

By the Committee on Children, Families, and Elder Affairs; and  
Senator Storms

586-06454-08

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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 requirements for management  
13 information systems; providing for evaluations and  
14 reports; providing for a monitoring process; providing an  
15 effective date.

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

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

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

23 394.9082 Behavioral health managing entities.--

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

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30 Legislature finds that behavioral health disorders respond to  
31 appropriate treatment, rehabilitation, and supportive  
32 intervention. The Legislature finds that it has made a  
33 substantial long-term investment in the funding of the community-  
34 based behavioral health prevention and treatment service systems  
35 and facilities in order to provide critical emergency, acute  
36 care, residential, outpatient, and rehabilitative and recovery-  
37 based services. The Legislature finds that local communities have  
38 also made substantial investments in behavioral health services,  
39 contracting with safety net providers who by mandate and mission  
40 provide specialized services to vulnerable and hard-to-serve  
41 populations and have strong ties to local public health and  
42 public safety agencies. The Legislature finds that a management  
43 structure that places the responsibility for publicly financed  
44 behavioral health treatment and prevention services within a  
45 single 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 the  
49 transformation of existing data systems into effective  
50 decisionmaking models is required in order to provide timely and  
51 accurate information that is needed at the federal, state, and  
52 local levels to support the integrated system of community-based  
53 care. The Legislature finds that streamlining administrative  
54 processes will create cost efficiencies and provide flexibility  
55 to better match available services to consumers' identified  
56 needs.

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

58 (a) "Behavioral health services" means mental health

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59 services and substance abuse prevention and treatment services as  
60 defined in this chapter and chapter 397 which are provided using  
61 state and federal funds.

62 (b) "Decisionmaking model" means a comprehensive management  
63 information system needed to answer the following management  
64 questions at the federal, state, region, circuit, and local  
65 provider levels: who receives what services from which providers  
66 with what outcomes and at what costs?

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

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

75 (e) "Provider networks" mean the direct service agencies  
76 that are under contract with a managing entity and that together  
77 constitute a comprehensive array of emergency, acute care,  
78 residential, outpatient, recovery support, and consumer support  
79 services.

80 (3) SERVICE DELIVERY STRATEGIES.--The department may work  
81 through managing entities to develop service delivery strategies  
82 that will improve the coordination, integration, and management  
83 of the delivery of behavioral health services to people who have  
84 mental or substance use disorders. It is the intent of the  
85 Legislature that a well-managed service delivery system will  
86 increase access for those in need of care, improve the  
87 coordination and continuity of care for vulnerable and high-risk

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88 populations, and redirect service dollars from restrictive care  
89 settings to community-based recovery services.

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

96 (5) CONTRACT FOR SERVICES.--

97 (a) The department may contract for the purchase and  
98 management of behavioral health services with community-based  
99 managing entities. The department may require a managing entity  
100 to contract for specialized services that are not currently part  
101 of the managing entity's network if the department determines  
102 that it is in the best interests of consumers of services. The  
103 Legislature may require that managing entities contract with  
104 specific types of providers in order to carry out special  
105 projects. The secretary shall determine the schedule for phasing  
106 in contracts with managing entities. The managing entities shall  
107 be accountable at a minimum for the operational oversight of the  
108 delivery of behavioral health services funded by the department  
109 and for the collection and submission of the required data  
110 pertaining to these contracted services. A managing entity shall  
111 serve a geographic area designated by the department. The  
112 geographic area must be of sufficient size in population and have  
113 enough public funds for behavioral health services to allow for  
114 flexibility and maximum efficiency.

115 (b) The operating costs of the managing entity contract  
116 shall be funded through funds from the department and any savings

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

138 (c) Contracting and payment mechanisms for services must  
139 promote clinical and financial flexibility and responsiveness  
140 and must allow different categorical funds to be integrated at  
141 the point of service. The contracted service array must be  
142 determined by using public input, needs assessment, and evidence-  
143 based and promising best-practice models. The department may  
144 employ care-management methodologies, prepaid capitation, and  
145 case rate or other methods of payment which promote flexibility,

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146 efficiency, and accountability.

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

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

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

162 (c) Preserving the "safety net" of publicly funded  
163 behavioral health services and providers, and recognizing and  
164 ensuring continued local contributions to these services, by  
165 establishing locally designed and community-monitored systems of  
166 care.

