

STORAGE NAME: h0421a.elt.doc
DATE: March 21, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
ELDER & LONG TERM CARE
ANALYSIS**

BILL #: HB 421

RELATING TO: Mental Health

SPONSOR(S): Representative(s) Bean & others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) ELDER & LONG TERM CARE YEAS 11 NAYS 0
 - (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
 - (3) FISCAL POLICY AND RESOURCES
 - (4) COUNCIL FOR HEALTHY COMMUNITIES
 - (5)
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I. SUMMARY:

HB 421 establishes a client-directed and choice-based pilot project in the Department of Children and Family Services District 4 mental health program. This project is designed to provide mental health treatment and support services to adults who have a serious mental illness allowing the client to control the public mental health funds allotted for his/her treatment and to directly purchase the services from the vendor of choice. The bill specifies that an evaluation be conducted by an independent entity to assess key provisions of the project. The pilot project expires July 1, 2004, and includes an appropriation of \$940,000 in general revenue to the Department of Children and Family Services for FY 2001-2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The public community mental health system is funded through a variety of sources including federal block grants, state general revenue, Medicaid Title XIX and Title XXI, local county government, and client fees. State and federal funds are appropriated by the Legislature each year and are designated under specific categories of services. The Department of Children and Family Services (the department) is authorized under s. 394.74, F.S., to contract with "any hospital, clinic, laboratory, institution, or other appropriate mental health service provider" when funds are available. Persons needing publicly funded mental health services may chose one of the service providers in their community that is under contract with the department or is an approved Medicaid provider under the Agency for Health Care Administration. Also, persons must meet certain requirements for services under Medicaid Title XIX, Title XXI, or requirements specified in s. 394.674, F.S. The Mental Health Program Office in the department estimates that based on current law, Florida's publicly funded mental health system is currently meeting approximately 21 percent of the treatment needs of children and adolescents and 12 percent of the treatment needs of adults.

The Florida Commission on Mental Health and Substance Abuse recommends in their January 2001 Final Report that the department promote mental health care policies that increase consumer choice. The Commission recommends the establishment of a pilot project such as the self-directed care model and that the model be evaluated in order to identify creative mental health programs and other consumer-run program alternatives.

The 1999 Legislature directed the department's Developmental Services Program to establish a consumer-directed, choice-based system in one to three sites to test a payment model in which the consumer controls the money that is available for his or her care. Districts 1, 2 (five counties), and 4 were selected as implementation sites. A status report on the implementation of those models was submitted to the Legislature by the department on December 1, 2000. The status report states that the projects are operational and project objectives are being met based on "informal feedback, anecdotal evidence, and an initial analysis of individuals' purchasing." A complete evaluation of those models is due to the Legislature in December 2002.

The key components of client-directed care include care coordination, client involvement in treatment goals and plans, individualized services, and a strong provider network. Other states have used certain of these concepts in designing successful community-based systems of care for children with serious mental health problems. Wraparound Milwaukee is one example of an integrated, multiservice approach

for adolescents with mental health problems. This program was successful in serving delinquent and nondelinquent youth placed in residential treatment centers. Within 90 days of using a client-directed approach to treatment, Wraparound Milwaukee returned 17 of the 25 identified youth with complex mental health problems to the community in either foster homes or with their families.

C. EFFECT OF PROPOSED CHANGES:

HB 421 establishes a mental health client-directed and choice-based pilot project in District 4 of the Department of Children and Family Services to provide mental health treatment and support services to adults who have a serious mental illness. This project will allow the client to control the public mental health funds allotted for his or her treatment and to directly purchase the services from the vendor of choice.

The bill specifies that an evaluation shall be conducted by an independent entity to assess the following areas: criteria for selecting eligible participants, duties of the care coordinator, accessibility and quality of services provided to the participants, the degree to which the client participates in treatment plan development, achievement of treatment goals and outcome measure, demonstrated improvements or cost savings, monitoring and oversight by the Department of Children and Family Services and the Agency for Health Care Administration, and the assistance of the local advisory group in the design and implementation of the project.

A report is required to the appropriate legislative committees by December 1, 2002, and December 1, 2003, concerning the progress of the pilot projects.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

According to the department's District 4 mental health staff, new funds are needed for the pilot because there are insufficient state general revenue funds for adult community mental health services in District 4. HB 421 includes an appropriation of \$940,000 to serve 100 persons for \$9,000 per person per year. The department states that these costs are based upon existing service delivery costs and are consistent with similar programs in other states. The new general revenue funds would be recurring at least until the project expires at the end of FY 2003-04. .

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill would provide incentives to service providers to offer services that are appropriate and effective for adult mental health clients.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

This amendment reduces total funds appropriated from \$940,000 to \$470,000. It also appropriates funds from the Alcohol, Drug Abuse and Mental Health Trust Fund rather than from General Revenue.

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VII. SIGNATURES:

COMMITTEE ON ELDER & LONG TERM CARE:

Prepared by:

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Quinn Henderson

Tom Batchelor, Ph.D.