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By the Committees on Children, Families, and Elder Affairs; and Appropriations

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A bill to be entitled

An act relating to mental health and substance abuse services; amending s. 394.455, F.S.; revising the definition of "mental illness" to exclude dementia and traumatic brain injuries; amending s. 394.492, F.S.; redefining the terms "adolescent" and "child or adolescent at-risk of emotional disturbance"; creating s. 394.761, F.S.; requiring the Agency for Health Care Administration and the Department of Children and Families to develop a plan to obtain federal approval for increasing the availability of federal Medicaid funding for behavioral health care; establishing improved integration of behavioral health and primary care services through the development and effective implementation of coordinated care organizations as the primary goal of obtaining the additional funds; requiring the agency and the department to submit the written plan, which must include certain information, to the Legislature by a specified date; amending s. 394.875, F.S.; requiring that, by a specified date, the department, in consultation with the Agency for Health Care Administration, modify certain licensure rules and procedures; amending s. 394.9082, F.S.; revising Legislative findings and intent; redefining terms; requiring the managing entities, rather than the department, to develop and implement a plan with a certain purpose; requiring the regional network to offer access to certain services; requiring the plan to be developed in a certain manner; requiring the

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department to designate the regional network as a coordinated care organization after certain conditions are met; removing a provision providing legislative intent; requiring the department to contract with community-based managing entities for the development of specified objectives; removing duties of the department, the secretary of the department, and managing entities; removing a provision regarding the requirement of funding the managing entity's contract through departmental funds; removing legislative intent; requiring that the department's contract with each managing entity be performance based; providing for scaled penalties and liquidated damages if a managing entity fails to perform after a reasonable opportunity for corrective action; requiring the plan for the coordination and integration of certain services to be developed in a certain manner and to incorporate certain models; providing requirements for the department when entering into contracts with a managing entity; requiring the department to consider specified factors when considering a new contractor; revising the goals of the coordinated care organization; requiring a coordinated care organization to consist of a comprehensive provider network that includes specified elements; requiring that specified treatment providers be initially included in the provider network; providing for continued participation in the provider network; revising the network management and administrative

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functions of the managing entities; requiring that the managing entity support network providers in certain ways; authorizing the managing entity to prioritize certain populations when necessary; requiring that, by a certain date, a managing entity's governing board consist of a certain number of members selected by the managing entity in a specified manner; providing requirements for the governing board; removing departmental responsibilities; removing a reporting requirement; authorizing, rather than requiring, the department to adopt rules; creating s. 397.402, F.S.; requiring that the department modify certain licensure rules and procedures by a certain date; requiring the department and the Agency for Health Care Administration to make certain recommendations to the Governor and the Legislature by a specified date; providing requirements for a provider; amending s. 409.967, F.S.; requiring that certain plans or contracts include specified requirements; amending s. 409.973, F.S.; requiring each plan operating in the managed medical assistance program to work with the managing entity to establish specific organizational supports and service protocols; amending s. 409.975, F.S.; revising the categories from which the agency must determine which providers are essential Medicaid providers; repealing s. 394.4674, F.S., relating to a plan and report; repealing s. 394.4985, F.S., relating to districtwide information and referral network and implementation; repealing s. 394.657, F.S., relating

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to county planning councils or committees; repealing s. 394.745, F.S., relating to an annual report and compliance of providers under contract with the department; repealing s. 397.331, F.S., relating to definitions; repealing s. 397.333, F.S., relating to the Statewide Drug Policy Advisory Council; repealing s. 397.801, F.S., relating to substance abuse impairment coordination; repealing s. 397.811, F.S., relating to juvenile substance abuse impairment coordination; repealing s. 397.821, F.S., relating to juvenile substance abuse impairment prevention and early intervention councils; repealing s. 397.901, F.S., relating to prototype juvenile addictions receiving facilities; repealing s. 397.93, F.S., relating to children's substance abuse services and target populations; repealing s. 397.94, F.S., relating to children's substance abuse services and the information and referral network; repealing s. 397.951, F.S., relating to treatment and sanctions; repealing s. 397.97, F.S., relating to children's substance abuse services and demonstration models; amending ss. 397.321, 397.98, 409.966, 943.031, and 943.042, F.S.; conforming provisions and crossreferences to changes made by the act; reenacting ss. 39.407(6)(a), 394.67(21), 394.674(1)(b), 394.676(1), 409.1676(2)(c), and 409.1677(1)(b), F.S., relating to the term "suitable for residential treatment" or "suitability," the term "residential treatment center for children and adolescents," children's mental

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health services, the indigent psychiatric medication program, and the term "serious behavioral problems," respectively, to incorporate the amendment made to s. 394.492, F.S., in references thereto; providing effective dates.

