

Bill No. CS for SB 2404

Amendment No. ____ Barcode 064572

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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2	04/24/2003	.	
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11	Senator Lynn moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 2, line 28 through page 7, line 7, delete those		
15	lines,		
16			
17	and insert:		
18	Section 2. Section 394.655, Florida Statutes, is		
19	created to read:		
20	<u>394.655 The Substance Abuse and Mental Health Board;</u>		
21	<u>powers and duties; composition; evaluation and reporting</u>		
22	<u>requirements.--</u>		
23	<u>(1) It is the intent of the Legislature to provide</u>		
24	<u>substance abuse and mental health services that are</u>		
25	<u>coordinated and consistent throughout the state, that reflect</u>		
26	<u>the current state of knowledge regarding quality and</u>		
27	<u>effectiveness, and that are responsive to service recipients</u>		
28	<u>and the needs of communities in this state. In order to</u>		
29	<u>accomplish this intent, there is created a not-for-profit</u>		
30	<u>corporation, to be known as the "Florida Substance Abuse and</u>		
31	<u>Mental Health Board, Inc.," which shall be registered,</u>		

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1 incorporated, organized, and operated in compliance with
2 chapter 617 and which shall not be a unit or entity of state
3 government. The Florida Substance Abuse and Mental Health
4 Board, hereafter referred to as "the board," shall be
5 administratively housed within the Department of Children and
6 Family Services; however, the board shall not be subject to
7 control, supervision, or direction by the department or by any
8 other executive agency in any manner. As used in this section,
9 the term "department" means the Department of Children and
10 Family Services.

11 (2) The Legislature finds that public policy and the
12 State Constitution require that the board and any committees
13 it forms be subject to the provisions of chapter 119 relating
14 to public records and the provisions of chapter 286 relating
15 to public meetings.

16 (3)(a) Subject to and consistent with direction set by
17 the Legislature, the board shall exercise the following
18 responsibilities:

19 1. Require the collection and analysis of needs
20 assessment data as described in s. 394.82.

21 2. Monitor the status of the publicly funded mental
22 health and substance abuse systems and establish policy
23 designed to improve coordination and effectiveness.

24 3. Provide mechanisms for substance abuse and mental
25 health stakeholders, including consumers, family members,
26 providers, and advocates to provide input concerning the
27 management of the system.

28 4. Recommend priorities for service expansion to the
29 department and the Agency for Health Care Administration.

30 5. Prepare legislative budget requests that the
31 secretary shall submit to the Governor.

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1 6. Review performance data prepared by the department
2 and the Agency for Health Care Administration.

3 7. Make recommendations to the secretary concerning
4 strategies for improving the performance of the system.

5 8. Monitor and forecast substance abuse and mental
6 health manpower needs and work with the department and the
7 educational system to establish policies, consistent with the
8 direction of the Legislature, which will ensure that the state
9 has the personnel it needs to continuously implement and
10 improve its services.

11 (b) The board shall work with the department and the
12 Agency for Health Care Administration to assure, to the
13 maximum extent possible, that Medicaid and department-funded
14 services are delivered in a coordinated manner, using common
15 service definitions, standards, and accountability mechanisms.

16 (c) The board shall also work with other agencies of
17 state government which provide, purchase, or fund substance
18 abuse and mental health programs and services in order to work
19 toward fully developed and integrated, when appropriate,
20 substance abuse and mental health systems that reflect current
21 knowledge regarding efficacy and efficiency and use best
22 practices identified within this state or other states.

23 (d) The board shall develop memoranda of understanding
24 that describe how it will coordinate with other programmatic
25 areas within the department and with other state agencies that
26 deliver or purchase substance abuse or mental health services.

27 (4) The secretary of the department shall provide or
28 direct that any information requested by the board be provided
29 in a timely manner that allows for a reasonable review and
30 approval period by the board for items as set forth in
31 subsection (3) and specified in the contract provided for in

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1 subsection (5).

2 (5) The board and the department must enter into a
3 contract that requires the department to implement the
4 policies of the board and describes how the department will
5 respond to the board's requests for documents, reports, and
6 proposals needed by the board in order for it to carry out its
7 duties as described in paragraph (3)(a).

8 (6)(a) The board shall be comprised of 15 members,
9 each appointed to a 2-year term, with not more than three
10 subsequent reappointments, except that initial legislative
11 appointments shall be for 3-year terms. Five members shall be
12 appointed by the Governor, five members shall be appointed by
13 the President of the Senate, and five members shall be
14 appointed by the Speaker of the House of Representatives.

15 1. Of the five members appointed by the Governor, one
16 member must represent the perspective of community-based care
17 under chapter 409 and four members must be prominent community
18 or business leaders, two of whom must have experience and
19 interest in substance abuse and two of whom must have
20 experience and interest in mental health.

21 2. Of the five members appointed by the President of
22 the Senate, one member must be an expert in the field of
23 substance abuse, one member must be a former client or family
24 member of a client of a publicly funded mental health program,
25 one member must represent the perspective of the state's
26 senior population, and two members must be prominent community
27 or business leaders, one of whom must have experience and
28 interest in substance abuse and one of whom must have
29 experience and interest in mental health.

30 3. Of the five members appointed by the Speaker of the
31 House of Representatives, one member must be an expert in the

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1 field of mental health, one member must be a former client or
2 family member of a client of a publicly funded substance abuse
3 program, one member must represent the perspective of the
4 criminal justice system, and two members must be prominent
5 community or business leaders, one of whom must have
6 experience and interest in substance abuse and one of whom
7 must have experience and interest in mental health.

