

Bill No. HB 5009

Barcode 251560

CHAMBER ACTION

Senate

House

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Senator Saunders moved the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

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

394.457 Operation and administration.--

(3) POWER TO CONTRACT.--The department may contract to provide, and be provided with, services and facilities in order to carry out its responsibilities under this part with the following agencies: public and private hospitals; receiving and treatment facilities; clinics; laboratories; departments, divisions, and other units of state government; the state colleges and universities; the community colleges; private colleges and universities; counties, municipalities, and any other governmental unit, including facilities of the United States Government; and any other public or private entity which provides or needs facilities or services. Baker Act funds for community inpatient, crisis stabilization,

Bill No. HB 5009

Barcode 251560

1 short-term residential treatment, and screening services must  
2 be allocated to each county pursuant to the department's  
3 funding allocation methodology. Notwithstanding the provisions  
4 of s. 287.057(5)(f), contracts for community-based Baker Act  
5 services for inpatient, crisis stabilization, short-term  
6 residential treatment, and screening provided under this part,  
7 other than those with other units of government, to be  
8 provided for the department must be awarded using competitive  
9 sealed bids when the county commission of the county receiving  
10 the services makes a request to the department's district  
11 office by January 15 of the contracting year. The district  
12 shall not enter into a competitively bid contract under this  
13 provision if such action will result in increases of state or  
14 local expenditures for Baker Act services within the district.  
15 Contracts for these Baker Act services using competitive  
16 sealed bids will be effective for 3 years. ~~Services contracted~~  
17 ~~for by the department may be reimbursed by the state at a rate~~  
18 ~~up to 100 percent.~~ The department shall adopt rules  
19 establishing minimum standards for such contracted services  
20 and facilities and shall make periodic audits and inspections  
21 to assure that the contracted services are provided and meet  
22 the standards of the department.

23 Section 2. Section 394.908, Florida Statutes, is  
24 amended to read:

25 394.908 Substance abuse and mental health funding  
26 equity; distribution of appropriations.--In recognition of the  
27 historical inequity ~~among service districts of the former~~  
28 ~~Department of Health and Rehabilitative Services~~ in the  
29 funding of substance abuse and mental health services for the  
30 districts and region, and in order to rectify this inequity  
31 and provide for equitable funding in the future throughout the

Barcode 251560

1 state, the following funding process shall be used ~~adhered to~~:

2 (1) Funding thresholds for substance abuse and mental  
3 health services in each of the current districts, statewide,  
4 shall be established based on the current number of persons in  
5 need per district of substance abuse and mental health  
6 services, respectively.

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

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

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

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

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

25 ~~(4)(5)~~ Target populations for persons in need shall be  
26 displayed for each district and distributed concurrently with  
27 the approved operating budget. The display by target  
28 population shall show: The annual number of persons served  
29 based on prior year actual numbers, the annual cost per person  
30 served, ~~the number of persons served by service cost center,~~  
31 and the estimated number of the total target population for

Bill No. HB 5009

Barcode 251560

1 persons in need.

2       ~~(5)(6)~~ The annual cost per person served shall be  
3 defined as the total actual funding for each target population  
4 divided by the number of persons served in the target  
5 population for that year.

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

8       ~~(8) For fiscal year 2004-2005 only, and~~  
9 ~~notwithstanding the provisions of this section, all new funds~~  
10 ~~received in excess of fiscal year 2003-2004 recurring~~  
11 ~~appropriations shall be allocated in accordance with the~~  
12 ~~provisions of the General Appropriations Act; however, no~~  
13 ~~district shall receive an allocation of recurring funds less~~  
14 ~~than its initial approved operating budget, plus any~~  
15 ~~distributions of lump sum appropriations or reductions in~~  
16 ~~unfunded budget, for fiscal year 2003-2004. This subsection~~  
17 ~~expires July 1, 2005.~~

