By Senator Rich

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1 A bill to be entitled
2 An act relating to managed care plans for Medicaid
3 recipients; amending s. 409.912, F.S.; requiring all
4 Medicaid-eligible children whose cases are open for
5 child welfare services in the Florida Safe Families
6 Network, formerly known as the HomeSafeNet system, to
7 receive their behavioral health care services through
8 a specialty prepaid plan; deleting an exception;
9 providing an effective date.
10
11 Be It Enacted by the Legislature of the State of Florida:
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13 Section 1. Paragraph (b) of subsection (4) of section
14 409.912, Florida Statutes, is amended to read:
15 409.912 Cost-effective purchasing of health care.—The
16 agency shall purchase goods and services for Medicaid recipients
17 in the most cost-effective manner consistent with the delivery
18 of quality medical care. To ensure that medical services are
19 effectively utilized, the agency may, in any case, require a
20 confirmation or second physician's opinion of the correct
21 diagnosis for purposes of authorizing future services under the
22 Medicaid program. This section does not restrict access to
23 emergency services or poststabilization care services as defined
24 in 42 C.F.R. part 438.114. Such confirmation or second opinion
25 shall be rendered in a manner approved by the agency. The agency
26 shall maximize the use of prepaid per capita and prepaid
27 aggregate fixed-sum basis services when appropriate and other
28 alternative service delivery and reimbursement methodologies,
29 including competitive bidding pursuant to s. 287.057, designed

30 to facilitate the cost-effective purchase of a case-managed
31 continuum of care. The agency shall also require providers to
32 minimize the exposure of recipients to the need for acute
33 inpatient, custodial, and other institutional care and the
34 inappropriate or unnecessary use of high-cost services. The
35 agency shall contract with a vendor to monitor and evaluate the
36 clinical practice patterns of providers in order to identify
37 trends that are outside the normal practice patterns of a
38 provider's professional peers or the national guidelines of a
39 provider's professional association. The vendor must be able to
40 provide information and counseling to a provider whose practice
41 patterns are outside the norms, in consultation with the agency,
42 to improve patient care and reduce inappropriate utilization.
43 The agency may mandate prior authorization, drug therapy
44 management, or disease management participation for certain
45 populations of Medicaid beneficiaries, certain drug classes, or
46 particular drugs to prevent fraud, abuse, overuse, and possible
47 dangerous drug interactions. The Pharmaceutical and Therapeutics
48 Committee shall make recommendations to the agency on drugs for
49 which prior authorization is required. The agency shall inform
50 the Pharmaceutical and Therapeutics Committee of its decisions
51 regarding drugs subject to prior authorization. The agency is
52 authorized to limit the entities it contracts with or enrolls as
53 Medicaid providers by developing a provider network through
54 provider credentialing. The agency may competitively bid single-
55 source-provider contracts if procurement of goods or services
56 results in demonstrated cost savings to the state without
57 limiting access to care. The agency may limit its network based
58 on the assessment of beneficiary access to care, provider

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59 availability, provider quality standards, time and distance
60 standards for access to care, the cultural competence of the
61 provider network, demographic characteristics of Medicaid
62 beneficiaries, practice and provider-to-beneficiary standards,
63 appointment wait times, beneficiary use of services, provider
64 turnover, provider profiling, provider licensure history,
65 previous program integrity investigations and findings, peer
66 review, provider Medicaid policy and billing compliance records,
67 clinical and medical record audits, and other factors. Providers
68 shall not be entitled to enrollment in the Medicaid provider
69 network. The agency shall determine instances in which allowing
70 Medicaid beneficiaries to purchase durable medical equipment and
71 other goods is less expensive to the Medicaid program than long-
72 term rental of the equipment or goods. The agency may establish
73 rules to facilitate purchases in lieu of long-term rentals in
74 order to protect against fraud and abuse in the Medicaid program
75 as defined in s. 409.913. The agency may seek federal waivers
76 necessary to administer these policies.
77 (4) The agency may contract with:
78 (b) An entity that is providing comprehensive behavioral
79 health care services to certain Medicaid recipients through a
80 capitated, prepaid arrangement pursuant to the federal waiver
81 provided for by s. 409.905(5). Such an entity must be licensed
82 under chapter 624, chapter 636, or chapter 641 and must possess
83 the clinical systems and operational competence to manage risk
84 and provide comprehensive behavioral health care to Medicaid
85 recipients. As used in this paragraph, the term “comprehensive
86 behavioral health care services” means covered mental health and
87 substance abuse treatment services that are available to

