

## **FINAL BILL ANALYSIS**

**BILL #:** CS/CS/SB 1366

**FINAL HOUSE FLOOR ACTION:**

116 Y's      0 N's

**SPONSOR:** *Sen. Storms (Rep. Young)*

**GOVERNOR'S ACTION:** Approved

**COMPANION BILLS:** CS/CS/HB 959

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### **SUMMARY ANALYSIS**

CS/CS/SB 1366 passed the House on May 4, 2011. The bill was approved by the Governor on June 21, 2011, chapter 2011-214, Laws of Florida, and took effect on June 21, 2011.

The bill amends s. 402.7306, F.S., which relates to administrative monitoring of service providers.

The bill adds administrative, programmatic and licensure monitoring of mental health and substance abuse providers to the requirements of this section. In addition, the Behavioral Health Managing Entities under contract to the Department of Children and Families (DCF) and their contracted monitoring agents are added to the list of agencies affected by this section.

The bill limits agencies who perform administrative, licensure, and programmatic monitoring of mental health and substance abuse providers to once every three years if the provider is accredited by the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation. The limitation applies to mental health and substance abuse providers who serve the priority population defined in s. 394.674, F.S. The bill also limits the monitoring exceptions to services for which the provider is accredited to provide.

The bill adds mental health and substance abuse service providers to the list of providers authorized to use an internet data warehouse for archiving administrative and fiscal records. An agency that conducts administrative monitoring of these service providers is required to use this data warehouse for document requests.

The bill does not appear to have an impact on local or state government.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### **Current Situation**

##### Contract Monitoring

State agency procurement contracts typically include oversight mechanisms for contract management and program monitoring. Contract monitors ensure that 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 contract 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.”<sup>1</sup>

According to the responses, between October 1, 2007 and September 30, 2008, 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 include:

- 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.

During site visits, reviewers evaluated the same policies and procedures reviewed by other state agencies and professional program staff spent an average of 60 hours on each site visit.

##### House Bill 5305 (2010)

In 2010 the Legislature passed House Bill 5305<sup>2</sup> establishing s. 402.7306, F.S. to limit administrative monitoring to once every three years, if the contracted provider of child welfare services is accredited by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), the Commission on Accreditation of Rehabilitation Facilities (CARF), or the Council on Accreditation (COA).

HB 5305 also authorized 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 required state agencies that contract with child welfare providers to access records from this database.

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

<sup>2</sup> Ch. 2010-158, L.O.F.

### Coordination of Contracted Services

The 2010 Legislature also passed Senate Bill 2386<sup>3</sup> creating s. 287.0575, F.S., requiring the coordination of contracted services related to providers under contract with DCF, the Agency for Persons with Disabilities (APD), the Department of Health (DOH), the Department of Elder Affairs (DOEA), and the Department of Veterans Affairs (DVA).

This section of law provides that contract service providers must provide contract managers with comprehensive lists of their health and human services contracts. If they have more than one contract with more than one agency, a single lead administrative coordinator must be established for each contract service provider. The law requires that each agency contracting for health and human services annually evaluate the performance of the designated lead coordinator.<sup>4</sup>

### Behavioral Health Managing Entities

Behavioral Health Managing Entities are established in s 394.9082, F.S., to provide more efficient oversight and coordination of mental health and substance abuse service programs under DCF. The managing entity is under contract with DCF to manage the day-to-day operational delivery of behavioral health services through an organized system of care.<sup>5</sup> The goal is to effectively coordinate, integrate and manage the delivery of behavioral health services.<sup>6</sup>

### Current Licensure Authority

Mental health providers are licensed by AHCA under the authority of chapter 394 Part IV, F.S. Substance Abuse providers are licensed by DCF under the authority of s. 397.401, F.S. In addition, s. 394.741, F.S. provides that accreditation must be accepted as a substitute for facility onsite licensure review and administrative and programmatic requirements for mental health and substance abuse treatment services.<sup>7</sup>

Child welfare providers are licensed as child placing agencies and residential child caring agencies by DCF under the authority of s. 409.175, F.S.

### **Effect of Changes**

The bill amends s. 402.7306, F.S., which relates to administrative monitoring of service providers. The bill adds administrative, programmatic and licensure monitoring of mental health and substance abuse providers to the requirements of this section. In addition, the Behavioral Health Managing Entities under contract to the DCF and their contracted monitoring agents are added to the list of agencies affected by this section.

The bill limits agencies who perform administrative, licensure, and programmatic monitoring of mental health and substance abuse providers to once every three years if the provider is accredited by the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation. The limitation applies to mental health and substance

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<sup>3</sup> Ch. 2010-151, L.O.F.

<sup>4</sup> S. 287.0575, F.S.

<sup>5</sup> S. 394.9082(2)(d), F.S.

<sup>6</sup> S. 394.9082(5), F.S.

<sup>7</sup> S. 394.741, F.S.

abuse providers who serve the priority population defined in s. 394.674, F.S. The bill limits the monitoring exception to the services the provider is accredited for and provides that federal certification and precertification reviews are exempt from monitoring limitations, in order to ensure federal compliance.

Finally, the bill adds mental health and substance abuse service providers to the list of providers authorized to use an internet data warehouse for archiving administrative and fiscal records. An agency that conducts administrative monitoring of these service providers is required to use this data warehouse for document requests.

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

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

None.

#### **2. Expenditures:**

None.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

None

#### **2. Expenditures:**

None

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Mental Health and Substance Abuse providers will experience fewer monitoring visits. This may allow the providers more time to deliver direct services.

### **D. FISCAL COMMENTS:**

None