8
9 The Secretary of Children and Family Services, or his or her
10 designee, the Secretary of Health Care Administration, or his
11 or her designee, and a representative of local government
12 designated by the Florida Association of Counties shall serve
13 as ex officio members of the board.

14 (b) The board shall be chaired by a member designated
15 by the Governor who may not be a public sector employee.

16 (c) Persons who derive their income from resources
17 controlled by the Department of Children and Family Services
18 or the Agency for Health Care Administration may not be
19 members of the board.

20 (d) The Governor, the President of the Senate, and the
21 Speaker of the House of Representatives shall make their
22 respective appointments within 60 days after the effective
23 date of this act.

24 (e) A member of the board may be removed by the
25 appointing party for cause. Absence from three consecutive
26 meetings shall result in automatic removal. The chairperson of
27 the board shall notify the appointing party of such absences.

28 (f) The board shall develop by-laws that describe how
29 it will conduct its work.

30 (g) The board shall meet at least quarterly and at
31 other times upon the call of its chair. Board meetings may be

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1 held via teleconference or other electronic means.

2 (h) A majority of the total current membership of the
3 board constitutes a quorum of the board. The board may only
4 meet and take action when a quorum is present.

5 (i) Within resources appropriated by the Legislature
6 and other funds available to the corporation, the chairperson
7 of the board may appoint advisory committees to address and
8 advise the board on particular issues within its scope of
9 responsibility. Members of advisory committees are not subject
10 to the prohibition in paragraph (c).

11 (j) Members of the board and its committees shall
12 serve without compensation, but are entitled to reimbursement
13 for travel and per diem expenses pursuant to s. 112.061.

14 (k) Each member of the board who is not otherwise
15 required to file a financial disclosure statement pursuant to
16 s. 8, Art. II of the State Constitution or s. 112.3144 must
17 file disclosure of financial interests pursuant to s.
18 112.3145.

19 (7) The board may appoint four staff members,
20 including a programmatic analyst, a budget analyst, a contract
21 manager, and an administrative assistant. One staff member
22 shall be designated as staff supervisor. The staff members
23 shall be appointed by and serve at the pleasure of the board
24 and are employees of the corporation, not employees of the
25 state. Provision of other staff support required by the board
26 shall be provided by the department as negotiated in the
27 contract developed pursuant to subsection (5).

28 (8) The board must develop a budget request for its
29 operation and must submit the request to the Governor and the
30 Legislature pursuant to chapter 216 through the secretary of
31 the department, who may not modify the budget request before

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1 it is submitted or after the board's funding is appropriated
2 by the Legislature.

3 (9) The board shall provide for an annual financial
4 audit of its financial accounts and records by an independent
5 certified public accountant. The annual audit report shall
6 include a management letter in accordance with s. 11.45 and a
7 detailed supplemental schedule of expenditures for each
8 expenditure category. The annual audit report must be
9 submitted to the Governor, the department, and the Auditor
10 General for review.

11 (10) The board must annually evaluate and, in December
12 of each year, report to the Legislature and the Governor on
13 the status of the state's publicly funded substance abuse and
14 mental health systems. The board's first report must be
15 submitted in December, 2004. Each public sector agency that
16 delivers, or contracts for the provision of, substance abuse
17 or mental health services must cooperate with the board in the
18 development of this annual evaluation and report. As part of
19 the annual report, the board and department shall certify as
20 to whether the board and the department are complying with the
21 terms of the contract required in subsection (5) in a manner
22 that is consistent with the goals and purposes of the board
23 and in the best interest of the state.

24 (11) This section expires on October 1, 2006, unless
25 reviewed and reenacted by the Legislature before that date.
26 The Executive Office of the Governor shall procure an
27 independent evaluation of the effectiveness of the substance
28 abuse and mental health programs. The evaluation must include,
29 but need not be limited to, the operation of the board, the
30 organization of programs within the department, and the
31 contractual arrangement between parties in order to determine

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1 whether each program has been effective in carrying out its
2 mission, as defined in law, including how well the needs of
3 children and families in the child protection system have been
4 met, and in order to determine the cost effectiveness of or
5 any cost issues relating to the board and each program office.
6 A report that includes recommendations relating to the
7 continuation of the board and the organizational arrangement
8 of the programs must be submitted by the Executive Office of
9 the Governor, the President of the Senate, and the Speaker of
10 the House of Representatives by January 1, 2006.

11 Section 3. Present paragraph (c) of subsection (2) of
12 section 20.19, Florida Statutes, is redesignated as paragraph
13 (d), and a new paragraph (c) is added to that subsection, to
14 read:

15 20.19 Department of Children and Family
16 Services.--There is created a Department of Children and
17 Family Services.

18 (2) SECRETARY OF CHILDREN AND FAMILY SERVICES; DEPUTY
19 SECRETARY.--

20 (c)1. The secretary shall appoint an Assistant
21 Secretary for Substance Abuse and Mental Health from a list of
22 three recommendations submitted by the board established in s.
23 394.655. The assistant secretary shall serve at the pleasure
24 of the secretary with the concurrence of the board and must
25 have expertise in both areas of responsibility.

26 2. The secretary shall appoint a Program Director for
27 Substance Abuse and a Program Director for Mental Health who
28 have the requisite expertise and experience in their
29 respective fields to head the state's substance abuse and
30 mental health programs.

31 a. Each program director shall have line authority

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1 over all district substance abuse and mental health program
2 management staff.

3 b. The assistant secretary shall enter into a
4 memorandum of understanding with each district or region
5 administrator, which must be approved by the secretary or the
6 secretary's designee, describing the working relationships
7 within each geographic area.

