

Bill No. CS for SB 2404

Amendment No. ____ Barcode 423152

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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2	04/23/2003 11:44 AM	.	
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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, delete those lines,

15

16 and insert:

17 Section 2. Section 394.655, Florida Statutes, is

18 created to read:

19 394.655 The Substance Abuse and Mental Health Board;

20 powers and duties; composition; evaluation and reporting

21 requirements.--

22 (1) It is the intent of the Legislature to provide

23 substance abuse and mental health services that are

24 coordinated and consistent throughout the state, that reflect

25 the current state of knowledge regarding quality and

26 effectiveness, and that are responsive to service recipients

27 and the needs of communities in this state. In order to

28 accomplish this intent, there is created a not-for-profit

29 corporation, to be known as the "Florida Substance Abuse and

30 Mental Health Board, Inc.," which shall be registered,

31 incorporated, organized, and operated in compliance with

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

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

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

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

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

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

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

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

31 6. Review performance data prepared by the department

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1 and the Agency for Health Care Administration.

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

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

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

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

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

26 (4) The secretary of the department shall provide or
27 direct that any information requested by the board be provided
28 in a timely manner that allows for a reasonable review and
29 approval period by the board for items as set forth in
30 subsection (3) and specified in the contract provided for in
31 subsection (5).

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

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

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

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

29 3. Of the five members appointed by the Speaker of the
30 House of Representatives, one member must be an expert in the
31 field of mental health, one member must be a former client or

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

7
8 The Secretary of Children and Family Services, or his or her
9 designee, the Secretary of Health Care Administration, or his
10 or her designee, and a representative of local government
11 designated by the Florida Association of Counties shall serve
12 as ex officio members of the board.

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

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

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

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

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

29 (g) The board shall meet at least quarterly and at
30 other times upon the call of its chair. Board meetings may be
31 held via teleconference or other electronic means.

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

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

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

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

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

27 (8) The board must develop a budget request for its
28 operation and must submit the request to the Governor and the
29 Legislature pursuant to chapter 216 through the secretary of
30 the department, who may not modify the budget request before
31 it is submitted or after the board's funding is appropriated

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1 by the Legislature.

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

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

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

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

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

14 20.19 Department of Children and Family
15 Services.--There is created a Department of Children and
16 Family Services.

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

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

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

30 a. Each program director shall have line authority
31 over all district substance abuse and mental health program

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1 management staff.

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

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

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

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

16 394.74 Contracts for provision of local substance
17 abuse and mental health programs.--

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

20 (b) Notwithstanding s. 394.76(3)(a) and (c), the
21 department may use unit cost methods of payment in contracts
22 for purchasing mental health and substance abuse services. The
23 unit cost contracting system must account for those patient
24 fees that are paid on behalf of a specific client and those
25 that are earned and used by the provider for those services
26 funded in whole or in part by the department. The department
27 is authorized to implement through administrative rule
28 fee-for-service, prepaid case rate, and prepaid capitation
29 contract methodologies to purchase mental health and substance
30 abuse services. Fee-for-service, prepaid case rate, or
31 prepaid capitation mechanisms shall not be implemented

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

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

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

18 394.741 Accreditation requirements for providers of
 19 behavioral health care services.--

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

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

30 (a) Any organization from which the department
 31 purchases behavioral health care services that is accredited

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

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

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

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

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

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1 standards and processes already covered by the accrediting
2 bodies.

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

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

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

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

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

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

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

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

28 ~~(9)(7)~~ The department and the agency shall report to
29 the Legislature by January 1, 2003, on the viability of
30 mandating all organizations under contract with the department
31 for the provision of behavioral health care services, or

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

6 ~~(10)(8)~~ The accreditation requirements of this section
7 ~~shall~~ apply to contracted organizations that are already
8 accredited immediately upon becoming law.

