

1 A bill to be entitled
 2 An act relating to mental health and substance abuse
 3 services; amending s. 394.9082, F.S.; providing
 4 legislative findings and intent; providing definitions;
 5 providing service delivery strategies; providing for data
 6 sharing agreements; establishing a process for the
 7 Department of Children and Family Services to contract
 8 with community-based managing entities; specifying
 9 criteria for contracts between the department and managing
 10 entities for the provision of behavioral health services;
 11 establishing goals for service delivery ; creating
 12 community-based systems of care; authorizing the
 13 implementation of managing entities by the department;
 14 specifying responsibilities of managing entities;
 15 specifying roles and responsibilities of the department;
 16 specifying management information system requirements;
 17 providing for evaluations and reports; providing for a
 18 monitoring process; providing rulemaking authority;
 19 providing an effective date.

20
 21 Be It Enacted by the Legislature of the State of Florida:

22
 23 Section 1. Section 394.9082, Florida Statutes, is amended
 24 to read:

25 (Substantial rewording of section. See
 26 s. 394.9082, F.S., for present text.)
 27 394.9082 Behavioral health managing entities.--
 28 (1) LEGISLATIVE FINDINGS AND INTENT.--The Legislature

29 finds that untreated behavioral health disorders constitute
30 major health problems for Floridians, are a major economic
31 burden to the citizens of this state, and substantially increase
32 demands on the state's criminal justice, juvenile justice, child
33 protection, and health care systems. The Legislature finds that
34 behavioral health disorders respond to appropriate treatment,
35 rehabilitation, and supportive intervention. The Legislature
36 finds that it has made a substantial long-term investment in the
37 funding of the community-based behavioral health treatment
38 service delivery systems and facilities in order to provide
39 critical emergency, acute care, residential, outpatient, and
40 rehabilitative services. The Legislature finds that local
41 communities have also made substantial investments in behavioral
42 health services by contracting with safety net providers that
43 provide specialized services to vulnerable and hard-to-serve
44 populations and have strong ties to local public health and
45 public safety agencies. The Legislature finds that a management
46 structure that places the responsibility for publicly financed
47 behavioral health treatment and prevention services within a
48 single private nonprofit entity at the local level promotes
49 improved access to care, promotes continuity of care, and
50 provides a more efficient and effective delivery of substance
51 abuse and mental health services. The Legislature finds that the
52 transformation of existing data systems into effective
53 decisionmaking models is required in order to provide the timely
54 and accurate information needed at the federal, state, and local
55 levels to support the integrated system of community-based care.
56 The Legislature further finds that streamlining administrative

57 processes creates cost efficiencies and provides the flexibility
58 to better match available services to the consumer's behavioral
59 health needs.

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

61 (a) "Behavioral health services" means mental health
62 services and substance abuse prevention and treatment services
63 as defined in this chapter and chapter 397 that are provided
64 with state and federal funds.

65 (b) "Decisionmaking model" means a comprehensive
66 management information system designed to determine, at the
67 federal, state, regional, and local level:

- 68 1. The providers that will provide the services.
- 69 2. The population that will receive the services.
- 70 3. The cost of providing the services.
- 71 4. The desired outcome.

72 (c) "Geographic area" means a county, circuit, regional,
73 or multiregional area in the state.

74 (d) "Managing entity" means a Florida corporation that is
75 exempt from taxation under s. 501(c)(3) of the Internal Revenue
76 Code and is under contract to the department to manage the day-
77 to-day operational delivery of behavioral health services
78 through the establishment of an organized system of care.

79 (e) "Provider network" means the direct service delivery
80 agency under contract with a managing entity that together
81 provide emergency, acute care, residential, outpatient, recovery
82 support, and consumer support services.

83 (3) SERVICE DELIVERY STRATEGIES.--The department may work
84 through a managing entity to develop service delivery strategies

85 to improve the coordination, integration, and management of the
86 delivery of behavioral health services to people with mental
87 health or substance abuse disorders. It is the intent of the
88 Legislature that a well-managed service delivery system will
89 increase access for those in need of care, improve the
90 coordination and continuity of care for vulnerable and high-risk
91 populations, and redirect service delivery dollars from
92 restrictive care settings to community-based recovery services.

93 (4) DATA SHARING AGREEMENTS.--For the purpose of data
94 integration and cost-effectiveness, the department shall have
95 data sharing agreements with other state agencies to develop a
96 consumer-oriented reporting system with uniform definitions and
97 reporting categories to determine behavioral health care
98 services to be provided and the projected outcomes and costs of
99 these services.