8 c. The mental health institutions shall report to the
9 Program Director for Mental Health.

10 d. Each program director shall have direct control
11 over the program's budget and contracts for services. Support
12 staff necessary to manage budget and contracting functions
13 within the department shall be placed under the supervision of
14 the program directors.

15 Section 4. Subsection (2) of section 394.74, Florida
16 Statutes, is amended to read:

17 394.74 Contracts for provision of local substance
18 abuse and mental health programs.--

19 (2)(a) Contracts for service shall be consistent with
20 the approved district plan.

21 (b) Notwithstanding s. 394.76(3)(a) and (c), the
22 department may use unit cost methods of payment in contracts
23 for purchasing mental health and substance abuse services. The
24 unit cost contracting system must account for those patient
25 fees that are paid on behalf of a specific client and those
26 that are earned and used by the provider for those services
27 funded in whole or in part by the department. The department
28 is authorized to implement through administrative rule
29 fee-for-service, prepaid case rate, and prepaid capitation
30 contract methodologies to purchase mental health and substance
31 abuse services. Fee-for-service, prepaid case rate, or

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1 prepaid capitation mechanisms shall not be implemented
2 statewide without the elimination of the unit cost method of
3 payment. Notwithstanding the provisions of s. 394.76(3), the
4 department may adopt administrative rules that account for
5 local match in a manner that is consistent with
6 fee-for-service, prepaid case rate, and prepaid capitated
7 payment methodologies. Such provisions may not result in a
8 change of the ratio of state-to-local matching resources or in
9 the sources of local matching funds and may not increase the
10 amount of required local matching funds. It is the intent of
11 the Legislature that the provisions to account for local match
12 be consistent with the financial principles adopted for the
13 payment of state funds.

14 (c) The department may reimburse actual expenditures
15 for startup contracts and fixed capital outlay contracts in
16 accordance with contract specifications.

17 Section 5. Section 394.741, Florida Statutes, is
18 amended to read:

19 394.741 Accreditation requirements for providers of
20 behavioral health care services.--

21 (1) As used in this section, the term "behavioral
22 health care services" means mental health and substance abuse
23 treatment services.

24 (2) Notwithstanding any provision of law to the
25 contrary, accreditation shall be accepted by the agency and
26 department in lieu of the agency's and department's facility
27 licensure onsite review requirements and shall be accepted as
28 a substitute for the department's administrative and program
29 monitoring requirements, except as required by subsections (3)
30 and (4), for:

31 (a) Any organization from which the department

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1 purchases behavioral health care services that is accredited
2 by the Joint Commission on Accreditation of Healthcare
3 Organizations or the Council on Accreditation for Children and
4 Family Services, or has those services that are being
5 purchased by the department accredited by CARF--the
6 Rehabilitation Accreditation Commission.

7 (b) Any mental health facility licensed by the agency
8 or any substance abuse component licensed by the department
9 that is accredited by the Joint Commission on Accreditation of
10 Healthcare Organizations, CARF--the Rehabilitation
11 Accreditation Commission, or the Council on Accreditation of
12 Children and Family Services.

13 (c) Any network of providers from which the department
14 or the agency purchases behavioral health care services
15 accredited by the Joint Commission on Accreditation of
16 Healthcare Organizations, CARF--the Rehabilitation
17 Accreditation Commission, the Council on Accreditation of
18 Children and Family Services, or the National Committee for
19 Quality Assurance. A provider organization, which is part of
20 an accredited network, is afforded the same rights under this
21 part.

22 (3) For organizations accredited as set forth in
23 subsection (2). Before the department or the agency conducts
24 additional monitoring for mental health services, the
25 department and the agency must adopt rules ~~mental health~~
26 ~~services, the department and the agency may adopt rules that~~
27 establish:

28 (a) Additional standards for monitoring and licensing
29 accredited programs and facilities that the department and the
30 agency have determined are not specifically and distinctly
31 covered by the accreditation standards and processes. These

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1 standards and the associated monitoring must not duplicate the
2 standards and processes already covered by the accrediting
3 bodies.

4 (b) An onsite monitoring process between 24 months and
5 36 months after accreditation for nonresidential facilities to
6 assure that accredited organizations exempt from licensing and
7 monitoring activities under this part continue to comply with
8 critical standards.

9 (c) An onsite monitoring process between 12 months and
10 24 months after accreditation for residential facilities to
11 assure that accredited organizations exempt from licensing and
12 monitoring activities under this part continue to comply with
13 critical standards.

14 (4) For substance abuse services, the department shall
15 conduct full licensure inspections every 3 years and shall
16 develop in rule criteria which would justify more frequent
17 inspections.

18 (5) The department and the agency shall be given
19 access to all accreditation reports, corrective action plans,
20 and performance data submitted to the accrediting
21 organizations. When major deficiencies, as defined by the
22 accrediting organization, are identified through the
23 accreditation process, the department and the agency may
24 perform followup monitoring to assure that such deficiencies
25 are corrected and that the corrections are sustained over
26 time. Proof of compliance with fire and health safety
27 standards will be submitted as required by rule.