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

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

22       409.1671 Foster care and related services;  
23 outsourcing.--

24       ~~(7) The Florida Coalition for Children, Inc., in~~  
25 ~~consultation with The department, shall develop a plan, in~~  
26 consultation with the Florida Coalition for Children, Inc.,  
27 ~~based on an independent actuarial study regarding the~~  
28 long-term use and structure of a statewide community-based  
29 care risk pool for the protection of eligible lead  
30 community-based providers, their subcontractors, and providers  
31 of other social services who contract directly with the

Barcode 251560

1 ~~department. The plan must also outline strategies to maximize~~  
2 ~~federal earnings as they relate to the community-based care~~  
3 ~~risk pool. At a minimum, the plan must allow for the use of~~  
4 ~~federal earnings received from child welfare programs to be~~  
5 ~~allocated to the community-based care risk pool by the~~  
6 ~~department, which earnings are determined by the department to~~  
7 ~~be in excess of the amount appropriated in the General~~  
8 ~~Appropriations Act. The plan must specify the necessary steps~~  
9 ~~to ensure the financial integrity and industry-standard risk~~  
10 ~~management practices of the community-based care risk pool and~~  
11 ~~the continued availability of funding from federal, state, and~~  
12 ~~local sources. The plan must also include recommendations that~~  
13 ~~permit the program to be available to entities of the~~  
14 ~~department providing child welfare services until full~~  
15 ~~conversion to community-based care takes place. The final plan~~  
16 ~~shall be submitted to the department and then to the Executive~~  
17 ~~Office of the Governor and the Legislative Budget Commission~~  
18 ~~for formal adoption before January 1, 2005. Upon approval of~~  
19 ~~the plan, the department may expend funds from the risk pool~~  
20 ~~pursuant to the provisions of the plan. by all parties, the~~  
21 ~~department shall issue an interest-free loan that is secured~~  
22 ~~by the cumulative contractual revenue of the community-based~~  
23 ~~care risk pool membership, and the amount of the loan shall~~  
24 ~~equal the amount appropriated by the Legislature for this~~  
25 ~~purpose. The plan shall provide for a governance structure~~  
26 ~~that assures the department the ability to oversee the~~  
27 ~~operation of the community-based care risk pool at least until~~  
28 ~~this loan is repaid in full.~~

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

31 1. Significant changes in the number or composition of

Bill No. HB 5009

Barcode 251560

1 clients eligible to receive services.

2           2. Significant changes in the services that are  
3 eligible for reimbursement.

4           3. Scheduled or unanticipated, but necessary, advances  
5 to providers or other cash-flow issues.

6           4. Proposals to participate in optional Medicaid  
7 services or other federal grant opportunities.

8           5. Appropriate incentive structures.

9           6. Continuity of care in the event of failure,  
10 discontinuance of service, or financial misconduct by a lead  
11 agency.

12           7. Payment for time-limited technical assistance and  
13 consultation to lead agencies in the event of serious  
14 performance or management problems.

15           8. Payment for meeting all traditional and  
16 nontraditional insurance needs of eligible members.

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

18           (b) After approval of the plan in the 2004-2005 fiscal  
19 year and annually thereafter, the department may also request  
20 in its annual legislative budget request, and the Governor may  
21 recommend, that the funding necessary to carry out paragraph

22 (a) be appropriated to the department. ~~Subsequent funding of~~  
23 ~~the community-based care risk pool shall be supported by~~  
24 ~~premiums assessed to members of the community-based care risk~~  
25 ~~pool on a recurring basis. The community-based care risk pool~~  
26 ~~may invest and retain interest earned on these funds. In~~

27 addition, the department may transfer funds to the  
28 community-based care risk pool as available in order to ensure  
29 an adequate funding level if the fund is declared to be

30 insolvent and approval is granted by the Legislative Budget  
31 Commission. ~~Such payments for insolvency shall be made only~~

