



1           Section 1. Subsection (3) of section 394.457, Florida  
2 Statutes, is amended to read:

3           394.457 Operation and administration.--

4           (3) POWER TO CONTRACT.--The department may contract to  
5 provide, and be provided with, services and facilities in  
6 order to carry out its responsibilities under this part with  
7 the following agencies: public and private hospitals;  
8 receiving and treatment facilities; clinics; laboratories;  
9 departments, divisions, and other units of state government;  
10 the state colleges and universities; the community colleges;  
11 private colleges and universities; counties, municipalities,  
12 and any other governmental unit, including facilities of the  
13 United States Government; and any other public or private  
14 entity which provides or needs facilities or services. Baker  
15 Act funds for community inpatient, crisis stabilization,  
16 short-term residential treatment, and screening services must  
17 be allocated to each county pursuant to the department's  
18 funding allocation methodology. Notwithstanding the provisions  
19 of s. 287.057(5)(f), contracts for community-based Baker Act  
20 services for inpatient, crisis stabilization, short-term  
21 residential treatment, and screening provided under this part,  
22 other than those with other units of government, to be  
23 provided for the department must be awarded using competitive  
24 sealed bids when the county commission of the county receiving  
25 the services makes a request to the department's district  
26 office by January 15 of the contracting year. The district  
27 shall not enter into a competitively bid contract under this  
28 provision if such action will result in increases of state or  
29 local expenditures for Baker Act services within the district.  
30 Contracts for these Baker Act services using competitive  
31 sealed bids will be effective for 3 years. ~~Services contracted~~

1 ~~for by the department may be reimbursed by the state at a rate~~  
2 ~~up to 100 percent.~~ The department shall adopt rules  
3 establishing minimum standards for such contracted services  
4 and facilities and shall make periodic audits and inspections  
5 to assure that the contracted services are provided and meet  
6 the standards of the department.

7 Section 2. Section 394.908, Florida Statutes, is  
8 amended to read:

9 394.908 Substance abuse and mental health funding  
10 equity; distribution of appropriations.--In recognition of the  
11 historical inequity ~~among service districts of the former~~  
12 ~~Department of Health and Rehabilitative Services~~ in the  
13 funding of substance abuse and mental health services for the  
14 districts and region, and in order to rectify this inequity  
15 and provide for equitable funding in the future throughout the  
16 state, the following funding process shall be used ~~adhered to~~:

17 (1) Funding thresholds for substance abuse and mental  
18 health services in each of the current districts, statewide,  
19 shall be established based on the current number of persons in  
20 need per district of substance abuse and mental health  
21 services, respectively.

22 (2) "Persons in need" means those persons who fit the  
23 profile of the respective target populations and require  
24 mental health or substance abuse services.

25 (3) ~~Seventy five percent of~~ Any additional funding  
26 beyond the 2005-2006 ~~1996-1997~~ fiscal year base appropriation  
27 for alcohol, drug abuse, and mental health services shall be  
28 allocated to districts for substance abuse and mental health  
29 services based on:

30 (a) Epidemiological estimates of disabilities that  
31 ~~which~~ apply to the respective target populations.

1           (b) A pro rata share distribution that ensures  
2 districts below the statewide average funding level per person  
3 in each target population of "persons in need" receive funding  
4 necessary to achieve equity.

5           ~~(4) The remaining 25 percent shall be allocated based~~  
6 ~~on the number of persons in need of substance abuse and mental~~  
7 ~~health services per district without regard to current funding~~  
8 ~~levels.~~

9           (4)(5) Target populations for persons in need shall be  
10 displayed for each district and distributed concurrently with  
11 the approved operating budget. The display by target  
12 population shall show: The annual number of persons served  
13 based on prior year actual numbers, the annual cost per person  
14 served, ~~the number of persons served by service cost center,~~  
15 and the estimated number of the total target population for  
16 persons in need.

17           (5)(6) The annual cost per person served shall be  
18 defined as the total actual funding for each target population  
19 divided by the number of persons served in the target  
20 population for that year.

