

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

CHAMBER ACTION

Senate

House

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

1/AD/3R
04/24/2003 05:10 PM

.
. .
. .
. .
. .
. .

Senator Lynn moved the following amendment:

Senate Amendment (with title amendment)

On page 2, line 28, through page 7, line 7, delete those lines,

and insert:

Section 2. Section 394.655, Florida Statutes is created to read:

394.655 The Substance Abuse and Mental Health Corporation; powers and duties; composition; evaluation and reporting requirements.--

(1) It is the intent of the Legislature to provide substance abuse and mental health services that are coordinated and consistent throughout the state, that reflect the current state of knowledge regarding quality and effectiveness, and that are responsive to service recipients and the needs of communities in this state. In order to accomplish this intent, there is created a not-for-profit corporation, to be known as the "Florida Substance Abuse and Mental Health Corporation, Inc.," which shall be registered,

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

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 Corporation, hereafter referred to as "the corporation," shall
5 be administratively housed within the Department of Children
6 and Family Services. Though the corporation is not subject to
7 the control of the department, the corporation shall work
8 collaboratively with the department to improve the state's
9 mental health and substance abuse systems. As used in this
10 section, "the department" means the Department of Children
11 and Family Services.

12 (2) The Legislature finds that public policy and the
13 State Constitution require that the corporation and any
14 committees it forms be subject to the provisions of chapter
15 119 relating to public records and the provisions of chapter
16 286 relating to public meetings.

17 (3)(a) The Florida Substance Abuse and Mental Health
18 Corporation shall be responsible for oversight of the publicly
19 funded substance abuse and mental health systems and for
20 making policy and resources recommendations which will improve
21 the coordination, quality and efficiency of the system.
22 Subject to and consistent with direction set by the
23 Legislature, the corporation shall exercise the following
24 responsibilities:

25 1. Review and assess the collection and analysis of
26 needs assessment data as described in s. 394.82.

27 2. Review and assess the status of the publicly funded
28 mental health and substance abuse systems and recommend policy
29 designed to improve coordination and effectiveness.

30 3. Provide mechanisms for substance abuse and mental
31 health stakeholders, including consumers, family members,

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 providers, and advocates to provide input concerning the
2 management of the overall system.

3 4. Recommend priorities for service expansion.

4 5. Prepare budget recommendations to be submitted to
5 the appropriate departments for consideration in the
6 development of their legislative budget requests and provide
7 copies to the Governor, President of the Senate and Speaker of
8 the House of Representatives for their consideration.

9 6. Review data regarding the performance of the
10 publicly funded substance abuse and mental health systems.

11 7. Make recommendations concerning strategies for
12 improving the performance of the systems.

13 8. Review, assess and forecast substance abuse and
14 mental health manpower needs and work with the department and
15 the educational system to establish policies, consistent with
16 the direction of the Legislature, which will ensure that the
17 state has the personnel it needs to continuously implement and
18 improve its services.

19 (b) The corporation shall work with the department and
20 the Agency for Health Care Administration to assure, to the
21 maximum extent possible, that Medicaid and department-funded
22 services are delivered in a coordinated manner, using common
23 service definitions, standards, and accountability mechanisms.

24 (c) The corporation shall also work with other
25 agencies of state government which provide, purchase, or fund
26 substance abuse and mental health programs and services in
27 order to work toward fully developed and integrated, when
28 appropriate, substance abuse and mental health systems that
29 reflect current knowledge regarding efficacy and efficiency
30 and use best practices identified within this state or other
31 states.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 (d) The corporation shall develop memoranda of
2 understanding that describe how it will coordinate with other
3 programmatic areas within the department and with other state
4 agencies that deliver or purchase substance abuse or mental
5 health services.

6 (4) Unless otherwise prohibited by state or federal
7 law, and pursuant to the agreement provided in the contract
8 required in subsection (5), the department shall provide
9 information requested by the corporation in a reasonable
10 manner that allows for timely review by the corporation for
11 items as set forth in subsection (3) and specified in the
12 contract provided for in subsection (5).

13 (5) The corporation and the department must enter into
14 a contract that requires the department to consider and
15 respond to the recommendations of the corporation and
16 describes how the department will respond to the
17 corporation's requests for documents, reports, and proposals
18 needed by the corporation in order for it to carry out its
19 responsibilities as described in paragraph (3)(a).

20 (6)(a) The corporation shall be comprised of 12
21 members, each appointed to a 2-year term, with not more than
22 three subsequent reappointments, except that initial
23 legislative appointments shall be for 3-year terms. Four
24 members shall be appointed by the Governor, four members shall
25 be appointed by the President of the Senate, and four members
26 shall be appointed by the Speaker of the House of
27 Representatives.

28 1. The four members appointed by the Governor must be
29 prominent community or business leaders, two of whom must have
30 experience and interest in substance abuse and two of whom
31 must have experience and interest in mental health.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 2. Of the four members appointed by the President of
2 the Senate, one member must represent the perspective of
3 community-based care under chapter 409, one member must be a
4 former client or family member of a client of a publicly
5 funded mental health program, and two members must be
6 prominent community or business leaders, one of whom must
7 have experience and interest in substance abuse and one of
8 whom must have experience and interest in mental health.

9 3. Of the four members appointed by the Speaker of the
10 House of Representatives, one member must be a former client
11 or family member of a client of a publicly funded substance
12 abuse program, one member must represent the perspective of
13 the criminal justice system, and two members must be prominent
14 community or business leaders, one of whom must have
15 experience and interest in substance abuse and one of whom
16 must have experience and interest in mental health. The
17 Secretary of the Department of Children and Family Services,
18 or his or her designee, the Secretary of the Agency for Health
19 Care Administration, or his or her designee, and a
20 representative of local government designated by the Florida
21 Association of Counties shall serve as ex officio members of
22 the corporation.