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

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Section 1. Subsection (18) of section 394.455, Florida Statutes, is amended to read:

394.455 Definitions.—As used in this part, unless the context clearly requires otherwise, the term:

(18) "Mental illness" means an impairment of the mental or emotional processes that exercise conscious control of one's actions or of the ability to perceive or understand reality, which impairment substantially interferes with the person's ability to meet the ordinary demands of living. For the purposes of this part, the term does not include a developmental disability as defined in chapter 393, dementia, traumatic brain injuries, intoxication, or conditions manifested only by antisocial behavior or substance abuse impairment.

Section 2. Subsections (1), (4), and (6) of section 394.492, Florida Statutes, are amended to read:

394.492 Definitions.—As used in ss. 394.490-394.497, the term:

- (1) "Adolescent" means a person who is at least 13 years of age but under $\frac{18}{21}$ years of age.
- (4) "Child or adolescent at risk of emotional disturbance" means a person under 18 21 years of age who has an increased

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likelihood of becoming emotionally disturbed because of risk factors that include, but are not limited to:

- (a) Being homeless.
- (b) Having a family history of mental illness.
- (c) Being physically or sexually abused or neglected.
- (d) Abusing alcohol or other substances.
- (e) Being infected with human immunodeficiency virus (HIV).
- (f) Having a chronic and serious physical illness.
- (g) Having been exposed to domestic violence.
- (h) Having multiple out-of-home placements.
- (6) "Child or adolescent who has a serious emotional disturbance or mental illness" means a person under $\frac{18}{21}$ years of age who:
- (a) Is diagnosed as having a mental, emotional, or behavioral disorder that meets one of the diagnostic categories specified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association; and
- (b) Exhibits behaviors that substantially interfere with or limit his or her role or ability to function in the family, school, or community, which behaviors are not considered to be a temporary response to a stressful situation.

The term includes a child or adolescent who meets the criteria for involuntary placement under s. 394.467(1).

Section 3. Section 394.761, Florida Statutes, is created to read:

394.761 Revenue maximization.—The agency and the department shall develop a plan to obtain federal approval for increasing

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175 the availability of federal Medicaid funding for behavioral 176 health care. Increased funding will be used to advance the goal 177 of improved integration of behavioral health and primary care 178 services through development and effective implementation of 179 coordinated care organizations as described in s. 394.9082(3). 180 The agency and the department shall submit the written plan to 181 the President of the Senate and the Speaker of the House of 182 Representatives no later than November 1, 2015. The plan shall 183 identify the amount of general revenue funding appropriated for 184 mental health and substance abuse services which is eligible to 185 be used as state Medicaid match. The plan must evaluate 186 alternative uses of increased Medicaid funding, including 187 expansion of Medicaid eligibility for the severely and 188 persistently mentally ill; increased reimbursement rates for 189 behavioral health services; adjustments to the capitation rate 190 for Medicaid enrollees with chronic mental illness and substance 191 use disorders; supplemental payments to mental health and 192 substance abuse providers through a designated state health 193 program or other mechanisms; and innovative programs for 194 incentivizing improved outcomes for behavioral health 195 conditions. The plan shall identify the advantages and 196 disadvantages of each alternative and assess the potential of 197 each for achieving improved integration of services. The plan 198 shall identify the types of federal approvals necessary to 199 implement each alternative and project a timeline for 200 implementation. 201 Section 4. Subsection (11) is added to section 394.875, 202 Florida Statutes, to read: 203 394.875 Crisis stabilization units, residential treatment

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facilities, and residential treatment centers for children and adolescents; authorized services; license required.—

(11) No later than January 1, 2016, the department, in consultation with the agency, shall modify licensure rules and procedures to create an option for a single, consolidated license for a provider who offers multiple types of mental health and substance abuse services regulated under this chapter and chapter 397 pursuant to s. 397.402.

