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1 A bill to be entitled
2 An act relating to behavioral health; providing
3 legislative intent with respect to the provision of mental
4 health and substance abuse services through the creation
5 of an Agency for Mental Health and Substance Abuse
6 Services within the Department of Children and Family
7 Services; defining "mental health and substance abuse
8 services" for purposes of the act; creating part VI of ch.
9 394, F.S., entitled "Agency for Mental Health and
10 Substance Abuse Services"; creating s. 394.95, F.S.;
11 creating the Agency for Mental Health and Substance Abuse
12 Services; providing the mission of the agency; requiring
13 the agency to develop a strategic plan and collaborative
14 agreements with state agencies; providing for
15 responsibilities of the agency; providing that the head of
16 the agency shall be the director of the Agency for Mental
17 Health and Substance Abuse Services; providing duties and
18 responsibilities of the director; providing for a Division
19 Director for Mental Health and a Division Director for
20 Substance Abuse; providing duties and responsibilities of
21 the division directors; providing service structure of the
22 agency; providing for the appointment of a statewide
23 policy board by the Governor for the purpose of making
24 recommendations to the director regarding policy, budget,
25 and other matters relating to the management of the mental
26 health and substance abuse systems developed by the
27 agency; providing for a transition team to plan the
28 transition of responsibility for the provision of mental
29 health and substance abuse services from the existing
30 mental health and substance abuse programs of the



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31 Department of Children and Family Services to the Agency
32 for Mental Health and Substance Abuse Services; providing
33 membership of the transition team; requiring the
34 development of a transition plan; prescribing plan
35 components; providing for a type two transfer of all
36 powers, duties, records, personnel, property, and
37 unexpended balances of appropriations, allocations, or
38 other funds of the mental health and substance abuse
39 programs of the Department of Children and Family Services
40 to the Agency for Mental Health and Substance Abuse
41 Services by a specified date; providing for continuation
42 of administrative rules; providing for continuation of
43 judicial or administrative proceedings; amending s.
44 394.741, F.S.; revising and providing additional
45 accreditation requirements for providers of behavioral
46 health care services; amending s. 409.912, F.S.; requiring
47 the Agency for Health Care Administration to seek federal
48 approval to contract with a single entity to provide
49 comprehensive behavioral health care services to Medicaid
50 recipients; requiring the agency to contract with a single
51 managed entity to provide comprehensive inpatient and
52 outpatient mental health and substance abuse services
53 through capitated prepaid arrangements to Medicaid
54 recipients by a specified date; requiring the agency to
55 submit a plan for full implementation of capitated prepaid
56 behavioral health care by a specified date; providing
57 implementation plan requirements and procedures;
58 reenacting s. 394.9082(4)(a), (b), and (d), F.S., relating
59 to the authority of the Department of Children and Family
60 Services and the Agency for Health Care Administration to



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61 contract for the provision or management of behavioral
 62 health services with a managing entity in specified
 63 geographic areas, to incorporate the amendments to s.
 64 409.912, F.S., in references thereto; reenacting s.
 65 641.225(3)(b), F.S., relating to minimum surplus
 66 requirements of specified health maintenance organizations
 67 providing prepaid capitated services, to incorporate the
 68 amendments to s. 409.912, F.S., in references thereto;
 69 reenacting s. 636.0145, F.S., relating to license
 70 requirements for specified prepaid limited health service
 71 organizations providing comprehensive inpatient and
 72 outpatient mental health care services to certain Medicaid
 73 recipients through a capitated prepaid arrangement
 74 pursuant to federal waiver, to incorporate the amendments
 75 to s. 409.912, F.S., in references thereto; providing
 76 effective dates.