23 (b) The corporation shall be chaired by a member
24 designated by the Governor who may not be a public sector
25 employee.

26 (c) Persons who derive their income from resources
27 controlled by the Department of Children and Family Services
28 or the Agency for Health Care Administration may not be
29 members of the corporation.

30 (d) The Governor, the President of the Senate, and the
31 Speaker of the House of Representatives shall make their

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 respective appointments within 60 days after the effective
2 date of this act.

3 (e) A member of the corporation may be removed by the
4 appointing party for cause. Absence from three consecutive
5 meetings shall result in automatic removal. The chairperson of
6 the corporation shall notify the appointing party of such
7 absences.

8 (f) The corporation shall develop by-laws that
9 describe how it will conduct its work.

10 (g) The corporation shall meet at least quarterly and
11 at other times upon the call of its chair. Corporation
12 meetings may be held via teleconference or other electronic
13 means.

14 (h) A majority of the total current membership of the
15 corporation constitutes a quorum of the corporation. The
16 corporation may only meet and take action when a quorum is
17 present.

18 (i) Within resources appropriated by the Legislature
19 and other funds available to the corporation, the chairperson
20 of the corporation may appoint advisory committees to address
21 and advise the corporation on particular issues within its
22 scope of responsibility. Members of advisory committees are
23 not subject to the prohibition in paragraph (c).

24 (j) Members of the corporation and its committees
25 shall serve without compensation but are entitled to
26 reimbursement for travel and per diem expenses pursuant to s.
27 112.061.

28 (k) Each member of the corporation who is not
29 otherwise required to file a financial disclosure statement
30 pursuant to s. 8, Art. II of the State Constitution or s.
31 112.3144 must file disclosure of financial interests pursuant

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 to s. 112.3145.

2 (7) The corporation may purchase expert consultation
3 and staff support services necessary to perform its duties
4 from funds appropriated to the department for this purpose.
5 In addition, within resources appropriated to the department
6 for the corporation, the corporation may appoint one employee
7 who shall serve as the liaison between the corporation, the
8 state agencies and organizations with which the corporation
9 contracts or enters into memoranda of agreement. This
10 employee shall be appointed by and serve at the pleasure of
11 the corporation and is an employee of the corporation, not of
12 the state. Provision of other staff support required by the
13 corporation shall be provided by the department as negotiated
14 in the contract developed pursuant to subsection (5).

15 (8) The corporation must develop a budget request for
16 its operation and must submit the request to the Governor and
17 the Legislature pursuant to chapter 216 through the secretary
18 of the department who may not modify the budget request before
19 it is submitted or after the corporation's funding is
20 appropriated by the Legislature.

21 (9) The corporation shall provide for an annual
22 financial audit of its financial accounts and records by an
23 independent certified public accountant. The annual audit
24 report shall include a management letter in accordance with s.
25 11.45 and a detailed supplemental schedule of expenditures for
26 each expenditure category. The annual audit report must be
27 submitted to the Governor, the department, and the Auditor
28 General for review.

29 (10) The corporation must annually evaluate and, in
30 December of each year, report to the Legislature and the
31 Governor on the status of the state's publicly funded

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 substance abuse and mental health systems. The corporation's
2 first report must be submitted in December, 2004. Each public
3 sector agency that delivers, or contracts for the provision
4 of, substance abuse or mental health services must cooperate
5 with the corporation in the development of this annual
6 evaluation and report. As part of the annual report, the
7 corporation and department shall each certify as to whether
8 the corporation and the department are complying with the
9 terms of the contract required in subsection (5) in a manner
10 that is consistent with the goals and purposes of the
11 corporation and in the best interest of the state.

12 (11) This section expires on October 1, 2006, unless
13 reviewed and reenacted by the Legislature before that date.

14 Section 3. Section 20.19 (2)(c), Florida Statutes, as
15 created by this act, and section 20.19(4)(b)6. and 8., shall
16 expire on October 1, 2006, unless reviewed and reenacted by
17 the Legislature before that date.

18 Section 4. By February 1, 2006, the Office of Program
19 Policy Analysis and Government Accountability and the Auditor
20 General shall jointly conduct an evaluation of the state's
21 substance abuse and mental health systems and its management.
22 The evaluation shall, at a minimum, address the extent to
23 which the corporation has carried out its responsibilities as
24 described in s. 394.655 (3)(a), the degree to which the
25 department and other affected state agencies have cooperated
26 with the corporation as directed in s. 394.655, and the impact
27 the organizational changes described in ss. 20.19 (2)(c) and
28 394.655 as created by this act have had on the substance abuse
29 and mental health systems in the following areas:

30 1. The coordination of services delivered or paid for
31 by the various departments involved in delivering or

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 purchasing state funded mental health or substance abuse
2 services.

3 2. The efficiency of service delivery to clients for
4 whom the responsibility for care moves from one department of
5 state government to another.

6 3. The overall quality of publicly funded substance
7 abuse and mental health services and its consistency across
8 departments.

9 4. The use of common evidence-based standards.

10 5. The collection and analysis of common information
11 which describes the services delivered and outcomes achieved
12 for individuals receiving state funded mental health and
13 substance abuse services.

