

By the Committee on Children and Families; and Senator
Mitchell

300-1604-01

1 A bill to be entitled
2 An act relating to behavioral health services;
3 providing legislative findings with respect to
4 providing mental health and
5 substance-abuse-treatment services; permitting
6 the Department of Children and Family Services
7 and the Agency for Health Care Administration
8 to contract for the establishment of two
9 behavioral health service delivery strategies
10 to test methods and techniques for
11 coordinating, integrating, and managing the
12 delivery of mental health services and
13 substance-abuse-treatment services for persons
14 with emotional, mental, or addictive disorders;
15 requiring a managing entity for each service
16 delivery strategy; requiring that costs be
17 shared by the Department of Children and Family
18 Services and the Agency for Health Care
19 Administration; specifying the goals of the
20 service delivery strategies; specifying the
21 target population of persons to be enrolled
22 under each strategy; requiring a continuing
23 care system; requiring an advisory body for
24 each demonstration model; requiring certain
25 cooperative agreements; providing reporting
26 requirements; requiring an independent entity
27 to evaluate the service delivery strategies;
28 requiring annual reports; creating a Behavioral
29 Health Services Integration Workgroup;
30 requiring the Secretary of the Department of
31 Children and Family Services to appoint members

1 to the Workgroup; providing authority for a
2 transfer of funds to support the Workgroup;
3 requiring the Workgroup to report to the
4 Governor and the Legislature; providing an
5 effective date.
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7 Be It Enacted by the Legislature of the State of Florida:
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9 Section 1. Behavioral Health Service Delivery
10 Strategies.--

11 (1) LEGISLATIVE FINDINGS.--The Legislature finds that
12 a management structure that establishes the responsibility for
13 mental health and substance-abuse-treatment services with a
14 single entity and that contains a flexible funding arrangement
15 is more likely to allow for customized services to meet
16 individual client needs and to provide incentives for provider
17 agencies to serve persons in the target population who have
18 the most complex treatment and support needs. The Legislature
19 recognizes that in order for the state's publicly funded
20 mental health and substance-abuse-treatment systems to evolve
21 into a single well-integrated behavioral health system, a
22 transition period is needed and demonstration sites must be
23 developed where new ideas and technologies may be experienced
24 and critically reviewed.

25 (2) SERVICE DELIVERY STRATEGIES.--The Department of
26 Children and Family Services and the Agency for Health Care
27 Administration shall develop service delivery strategies that
28 will improve the coordination, integration, and management of
29 the delivery of mental health and substance-abuse-treatment
30 services to persons with emotional, mental, or addictive
31 disorders. It is the intent of the Legislature that a

1 well-managed service delivery system will increase access for
2 those in need of care, improve the coordination and continuity
3 of care for vulnerable and high-risk populations, redirect
4 service dollars from restrictive care settings and out-of-date
5 service models to community-based psychiatric rehabilitation
6 services, and reward cost-effective and appropriate care
7 patterns. The Legislature recognizes that the Medicaid, mental
8 health, and substance-abuse-treatment programs are three
9 separate systems and that each has unique characteristics,
10 including unique requirements for eligibility. To move toward
11 a well-integrated system of behavioral health care services
12 will require careful planning and implementation. It is the
13 intent of the Legislature that the service delivery strategies
14 will be the first phase of transferring the provision and
15 management of mental health and substance-abuse-treatment
16 services provided by the Department of Children and Family
17 Services and the Medicaid program from traditional
18 fee-for-service and unit-cost contracting methods to
19 risk-sharing arrangements. As used in this section, the term
20 "behavioral health care services" means mental health services
21 and substance-abuse-treatment services that are provided with
22 state and federal funds.

23 (3) ORGANIZATION AND FUNCTIONS.--

24 (a) The Department of Children and Family Services and
25 the Agency for Health Care Administration may contract for the
26 provision and management of behavioral health services with a
27 managing entity in at least two geographic areas. The
28 Department of Children and Family Services and the Agency for
29 Health Care Administration must contract with the same
30 managing entity in each distinct geographic area. This
31 managing entity shall be accountable for the delivery of all

1 behavioral health services for children, adolescents, and
2 adults which are funded under the Medicaid program and under
3 the Department of Children and Family Services. The geographic
4 area must be of sufficient size in population and sufficient
5 in the amount of available public funds for behavioral health
6 services to allow for flexibility and maximum efficiency. At
7 least one demonstration model must complement the closure of
8 the G. Pierce Wood Memorial Hospital.