28 (6) The department or agency, by accepting the survey
29 or inspection of an accrediting organization, does not forfeit
30 its rights to monitor for the purpose of ensuring that
31 services for which the department has paid were provided. The

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1 department may investigate complaints or suspected problems
2 and to monitor the provider's compliance with negotiated terms
3 and conditions, including provisions relating to consent
4 decrees, which are unique to a specific contract and are not
5 statements of general applicability. The department may
6 monitor compliance with federal and state statutes, federal
7 regulations, or state administrative rules, if such monitoring
8 does not duplicate the review of accreditation standards or
9 independent audits pursuant to subsections (3) and (8).
10 ~~perform inspections at any time, including contract monitoring~~
11 ~~to ensure that deliverables are provided in accordance with~~
12 ~~the contract.~~

13 (7) For purposes of licensure and monitoring of
14 facilities under contract with the department, the department
15 shall rely only upon properly adopted and applicable federal
16 and state statutes and rules.

17 (8) The department shall file a State Projects
18 Compliance Supplement pursuant to s. 215.97 for behavioral
19 health care services. In monitoring the financial operations
20 of its contractors, the department shall rely upon certified
21 public accountant audits, if required. The department shall
22 perform a desk review of its contractor's most recent
23 independent audit and may conduct onsite monitoring only of
24 problems identified by these audits, or by other sources of
25 information documenting problems with contractor's financial
26 management. Certified public accountants employed by the
27 department may conduct an on-site test of the validity of a
28 contractor's independent audit every third year.

29 ~~(9)(7)~~ The department and the agency shall report to
30 the Legislature by January 1, 2003, on the viability of
31 mandating all organizations under contract with the department

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1 for the provision of behavioral health care services, or
2 licensed by the agency or department to be accredited. The
3 department and the agency shall also report to the Legislature
4 by January 1, 2003, on the viability of privatizing all
5 licensure and monitoring functions through an accrediting
6 organization.

7 ~~(10)(8)~~ The accreditation requirements of this section
8 shall apply to contracted organizations that are already
9 accredited immediately upon becoming law.

10 Section 6. Paragraphs (a) and (d) of subsection (4)
11 and subsection (5) of section 394.9082, Florida Statutes, are
12 amended, present subsection (8) of that section is renumbered
13 as subsection (9) and amended, and a new subsection (8) is
14 added to that section, to read:

15 394.9082 Behavioral health service delivery
16 strategies.--

17 (4) CONTRACT FOR SERVICES.--

18 (a) The Department of Children and Family Services and
19 the Agency for Health Care Administration may contract for the
20 provision or management of behavioral health services with a
21 managing entity in at least two geographic areas. Both the
22 Department of Children and Family Services and the Agency for
23 Health Care Administration must contract with the same
24 managing entity in any distinct geographic area where the
25 strategy operates. This managing entity shall be accountable
26 at a minimum for the delivery of behavioral health services
27 specified and funded by the department and the agency ~~for~~
28 ~~children, adolescents, and adults~~. The geographic area must be
29 of sufficient size in population and have enough public funds
30 for behavioral health services to allow for flexibility and
31 maximum efficiency. Notwithstanding the provisions of s.

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1 409.912(3)(b)1. and 2., at least one service delivery strategy
 2 must be in one of the service districts in the catchment area
 3 of G. Pierce Wood Memorial Hospital.

4 (d) Under both strategies, the Department of Children
 5 and Family Services and the Agency for Health Care
 6 Administration may:

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

9 2. Align and integrate procedure codes, standards, or
 10 other requirements if it is jointly determined that these
 11 actions will simplify or improve client services and
 12 efficiencies in service delivery;

13 3. Use prepaid per capita and prepaid aggregate
 14 fixed-sum payment methodologies; ~~and~~

15 4. Modify their current procedure codes to increase
 16 clinical flexibility, encourage the use of the most effective
 17 interventions, and support rehabilitative activities; ~~and~~.

18 5. Establish or develop data management and reporting
 19 systems that promote efficient use of data by the service
 20 delivery system. Data management and reporting systems must
 21 address the management and clinical care needs of the service
 22 providers and managing entities and provide information needed
 23 by the department for required state and federal reporting. In
 24 order to develop and test the application of new data systems,
 25 a strategy implementation area is not required to provide
 26 information that matches all current statewide reporting
 27 requirements if the strategy's data systems include client
 28 demographic, admission, discharge, enrollment, service events,
 29 performance outcome information, and functional assessment.

30 (5) STATEWIDE ACTIONS.--~~If Medicaid appropriations for~~
 31 ~~Community Mental Health Services or Mental Health Targeted~~

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1 ~~Case Management are reduced in fiscal year 2001-2002, The~~
2 agency and the department shall jointly develop and implement
3 strategies that reduce service costs in a manner that
4 mitigates the impact on persons in need of those services. The
5 agency and department may employ any methodologies on a
6 regional or statewide basis necessary to achieve the
7 reduction, including but not limited to use of case rates,
8 prepaid per capita contracts, utilization management, expanded
9 use of care management, use of waivers from the Centers for
10 Medicare and Medicaid Services Health Care Financing
11 Administration to maximize federal matching of current local
12 and state funding, modification or creation of additional
13 procedure codes, and certification of match or other
14 management techniques. The department may contract with a
15 single managing entity or provider network that shall be
16 responsible for delivering state-funded mental health and
17 substance-abuse services. The managing entity shall coordinate
18 its delivery of mental-health and substance-abuse services
19 with all prepaid mental health plans in the region or the
20 district. The department may include in its contract with the
21 managing entity data-management and data-reporting
22 requirements, clinical program management, and administrative
23 functions. Before the department contracts for these functions
24 with the provider network, the department shall determine that
25 the entity has the capacity and capability to assume these
26 functions. The roles and responsibilities of each party must
27 be clearly delineated in the contract.