14 6. The satisfaction of service recipients and of
15 Florida's communities with the state funded mental health and
16 substance abuse service delivery system. The evaluation shall
17 commence with the initial operation of the corporation. An
18 initial report and a final report of the evaluation must be
19 submitted to the Governor, President of the Senate, and
20 Speaker of the House of Representatives by February 1, 2005
21 and 2006, respectively. The final report must include
22 recommendations concerning the future of the corporation and
23 the structure of the state's mental health and substance abuse
24 authority and their placement.

25 Section 5. Present paragraph (c) of subsection (2) of
26 section 20.19, Florida Statutes, is redesignated as paragraph
27 (d), and a new paragraph (c) is added to that subsection, to
28 read:

29 20.19 Department of Children and Family Services.--
30 There is created a Department of Children and Family
31 Services.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

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

3 (c) 1. The secretary shall appoint an Assistant
4 Secretary for Substance Abuse and Mental Health with the
5 concurrence of the corporation. The assistant secretary shall
6 serve at the pleasure of the secretary and with the
7 concurrence of the corporation and must have expertise in both
8 areas of responsibility.

9 2. The secretary shall appoint a Program Director for
10 Substance Abuse and a Program Director for Mental Health who
11 have the requisite expertise and experience in their
12 respective fields to head the state's substance abuse and
13 mental health programs.

14 a. Each program director shall have line authority
15 over all district substance abuse and mental health program
16 management staff.

17 b. The assistant secretary shall enter into a
18 memorandum of understanding with each district or region
19 administrator, which must be approved by the secretary or the
20 secretary's designee, describing the working relationships
21 within each geographic area.

22 c. The mental health institutions shall report to the
23 Program Director for Mental Health.

24 d. Each program director shall have direct control
25 over the program's budget and contracts for services. Support
26 staff necessary to manage budget and contracting functions
27 within the department shall be placed under the supervision of
28 the program directors.

29 Section 6. Except as otherwise provided, this act
30 shall be implemented within available resources.

31 Section 7. Section 394.741, Florida Statutes, is

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 amended to read:

2 394.741 Accreditation requirements for providers of
3 behavioral health care services.--

4 (1) As used in this section, the term "behavioral
5 health care services" means mental health and substance abuse
6 treatment services.

7 (2) Notwithstanding any provision of law to the
8 contrary, accreditation shall be accepted by the agency and
9 department in lieu of the agency's and department's facility
10 licensure onsite review requirements and shall be accepted as
11 a substitute for the department's administrative and program
12 monitoring requirements, except as required by subsections (3)
13 and (4), for:

14 (a) Any organization from which the department
15 purchases behavioral health care services that is accredited
16 by the Joint Commission on Accreditation of Healthcare
17 Organizations or the Council on Accreditation for Children and
18 Family Services, or has those services that are being
19 purchased by the department accredited by CARF--the
20 Rehabilitation Accreditation Commission.

21 (b) Any mental health facility licensed by the agency
22 or any substance abuse component licensed by the department
23 that is accredited by the Joint Commission on Accreditation of
24 Healthcare Organizations, CARF--the Rehabilitation
25 Accreditation Commission, or the Council on Accreditation of
26 Children and Family Services.

27 (c) Any network of providers from which the department
28 or the agency purchases behavioral health care services
29 accredited by the Joint Commission on Accreditation of
30 Healthcare Organizations, CARF--the Rehabilitation
31 Accreditation Commission, the Council on Accreditation of

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 Children and Family Services, or the National Committee for
2 Quality Assurance. A provider organization, which is part of
3 an accredited network, is afforded the same rights under this
4 part.

5 (3) For organizations accredited as set forth in
6 subsection (2). Before the department or the agency conducts
7 additional monitoring for mental health services, the
8 department and the agency must adopt rules ~~mental health~~
9 ~~services, the department and the agency may adopt rules~~ that
10 establish:

11 (a) Additional standards for monitoring and licensing
12 accredited programs and facilities that the department and the
13 agency have determined are not specifically and distinctly
14 covered by the accreditation standards and processes. These
15 standards and the associated monitoring must not duplicate the
16 standards and processes already covered by the accrediting
17 bodies.

18 (b) An onsite monitoring process between 24 months and
19 36 months after accreditation for nonresidential facilities to
20 assure that accredited organizations exempt from licensing and
21 monitoring activities under this part continue to comply with
22 critical standards.

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

28 (4) For substance abuse services, the department shall
29 conduct full licensure inspections every 3 years and shall
30 develop in rule criteria which would justify more frequent
31 inspections.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 (5) The department and the agency shall be given
2 access to all accreditation reports, corrective action plans,
3 and performance data submitted to the accrediting
4 organizations. When major deficiencies, as defined by the
5 accrediting organization, are identified through the
6 accreditation process, the department and the agency may
7 perform followup monitoring to assure that such deficiencies
8 are corrected and that the corrections are sustained over
9 time. Proof of compliance with fire and health safety
10 standards will be submitted as required by rule.

11 (6) The department or agency, by accepting the survey
12 or inspection of an accrediting organization, does not forfeit
13 its rights to monitor for the purpose of ensuring that
14 services for which the department has paid were provided. The
15 department may investigate complaints or suspected problems
16 and to monitor the provider's compliance with negotiated terms
17 and conditions, including provisions relating to consent
18 decrees, which are unique to a specific contract and are not
19 statements of general applicability. The department may
20 monitor compliance with federal and state statutes, federal
21 regulations, or state administrative rules, if such monitoring
22 does not duplicate the review of accreditation standards or
23 independent audits pursuant to subsections (3) and (8).
24 ~~perform inspections at any time, including contract monitoring~~
25 ~~to ensure that deliverables are provided in accordance with~~
26 ~~the contract.~~

27 (7) For purposes of licensure and monitoring of
28 facilities under contract with the department, the department
29 shall rely only upon properly adopted and applicable federal
30 and state statutes and rules.

