

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/CS/SB 1466

INTRODUCER: Policy and Steering Committee on Ways and Means, Committee on Health and Human Services Appropriations and Senator Peaden

SUBJECT: Child Welfare Services and Mental Health and Substance Abuse

DATE: March 26, 2010 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hardy	Hansen	HA	Fav/CS
2.	Hardy	Coburn	WPSC	Fav/CS
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill:

- Requires certain state agencies that contract for child welfare services to implement changes to improve efficiency in contract administration. The bill requires child welfare contracting agencies to limit administrative monitoring to once every three years, if the contracted provider is accredited by specified accrediting organizations. The bill also mandates the department to limit contract monitoring of a child-caring or child-placing provider to only once per year.
- Authorizes private-sector development and implementation of an Internet-based secure and consolidated data warehouse for maintaining corporate, fiscal and administrative records related to child welfare provider contracts, and requires state agencies that contract with child welfare providers to access records from this database, unless records are outdated or unavailable.
- Authorizes community-based care agencies to roll forward unspent state funds from fiscal year to fiscal year up to a maximum of 8 percent of the contract amount, and requires the community-based care agencies to spend these carry-forward funds on nonrecurring activities that have been approved by DCF. In addition, the bill grants the

- department authority to outsource program, administrative or fiscal oversight monitoring of community-based agencies and authorizes these agencies to use funding received through contracts for certain expenditures including staff cellular telephone allowances, contracts requiring deferred payments and maintenance agreements, security deposits for office leases, professional fees, costs of promotional materials and grant writing.
- Authorizes the department to operate one pilot program relating to needs assistance referrals within existing resources and mandates the department to report the pilot findings to the Legislature.
 - Repeals the Florida Substance Abuse and Mental Health Corporation.

This legislation will generate a savings of \$245,457 in general revenue and \$58,220 in trust funds for a total of \$303,677 as a result of repealing the Florida Substance Abuse and Mental Health Corporation.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 39.301, 402.7305, 409.1671 and 394.655.

II. Present Situation:

Contract Monitoring

State agency procurement contracts typically include oversight provisions for contract management and program monitoring. Contract monitors ensure that contractually required services are delivered in accordance with the terms of the contract, approve corrective action plans for non-compliant providers, and withhold payment when services are not delivered or do not meet quality standards.

In November 2008, Children's Home Society of Florida (CHS) surveyed 162 programs, in an effort to “assess the quantity of external contract monitoring of CHS programs and identify any potential areas of duplication across monitoring by state and designated lead agencies.”¹ One-hundred four programs (64 percent) responded to the survey.

According to the responses, between October 1, 2007 and September 30, 2008, these 104 programs were monitored 154 times by state agencies, and 1,369 documents were requested in advance of site monitoring visits. Of the document requests, 488 (36 percent) were requested by other state agencies or other departments within a state agency during the past year. According to the survey, examples of duplicative document requests included:

- Finance and Accounting Procedures;
- Human Resources Policies and Procedures;
- List of Board of Directors and Board Meeting Minutes;
- Financial Audit and Management Letter;
- IRS forms;
- By-laws; and
- Articles of Incorporation.²

¹ CHS, *Case Study-Contract Monitoring Survey* (December 3, 2008).

² *Id.*

According to the survey, professional program staff spend an average of 19 hours to prepare for each site visit, for a total of 3,777 hours.

The survey also disclosed that, during site visits, reviewers evaluated the same policies and procedures reviewed by other state agencies during the year 130 times. The following are examples of documents that were reviewed multiple times during site visits:

- Cash Management Policies and Procedures;
- Finance and Accounting Procedures; and
- Administrative Policies.

According to the survey, professional program staff spend an average of 60 hours on each site visit.³

Authority to Carry-Forward Unspent Funds

Chapter 2006-30, Laws of Florida, created a three-year pilot project for two community-based care lead agencies (Child Net in Broward County and Our Kids in Miami-Dade and Monroe counties) to begin July 1, 2006. This legislation provided greater funding flexibility for community-based care agencies and provided the department the option to make this available to other community-based care contract providers in the state. This legislation allows the agencies to roll forward at the end of the state fiscal year any unspent state funds into the next fiscal year for the duration of the contract period. Additional flexibility was also provided for the pilot sites in the use of funds for staff cellular phone allowances, contracts requiring deferred payments and maintenance agreements, security deposits for office leases, related professional membership dues, professional license fees, food and refreshment costs, promotional materials, and costs associated with fundraising. In addition to the funding flexibility, the community-based care pilot project transferred fiscal, administrative, and program monitoring responsibilities from the DCF to independent, non-governmental third-party oversight entities. It also authorized development of new performance measures. Fiscal monitoring provides financial oversight and assurance of the integrity of the provider's fiscal operations, including adherence to generally accepted accounting principles and the appropriate use of various funding streams. Chapter 2006-30, Laws of Florida, was repealed on July 1, 2009, and subsequently reauthorized, for one year, in Chapter 2009-82, Laws of Florida.