21           ~~(7) Commencing on July 1, 1998, all additional funding~~  
22 ~~pursuant to this section shall be performance based.~~

23           ~~(8) For fiscal year 2004 2005 only, and~~  
24 ~~notwithstanding the provisions of this section, all new funds~~  
25 ~~received in excess of fiscal year 2003 2004 recurring~~  
26 ~~appropriations shall be allocated in accordance with the~~  
27 ~~provisions of the General Appropriations Act; however, no~~  
28 ~~district shall receive an allocation of recurring funds less~~  
29 ~~than its initial approved operating budget, plus any~~  
30 ~~distributions of lump sum appropriations or reductions in~~  
31

1 ~~unfunded budget, for fiscal year 2003-2004. This subsection~~  
2 ~~expires July 1, 2005.~~

3       Section 3. Subsection (10) of section 402.33, Florida  
4 Statutes, is repealed.

5       Section 4. Subsection (7) of section 409.1671, Florida  
6 Statutes, is amended to read:

7       409.1671 Foster care and related services;  
8 outsourcing.--

9       (7) ~~The Florida Coalition for Children, Inc., in~~  
10 ~~consultation with~~ The department, shall develop a plan, in  
11 consultation with the Florida Coalition for Children, Inc.,  
12 ~~based on an independent actuarial study~~ regarding the  
13 long-term use and structure of a statewide community-based  
14 care risk pool for the protection of eligible lead  
15 community-based providers, their subcontractors, and providers  
16 of other social services who contract directly with the  
17 department. ~~The plan must also outline strategies to maximize~~  
18 ~~federal earnings as they relate to the community based care~~  
19 ~~risk pool. At a minimum, the plan must allow for the use of~~  
20 ~~federal earnings received from child welfare programs to be~~  
21 ~~allocated to the community based care risk pool by the~~  
22 ~~department, which earnings are determined by the department to~~  
23 ~~be in excess of the amount appropriated in the General~~  
24 ~~Appropriations Act.~~ The plan must specify the necessary steps  
25 to ensure the financial integrity ~~and industry standard risk~~  
26 ~~management practices of the community based care risk pool and~~  
27 the continued availability of funding from federal, state, and  
28 local sources. ~~The plan must also include recommendations that~~  
29 ~~permit the program to be available to entities of the~~  
30 ~~department providing child welfare services until full~~  
31 ~~conversion to community based care takes place.~~ The final plan

1 | shall be submitted to ~~the department and then to~~ the Executive  
2 | Office of the Governor and the Legislative Budget Commission  
3 | ~~for formal adoption before January 1, 2005.~~ Upon approval of  
4 | the plan, the department may expend funds from the risk pool  
5 | pursuant to the provisions of the plan. ~~by all parties, the~~  
6 | ~~department shall issue an interest free loan that is secured~~  
7 | ~~by the cumulative contractual revenue of the community based~~  
8 | ~~care risk pool membership, and the amount of the loan shall~~  
9 | ~~equal the amount appropriated by the Legislature for this~~  
10 | ~~purpose. The plan shall provide for a governance structure~~  
11 | ~~that assures the department the ability to oversee the~~  
12 | ~~operation of the community based care risk pool at least until~~  
13 | ~~this loan is repaid in full.~~

14 |         (a) The purposes for which the community-based care  
15 | risk pool shall be used include, but are not limited to:

16 |             1. Significant changes in the number or composition of  
17 | clients eligible to receive services.

18 |             2. Significant changes in the services that are  
19 | eligible for reimbursement.

20 |             3. Scheduled or unanticipated, but necessary, advances  
21 | to providers or other cash-flow issues.

22 |             4. Proposals to participate in optional Medicaid  
23 | services or other federal grant opportunities.

24 |             5. Appropriate incentive structures.

25 |             6. Continuity of care in the event of failure,  
26 | discontinuance of service, or financial misconduct by a lead  
27 | agency.

28 |             7. Payment for time-limited technical assistance and  
29 | consultation to lead agencies in the event of serious  
30 | performance or management problems.

31 |

1           8. Payment for meeting all traditional and  
2 nontraditional insurance needs of eligible members.

3           9. Significant changes in the mix of available funds.