31 (8) The department shall file a State Projects

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 Compliance Supplement pursuant to s. 215.97 for behavioral
2 health care services. In monitoring the financial operations
3 of its contractors, the department shall rely upon certified
4 public accountant audits, if required. The department shall
5 perform a desk review of its contractor's most recent
6 independent audit and may conduct onsite monitoring only of
7 problems identified by these audits, or by other sources of
8 information documenting problems with contractor's financial
9 management. Certified public accountants employed by the
10 department may conduct an on-site test of the validity of a
11 contractor's independent audit every third year.

12 ~~(9)(7)~~ The department and the agency shall report to
13 the Legislature by January 1, 2003, on the viability of
14 mandating all organizations under contract with the department
15 for the provision of behavioral health care services, or
16 licensed by the agency or department to be accredited. The
17 department and the agency shall also report to the Legislature
18 by January 1, 2003, on the viability of privatizing all
19 licensure and monitoring functions through an accrediting
20 organization.

21 ~~(10)(8)~~ The accreditation requirements of this section
22 ~~shall~~ apply to contracted organizations that are already
23 accredited immediately upon becoming law.

24 Section 8. Paragraphs (a) and (d) of subsection (4)
25 and subsection (5) of section 394.9082, Florida Statutes, are
26 amended, present subsection (8) of that section is renumbered
27 as subsection (9) and amended, and a new subsection (8) is
28 added to that section, to read:

29 394.9082 Behavioral health service delivery
30 strategies.--

31 (4) CONTRACT FOR SERVICES.--

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 (a) The Department of Children and Family Services and
2 the Agency for Health Care Administration may contract for the
3 provision or management of behavioral health services with a
4 managing entity in at least two geographic areas. Both the
5 Department of Children and Family Services and the Agency for
6 Health Care Administration must contract with the same
7 managing entity in any distinct geographic area where the
8 strategy operates. This managing entity shall be accountable
9 at a minimum for the delivery of behavioral health services
10 specified and funded by the department and the agency ~~for~~
11 ~~children, adolescents, and adults~~. The geographic area must be
12 of sufficient size in population and have enough public funds
13 for behavioral health services to allow for flexibility and
14 maximum efficiency. Notwithstanding the provisions of s.
15 409.912(3)(b)1. and 2., at least one service delivery strategy
16 must be in one of the service districts in the catchment area
17 of G. Pierce Wood Memorial Hospital.

18 (d) Under both strategies, the Department of Children
19 and Family Services and the Agency for Health Care
20 Administration may:

- 21 1. Establish benefit packages based on the level of
22 severity of illness and level of client functioning;
- 23 2. Align and integrate procedure codes, standards, or
24 other requirements if it is jointly determined that these
25 actions will simplify or improve client services and
26 efficiencies in service delivery;
- 27 3. Use prepaid per capita and prepaid aggregate
28 fixed-sum payment methodologies; ~~and~~
- 29 4. Modify their current procedure codes to increase
30 clinical flexibility, encourage the use of the most effective
31 interventions, and support rehabilitative activities; and.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 5. Establish or develop data management and reporting
2 systems that promote efficient use of data by the service
3 delivery system. Data management and reporting systems must
4 address the management and clinical care needs of the service
5 providers and managing entities and provide information needed
6 by the department for required state and federal reporting. In
7 order to develop and test the application of new data systems,
8 a strategy implementation area is not required to provide
9 information that matches all current statewide reporting
10 requirements if the strategy's data systems include client
11 demographic, admission, discharge, enrollment, service events,
12 performance outcome information, and functional assessment.

13 (5) STATEWIDE ACTIONS.--~~If Medicaid appropriations for~~
14 ~~Community Mental Health Services or Mental Health Targeted~~
15 ~~Case Management are reduced in fiscal year 2001-2002, The~~
16 ~~agency and the department shall jointly develop and implement~~
17 ~~strategies that reduce service costs in a manner that~~
18 ~~mitigates the impact on persons in need of those services. The~~
19 ~~agency and department may employ any methodologies on a~~
20 ~~regional or statewide basis necessary to achieve the~~
21 ~~reduction, including but not limited to use of case rates,~~
22 ~~prepaid per capita contracts, utilization management, expanded~~
23 ~~use of care management, use of waivers from the Centers for~~
24 ~~Medicare and Medicaid Services Health Care Financing~~
25 ~~Administration to maximize federal matching of current local~~
26 ~~and state funding, modification or creation of additional~~
27 ~~procedure codes, and certification of match or other~~
28 ~~management techniques. The department may contract with a~~
29 ~~single managing entity or provider network that shall be~~
30 ~~responsible for delivering state-funded mental health and~~
31 ~~substance-abuse services. The managing entity shall coordinate~~

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 its delivery of mental-health and substance-abuse services
2 with all prepaid mental health plans in the region or the
3 district. The department may include in its contract with the
4 managing entity data-management and data-reporting
5 requirements, clinical program management, and administrative
6 functions. Before the department contracts for these functions
7 with the provider network, the department shall determine that
8 the entity has the capacity and capability to assume these
9 functions. The roles and responsibilities of each party must
10 be clearly delineated in the contract.

