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CHAMBER ACTION

Senate

House

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Floor: 1/RE/2R
5/1/2008 5:39 PM

1 Senator Storms moved the following **amendment**:

2
3 **Senate Amendment (with title amendment)**

4 Delete everything after the enacting clause
5 and insert:

6 Section 1. Section 394.9082, Florida Statutes, is amended
7 to read:

8 (Substantial rewording of section. See
9 s. 394.9082, F.S., for present text.)

10 394.9082 Behavioral health managing entities.--

11 (1) LEGISLATIVE FINDINGS AND INTENT.--The Legislature finds
12 that untreated behavioral health disorders constitute major
13 health problems for residents of this state, are a major economic
14 burden to the citizens of this state, and substantially increase
15 demands on the state's juvenile and adult criminal justice
16 systems, the child welfare system, and health care systems. The
17 Legislature finds that behavioral health disorders respond to



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18 appropriate treatment, rehabilitation, and supportive
19 intervention. The Legislature finds that it has made a
20 substantial long-term investment in the funding of the community-
21 based behavioral health prevention and treatment service systems
22 and facilities in order to provide critical emergency, acute
23 care, residential, outpatient, and rehabilitative and recovery-
24 based services. The Legislature finds that local communities have
25 also made substantial investments in behavioral health services,
26 contracting with safety net providers who by mandate and mission
27 provide specialized services to vulnerable and hard-to-serve
28 populations and have strong ties to local public health and
29 public safety agencies. The Legislature finds that a management
30 structure that places the responsibility for publicly financed
31 behavioral health treatment and prevention services within a
32 single private, nonprofit entity at the local level will promote
33 improved access to care, promote service continuity, and provide
34 for more efficient and effective delivery of substance abuse and
35 mental health services. The Legislature finds that streamlining
36 administrative processes will create cost efficiencies and
37 provide flexibility to better match available services to
38 consumers' identified needs.

39 (2) DEFINITIONS.--As used in this section, the term:

40 (a) "Behavioral health services" means mental health
41 services and substance abuse prevention and treatment services as
42 defined in this chapter and chapter 397 which are provided using
43 state and federal funds.

44 (b) "Decisionmaking model" means a comprehensive management
45 information system needed to answer the following management
46 questions at the federal, state, regional, circuit, and local



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47 provider levels: who receives what services from which providers
48 with what outcomes and at what costs?

49 (c) "Geographic area" means a county, circuit, regional, or
50 multiregional area in this state.

51 (d) "Managing entity" means a corporation that is organized
52 in this state, is designated or filed as a nonprofit organization
53 under s. 501(c)3) of the Internal Revenue Service, and is under
54 contract to the department to manage the day-to-day operational
55 delivery of behavioral health services through an organized
56 system of care.

57 (e) "Provider networks" mean the direct service agencies
58 that are under contract with a managing entity and that together
59 constitute a comprehensive array of emergency, acute care,
60 residential, outpatient, recovery support, and consumer support
61 services.

62 (3) SERVICE DELIVERY STRATEGIES.--The department may work
63 through managing entities to develop service delivery strategies
64 that will improve the coordination, integration, and management
65 of the delivery of behavioral health services to people who have
66 mental or substance use disorders. It is the intent of the
67 Legislature that a well-managed service delivery system will
68 increase access for those in need of care, improve the
69 coordination and continuity of care for vulnerable and high-risk
70 populations, and redirect service dollars from restrictive care
71 settings to community-based recovery services.

72 (4) CONTRACT FOR SERVICES.--

73 (a) The department may contract for the purchase and
74 management of behavioral health services with community-based
75 managing entities. The department may require a managing entity
76 to contract for specialized services that are not currently part



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77 of the managing entity's network if the department determines
78 that to do so is in the best interests of consumers of services.
79 The secretary shall determine the schedule for phasing in
80 contracts with managing entities. The managing entities shall, at
81 a minimum, be accountable for the operational oversight of the
82 delivery of behavioral health services funded by the department
83 and for the collection and submission of the required data
84 pertaining to these contracted services. A managing entity shall
85 serve a geographic area designated by the department. The
86 geographic area must be of sufficient size in population and have
87 enough public funds for behavioral health services to allow for
88 flexibility and maximum efficiency.