77
 78 WHEREAS, mental health and substance abuse services are
 79 delivered in many settings outside of the jurisdiction of the
 80 Department of Children and Family Services, including hospitals,
 81 clinics, jails, prisons, juvenile justice programs, assisted
 82 living facilities, nursing homes, and other settings, and

83 WHEREAS, each state agency that serves people with mental
 84 health and substance abuse disorders has a planning, quality
 85 assurance, and accountability function related to its primary
 86 mission, and

87 WHEREAS, there is no single governmental agency responsible
 88 for state strategy, policy, and leadership across the state's
 89 combined behavioral health care system, and



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90 WHEREAS, the Commission on Mental Health and Substance
 91 Abuse reported in 2001 that the current system is complex,
 92 fragmented, uncoordinated, and often ineffective, and

93 WHEREAS, the Commission on Mental Health and Substance
 94 Abuse found that although significant cost associated with the
 95 state's current approach to mental health and substance abuse
 96 problems can be documented, programs are not organized
 97 effectively at the state level, and

98 WHEREAS, multiple mental health and substance abuse
 99 programs across agencies and departments present bureaucratic
 100 barriers and often conflicting funding streams and regulations
 101 that frustrate access for many Floridians needing care, and

102 WHEREAS, many states have combined mental health and
 103 substance abuse services in a single unique agency because of
 104 their common behavioral health-related treatment and service
 105 orientation to individuals needing care, and

106 WHEREAS, the scope and complexity of the state's behavioral
 107 health care system requires strong leadership to be effective
 108 and efficient, NOW, THEREFORE,

109
 110 Be It Enacted by the Legislature of the State of Florida:

111
 112 Section 1. Legislative intent.--It is the intent of the
 113 Legislature to provide mental health and substance abuse
 114 services that are coordinated and consistent and reflect the
 115 current state of knowledge regarding quality and effectiveness
 116 by creating an agency dedicated to mental health and substance
 117 abuse services. For purposes of this act, the term "mental
 118 health and substance abuse services" means substance abuse
 119 programs and functions under chapter 397, Florida Statutes,



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120 mental health programs and functions under chapter 394, Florida
 121 Statutes, and other related programs and functions designated by
 122 statute.

123 Section 2. Effective October 1, 2004, part VI of chapter
 124 394, Florida Statutes, consisting of section 394.95, is created
 125 to read:

126 PART VI

127 AGENCY FOR MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

128
 129 394.95 Agency for Mental Health and Substance Abuse
 130 Services.--There is created an Agency for Mental Health and
 131 Substance Abuse Services within the Department of Children and
 132 Family Services. The agency shall be a separate budget entity
 133 and the director of the Agency for Mental Health and Substance
 134 Abuse Services shall be the agency head for all purposes.

135 (1) MISSION.--

136 (a) The mission of the Agency for Mental Health and
 137 Substance Abuse Services shall be to:

138 1. Provide overall policy and programmatic leadership for
 139 all mental health and substance abuse services funded by or
 140 through the state.

141 2. Initiate and organize partnerships with local
 142 communities to develop effective strategies for preventing or
 143 reducing the negative consequences of mental illness and
 144 substance abuse problems.

145 3. Provide a comprehensive and coordinated continuum of
 146 effective mental health and substance abuse services to help
 147 individuals suffering from these illnesses to achieve their
 148 greatest potential for independent and productive living.



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149 (b) The agency shall develop a strategic plan for
150 fulfilling its mission and establish a set of measurable goals,
151 objectives, performance standards, and quality assurance
152 requirements to ensure that the agency is accountable to the
153 people of Florida.

154 (c) The agency shall develop effective collaborative
155 agreements with other state agencies to fulfill the intent of
156 this act and the mission of the agency.

157 (2) RESPONSIBILITIES.--The agency is responsible for:

158 (a) Establishing statewide policy for the provision of
159 mental health and substance abuse services to the citizens of
160 the state and developing strategies for the implementation of
161 such policy.

162 (b) Directing and managing the use of mental health and
163 substance abuse appropriations made pursuant to this chapter and
164 chapter 397, including those services funded through the
165 Medicaid program.

166 (c) Ensuring the provision of all information required by
167 the Agency for Health Care Administration for the accountability
168 of Medicaid mental health and substance abuse funding.

169 (d) Creating and contracting with comprehensive service
170 provider networks pursuant to s. 394.9082 using single and
171 uniform contracts, standards, and data-reporting requirements to
172 the maximum extent possible.

173 (e) Working with community-based provider networks on the
174 establishment of local service priorities and service
175 strategies.