Section 5. Effective upon this act becoming a law, section 394.9082, Florida Statutes, is amended to read:

394.9082 Behavioral health managing entities.-

(1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds that untreated behavioral health disorders constitute major health problems for residents of this state, are a major economic burden to the citizens of this state, and substantially increase demands on the state's juvenile and adult criminal justice systems, the child welfare system, and health care systems. The Legislature finds that behavioral health disorders respond to appropriate treatment, rehabilitation, and supportive intervention. The Legislature finds that the state's return on its it has made a substantial long-term investment in the funding of the community-based behavioral health prevention and treatment service systems and facilities can be enhanced by integration of these services with primary care in order to provide critical emergency, acute care, residential, outpatient, and rehabilitative and recovery-based services. The Legislature finds that local communities have also made substantial investments in behavioral health services, contracting with safety net providers who by mandate and mission provide

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specialized services to vulnerable and hard-to-serve populations and have strong ties to local public health and public safety agencies. The Legislature finds that a regional management structure for that places the responsibility for publicly financed behavioral health treatment and prevention services within a single private, nonprofit entity at the local level will improve promote improved access to care, promote service continuity, and provide for more efficient and effective delivery of substance abuse and mental health services. The Legislature finds that streamlining administrative processes will create cost efficiencies and provide flexibility to better match available services to consumers' identified needs.

- (2) DEFINITIONS.—As used in this section, the term:
- (a) "Behavioral health services" means mental health services and substance abuse prevention and treatment services as defined in this chapter and chapter 397 which are provided using state and federal funds.
- (b) "Decisionmaking model" means a comprehensive management information system needed to answer the following management questions at the federal, state, regional, circuit, and local provider levels: who receives what services from which providers with what outcomes and at what costs?
- (b) (c) "Geographic area" means a county, circuit, regional, or a region as described in s. 409.966 multiregional area in this state.
- (c) (d) "Managing entity" means a corporation that is organized in this state, is designated or filed as a nonprofit organization under s. 501(c)(3) of the Internal Revenue Code, and is under contract to the department to manage the day-to-day

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operational delivery of behavioral health services as of July 1, 2015 through an organized system of care.

- (e) "Provider networks" mean the direct service agencies that are under contract with a managing entity and that together constitute a comprehensive array of emergency, acute care, residential, outpatient, recovery support, and consumer support services.
- (3) COORDINATED CARE ORGANIZATIONS SERVICE DELIVERY STRATEGIES. - The department may work through managing entities shall to develop and implement a plan to create a coordinated regional network of behavioral health service providers. The regional network must offer access to a comprehensive range of services and continuity of care for service delivery strategies that will improve the coordination, integration, and management of the delivery of behavioral health services to people with who have mental illness or substance use disorders. The plan must be developed through a collaborative process between the managing entity and providers in the region. The department shall designate the regional network as a coordinated care organization after the relationships, linkages, and interactions among network providers are formalized through written agreements that establish common protocols for intake and assessment, mechanisms for data sharing, joint operational procedures, and integrated care planning and case management. It is the intent of the Legislature that a well-managed service delivery system will increase access for those in need of care, improve the coordination and continuity of care for vulnerable and high-risk populations, and redirect service dollars from restrictive care settings to community-based recovery services.

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(4) CONTRACT FOR SERVICES.-

- (a) The department must may contract for the purchase and management of behavioral health services with community-based managing entities for the development of a regional coordinated care organization, network management services, and the administrative functions defined in subsection (6). The department may require a managing entity to contract for specialized services that are not currently part of the managing entity's network if the department determines that to do so is in the best interests of consumers of services. The secretary shall determine the schedule for phasing in contracts with managing entities. The managing entities shall, at a minimum, be accountable for the operational oversight of the delivery of behavioral health services funded by the department and for the collection and submission of the required data pertaining to these contracted services. A managing entity shall serve a geographic area designated by the department. The geographic area must be of sufficient size in population and have enough public funds for behavioral health services to allow for flexibility and maximum efficiency.
- (b) The operating costs of the managing entity contract shall be funded through funds from the department and any savings and efficiencies achieved through the implementation of managing entities when realized by their participating provider network agencies. The department recognizes that managing entities will have infrastructure development costs during start-up so that any efficiencies to be realized by providers from consolidation of management functions, and the resulting savings, will not be achieved during the early years of

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operation. The department shall negotiate a reasonable and appropriate administrative cost rate with the managing entity. The Legislature intends that reduced local and state contract management and other administrative duties passed on to the managing entity allows funds previously allocated for these purposes to be proportionately reduced and the savings used to purchase the administrative functions of the managing entity. Policies and procedures of the department for monitoring contracts with managing entities shall include provisions for eliminating duplication of the department's and the managing entities' contract management and other administrative activities in order to achieve the goals of cost-effectiveness and regulatory relief. To the maximum extent possible, providermonitoring activities shall be assigned to the managing entity.