167 (d) Providing early diagnosis and treatment interventions  
168 to enhance recovery and prevent hospitalization.

169 (e) Improving the assessment of local needs for behavioral  
170 health services.

171 (f) Improving the overall quality of behavioral health  
172 services through the use of evidence-based, best-practice, and  
173 promising-practice models.

174 (g) Demonstrating improved service integration between

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175 behavioral health programs and other programs, such as vocational  
176 rehabilitation, education, child welfare, primary health care,  
177 emergency services, juvenile justice, and criminal justice.

178 (h) Providing for additional testing of creative and  
179 flexible strategies for financing behavioral health services to  
180 enhance individualized treatment and support services.

181 (i) Promoting cost-effective quality care.

182 (j) Working with the state to coordinate the admissions and  
183 discharges from state civil and forensic hospitals and  
184 coordinating admissions and discharges from residential treatment  
185 centers.

186 (k) Improving the integration, accessibility, and  
187 dissemination of behavioral health data for planning and  
188 monitoring purposes.

189 (l) Promoting specialized behavioral health services to  
190 residents of assisted living facilities.

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

194 (n) Providing services to abused and neglected children and  
195 their families as indicated in court-ordered case plans.

196 (o) Providing services to adults and children with co-  
197 occurring disorders of mental illnesses and substance abuse  
198 problems.

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

202 (7) ESSENTIAL ELEMENTS.--It is the intent of the  
203 Legislature that the department may plan for and enter into

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204 contracts with managing entities to manage care in geographical  
205 areas throughout the state. Managing entities shall own and  
206 operate information systems that have the capacities to provide,  
207 at a minimum, information required for federal and state  
208 reporting, monitoring care, assessing local needs, and measuring  
209 outcomes.

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

217 (b) The department shall terminate its mental health or  
218 substance abuse provider contracts for services to be provided by  
219 the managing entity at the same time it contracts with the  
220 managing entity.

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

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

- 227 1. Financial accountability;
- 228 2. Allocation of funds to network providers in a manner  
229 that reflects the department's strategic direction and plans;
- 230 3. Provider monitoring to ensure compliance with federal  
231 and state laws, rules, and regulations;
- 232 4. Data collection, reporting, and analysis;



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- 233        5. Operational plans to implement objectives of the  
234 department's strategic plan;
- 235        6. Contract compliance;
- 236        7. Performance management;
- 237        8. Collaboration with community stakeholders, including  
238 local government;
- 239        9. System of care through network development;
- 240        10. Consumer care coordination;
- 241        11. Continuous quality improvement;
- 242        12. Timely access to appropriate services;
- 243        13. Cost-effectiveness and system improvements;
- 244        14. Assistance in the development of the department's  
245 strategic plan;
- 246        15. Participation in community, circuit, regional, and state  
247 planning;
- 248        16. Resource management and maximization, including pursuit  
249 of third-party payments and grant applications;
- 250        17. Incentives for providers to improve quality and access;
- 251        18. Liaison with consumers;
- 252        19. Community needs assessment; and
- 253        20. Securing local matching funds.
- 254        (e) The managing entity shall ensure that written  
255 cooperative agreements are developed and implemented among the  
256 criminal and juvenile justice systems, the local community-based  
257 care network, and the local behavioral health providers in the  
258 geographic area which define strategies and alternatives for  
259 diverting people who have mental illness and substance abuse  
260 problems from the criminal justice system to the community. These  
261 agreements must also address the provision of appropriate

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262 services to persons who have behavioral health problems and leave  
263 the criminal justice system.

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

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

274 2. The improvement of quality of care for individuals  
275 served.

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

278 4. Consumer and family satisfaction.

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

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

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291 delivery strategies.

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

296 (a) Managing entities must be corporations organized in  
297 this state and designated or filed as nonprofit organizations  
298 under s. 501(c) (3) of the Internal Revenue Code.

299 (b) A managing entity's governance structure shall be  
300 representative and shall, at a minimum, include consumers and  
301 family members, appropriate community stakeholders and  
302 organizations, and providers of substance abuse and mental health  
303 services as defined in this chapter and chapter 397.

304 (c) A managing entity that was originally formed primarily  
305 by substance abuse or mental health providers must present and  
306 demonstrate a detailed, consensus approach to expanding its  
307 provider network and governance to include both substance abuse  
308 and mental health providers.

