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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: RCS	.	
4/9/2008	.	
	.	
	.	

1 The Committee on Governmental Operations (Dean) recommended the
2 following **amendment**:

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

5 Delete everything after the enacting clause
6 and insert:

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

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

11 394.9082 Behavioral health managing entities.--

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



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

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

46 (a) "Behavioral health services" means mental health
47 services and substance abuse prevention and treatment services as



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48 defined in this chapter and chapter 397 which are provided using
49 state and federal funds.

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

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

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

63 (e) "Provider networks" mean the direct service agencies
64 that are under contract with a managing entity and that together
65 constitute a comprehensive array of emergency, acute care,
66 residential, outpatient, recovery support, and consumer support
67 services.

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



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78 (4) DATA INTEGRATION.--For the purpose of data integration
79 and cost-effectiveness, the department shall enter into data-
80 sharing agreements with other state agencies in order to develop
81 a person-centered reporting system having uniform definitions and
82 reporting categories to determine behavioral health care services
83 provided, as well as the outcomes and costs of these services.

84 (5) CONTRACT FOR SERVICES.--

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

101 (b) The operating costs of the managing entity contract
102 shall be funded through funds from the department and any savings
103 and efficiencies achieved through the implementation of managing
104 entities when realized by their participating provider network
105 agencies. The department recognizes that managing entities will
106 have infrastructure development costs during start-up, so that
107 any efficiencies to be realized by providers from consolidation



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108 of management functions, and the resulting savings, will not be
109 achieved during the early years of operation. The department
110 shall negotiate with the managing entity a reasonable and
111 appropriate administrative cost rate. The Legislature intends
112 that reduced local and state contract management and other
113 administrative duties passed on to the managing entity allows
114 funds previously allocated for these purposes to be
115 proportionately reduced and the savings used to purchase the
116 administrative functions of the managing entity. Policies and
117 procedures of the department for monitoring contracts with
118 managing entities shall include provisions for eliminating
119 duplication of the department's and the managing entities'
120 contract management and other administrative activities in order
121 to achieve the goals of cost-effectiveness and regulatory relief.
122 To the maximum extent possible, provider-monitoring activities
123 shall be assigned to the managing entity.

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

133 (6) GOALS.--The goal of the service delivery strategies is
134 to provide a design for an effective coordination, integration,
135 and management approach for delivering effective behavioral
136 health services to persons who are experiencing a mental health
137 or substance abuse crisis, who have a disabling mental illness or



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138 a substance use or co-occurring disorder, and will require
139 extended services in order to recover from their illness, or who
140 need brief treatment or longer-term supportive interventions to
141 avoid a crisis or disability. Other goals include:

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

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

148 (c) Preserving the "safety net" of publicly funded
149 behavioral health services and providers, and recognizing and
150 ensuring continued local contributions to these services, by
151 establishing locally designed and community-monitored systems of
152 care.

153 (d) Providing early diagnosis and treatment interventions
154 to enhance recovery and prevent hospitalization.

155 (e) Improving the assessment of local needs for behavioral
156 health services.

157 (f) Improving the overall quality of behavioral health
158 services through the use of evidence-based, best-practice, and
159 promising-practice models.

160 (g) Demonstrating improved service integration between
161 behavioral health programs and other programs, such as vocational
162 rehabilitation, education, child welfare, primary health care,
163 emergency services, juvenile justice, and criminal justice.

164 (h) Providing for additional testing of creative and
165 flexible strategies for financing behavioral health services to
166 enhance individualized treatment and support services.

167 (i) Promoting cost-effective quality care.



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168 (j) Working with the state to coordinate the admissions and
169 discharges from state civil and forensic hospitals and
170 coordinating admissions and discharges from residential treatment
171 centers.

172 (k) Improving the integration, accessibility, and
173 dissemination of behavioral health data for planning and
174 monitoring purposes.

175 (l) Promoting specialized behavioral health services to
176 residents of assisted living facilities.

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

180 (n) Providing services to adults and children with co-
181 occurring disorders of mental illnesses and substance abuse
182 problems.

183 (p) Providing services to elder adults in crisis or at-risk
184 for placement in a more restrictive setting due to a serious
185 mental illness or substance abuse.

186 (7) ESSENTIAL ELEMENTS.--It is the intent of the
187 Legislature that the department may plan for and enter into
188 contracts with managing entities to manage care in geographical
189 areas throughout the state. Managing entities shall own and
190 operate information systems that have the capacities to provide,
191 at a minimum, information required for federal and state
192 reporting, monitoring care, assessing local needs, and measuring
193 outcomes.

194 (a) The managing entity must demonstrate the ability of its
195 network of providers to comply with the pertinent provisions of
196 this chapter and chapter 397 and to ensure the provision of
197 comprehensive behavioral health services. The network of



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198 providers must include, but need not be limited to, community
199 mental health agencies, substance abuse treatment providers, and
200 best-practice consumer services providers.

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

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

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

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



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



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258 2. The improvement of quality of care for individuals
259 served.

260 3. The success of strategies to divert jail, prison, and
261 forensic facility admissions.

262 4. Consumer and family satisfaction.