28 (8) EXPANSION IN DISTRICTS 4 AND 12.--The department
29 shall work with community agencies to establish a single
30 managing entity for districts 4 and 12 accountable for the
31 delivery of substance abuse services to child protective

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1 services recipients in the two districts. The purpose of this
2 strategy is to enhance the coordination of substance abuse
3 services with community-based care agencies and the
4 department. The department shall work with affected
5 stakeholders to develop and implement a plan that allows the
6 phase-in of services beginning with the delivery of substance
7 abuse services, with phase-in of subsequent substance abuse
8 services agreed upon by the managing entity and authorized by
9 the department, providing the necessary technical assistance
10 to assure provider and district readiness for implementation.
11 When a single managing entity is established and meets
12 readiness requirements, the department may enter into a
13 noncompetitive contract with the entity. The department shall
14 maintain detailed information on the methodology used for
15 selection and a justification for the selection. Performance
16 objectives shall be developed which ensure that services that
17 are delivered directly affect and complement the child's
18 permanency plan. During the initial planning and
19 implementation phase of this project, the requirements in
20 subsections (6) and (7) are waived. Considering the critical
21 substance abuse problems experienced by many families in the
22 child protection system, the department shall initiate the
23 implementation of the substance abuse delivery component of
24 this program without delay and furnish status reports to the
25 appropriate substantive committees of the Senate and the House
26 of Representatives no later than February 29, 2004, and
27 February 28, 2005. The integration of all services agreed upon
28 by the managing entity and authorized by the department must
29 be completed within 2 years after project initiation. Ongoing
30 monitoring and evaluation of this strategy shall be conducted
31 in accordance with subsection (9).

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1 ~~(9)~~⁽⁸⁾ 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 managing entities. The
5 Louis de la Parte Florida Mental Health Institute shall
6 conduct an ongoing formative evaluation of each strategy to
7 identify the most effective methods and techniques used to
8 manage, integrate, and deliver behavioral health services. The
9 entity conducting the evaluation shall report to the
10 Department of Children and Family Services, the Agency for
11 Health Care Administration, the Executive Office of the
12 Governor, and the Legislature every 12 months regarding the
13 status of the implementation of the service delivery
14 strategies. The report must include a summary of activities
15 that have occurred during the past 12 months of implementation
16 and any problems or obstacles that have in the past, or may in
17 the future, prevent ~~prevented, or may prevent in the future,~~
18 the managing entity from achieving performance goals ~~and~~
19 ~~measures~~. The first status report is due January 1, 2002.
20 After the service delivery strategies have been operational
21 for 1 year, the status report must include an analysis of
22 administrative costs and the status of the achievement of
23 performance outcomes. By December 31, 2006, the Louis de la
24 Parte Florida Mental Health Institute, as a part of the
25 ongoing formative evaluation of each strategy, must conduct a
26 study of the strategies established in Districts 1, 8, 4, and
27 12 under this section, and must include an assessment of best
28 practice models in other states. The study must address
29 programmatic outcomes that include, but are not limited to,
30 timeliness of service delivery, effectiveness of treatment
31 services, cost-effectiveness of selected models, and customer

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1 satisfaction with services. Based upon the results of this
2 study, the department and the Agency for Health Care
3 Administration, in consultation with the managing entities,
4 must provide a report to the Executive Office of the Governor,
5 the President of the Senate, and the Speaker of the House of
6 Representatives. This report must contain recommendations for
7 the statewide implementation of successful strategies,
8 including any modifications to the strategies, the
9 identification and prioritization of strategies to be
10 implemented, and timeframes for statewide completion that
11 include target dates to complete milestones as well as a date
12 for full statewide implementation. Upon receiving the annual
13 report from the evaluator, the Department of Children and
14 Family Services and the Agency for Health Care Administration
15 shall jointly make any recommendations to the Executive Office
16 of the Governor regarding changes in the service delivery
17 strategies or in the implementation of the strategies,
18 including timeframes.

19 Section 7. Present subsections (1), (2), and (3) of
20 section 409.912, Florida Statutes, are redesignated as
21 subsections (2), (3), and (4), respectively, and a new
22 subsection (1) is added to that section, present subsection
23 (3) of that section is amended, present subsections (4)
24 through (40) are redesignated as subsections (6) through (42),
25 respectively, and a new subsection (5) is added to that
26 section to read:

27 409.912 Cost-effective purchasing of health care.--The
28 agency shall purchase goods and services for Medicaid
29 recipients in the most cost-effective manner consistent with
30 the delivery of quality medical care. The agency shall
31 maximize the use of prepaid per capita and prepaid aggregate

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1 fixed-sum basis services when appropriate and other
2 alternative service delivery and reimbursement methodologies,
3 including competitive bidding pursuant to s. 287.057, designed
4 to facilitate the cost-effective purchase of a case-managed
5 continuum of care. The agency shall also require providers to
6 minimize the exposure of recipients to the need for acute
7 inpatient, custodial, and other institutional care and the
8 inappropriate or unnecessary use of high-cost services. The
9 agency may establish prior authorization requirements for
10 certain populations of Medicaid beneficiaries, certain drug
11 classes, or particular drugs to prevent fraud, abuse, overuse,
12 and possible dangerous drug interactions. The Pharmaceutical
13 and Therapeutics Committee shall make recommendations to the
14 agency on drugs for which prior authorization is required. The
15 agency shall inform the Pharmaceutical and Therapeutics
16 Committee of its decisions regarding drugs subject to prior
17 authorization.

18 (1) The agency shall work with the Department of
19 Children and Family Services to ensure access of children and
20 families in the child protection system to needed and
21 appropriate mental health and substance abuse services.

