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CS/HB 1429, Engrossed 3

2008 Legislature

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; establishing goals;
 5 specifying roles and responsibilities of the Department of
 6 Children and Family Services; creating community-based
 7 systems of care; authorizing the implementation of
 8 managing entities by the Department of Children and Family
 9 Services; establishing a process for contracting with
 10 managing entities; specifying qualifying criteria for
 11 managing entities; specifying responsibilities of managing
 12 entities; specifying responsibilities of the department;
 13 providing for evaluations and reports; providing for a
 14 monitoring process; providing an effective date.

15
 16 Be It Enacted by the Legislature of the State of Florida:

17
 18 Section 1. Section 394.9082, Florida Statutes, is amended
 19 to read:

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

22 394.9082 Behavioral health managing entities.--

23 (1) LEGISLATIVE FINDINGS AND INTENT.--The Legislature
 24 finds that untreated behavioral health disorders constitute
 25 major health problems for residents of this state, are a major
 26 economic burden to the citizens of this state, and substantially
 27 increase demands on the state's juvenile and adult criminal
 28 justice systems, the child welfare system, and health care

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

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

53 (a) "Behavioral health services" means mental health
54 services and substance abuse prevention and treatment services
55 as defined in this chapter and chapter 397 which are provided
56 using state and federal funds.

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57 (b) "Decisionmaking model" means a comprehensive
58 management information system needed to answer the following
59 management questions at the federal, state, regional, circuit,
60 and local provider levels: who receives what services from which
61 providers with what outcomes and at what costs?

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

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

70 (e) "Provider networks" mean the direct service agencies
71 that are under contract with a managing entity and that together
72 constitute a comprehensive array of emergency, acute care,
73 residential, outpatient, recovery support, and consumer support
74 services.

75 (3) SERVICE DELIVERY STRATEGIES.--The department may work
76 through managing entities to develop service delivery strategies
77 that will improve the coordination, integration, and management
78 of the delivery of behavioral health services to people who have
79 mental or substance use disorders. It is the intent of the
80 Legislature that a well-managed service delivery system will
81 increase access for those in need of care, improve the
82 coordination and continuity of care for vulnerable and high-risk
83 populations, and redirect service dollars from restrictive care
84 settings to community-based recovery services.

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(4) CONTRACT FOR SERVICES.--

(a) The department may contract for the purchase and management of behavioral health services with community-based managing entities. The department may require a managing entity to contract for specialized services that are not currently part of the managing entity's network if the department determines that to do so is in the best interests of consumers of services. The secretary shall determine the schedule for phasing in contracts with managing entities. The managing entities shall, at a minimum, be accountable for the operational oversight of the delivery of behavioral health services funded by the department and for the collection and submission of the required data pertaining to these contracted services. A managing entity shall serve a geographic area designated by the department. The geographic area must be of sufficient size in population and have enough public funds for behavioral health services to allow for flexibility and maximum efficiency.

(b) The operating costs of the managing entity contract shall be funded through funds from the department and any savings and efficiencies achieved through the implementation of managing entities when realized by their participating provider network agencies. The department recognizes that managing entities will have infrastructure development costs during start-up so that any efficiencies to be realized by providers from consolidation of management functions, and the resulting savings, will not be achieved during the early years of operation. The department shall negotiate a reasonable and appropriate administrative cost rate with the managing entity.

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113 The Legislature intends that reduced local and state contract
 114 management and other administrative duties passed on to the
 115 managing entity allows funds previously allocated for these
 116 purposes to be proportionately reduced and the savings used to
 117 purchase the administrative functions of the managing entity.
 118 Policies and procedures of the department for monitoring
 119 contracts with managing entities shall include provisions for
 120 eliminating duplication of the department's and the managing
 121 entities' contract management and other administrative
 122 activities in order to achieve the goals of cost-effectiveness
 123 and regulatory relief. To the maximum extent possible, provider-
 124 monitoring activities shall be assigned to the managing entity.

125 (c) Contracting and payment mechanisms for services must
 126 promote clinical and financial flexibility and responsiveness
 127 and must allow different categorical funds to be integrated at
 128 the point of service. The contracted service array must be
 129 determined by using public input, needs assessment, and
 130 evidence-based and promising best-practice models. The
 131 department may employ care-management methodologies, prepaid
 132 capitation, and case rate or other methods of payment which
 133 promote flexibility, efficiency, and accountability.

