

By the Committee on Children and Families; and Senator Lynn

300-2153-03

1                                   A bill to be entitled  
2           An act relating to substance abuse services;  
3           amending s. 394.74, F.S.; authorizing the  
4           Department of Children and Family Services to  
5           adopt by rule new payment methodologies and to  
6           eliminate unit-based methodologies for mental  
7           health and substance abuse services;  
8           authorizing the department to adopt rules for  
9           local match based on new methodologies;  
10          prohibiting changes to the ratio of state to  
11          local matching resources or to the sources of  
12          local match and prohibiting the increase in the  
13          amount of local matching funds required;  
14          amending s. 394.9082, F.S.; modifying the  
15          services for which a managing entity is  
16          accountable; establishing data system  
17          requirements; providing for establishment of a  
18          single managing entity for the delivery of  
19          substance abuse services to child protective  
20          services recipients in specified districts of  
21          the department; providing for a contract;  
22          requiring certain information to be kept;  
23          requiring an evaluative study; providing for  
24          reports to the Governor and Legislature;  
25          providing an effective date.

26  
27 Be It Enacted by the Legislature of the State of Florida:

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29           Section 1. Paragraph (b) of subsection (2) of section  
30   394.74, Florida Statutes, is amended to read:

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1           394.74 Contracts for provision of local substance  
2 abuse and mental health programs.--

3           (2)

4           (b) Notwithstanding s. 394.76(3)(a) and (c), the  
5 department may use unit cost methods of payment in contracts  
6 for purchasing mental health and substance abuse services. The  
7 unit cost contracting system must account for those patient  
8 fees that are paid on behalf of a specific client and those  
9 that are earned and used by the provider for those services  
10 funded in whole or in part by the department. The department  
11 is authorized to implement through administrative rule  
12 fee-for-service, prepaid case rate, and prepaid capitation  
13 contract methodologies to purchase mental health and substance  
14 abuse services. Fee-for-service, prepaid case rate, or  
15 prepaid capitation mechanisms shall not be implemented  
16 statewide without the elimination of the unit cost method of  
17 payment. Notwithstanding the provisions of s. 394.76(3), the  
18 department may adopt administrative rules that account for  
19 local match in a manner that is consistent with  
20 fee-for-service, prepaid case rate, and prepaid capitated  
21 payment methodologies. Such provisions may not result in a  
22 change of the ratio of state to local matching resources or in  
23 the sources of local matching funds and may not increase the  
24 amount of required local matching funds. It is the intent of  
25 the Legislature that the provisions to account for local match  
26 be consistent with the financial principles adopted for the  
27 payment of state funds.

28           Section 2. Paragraphs (a) and (d) of subsection (4) of  
29 section 394.9082, Florida Statutes, are amended, present  
30 subsection (8) of that section is renumbered as subsection (9)

31

1 and amended, and a new subsection (8) is added to that  
2 section, to read:

3           394.9082 Behavioral health service delivery  
4 strategies.--

5           (4) CONTRACT FOR SERVICES.--

6           (a) The Department of Children and Family Services and  
7 the Agency for Health Care Administration may contract for the  
8 provision or management of behavioral health services with a  
9 managing entity in at least two geographic areas. Both the  
10 Department of Children and Family Services and the Agency for  
11 Health Care Administration must contract with the same  
12 managing entity in any distinct geographic area where the  
13 strategy operates. This managing entity shall be accountable  
14 at a minimum for the delivery of behavioral health services  
15 specified and funded by the department and the agency ~~for~~  
16 ~~children, adolescents, and adults~~. The geographic area must be  
17 of sufficient size in population and have enough public funds  
18 for behavioral health services to allow for flexibility and  
19 maximum efficiency. Notwithstanding the provisions of s.  
20 409.912(3)(b)1. and 2., at least one service delivery strategy  
21 must be in one of the service districts in the catchment area  
22 of G. Pierce Wood Memorial Hospital.

23           (d) Under both strategies, the Department of Children  
24 and Family Services and the Agency for Health Care  
25 Administration may:

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

28           2. Align and integrate procedure codes, standards, or  
29 other requirements if it is jointly determined that these  
30 actions will simplify or improve client services and  
31 efficiencies in service delivery;

1           3. Use prepaid per capita and prepaid aggregate  
2 fixed-sum payment methodologies; ~~and~~

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

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

18           (8) EXPANSION IN DISTRICTS 4 AND 12.--The department  
19 shall work with community agencies to establish a single  
20 managing entity for districts 4 and 12 accountable for the  
21 delivery of substance abuse services to child protective  
22 services recipients in the two districts. The purpose of this  
23 strategy is to enhance the coordination of substance abuse  
24 services with community-based care agencies and the  
25 department. The department shall work with affected  
26 stakeholders to develop and implement a plan that allows the  
27 phase-in of services beginning with the delivery of substance  
28 abuse services, with phase-in of subsequent substance abuse  
29 services agreed upon by the managing entity and authorized by  
30 the department, providing the necessary technical assistance  
31 to assure provider and district readiness for implementation.

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

22 (9)~~(8)~~ MONITORING AND EVALUATION.--The Department of  
23 Children and Family Services and the Agency for Health Care  
24 Administration shall provide routine monitoring and oversight  
25 of and technical assistance to the managing entities. The  
26 Louis de la Parte Florida Mental Health Institute shall  
27 conduct an ongoing formative evaluation of each strategy to  
28 identify the most effective methods and techniques used to  
29 manage, integrate, and deliver behavioral health services. The  
30 entity conducting the evaluation shall report to the  
31 Department of Children and Family Services, the Agency for

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

1 for full statewide implementation.~~Upon receiving the annual~~  
2 ~~report from the evaluator, the Department of Children and~~  
3 ~~Family Services and the Agency for Health Care Administration~~  
4 ~~shall jointly make any recommendations to the Executive Office~~  
5 ~~of the Governor regarding changes in the service delivery~~  
6 ~~strategies or in the implementation of the strategies,~~  
7 ~~including timeframes.~~

8 Section 3. This act shall take effect upon becoming a  
9 law.

10  
11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
12 COMMITTEE SUBSTITUTE FOR  
13 Senate Bill 2404

14 Authorizes the department to implement through administrative  
15 rule fee-for-services, prepaid case rate, and prepaid  
16 capitation contract methodologies to purchase mental health  
and substance abuse services while maintaining the current  
level of required local match.

17 Restricts the expansion of the program in Districts 4 and 12  
18 to the provision of substance abuse services.

19 Provides additional direction for the study to be conducted by  
the Florida Mental Health Institute (FMHI), as a part of the  
20 ongoing evaluation of the strategies, to address the  
strategies implemented in Districts 1, 8, 4 and 12. This  
21 report must contain recommendations for statewide  
implementation of successful strategies, including any  
22 modification to the strategies currently in use, and is to be  
provided by December 31, 2006.