



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Safeguards Individual Liberty:** Increases the number of people with choice and control over decisions about their services through expansion of the Self Directed Care program statewide.

**Increases Personal Responsibility:** Individuals participating in the program are responsible for making decisions about services and managing funds within a specified budget.

#### B. EFFECT OF PROPOSED CHANGES:

Florida's publicly funded mental health programs are a part of the Mental Health Program Office within Department of Children and Families (DCF). This program office manages a system of care for persons with mental illnesses in accordance with Chapter 394, Florida Statutes. The program includes mental health services to adults and children as well as oversight of the State Mental Health Treatment Facilities, and the Sexually Violent Predator program. Mental health program activities are provided statewide through the DCF structure of 6 Regions and 20 Judicial Circuits. The Mental Health Treatment Facilities report to DCF headquarters.

Background on Self Directed Care: Self Directed Care (or consumer directed care) is a service delivery concept that is being implemented with a variety of populations for health and human services programs. This concept is not new and in fact has been in place since the 1950's when the federal Veterans Administration began providing payments to disabled veterans for them to purchase personal attendant services.<sup>1</sup> The more recent surge in interest seems to be linked to the increase in home and community based services as an option to institutional care in hospitals, nursing homes, etc. In Florida, consumer directed care has been available on a limited basis for adults and children with developmental disabilities, adults with physical disabilities and elders since the late 1990's. Florida was one of three states that participated in the National Cash and Counseling demonstration which also included Arkansas and New Jersey. Subsequent to these demonstration projects, the 2002 Legislature created the Florida Consumer Directed Care Act in s. 409.221, F.S., to give citizens with disabilities more choice in and control over purchasing the long-term care services they receive. These programs are currently administered by the Agency for Persons with Disabilities, Agency for Health Care Administration and the Department of Elder Affairs and serve approximately 1,100 people.<sup>2</sup>

The 2001 Legislature created the Florida Self Directed Care program to provide mental health services to adults who have a serious mental illness. This program was initially authorized as a pilot project in District 4/Circuit 4 (Duval, Nassau county area) of the Department of Children and Families.<sup>3</sup> In 2004, the Legislature expanded the Self Directed Care program providing authority for 3 additional districts to participate and one district to provide treatment to children with emotional disturbances who live at home. This legislation also further defined the self directed care program and required an evaluation. The Department of Children and Families published a Purchasing Policy Guideline that provides the following overview and description of the Self Directed Care program.

- The Florida Self Directed Care (SDC) Program hinges on the belief that individuals are capable of choosing services and making purchases that will help them begin or remain on the road to recovery. A system of purchasing has been developed that is driven by individual choice. The goal of Florida SDC is to promote and respect self-determination, recovery and full community inclusion for people who have been diagnosed with mental illnesses and who depend on government

<sup>1</sup> Benjamin A.E. "Putting the Consumer First" Health Services Research (42) 353-361.

<sup>2</sup> Summary of Programs and Services, Department of Elder Affairs. 2007.

<sup>3</sup> Chapter 2001-152 (House Bill 421)

subsidized mental wellness services. Participants in Florida SDC select the providers, services, and items that they deem necessary for recovery and the achievement of the highest level of desired wellness and quality of life. Through a careful self-assessment of previous purchases, experiences, and outcomes, individuals are given the flexibility to make adjustments to fit their needs in order to learn to enjoy a higher quality of life.

- The Florida SDC program gives each participant control of the public funds to access mental health services that are normally directly contracted to a provider. Florida SDC participants can use their budgets to purchase mental health services from providers within the district in which the participant resides. The primary purpose of these funds is to purchase psychiatric and mental health care. However, a unique option within the program is the opportunity for participants to access alternative and non-traditional services that result in the same outcomes as traditional mental health services. For example, instead of attending psychotherapy group for depression at a local mental health professional's office, a Florida SDC participant may elect to participate in a Weight Watcher's meeting. The personal outcomes are similar, but the type of service is very different, both in cost and experience. Florida SDC also offers each participant opportunities to purchase tangible items, such as clothes and shoes that will enhance the person's integration into the community so that he or she can return to work or other meaningful activity.
- Participants in Florida SDC are eligible to purchase services for the purpose of accessing Clinical Recovery Services (traditional mental health services), Recovery Support Services (services that are alternative to traditional mental health services, but likely to produce the same outcomes), and Recovery Enhancements (tangible items for consumption that relate to employment or other productivity) A Purchasing Policy Guidelines document is provided to all participants which includes allowable and unallowable purchase examples.<sup>4</sup>