309 (d) A managing entity must submit a network management plan  
310 and budget in such form and manner as the department determines.  
311 The plan must detail the means for implementing the duties to be  
312 contracted to the managing entity and the efficiencies to be  
313 anticipated by the department as a result of executing the  
314 contract. The department may require modifications to the plan  
315 and must approve the plan before contracting with a managing  
316 entity. The department may contract with a managing entity that  
317 demonstrates readiness to assume core functions, and may continue  
318 to add functions and responsibilities to the managing entity's  
319 contract over time as additional competencies are developed as

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320 identified in paragraph (g). Notwithstanding other provisions of  
321 this section, the department may continue and expand managing  
322 entity contracts if the department determines that the managing  
323 entity meets the requirements specified in this section.

324 (e) Managing entities shall operate in a transparent  
325 manner, providing public access to information, notice of  
326 meetings, and opportunities for broad public participation in  
327 decisionmaking. The managing entity's network management plan  
328 must detail policies and procedures that will ensure  
329 transparency.

330 (f) Before contracting with a managing entity, the  
331 department must perform an on-site readiness review of a managing  
332 entity to determine its operational capacity to satisfactorily  
333 perform the duties to be contracted.

334 (g) The department shall engage community stakeholders,  
335 including providers and managing entities under contract with the  
336 department, in the development of objective standards to measure  
337 the competencies of managing entities, their readiness to assume  
338 the responsibilities described in this section, and the outcomes  
339 to hold them accountable.

340 (h) Notwithstanding other provisions in law, the Department  
341 of Financial Services and the Department of Management Services  
342 shall provide the department with the flexibility needed to  
343 implement this section.

344 (9) DEPARTMENT RESPONSIBILITIES.--With the introduction of  
345 managing entities to monitor department-contracted providers'  
346 day-to-day operations, the department and its regional and  
347 circuit offices will have increased ability to focus on broad  
348 systemic substance abuse and mental health issues. After the

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349 department enters into a managing entity contract in a geographic  
350 area, the regional and circuit offices of the department in that  
351 area shall direct their efforts primarily to monitoring the  
352 managing entity contract, including negotiation of system quality  
353 improvement goals each contract year and review of the managing  
354 entity plans to execute department strategic plans; carrying out  
355 statutorily mandated licensure functions; conducting community  
356 and regional substance abuse and mental health planning;  
357 communicating to the department the local needs assessed by the  
358 managing entity; preparing department strategic plans;  
359 coordinating with other state and local agencies; assisting the  
360 department to assess local trends and issues and advising  
361 departmental headquarters on local priorities; and providing  
362 leadership in disaster planning and preparation.

363 (10) MANAGEMENT INFORMATION SYSTEM REQUIREMENTS.--

364 (a) The department, in collaboration with the managing  
365 entities, shall design and implement a comprehensive behavioral  
366 health management information system.

367 (b) Each managing entity shall develop and maintain a data  
368 system that includes data from agencies under contract with the  
369 managing entity. At a minimum, the managing entity's data system  
370 shall provide information needed by the managing entity to  
371 address the management and clinical care needs of the local  
372 provider networks and information needed by the department to  
373 meet state and federal data-reporting requirements, planning  
374 requirements, and its system-of-care needs and evaluation.

375 (c) The department shall collaborate with managing entities  
376 to develop business requirements that managing entities will use  
377 to extract data required at the state and federal levels from

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378 their local database systems and to submit these data  
379 electronically into the department's central data system. The  
380 Legislature recognizes that the department is not in the business  
381 of application software development and maintenance and is not  
382 adequately staffed to do so. The initial development and ongoing  
383 maintenance and operation of the department's central data system  
384 shall be outsourced through contract with an established third-  
385 party information technology vendor to increase system access to  
386 users and provide timely and accurate information to stakeholders  
387 at all levels of management.

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

391 (11) REPORTING.--Reports of the department's activities,  
392 progress, and needs in achieving the goal of contracting with  
393 managing entities in each circuit and region statewide must be  
394 submitted to the appropriate substantive and appropriations  
395 committees in the Senate and the House of Representatives on  
396 January 1 and July 1 of each year until the full transition to  
397 managing entities has been accomplished statewide. A section of  
398 each report shall address accomplishments and barriers to  
399 implementation of the Management Information System described in  
400 this section as necessary to support decisionmaking, including  
401 the department's actions and to assist managing entities  
402 statewide to achieve the desired interoperability of their  
403 information systems.

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

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