176 (f) Developing and implementing uniform contracting and
177 payment systems which are consistent with s. 394.9082 for all
178 mental health and substance abuse funds under agency control.



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179 (g) Developing standards and performance expectations for
180 contractors.

181 (h) Utilizing efficient accountability mechanisms which
182 are data-based and which reflect state-of-the-art industry
183 practices.

184 (i) Delegating to the maximum extent possible on-site
185 monitoring to the community-based provider networks.

186 (j) Maintaining knowledge of emerging research regarding
187 effective and efficient prevention and treatment approaches and
188 systematically incorporating this research into practice.

189 (k) Working with other state and local agencies involved
190 in the delivery of mental health and substance abuse services to
191 facilitate the use of the most current approaches to prevention
192 and treatment.

193 (l) Collecting data and monitoring the status of the
194 entire publicly funded mental health and substance abuse system.

195 (m) Monitoring and forecasting mental health and substance
196 abuse manpower needs and working with the educational systems in
197 the state to ensure that the state has the personnel needed to
198 continuously implement and improve its services.

199 (n) Providing or arranging for administrative services and
200 information systems necessary to support the mission of the
201 agency.

202 (o) Developing and maintaining effective interagency
203 collaboration.

204 (p) Ensuring access of children and families in the child
205 protection system to needed and appropriate mental health and
206 substance abuse services.

207 (q) Operating a consumer advocacy function.



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208 (r) Ensuring that all federal and state laws and reporting
 209 requirements are met.

210 (s) Maximizing the use of federal and other nonstate funds
 211 in the accomplishment of the agency's mission.

212 (3) DIRECTOR OF THE AGENCY FOR MENTAL HEALTH AND SUBSTANCE
 213 ABUSE SERVICES.--

214 (a) The head of the agency is the director of the Agency
 215 for Mental Health and Substance Abuse Services, who shall be
 216 appointed by the Governor, with the concurrence of the secretary
 217 of the Department of Children and Family Services. The director
 218 shall serve at the pleasure of and report to the Governor and
 219 shall have a responsibility to coordinate activities with the
 220 secretary of the Department of Children and Family Services.

221 (b) The director shall ensure that mental health and
 222 substance abuse services are implemented according to
 223 legislative intent, state and federal laws, rules, regulations,
 224 statewide program standards, and performance objectives.

225 (c) The director shall negotiate an agreement with the
 226 secretary of the Agency for Health Care Administration that
 227 delegates responsibility for managing Medicaid mental health and
 228 substance abuse services to the Agency for Mental Health and
 229 Substance Services.

230 (d) The director shall have formal relationships with the
 231 State University System and shall, to the extent practicable,
 232 utilize the resources and expertise of the State University
 233 System in pursuing its responsibilities.

234 (4) DIVISION DIRECTORS; MANAGEMENT STAFF.--

235 (a) The director shall appoint a Division Director for
 236 Mental Health and a Division Director for Substance Abuse. The



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237 division directors are directly responsible to the director and
238 serve at the pleasure of the director.

239 (b) The Division Director for Mental Health is responsible
240 for all mental health institutional programs and for community
241 mental health programs and services, including those funded by
242 Medicaid, and shall have line authority over regional mental
243 health agency staff.

244 (c) The Division Director for Substance Abuse shall be
245 responsible for all substance abuse prevention and treatment
246 services and shall have line authority over all regional
247 substance abuse agency staff.

248 (d) In order to facilitate the accomplishment of agency
249 service goals, the director shall, to the maximum extent
250 possible, assign administrative services staff to the division
251 directors.

252 (e) The director shall appoint a Director of Consumer
253 Affairs who shall have input into the policy, program, and
254 training and research priorities of the agency in addition to
255 handling consumer and other complaints.

256 (f) The director shall appoint a Director of Services
257 Integration who shall advocate for services integration and who
258 shall be responsible for monitoring and reporting on the
259 agency's performance in integrating mental health and substance
260 abuse services in its own operations and integrating mental
261 health and substance abuse services in the operations of other
262 departments that deliver mental health and substance abuse
263 services.

264 (g) The director may appoint additional managers and
265 administrators that he or she determines are necessary for the
266 effective management of the agency.



