepaid system of delivery shall not result in
22 the displacement of indigent care patients from facilities
23 receiving state funding to provide indigent behavioral health
24 care to facilities licensed under chapter 395 which do not
25 receive state subsidies unless the unsubsidized facilities are
26 reimbursed for the costs of all treatment, including medical
27 treatment which is a precondition to admission into a
28 subsidized facility. Traditional community mental health
29 providers, under contract with the Department of Children and
30 Family Services pursuant to part IV of chapter 394, and
31 inpatient mental health providers licensed pursuant to chapter

1 395 must be included in any provider network for prepaid
2 behavioral health services.

3 9. The agency shall notify the Legislature of the
4 status and plans to expand the behavioral managed care
5 projects to those counties designated in this paragraph by
6 October 1, 2001. With respect to any county or district in
7 which expansion of behavioral managed care projects cannot be
8 accomplished within the 3-year timeframe, the plan must
9 clearly state the reasons the timeframe cannot be met and the
10 efforts that should be made to address the obstacles, which
11 may include alternatives to behavioral managed care. The plan
12 must also address the status of services to children and their
13 families in the care and custody of the department and
14 Juvenile Justice. The plan must address how the services for
15 those children and families will be integrated into the
16 comprehensive behavioral health care program or how services
17 will be provided using alternative methods over the 3-year
18 phase-in.

19 10. For counties not specifically designated in this
20 paragraph, a local planning process shall be completed prior
21 to the agency expanding behavioral managed care projects to
22 other areas. The planning process shall be completed with
23 local community participation, including, but not limited to,
24 input from community-based mental health, substance abuse,
25 child welfare, and delinquency providers currently under
26 contract with the Department of Children and Family Services,
27 Department of Juvenile Justice, or the agency. Facilities
28 licensed under chapter 395 shall be included in the local
29 planning process.

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

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