c) The contract with each managing entity must be performance-based and contain specific results, measureable performance standards and timelines, and identify penalties for failure to timely plan and implement a regional, coordinated care organization, to meet other specific performance standards, including financial management, or other contractual requirements. The contract must have a schedule of penalties scaled to the nature and significance of the managing entity's failure to perform. Such penalties may include, but are not limited to, a corrective action plan, liquidated damages, or termination of the contract. The contract must provide a reasonable opportunity for managing entities to implement corrective actions, but must require progress toward achievement of the performance standards identified in paragraph (e)

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clinical and financial flexibility and responsiveness and must allow different categorical funds to be integrated at the point of service. The plan for coordination and integration of services required by subsection (3) shall be developed based on contracted service array must be determined by using public input and, needs assessment, and must incorporate promising, evidence-based and promising best practice models. The department may employ care management methodologies, prepaid capitation, and case rate or other methods of payment which promote flexibility, efficiency, and accountability.

- (d) The department shall establish a 3-year performance-based contract with each managing entity by July 1, 2017. For managing entities selected after the effective date of this act, the department shall use a performance-based contract that meets the requirements of this section. For managing entities with contracts subject to renewal on or before July 1, 2015, the department may renew, or if available, extend a contract under s. 287.057(12), but contracts with such managing entities must meet the requirements of this section by July 1, 2017.
- (e) If the department terminates a contract with a managing entity due to failure to establish a coordinated care organization or meet other contractual requirements, the department must issue an invitation to negotiate in order to select a new managing entity. The new managing entity must be either a managing entity in another region, a Medicaid managed care organization operating in the same region, a behavioral health organization contracted with a Medicaid managed care organization operating in the same region, or a behavioral health specialty managed care organization established pursuant

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to part IV of chapter 409. The department shall consider the input and recommendations of network providers in the selection of the new contractor. The invitation to negotiate shall specify the criteria and the relative weight of the criteria that will be used in selecting the new contractor. The department must consider all of the following factors:

- 1. Experience serving persons with mental health and substance use disorders.
- 2. Establishment of community partnerships with behavioral health providers.
- $\underline{\mbox{3. Demonstrated organizational capabilities for network}}$ management functions.
- 4. Capability to integrate behavioral health with primary care services.
- organization service delivery strategies is to improve outcomes for persons needing provide a design for an effective coordination, integration, and management approach for delivering effective behavioral health services to persons who are experiencing a mental health or substance abuse crisis, who have a disabling mental illness or a substance use or co-occurring disorder, and require extended services in order to recover from their illness, or who need brief treatment or longer-term supportive interventions to avoid a crisis or disability. Other goals include:
- (a) Improving Accountability for measureable and transparent a local system of behavioral health care services to meet performance outcomes and standards through the use of reliable and timely data.

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(b) Enhancing the Continuity of care for all children, adolescents, and adults who receive services from the coordinated care organization enter the publicly funded behavioral health service system.

- (c) Value-based purchasing of behavioral health services that maximizes the return on investment to local, state, and federal funding sources Preserving the "safety net" of publicly funded behavioral health services and providers, and recognizing and ensuring continued local contributions to these services, by establishing locally designed and community-monitored systems of care.
- (d) Providing Early diagnosis and treatment interventions to enhance recovery and prevent hospitalization.
- (e) Regional service delivery systems that are responsive to Improving the assessment of local needs for behavioral health services.
- (f) Quality care that is provided using Improving the overall quality of behavioral health services through the use of evidence-based, best practice, and promising practice models.
- (g) Demonstrating improved service Integration of between behavioral health services programs and other programs, such as vocational rehabilitation, education, child welfare, primary health care, emergency services, juvenile justice, and criminal justice.
- (h) Providing for additional testing of creative and flexible strategies for financing behavioral health services to enhance individualized treatment and support services.
 - (i) Promoting cost-effective quality care.
 - (j) Working with the state to coordinate admissions and

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discharges from state civil and forensic hospitals and coordinating admissions and discharges from residential treatment centers.

- (k) Improving the integration, accessibility, and dissemination of behavioral health data for planning and monitoring purposes.
- (1) Promoting specialized behavioral health services to residents of assisted living facilities.
- (m) Working with the state and other stakeholders to reduce the admissions and the length of stay for dependent children in residential treatment centers.
- (n) Providing services to adults and children with cooccurring disorders of mental illnesses and substance abuse
 problems.
- (o) Providing services to elder adults in crisis or at-risk for placement in a more restrictive setting due to a serious mental illness or substance abuse.
- (6) ESSENTIAL ELEMENTS.—It is the intent of the Legislature that the department may plan for and enter into contracts with managing entities to manage care in geographical areas throughout the state.
- (a) A coordinated care organization must consist of a comprehensive network of providers working together to offer a patient-centered system of care which provides or arranges for the following elements: The managing entity must demonstrate the ability of its network of providers to comply with the pertinent provisions of this chapter and chapter 397 and to ensure the provision of comprehensive behavioral health services. The network of providers must include, but need not be limited to,

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community mental health agencies, substance abuse treatment providers, and best practice consumer services providers.