11 (8) EXPANSION IN DISTRICTS 4 AND 12.--The department
12 shall work with community agencies to establish a single
13 managing entity for districts 4 and 12 accountable for the
14 delivery of substance abuse services to child protective
15 services recipients in the two districts. The purpose of this
16 strategy is to enhance the coordination of substance abuse
17 services with community-based care agencies and the
18 department. The department shall work with affected
19 stakeholders to develop and implement a plan that allows the
20 phase-in of services beginning with the delivery of substance
21 abuse services, with phase-in of subsequent substance abuse
22 services agreed upon by the managing entity and authorized by
23 the department, providing the necessary technical assistance
24 to assure provider and district readiness for implementation.
25 When a single managing entity is established and meets
26 readiness requirements, the department may enter into a
27 noncompetitive contract with the entity. The department shall
28 maintain detailed information on the methodology used for
29 selection and a justification for the selection. Performance
30 objectives shall be developed which ensure that services that
31 are delivered directly affect and complement the child's

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 permanency plan. During the initial planning and
2 implementation phase of this project, the requirements in
3 subsections (6) and (7) are waived. Considering the critical
4 substance abuse problems experienced by many families in the
5 child protection system, the department shall initiate the
6 implementation of the substance abuse delivery component of
7 this program without delay and furnish status reports to the
8 appropriate substantive committees of the Senate and the House
9 of Representatives no later than February 29, 2004, and
10 February 28, 2005. The integration of all services agreed upon
11 by the managing entity and authorized by the department must
12 be completed within 2 years after project initiation. Ongoing
13 monitoring and evaluation of this strategy shall be conducted
14 in accordance with subsection (9).

15 ~~(9)(8)~~ MONITORING AND EVALUATION.--The Department of
16 Children and Family Services and the Agency for Health Care
17 Administration shall provide routine monitoring and oversight
18 of and technical assistance to the managing entities. The
19 Louis de la Parte Florida Mental Health Institute shall
20 conduct an ongoing formative evaluation of each strategy to
21 identify the most effective methods and techniques used to
22 manage, integrate, and deliver behavioral health services. The
23 entity conducting the evaluation shall report to the
24 Department of Children and Family Services, the Agency for
25 Health Care Administration, the Executive Office of the
26 Governor, and the Legislature every 12 months regarding the
27 status of the implementation of the service delivery
28 strategies. The report must include a summary of activities
29 that have occurred during the past 12 months of implementation
30 and any problems or obstacles that have in the past, or may in
31 the future, prevent prevented, or may prevent in the future,

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 the managing entity from achieving performance goals ~~and~~
2 ~~measures~~. The first status report is due January 1, 2002.
3 After the service delivery strategies have been operational
4 for 1 year, the status report must include an analysis of
5 administrative costs and the status of the achievement of
6 performance outcomes. By December 31, 2006, the Louis de la
7 Parte Florida Mental Health Institute, as a part of the
8 ongoing formative evaluation of each strategy, must conduct a
9 study of the strategies established in Districts 1, 8, 4, and
10 12 under this section, and must include an assessment of best
11 practice models in other states. The study must address
12 programmatic outcomes that include, but are not limited to,
13 timeliness of service delivery, effectiveness of treatment
14 services, cost-effectiveness of selected models, and customer
15 satisfaction with services. Based upon the results of this
16 study, the department and the Agency for Health Care
17 Administration, in consultation with the managing entities,
18 must provide a report to the Executive Office of the Governor,
19 the President of the Senate, and the Speaker of the House of
20 Representatives. This report must contain recommendations for
21 the statewide implementation of successful strategies,
22 including any modifications to the strategies, the
23 identification and prioritization of strategies to be
24 implemented, and timeframes for statewide completion that
25 include target dates to complete milestones as well as a date
26 for full statewide implementation. Upon receiving the annual
27 report from the evaluator, the Department of Children and
28 Family Services and the Agency for Health Care Administration
29 shall jointly make any recommendations to the Executive Office
30 of the Governor regarding changes in the service delivery
31 strategies or in the implementation of the strategies,

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 ~~including timeframes.~~

2 Section 9. Present subsections (1), (2), and (3) of
3 section 409.912, Florida Statutes, are redesignated as
4 subsections (2), (3), and (4), respectively, and a new
5 subsection (1) is added to that section, present subsection
6 (3) of that section is amended, present subsections (4)
7 through (40) are redesignated as subsections (6) through (42),
8 respectively, and a new subsection (5) is added to that
9 section to read:

10 409.912 Cost-effective purchasing of health care.--The
11 agency shall purchase goods and services for Medicaid
12 recipients in the most cost-effective manner consistent with
13 the delivery of quality medical care. The agency shall
14 maximize the use of prepaid per capita and prepaid aggregate
15 fixed-sum basis services when appropriate and other
16 alternative service delivery and reimbursement methodologies,
17 including competitive bidding pursuant to s. 287.057, designed
18 to facilitate the cost-effective purchase of a case-managed
19 continuum of care. The agency shall also require providers to
20 minimize the exposure of recipients to the need for acute
21 inpatient, custodial, and other institutional care and the
22 inappropriate or unnecessary use of high-cost services. The
23 agency may establish prior authorization requirements for
24 certain populations of Medicaid beneficiaries, certain drug
25 classes, or particular drugs to prevent fraud, abuse, overuse,
26 and possible dangerous drug interactions. The Pharmaceutical
27 and Therapeutics Committee shall make recommendations to the
28 agency on drugs for which prior authorization is required. The
29 agency shall inform the Pharmaceutical and Therapeutics
30 Committee of its decisions regarding drugs subject to prior
31 authorization.