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267 (5) SERVICE STRUCTURE.--

268 (a) The agency is authorized to establish regional offices
269 which, if established, will be aligned with one or more regions
270 of the Agency for Health Care Administration.

271 (b) The agency is authorized to contract for mental health
272 and substance abuse services with comprehensive community-based
273 provider networks and shall use contracting mechanisms to the
274 maximum extent possible in accomplishing its mission.

275 (6) STATEWIDE POLICY BOARD.--The Governor shall appoint a
276 statewide policy board composed of business and community
277 leaders who have an interest in mental health and substance
278 abuse services. The board shall make recommendations to the
279 director regarding organization, policy, budget, and other
280 matters relating to the management of the mental health and
281 substance abuse system.

282 Section 3. Transition team; Agency for Mental Health and
283 Substance Abuse Services creation plan.--

284 (1) By July 1, 2003, the secretary of the Department of
285 Children and Family Services shall convene a transition team to
286 plan the transition of responsibility for the provision of
287 mental health and substance abuse services in the state from the
288 existing mental health and substance abuse programs of the
289 Department of Children and Family Services to the Agency for
290 Mental Health and Substance Abuse Services.

291 (2) The transition team shall be composed of the following
292 members:

293 (a) A member of the House of Representatives to be
294 appointed by the Speaker of the House of Representatives.

295 (b) A member of the Senate to be appointed by the
296 President of the Senate.



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297 (c) The director of the Medicaid program for the Agency
 298 for Health Care Administration.

299 (c) The secretary of the Department of Health.

300 (d) The Department of Children and Family Services program
 301 office directors for mental health and substance abuse.

302 (e) The Department of Children and Family Services
 303 assistant secretary for programs.

304 (f) A representative of the Executive Office of the
 305 Governor to be appointed by the Governor.

306 (g) A representative of the Statewide Drug Policy Advisory
 307 Council to be appointed by the Governor.

308 (h) A representative of the Florida Council for Behavioral
 309 Healthcare to be appointed by the Governor.

310 (i) A representative of the Florida Alcohol and Drug Abuse
 311 Association to be appointed by the Governor.

312 (j) Representatives of the State University System to be
 313 appointed by the Governor.

314 (k) Representatives of other appropriate mental health and
 315 substance abuse advocacy groups, including consumers and family
 316 members, to be appointed by the Governor.

317 (3) The transition team shall develop a plan of transition
 318 activities and functions with respect to the creation of the
 319 Agency for Mental Health and Substance Abuse Services. The
 320 transition plan shall be formulated anticipating the use of
 321 Department of Children and Family Services and Agency for Health
 322 Care Administration program and administrative resources
 323 currently directly or indirectly involved in managing and
 324 accounting for Department of Children and Family Services and
 325 Medicaid mental health and substance abuse services. The final



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326 plan shall anticipate a 10-percent reduction in total
327 administrative costs. The plan shall address, at a minimum:

328 (a) Organizational structure.

329 (b) The transfer of responsibility for Medicaid mental
330 health and substance abuse services to the new agency and the
331 associated children's mental health and substance abuse services
332 requirements regarding integration with the child protection
333 system.

334 (c) Information and support systems.

335 (d) Policy and rules transfer.

336 (e) Necessary changes in statutes and rules.

337 (f) Administrative support functions.

338 (g) Standards and licensing requirements.

339 (h) Budget authority and positions.

340 (i) Applicable federal requirements.

341 (j) Inventory and transfers of equipment and structures.

342 (k) Building leases.

343 (l) Contracts and contract management.

344 (m) Other areas identified by the transition team as
345 relevant to the creation and function of the Agency for Mental
346 Health and Substance Abuse Services and the transfer of powers,
347 duties, records, personnel, property, and funds of the mental
348 health and substance abuse programs of the Department of
349 Children and Family Services to the agency.

350 (4) The transition plan shall be submitted to the
351 Governor, the President of the Senate, the Speaker of the House
352 of Representatives, the chairs of the Senate and House of
353 Representatives appropriations committees, and the chairs of
354 appropriate substantive committees of the Senate and the House
355 of Representatives by November 1, 2003.