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

14 394.9082 Behavioral health service delivery
15 strategies.--

16 (4) CONTRACT FOR SERVICES.--

17 (a) The Department of Children and Family Services and
18 the Agency for Health Care Administration may contract for the
19 provision or management of behavioral health services with a
20 managing entity in at least two geographic areas. Both the
21 Department of Children and Family Services and the Agency for
22 Health Care Administration must contract with the same
23 managing entity in any distinct geographic area where the
24 strategy operates. This managing entity shall be accountable
25 at a minimum for the delivery of behavioral health services
26 specified and funded by the department and the agency ~~for~~
27 ~~children, adolescents, and adults~~. The geographic area must be
28 of sufficient size in population and have enough public funds
29 for behavioral health services to allow for flexibility and
30 maximum efficiency. Notwithstanding the provisions of s.
31 409.912(3)(b)1. and 2., at least one service delivery strategy

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1 must be in one of the service districts in the catchment area
 2 of G. Pierce Wood Memorial Hospital.

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

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

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

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

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

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

29 (5) STATEWIDE ACTIONS.--~~If Medicaid appropriations for~~
 30 ~~Community Mental Health Services or Mental Health Targeted~~
 31 ~~Case Management are reduced in fiscal year 2001-2002, The~~

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

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

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

31 (9)(8) MONITORING AND EVALUATION.--The Department of

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

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

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

26 409.912 Cost-effective purchasing of health care.--The
27 agency shall purchase goods and services for Medicaid
28 recipients in the most cost-effective manner consistent with
29 the delivery of quality medical care. The agency shall
30 maximize the use of prepaid per capita and prepaid aggregate
31 fixed-sum basis services when appropriate and other

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

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

21 ~~(4)(3)~~ The agency may contract with:

22 (a) An entity that provides no prepaid health care
23 services other than Medicaid services under contract with the
24 agency and which is owned and operated by a county, county
25 health department, or county-owned and operated hospital to
26 provide health care services on a prepaid or fixed-sum basis
27 to recipients, which entity may provide such prepaid services
28 either directly or through arrangements with other providers.
29 Such prepaid health care services entities must be licensed
30 under parts I and III by January 1, 1998, and until then are
31 exempt from the provisions of part I of chapter 641. An entity

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1 recognized under this paragraph which demonstrates to the
2 satisfaction of the Department of Insurance that it is backed
3 by the full faith and credit of the county in which it is
4 located may be exempted from s. 641.225.

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

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

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

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

31 3. By July 1, 2006, the agency and the Department of

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

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

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

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

29 c. Subject to any limitations provided for in the
30 General Appropriations Act, the agency, in compliance with
31 appropriate federal authorization, shall develop policies and

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1 procedures that allow for certification of local and state
 2 funds.

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

14 ~~5.3. Children residing in a statewide inpatient~~
 15 ~~psychiatric program, or in a Department of Juvenile Justice or~~
 16 ~~a Department of Children and Family Services residential~~
 17 ~~program approved as a Medicaid behavioral health overlay~~
 18 ~~services provider shall not be included in a behavioral health~~
 19 ~~care prepaid health plan pursuant to this paragraph.~~

20 ~~6.4. In converting to a prepaid system of delivery,~~
 21 ~~the agency shall in its procurement document require an entity~~
 22 ~~providing comprehensive behavioral health care services to~~
 23 ~~prevent the displacement of indigent care patients by~~
 24 ~~enrollees in the Medicaid prepaid health plan providing~~
 25 ~~behavioral health care services from facilities receiving~~
 26 ~~state funding to provide indigent behavioral health care, to~~
 27 ~~facilities licensed under chapter 395 which do not receive~~
 28 ~~state funding for indigent behavioral health care, or~~
 29 ~~reimburse the unsubsidized facility for the cost of behavioral~~
 30 ~~health care provided to the displaced indigent care patient.~~

31 ~~7.5. Traditional community mental health providers~~

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

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

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

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1 federal Medicaid waivers as necessary to implement the
2 provisions of this section. A demonstration project awarded
3 pursuant to this paragraph shall be for 4 years from the date
4 of implementation.