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

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

5 ~~(4)(3)~~ The agency may contract with:

6 (a) An entity that provides no prepaid health care
7 services other than Medicaid services under contract with the
8 agency and which is owned and operated by a county, county
9 health department, or county-owned and operated hospital to
10 provide health care services on a prepaid or fixed-sum basis
11 to recipients, which entity may provide such prepaid services
12 either directly or through arrangements with other providers.
13 Such prepaid health care services entities must be licensed
14 under parts I and III by January 1, 1998, and until then are
15 exempt from the provisions of part I of chapter 641. An entity
16 recognized under this paragraph which demonstrates to the
17 satisfaction of the Department of Insurance that it is backed
18 by the full faith and credit of the county in which it is
19 located may be exempted from s. 641.225.

20 (b) An entity that is providing comprehensive
21 behavioral health care services to certain Medicaid recipients
22 through a capitated, prepaid arrangement pursuant to the
23 federal waiver provided for by s. 409.905(5). Such an entity
24 must be licensed under chapter 624, chapter 636, or chapter
25 641 and must possess the clinical systems and operational
26 competence to manage risk and provide comprehensive behavioral
27 health care to Medicaid recipients. As used in this paragraph,
28 the term "comprehensive behavioral health care services" means
29 covered mental health and substance abuse treatment services
30 that are available to Medicaid recipients. The secretary of
31 the Department of Children and Family Services shall approve

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 provisions of procurements related to children in the
2 department's care or custody prior to enrolling such children
3 in a prepaid behavioral health plan. Any contract awarded
4 under this paragraph must be competitively procured. In
5 developing the behavioral health care prepaid plan procurement
6 document, the agency shall ensure that the procurement
7 document requires the contractor to develop and implement a
8 plan to ensure compliance with s. 394.4574 related to services
9 provided to residents of licensed assisted living facilities
10 that hold a limited mental health license. The agency shall
11 seek federal approval to contract with a single entity meeting
12 these requirements to provide comprehensive behavioral health
13 care services to all Medicaid recipients in an AHCA area. Each
14 entity must offer sufficient choice of providers in its
15 network to ensure recipient access to care and the opportunity
16 to select a provider with whom they are satisfied. The agency
17 ~~must ensure that Medicaid recipients have available the choice~~
18 ~~of at least two managed care plans for their behavioral health~~
19 ~~care services.~~ To ensure unimpaired access to behavioral
20 health care services by Medicaid recipients, all contracts
21 issued pursuant to this paragraph shall require 80 percent of
22 the capitation paid to the managed care plan, including health
23 maintenance organizations, to be expended for the provision of
24 behavioral health care services. In the event the managed care
25 plan expends less than 80 percent of the capitation paid
26 pursuant to this paragraph for the provision of behavioral
27 health care services, the difference shall be returned to the
28 agency. The agency shall provide the managed care plan with a
29 certification letter indicating the amount of capitation paid
30 during each calendar year for the provision of behavioral
31 health care services pursuant to this section. The agency may

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 reimburse for substance-abuse-treatment services on a
2 fee-for-service basis until the agency finds that adequate
3 funds are available for capitated, prepaid arrangements.

4 1. By January 1, 2001, the agency shall modify the
5 contracts with the entities providing comprehensive inpatient
6 and outpatient mental health care services to Medicaid
7 recipients in Hillsborough, Highlands, Hardee, Manatee, and
8 Polk Counties, to include substance-abuse-treatment services.

9 2. By July 1, 2003, the agency and the Department of
10 Children and Family Services shall execute a written agreement
11 that requires collaboration and joint development of all
12 policy, budgets, procurement documents, contracts, and
13 monitoring plans that have an impact on the state and Medicaid
14 community mental health and targeted case management programs.

15 3. By July 1, 2006, the agency and the Department of
16 Children and Family Services shall contract with managed care
17 entities in each AHCA area or arrange to provide comprehensive
18 inpatient and outpatient mental health and substance abuse
19 services through capitated pre-paid arrangements to all
20 Medicaid recipients for whom such plans are allowable under
21 federal law and regulation. In AHCA areas where eligible
22 individuals number less than 150,000, the agency shall
23 contract with a single managed care plan. The agency may
24 contract with more than one plan in AHCA areas where the
25 eligible population exceeds 150,000. Contracts awarded
26 pursuant to this section shall be competitively procured. Both
27 for-profit and not-for-profit corporations shall be eligible
28 to compete.

29 4. By October 1, 2003, the agency and the department
30 shall submit a plan to the Governor, the President of the
31 Senate, and the Speaker of the House of Representatives which

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 provides for the full implementation of capitated prepaid
2 behavioral health care in all areas of the state.

3 a. Implementation shall begin in 2003 in those AHCA
4 areas of the state where the agency is able to establish
5 sufficient capitation rates.

6 b. If the agency determines that the proposed
7 capitation rate in any area is insufficient to provide
8 appropriate services, the agency may adjust the capitation
9 rate to ensure that care will be available. The agency and the
10 department may use existing general revenue to address any
11 additional required match but may not over-obligate existing
12 funds on an annualized basis.

13 c. Subject to any limitations provided for in the
14 General Appropriations Act, the agency, in compliance with
15 appropriate federal authorization, shall develop policies and
16 procedures that allow for certification of local and state
17 funds.