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88 Medicaid recipients. The secretary of the Department of Children
89 and Family Services shall approve provisions of procurements
90 related to children in the department's care or custody prior to
91 enrolling such children in a prepaid behavioral health plan. Any
92 contract awarded under this paragraph must be competitively
93 procured. In developing the behavioral health care prepaid plan
94 procurement document, the agency shall ensure that the
95 procurement document requires the contractor to develop and
96 implement a plan to ensure compliance with s. 394.4574 related
97 to services provided to residents of licensed assisted living
98 facilities that hold a limited mental health license. Except as
99 provided in subparagraph 8., and except in counties where the
100 Medicaid managed care pilot program is authorized pursuant to s.
101 409.91211, the agency shall seek federal approval to contract
102 with a single entity meeting these requirements to provide
103 comprehensive behavioral health care services to all Medicaid
104 recipients not enrolled in a Medicaid managed care plan
105 authorized under s. 409.91211 or a Medicaid health maintenance
106 organization in an AHCA area. In an AHCA area where the Medicaid
107 managed care pilot program is authorized pursuant to s.
108 409.91211 in one or more counties, the agency may procure a
109 contract with a single entity to serve the remaining counties as
110 an AHCA area or the remaining counties may be included with an
111 adjacent AHCA area and shall be subject to this paragraph. Each
112 entity must offer sufficient choice of providers in its network
113 to ensure recipient access to care and the opportunity to select
114 a provider with whom they are satisfied. The network shall
115 include all public mental health hospitals. To ensure unimpaired
116 access to behavioral health care services by Medicaid

117 recipients, all contracts issued pursuant to this paragraph
118 shall require 80 percent of the capitation paid to the managed
119 care plan, including health maintenance organizations, to be
120 expended for the provision of behavioral health care services.
121 In the event the managed care plan expends less than 80 percent
122 of the capitation paid pursuant to this paragraph for the
123 provision of behavioral health care services, the difference
124 shall be returned to the agency. The agency shall provide the
125 managed care plan with a certification letter indicating the
126 amount of capitation paid during each calendar year for the
127 provision of behavioral health care services pursuant to this
128 section. The agency may reimburse for substance abuse treatment
129 services on a fee-for-service basis until the agency finds that
130 adequate funds are available for capitated, prepaid
131 arrangements.
132 1. By January 1, 2001, the agency shall modify the
133 contracts with the entities providing comprehensive inpatient
134 and outpatient mental health care services to Medicaid
135 recipients in Hillsborough, Highlands, Hardee, Manatee, and Polk
136 Counties, to include substance abuse treatment services.
137 2. By July 1, 2003, the agency and the Department of
138 Children and Family Services shall execute a written agreement
139 that requires collaboration and joint development of all policy,
140 budgets, procurement documents, contracts, and monitoring plans
141 that have an impact on the state and Medicaid community mental
142 health and targeted case management programs.
143 3. Except as provided in subparagraph 8., by July 1, 2006,
144 the agency and the Department of Children and Family Services
145 shall contract with managed care entities in each AHCA area

146 except area 6 or arrange to provide comprehensive inpatient and
147 outpatient mental health and substance abuse services through
148 capitated prepaid arrangements to all Medicaid recipients who
149 are eligible to participate in such plans under federal law and
150 regulation. In AHCA areas where eligible individuals number less
151 than 150,000, the agency shall contract with a single managed
152 care plan to provide comprehensive behavioral health services to
153 all recipients who are not enrolled in a Medicaid health
154 maintenance organization or a Medicaid capitated managed care
155 plan authorized under s. 409.91211. The agency may contract with
156 more than one comprehensive behavioral health provider to
157 provide care to recipients who are not enrolled in a Medicaid
158 capitated managed care plan authorized under s. 409.91211 or a
159 Medicaid health maintenance organization in AHCA areas where the
160 eligible population exceeds 150,000. In an AHCA area where the
161 Medicaid managed care pilot program is authorized pursuant to s.
162 409.91211 in one or more counties, the agency may procure a
163 contract with a single entity to serve the remaining counties as
164 an AHCA area or the remaining counties may be included with an
165 adjacent AHCA area and shall be subject to this paragraph.
166 Contracts for comprehensive behavioral health providers awarded
167 pursuant to this section shall be competitively procured. Both
168 for-profit and not-for-profit corporations shall be eligible to
169 compete. Managed care plans contracting with the agency under
170 subsection (3) shall provide and receive payment for the same
171 comprehensive behavioral health benefits as provided in AHCA
172 rules, including handbooks incorporated by reference. In AHCA
173 area 11, the agency shall contract with at least two
174 comprehensive behavioral health care providers to provide

