

By the Committee on Children, Families, and Elder Affairs

586-02070-12

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1 A bill to be entitled
2 An act relating to substance abuse and mental health
3 services; amending s. 394.9082, F.S.; redefining the
4 term "provider networks"; requiring the Department of
5 Children and Family Services to negotiate a reasonable
6 and appropriate administrative cost rate for the
7 system of behavioral health services with community-
8 based managing entities; requiring that mental health
9 or substance abuse providers currently under contract
10 with the department be offered a contract by the
11 managing entity for 1 year; revising the core
12 functions to be performed by the managing entity;
13 revising the governance structure of the managing
14 entity; revising the requirements relating to the
15 qualification and operational criteria used by the
16 department when selecting a managing entity; revising
17 the responsibilities of the department; authorizing
18 the department to adopt rules; providing an effective
19 date.

20
21 Be It Enacted by the Legislature of the State of Florida:

22
23 Section 1. Section 394.9082, Florida Statutes, is amended
24 to read:

25 394.9082 Behavioral health managing entities.—

26 (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds
27 that untreated behavioral health disorders constitute major
28 health problems for residents of this state, are a major
29 economic burden to the citizens of this state, and substantially

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30 increase demands on the state's juvenile and adult criminal
31 justice systems, the child welfare system, and health care
32 systems. The Legislature finds that behavioral health disorders
33 respond to appropriate treatment, rehabilitation, and supportive
34 intervention. The Legislature finds that it has made a
35 substantial long-term investment in the funding of the
36 community-based behavioral health prevention and treatment
37 service systems and facilities in order to provide critical
38 emergency, acute care, residential, outpatient, and
39 rehabilitative and recovery-based services. The Legislature
40 finds that local communities have also made substantial
41 investments in behavioral health services, contracting with
42 safety net providers who by mandate and mission provide
43 specialized services to vulnerable and hard-to-serve populations
44 and have strong ties to local public health and public safety
45 agencies. The Legislature finds that a management structure that
46 places the responsibility for publicly financed behavioral
47 health treatment and prevention services within a single
48 private, nonprofit entity at the local level will promote
49 improved access to care, promote service continuity, and provide
50 for more efficient and effective delivery of substance abuse and
51 mental health services. The Legislature finds that streamlining
52 administrative processes will create cost efficiencies and
53 provide flexibility to better match available services to
54 consumers' identified needs.

55 (2) DEFINITIONS.—As used in this section, the term:

56 (a) "Behavioral health services" means mental health
57 services and substance abuse prevention and treatment services
58 as defined in this chapter and chapter 397 which are provided

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59 using state and federal funds.

60 (b) "Decisionmaking model" means a comprehensive management
61 information system needed to answer the following management
62 questions at the federal, state, regional, circuit, and local
63 provider levels: who receives what services from which providers
64 with what outcomes and at what costs?

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

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

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

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

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88 (4) CONTRACT FOR SERVICES.—

89 (a) The department may contract for the purchase and
90 management of behavioral health services with community-based
91 managing entities. The department may require a managing entity
92 to contract for specialized services that are not currently part
93 of the managing entity's network if the department determines
94 that to do so is in the best interests of consumers of services.
95 The secretary shall determine the schedule for phasing in
96 contracts with managing entities. The managing entities shall,
97 at a minimum, be accountable for the operational oversight of
98 the delivery of behavioral health services funded by the
99 department and for the collection and submission of the required
100 data pertaining to these contracted services. A managing entity
101 shall serve a geographic area designated by the department. The
102 geographic area must be of sufficient size in population and
103 have enough public funds for behavioral health services to allow
104 for flexibility and maximum efficiency.

105 (b) The operating costs of the managing entity contract
106 shall be funded through funds from the department and any
107 savings and efficiencies achieved through the implementation of
108 managing entities when realized by their participating provider
109 network agencies. The department recognizes that managing
110 entities will have infrastructure development costs during
111 start-up so that any efficiencies to be realized by providers
112 from consolidation of management functions, and the resulting
113 savings, will not be achieved during the early years of
114 operation. The department shall negotiate a reasonable and
115 appropriate administrative cost rate for the system of care
116 managed by ~~with~~ the managing entity. The Legislature intends

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117 that reduced local and state contract management and other
118 administrative duties passed on to the managing entity allows
119 funds previously allocated for these purposes to be
120 proportionately reduced and the savings used to purchase the
121 administrative functions of the managing entity. Policies and
122 procedures of the department for monitoring contracts with
123 managing entities shall include provisions for eliminating
124 duplication within the provider network and between ~~of~~ the
125 department's and the managing entities' contract management and
126 other administrative activities in order to achieve the goals of
127 cost-effectiveness and regulatory relief. To the maximum extent
128 possible, provider-monitoring activities shall be assigned to
129 the managing entity.