### Present Situation

The Department of Children and Families has implemented self-directed care pilot projects in Districts 4/Circuit 4 (Jacksonville area and Northeast Florida) and District 8/Circuit 20 (Southwest Florida area). The District 4 project serves approximately 200 adults and operates through a contract with the Mental Health Resource Center for a total contract of \$933,812. The District 8 project serves 90 individuals through a contract with NAMI of Collier County for a total contract of \$470,000. The funds for the program come from general revenue and the Alcohol, Drug Abuse and Mental Health block grant. Individuals who are eligible also receive services funded by Medicaid. The average annual cost for each participant is \$5,218. The average amount of funds which are controlled by the participant are \$3,448 for non Medicaid eligible individuals and \$1,793 for Medicaid eligible individuals.<sup>5</sup> The Medicaid eligible individuals receive a lower amount to manage since they are able to bill Medicaid directly for some of their services. Both groups (Medicaid and non Medicaid) receive recovery coaching services at \$2,167 per year and an additional administrative cost is paid to the managing entities who administer the program. The administrative rates are 13.7% for District 4 and 14% for District 8.<sup>6</sup>

The Mental Health Program Office of the Department of Children and Families produced an evaluation report in January 2007, on the effectiveness of Florida Self Directed Care. The report compared the performance of adults in the self directed care program to adults who are participating in traditional outpatient mental health treatment programs. This evaluation found that participants in the self directed care program did not differ significantly from adults in the traditional program in the areas of re-hospitalization, living independently, and number of days working.<sup>7</sup> However, self directed care participants were less likely to use crisis stabilization services. In addition, participants were more likely

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<sup>4</sup> Florida SDC Purchasing Policy Guidelines, February 4, 2006.

<sup>5</sup> Adult Mental Health Self Directed Care Expansion, Exhibit D-3A 2008-2009 Budget, amended narrative Feb. 19, 2008.

<sup>6</sup> Briefing Florida's Self Directed Care Program, Department of Children and Families, March 11, 2008

<sup>7</sup> DCF progress report in December 2007 showed SDC participants more likely to be employed than people receiving traditional services.

to use mental health services such as psychiatry, assessments, medical services, outpatient psychotherapy and supported employment services. The evaluators concluded overall that the self directed care program is meeting the mental health needs of the participants.

Section 394.9084, F.S which authorizes the Florida Self Directed Care program and these pilot projects is scheduled to expire on July 1, 2008.

### Effect of Proposed Bill

This bill authorizes the Department of Children and Families in cooperation with the Agency for Healthcare Administration to expand statewide the Florida Self Directed Care program. The wording in the legislation contemplates the continuation of the existing pilot programs in District 4 and District 8 and the expansion would be in addition to these project sites.

The bill introduces and defines the term “fiscal intermediary” to replace the term “managing entity” as the entity to pay for the services selected by participants in the program. The fiscal intermediary is an entity that assists participants in the self directed care program to manage their budget allowance, retain funds, process employment and tax information, if any, and make payments to service providers.<sup>8</sup> The term managing entity is defined in s.394.9082(2)(b) F.S., as an entity that manages the delivery of behavioral health services. The effect of this change is that a broader range of organizations could perform fiscal intermediary services and these organizations would not have to manage the delivery of behavioral health services in order to qualify. For example, fiscal intermediary services could be provided by organizations that specialize in this function, or a certified public account, a third party administrator, other financial institutions, or an existing managing entity could operate as a fiscal intermediary.

The bill gives authority to the department, Agency for Health Care Administration and the Division of Vocational Rehabilitation to transfer funds to the fiscal intermediary. This authority is currently in statute to transfer to the managing entity.

The bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to evaluate the effectiveness of the Florida Self Directed Care program. The evaluation is due December 31, 2009, and must include an assessment of participant choice, access to services, cost savings, coordination and quality of care, progress toward statewide expansion and recommendations for the program. The bill deletes existing language which required an evaluation of the program in the initial districts.

The bill deletes language that directs this section of statute to expire on July 1, 2008. This will provide a continuation of the Florida Self Directed Care program without a need to reauthorize in future years.

#### C. SECTION DIRECTORY:

Section 1: amends s.394.9084, Florida Statutes relating to expanding the Florida Self Directed Care program and defining a term.

Section 2: Provides an effective date

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

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<sup>8</sup> The fiscal intermediary term is also used in s.409.221, F.S. the Florida Consumer Directed Care Act.

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This authorization to expand the existing Self-Directed Care program will be handled within existing resources. No additional funds are provided as a result of the provisions of this bill.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

N/A

### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES