

FOR CONSIDERATION By the Committee on Children, Families, and Elder Affairs

586-01059-12

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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.; revising
4 legislative findings regarding the management
5 structure of entities that provide behavioral health
6 treatment and prevention services; redefining the
7 terms "managing entity" and "provider networks";
8 requiring the Department of Children and Family
9 Services to negotiate a reasonable and appropriate
10 administrative cost rate for the system of behavioral
11 health services with community-based managing
12 entities; requiring that mental health or substance
13 abuse providers currently under contract with the
14 department be offered a contract by the managing
15 entity for 1 year; revising the core functions to be
16 performed by the managing entity; revising the
17 governance structure of the managing entity; revising
18 the requirements relating to the qualification and
19 operational criteria used by the department when
20 selecting a managing entity; revising the
21 responsibilities of the department; authorizing the
22 department to adopt rules; providing an effective
23 date.

24
25 Be It Enacted by the Legislature of the State of Florida:

26
27 Section 1. Section 394.9082, Florida Statutes, is amended
28 to read:

29 394.9082 Behavioral health managing entities.—

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

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

60 (a) "Behavioral health services" means mental health
61 services and substance abuse prevention and treatment services
62 as defined in this chapter and chapter 397 which are provided
63 using state and federal funds.

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

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

71 (d) "Managing entity" means a corporation that is
72 incorporated or registered ~~organized~~ in this state and that
73 manages, ~~is designated or filed as a nonprofit organization~~
74 ~~under s. 501(c)(3) of the Internal Revenue Code, and is under~~
75 ~~contract to the department to manage~~ the day-to-day operational
76 delivery of behavioral health services through an organized
77 system of care under contract with the department.

78 (e) "Provider networks" mean the direct service agencies
79 ~~that are under contract with a managing entity and that together~~
80 constitute a comprehensive array of emergency, acute care,
81 residential, outpatient, recovery support, and consumer support
82 services.

83 (3) SERVICE DELIVERY STRATEGIES.—The department may work
84 through managing entities to develop service delivery strategies
85 that will improve the coordination, integration, and management
86 of the delivery of behavioral health services to people who have
87 mental or substance use disorders. It is the intent of the

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88 Legislature that a well-managed service delivery system will
89 increase access for those in need of care, improve the
90 coordination and continuity of care for vulnerable and high-risk
91 populations, and redirect service dollars from restrictive care
92 settings to community-based recovery services.

93 (4) CONTRACT FOR SERVICES.—

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

110 (b) The operating costs of the managing entity contract
111 shall be funded through funds from the department and any
112 savings and efficiencies achieved through the implementation of
113 managing entities when realized by their participating provider
114 network agencies. The department recognizes that managing
115 entities will have infrastructure development costs during
116 start-up so that any efficiencies to be realized by providers

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117 from consolidation of management functions, and the resulting
118 savings, will not be achieved during the early years of
119 operation. The department shall negotiate a reasonable and
120 appropriate administrative cost rate for the system of care
121 managed by ~~with~~ the managing entity. The Legislature intends
122 that reduced local and state contract management and other
123 administrative duties passed on to the managing entity allows
124 funds previously allocated for these purposes to be
125 proportionately reduced and the savings used to purchase the
126 administrative functions of the managing entity. Policies and
127 procedures of the department for monitoring contracts with
128 managing entities shall include provisions for eliminating
129 duplication within the provider network and between ~~of~~ the
130 department's and the managing entities' contract management and
131 other administrative activities in order to achieve the goals of
132 cost-effectiveness and regulatory relief. To the maximum extent
133 possible, provider-monitoring activities shall be assigned to
134 the managing entity.

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

144 (5) GOALS.—The goal of the service delivery strategies is
145 to provide a design for an effective coordination, integration,

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146 and management approach for delivering effective behavioral
147 health services to persons who are experiencing a mental health
148 or substance abuse crisis, who have a disabling mental illness
149 or a substance use or co-occurring disorder, and require
150 extended services in order to recover from their illness, or who
151 need brief treatment or longer-term supportive interventions to
152 avoid a crisis or disability. Other goals include:

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

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

159 (c) Preserving the "safety net" of publicly funded
160 behavioral health services and providers, and recognizing and
161 ensuring continued local contributions to these services, by
162 establishing locally designed and community-monitored systems of
163 care.

164 (d) Providing early diagnosis and treatment interventions
165 to enhance recovery and prevent hospitalization.

166 (e) Improving the assessment of local needs for behavioral
167 health services.

168 (f) Improving the overall quality of behavioral health
169 services through the use of evidence-based, best practice, and
170 promising practice models.

171 (g) Demonstrating improved service integration between
172 behavioral health programs and other programs, such as
173 vocational rehabilitation, education, child welfare, primary
174 health care, emergency services, juvenile justice, and criminal

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175 justice.

176 (h) Providing for additional testing of creative and
177 flexible strategies for financing behavioral health services to
178 enhance individualized treatment and support services.

179 (i) Promoting cost-effective quality care.

