

By the Committees on Governmental Operations; Children, Families, and Elder Affairs; and Senators Storms and Lynn

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

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

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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, regional, 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 to do so is in the best interests of consumers of services.
103 The secretary shall determine the schedule for phasing in
104 contracts with managing entities. The managing entities shall be
105 accountable at a minimum for the operational oversight of the
106 delivery of behavioral health services funded by the department
107 and for the collection and submission of the required data
108 pertaining to these contracted services. A managing entity shall
109 serve a geographic area designated by the department. The
110 geographic area must be of sufficient size in population and have
111 enough public funds for behavioral health services to allow for
112 flexibility and maximum efficiency.

113 (b) The operating costs of the managing entity contract
114 shall be funded through funds from the department and any savings
115 and efficiencies achieved through the implementation of managing
116 entities when realized by their participating provider network

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

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

145 (6) GOALS.--The goal of the service delivery strategies is

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

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

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

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

165 (d) Providing early diagnosis and treatment interventions
166 to enhance recovery and prevent hospitalization.

167 (e) Improving the assessment of local needs for behavioral
168 health services.

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

172 (g) Demonstrating improved service integration between
173 behavioral health programs and other programs, such as vocational
174 rehabilitation, education, child welfare, primary health care,

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175 emergency services, juvenile justice, and criminal justice.

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

179 (i) Promoting cost-effective quality care.

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

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

187 (l) Promoting specialized behavioral health services to
188 residents of assisted living facilities.

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

192 (n) Providing services to adults and children with co-
193 occurring disorders of mental illnesses and substance abuse
194 problems.

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

198 (7) ESSENTIAL ELEMENTS.--It is the intent of the
199 Legislature that the department may plan for and enter into
200 contracts with managing entities to manage care in geographical
201 areas throughout the state. Managing entities shall own and
202 operate information systems that have the capacities to provide,
203 at a minimum, information required for federal and state

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204 reporting, monitoring care, assessing local needs, and measuring
205 outcomes.

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

213 (b) The department shall terminate its mental health or
214 substance abuse provider contracts for services to be provided by
215 the managing entity at the same time it contracts with the
216 managing entity.

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

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

223 1. Financial accountability;

224 2. Allocation of funds to network providers in a manner
225 that reflects the department's strategic direction and plans;

226 3. Provider monitoring to ensure compliance with federal
227 and state laws, rules, and regulations;

228 4. Data collection, reporting, and analysis;

229 5. Operational plans to implement objectives of the
230 department's strategic plan;

231 6. Contract compliance;

232 7. Performance management;

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

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262 and the costs of services provided through the department's
263 contract. The department shall evaluate managing entity services
264 based on consumer-centered outcome measures that reflect national
265 standards that can dependably be measured. The department shall
266 work with managing entities to establish performance standards
267 related to:

268 1. The extent to which individuals in the community receive
269 services.

270 2. The improvement of quality of care for individuals
271 served.

272 3. The success of strategies to divert jail, prison, and
273 forensic facility admissions.

274 4. Consumer and family satisfaction.

275 5. The satisfaction of key community constituents such as
276 law enforcement agencies, juvenile justice agencies, the courts,
277 the schools, local government entities, hospitals, and others as
278 appropriate for the geographical area of the managing entity.

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

288 (8) MANAGING ENTITY REQUIREMENTS.--The department may adopt
289 rules and standards and a process for the qualification and
290 operation of managing entities which shall be based, in part, on

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291 the following criteria:

292 (a) A managing entity's governance structure shall be
293 representative and shall, at a minimum, include consumers and
294 family members, appropriate community stakeholders and
295 organizations, and providers of substance abuse and mental health
296 services as defined in this chapter and chapter 397.

297 (b) A managing entity that was originally formed primarily
298 by substance abuse or mental health providers must present and
299 demonstrate a detailed, consensus approach to expanding its
300 provider network and governance to include both substance abuse
301 and mental health providers.

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

317 (d) Notwithstanding paragraphs (b) and (c), a managing
318 entity that is currently a fully integrated system providing
319 mental health and substance abuse services, Medicaid, and child

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320 welfare services is permitted to continue operating under its
321 current governance structure as long as the managing entity can
322 demonstrate to the department that consumers, other stakeholders,
323 and network providers are included in the planning process.

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 and their readiness to
338 assume the responsibilities described in this section, and the
339 outcomes to hold them accountable.

340 (9) DEPARTMENT RESPONSIBILITIES.--With the introduction of
341 managing entities to monitor department-contracted providers'
342 day-to-day operations, the department and its regional and
343 circuit offices will have increased ability to focus on broad
344 systemic substance abuse and mental health issues. After the
345 department enters into a managing entity contract in a geographic
346 area, the regional and circuit offices of the department in that
347 area shall direct their efforts primarily to monitoring the
348 managing entity contract, including negotiation of system quality

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349 improvement goals each contract year, and review of the managing
350 entity's plans to execute department strategic plans; carrying
351 out statutorily mandated licensure functions; conducting
352 community and regional substance abuse and mental health
353 planning; communicating to the department the local needs
354 assessed by the managing entity; preparing department strategic
355 plans; coordinating with other state and local agencies;
356 assisting the department in assessing local trends and issues and
357 advising departmental headquarters on local priorities; and
358 providing leadership in disaster planning and preparation.

359 (10) MANAGEMENT INFORMATION SYSTEM REQUIREMENTS.--

360 (a) The department, in collaboration with the managing
361 entities, shall design and implement a comprehensive behavioral
362 health management information system.

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

371 (c) The department shall collaborate with managing entities
372 to develop business requirements that managing entities will use
373 to extract data required at the state and federal levels from
374 their local database systems and to submit these data
375 electronically into the department's central data system. The
376 Legislature recognizes that the department is not in the business
377 of application software development and maintenance and is not

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378 adequately staffed to do so. The initial development and ongoing
379 maintenance and operation of the department's central data system
380 shall be outsourced through contract with an established third-
381 party information technology vendor to increase system access to
382 users and provide timely and accurate information to stakeholders
383 at all levels of management.

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

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

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

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