- 1. A centralized receiving facility or coordinated receiving system for persons needing evaluation pursuant to s. 394.463 or s. 397.675.
- 2. Crisis services, including mobile response teams and crisis stabilization units.
 - 3. Case management.
 - 4. Outpatient services.
 - 5. Residential services.
 - 6. Hospital inpatient care.
 - 7. Aftercare and other postdischarge services.
- 8. Recovery support, including housing assistance and support for competitive employment, educational attainment, independent living skills development, family support and education, and wellness management and self-care.
- 9. Medical services necessary for integration of behavioral health services with primary care.
 - 10. Prevention and outreach services.
 - 11. Medication assisted treatment.
 - 12. Detoxification services.
- (b) The department shall terminate its mental health or substance abuse provider contracts for services to be provided by the managing entity at the same time it contracts with the managing entity.
- (b) (c) The managing entity shall ensure that its provider network shall initially include all is broadly conceived. All mental health or substance abuse treatment providers currently receiving public funds pursuant to this chapter or chapter 397.

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Continued participation in the network is subject to credentials
and performance standards set by the managing entity and
approved by the department under contract with the department
shall be offered a contract by the managing entity.

- (c) (d) The network management and administrative functions
 of the department may contract with managing entities to provide
 the following core functions include:
 - 1. Financial management accountability.
- 2. Allocation of funds to network providers in a manner that reflects the department's strategic direction and plans.
- 3. Provider monitoring to ensure compliance with federal and state laws, rules, and regulations.
 - 4. Data collection, reporting, and analysis.
- 5. Information systems necessary for the delivery of coordinated care and integrated services Operational plans to implement objectives of the department's strategic plan.
 - 6. Contract compliance.
- 7. Performance <u>measurement based on nationally recognized</u> standards such as those developed by the National Quality Forum, the National Committee for Quality Assurance, or similar credible sources <u>management</u>.
- 8. Collaboration with community stakeholders, including local government.
 - 9. System of care through network development.
 - 9.10. Consumer care coordination.
- 519 10.11. Continuous quality improvement.
- 520 12. Timely access to appropriate services.
- 521 13. Cost-effectiveness and system improvements.
- 522 14. Assistance in the development of the department's

586-03410-15 20157068c1 523 strategic plan. 524 15. Participation in community, circuit, regional, and 525 state planning. 526 11.16. Resource management and maximization, including 527 pursuit of third-party payments and grant applications. 528 12.17. Incentives for providers to improve quality and 529 access. 530 13.18. Liaison with consumers. 14.19. Community needs assessment. 531 532 15.20. Securing local matching funds. 533 (d) The managing entity shall support network providers to 534 offer comprehensive and coordinated care to all persons in need, 535 but may develop a prioritization framework when necessary to 536 make the best use of limited resources. Priority populations 537 include: 538 1. Individuals in crisis stabilization units who are on the 539 waitlist for placement in a state treatment facility; 540 2. Individuals in state treatment facilities on the 541 waitlist for community care; 542 3. Parents or caretakers with child welfare involvement; 543 4. Individuals with multiple arrests and incarceration as a 544 result of their behavioral health condition; and 545 5. Individuals with behavioral health disorders and 546 comorbidities consistent with the characteristics of patients in the region's population of behavioral health service users who 547 548 account for a disproportionately high percentage of service 549 expenditures. 550 (e) The managing entity shall ensure that written

cooperative agreements are developed and implemented among the

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criminal and juvenile justice systems, the local community-based care network, and the local behavioral health providers in the geographic area which define strategies and alternatives for diverting people who have mental illness and substance abuse problems from the criminal justice system to the community. These agreements must also address the provision of appropriate services to persons who have behavioral health problems and leave the criminal justice system.

- (f) Managing entities must collect and submit data to the department regarding persons served, outcomes of persons served, and the costs of services provided through the department's contract. The managing entity must use a unique identifier developed by the department for each person served. All providers under contract with the managing entity shall use the unique identifier in order to coordinate care and the delivery of services by January 1, 2016. The department shall evaluate managing entity services based on consumer-centered outcome measures that reflect national standards that can dependably be measured. The department shall work with managing entities to establish performance standards related to:
- 1. The extent to which individuals in the community receive services.
- 2. The improvement of quality of care for individuals served.
- 3. The success of strategies to divert jail, prison, and forensic facility admissions.
 - 4. Consumer and family satisfaction.
- 5. The satisfaction of key community constituents such as law enforcement agencies, juvenile justice agencies, the courts,

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the schools, local government entities, hospitals, and others as appropriate for the geographical area of the managing entity.

