

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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