



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Safeguard Individual Liberty** - The bill increases the options a private organization might have regarding the service components for which they may be licensed by the Department of Children and Families.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

Chapter 397, Florida Statutes, authorizes the Department of Children and Families to license and regulate substance abuse treatment providers. Presently, section 397.311, Florida Statutes, provides for licensure of substance abuse residential treatment programs, and the administrative rules under Chapter 65D-30, Florida Administrative Code, define five levels of residential treatment. The levels range in intensity of services provided from Level 1 being the most intensive to Level 5 being the least intensive. Service intensity relates to the level and frequency of clinical (including medical) services provided.

Some clients are in need of a more intensive level of care than is typically provided in even the highest level residential treatment program. In these situations, acute care services are provided in an intensive inpatient treatment program. Hospitals licensed under chapter 395, Florida Statutes, and Level 1 residential treatment programs licensed under chapter 397, Florida Statutes, may also provide inpatient acute care services. According to the staff analysis provided by the Department of Children and Families; however, insurance carriers are not as likely to reimburse for intensive inpatient services provided in residential treatment, which is the only category of in-residence treatment currently authorized by statute. This could limit access to services for people who might benefit from more intensive treatment.

According to many private substance abuse service providers, section 397.311, Florida Statutes, does not precisely represent the scope of services that are provided by some treatment facilities. This has hindered the facilities' ability to collect payment from insurance companies and market the full range of services to clients that may be affected. The characterization of the provider's services as residential treatment may lead to a reduction of services to the clients of private substance abuse providers, since clients may not be fully aware of the level or intensity of treatment or service available with a particular provider when seeking treatment. This may limit access to services for people who might benefit from more intensive treatment services. The current statutory definition of a "licensed service provider" is considered outdated by some, and does not specifically reflect the more intensive medically directed residential treatment programs that many providers offer to their clients who need a higher level of service in overcoming their substance abuse problems. At present, such programs are provided within the broader licensed service category of "residential treatment."

##### **Effect of Proposed Changes**

Within the substance abuse system of care, there are some organizations that provide a more intensive version of residential Level 1 treatment by utilizing increased clinical services and medical monitoring as part of an overall treatment regimen. House Bill 779 adds a definition for "intensive inpatient treatment" to the list of service components authorized to be offered by a licensed service provider. The bill also adds a definition for "medical monitoring" which is one of the services within intensive inpatient treatment. The term "medical monitoring" is described in the American Society of Addiction Medicine (ASAM) Patient Placement Criteria 2, a nationally recognized and widely used placement instrument.

## Intensive Inpatient Treatment

House Bill 779 clarifies that licensed service providers may include “intensive inpatient treatment.” Intensive inpatient treatment is defined to include a planned regimen of professionally directed evaluation, observation, medical monitoring, and clinical protocols provided 24 hours per day, 7 days per week in a highly structured, live-in environment. It is anticipated by some in the substance abuse provider community that designating this new service component will have a positive impact on the providers’ ability to collect third-party payments. However, not all the substance abuse providers agree that changes proposed by this bill will address the issues of reimbursement.

## Medical Monitoring

House Bill 779 creates a definition for “medical monitoring” one of the services included in the “intensive inpatient treatment” component that is not typically included in other residential treatment levels. This bill specifies that “medical monitoring” means oversight and treatment 24 hours per day by medical personnel who are licensed under Chapter 458, 459, or 464, Florida Statutes, of clients whose subacute biomedical, emotional, psychosocial, behavioral, or cognitive problems are so severe that the clients require intensive inpatient treatment by an interdisciplinary team. Medical personnel are limited to persons who are Florida licensed medical physicians, osteopathic physicians, physician assistants, or nurses.

According to the Department of Children and Families, the passage of this bill will accomplish the following:

- Enable the department’s district/regional offices to issue licenses to affected providers that represent the actual level of care provided as opposed to attempting to “fit” the services into the existing framework of residential levels of care.
- Increase access to a level of care that could be covered by certain insurance carriers.

### C. SECTION DIRECTORY:

**Section 1.** Amends s. 397.311, F.S., to expand the definition of a “licensed service provider” and provide a definition for “medical monitoring.”

**Section 2.** Amends s. 212.055, F.S., to conform a cross reference.

**Sections 3-4.** Reenacts ss. 397.405(8) and 397.407(1), F.S., to incorporate an amendment to s. 397.311, F.S.

**Sections 5-6.** Amends ss. 397.416 and 440.102, F.S., to conform cross references.

**Section 7.** Provides an effective date of July 1, 2005.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

See Fiscal Comments section.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The bill may improve the ability of substance abuse providers to collect third-party payments for "inpatient treatment."

**D. FISCAL COMMENTS:**

According to the Department of Children and Families, minimal costs will be associated with amending its rules governing licensed substance abuse residential treatment programs in chapter 65D-30, Florida Administrative Code, to comply with the provisions of the bill.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

Section 397.321(5), F.S., requires the Department of Children and Families to "assume responsibility for adopting rules necessary to comply with this chapter. . . ."

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**