18 ~~2. By December 31, 2001, the agency shall contract~~
19 ~~with entities providing comprehensive behavioral health care~~
20 ~~services to Medicaid recipients through capitated, prepaid~~
21 ~~arrangements in Charlotte, Collier, DeSoto, Escambia, Glades,~~
22 ~~Hendry, Lee, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota,~~
23 ~~and Walton Counties. The agency may contract with entities~~
24 ~~providing comprehensive behavioral health care services to~~
25 ~~Medicaid recipients through capitated, prepaid arrangements in~~
26 ~~Alachua County. The agency may determine if Sarasota County~~
27 ~~shall be included as a separate catchment area or included in~~
28 ~~any other agency geographic area.~~

29 ~~5.3. Children residing in a statewide inpatient~~
30 ~~psychiatric program, or in a Department of Juvenile Justice or~~
31 ~~a Department of Children and Family Services residential~~

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 program approved as a Medicaid behavioral health overlay
2 services provider shall not be included in a behavioral health
3 care prepaid health plan pursuant to this paragraph.

4 ~~6.4.~~ In converting to a prepaid system of delivery,
5 the agency shall in its procurement document require an entity
6 providing comprehensive behavioral health care services to
7 prevent the displacement of indigent care patients by
8 enrollees in the Medicaid prepaid health plan providing
9 behavioral health care services from facilities receiving
10 state funding to provide indigent behavioral health care, to
11 facilities licensed under chapter 395 which do not receive
12 state funding for indigent behavioral health care, or
13 reimburse the unsubsidized facility for the cost of behavioral
14 health care provided to the displaced indigent care patient.

15 ~~7.5.~~ Traditional community mental health providers
16 under contract with the Department of Children and Family
17 Services pursuant to part IV of chapter 394 and inpatient
18 mental health providers licensed pursuant to chapter 395 must
19 be offered an opportunity to accept or decline a contract to
20 participate in any provider network for prepaid behavioral
21 health services.

22 (c) A federally qualified health center or an entity
23 owned by one or more federally qualified health centers or an
24 entity owned by other migrant and community health centers
25 receiving non-Medicaid financial support from the Federal
26 Government to provide health care services on a prepaid or
27 fixed-sum basis to recipients. Such prepaid health care
28 services entity must be licensed under parts I and III of
29 chapter 641, but shall be prohibited from serving Medicaid
30 recipients on a prepaid basis, until such licensure has been
31 obtained. However, such an entity is exempt from s. 641.225

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 if the entity meets the requirements specified in subsections
2 (14) and (15).

3 (d) No more than four provider service networks for
4 demonstration projects to test Medicaid direct contracting.
5 The demonstration projects may be reimbursed on a
6 fee-for-service or prepaid basis. A provider service network
7 which is reimbursed by the agency on a prepaid basis shall be
8 exempt from parts I and III of chapter 641, but must meet
9 appropriate financial reserve, quality assurance, and patient
10 rights requirements as established by the agency. The agency
11 shall award contracts on a competitive bid basis and shall
12 select bidders based upon price and quality of care. Medicaid
13 recipients assigned to a demonstration project shall be chosen
14 equally from those who would otherwise have been assigned to
15 prepaid plans and MediPass. The agency is authorized to seek
16 federal Medicaid waivers as necessary to implement the
17 provisions of this section. A demonstration project awarded
18 pursuant to this paragraph shall be for 4 years from the date
19 of implementation.

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

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 (f) An entity that provides in-home physician services
2 to test the cost-effectiveness of enhanced home-based medical
3 care to Medicaid recipients with degenerative neurological
4 diseases and other diseases or disabling conditions associated
5 with high costs to Medicaid. The program shall be designed to
6 serve very disabled persons and to reduce Medicaid reimbursed
7 costs for inpatient, outpatient, and emergency department
8 services. The agency shall contract with vendors on a
9 risk-sharing basis.

10 (g) Children's provider networks that provide care
11 coordination and care management for Medicaid-eligible
12 pediatric patients, primary care, authorization of specialty
13 care, and other urgent and emergency care through organized
14 providers designed to service Medicaid eligibles under age 18
15 and pediatric emergency departments' diversion programs. The
16 networks shall provide after-hour operations, including
17 evening and weekend hours, to promote, when appropriate, the
18 use of the children's networks rather than hospital emergency
19 departments.

20 (h) An entity authorized in s. 430.205 to contract
21 with the agency and the Department of Elderly Affairs to
22 provide health care and social services on a prepaid or
23 fixed-sum basis to elderly recipients. Such prepaid health
24 care services entities are exempt from the provisions of part
25 I of chapter 641 for the first 3 years of operation. An entity
26 recognized under this paragraph that demonstrates to the
27 satisfaction of the Department of Insurance that it is backed
28 by the full faith and credit of one or more counties in which
29 it operates may be exempted from s. 641.225.

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

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 (5) By October 1, 2003, the agency and the department
2 shall, to the extent feasible, develop a plan for implementing
3 new Medicaid procedure codes for emergency and crisis care,
4 supportive residential services, and other services designed
5 to maximize the use of Medicaid funds for Medicaid-eligible
6 recipients. The agency shall include in the agreement
7 developed pursuant to subsection (4) a provision that ensures
8 that the match requirements for these new procedure codes are
9 met by certifying eligible general revenue or local funds that
10 are currently expended on these services by the department
11 with contracted alcohol, drug abuse, and mental health
12 providers. The plan must describe specific procedure codes to
13 be implemented, a projection of the number of procedures to be
14 delivered during fiscal year 2003-2004, and a financial
15 analysis that describes the certified match procedures, and
16 accountability mechanisms, projects the earnings associated
17 with these procedures, and describes the sources of state
18 match. This plan may not be implemented in any part until
19 approved by the Legislative Budget Commission. If such
20 approval has not occurred by December 31, 2003, the plan shall
21 be submitted for consideration by the 2004 Legislature.