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356 (5) Members of the transition team shall serve without
 357 compensation, but are entitled to receive reimbursement for per
 358 diem and travel expenses as provided in s. 112.061, Florida
 359 Statutes.

360 Section 4. Transfer of programs.--

361 (1) (a) Effective October 1, 2004, all powers, duties,
 362 records, personnel, property, and unexpended balances of
 363 appropriations, allocations, or other funds of the mental health
 364 and substance abuse programs of the Department of Children and
 365 Family Services or its successor as designated by law are
 366 transferred by a type two transfer, as defined in s. 20.06,
 367 Florida Statutes, to the Agency for Mental Health and Substance
 368 Abuse Services within the Department of Children and Family
 369 Services, as created by this act, including:

370 1. The unexpended, indirect cost balances from the General
 371 Revenue Fund and from applicable trust funds from appropriate
 372 budget entities supporting administrative infrastructure and
 373 positions for mental health and substance abuse programs and
 374 functions within the Department of Children and Family Services.

375 2. Mental health and substance abuse program positions
 376 within the Department of Children and Family Services and the
 377 Agency for Health Care Administration or their successors as
 378 designated by law.

379 (b) The Department of Children and Family Services and the
 380 Agency for Health Care Administration or their successors as
 381 designated by law shall transfer all tangible property, office
 382 furnishings and supplies, pro rata shares of fixed capital funds
 383 for centrally managed projects, acquisition of motor vehicles,
 384 and operating capital outlay for the 2004-2005 fiscal year to
 385 the Agency for Mental Health and Substance Abuse Services.



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386 (c) Pursuant to s. 216.181, Florida Statutes, the
387 Executive Office of the Governor may provide for flexibility in
388 salary rates which is necessary to support the Agency for Mental
389 Health and Substance Abuse Services, and may establish positions
390 at a rate in excess of 10 percent above the minimum, to the
391 extent that annualized moneys for salaries are available.

392 (d) The Department of Children and Family Services and the
393 Agency for Health Care Administration or their successors as
394 designated by law shall provide administrative support and staff
395 for the Agency for Mental Health and Substance Abuse Services
396 until December 31, 2005.

397 (2) All applicable administrative rules of the Department
398 of Children and Family Services and the Agency for Health Care
399 Administration or their successors as designated by law which
400 are in effect on October 1, 2004, shall remain in effect as
401 rules of the Agency for Mental Health and Substance Abuse
402 Services until they are specifically changed in the manner
403 provided by law.

404 (3) This act does not affect the validity of any judicial
405 or administrative proceeding pending on October 1, 2004, and the
406 Agency for Mental Health and Substance Abuse Services within the
407 Department of Children and Family Services is substituted as a
408 real party in interest with respect to any proceeding pending on
409 that date which involves the mental health or substance abuse
410 programs of the Department of Children and Family Services or
411 its successor as designated by law.

412 Section 5. Subsection (6) of section 394.741, Florida
413 Statutes, is amended, present subsection (7) is renumbered as
414 subsection (9), and new subsections (7) and (8) are added to
415 said section, to read:



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416 394.741 Accreditation requirements for providers of
417 behavioral health care services.--

418 (6) The department or agency, by accepting the survey or
419 inspection of an accrediting organization, does not forfeit its
420 rights to perform inspections at any time, including contract
421 monitoring to ensure that services that have been billed
422 ~~deliverables~~ are provided in accordance with the contract.

423 (7) The department or agency shall not monitor
424 organizations under contract with the department or find such
425 organizations out of compliance with requirements for which
426 there are no specific federal or state regulations.

427 (8) The department shall file a State Projects Compliance
428 Supplement for behavioral health care services pursuant to s.
429 215.97. If monitoring the financial operations of its
430 contractors, the department shall perform an off-site desk
431 review of its contractors' most recent independent CPA audit and
432 only conduct on-site monitoring of problems identified by such
433 audit.

434 (9)~~(7)~~ The department and the agency shall report to the
435 Legislature by January 1, 2003, on the viability of mandating
436 all organizations under contract with the department for the
437 provision of behavioral health care services, or licensed by the
438 agency or department to be accredited. The department and the
439 agency shall also report to the Legislature by January 1, 2003,
440 on the viability of privatizing all licensure and monitoring
441 functions through an accrediting organization.