134 (5) GOALS.--The goal of the service delivery strategies is
 135 to provide a design for an effective coordination, integration,
 136 and management approach for delivering effective behavioral
 137 health services to persons who are experiencing a mental health
 138 or substance abuse crisis, who have a disabling mental illness
 139 or a substance use or co-occurring disorder, and require
 140 extended services in order to recover from their illness, or who

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141 need brief treatment or longer-term supportive interventions to
 142 avoid a crisis or disability. Other goals include:
 143 (a) Improving accountability for a local system of
 144 behavioral health care services to meet performance outcomes and
 145 standards through the use of reliable and timely data.
 146 (b) Enhancing the continuity of care for all children,
 147 adolescents, and adults who enter the publicly funded behavioral
 148 health service system.
 149 (c) Preserving the "safety net" of publicly funded
 150 behavioral health services and providers, and recognizing and
 151 ensuring continued local contributions to these services, by
 152 establishing locally designed and community-monitored systems of
 153 care.
 154 (d) Providing early diagnosis and treatment interventions
 155 to enhance recovery and prevent hospitalization.
 156 (e) Improving the assessment of local needs for behavioral
 157 health services.
 158 (f) Improving the overall quality of behavioral health
 159 services through the use of evidence-based, best-practice, and
 160 promising-practice models.
 161 (g) Demonstrating improved service integration between
 162 behavioral health programs and other programs, such as
 163 vocational rehabilitation, education, child welfare, primary
 164 health care, emergency services, juvenile justice, and criminal
 165 justice.
 166 (h) Providing for additional testing of creative and
 167 flexible strategies for financing behavioral health services to
 168 enhance individualized treatment and support services.

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- 169 (i) Promoting cost-effective quality care.
- 170 (j) Working with the state to coordinate admissions and
- 171 discharges from state civil and forensic hospitals and
- 172 coordinating admissions and discharges from residential
- 173 treatment centers.
- 174 (k) Improving the integration, accessibility, and
- 175 dissemination of behavioral health data for planning and
- 176 monitoring purposes.
- 177 (l) Promoting specialized behavioral health services to
- 178 residents of assisted living facilities.
- 179 (m) Working with the state and other stakeholders to
- 180 reduce the admissions and the length of stay for dependent
- 181 children in residential treatment centers.
- 182 (n) Providing services to adults and children with co-
- 183 occurring disorders of mental illnesses and substance abuse
- 184 problems.
- 185 (o) Providing services to elder adults in crisis or at-
- 186 risk for placement in a more restrictive setting due to a
- 187 serious mental illness or substance abuse.
- 188 (6) ESSENTIAL ELEMENTS.--It is the intent of the
- 189 Legislature that the department may plan for and enter into
- 190 contracts with managing entities to manage care in geographical
- 191 areas throughout the state.
- 192 (a) The managing entity must demonstrate the ability of
- 193 its network of providers to comply with the pertinent provisions
- 194 of this chapter and chapter 397 and to ensure the provision of
- 195 comprehensive behavioral health services. The network of
- 196 providers must include, but need not be limited to, community

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197 mental health agencies, substance abuse treatment providers, and
 198 best-practice consumer services providers.

199 (b) The department shall terminate its mental health or
 200 substance abuse provider contracts for services to be provided
 201 by the managing entity at the same time it contracts with the
 202 managing entity.

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

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

- 209 1. Financial accountability.
- 210 2. Allocation of funds to network providers in a manner
 211 that reflects the department's strategic direction and plans.
- 212 3. Provider monitoring to ensure compliance with federal
 213 and state laws, rules, and regulations.
- 214 4. Data collection, reporting, and analysis.
- 215 5. Operational plans to implement objectives of the
 216 department's strategic plan.
- 217 6. Contract compliance.
- 218 7. Performance management.
- 219 8. Collaboration with community stakeholders, including
 220 local government.
- 221 9. System of care through network development.
- 222 10. Consumer care coordination.
- 223 11. Continuous quality improvement.
- 224 12. Timely access to appropriate services.

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- 225 13. Cost-effectiveness and system improvements.
- 226 14. Assistance in the development of the department's
227 strategic plan.
- 228 15. Participation in community, circuit, regional, and
229 state planning.
- 230 16. Resource management and maximization, including
231 pursuit of third-party payments and grant applications.
- 232 17. Incentives for providers to improve quality and
233 access;
- 234 18. Liaison with consumers.
- 235 19. Community needs assessment.
- 236 20. Securing local matching funds.
- 237 (e) The managing entity shall ensure that written
238 cooperative agreements are developed and implemented among the
239 criminal and juvenile justice systems, the local community-based
240 care network, and the local behavioral health providers in the
241 geographic area which define strategies and alternatives for
242 diverting people who have mental illness and substance abuse
243 problems from the criminal justice system to the community.
244 These agreements must also address the provision of appropriate
245 services to persons who have behavioral health problems and
246 leave the criminal justice system.
- 247 (f) Managing entities must collect and submit data to the
248 department regarding persons served, outcomes of persons served,
249 and the costs of services provided through the department's
250 contract. The department shall evaluate managing entity services
251 based on consumer-centered outcome measures that reflect
252 national standards that can dependably be measured. The