22 Section 10. The Agency for Health Care Administration
23 may not implement the prepaid mental health managed care
24 program until a plan has been developed, reviewed, and
25 approved by the Legislative Budget Commission. The plan must
26 be submitted to the Legislative Budget Commission by January
27 1, 2004. The Secretary of Children and Family Services shall
28 conduct a review and develop the plan for ensuring that
29 children and families receiving foster care and other related
30 services are appropriately served and assist the
31 community-based care lead agency in meeting the goals and

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 outcomes of the system. The secretary shall include
 2 participation from representatives of community-based care
 3 lead agencies, representatives of the Agency for Health Care
 4 Administration, community alliances, sheriffs' offices,
 5 community providers serving dependent children, and others the
 6 secretary deems appropriate.

7 Section 11. Except as otherwise provided, this act
 8 shall be implemented within available resources.

9
10 (Redesignate subsequent sections.)

11
12
13 ===== T I T L E A M E N D M E N T =====

14 And the title is amended as follows:

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

16
17 and insert:

18 An act relating to substance abuse and mental
 19 health; amending s. 394.74, F.S.; authorizing
 20 the Department of Children and Family Services
 21 to adopt by rule new payment methodologies and
 22 to eliminate unit-based methodologies for
 23 mental health and substance abuse services;
 24 authorizing the department to adopt rules for
 25 local match based on new methodologies;
 26 prohibiting changes to the ratio of state to
 27 local matching resources or to the sources of
 28 local match and prohibiting the increase in the
 29 amount of local matching funds required;
 30 creating s. 394.655, F.S.; providing
 31 legislative intent; creating the Florida

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 Substance Abuse and Mental Health Corporation,
2 Inc.; providing that the corporation be
3 administratively housed within the Department
4 of Children and Family Services; specifying
5 responsibilities for the corporation;
6 specifying direction to the department
7 regarding the corporation; requiring a contract
8 between the corporation and the department;
9 specifying the composition of the corporation;
10 providing for appointments by the Governor,
11 President of the Senate and the Speaker of the
12 House of Representatives; providing direction
13 to the corporation regarding its operation;
14 authorizing advisory committees; requiring
15 financial disclosure by corporation members;
16 authorizing the corporation to employ and
17 purchase staff support within funds
18 appropriated; providing for additional staff
19 support to be provided by the department;
20 directing the corporation to develop and submit
21 a budget request for its operation; providing
22 for an annual financial audit; providing for an
23 annual evaluation and report by the
24 corporation; providing for expiration of s.
25 394.655, F.S., created by this act on October
26 1, 2006, unless reenacted by the Legislature;
27 providing for the expiration of ss. 20.19(2)(c)
28 and 20.19(4)(b)6. and 8. on October 1, 2006,
29 unless reenacted by the Legislature; directing
30 the Office of Program and Policy Analysis and
31 Government Accountability and the Auditor

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 General to conduct an evaluation ; specifying
2 the evaluation's focus; requiring an initial
3 report on February 1, 2005 and a final report
4 on February 1, 2006, to the Governor and
5 Legislature; amending s. 20.19. F.S.; directing
6 the Secretary of the department to appoint
7 certain positions; providing for the
8 organization of the mental health and substance
9 abuse programs within the department; providing
10 for implementation within available resources;
11 amending s. 394.741, F.S.; amending
12 accreditation requirements for providers of
13 behavioral health care services; requiring the
14 Department of Children and Family Services and
15 the Agency for Health Care Administration to
16 follow only properly adopted and applicable
17 statutes and rules in monitoring contracted
18 providers; requiring the department to file a
19 State Project Compliance Supplement; amending
20 s. 394.9082, F.S.; modifying the services for
21 which a managing entity is accountable;
22 establishing data system requirements;
23 providing for establishment of a single
24 managing entity for the delivery of substance
25 abuse services to child protective services
26 recipients in specified districts of the
27 department; providing for a contract; requiring
28 certain information to be kept; requiring an
29 evaluative study; providing for reports to the
30 Governor and Legislature; revising provisions
31 relating to delivery of state-funded mental

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 health services; amending s. 409.912, F.S.;

2 requiring the agency to work with the

3 department to ensure mental health and

4 substance abuse services are accessible to

5 children and families in the child protection

6 system; requiring the Agency for Health Care

7 Administration to seek federal approval to

8 contract with single entities to provide

9 comprehensive behavioral health care services

10 to Medicaid recipients in AHCA areas; requiring

11 the agency to submit a plan for fully

12 implementing capitated prepaid behavioral

13 health care in all areas of the state;

14 providing for implementation of the plan that

15 would vary by the size of the eligible

16 population; authorizing the agency to adjust

17 the capitation rate under specified

18 circumstances; requiring the agency to develop

19 policies and procedures that allow for

20 certification of local funds; requiring the

21 agency and the department to develop a plan to

22 implement new Medicaid procedure codes for

23 specified services; providing that match

24 requirements for those procedure codes are met

25 by certifying general revenue with contracted

26 providers; requiring the plan to address

27 specific procedure codes to be implemented, a

28 projection of procedures to be delivered and a

29 financial analysis; requiring approval by the

30 Legislative Budget Commission prior to

31 implementation; directing the plan to be

Bill No. CS for SB 2404

Amendment No. ____ Barcode 103890

1 submitted for consideration by the 2004
2 Legislature if not approved by December 31,
3 2004; requiring approval by the Legislative
4 Budget Commission prior to implementation;
5 providing an appropriation and authorizing
6 positions; providing effective dates.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31