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

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

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

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

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

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

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

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

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

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

28
29 (Redesignate subsequent sections.)
30
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 amending s. 394.9082, F.S.; modifying the
19 services for which a managing entity is
20 accountable; establishing data system
21 requirements; providing for establishment of a
22 single managing entity for the delivery of
23 substance abuse services to child protective
24 services recipients in specified districts of
25 the department; providing for a contract;
26 requiring certain information to be kept;
27 requiring an evaluative study; providing for
28 reports to the Governor and Legislature;
29 creating s. 394.655, F.S.; providing
30 legislative intent; creating the Florida
31 Substance Abuse and Mental Health Board, Inc.

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1 which shall be administratively housed within
2 the Department of Children and Family Services;
3 providing for the board's independence;
4 providing the duties, responsibilities, and
5 authority of the board; requiring a contract
6 between the board and the department; providing
7 for the appointment of members and specifying
8 qualifications for membership; authorizing the
9 board to employ staff members; requiring an
10 annual evaluation and report to the Legislature
11 and Governor; directing other agencies to
12 cooperate in the development of the evaluation
13 and report; providing for future repeal;
14 directing the Executive Office of the Governor
15 to procure an evaluation; providing for a
16 report to the Legislature; amending s. 20.19,
17 F.S.; requiring the Secretary of Children and
18 Family Services to appoint certain staff;
19 providing responsibilities; amending s. 394.74,
20 F.S.; authorizing the Department of Children
21 and Family Services to adopt by rule new
22 payment methodologies and to eliminate
23 unit-based methodologies for mental health and
24 substance abuse services; authorizing the
25 department to adopt rules for local match based
26 on new methodologies; prohibiting changes to
27 the ratio of state-to-local matching resources
28 or to the sources of local match and
29 prohibiting the increase in the amount of local
30 matching funds required; amending s. 394.741,
31 F.S.; amending accreditation requirements for

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1 providers of behavioral health care services;
2 requiring the Department of Children and Family
3 Services and the Agency for Health Care
4 Administration to follow only properly adopted
5 and applicable statutes and rules in monitoring
6 contracted providers; requiring the department
7 to file a State Project Compliance Supplement;
8 amending s. 394.9082, F.S.; modifying the
9 services for which a managing entity is
10 accountable; establishing data system
11 requirements; providing for establishment of a
12 single managing entity for the delivery of
13 substance abuse services to child protective
14 services recipients in specified districts of
15 the department; providing for a contract;
16 requiring certain information to be kept;
17 requiring an evaluative study; providing for
18 reports to the Governor and Legislature;
19 revising provisions relating to delivery of
20 state-funded mental health services; amending
21 s. 409.912, F.S.; requiring the agency to work
22 with the department to ensure mental health and
23 substance abuse services are accessible to
24 children and families in the child protection
25 system; requiring the Agency for Health Care
26 Administration to seek federal approval to
27 contract with single entities to provide
28 comprehensive behavioral health care services
29 to Medicaid recipients in AHCA areas; requiring
30 the agency to submit a plan for fully
31 implementing capitated prepaid behavioral

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1 health care in all areas of the state;
2 providing for implementation of the plan that
3 would vary by the size of the eligible
4 population; authorizing the agency to adjust
5 the capitation rate under specified
6 circumstances; requiring the agency to develop
7 policies and procedures that allow for
8 certification of local funds; requiring the
9 agency and the department to develop a plan to
10 implement new Medicaid procedure codes for
11 specified services; providing that match
12 requirements for those procedure codes are met
13 by certifying general revenue with contracted
14 providers; requiring the plan to address
15 specific procedure codes to be implemented, a
16 projection of procedures to be delivered and a
17 financial analysis; requiring approval by the
18 Legislative Budget Commission prior to
19 implementation; directing the plan to be
20 submitted for consideration by the 2004
21 Legislature if not approved by December 31,
22 2004; requiring approval by the Legislative
23 Budget Commission prior to implementation;
24 providing an appropriation and authorizing
25 positions; providing effective dates.

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