Family Needs Assistance Pilot Program

Certain calls to the Florida Abuse Hotline do not meet the statutory requirements to be accepted as a report of alleged abuse, abandonment, or neglect. However, some hotline calls suggest a need for some type of family assistance. In 2007, the Department of Children and Family Services began to implement new procedures relating to calls which indicate a need for assistance. These calls are now being accepted as "family needs assistance" calls. The intent is to prevent future maltreatment by helping individuals or families before abuse occurs.

³ *Id.*

Substance Abuse and Mental Health Corporation

Section 394.655, Florida Statutes, relates to the Substance Abuse and Mental Health Corporation which is a non-profit corporation created by the Legislature to oversee the state's publicly funded substance abuse and mental health services. The Governor, President of the Senate and Speaker of the House appoint its 12 directors. The corporation is charged with making recommendations annually to the Governor and the Legislature on policies designed to improve coordination and effectiveness of the state's publicly funded mental health and substance abuse system.

III. Effect of Proposed Changes:**Contract Monitoring**

The bill requires DCF, as well as the departments of Health and Juvenile Justice, and the agencies for Persons with Disabilities and Health Care Administration, to implement changes to improve efficiency in health and human services contract administration. The bill includes the following provisions:

- Requires health and human services contracting agencies to limit administrative monitoring to once every three years, if the contracted provider is accredited by one of the following organizations:
 - Joint Commission on the Accreditation of Healthcare Organizations (JCAHO);
 - Commission on Accreditation of Rehabilitation Facilities (CARF); or
 - Council on Accreditation (COA).

The contracting agency does not, however, forfeit its right to monitor or investigate a provider under specified circumstances. In addition, Medicaid provider agreements are excepted from the requirement.

- Authorizes private-sector development and implementation of a data warehouse for maintaining corporate, fiscal and administrative records related to child welfare provider contracts.
- Requires state agencies that contract with child welfare providers to access records from this database, unless records are outdated or unavailable.
- Provides that the following records, at a minimum, must be included in the database:
 - Articles of incorporation;
 - Bylaws;
 - Governing board and committee minutes;
 - Financial audits;
 - Expenditure reports;
 - Compliance audits;
 - Organizational charts;
 - Staff resumes;
 - Governing board membership information; and
 - Human resource policies and procedures.

Authority to Carry Forward Unspent Funds

The bill grants community-based care agencies authority to roll forward unspent state funds from fiscal year to fiscal year up to a maximum of 8 percent of the contract amount and requires the community-based care agencies to spend these carry-forward funds on nonrecurring activities that have been approved by DCF. The bill grants the department authority to outsource program, administrative or fiscal oversight monitoring of community-based care agencies and authorizes these agencies to use funding received through contracts for certain expenditures including staff cellular telephone allowances, contracts requiring deferred payments and maintenance agreements, security deposits for office leases, professional fees, costs of promotional materials, and grant writing.

Family Needs Assistance Pilot Program

Currently, each circuit is handling family needs assistance calls differently. Some circuits send a letter with information relating to available services, while other circuits complete a home visit and assess the needs of the family. While DCF has been engaged in this process since 2007, there is no data available to indicate whether or not this referral process is successful. The purpose of the pilot is to collect and evaluate documentation and data in order to determine whether this approach to serving families is effective.

Substance Abuse and Mental Health Corporation

The bill repeals s. 394.655, Florida Statutes, to eliminate the Substance Abuse and Mental Health Corporation.

The bill has an effective date of July 1, 2010.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The ability to access documents through a database will likely result in increased efficiencies for contracted health and human services providers.

C. Government Sector Impact:

The provisions of this bill are necessary to implement the General Appropriations Act for Fiscal Year 2010-2011. This bill will generate a savings of \$245,457 in general revenue and \$58,220 in trust funds for a total of \$303,677 as a result of repealing the Florida Substance Abuse and Mental Health Corporation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Policy and Steering Committee on Ways and Means on March 26, 2010:

CS for CS for Senate Bill 1466 authorizes community-based care agencies to roll forward unspent state funds from fiscal year to fiscal year up to a maximum of 8 percent of the contract amount and requires the community-based agencies to spend these funds on nonrecurring activities that have been approved by DCF. The bill also authorizes the department to operate one pilot program relating to needs assistance referrals within existing resources.

CS by Health and Human Services Appropriations on March 19, 2010:

Senate Bill 1466 was originally filed as a shell bill expressing legislative intent to revise laws relating to governmental operations. The Health and Human Services Appropriations Committee adopted the committee substitute as described in this bill analysis. The committee substitute mandates health and human services agencies to streamline the administrative and programmatic monitoring of contract providers and mandates these agencies to consider cost and programmatic effect, in consultation with contract providers, before imposing a new

form, procedure or policy. The committee substitute also repeals the Florida Substance Abuse and Mental Health Corporation to implement the General Appropriations Act for Fiscal Year 2010-2011.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
