

1 A bill to be entitled
 2 An act relating to foster care and related services;
 3 amending s. 409.1671, F.S.; requiring the Department of
 4 Children and Family Services to develop a statewide plan
 5 for outsourcing foster care and related services; removing
 6 certain plan requirements; removing an obsolete date;
 7 authorizing the expenditure of certain funds; removing a
 8 requirement to issue certain loans; removing certain
 9 provisions relative to the sources of future funding;
 10 making conforming changes; removing authority of the
 11 Florida Coalition for Children, Inc., or its
 12 subcontractors to manage certain risk pool funds;
 13 authorizing the department to issue an interest-free loan
 14 to the Florida Coalition for Children, Inc., to establish
 15 a self-insurance program based on certain appropriations;
 16 providing an effective date.

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 18 Be It Enacted by the Legislature of the State of Florida:

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 20 Section 1. Subsection (7) of section 409.1671, Florida
 21 Statutes, is amended to read:

22 409.1671 Foster care and related services; outsourcing.--
 23 (7) The ~~Florida Coalition for Children, Inc., in~~
 24 ~~consultation with the~~ department, shall develop a plan, in
 25 consultation with the Florida Coalition for Children, Inc.,
 26 ~~based on an independent actuarial study~~ regarding the long-term
 27 use and structure of a statewide community-based care risk pool
 28 for the protection of eligible lead community-based providers,

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29 | their subcontractors, and providers of other social services who
30 | contract directly with the department. ~~The plan must also~~
31 | ~~outline strategies to maximize federal earnings as they relate~~
32 | ~~to the community based care risk pool. At a minimum, the plan~~
33 | ~~must allow for the use of federal earnings received from child~~
34 | ~~welfare programs to be allocated to the community based care~~
35 | ~~risk pool by the department, which earnings are determined by~~
36 | ~~the department to be in excess of the amount appropriated in the~~
37 | ~~General Appropriations Act. The plan must specify the necessary~~
38 | ~~steps to ensure the financial integrity and industry standard~~
39 | ~~risk management practices of the community based care risk pool~~
40 | ~~and the continued availability of funding from federal, state,~~
41 | ~~and local sources. The plan must also include recommendations~~
42 | ~~that permit the program to be available to entities of the~~
43 | ~~department providing child welfare services until full~~
44 | ~~conversion to community based care takes place. The final plan~~
45 | ~~shall be submitted to the department and then to the Executive~~
46 | ~~Office of the Governor and the Legislative Budget Commission for~~
47 | ~~formal adoption before January 1, 2005. Upon approval of the~~
48 | ~~plan by all parties, the department is authorized to expend~~
49 | ~~funds from the community-based care risk pool pursuant to the~~
50 | ~~provisions of the plan shall issue an interest free loan that is~~
51 | ~~secured by the cumulative contractual revenue of the community-~~
52 | ~~based care risk pool membership, and the amount of the loan~~
53 | ~~shall equal the amount appropriated by the Legislature for this~~
54 | ~~purpose. The plan shall provide for a governance structure that~~
55 | ~~assures the department the ability to oversee the operation of~~

56 ~~the community based care risk pool at least until this loan is~~
 57 ~~repaid in full.~~

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

60 1. Significant changes in the number or composition of
 61 clients eligible to receive services.

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

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

66 4. Proposals to participate in optional Medicaid services
 67 or other federal grant opportunities.

68 5. Appropriate incentive structures.

69 6. Continuity of care in the event of failure,
 70 discontinuance of service, or financial misconduct by a lead
 71 agency.

72 7. Payment for time-limited technical assistance and
 73 consultation to lead agencies in the event of serious
 74 performance or management problems.

75 8. Payment for meeting all traditional and nontraditional
 76 insurance needs of eligible members.

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

78 (b) After approval of the plan in the 2004-2005 fiscal
 79 year and annually thereafter, the department may also request in
 80 its annual legislative budget request, and the Governor may
 81 recommend, that the funding necessary to carry out paragraph (a)
 82 be appropriated to the department. ~~Subsequent funding of the~~
 83 ~~community based care risk pool shall be supported by premiums~~

84 ~~assessed to members of the community based care risk pool on a~~
85 ~~recurring basis. The community based care risk pool may invest~~
86 ~~and retain interest earned on these funds. In addition, the~~
87 ~~department may transfer funds to the community-based care risk~~
88 ~~pool as available in order to ensure an adequate funding level~~
89 ~~if the fund is declared to be insolvent and approval is granted~~
90 ~~by the Legislative Budget Commission. Such payments for~~
91 ~~insolvency shall be made only after a determination is made by~~
92 ~~the department or its actuary that all participants in the~~
93 ~~community based care risk pool are current in their payments of~~
94 ~~premiums and that assessments have been made at an actuarially~~
95 ~~sound level. Such payments by participants in the community-~~
96 ~~based care risk pool may not exceed reasonable industry~~
97 ~~standards, as determined by the actuary. Money from this fund~~
98 ~~may be used to match available federal dollars. Dividends or~~
99 ~~other payments, with the exception of legitimate claims, may not~~
100 ~~be paid to members of the community based care risk pool until~~
101 ~~the loan issued by the department is repaid in full. Dividends~~
102 ~~or other payments, with the exception of legitimate claims and~~
103 ~~other purposes contained in the approved plan, may not be paid~~
104 ~~to members of the community based care risk pool unless, at the~~
105 ~~time of distribution, the community based care risk pool is~~
106 ~~deemed actuarially sound and solvent. Solvency shall be~~
107 ~~determined by an independent actuary contracted by the~~
108 ~~department. The plan shall be developed in consultation with the~~
109 ~~Office of Insurance Regulation.~~

110 1. Such funds shall constitute partial security for
111 contract performance by lead agencies and shall be used to

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112 ~~offset the need for a performance bond. Subject to the approval~~
113 ~~of the plan, the community-based care risk pool shall be managed~~
114 ~~by the Florida Coalition for Children, Inc., or the designated~~
115 ~~contractors of the Florida Coalition for Children, Inc.~~
116 ~~Nonmembers of the community-based care risk pool may continue to~~
117 ~~contract with the department but must provide a letter of credit~~
118 ~~equal to one twelfth of the annual contract amount in lieu of~~
119 ~~membership in the community-based care risk pool.~~

120 2. The department may separately require a bond to
121 mitigate the financial consequences of potential acts of
122 malfeasance, misfeasance, or criminal violations by the
123 provider.

124 (c) The department may issue an interest-free loan to the
125 Florida Coalition for Children, Inc., for the purpose of
126 creating a self-insurance program. The loan shall be secured by
127 the cumulative contractual revenue of the community-based care
128 lead agencies participating in the self-insurance program. The
129 amount of the loan shall be in an amount equal to the amount
130 appropriated by the Legislature for this purpose.

131 Section 2. This act shall take effect July 1, 2006.