89 (b) The operating costs of the managing entity contract
90 shall be funded through funds from the department and any savings
91 and efficiencies achieved through the implementation of managing
92 entities when realized by their participating provider network
93 agencies. The department recognizes that managing entities will
94 have infrastructure development costs during start-up so that any
95 efficiencies to be realized by providers from consolidation of
96 management functions, and the resulting savings, will not be
97 achieved during the early years of operation. The department
98 shall negotiate a reasonable and appropriate administrative cost
99 rate with the managing entity. The Legislature intends that
100 reduced local and state contract management and other
101 administrative duties passed on to the managing entity allows
102 funds previously allocated for these purposes to be
103 proportionately reduced and the savings used to purchase the
104 administrative functions of the managing entity. Policies and
105 procedures of the department for monitoring contracts with
106 managing entities shall include provisions for eliminating



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107 duplication of the department's and the managing entities'
108 contract management and other administrative activities in order
109 to achieve the goals of cost-effectiveness and regulatory relief.
110 To the maximum extent possible, provider-monitoring activities
111 shall be assigned to the managing entity.

112 (c) Contracting and payment mechanisms for services must
113 promote clinical and financial flexibility and responsiveness
114 and must allow different categorical funds to be integrated at
115 the point of service. The contracted service array must be
116 determined by using public input, needs assessment, and evidence-
117 based and promising best-practice models. The department may
118 employ care-management methodologies, prepaid capitation, and
119 case rate or other methods of payment which promote flexibility,
120 efficiency, and accountability.

121 (5) GOALS.--The goal of the service delivery strategies is
122 to provide a design for an effective coordination, integration,
123 and management approach for delivering effective behavioral
124 health services to persons who are experiencing a mental health
125 or substance abuse crisis, who have a disabling mental illness or
126 a substance use or co-occurring disorder, and require extended
127 services in order to recover from their illness, or who need
128 brief treatment or longer-term supportive interventions to avoid
129 a crisis or disability. Other goals include:

130 (a) Improving accountability for a local system of
131 behavioral health care services to meet performance outcomes and
132 standards through the use of reliable and timely data.

133 (b) Enhancing the continuity of care for all children,
134 adolescents, and adults who enter the publicly funded behavioral
135 health service system.



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136 (c) Preserving the "safety net" of publicly funded
137 behavioral health services and providers, and recognizing and
138 ensuring continued local contributions to these services, by
139 establishing locally designed and community-monitored systems of
140 care.

141 (d) Providing early diagnosis and treatment interventions
142 to enhance recovery and prevent hospitalization.

143 (e) Improving the assessment of local needs for behavioral
144 health services.

145 (f) Improving the overall quality of behavioral health
146 services through the use of evidence-based, best-practice, and
147 promising-practice models.

148 (g) Demonstrating improved service integration between
149 behavioral health programs and other programs, such as vocational
150 rehabilitation, education, child welfare, primary health care,
151 emergency services, juvenile justice, and criminal justice.

152 (h) Providing for additional testing of creative and
153 flexible strategies for financing behavioral health services to
154 enhance individualized treatment and support services.

155 (i) Promoting cost-effective quality care.

156 (j) Working with the state to coordinate admissions and
157 discharges from state civil and forensic hospitals and
158 coordinating admissions and discharges from residential treatment
159 centers.

160 (k) Improving the integration, accessibility, and
161 dissemination of behavioral health data for planning and
162 monitoring purposes.

163 (l) Promoting specialized behavioral health services to
164 residents of assisted living facilities.



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165 (m) Working with the state and other stakeholders to reduce
166 the admissions and the length of stay for dependent children in
167 residential treatment centers.

168 (n) Providing services to adults and children with co-
169 occurring disorders of mental illnesses and substance abuse
170 problems.

171 (o) Providing services to elder adults in crisis or at-risk
172 for placement in a more restrictive setting due to a serious
173 mental illness or substance abuse.

174 (6) ESSENTIAL ELEMENTS.--It is the intent of the
175 Legislature that the department may plan for and enter into
176 contracts with managing entities to manage care in geographical
177 areas throughout the state.