100 (5) CONTRACT FOR SERVICES.--

101 (a) The department may contract for the purchase and
102 management of behavioral health services with a community-based
103 managing entity. The department may require a managing entity to
104 contract for specialized services not currently part of the
105 managing entity's network if the department determines that it
106 is in the best interest of the consumer of the services. The
107 secretary shall determine the schedule for phasing in a contract
108 with a managing entity. The managing entity shall be
109 accountable, at a minimum, for the operational oversight of the
110 delivery of behavioral health services funded by the department
111 and for the collection and submission of the required data
112 pertaining to these contracted services. A managing entity shall

CS/HB 1429

2008

113 serve a geographic area designated by the department. The
114 geographic area must have a population of sufficient size and
115 have enough public funds allocated for behavioral health
116 services to allow for flexibility and maximum efficiency.

117 (b) The operating costs of the managing entity contract
118 shall be funded through the department and any savings and
119 efficiencies achieved through the implementation of managing
120 entities when realized by their participating provider network
121 agencies. The department recognizes that managing entities will
122 have infrastructure development costs during start up;
123 therefore, any efficiencies to be realized by providers from
124 consolidation of management functions and the resulting savings
125 will not be achieved during the early years of operation. The
126 department shall negotiate a reasonable and appropriate
127 administrative cost rate with the managing entity. The
128 Legislature intends that reduced local and state contract
129 management and other administrative duties passed on to the
130 managing entity allow funds previously allocated for these
131 purposes to be proportionately reduced and the savings used to
132 fund the administrative functions of the managing entity.
133 Department policies and procedures for monitoring contracts with
134 managing entities shall include provisions for eliminating
135 duplication of the department's and the managing entities'
136 contract management and other administrative duties to achieve
137 the goals of cost effectiveness and regulatory relief. To the
138 maximum extent possible, provider monitoring activities shall be
139 assigned to the managing entity.

140 (c) Contracting and payment mechanisms for services shall
141 promote clinical and financial flexibility and responsiveness
142 and allow different categorical funds to be integrated at the
143 point of service. The contracted delivery options shall be
144 determined by using needs assessment and evidence-based, best
145 practice, and promising practice models and soliciting public
146 input. The department is authorized to employ prepaid case rate,
147 prepaid capitation, or other care-management methodologies to
148 purchase services that promote flexibility, efficiency, and
149 accountability.

150 (6) GOALS.--The goal of the service delivery strategies is
151 to provide a design for an effective coordination, integration,
152 and management approach for delivering effective behavioral
153 health services to persons who are experiencing a mental health
154 or substance abuse crisis; who have a disabling mental illness
155 or substance abuse disorder or co-occurring mental health and
156 substance abuse disorders and require extended services in order
157 to recover from the disorder; or who need brief treatment or
158 long-term supportive interventions to avoid a crisis or
159 disability. Other goals include the following:

160 (a) Improve accountability for a local system of
161 behavioral health care services to meet performance outcomes and
162 standards through the use of reliable and timely data.

163 (b) Enhance continuity of care for all children,
164 adolescents, and adults who enter the publicly funded behavioral
165 health service system.

166 (c) Preserve the safety net of publicly funded behavioral
167 health services and providers and recognize and ensure continued

168 local contributions to these services by establishing locally
169 designed and community-based systems of care.

170 (d) Provide early diagnosis and treatment interventions to
171 enhance recovery and prevent hospitalization.

172 (e) Improve assessment of local needs for behavioral
173 health services.

174 (f) Improve the overall quality of behavioral health
175 services through the use of evidence-based, best practice, and
176 promising practice models.

177 (g) Demonstrate improved service integration between
178 behavioral health programs and other programs, such as
179 vocational rehabilitation, education, child welfare, primary
180 health care, emergency services, juvenile justice, and criminal
181 justice.

182 (h) Provide for additional testing of creative and
183 flexible strategies for financing behavioral health services to
184 enhance individualized treatment and support services.

185 (i) Promote cost-effective quality care.

186 (j) Work with the state to coordinate the admissions and
187 discharges from state civil and forensic hospitals and
188 coordinate admissions and discharges from residential treatment
189 centers.

190 (k) Improve the integration, accessibility, and
191 dissemination of behavioral health data for planning and
192 monitoring purposes.

193 (l) Promote specialized behavioral health services to
194 residents of assisted living facilities.

195 (m) Work with the state and other stakeholders to reduce
 196 the number of admissions and the length of stay for dependent
 197 children in residential treatment centers.

198 (n) Provide services to adults and children with co-
 199 occurring mental health and substance abuse disorders.

200 (o) Provide services to elders in crisis or at-risk for
 201 placement in a more restrictive setting due to a serious mental
 202 health or substance abuse disorder.

203 (7) ESSENTIAL ELEMENTS.--It is the intent of the
 204 Legislature that the department is authorized to plan for and
 205 enter into contracts with managing entities to manage care in
 206 geographical areas throughout the state. A managing entity shall
 207 own and operate information systems with the capacity to
 208 provide, at a minimum, information required for federal and
 209 state reporting, monitoring care, assessing local needs, and
 210 measuring outcomes.