442 Section 6. Paragraph (b) of subsection (3) of section
443 409.912, Florida Statutes, is amended to read:

444 409.912 Cost-effective purchasing of health care.--The
445 agency shall purchase goods and services for Medicaid recipients



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446 in the most cost-effective manner consistent with the delivery
447 of quality medical care. The agency shall maximize the use of
448 prepaid per capita and prepaid aggregate fixed-sum basis
449 services when appropriate and other alternative service delivery
450 and reimbursement methodologies, including competitive bidding
451 pursuant to s. 287.057, designed to facilitate the cost-
452 effective purchase of a case-managed continuum of care. The
453 agency shall also require providers to minimize the exposure of
454 recipients to the need for acute inpatient, custodial, and other
455 institutional care and the inappropriate or unnecessary use of
456 high-cost services. The agency may establish prior authorization
457 requirements for certain populations of Medicaid beneficiaries,
458 certain drug classes, or particular drugs to prevent fraud,
459 abuse, overuse, and possible dangerous drug interactions. The
460 Pharmaceutical and Therapeutics Committee shall make
461 recommendations to the agency on drugs for which prior
462 authorization is required. The agency shall inform the
463 Pharmaceutical and Therapeutics Committee of its decisions
464 regarding drugs subject to prior authorization.

465 (3) The agency may contract with:

466 (b) An entity that is providing comprehensive behavioral
467 health care services to certain Medicaid recipients through a
468 capitated, prepaid arrangement pursuant to the federal waiver
469 provided for by s. 409.905(5). Such an entity must be licensed
470 under chapter 624, chapter 636, or chapter 641 and must possess
471 the clinical systems and operational competence to manage risk
472 and provide comprehensive behavioral health care to Medicaid
473 recipients. As used in this paragraph, the term "comprehensive
474 behavioral health care services" means covered mental health and
475 substance abuse treatment services that are available to



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476 Medicaid recipients. The secretary of the Department of Children
 477 and Family Services shall approve provisions of procurements
 478 related to children in the department's care or custody prior to
 479 enrolling such children in a prepaid behavioral health plan. Any
 480 contract awarded under this paragraph must be competitively
 481 procured. In developing the behavioral health care prepaid plan
 482 procurement document, the agency shall ensure that the
 483 procurement document requires the contractor to develop and
 484 implement a plan to ensure compliance with s. 394.4574 related
 485 to services provided to residents of licensed assisted living
 486 facilities that hold a limited mental health license. The agency
 487 shall seek federal approval to contract with a single entity
 488 meeting these requirements in each region or combination of
 489 regions to provide comprehensive behavioral health care services
 490 to all Medicaid recipients residing in the region. These
 491 entities must offer sufficient choice of providers to ensure
 492 recipient access and satisfaction. ~~The agency must ensure that~~
 493 ~~Medicaid recipients have available the choice of at least two~~
 494 ~~managed care plans for their behavioral health care services.~~ To
 495 ensure unimpaired access to behavioral health care services by
 496 Medicaid recipients, all contracts issued pursuant to this
 497 paragraph shall require 80 percent of the capitation paid to the
 498 managed care plan, ~~including health maintenance organizations,~~
 499 to be expended for the provision of behavioral health care
 500 services. In the event the managed care plan expends less than
 501 80 percent of the capitation paid pursuant to this paragraph for
 502 the provision of behavioral health care services, the difference
 503 shall be returned to the agency. The agency shall provide the
 504 managed care plan with a certification letter indicating the
 505 amount of capitation paid during each calendar year for the



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506 provision of behavioral health care services pursuant to this
 507 section. The agency may reimburse for substance-abuse-treatment
 508 services on a fee-for-service basis until the agency finds that
 509 adequate funds are available for capitated, prepaid
 510 arrangements.

511 1. By January 1, 2001, the agency shall modify the
 512 contracts with the entities providing comprehensive inpatient
 513 and outpatient mental health care services to Medicaid
 514 recipients in Hillsborough, Highlands, Hardee, Manatee, and Polk
 515 Counties, to include substance-abuse-treatment services.