- (g) The Agency for Health Care Administration may establish a certified match program, which must be voluntary. Under a certified match program, reimbursement is limited to the federal Medicaid share to Medicaid-enrolled strategy participants. The agency may take no action to implement a certified match program unless the consultation provisions of chapter 216 have been met. The agency may seek federal waivers that are necessary to implement the behavioral health service delivery strategies.
- (7) MANAGING ENTITY REQUIREMENTS.—The department may adopt rules and <u>contractual</u> standards <u>related to</u> and a process for the qualification and operation of managing entities which are based, in part, on the following criteria:
- that each a managing entity's governing board meets the requirements of this section. governance structure shall be representative and shall, at a minimum, include consumers and family members, appropriate community stakeholders and organizations, and providers of substance abuse and mental health services as defined in this chapter and chapter 397. If there are one or more private-receiving facilities in the geographic coverage area of a managing entity, the managing entity shall have one representative for the private-receiving facilities as an ex officio member of its board of directors.
- 1. The composition of the board shall be broadly representative of the community and include consumers and family members, community organizations that do not contract with the managing entity, local governments, area law enforcement

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agencies, business leaders, local providers of child welfare services, health care professionals, and representatives of health care facilities.

- 2. The managing entity must establish a technical advisory panel consisting of providers of mental health and substance abuse services that selects at least one member to serve as an ex officio member of the governing board.
- (b) The managing entity must create a transparent process for nomination and selection of board members and must adopt a procedure for establishing staggered term limits which ensures that no individual serves more than 8 consecutive years on the governing board A managing entity that was originally formed primarily by substance abuse or mental health providers must present and demonstrate a detailed, consensus approach to expanding its provider network and governance to include both substance abuse and mental health providers.
- (c) A managing entity must submit a network management plan and budget in a form and manner determined by the department. The plan must detail the means for implementing the duties to be contracted to the managing entity and the efficiencies to be anticipated by the department as a result of executing the contract. The department may require modifications to the plan and must approve the plan before contracting with a managing entity. The department may contract with a managing entity that demonstrates readiness to assume core functions, and may continue to add functions and responsibilities to the managing entity's contract over time as additional competencies are developed as identified in paragraph (g). Notwithstanding other provisions of this section, the department may continue and

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expand managing entity contracts if the department determines that the managing entity meets the requirements specified in this section.

- (d) Notwithstanding paragraphs (b) and (c), a managing entity that is currently a fully integrated system providing mental health and substance abuse services, Medicaid, and child welfare services is permitted to continue operating under its current governance structure as long as the managing entity can demonstrate to the department that consumers, other stakeholders, and network providers are included in the planning process.
- (d) (e) Managing entities shall operate in a transparent manner, providing public access to information, notice of meetings, and opportunities for broad public participation in decisionmaking. The managing entity's network management plan must detail policies and procedures that ensure transparency.
- (e) (f) Before contracting with a managing entity, the department must perform an onsite readiness review of a managing entity to determine its operational capacity to satisfactorily perform the duties to be contracted.
- <u>(f)(g)</u> The department shall engage community stakeholders, including providers and managing entities under contract with the department, in the development of objective standards to measure the competencies of managing entities and their readiness to assume the responsibilities described in this section, and the outcomes to hold them accountable.
- (8) DEPARTMENT RESPONSIBILITIES.—With the introduction of managing entities to monitor department-contracted providers' day-to-day operations, the department and its regional and

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circuit offices will have increased ability to focus on broad systemic substance abuse and mental health issues. After the department enters into a managing entity contract in a geographic area, the regional and circuit offices of the department in that area shall direct their efforts primarily to monitoring the managing entity contract, including negotiation of system quality improvement goals each contract year, and review of the managing entity's plans to execute department strategic plans; carrying out statutorily mandated licensure functions; conducting community and regional substance abuse and mental health planning; communicating to the department the local needs assessed by the managing entity; preparing department strategic plans; coordinating with other state and local agencies; assisting the department in assessing local trends and issues and advising departmental headquarters on local priorities; and providing leadership in disaster planning and preparation.