178 (a) The managing entity must demonstrate the ability of its
179 network of providers to comply with the pertinent provisions of
180 this chapter and chapter 397 and to ensure the provision of
181 comprehensive behavioral health services. The network of
182 providers must include, but need not be limited to, community
183 mental health agencies, substance abuse treatment providers, and
184 best-practice consumer services providers.

185 (b) The department shall terminate its mental health or
186 substance abuse provider contracts for services to be provided by
187 the managing entity at the same time it contracts with the
188 managing entity.

189 (c) The managing entity shall ensure that its provider
190 network is broadly conceived. All mental health or substance
191 abuse treatment providers currently under contract with the
192 department shall be offered a contract by the managing entity.

193 (d) The department may contract with managing entities to
194 provide the following core functions:



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- 195 1. Financial accountability.
- 196 2. Allocation of funds to network providers in a manner
197 that reflects the department's strategic direction and plans.
- 198 3. Provider monitoring to ensure compliance with federal
199 and state laws, rules, and regulations.
- 200 4. Data collection, reporting, and analysis.
- 201 5. Operational plans to implement objectives of the
202 department's strategic plan.
- 203 6. Contract compliance.
- 204 7. Performance management.
- 205 8. Collaboration with community stakeholders, including
206 local government.
- 207 9. System of care through network development.
- 208 10. Consumer care coordination.
- 209 11. Continuous quality improvement.
- 210 12. Timely access to appropriate services.
- 211 13. Cost-effectiveness and system improvements.
- 212 14. Assistance in the development of the department's
213 strategic plan.
- 214 15. Participation in community, circuit, regional, and
215 state planning.
- 216 16. Resource management and maximization, including pursuit
217 of third-party payments and grant applications.
- 218 17. Incentives for providers to improve quality and access;
- 219 18. Liaison with consumers.
- 220 19. Community needs assessment.
- 221 20. Securing local matching funds.
- 222 (e) The managing entity shall ensure that written
223 cooperative agreements are developed and implemented among the
224 criminal and juvenile justice systems, the local community-based



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225 care network, and the local behavioral health providers in the
226 geographic area which define strategies and alternatives for
227 diverting people who have mental illness and substance abuse
228 problems from the criminal justice system to the community. These
229 agreements must also address the provision of appropriate
230 services to persons who have behavioral health problems and leave
231 the criminal justice system.

232 (f) Managing entities must collect and submit data to the
233 department regarding persons served, outcomes of persons served,
234 and the costs of services provided through the department's
235 contract. The department shall evaluate managing entity services
236 based on consumer-centered outcome measures that reflect national
237 standards that can dependably be measured. The department shall
238 work with managing entities to establish performance standards
239 related to:

240 1. The extent to which individuals in the community receive
241 services.

242 2. The improvement of quality of care for individuals
243 served.

244 3. The success of strategies to divert jail, prison, and
245 forensic facility admissions.

246 4. Consumer and family satisfaction.

247 5. The satisfaction of key community constituents such as
248 law enforcement agencies, juvenile justice agencies, the courts,
249 the schools, local government entities, hospitals, and others as
250 appropriate for the geographical area of the managing entity.

251 (g) The Agency for Health Care Administration may establish
252 a certified match program, which must be voluntary. Under a
253 certified match program, reimbursement is limited to the federal
254 Medicaid share to Medicaid-enrolled strategy participants. The



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255 agency may take no action to implement a certified match program
256 unless the consultation provisions of chapter 216 have been met.
257 The agency may seek federal waivers that are necessary to
258 implement the behavioral health service delivery strategies.

259 (7) MANAGING ENTITY REQUIREMENTS.--The department may adopt
260 rules and standards and a process for the qualification and
261 operation of managing entities which are based, in part, on the
262 following criteria:

263 (a) A managing entity's governance structure shall be
264 representative and shall, at a minimum, include consumers and
265 family members, appropriate community stakeholders and
266 organizations, and providers of substance abuse and mental health
267 services as defined in this chapter and chapter 397.