9 (b) Under one service delivery strategy, the
10 Department of Children and Family Services may contract with a
11 prepaid mental health plan that operates pursuant to section
12 409.912, Florida Statutes. Under that strategy, the Department
13 of Children and Family Services is not required to
14 competitively procure those services and, notwithstanding
15 other provisions of law, may employ prospective payment
16 methodologies that the department finds are necessary to
17 improve client care or institute more efficient practices. The
18 Department of Children and Family Services may employ in its
19 contract any provision of the current Medicaid contract with
20 the prepaid plan or any other provision necessary to improve
21 quality, access, continuity, and price. Any contracts under
22 this strategy in Area 6 of the Agency for Health Care
23 Administration or in the Suncoast Region of the Department of
24 Children and Family Services may be entered with the existing
25 substance-abuse-treatment provider network if an
26 administrative services organization is part of its network.
27 The Department of Children and Family Services and the Agency
28 for Health Care Administration may employ alternative service
29 delivery and financing methodologies, which may include
30 prospective payment for certain population groups. These
31 population groups would include at a minimum: individuals and

1 families receiving family safety services; Medicaid-eligible
2 children, adolescents, and adults who are
3 substance-abuse-impaired; or current recipients and persons at
4 risk of needing cash assistance under Florida's welfare reform
5 initiatives.

6 (c) Under one service delivery strategy, the
7 Department of Children and Family Services and the Agency for
8 Health Care Administration shall competitively procure a
9 contract for the management of behavioral health services with
10 a managing entity. The Department of Children and Family
11 Services and the Agency for Health Care Administration may
12 purchase from the managing entity the management services
13 necessary to improve continuity of care and access to care,
14 contain costs, and improve quality of care.

15 (d) Under both strategies, the Department of Children
16 and Family Services and the Agency for Health Care
17 Administration may:

18 1. Establish benefit packages based on the level of
19 severity of illness and level of client functioning;

20 2. Align and integrate procedure codes, standards, or
21 other requirements if it is jointly determined that these
22 actions will simplify or improve client services and
23 efficiencies in service delivery;

24 3. Use prepaid per capita and prepaid aggregate
25 fixed-sum payment methodologies; and

26 4. Modify their current procedure codes to increase
27 clinical flexibility, encourage the use of the most-effective
28 interventions, and support rehabilitative activities.

29 (e) Under the strategy specified in paragraph (c), the
30 managing entity shall manage and coordinate all publicly
31 funded diagnostic or assessment services, acute care services,

1 rehabilitative services, support services, and continuing care
2 services for persons who meet the financial criteria specified
3 in part IV of chapter 394, Florida Statutes, for publicly
4 funded mental health and substance-abuse-treatment services.
5 The managing entity shall be solely accountable for a
6 geographic area and shall coordinate the emergency care
7 system. The managing entity may be a network of existing
8 providers with an administrative-services organization that
9 can function independently, may be an administrative-services
10 organization that is independent of local provider agencies,
11 or may be an entity of state or local government.

12 (f) The cost of the contract shall be shared through a
13 combination of funds from the Department of Children and
14 Family Services and the Agency for Health Care Administration.
15 To operate the managing entity, the Department of Children and
16 Family Services and the Agency for Health Care Administration
17 may not expend more than 10 percent of the annual
18 appropriations for mental health and substance-abuse-treatment
19 services prorated to the geographic areas and must include all
20 behavioral health Medicaid funds, including psychiatric
21 inpatient funds.

22 (g) Contracting and payment mechanisms for services
23 should promote flexibility and responsiveness and should allow
24 different categorical funds to be combined. The service array
25 should be determined by using needs assessment and
26 best-practice models.