180 (j) Working with the state to coordinate admissions and
181 discharges from state civil and forensic hospitals and
182 coordinating admissions and discharges from residential
183 treatment centers.

184 (k) Improving the integration, accessibility, and
185 dissemination of behavioral health data for planning and
186 monitoring purposes.

187 (l) Promoting specialized behavioral health services to
188 residents of assisted living facilities.

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

192 (n) Providing services to adults and children with co-
193 occurring disorders of mental illnesses and substance abuse
194 problems.

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

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

202 (a) The managing entity must demonstrate the ability of its
203 network of providers to comply with the pertinent provisions of

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204 this chapter and chapter 397 and to ensure the provision of
205 comprehensive behavioral health services. The network of
206 providers must include, but need not be limited to, community
207 mental health agencies, substance abuse treatment providers, and
208 best practice consumer services providers.

209 (b) The department shall terminate its mental health or
210 substance abuse provider contracts for services to be provided
211 by the managing entity at the same time it contracts with the
212 managing entity.

213 (c) The managing entity shall ensure that its provider
214 network is broadly conceived. ~~All~~ Mental health or substance
215 abuse ~~treatment~~ providers currently under contract with the
216 department shall be offered a contract by the managing entity
217 for 1 year.

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

220 1. System-of-care development and management. ~~Financial~~
221 ~~accountability.~~

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

225 3. Network and subcontract management. ~~Provider monitoring~~
226 ~~to ensure compliance with federal and state laws, rules, and~~
227 ~~regulations.~~

228 4. Quality improvement. ~~Data collection, reporting, and~~
229 ~~analysis.~~

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

232 6. Data collection, reporting, and analysis. ~~Contract~~

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233 ~~compliance.~~

234 7. Financial Performance management.

235 8. Planning. ~~Collaboration with community stakeholders,~~
236 ~~including local government.~~

237 9. Board development and governance. ~~System of care through~~
238 ~~network development.~~

239 10. Disaster planning and responsiveness. ~~Consumer care~~
240 ~~coordination.~~

241 ~~11. Continuous quality improvement.~~

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

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

244 ~~14. Assistance in the development of the department's~~
245 ~~strategic plan.~~

246 ~~15. Participation in community, circuit, regional, and~~
247 ~~state planning.~~

248 ~~16. Resource management and maximization, including pursuit~~
249 ~~of third party payments and grant applications.~~

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

251 ~~18. Liaison with consumers.~~

252 ~~19. Community needs assessment.~~

253 ~~20. Securing local matching funds.~~

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

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262 services to persons who have behavioral health problems and
263 leave the criminal justice system.

264 (f) Managing entities must collect and submit data to the
265 department regarding persons served, outcomes of persons served,
266 and the costs of services provided through the department's
267 contract. The department shall evaluate managing entity services
268 based on consumer-centered outcome measures that reflect
269 national standards that can dependably be measured. The
270 department shall work with managing entities to establish
271 performance standards related to:

272 1. The extent to which individuals in the community receive
273 services.

274 2. The improvement of quality of care for individuals
275 served.

276 3. The success of strategies to divert jail, prison, and
277 forensic facility admissions.

278 4. Consumer and family satisfaction.

279 5. The satisfaction of key community constituents such as
280 law enforcement agencies, juvenile justice agencies, the courts,
281 the schools, local government entities, hospitals, and others as
282 appropriate for the geographical area of the managing entity.

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

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

295 (a) A managing entity's governance structure shall be
296 representative and shall, ~~at a minimum,~~ include consumers, and
297 family members, and appropriate community stakeholders and
298 organizations, ~~and~~ Providers of substance abuse and mental
299 health services as defined in this chapter and chapter 397 may
300 not be part of the managing entity's governance structure. If
301 there are one or more private-receiving facilities in the
302 geographic coverage area of a managing entity, the managing
303 entity shall have one representative for the private-receiving
304 facilities as an ex officio member of its board of directors.

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

310 ~~(c) A managing entity must submit a network management plan~~
311 ~~and budget in a form and manner determined by the department.~~
312 ~~The plan must detail the means for implementing the duties to be~~
313 ~~contracted to the managing entity and the efficiencies to be~~
314 ~~anticipated by the department as a result of executing the~~
315 ~~contract. The department may require modifications to the plan~~
316 ~~and must approve the plan before contracting with a managing~~
317 ~~entity. The department may contract with a managing entity that~~
318 ~~demonstrates readiness to assume core functions, and may~~
319 ~~continue to add functions and responsibilities to the managing~~

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320 ~~entity's contract over time as additional competencies are~~
321 ~~developed as identified in paragraph (g). Notwithstanding other~~
322 ~~provisions of this section, the department may continue and~~
323 ~~expand managing entity contracts if the department determines~~
324 ~~that the managing entity meets the requirements specified in~~
325 ~~this section.~~

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

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

339 (d) ~~(f)~~ Before contracting with a managing entity, the
340 department must perform an onsite readiness review of a managing
341 entity to determine its operational capacity to satisfactorily
342 perform the duties to be contracted.

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

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

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

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378 managing entities has been accomplished statewide.

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

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