268 (b) A managing entity that was originally formed primarily
269 by substance abuse or mental health providers must present and
270 demonstrate a detailed, consensus approach to expanding its
271 provider network and governance to include both substance abuse
272 and mental health providers.

273 (c) A managing entity must submit a network management plan
274 and budget in a form and manner determined by the department. The
275 plan must detail the means for implementing the duties to be
276 contracted to the managing entity and the efficiencies to be
277 anticipated by the department as a result of executing the
278 contract. The department may require modifications to the plan
279 and must approve the plan before contracting with a managing
280 entity. The department may contract with a managing entity that
281 demonstrates readiness to assume core functions, and may continue
282 to add functions and responsibilities to the managing entity's
283 contract over time as additional competencies are developed as
284 identified in paragraph (g). Notwithstanding other provisions of



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285 this section, the department may continue and expand managing
286 entity contracts if the department determines that the managing
287 entity meets the requirements specified in this section.

288 (d) Notwithstanding paragraphs (b) and (c), a managing
289 entity that is currently a fully integrated system providing
290 mental health and substance abuse services, Medicaid, and child
291 welfare services is permitted to continue operating under its
292 current governance structure as long as the managing entity can
293 demonstrate to the department that consumers, other stakeholders,
294 and network providers are included in the planning process.

295 (e) Managing entities shall operate in a transparent
296 manner, providing public access to information, notice of
297 meetings, and opportunities for broad public participation in
298 decisionmaking. The managing entity's network management plan
299 must detail policies and procedures that ensure transparency.

300 (f) Before contracting with a managing entity, the
301 department must perform an on-site readiness review of a managing
302 entity to determine its operational capacity to satisfactorily
303 perform the duties to be contracted.

304 (g) The department shall engage community stakeholders,
305 including providers and managing entities under contract with the
306 department, in the development of objective standards to measure
307 the competencies of managing entities and their readiness to
308 assume the responsibilities described in this section, and the
309 outcomes to hold them accountable.

310 (8) DEPARTMENT RESPONSIBILITIES.--With the introduction of
311 managing entities to monitor department-contracted providers'
312 day-to-day operations, the department and its regional and
313 circuit offices will have increased ability to focus on broad
314 systemic substance abuse and mental health issues. After the



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315 department enters into a managing entity contract in a geographic
316 area, the regional and circuit offices of the department in that
317 area shall direct their efforts primarily to monitoring the
318 managing entity contract, including negotiation of system quality
319 improvement goals each contract year, and review of the managing
320 entity's plans to execute department strategic plans; carrying
321 out statutorily mandated licensure functions; conducting
322 community and regional substance abuse and mental health
323 planning; communicating to the department the local needs
324 assessed by the managing entity; preparing department strategic
325 plans; coordinating with other state and local agencies;
326 assisting the department in assessing local trends and issues and
327 advising departmental headquarters on local priorities; and
328 providing leadership in disaster planning and preparation.

329 (9) REPORTING.--Reports of the department's activities,
330 progress, and needs in achieving the goal of contracting with
331 managing entities in each circuit and region statewide must be
332 submitted to the appropriate substantive and appropriations
333 committees in the Senate and the House of Representatives on
334 January 1 and July 1 of each year until the full transition to
335 managing entities has been accomplished statewide.

336 (10) RULES.--The department shall adopt rules to administer
337 this section and, as necessary, to further specify requirements
338 of managing entities.

339 Section 2. This act shall take effect July 1, 2008.

340
341 ===== T I T L E A M E N D M E N T =====

342 And the title is amended as follows:

343 Delete everything before the enacting clause
344 and insert:



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345 A bill to be entitled
346 An act relating to mental health and substance abuse
347 services; amending s. 394.9082, F.S.; providing
348 legislative findings and intent; establishing goals;
349 specifying roles and responsibilities of the Department of
350 Children and Family Services; creating community-based
351 systems of care; authorizing the implementation of
352 managing entities by the Department of Children and Family
353 Services; establishing a process for contracting with
354 managing entities; specifying qualifying criteria for
355 managing entities; specifying responsibilities of managing
356 entities; specifying responsibilities of the department;
357 providing for evaluations and reports; providing for a
358 monitoring process; providing an effective date.