211 (a) The managing entity must demonstrate the ability of
 212 its network of providers to comply with the applicable
 213 provisions of this chapter and chapter 397 and to ensure the
 214 provision of comprehensive behavioral health services. The
 215 network of providers shall include, but is not limited to,
 216 community mental health agencies, substance abuse treatment
 217 providers, and best practice consumer services.

218 (b) The department shall terminate its contracts for
 219 mental health or substance abuse services provided by the
 220 managing entity when the department enters into a contract with
 221 the managing entity.

222 (c) The managing entity shall ensure that its provider
 223 network is broadly conceived. All mental health or substance
 224 abuse providers currently under contract with the department
 225 shall be offered a contract by the managing entity.

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

- 228 1. Financial accountability.
- 229 2. Allocation of funds to network providers in a manner
 230 that reflects the department's strategic direction and plans.
- 231 3. Provider monitoring to ensure compliance with federal
 232 and state laws and regulations.
- 233 4. Data collection, reporting, and analysis.
- 234 5. Operational plans to implement objectives of the
 235 department's strategic plan.
- 236 6. Contract compliance.
- 237 7. Performance management.
- 238 8. Collaboration with community stakeholders, including
 239 local government.
- 240 9. System of care through network development.
- 241 10. Consumer care coordination.
- 242 11. Continuous quality improvement.
- 243 12. Timely access to appropriate services.
- 244 13. Cost effectiveness and system improvements.
- 245 14. Assistance in the development of the department's
 246 strategic plan.
- 247 15. Participation in community, circuit, regional, and
 248 state planning.

249 16. Resource management and maximization including pursuit
250 of third-party payments and grant applications.

251 17. Incentives for providers to improve quality and
252 access.

253 18. Liaison with consumers.

254 19. Community needs assessment.

255 20. Securing a local match.

256 (e) The managing entity shall ensure that written
257 cooperative agreements are developed and implemented among the
258 criminal justice and juvenile justice systems, the local
259 community-based care network, and the local behavioral health
260 providers in the geographic area that define strategies and
261 alternatives for diverting people with mental health and
262 substance abuse disorders from the criminal justice system to
263 community-based services. These agreements must also address the
264 provision of appropriate services to persons with behavioral
265 health disorders who leave the criminal justice system.

266 (f) Managing entities must collect and submit data to the
267 department regarding persons served, the outcomes of persons
268 served, and the costs of services provided through the
269 department's contract. The department shall evaluate managing
270 entity services based on consumer-centered outcome measures that
271 reflect national standards. The department shall work with
272 managing entities to establish performance standards related to:

273 1. The extent to which individuals in the community
274 receive services.

275 2. Improvement of quality of care for individuals served.

276 3. The success of strategies to divert jail, prison, and
277 forensic facility admissions.

278 4. Consumer and family satisfaction.

279 5. Satisfaction of key community constituents such as law
280 enforcement agencies, juvenile justice agencies, the courts, the
281 schools, local government entities, hospitals, and others, as
282 appropriate for the geographical area of the managing entity.

283 (g) The agency may establish a voluntary certified match
284 program. Under a certified match program, reimbursement is
285 limited to the federal Medicaid share to Medicaid-enrolled
286 strategy participants. The agency shall take no action to
287 implement a certified match program without ensuring that the
288 consultation provisions of chapter 216 have been met. The agency
289 may seek federal waivers that are necessary to implement the
290 behavioral health service delivery strategies.

291 (8) MANAGING ENTITY REQUIREMENTS.--The department may
292 establish standards and a process for the qualification and
293 operation of managing entities that shall be based, in part, on
294 the following criteria:

295 (a) The governing body of a managing entity shall, at a
296 minimum, include consumers and family members, community
297 stakeholders and organizations, and providers of substance abuse
298 and mental health services as defined in this chapter and
299 chapter 397.

300 (b) A managing entity that was originally formed primarily
301 by substance abuse or mental health providers must present and
302 demonstrate a detailed, consensus approach to expanding its

303 provider network governance and organization to include both
304 substance abuse and mental health providers.

305 (c) A managing entity shall submit a network management
306 plan and budget to the department. The plan must specify the
307 means for implementing the duties to be contracted to the
308 managing entity and the efficiencies to be anticipated by the
309 department as a result of executing the contract. The department
310 may require modifications to the plan and must approve the plan
311 before contracting with a managing entity. The department may
312 contract with a managing entity that demonstrates readiness to
313 assume core functions and may continue to add functions and
314 responsibilities to the managing entity contract over time as
315 additional standards are developed to measure the competencies
316 of the managing entity as provided in paragraph (9)(c).
317 Notwithstanding the provisions of this section, nothing shall
318 prevent the department from continuing and expanding managing
319 entity contracts if the department determines that the managing
320 entity meets the requirements specified in this section.