263 5. The satisfaction of key community constituents such as
264 law enforcement agencies, juvenile justice agencies, the courts,
265 the schools, local government entities, hospitals, and others as
266 appropriate for the geographical area of the managing entity.

267 (g) The Agency for Health Care Administration may establish
268 a certified match program, which must be voluntary. Under a
269 certified match program, reimbursement is limited to the federal
270 Medicaid share to Medicaid-enrolled strategy participants. The
271 agency shall take no action to implement a certified match
272 program without ensuring that the consultation provisions of
273 chapter 216 have been met. The agency may seek federal waivers
274 that are necessary to implement the behavioral health service
275 delivery strategies.

276 (8) MANAGING ENTITY REQUIREMENTS.--The department may adopt
277 rules and standards and a process for the qualification and
278 operation of managing entities which shall be based, in part, on
279 the following criteria:

280 (a) A managing entity's governance structure shall be
281 representative and shall, at a minimum, include consumers and
282 family members, appropriate community stakeholders and
283 organizations, and providers of substance abuse and mental health
284 services as defined in this chapter and chapter 397.

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



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288 provider network and governance to include both substance abuse
289 and mental health providers.

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

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

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



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318 (f) Before contracting with a managing entity, the
319 department must perform an on-site readiness review of a managing
320 entity to determine its operational capacity to satisfactorily
321 perform the duties to be contracted.

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

328 (9) DEPARTMENT RESPONSIBILITIES.--With the introduction of
329 managing entities to monitor department-contracted providers'
330 day-to-day operations, the department and its regional and
331 circuit offices will have increased ability to focus on broad
332 systemic substance abuse and mental health issues. After the
333 department enters into a managing entity contract in a geographic
334 area, the regional and circuit offices of the department in that
335 area shall direct their efforts primarily to monitoring the
336 managing entity contract, including negotiation of system quality
337 improvement goals each contract year, and review of the managing
338 entity's plans to execute department strategic plans; carrying
339 out statutorily mandated licensure functions; conducting
340 community and regional substance abuse and mental health
341 planning; communicating to the department the local needs
342 assessed by the managing entity; preparing department strategic
343 plans; coordinating with other state and local agencies;
344 assisting the department in assessing local trends and issues and
345 advising departmental headquarters on local priorities; and
346 providing leadership in disaster planning and preparation.

347 (10) MANAGEMENT INFORMATION SYSTEM REQUIREMENTS.--



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348 (a) The department, in collaboration with the managing
349 entities, shall design and implement a comprehensive behavioral
350 health management information system.

351 (b) Each managing entity shall develop and maintain a data
352 system that includes data from agencies under contract with the
353 managing entity. At a minimum, the managing entity's data system
354 shall provide information needed by the managing entity to
355 address the management and clinical care needs of the local
356 provider networks and information needed by the department to
357 meet state and federal data-reporting requirements, planning
358 requirements, and its system-of-care needs and evaluation.

359 (c) The department shall collaborate with managing entities
360 to develop business requirements that managing entities will use
361 to extract data required at the state and federal levels from
362 their local database systems and to submit these data
363 electronically into the department's central data system. The
364 Legislature recognizes that the department is not in the business
365 of application software development and maintenance and is not
366 adequately staffed to do so. The initial development and ongoing
367 maintenance and operation of the department's central data system
368 shall be outsourced through contract with an established third-
369 party information technology vendor to increase system access to
370 users and provide timely and accurate information to stakeholders
371 at all levels of management.

372 (d) The department shall use the central data system to
373 make nonconfidential data accessible to stakeholders for
374 planning, monitoring, evaluation, and research purposes.

375 (11) REPORTING.--Reports of the department's activities,
376 progress, and needs in achieving the goal of contracting with
377 managing entities in each circuit and region statewide must be



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378 submitted to the appropriate substantive and appropriations
379 committees in the Senate and the House of Representatives on
380 January 1 and July 1 of each year until the full transition to
381 managing entities has been accomplished statewide. A section of
382 each report shall address accomplishments and barriers to
383 implementation of the Management Information System described in
384 this section as necessary to support decisionmaking, including
385 the department's actions, and to assist managing entities
386 statewide to achieve the desired interoperability of their
387 information systems.

388 (12) RULES.--The department shall adopt rules to administer
389 this section and, as necessary, to further specify requirements
390 of managing entities.

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

392
393 ===== T I T L E A M E N D M E N T =====

394 And the title is amended as follows:

395
396 Delete everything before the enacting clause
397 and insert:

398 A bill to be entitled
399 An act relating to mental health and substance abuse
400 services; amending s. 394.9082, F.S.; providing
401 legislative findings and intent; establishing goals;
402 specifying roles and responsibilities of the Department of
403 Children and Family Services; creating community-based
404 systems of care; authorizing the implementation of
405 managing entities by the Department of Children and Family
406 Services; establishing a process for contracting with
407 managing entities; specifying qualifying criteria for



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408 | managing entities; specifying responsibilities of managing
409 | entities; specifying responsibilities of the department;
410 | specifying requirements for management information
411 | systems; providing for evaluations and reports; providing
412 | for a monitoring process; providing an effective date.