130 (c) Contracting and payment mechanisms for services must
131 promote clinical and financial flexibility and responsiveness
132 and must allow different categorical funds to be integrated at
133 the point of service. The contracted service array must be
134 determined by using public input, needs assessment, and
135 evidence-based and promising best practice models. The
136 department may employ care management methodologies, prepaid
137 capitation, and case rate or other methods of payment which
138 promote flexibility, efficiency, and accountability.

139 (5) GOALS.—The goal of the service delivery strategies is
140 to provide a design for an effective coordination, integration,
141 and management approach for delivering effective behavioral
142 health services to persons who are experiencing a mental health
143 or substance abuse crisis, who have a disabling mental illness
144 or a substance use or co-occurring disorder, and require
145 extended services in order to recover from their illness, or who

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146 need brief treatment or longer-term supportive interventions to
147 avoid a crisis or disability. Other goals include:

148 (a) Improving accountability for a local system of
149 behavioral health care services to meet performance outcomes and
150 standards through the use of reliable and timely data.

151 (b) Enhancing the continuity of care for all children,
152 adolescents, and adults who enter the publicly funded behavioral
153 health service system.

154 (c) Preserving the "safety net" of publicly funded
155 behavioral health services and providers, and recognizing and
156 ensuring continued local contributions to these services, by
157 establishing locally designed and community-monitored systems of
158 care.

159 (d) Providing early diagnosis and treatment interventions
160 to enhance recovery and prevent hospitalization.

161 (e) Improving the assessment of local needs for behavioral
162 health services.

163 (f) Improving the overall quality of behavioral health
164 services through the use of evidence-based, best practice, and
165 promising practice models.

166 (g) Demonstrating improved service integration between
167 behavioral health programs and other programs, such as
168 vocational rehabilitation, education, child welfare, primary
169 health care, emergency services, juvenile justice, and criminal
170 justice.

171 (h) Providing for additional testing of creative and
172 flexible strategies for financing behavioral health services to
173 enhance individualized treatment and support services.

174 (i) Promoting cost-effective quality care.

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175 (j) Working with the state to coordinate admissions and
176 discharges from state civil and forensic hospitals and
177 coordinating admissions and discharges from residential
178 treatment centers.

179 (k) Improving the integration, accessibility, and
180 dissemination of behavioral health data for planning and
181 monitoring purposes.

182 (l) Promoting specialized behavioral health services to
183 residents of assisted living facilities.

184 (m) Working with the state and other stakeholders to reduce
185 the admissions and the length of stay for dependent children in
186 residential treatment centers.

187 (n) Providing services to adults and children with co-
188 occurring disorders of mental illnesses and substance abuse
189 problems.

190 (o) Providing services to elder adults in crisis or at-risk
191 for placement in a more restrictive setting due to a serious
192 mental illness or substance abuse.

193 (6) ESSENTIAL ELEMENTS.—It is the intent of the Legislature
194 that the department may plan for and enter into contracts with
195 managing entities to manage care in geographical areas
196 throughout the state.

197 (a) The managing entity must demonstrate the ability of its
198 network of providers to comply with the pertinent provisions of
199 this chapter and chapter 397 and to ensure the provision of
200 comprehensive behavioral health services. The network of
201 providers must include, but need not be limited to, community
202 mental health agencies, substance abuse treatment providers, and
203 best practice consumer services providers.

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204 (b) The department shall terminate its mental health or
 205 substance abuse provider contracts for services to be provided
 206 by the managing entity at the same time it contracts with the
 207 managing entity.

208 (c) The managing entity shall ensure that its provider
 209 network is broadly conceived. ~~All~~ Mental health or substance
 210 abuse ~~treatment~~ providers currently under contract with the
 211 department shall be offered a contract by the managing entity
 212 for 1 year.

