

By the Committees on Health and Human Services Appropriations;
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 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:

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

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

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

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

56 (b) "Decisionmaking model" means a comprehensive management
57 information system needed to answer the following management
58 questions at the federal, state, regional, circuit, and local

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59 provider levels: who receives what services from which providers
60 with what outcomes and at what costs?

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

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

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

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

84 (4) 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

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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
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

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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 (5) 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
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,

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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.

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.

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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 (o) 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 (6) 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.

190 (a) The managing entity must demonstrate the ability of its
191 network of providers to comply with the pertinent provisions of
192 this chapter and chapter 397 and to ensure the provision of
193 comprehensive behavioral health services. The network of
194 providers must include, but need not be limited to, community
195 mental health agencies, substance abuse treatment providers, and
196 best-practice consumer services providers.

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

201 (c) The managing entity shall ensure that its provider
202 network is broadly conceived. All mental health or substance
203 abuse treatment providers currently under contract with the

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204 department shall be offered a contract by the managing entity.

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

207 1. Financial accountability;

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

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

212 4. Data collection, reporting, and analysis;

213 5. Operational plans to implement objectives of the
214 department's strategic plan;

215 6. Contract compliance;

216 7. Performance management;

217 8. Collaboration with community stakeholders, including
218 local government;

219 9. System of care through network development;

220 10. Consumer care coordination;

221 11. Continuous quality improvement;

222 12. Timely access to appropriate services;

223 13. Cost-effectiveness and system improvements;

224 14. Assistance in the development of the department's
225 strategic plan;

226 15. Participation in community, circuit, regional, and
227 state planning;

228 16. Resource management and maximization, including pursuit
229 of third-party payments and grant applications;

230 17. Incentives for providers to improve quality and access;

231 18. Liaison with consumers;

232 19. Community needs assessment; and

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233 20. Securing local matching funds.

234 (e) The managing entity shall ensure that written
235 cooperative agreements are developed and implemented among the
236 criminal and juvenile justice systems, the local community-based
237 care network, and the local behavioral health providers in the
238 geographic area which define strategies and alternatives for
239 diverting people who have mental illness and substance abuse
240 problems from the criminal justice system to the community. These
241 agreements must also address the provision of appropriate
242 services to persons who have behavioral health problems and leave
243 the criminal justice system.

244 (f) Managing entities must collect and submit data to the
245 department regarding persons served, outcomes of persons served,
246 and the costs of services provided through the department's
247 contract. The department shall evaluate managing entity services
248 based on consumer-centered outcome measures that reflect national
249 standards that can dependably be measured. The department shall
250 work with managing entities to establish performance standards
251 related to:

252 1. The extent to which individuals in the community receive
253 services.

254 2. The improvement of quality of care for individuals
255 served.

256 3. The success of strategies to divert jail, prison, and
257 forensic facility admissions.

258 4. Consumer and family satisfaction.

259 5. The satisfaction of key community constituents such as
260 law enforcement agencies, juvenile justice agencies, the courts,
261 the schools, local government entities, hospitals, and others as

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262 appropriate for the geographical area of the managing entity.

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

272 (7) MANAGING ENTITY REQUIREMENTS.--The department may adopt
273 rules and standards and a process for the qualification and
274 operation of managing entities which shall be based, in part, on
275 the following criteria:

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

281 (b) A managing entity that was originally formed primarily
282 by substance abuse or mental health providers must present and
283 demonstrate a detailed, consensus approach to expanding its
284 provider network and governance to include both substance abuse
285 and mental health providers.

286 (c) A managing entity must submit a network management plan
287 and budget in such form and manner as the department determines.
288 The plan must detail the means for implementing the duties to be
289 contracted to the managing entity and the efficiencies to be
290 anticipated by the department as a result of executing the

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291 contract. The department may require modifications to the plan
292 and must approve the plan before contracting with a managing
293 entity. The department may contract with a managing entity that
294 demonstrates readiness to assume core functions, and may continue
295 to add functions and responsibilities to the managing entity's
296 contract over time as additional competencies are developed as
297 identified in paragraph (g). Notwithstanding other provisions of
298 this section, the department may continue and expand managing
299 entity contracts if the department determines that the managing
300 entity meets the requirements specified in this section.

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

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

314 (f) Before contracting with a managing entity, the
315 department must perform an on-site readiness review of a managing
316 entity to determine its operational capacity to satisfactorily
317 perform the duties to be contracted.

318 (g) The department shall engage community stakeholders,
319 including providers and managing entities under contract with the

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320 department, in the development of objective standards to measure
321 the competencies of managing entities and their readiness to
322 assume the responsibilities described in this section, and the
323 outcomes to hold them accountable.

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

343 (9) REPORTING.--Reports of the department's activities,
344 progress, and needs in achieving the goal of contracting with
345 managing entities in each circuit and region statewide must be
346 submitted to the appropriate substantive and appropriations
347 committees in the Senate and the House of Representatives on
348 January 1 and July 1 of each year until the full transition to

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349 managing entities has been accomplished statewide.

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

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