175 behavioral health care to recipients in that area who are
176 enrolled in, or assigned to, the MediPass program. One of the
177 behavioral health care contracts shall be with the existing
178 provider service network pilot project, as described in
179 paragraph (d), for the purpose of demonstrating the cost-
180 effectiveness of the provision of quality mental health services
181 through a public hospital-operated managed care model. Payment
182 shall be at an agreed-upon capitated rate to ensure cost
183 savings. Of the recipients in area 11 who are assigned to
184 MediPass under the provisions of s. 409.9122(2)(k), a minimum of
185 50,000 of those MediPass-enrolled recipients shall be assigned
186 to the existing provider service network in area 11 for their
187 behavioral care.
188 4. By October 1, 2003, the agency and the department shall
189 submit a plan to the Governor, the President of the Senate, and
190 the Speaker of the House of Representatives which provides for
191 the full implementation of capitated prepaid behavioral health
192 care in all areas of the state.
193 a. Implementation shall begin in 2003 in those AHCA areas
194 of the state where the agency is able to establish sufficient
195 capitation rates.
196 b. If the agency determines that the proposed capitation
197 rate in any area is insufficient to provide appropriate
198 services, the agency may adjust the capitation rate to ensure
199 that care will be available. The agency and the department may
200 use existing general revenue to address any additional required
201 match but may not over-obligate existing funds on an annualized
202 basis.
203 c. Subject to any limitations provided for in the General

204 Appropriations Act, the agency, in compliance with appropriate
205 federal authorization, shall develop policies and procedures
206 that allow for certification of local and state funds.
207 5. Children residing in a statewide inpatient psychiatric
208 program, or in a Department of Juvenile Justice or a Department
209 of Children and Family Services residential program approved as
210 a Medicaid behavioral health overlay services provider shall not
211 be included in a behavioral health care prepaid health plan or
212 any other Medicaid managed care plan pursuant to this paragraph.
213 6. In converting to a prepaid system of delivery, the
214 agency shall in its procurement document require an entity
215 providing only comprehensive behavioral health care services to
216 prevent the displacement of indigent care patients by enrollees
217 in the Medicaid prepaid health plan providing behavioral health
218 care services from facilities receiving state funding to provide
219 indigent behavioral health care, to facilities licensed under
220 chapter 395 which do not receive state funding for indigent
221 behavioral health care, or reimburse the unsubsidized facility
222 for the cost of behavioral health care provided to the displaced
223 indigent care patient.
224 7. Traditional community mental health providers under
225 contract with the Department of Children and Family Services
226 pursuant to part IV of chapter 394, child welfare providers
227 under contract with the Department of Children and Family
228 Services in areas 1 and 6, and inpatient mental health providers
229 licensed pursuant to chapter 395 must be offered an opportunity
230 to accept or decline a contract to participate in any provider
231 network for prepaid behavioral health services.
232 8. All Medicaid-eligible children whose cases~~, except~~

~~children in area 1 and children in Highlands County, Hardee County, Polk County, or Manatee County of area 6, who~~ are open for child welfare services in the Florida Safe Families Network, formerly known as the HomeSafeNet system, shall receive their behavioral health care services through a specialty prepaid plan operated by community-based lead agencies either through a single agency or formal agreements among several agencies. The specialty prepaid plan must result in savings to the state comparable to savings achieved in other Medicaid managed care and prepaid programs. Such plan must provide mechanisms to maximize state and local revenues. The specialty prepaid plan shall be developed by the agency and the Department of Children and Family Services. The agency is authorized to seek any federal waivers to implement this initiative. Medicaid-eligible children whose cases are open for child welfare services in the Florida Safe Families Network, formerly known as the HomeSafeNet system, and who reside in AHCA area 10 are exempt from the specialty prepaid plan upon the development of a service delivery mechanism for children who reside in area 10 as specified in s. 409.91211(3)(dd).

Section 2. This act shall take effect July 1, 2009.

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