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

215 1. System-of-care development and management. ~~Financial~~
 216 ~~accountability.~~

217 2. Utilization management. ~~Allocation of funds to network~~
 218 ~~providers in a manner that reflects the department's strategic~~
 219 ~~direction and plans.~~

220 3. Network and subcontract management. ~~Provider monitoring~~
 221 ~~to ensure compliance with federal and state laws, rules, and~~
 222 ~~regulations.~~

223 4. Quality improvement. ~~Data collection, reporting, and~~
 224 ~~analysis.~~

225 5. Technical assistance and training. ~~Operational plans to~~
 226 ~~implement objectives of the department's strategic plan.~~

227 6. Data collection, reporting, and analysis. ~~Contract~~
 228 ~~compliance.~~

229 7. Financial Performance management.

230 8. Planning. ~~Collaboration with community stakeholders,~~
 231 ~~including local government.~~

232 9. Board development and governance. ~~System of care through~~

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233 ~~network development.~~

234 10. Disaster planning and responsiveness. ~~Consumer care~~
235 ~~coordination.~~

236 11. ~~Continuous quality improvement.~~

237 12. ~~Timely access to appropriate services.~~

238 13. ~~Cost-effectiveness and system improvements.~~

239 14. ~~Assistance in the development of the department's~~
240 ~~strategic plan.~~

241 15. ~~Participation in community, circuit, regional, and~~
242 ~~state planning.~~

243 16. ~~Resource management and maximization, including pursuit~~
244 ~~of third-party payments and grant applications.~~

245 17. ~~Incentives for providers to improve quality and access.~~

246 18. ~~Liaison with consumers.~~

247 19. ~~Community needs assessment.~~

248 20. ~~Securing local matching funds.~~

249 (e) The managing entity shall ensure that written
250 cooperative agreements are developed and implemented among the
251 criminal and juvenile justice systems, the local community-based
252 care network, and the local behavioral health providers in the
253 geographic area which define strategies and alternatives for
254 diverting people who have mental illness and substance abuse
255 problems from the criminal justice system to the community.
256 These agreements must also address the provision of appropriate
257 services to persons who have behavioral health problems and
258 leave the criminal justice system.

259 (f) Managing entities must collect and submit data to the
260 department regarding persons served, outcomes of persons served,
261 and the costs of services provided through the department's

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262 contract. The department shall evaluate managing entity services
263 based on consumer-centered outcome measures that reflect
264 national standards that can dependably be measured. The
265 department shall work with managing entities to establish
266 performance standards related to:

267 1. The extent to which individuals in the community receive
268 services.

269 2. The improvement of quality of care for individuals
270 served.

271 3. The success of strategies to divert jail, prison, and
272 forensic facility admissions.

273 4. Consumer and family satisfaction.

274 5. The satisfaction of key community constituents such as
275 law enforcement agencies, juvenile justice agencies, the courts,
276 the schools, local government entities, hospitals, and others as
277 appropriate for the geographical area of the managing entity.

278 (g) The Agency for Health Care Administration may establish
279 a certified match program, which must be voluntary. Under a
280 certified match program, reimbursement is limited to the federal
281 Medicaid share to Medicaid-enrolled strategy participants. The
282 agency may take no action to implement a certified match program
283 unless the consultation provisions of chapter 216 have been met.
284 The agency may seek federal waivers that are necessary to
285 implement the behavioral health service delivery strategies.

286 (7) MANAGING ENTITY REQUIREMENTS.—The department may adopt
287 rules and standards and a process for the qualification and
288 operation of managing entities which are based, in part, on the
289 following criteria:

290 (a) A managing entity's governance structure shall be

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291 representative and shall, ~~at a minimum,~~ include consumers, and
292 family members, and appropriate community stakeholders and
293 organizations. In addition, up to 25 percent of the members of a
294 managing entity's board of directors may include, ~~and~~ providers
295 of substance abuse and mental health services as defined in this
296 chapter and chapter 397. If there are one or more private-
297 receiving facilities in the geographic coverage area of a
298 managing entity, the managing entity shall have one
299 representative for the private-receiving facilities as an ex
300 officio member of its board of directors.