4           (b) After approval of the plan in the 2004-2005 fiscal  
5 year and annually thereafter, the department may also request  
6 in its annual legislative budget request, and the Governor may  
7 recommend, that the funding necessary to carry out paragraph  
8 (a) be appropriated to the department. ~~Subsequent funding of~~  
9 ~~the community based care risk pool shall be supported by~~  
10 ~~premiums assessed to members of the community based care risk~~  
11 ~~pool on a recurring basis. The community based care risk pool~~  
12 ~~may invest and retain interest earned on these funds.~~ In  
13 addition, the department may transfer funds to the  
14 community-based care risk pool as available in order to ensure  
15 an adequate funding level if the fund is declared to be  
16 insolvent and approval is granted by the Legislative Budget  
17 Commission. ~~Such payments for insolvency shall be made only~~  
18 ~~after a determination is made by the department or its actuary~~  
19 ~~that all participants in the community based care risk pool~~  
20 ~~are current in their payments of premiums and that assessments~~  
21 ~~have been made at an actuarially sound level. Such payments by~~  
22 ~~participants in the community based care risk pool may not~~  
23 ~~exceed reasonable industry standards, as determined by the~~  
24 ~~actuary. Money from this fund may be used to match available~~  
25 ~~federal dollars. Dividends or other payments, with the~~  
26 ~~exception of legitimate claims, may not be paid to members of~~  
27 ~~the community based care risk pool until the loan issued by~~  
28 ~~the department is repaid in full. Dividends or other payments,~~  
29 ~~with the exception of legitimate claims and other purposes~~  
30 ~~contained in the approved plan, may not be paid to members of~~  
31 ~~the community based care risk pool unless, at the time of~~

1 ~~distribution, the community based care risk pool is deemed~~  
2 ~~actuarially sound and solvent. Solvency shall be determined by~~  
3 ~~an independent actuary contracted by the department. The plan~~  
4 ~~shall be developed in consultation with the Office of~~  
5 ~~Insurance Regulation.~~

6       1. Such funds shall constitute partial security for  
7 contract performance by lead agencies and shall be used to  
8 offset the need for a performance bond. ~~Subject to the~~  
9 ~~approval of the plan, the community based care risk pool shall~~  
10 ~~be managed by the Florida Coalition for Children, Inc., or the~~  
11 ~~designated contractors of the Florida Coalition for Children,~~  
12 ~~Inc. Nonmembers of the community based care risk pool may~~  
13 ~~continue to contract with the department but must provide a~~  
14 ~~letter of credit equal to one twelfth of the annual contract~~  
15 ~~amount in lieu of membership in the community based care risk~~  
16 ~~pool.~~

17       2. The department may separately require a bond to  
18 mitigate the financial consequences of potential acts of  
19 malfeasance, misfeasance, or criminal violations by the  
20 provider.

21       (c) The department may issue an interest-free loan to  
22 the Florida Coalition for Children, Inc., for the purpose of  
23 creating a self-insurance program. Such loan shall be secured  
24 by the cumulative contractual revenue of the community-based  
25 care lead agencies participating in the self-insurance  
26 program. The amount of the loan shall be in an amount equal to  
27 the amount appropriated by the Legislature for this purpose.

28       Section 5. This act shall take effect July 1, 2006.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                                   COMMITTEE SUBSTITUTE FOR  
3   Senate Bill 398  
4 Clarifies that Baker Act services are subject to 25 percent  
5 local participation.  
6 Modifies the method of allocating substance abuse and mental  
7 health funding to specify that 100 percent of all  
8 appropriation increases to these programs shall be distributed  
9 based on equity.  
10 Removes statutory restrictions on the utilization of fees  
11 collected by the Department of Children and Family Services  
12 (DCF) in excess of the appropriation.  
13 Reassigns responsibility for the operation and maintenance of  
14 the community-based care risk pool from the Florida Coalition  
15 for Children, Inc., to DCF.  
16 Revises the requirements for operating and managing the  
17 community-based care risk pool.  
18 Mandates DCF to develop a long-range plan, in consultation with  
19 the Florida Coalition for Children, Inc., and to submit the  
20 plan for approval by the Office of the Governor and the  
21 Legislative Budget Commission.  
22 Authorizes DCF to issue an interest-free loan to the Florida  
23 Coalition for Children, Inc., for the purpose of operating a  
24 self-insurance program.  
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