- (8) (9) FUNDING FOR MANAGING ENTITIES.
- (a) A contract established between the department and a managing entity under this section shall be funded by general revenue, other applicable state funds, or applicable federal funding sources. A managing entity may carry forward documented unexpended state funds from one fiscal year to the next; however, the cumulative amount carried forward may not exceed 8 percent of the total contract. Any unexpended state funds in excess of that percentage must be returned to the department. The funds carried forward may not be used in a way that would create increased recurring future obligations or for any program or service that is not currently authorized under the existing

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contract with the department. Expenditures of funds carried forward must be separately reported to the department. Any unexpended funds that remain at the end of the contract period shall be returned to the department. Funds carried forward may be retained through contract renewals and new procurements as long as the same managing entity is retained by the department.

- (b) The method of payment for a fixed-price contract with a managing entity must provide for a 2-month advance payment at the beginning of each fiscal year and equal monthly payments thereafter.
- (10) REPORTING. Reports of the department's activities, progress, and needs in achieving the goal of contracting with managing entities in each circuit and region statewide must be submitted to the appropriate substantive and appropriations committees in the Senate and the House of Representatives on January 1 and July 1 of each year until the full transition to managing entities has been accomplished statewide.
- $\underline{(9)}$ (11) RULES.—The department $\underline{\text{may}}$ shall adopt rules to administer this section and, as necessary, to further specify requirements of managing entities.

Section 6. Section 397.402, Florida Statutes, is created to read:

397.402 Single, consolidated license.—No later than January
1, 2016, the department, in consultation with the Agency for
Health Care Administration, shall modify licensure rules and
procedures to create an option for a single, consolidated
license for a provider that offers multiple types of mental
health and substance abuse services regulated under this chapter
and chapter 394. Providers eligible for a consolidated license

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must operate these services through a single corporate entity and a unified management structure. Any provider serving both adults and children must meet department standards for separate facilities and other requirements necessary to ensure the safety of children and promote therapeutic efficacy. The department and the Agency for Health Care Administration shall recommend to the Governor, the President of the Senate, and the Speaker of the House of Representatives any revisions to the Florida Statutes needed to further implement the intent of this section by December 1, 2015.

Section 7. Present paragraphs (d) through (m) of subsection (2) of section 409.967, Florida Statutes, are redesignated as paragraphs (e) through (n), respectively, and a new paragraph (d) is added to that subsection, to read:

409.967 Managed care plan accountability.-

- (2) The agency shall establish such contract requirements as are necessary for the operation of the statewide managed care program. In addition to any other provisions the agency may deem necessary, the contract must require:
- (d) Quality care.—Managed care plans shall provide, or contract for the provision of, care coordination to facilitate the appropriate delivery of behavioral health care services in the least restrictive setting with treatment and recovery capabilities that address the needs of the patient. Services shall be provided in a manner that integrates behavioral health services and primary care. Plans shall be required to achieve specific behavioral health outcome standards, established by the agency in consultation with the Department of Children and Families.

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Section 8. Subsection (5) is added to section 409.973, Florida Statutes, to read:

409.973 Benefits.-

operating in the managed medical assistance program shall work with the managing entity in its service area to establish specific organizational supports and service protocols that enhance the integration and coordination of primary care and behavioral health services for Medicaid recipients. Progress in this initiative will be measured using the integration framework and core measures developed by the Agency for Healthcare Research and Quality.

Section 9. Paragraph (a) of subsection (1) of section 409.975, Florida Statutes, is amended to read:

409.975 Managed care plan accountability.—In addition to the requirements of s. 409.967, plans and providers participating in the managed medical assistance program shall comply with the requirements of this section.

- (1) PROVIDER NETWORKS.—Managed care plans must develop and maintain provider networks that meet the medical needs of their enrollees in accordance with standards established pursuant to s. 409.967(2)(c). Except as provided in this section, managed care plans may limit the providers in their networks based on credentials, quality indicators, and price.
- (a) Plans must include all providers in the region that are classified by the agency as essential Medicaid providers, unless the agency approves, in writing, an alternative arrangement for securing the types of services offered by the essential providers. Providers are essential for serving Medicaid

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enrollees if they offer services that are not available from any other provider within a reasonable access standard, or if they provided a substantial share of the total units of a particular service used by Medicaid patients within the region during the last 3 years and the combined capacity of other service providers in the region is insufficient to meet the total needs of the Medicaid patients. The agency may not classify physicians and other practitioners as essential providers. The agency, at a minimum, shall determine which providers in the following categories are essential Medicaid providers:

- 1. Federally qualified health centers.
- 2. Statutory teaching hospitals as defined in s. 408.07(45).
- 3. Hospitals that are trauma centers as defined in s. 395.4001(14).
- 4. Hospitals located at least 25 miles from any other hospital with similar services.
 - 5. Publicly funded behavioral health service providers.