301 ~~(b) A managing entity that was originally formed primarily~~
302 ~~by substance abuse or mental health providers must present and~~
303 ~~demonstrate a detailed, consensus approach to expanding its~~
304 ~~provider network and governance to include both substance abuse~~
305 ~~and mental health providers.~~

306 ~~(c) A managing entity must submit a network management plan~~
307 ~~and budget in a form and manner determined by the department.~~
308 ~~The plan must detail the means for implementing the duties to be~~
309 ~~contracted to the managing entity and the efficiencies to be~~
310 ~~anticipated by the department as a result of executing the~~
311 ~~contract. The department may require modifications to the plan~~
312 ~~and must approve the plan before contracting with a managing~~
313 ~~entity. The department may contract with a managing entity that~~
314 ~~demonstrates readiness to assume core functions, and may~~
315 ~~continue to add functions and responsibilities to the managing~~
316 ~~entity's contract over time as additional competencies are~~
317 ~~developed as identified in paragraph (g). Notwithstanding other~~
318 ~~provisions of this section, the department may continue and~~
319 ~~expand managing entity contracts if the department determines~~

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320 ~~that the managing entity meets the requirements specified in~~
321 ~~this section.~~

322 (b) ~~(d)~~ Notwithstanding paragraphs ~~(b)~~ and ~~(c)~~, A managing
323 entity that is currently a fully integrated system providing
324 mental health and substance abuse services, Medicaid, and child
325 welfare services is permitted to continue operating under its
326 current governance structure until June 30, 2013, as long as the
327 managing entity can demonstrate to the department that
328 consumers, other stakeholders, and network providers are
329 included in the planning process.

330 (c) ~~(e)~~ Managing entities shall operate in a transparent
331 manner, providing public access to information, notice of
332 meetings, and opportunities for broad public participation in
333 decisionmaking. ~~The managing entity's network management plan~~
334 ~~must detail policies and procedures that ensure transparency.~~

335 (d) ~~(f)~~ Before contracting with a managing entity, the
336 department must perform an onsite readiness review of a managing
337 entity to determine its operational capacity to satisfactorily
338 perform the duties to be contracted.

339 (e) ~~(g)~~ The department shall engage community stakeholders,
340 ~~including providers,~~ and managing entities under contract with
341 the department, in the development of objective standards to
342 measure the competencies of managing entities and their
343 readiness to assume the responsibilities described in this
344 section, and measure the outcomes to hold them accountable.

345 (8) DEPARTMENT RESPONSIBILITIES.—With the introduction of
346 managing entities to monitor department-contracted providers'
347 day-to-day operations, the department and its regional ~~and~~
348 ~~circuit~~ offices will have increased ability to focus on broad

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349 systemic substance abuse and mental health issues. After the
350 department enters into a managing entity contract in a
351 geographic area, the regional ~~and circuit~~ offices of the
352 department in that area shall direct their efforts primarily to
353 monitoring the managing entity and its system of care; contract,
354 ~~including negotiation of system quality improvement, cost~~
355 management, and outcomes requirements; goals each contract year,
356 ~~and~~ review of the managing entity's plans to execute department
357 strategic plans; carrying out statutorily mandated licensure
358 functions; conducting community and regional substance abuse and
359 mental health planning; ~~communicating to the department the~~
360 ~~local needs assessed by the managing entity; preparing~~
361 ~~department strategic plans;~~ coordinating with other state and
362 local agencies; ~~assisting the department in assessing local~~
363 ~~trends and issues and advising departmental headquarters on~~
364 ~~local priorities;~~ and providing leadership in disaster planning
365 and preparation. The ultimate responsibility of accountability
366 for the expenditure of substance abuse and mental health public
367 funds resides with the department.

368 (9) REPORTING.—Reports of the department's activities,
369 progress, and needs in achieving the goal of contracting with
370 managing entities in each circuit and region statewide must be
371 submitted to the appropriate substantive and appropriations
372 committees in the Senate and the House of Representatives on
373 January 1 and July 1 of each year until the full transition to
374 managing entities has been accomplished statewide.

375 (10) RULES.—The department may ~~shall~~ adopt rules to
376 administer this section ~~and, as necessary, to further specify~~
377 ~~requirements of managing entities.~~

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Section 2. This act shall take effect July 1, 2012.