22 ~~(4)(3)~~ The agency may contract with:

23 (a) An entity that provides no prepaid health care
24 services other than Medicaid services under contract with the
25 agency and which is owned and operated by a county, county
26 health department, or county-owned and operated hospital to
27 provide health care services on a prepaid or fixed-sum basis
28 to recipients, which entity may provide such prepaid services
29 either directly or through arrangements with other providers.
30 Such prepaid health care services entities must be licensed
31 under parts I and III by January 1, 1998, and until then are

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1 exempt from the provisions of part I of chapter 641. An entity
2 recognized under this paragraph which demonstrates to the
3 satisfaction of the Department of Insurance that it is backed
4 by the full faith and credit of the county in which it is
5 located may be exempted from s. 641.225.

6 (b) An entity that is providing comprehensive
7 behavioral health care services to certain Medicaid recipients
8 through a capitated, prepaid arrangement pursuant to the
9 federal waiver provided for by s. 409.905(5). Such an entity
10 must be licensed under chapter 624, chapter 636, or chapter
11 641 and must possess the clinical systems and operational
12 competence to manage risk and provide comprehensive behavioral
13 health care to Medicaid recipients. As used in this paragraph,
14 the term "comprehensive behavioral health care services" means
15 covered mental health and substance abuse treatment services
16 that are available to Medicaid recipients. The secretary of
17 the Department of Children and Family Services shall approve
18 provisions of procurements related to children in the
19 department's care or custody prior to enrolling such children
20 in a prepaid behavioral health plan. Any contract awarded
21 under this paragraph must be competitively procured. In
22 developing the behavioral health care prepaid plan procurement
23 document, the agency shall ensure that the procurement
24 document requires the contractor to develop and implement a
25 plan to ensure compliance with s. 394.4574 related to services
26 provided to residents of licensed assisted living facilities
27 that hold a limited mental health license. The agency shall
28 seek federal approval to contract with a single entity meeting
29 these requirements to provide comprehensive behavioral health
30 care services to all Medicaid recipients in an AHCA area. Each
31 entity must offer sufficient choice of providers in its

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1 network to ensure recipient access to care and the opportunity
2 to select a provider with whom they are satisfied. The agency
3 ~~must ensure that Medicaid recipients have available the choice~~
4 ~~of at least two managed care plans for their behavioral health~~
5 ~~care services.~~ To ensure unimpaired access to behavioral
6 health care services by Medicaid recipients, all contracts
7 issued pursuant to this paragraph shall require 80 percent of
8 the capitation paid to the managed care plan, including health
9 maintenance organizations, to be expended for the provision of
10 behavioral health care services. In the event the managed care
11 plan expends less than 80 percent of the capitation paid
12 pursuant to this paragraph for the provision of behavioral
13 health care services, the difference shall be returned to the
14 agency. The agency shall provide the managed care plan with a
15 certification letter indicating the amount of capitation paid
16 during each calendar year for the provision of behavioral
17 health care services pursuant to this section. The agency may
18 reimburse for substance-abuse-treatment services on a
19 fee-for-service basis until the agency finds that adequate
20 funds are available for capitated, prepaid arrangements.

21 1. By January 1, 2001, the agency shall modify the
22 contracts with the entities providing comprehensive inpatient
23 and outpatient mental health care services to Medicaid
24 recipients in Hillsborough, Highlands, Hardee, Manatee, and
25 Polk Counties, to include substance-abuse-treatment services.

26 2. By July 1, 2003, the agency and the Department of
27 Children and Family Services shall execute a written agreement
28 that requires collaboration and joint development of all
29 policy, budgets, procurement documents, contracts, and
30 monitoring plans that have an impact on the state and Medicaid
31 community mental health and targeted case management programs.

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1 3. By July 1, 2006, the agency and the Department of
2 Children and Family Services shall contract with managed care
3 entities in each AHCA area or arrange to provide comprehensive
4 inpatient and outpatient mental health and substance abuse
5 services through capitated pre-paid arrangements to all
6 Medicaid recipients for whom such plans are allowable under
7 federal law and regulation. In AHCA areas where eligible
8 individuals number less than 150,000, the agency shall
9 contract with a single managed care plan. The agency may
10 contract with more than one plan in AHCA areas where the
11 eligible population exceeds 150,000. Contracts awarded
12 pursuant to this section shall be competitively procured. Both
13 for-profit and not-for-profit corporations shall be eligible
14 to compete.

15 4. By October 1, 2003, the agency and the department
16 shall submit a plan to the Governor, the President of the
17 Senate, and the Speaker of the House of Representatives which
18 provides for the full implementation of capitated prepaid
19 behavioral health care in all areas of the state.

20 a. Implementation shall begin in 2003 in those AHCA
21 areas of the state where the agency is able to establish
22 sufficient capitation rates.

23 b. If the agency determines that the proposed
24 capitation rate in any area is insufficient to provide
25 appropriate services, the agency may adjust the capitation
26 rate to ensure that care will be available. The agency and the
27 department may use existing general revenue to address any
28 additional required match but may not over-obligate existing
29 funds on an annualized basis.

30 c. Subject to any limitations provided for in the
31 General Appropriations Act, the agency, in compliance with

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1 appropriate federal authorization, shall develop policies and
2 procedures that allow for certification of local and state
3 funds.