27 (h) Medicaid reimbursement shall remain
28 fee-for-service and the mental health and
29 substance-abuse-treatment contracts under the Department of
30 Children and Family Services shall be based on unit service
31 costs until there has been sufficient experience with case-mix

1 analysis and service modeling to determine appropriate
2 prospective payment methodologies.
3 (4) GOALS.--The goal of the service delivery
4 strategies is to provide a design for an effective
5 coordination, integration, and management approach for
6 delivering effective behavioral health services to persons who
7 are experiencing a mental health or substance abuse crisis,
8 who have a disabling mental illness or substance abuse
9 disorder and will require extended services in order to
10 recover from their illness, or who need brief treatment or
11 supportive interventions to avoid a crisis or disability.
12 Other goals of the models include the following:
13 (a) Improve accountability for a local system of
14 behavioral health care services to meet performance outcomes
15 and standards.
16 (b) Assure continuity of care for all children,
17 adolescents, and adults who enter the publicly funded
18 behavioral health service system.
19 (c) Provide early diagnosis and treatment
20 interventions to enhance recovery and prevent hospitalization.
21 (d) Improve assessment of local needs for behavioral
22 health services.
23 (e) Improve the overall quality of behavioral health
24 care through the use of best-practice models.
25 (f) Demonstrate improved service integration between
26 behavioral health programs and other programs, such as
27 vocational rehabilitation, education, child welfare, primary
28 health care, emergency services, and criminal justice.
29 (g) Provide for additional testing of creative and
30 flexible strategies for financing behavioral health services
31 to enhance individualized treatment and support services.

1 (h) Control the costs of services without sacrificing
2 quality of care.

3 (i) Coordinate the admissions and discharges from
4 state mental health hospitals and residential treatment
5 centers.

6 (j) Improve the integration, accessibility, and
7 dissemination of behavioral health data for planning and
8 monitoring purposes.

9 (k) Promote specialized behavioral health services to
10 residents of assisted living facilities.

11 (5) ESSENTIAL ELEMENTS.--

12 (a) The managing entity must demonstrate the ability
13 of its network of providers to comply with the pertinent
14 provisions of chapters 394 and 397, Florida Statutes, and to
15 assure the provision of comprehensive behavioral health
16 services. The network of providers shall include, but is not
17 limited to, mental health centers, substance-abuse-treatment
18 providers, hospitals, licensed physicians, licensed
19 psychiatric nurses, and mental health professionals licensed
20 under chapter 490 or chapter 491, Florida Statutes. A
21 behavioral health client served by the network under the
22 service delivery strategies may reside in his or her own home
23 or in settings including, but not limited to, assisted living
24 facilities, skilled nursing facilities, foster homes, or group
25 homes.

26 (b) The target population to be enrolled in the
27 service delivery strategies must include children,
28 adolescents, and adults who fall into the following
29 categories:

30 1. Adults in mental health crisis;

31 2. Older adults in crisis;

- 1 3. Adults with serious and persistent mental illness;
2 4. Adults with substance-abuse problems;
3 5. Adults with forensic involvement;
4 6. Older adults with severe and persistent mental
5 illness;
6 7. Older adults with substance-abuse problems;
7 8. Children and adolescents with serious emotional
8 disturbances as defined in section 394.492(6), Florida
9 Statutes;
10 9. Children with substance-abuse problems as defined
11 in section 397.93(2), Florida Statutes;
12 10. Children and adolescents in state custody pursuant
13 to chapter 39, Florida Statutes; and
14 11. Children and adolescents in residential commitment
15 programs of the Department of Juvenile Justice pursuant to
16 chapter 985, Florida Statutes.
17 (c) The service delivery strategies must include a
18 continuing care system for persons whose clinical and
19 functional status indicates the need for these services. These
20 persons will be eligible for a range of treatment,
21 rehabilitative, and support services until they no longer need
22 the services to maintain or improve their level of
23 functioning. Given the long-term nature of some mental and
24 addictive disorders, continuing care services should be
25 sensitive to the variable needs of individuals across time and
26 shall be designed to help assure easy access for persons with
27 these long-term problems. The Department of Children and
28 Family Services shall develop criteria for the continuing care
29 program for behavioral health services.
30 (d) A local body or group must be identified by the
31 district administrator to serve in an advisory capacity to the

1 behavioral health service delivery strategy and must include
2 representatives of the local school system, the judicial
3 system, county government, public and private Baker Act
4 receiving facilities, and law enforcement agencies; a consumer
5 of the public behavioral health care system; and a family
6 member of a consumer of the publicly funded system. This
7 advisory body may be the community alliance established under
8 section 20.19(6), Florida Statutes, or any other suitable
9 established local group.