Barcode 251560

1 ~~after a determination is made by the department or its actuary~~  
2 ~~that all participants in the community-based care risk pool~~  
3 ~~are current in their payments of premiums and that assessments~~  
4 ~~have been made at an actuarially sound level. Such payments by~~  
5 ~~participants in the community-based care risk pool may not~~  
6 ~~exceed reasonable industry standards, as determined by the~~  
7 ~~actuary. Money from this fund may be used to match available~~  
8 ~~federal dollars. Dividends or other payments, with the~~  
9 ~~exception of legitimate claims, may not be paid to members of~~  
10 ~~the community-based care risk pool until the loan issued by~~  
11 ~~the department is repaid in full. Dividends or other payments,~~  
12 ~~with the exception of legitimate claims and other purposes~~  
13 ~~contained in the approved plan, may not be paid to members of~~  
14 ~~the community-based care risk pool unless, at the time of~~  
15 ~~distribution, the community-based care risk pool is deemed~~  
16 ~~actuarially sound and solvent. Solvency shall be determined by~~  
17 ~~an independent actuary contracted by the department. The plan~~  
18 ~~shall be developed in consultation with the Office of~~  
19 ~~Insurance Regulation.~~

20           1. Such funds shall constitute partial security for  
21 contract performance by lead agencies and shall be used to  
22 offset the need for a performance bond. ~~Subject to the~~  
23 ~~approval of the plan, the community-based care risk pool shall~~  
24 ~~be managed by the Florida Coalition for Children, Inc., or the~~  
25 ~~designated contractors of the Florida Coalition for Children,~~  
26 ~~Inc. Nonmembers of the community-based care risk pool may~~  
27 ~~continue to contract with the department but must provide a~~  
28 ~~letter of credit equal to one-twelfth of the annual contract~~  
29 ~~amount in lieu of membership in the community-based care risk~~  
30 ~~pool.~~

31           2. The department may separately require a bond to

Bill No. HB 5009

Barcode 251560

1 mitigate the financial consequences of potential acts of  
2 malfeasance, misfeasance, or criminal violations by the  
3 provider.

4       (c) The department may issue an interest-free loan to  
5 the Florida Coalition for Children, Inc., for the purpose of  
6 creating a self-insurance program. Such loan shall be secured  
7 by the cumulative contractual revenue of the community-based  
8 care lead agencies participating in the self-insurance  
9 program. The amount of the loan shall be in an amount equal to  
10 the amount appropriated by the Legislature for this purpose.

11           Section 5. This act shall take effect July 1, 2006.

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14 ===== T I T L E   A M E N D M E N T =====

15 And the title is amended as follows:

16           Delete everything before the enacting clause

17  
18 and insert:

19                           A bill to be entitled  
20           An act relating to funding for social services;  
21           amending s. 394.457, F.S.; deleting provisions  
22           authorizing a reimbursement rate of 100 percent  
23           by the Department of Children and Family  
24           Services for certain services provided under  
25           the Baker Act; amending s. 394.908, F.S.;  
26           revising the methodology for distributing funds  
27           for certain substance abuse and mental health  
28           services; repealing s. 402.33(10), F.S.,  
29           relating to provisions authorizing the use of  
30           certain excess funds for nonrecurring  
31           expenditures incurred in providing direct



Bill No. HB 5009

Barcode 251560

1 client services and for certain administrative  
2 costs; amending s. 409.1671, F.S.; revising  
3 provisions requiring that a statewide risk pool  
4 be established for community-based providers,  
5 their subcontractors, and providers of other  
6 social services who contract with the  
7 Department of Children and Family Services;  
8 requiring that the department develop a plan,  
9 in consultation with the Florida Coalition for  
10 Children, Inc., regarding the long-term use and  
11 structure of the risk pool; deleting certain  
12 restrictions governing payments for insolvency;  
13 authorizing the department to issue an  
14 interest-free loan to the Florida Coalition for  
15 Children, Inc.; providing an effective date.

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