4 ~~2. By December 31, 2001, the agency shall contract~~
5 ~~with entities providing comprehensive behavioral health care~~
6 ~~services to Medicaid recipients through capitated, prepaid~~
7 ~~arrangements in Charlotte, Collier, DeSoto, Escambia, Glades,~~
8 ~~Hendry, Lee, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota,~~
9 ~~and Walton Counties. The agency may contract with entities~~
10 ~~providing comprehensive behavioral health care services to~~
11 ~~Medicaid recipients through capitated, prepaid arrangements in~~
12 ~~Alachua County. The agency may determine if Sarasota County~~
13 ~~shall be included as a separate catchment area or included in~~
14 ~~any other agency geographic area.~~

15 ~~5.3. Children residing in a statewide inpatient~~
16 ~~psychiatric program, or in a Department of Juvenile Justice or~~
17 ~~a Department of Children and Family Services residential~~
18 ~~program approved as a Medicaid behavioral health overlay~~
19 ~~services provider shall not be included in a behavioral health~~
20 ~~care prepaid health plan pursuant to this paragraph.~~

21 ~~6.4. In converting to a prepaid system of delivery,~~
22 ~~the agency shall in its procurement document require an entity~~
23 ~~providing comprehensive behavioral health care services to~~
24 ~~prevent the displacement of indigent care patients by~~
25 ~~enrollees in the Medicaid prepaid health plan providing~~
26 ~~behavioral health care services from facilities receiving~~
27 ~~state funding to provide indigent behavioral health care, to~~
28 ~~facilities licensed under chapter 395 which do not receive~~
29 ~~state funding for indigent behavioral health care, or~~
30 ~~reimburse the unsubsidized facility for the cost of behavioral~~
31 ~~health care provided to the displaced indigent care patient.~~

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1 ~~7.5.~~ Traditional community mental health providers
2 under contract with the Department of Children and Family
3 Services pursuant to part IV of chapter 394 and inpatient
4 mental health providers licensed pursuant to chapter 395 must
5 be offered an opportunity to accept or decline a contract to
6 participate in any provider network for prepaid behavioral
7 health services.

8 (c) A federally qualified health center or an entity
9 owned by one or more federally qualified health centers or an
10 entity owned by other migrant and community health centers
11 receiving non-Medicaid financial support from the Federal
12 Government to provide health care services on a prepaid or
13 fixed-sum basis to recipients. Such prepaid health care
14 services entity must be licensed under parts I and III of
15 chapter 641, but shall be prohibited from serving Medicaid
16 recipients on a prepaid basis, until such licensure has been
17 obtained. However, such an entity is exempt from s. 641.225
18 if the entity meets the requirements specified in subsections
19 (14) and (15).

20 (d) No more than four provider service networks for
21 demonstration projects to test Medicaid direct contracting.
22 The demonstration projects may be reimbursed on a
23 fee-for-service or prepaid basis. A provider service network
24 which is reimbursed by the agency on a prepaid basis shall be
25 exempt from parts I and III of chapter 641, but must meet
26 appropriate financial reserve, quality assurance, and patient
27 rights requirements as established by the agency. The agency
28 shall award contracts on a competitive bid basis and shall
29 select bidders based upon price and quality of care. Medicaid
30 recipients assigned to a demonstration project shall be chosen
31 equally from those who would otherwise have been assigned to

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1 prepaid plans and MediPass. The agency is authorized to seek
2 federal Medicaid waivers as necessary to implement the
3 provisions of this section. A demonstration project awarded
4 pursuant to this paragraph shall be for 4 years from the date
5 of implementation.

6 (e) An entity that provides comprehensive behavioral
7 health care services to certain Medicaid recipients through an
8 administrative services organization agreement. Such an entity
9 must possess the clinical systems and operational competence
10 to provide comprehensive health care to Medicaid recipients.
11 As used in this paragraph, the term "comprehensive behavioral
12 health care services" means covered mental health and
13 substance abuse treatment services that are available to
14 Medicaid recipients. Any contract awarded under this paragraph
15 must be competitively procured. The agency must ensure that
16 Medicaid recipients have available the choice of at least two
17 managed care plans for their behavioral health care services.

18 (f) An entity that provides in-home physician services
19 to test the cost-effectiveness of enhanced home-based medical
20 care to Medicaid recipients with degenerative neurological
21 diseases and other diseases or disabling conditions associated
22 with high costs to Medicaid. The program shall be designed to
23 serve very disabled persons and to reduce Medicaid reimbursed
24 costs for inpatient, outpatient, and emergency department
25 services. The agency shall contract with vendors on a
26 risk-sharing basis.

27 (g) Children's provider networks that provide care
28 coordination and care management for Medicaid-eligible
29 pediatric patients, primary care, authorization of specialty
30 care, and other urgent and emergency care through organized
31 providers designed to service Medicaid eligibles under age 18

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1 and pediatric emergency departments' diversion programs. The
2 networks shall provide after-hour operations, including
3 evening and weekend hours, to promote, when appropriate, the
4 use of the children's networks rather than hospital emergency
5 departments.

6 (h) An entity authorized in s. 430.205 to contract
7 with the agency and the Department of Elderly Affairs to
8 provide health care and social services on a prepaid or
9 fixed-sum basis to elderly recipients. Such prepaid health
10 care services entities are exempt from the provisions of part
11 I of chapter 641 for the first 3 years of operation. An entity
12 recognized under this paragraph that demonstrates to the
13 satisfaction of the Department of Insurance that it is backed
14 by the full faith and credit of one or more counties in which
15 it operates may be exempted from s. 641.225.

16 (i) A Children's Medical Services network, as defined
17 in s. 391.021.