321 (d) Notwithstanding paragraphs (b) and (c), a managing
322 entity that is currently a fully integrated system providing
323 both mental health and substance abuse, Medicaid, and child
324 welfare services shall be permitted to continue operating under
325 its current governance structure as long as the managing entity
326 can demonstrate to the department that consumers, other
327 stakeholders, and network providers are included in the planning
328 process.

329 (e) A managing entity shall provide public access to
330 information, notice of meetings, and opportunities for broad

331 public participation in decisionmaking. The managing entity's
332 network management plan must provide detailed policies and
333 procedures to the public.

334 (9) DEPARTMENT RESPONSIBILITIES.--

335 (a) When a managing entity begins to monitor the day-to-
336 day operations of a provider under contract with the department,
337 the department and its regional and circuit offices will have
338 increased ability to focus on broad systemic substance abuse and
339 mental health issues. After the department enters into a
340 contract with a managing entity in a geographic area, the
341 regional and circuit offices of the department in that area
342 shall direct their efforts primarily to monitoring that
343 contract, including negotiating a system to implement quality
344 improvement goals for each contract year and reviewing the
345 managing entity's plans to execute the department's strategic
346 plans; carrying out statutorily mandated licensure functions;
347 conducting community and regional substance abuse and mental
348 health planning activities; communicating the local needs
349 assessed by the managing entity to the department; preparing the
350 department's strategic plans; coordinating the provisions of
351 services with other state and local agencies; assisting the
352 department in assessing local trends and issues and advising
353 departmental headquarters on local priorities; and providing
354 leadership in disaster planning and preparation.

355 (b) Before entering into a contract with a managing
356 entity, the department shall perform an onsite readiness review
357 of the managing entity to determine its capacity to
358 satisfactorily perform the duties to be contracted.

359 (c) The department shall engage community stakeholders,
 360 including providers and managing entities under contract with
 361 the department, in the development of objective standards to
 362 measure the competencies of managing entities and their
 363 readiness to assume the responsibilities described in this
 364 subsection and to hold them accountable for the outcomes.

365 (d) Notwithstanding any other provision of law or
 366 administrative rule to the contrary, the Department of Financial
 367 Services and the Department of Management Services shall provide
 368 the department with the flexibility needed to implement this
 369 section.

370 (10) MANAGEMENT INFORMATION SYSTEM REQUIREMENTS.--

371 (a) The department, in collaboration with the managing
 372 entities, shall design and implement a comprehensive behavioral
 373 health management information system.

374 (b) Each managing entity shall develop and maintain a data
 375 system that includes data from agencies under contract with the
 376 managing entity. At a minimum, the managing entity's data system
 377 shall provide information needed by the managing entity to
 378 address the management and clinical care needs of the local
 379 provider networks and information needed by the department to
 380 meet state and federal data reporting requirements and to
 381 evaluate planning and system-of-care provisions.

382 (c) The department shall collaborate with managing
 383 entities to develop business requirements that managing entities
 384 shall use to extract data required at the state and federal
 385 level from their local database systems and to submit these data
 386 electronically into the department's central data system. The

387 Legislature recognizes that the department is not in the
388 business of application software development and maintenance and
389 is not adequately staffed to do so. The initial development and
390 ongoing maintenance and operation of the department's central
391 data system may be outsourced through contract with an
392 established third-party information technology vendor to
393 increase system access to users and provide timely and accurate
394 information to stakeholders at all levels of management.

395 (d) The department shall use the central data system to
396 provide nonconfidential data accessible to stakeholders for
397 planning, monitoring, evaluation, and research purposes.

398 (11) REPORTING.--Reports of the department's activities,
399 progress, and needs in achieving the goal of contracting with
400 managing entities in each circuit and region statewide must be
401 submitted to the appropriate substantive and appropriations
402 committees in the House of Representatives and the Senate by
403 January 1 and July 1 annually until a full transition to
404 managing entities has been accomplished statewide. A section of
405 each report shall address accomplishments and barriers to
406 implementation of the management information system described in
407 this section as necessary to support the department's decision
408 to enter into a contract with a managing entity, including the
409 department's actions and support to assist managing entities
410 statewide to achieve the desired interoperability of their
411 information systems.

412 (12) RULES.--The department shall adopt rules pursuant to
413 ss. 120.536(1) and 120.54 to administer the provisions of this

CS/HB 1429

2008

414 section and, as necessary, to further specify requirements of
415 managing entities.

416 Section 2. This act shall take effect upon becoming a law.