516 2. The agency shall contract by July 1, 2007, with a
 517 single managed care entity in each region, or combination of
 518 regions, to provide comprehensive inpatient and outpatient
 519 mental health and substance abuse services through capitated
 520 prepaid arrangements to all Medicaid recipients for whom such
 521 plans are allowable under federal law and regulations.

522 3. By March 1, 2004, the agency shall submit a plan for
 523 fully implementing capitated prepaid behavioral health care in
 524 all regions of the state.

525 a. Implementation shall be targeted for fiscal years 2003-
 526 2004 and 2004-2005 in each region or combination of regions
 527 where historical expenditures for mental health and substance
 528 abuse services are actuarially sound and adequate to sustain a
 529 managed care plan, and where communities are prepared.

530 b. The agency shall work with the Department of Children
 531 and Family Services to implement strategies to maximize the
 532 utilization of Medicaid behavioral health care services
 533 delivered to Medicaid recipients. Alcohol, drug abuse, and
 534 mental health funds appropriated to the Department of Children
 535 and Family Services and other state or county funds shall, to



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536 the extent possible, be used to match additional federal
537 Medicaid funds, provided that no transfer of funds to the Agency
538 for Health Care Administration is required.

539 c. The agency shall establish capitation rates based on
540 actuarial methods for each region or combination of regions
541 where historical fee-for-service expenditures do not produce
542 actuarially sound capitation rates. The rate-setting
543 methodology shall consider the impact of a lack of a health care
544 infrastructure in these areas of the state and the variations in
545 access to services produced by these and other factors.

546 Contracts shall not be finalized in these areas until adequate
547 capitation rates are established and approved by the agency. By
548 December 31, 2001, the agency shall contract with entities
549 providing comprehensive behavioral health care services to
550 Medicaid recipients through capitated, prepaid arrangements in
551 Charlotte, Collier, DeSoto, Escambia, Glades, Hendry, Lee,
552 Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota, and Walton
553 Counties. The agency may contract with entities providing
554 comprehensive behavioral health care services to Medicaid
555 recipients through capitated, prepaid arrangements in Alachua
556 County. The agency may determine if Sarasota County shall be
557 included as a separate catchment area or included in any other
558 agency geographic area.

559 4.3. Children residing in a Department of Juvenile Justice
560 residential program approved as a Medicaid behavioral health
561 overlay services provider shall not be included in a behavioral
562 health care prepaid health plan pursuant to this paragraph.

563 5.4. In converting to a prepaid system of delivery, the
564 agency shall in its procurement document require an entity
565 providing comprehensive behavioral health care services to



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566 prevent the displacement of indigent care patients by enrollees
567 in the Medicaid prepaid health plan providing behavioral health
568 care services from facilities receiving state funding to provide
569 indigent behavioral health care, to facilities licensed under
570 chapter 395 which do not receive state funding for indigent
571 behavioral health care, or reimburse the unsubsidized facility
572 for the cost of behavioral health care provided to the displaced
573 indigent care patient.

574 ~~6.5.~~ Traditional community mental health providers under
575 contract with the Department of Children and Family Services
576 pursuant to part IV of chapter 394 and inpatient mental health
577 providers licensed pursuant to chapter 395 must be offered an
578 opportunity to accept or decline a contract to participate in
579 any provider network for prepaid behavioral health services.

580 Section 7. For the purpose of incorporating the amendments
581 to section 409.912, Florida Statutes, in references thereto, the
582 sections or subdivisions of Florida Statutes set forth below are
583 reenacted to read:

584 394.9082 Behavioral health service delivery strategies.--

585 (4) CONTRACT FOR SERVICES.--

586 (a) The Department of Children and Family Services and the
587 Agency for Health Care Administration may contract for the
588 provision or management of behavioral health services with a
589 managing entity in at least two geographic areas. Both the
590 Department of Children and Family Services and the Agency for
591 Health Care Administration must contract with the same managing
592 entity in any distinct geographic area where the strategy
593 operates. This managing entity shall be accountable for the
594 delivery of behavioral health services specified by the
595 department and the agency for children, adolescents, and adults.