10 (e) The managing entity shall ensure that written
11 cooperative agreements are developed among the judicial
12 system, the criminal justice system, and the local behavioral
13 health providers in the geographic area which define
14 strategies and alternatives for diverting, from the criminal
15 justice system to the civil system as provided under Part I of
16 chapter 394, Florida Statutes, or chapter 397, Florida
17 Statutes, persons with behavioral health problems who are
18 arrested for a misdemeanor. These agreements must also address
19 the provision of appropriate services to persons with
20 behavioral health problems who leave the criminal justice
21 system.

22 (f) Managing entities must submit data to the
23 Department of Children and Family Services and the Agency for
24 Health Care Administration on the use of services and the
25 outcomes for all enrolled clients. Managing entities must meet
26 performance expectations related to:

27 1. The rate at which individuals in the community
28 receive services, including persons who receive follow-up care
29 after emergencies.

30 2. Clinical improvement of individuals served,
31 clinically and functionally.

1 3. Reduction of jail admissions.
2 4. Consumer and family satisfaction.
3 5. Satisfaction of key community constituents such as
4 law enforcement agencies, juvenile justice agencies, the
5 courts, the schools, local government entities, and others as
6 appropriate for the locality.
7 (g) The Agency for Health Care Administration may
8 certify match or may seek federal waivers that are necessary
9 to implement the behavioral health service delivery
10 strategies.
11 (h)1. The Department of Children and Family Services,
12 in consultation with the Agency for Health Care
13 Administration, shall prepare an amendment by October 31,
14 2001, to the 2001 master state plan required under section
15 394.75(1), Florida Statutes, which describes each service
16 delivery strategy, including at least the following details:
17 a. Operational design;
18 b. Counties or service districts included in each
19 strategy;
20 c. Expected outcomes; and
21 d. Timeframes.
22 2. The amendment shall specifically address the
23 application of each service delivery strategy to
24 substance-abuse services including:
25 a. The development of substance-abuse-service
26 protocols;
27 b. Credentialing requirements for substance-abuse
28 services; and
29 c. The development of new service models for
30 individuals with co-occurring mental health and
31 substance-abuse disorders.

1 (6) MONITORING AND EVALUATION.--The Department of
2 Children and Family Services and the Agency for Health Care
3 Administration shall provide routine monitoring and oversight
4 of and technical assistance to the service delivery
5 strategies. The Department of Children and Family Services
6 shall contract with an independent entity to conduct a
7 formative evaluation of each strategy to identify the most
8 effective methods and techniques used to manage, integrate,
9 and deliver publicly funded behavioral health services. The
10 entity conducting the evaluation shall report to the
11 Department of Children and Family Services, the Agency for
12 Health Care Administration, the Executive Office of the
13 Governor, and the Legislature every 12 months regarding the
14 status of the implementation of the service delivery
15 strategies. The report must include a summary of activities
16 that have occurred during the past 12 months of implementation
17 and any problems or obstacles that prevented, or may prevent
18 in the future, the managing entity from achieving performance
19 goals and measures. The first status report is due January 1,
20 2002. After the service delivery strategies have been
21 operational for 1 year, the status report must include an
22 analysis of administrative costs and the status of the
23 achievement of performance outcomes. Upon receiving the annual
24 report from the evaluator, the Department of Children and
25 Family Services and the Agency for Health Care Administration
26 shall jointly make any recommendations to the Executive Office
27 of the Governor regarding changes in the service delivery
28 strategies or in the implementation of the strategies,
29 including timeframes. The Executive Office of the Governor
30 shall consult with the appropriate legislative committees
31 prior to making changes in the design of the strategies or

1 prior to implementing the strategies in other geographic
2 areas. If the Executive Office of the Governor makes no
3 recommendation to implement the service delivery strategies in
4 other areas of the state after the strategies have operated
5 for 3 years, the strategies will cease. The Executive Office
6 of the Governor shall then submit a final report to the
7 Legislature which details the reasons for terminating the
8 strategies.