18 (5) By October 1, 2003, the agency and the department
19 shall, to the extent feasible, develop a plan for implementing
20 new Medicaid procedure codes for emergency and crisis care,
21 supportive residential services, and other services designed
22 to maximize the use of Medicaid funds for Medicaid-eligible
23 recipients. The agency shall include in the agreement
24 developed pursuant to subsection (4) a provision that ensures
25 that the match requirements for these new procedure codes are
26 met by certifying eligible general revenue or local funds that
27 are currently expended on these services by the department
28 with contracted alcohol, drug abuse, and mental health
29 providers. The plan must describe specific procedure codes to
30 be implemented, a projection of the number of procedures to be
31 delivered during fiscal year 2003-2004, and a financial

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1 analysis that describes the certified match procedures, and
2 accountability mechanisms, projects the earnings associated
3 with these procedures, and describes the sources of state
4 match. This plan may not be implemented in any part until
5 approved by the Legislative Budget Commission. If such
6 approval has not occurred by December 31, 2003, the plan shall
7 be submitted for consideration by the 2004 Legislature.

8 Section 8. The Agency for Health Care Administration
9 may not implement the prepaid mental health managed care
10 program until a plan has been developed, reviewed, and
11 approved by the Legislative Budget Commission. The plan must
12 be submitted to the Legislative Budget Commission by January
13 1, 2004. The Secretary of Children and Family Services shall
14 conduct a review and develop the plan for ensuring that
15 children and families receiving foster care and other related
16 services are appropriately served and assist the
17 community-based care lead agency in meeting the goals and
18 outcomes of the system. The secretary shall include
19 participation from representatives of community-based care
20 lead agencies, representatives of the Agency for Health Care
21 Administration, community alliances, sheriffs' offices,
22 community providers serving dependent children, and others the
23 secretary deems appropriate.

24 Section 9. The sum of \$250,000 is appropriated from
25 the General Revenue Fund to the Department of Children and
26 Family Services, and four positions are authorized, for the
27 purpose of implementing this act during the 2003-2004 fiscal
28 year.

29
30 (Redesignate subsequent sections.)
31

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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 1, lines 2 through 25, delete those lines

4

5 and insert:

6 An act relating to substance abuse and mental
7 health; amending s. 394.74, F.S.; authorizing
8 the Department of Children and Family Services
9 to adopt by rule new payment methodologies and
10 to eliminate unit-based methodologies for
11 mental health and substance abuse services;
12 authorizing the department to adopt rules for
13 local match based on new methodologies;
14 prohibiting changes to the ratio of state to
15 local matching resources or to the sources of
16 local match and prohibiting the increase in the
17 amount of local matching funds required;
18 creating s. 394.655, F.S.; providing
19 legislative intent; creating the Florida
20 Substance Abuse and Mental Health Board, Inc.
21 which shall be administratively housed within
22 the Department of Children and Family Services;
23 providing for the board's independence;
24 providing the duties, responsibilities, and
25 authority of the board; requiring a contract
26 between the board and the department; providing
27 for the appointment of members and specifying
28 qualifications for membership; authorizing the
29 board to employ staff members; requiring an
30 annual evaluation and report to the Legislature
31 and Governor; directing other agencies to

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1 cooperate in the development of the evaluation
2 and report; providing for future repeal;
3 directing the Executive Office of the Governor
4 to procure an evaluation; providing for a
5 report to the Legislature; amending s. 20.19,
6 F.S.; requiring the Secretary of Children and
7 Family Services to appoint certain staff;
8 providing responsibilities; amending s.
9 394.741, F.S.; amending accreditation
10 requirements for providers of behavioral health
11 care services; requiring the Department of
12 Children and Family Services and the Agency for
13 Health Care Administration to follow only
14 properly adopted and applicable statutes and
15 rules in monitoring contracted providers;
16 requiring the department to file a State
17 Project Compliance Supplement; amending s.
18 394.9082, F.S.; modifying the services for
19 which a managing entity is accountable;
20 establishing data system requirements;
21 providing for establishment of a single
22 managing entity for the delivery of substance
23 abuse services to child protective services
24 recipients in specified districts of the
25 department; providing for a contract; requiring
26 certain information to be kept; requiring an
27 evaluative study; providing for reports to the
28 Governor and Legislature; revising provisions
29 relating to delivery of state-funded mental
30 health services; amending s. 409.912, F.S.;
31 requiring the agency to work with the

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1 department to ensure mental health and
2 substance abuse services are accessible to
3 children and families in the child protection
4 system; requiring the Agency for Health Care
5 Administration to seek federal approval to
6 contract with single entities to provide
7 comprehensive behavioral health care services
8 to Medicaid recipients in AHCA areas; requiring
9 the agency to submit a plan for fully
10 implementing capitated prepaid behavioral
11 health care in all areas of the state;
12 providing for implementation of the plan that
13 would vary by the size of the eligible
14 population; authorizing the agency to adjust
15 the capitation rate under specified
16 circumstances; requiring the agency to develop
17 policies and procedures that allow for
18 certification of local funds; requiring the
19 agency and the department to develop a plan to
20 implement new Medicaid procedure codes for
21 specified services; providing that match
22 requirements for those procedure codes are met
23 by certifying general revenue with contracted
24 providers; requiring the plan to address
25 specific procedure codes to be implemented, a
26 projection of procedures to be delivered and a
27 financial analysis; requiring approval by the
28 Legislative Budget Commission prior to
29 implementation; directing the plan to be
30 submitted for consideration by the 2004
31 Legislature if not approved by December 31,

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1 2004; requiring approval by the Legislative
2 Budget Commission prior to implementation;
3 providing an appropriation and authorizing
4 positions; providing effective dates.

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