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596 The geographic area must be of sufficient size in population and
 597 have enough public funds for behavioral health services to allow
 598 for flexibility and maximum efficiency. Notwithstanding the
 599 provisions of s. 409.912(3)(b)1. and 2., at least one service
 600 delivery strategy must be in one of the service districts in the
 601 catchment area of G. Pierce Wood Memorial Hospital.

602 (b) Under one of the service delivery strategies, the
 603 Department of Children and Family Services may contract with a
 604 prepaid mental health plan that operates under s. 409.912 to be
 605 the managing entity. Under this strategy, the Department of
 606 Children and Family Services is not required to competitively
 607 procure those services and, notwithstanding other provisions of
 608 law, may employ prospective payment methodologies that the
 609 department finds are necessary to improve client care or
 610 institute more efficient practices. The Department of Children
 611 and Family Services may employ in its contract any provision of
 612 the current prepaid behavioral health care plan authorized under
 613 s. 409.912(3)(a) and (b), or any other provision necessary to
 614 improve quality, access, continuity, and price. Any contracts
 615 under this strategy in Area 6 of the Agency for Health Care
 616 Administration or in the prototype region under s. 20.19(7) of
 617 the Department of Children and Family Services may be entered
 618 with the existing substance abuse treatment provider network if
 619 an administrative services organization is part of its network.
 620 In Area 6 of the Agency for Health Care Administration or in the
 621 prototype region of the Department of Children and Family
 622 Services, the Department of Children and Family Services and the
 623 Agency for Health Care Administration may employ alternative
 624 service delivery and financing methodologies, which may include
 625 prospective payment for certain population groups. The



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626 population groups that are to be provided these substance abuse
 627 services would include at a minimum: individuals and families
 628 receiving family safety services; Medicaid-eligible children,
 629 adolescents, and adults who are substance-abuse-impaired; or
 630 current recipients and persons at risk of needing cash
 631 assistance under Florida's welfare reform initiatives.

632 (d) Under both strategies, the Department of Children and
 633 Family Services and the Agency for Health Care Administration
 634 may:

- 635 1. Establish benefit packages based on the level of
 636 severity of illness and level of client functioning;
- 637 2. Align and integrate procedure codes, standards, or
 638 other requirements if it is jointly determined that these
 639 actions will simplify or improve client services and
 640 efficiencies in service delivery;
- 641 3. Use prepaid per capita and prepaid aggregate fixed-sum
 642 payment methodologies; and
- 643 4. Modify their current procedure codes to increase
 644 clinical flexibility, encourage the use of the most effective
 645 interventions, and support rehabilitative activities.

646 Section 8. For the purpose of incorporating the amendments
 647 to section 409.912, Florida Statutes, in references thereto, the
 648 sections or subdivisions of Florida Statutes set forth below are
 649 reenacted to read:

650 641.225 Surplus requirements.--

651 (3)

652 (b) An entity providing prepaid capitated services which
 653 is authorized under s. 409.912(3)(b) or (c), and which applies
 654 for a certificate of authority is subject to the minimum surplus
 655 requirements set forth in s. 409.912.



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656 Section 9. For the purpose of incorporating the amendments
657 to section 409.912, Florida Statutes, in references thereto, the
658 sections or subdivisions of Florida Statutes set forth below are
659 reenacted to read:

660 636.0145 Certain entities contracting with
661 Medicaid.--Notwithstanding the requirements of s. 409.912(3)(b),
662 an entity that is providing comprehensive inpatient and
663 outpatient mental health care services to certain Medicaid
664 recipients in Hillsborough, Highlands, Hardee, Manatee, and Polk
665 Counties through a capitated, prepaid arrangement pursuant to
666 the federal waiver provided for in s. 409.905(5) must become
667 licensed under chapter 636 by December 31, 1998. Any entity
668 licensed under this chapter which provides services solely to
669 Medicaid recipients under a contract with Medicaid shall be
670 exempt from ss. 636.017, 636.018, 636.022, 636.028, and 636.034.

671 Section 10. Except as otherwise provided herein, this act
672 shall take effect upon becoming a law.