9 Section 2. Behavioral Health Services Integration
10 Workgroup.--

11 (1) The Secretary of the Department of Children and
12 Family Services shall establish the Behavioral Health Services
13 Integration Workgroup, which, at a minimum, shall include
14 representatives from the following: Department of Juvenile
15 Justice, the Department of Corrections, and the Department of
16 Education; the Office of Drug Control Policy; the Agency for
17 Health Care Administration; and county jails, homeless
18 coalitions, county government, providers of behavioral health
19 services, public and private Baker Act receiving facilities,
20 an assisted living facility serving behavioral health clients,
21 and consumers of behavioral health services and their
22 families. The Behavioral Health Services Integration
23 Workgroup shall assess barriers to the effective and efficient
24 integration of mental health and substance-abuse-treatment
25 services across various systems, propose solutions to these
26 barriers, and ensure that plans for mental health and
27 substance-abuse-treatment services which are required by
28 statute consider these solutions. Under chapter 216, Florida
29 Statutes, the Department of Children and Family Services may
30 transfer up to \$200,000 to support the Behavioral Health
31 Services Integration Workgroup.

1 (2) The Behavioral Health Services Integration
2 Workgroup shall submit a report to the Governor, the President
3 of the Senate, and the Speaker of the House of Representatives
4 by January 1, 2002, regarding the Workgroup's progress toward
5 achieving the goals specified in subsection (1).

6 Section 3. This act shall take effect upon becoming a
7 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1258

4
5 Allows the Department of Children and Family Services to
6 contract with an existing substance abuse provider network
7 under the service delivery strategy operating pursuant to s.
8 409.912, F.S., if an administrative services organization
9 exists as part of its network and also allows the Department
10 of Children and Family Services and the Agency for Health Care
11 Administration to employ alternative service delivery and
12 financing methodologies under that arrangement to include
13 prospective payment for certain population groups.

14 Specifies that the payment methods specified for the service
15 delivery strategy operating pursuant to s. 409.912, F.S., may
16 be used under both service delivery strategies.

17 Specifies that fee for service reimbursement and unit cost
18 contracting will continue until there has been sufficient
19 experience with other payment methodologies.

20 Adds a goal for the service delivery strategies that includes
21 promoting specialized behavioral health services to residents
22 of assisted living facilities.

23 States that the network of providers must include but is not
24 limited to hospitals, mental health centers, substance abuse
25 providers, licensed physicians, licensed psychiatric nurses,
26 and mental health professionals licensed under chapter 490,
27 F.S., or chapter 491, F.S.

28 States that a behavioral health client served by the network
29 under the service delivery strategies may reside at home or in
30 settings such as assisted living facilities, skilled nursing
31 facilities, group homes, and foster homes.

Specifies that representatives of public and private Baker Act
receiving facilities will be included in the local advisory
group to the Department of Children and Family Services and
the Agency for Health Care Administration on the service
delivery strategies.

Adds substance abuse services to the written cooperative
agreements developed in local communities among the judicial
system, the criminal justice system, and the local behavioral
health providers that define strategies and alternatives for
diverting behavioral health clients who are arrested for
misdemeanors from the criminal justice system to the
behavioral health treatment systems.

Allows the Agency for Health Care Administration to certify
funds for matching federal Medicaid funds.

Specifies that the amendment to the master state plan due to
the Legislature by October 31, 2001, must include the
development of substance abuse service protocols,
credentialing requirements for substance abuse services, and
development of new service models for persons with

1 co-occurring mental health and substance abuse disorders.
2 Removes the Behavioral Health Policy Council and establishes
3 the Behavioral Health Services Integration Workgroup to assess
4 barriers to the effective and efficient integration of mental
5 health and substance abuse treatment services across various
6 systems and to propose solutions to these barriers and report
7 to the Governor and the Legislature January 1, 2002, regarding
8 the Workgroup's progress.
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