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253 department shall work with managing entities to establish
 254 performance standards related to:
 255 1. The extent to which individuals in the community
 256 receive services.
 257 2. The improvement of quality of care for individuals
 258 served.
 259 3. The success of strategies to divert jail, prison, and
 260 forensic facility admissions.
 261 4. Consumer and family satisfaction.
 262 5. The satisfaction of key community constituents such as
 263 law enforcement agencies, juvenile justice agencies, the courts,
 264 the schools, local government entities, hospitals, and others as
 265 appropriate for the geographical area of the managing entity.
 266 (g) The Agency for Health Care Administration may
 267 establish a certified match program, which must be voluntary.
 268 Under a certified match program, reimbursement is limited to the
 269 federal Medicaid share to Medicaid-enrolled strategy
 270 participants. The agency may take no action to implement a
 271 certified match program unless the consultation provisions of
 272 chapter 216 have been met. The agency may seek federal waivers
 273 that are necessary to implement the behavioral health service
 274 delivery strategies.
 275 (7) MANAGING ENTITY REQUIREMENTS.--The department may
 276 adopt rules and standards and a process for the qualification
 277 and operation of managing entities which are based, in part, on
 278 the following criteria:
 279 (a) A managing entity's governance structure shall be
 280 representative and shall, at a minimum, include consumers and

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281 family members, appropriate community stakeholders and
 282 organizations, and providers of substance abuse and mental
 283 health services as defined in this chapter and chapter 397. If
 284 there are one or more private-receiving facilities in the
 285 geographic coverage area of a managing entity, the managing
 286 entity shall have one representative for the private-receiving
 287 facilities as an ex officio member of its board of directors.

288 (b) A managing entity that was originally formed primarily
 289 by substance abuse or mental health providers must present and
 290 demonstrate a detailed, consensus approach to expanding its
 291 provider network and governance to include both substance abuse
 292 and mental health providers.

293 (c) A managing entity must submit a network management
 294 plan and budget in a form and manner determined by the
 295 department. The plan must detail the means for implementing the
 296 duties to be contracted to the managing entity and the
 297 efficiencies to be anticipated by the department as a result of
 298 executing the contract. The department may require modifications
 299 to the plan and must approve the plan before contracting with a
 300 managing entity. The department may contract with a managing
 301 entity that demonstrates readiness to assume core functions, and
 302 may continue to add functions and responsibilities to the
 303 managing entity's contract over time as additional competencies
 304 are developed as identified in paragraph (g). Notwithstanding
 305 other provisions of this section, the department may continue
 306 and expand managing entity contracts if the department
 307 determines that the managing entity meets the requirements
 308 specified in this section.

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309 (d) Notwithstanding paragraphs (b) and (c), a managing
310 entity that is currently a fully integrated system providing
311 mental health and substance abuse services, Medicaid, and child
312 welfare services is permitted to continue operating under its
313 current governance structure as long as the managing entity can
314 demonstrate to the department that consumers, other
315 stakeholders, and network providers are included in the planning
316 process.

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

322 (f) Before contracting with a managing entity, the
323 department must perform an on-site readiness review of a
324 managing entity to determine its operational capacity to
325 satisfactorily perform the duties to be contracted.

326 (g) The department shall engage community stakeholders,
327 including providers and managing entities under contract with
328 the department, in the development of objective standards to
329 measure the competencies of managing entities and their
330 readiness to assume the responsibilities described in this
331 section, and the outcomes to hold them accountable.

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

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337 department enters into a managing entity contract in a
 338 geographic area, the regional and circuit offices of the
 339 department in that area shall direct their efforts primarily to
 340 monitoring the managing entity contract, including negotiation
 341 of system quality improvement goals each contract year, and
 342 review of the managing entity's plans to execute department
 343 strategic plans; carrying out statutorily mandated licensure
 344 functions; conducting community and regional substance abuse and
 345 mental health planning; communicating to the department the
 346 local needs assessed by the managing entity; preparing
 347 department strategic plans; coordinating with other state and
 348 local agencies; assisting the department in assessing local
 349 trends and issues and advising departmental headquarters on
 350 local priorities; and providing leadership in disaster planning
 351 and preparation.

352 (9) REPORTING.--Reports of the department's activities,
 353 progress, and needs in achieving the goal of contracting with
 354 managing entities in each circuit and region statewide must be
 355 submitted to the appropriate substantive and appropriations
 356 committees in the Senate and the House of Representatives on
 357 January 1 and July 1 of each year until the full transition to
 358 managing entities has been accomplished statewide.

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

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