Managed care plans that have not contracted with all essential providers in the region as of the first date of recipient enrollment, or with whom an essential provider has terminated its contract, must negotiate in good faith with such essential providers for 1 year or until an agreement is reached, whichever is first. Payments for services rendered by a nonparticipating essential provider shall be made at the applicable Medicaid rate as of the first day of the contract between the agency and the plan. A rate schedule for all essential providers shall be attached to the contract between the agency and the plan. After

586-03410-15 20157068c1 813 1 year, managed care plans that are unable to contract with 814 essential providers shall notify the agency and propose an 815 alternative arrangement for securing the essential services for 816 Medicaid enrollees. The arrangement must rely on contracts with 817 other participating providers, regardless of whether those 818 providers are located within the same region as the 819 nonparticipating essential service provider. If the alternative 820 arrangement is approved by the agency, payments to 821 nonparticipating essential providers after the date of the 822 agency's approval shall equal 90 percent of the applicable 823 Medicaid rate. If the alternative arrangement is not approved by 824 the agency, payment to nonparticipating essential providers 825 shall equal 110 percent of the applicable Medicaid rate. 826 Section 10. Section 394.4674, Florida Statutes, is 827 repealed. 828 Section 11. Section 394.4985, Florida Statutes, is 829 repealed. 830 Section 12. Section 394.657, Florida Statutes, is repealed. 831 Section 13. Section 394.745, Florida Statutes, is repealed. 832 Section 14. Section 397.331, Florida Statutes, is repealed. 833 Section 15. Section 397.333, Florida Statutes, is repealed. 834 Section 16. Section 397.801, Florida Statutes, is repealed. 835 Section 17. Section 397.811, Florida Statutes, is repealed. Section 18. Section 397.821, Florida Statutes, is repealed. 836 837 Section 19. Section 397.901, Florida Statutes, is repealed. 838 Section 20. Section 397.93, Florida Statutes, is repealed. 839 Section 21. Section 397.94, Florida Statutes, is repealed. 840 Section 22. Section 397.951, Florida Statutes, is repealed. 841 Section 23. Section 397.97, Florida Statutes, is repealed.

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Section 24. Subsection (15) of section 397.321, Florida Statutes, is amended to read:

- 397.321 Duties of the department.—The department shall:
- (15) Appoint a substance abuse impairment coordinator to represent the department in efforts initiated by the statewide substance abuse impairment prevention and treatment coordinator established in s. 397.801 and to assist the statewide coordinator in fulfilling the responsibilities of that position.
- Section 25. Subsection (1) of section 397.98, Florida Statutes, is amended to read:
- 397.98 Children's substance abuse services; utilization management.—
- (1) Utilization management shall be an integral part of each Children's Network of Care Demonstration Model as described under s. 397.97. The utilization management process shall include procedures for analyzing the allocation and use of resources by the purchasing agent. Such procedures shall include:
- (a) Monitoring the appropriateness of admissions to residential services or other levels of care as determined by the department.
 - (b) Monitoring the duration of care.
- (c) Developing profiles of network providers which describe their patterns of delivering care.
 - (d) Authorizing care for high-cost services.
- Section 26. Paragraph (e) of subsection (3) of section 409.966, Florida Statutes, is amended to read:
 - 409.966 Eligible plans; selection.-
 - (3) QUALITY SELECTION CRITERIA.-

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(e) To ensure managed care plan participation in Regions 1 and 2, the agency shall award an additional contract to each plan with a contract award in Region 1 or Region 2. Such contract shall be in any other region in which the plan submitted a responsive bid and negotiates a rate acceptable to the agency. If a plan that is awarded an additional contract pursuant to this paragraph is subject to penalties pursuant to s. 409.967(2)(i) s. 409.967(2)(h) for activities in Region 1 or Region 2, the additional contract is automatically terminated 180 days after the imposition of the penalties. The plan must reimburse the agency for the cost of enrollment changes and other transition activities.

Section 27. Paragraph (a) of subsection (5) of section 943.031, Florida Statutes, is amended to read:

943.031 Florida Violent Crime and Drug Control Council.-

- (5) DUTIES OF COUNCIL.—Subject to funding provided to the department by the Legislature, the council shall provide advice and make recommendations, as necessary, to the executive director of the department.
- (a) The council may advise the executive director on the feasibility of undertaking initiatives which include, but are not limited to, the following:
- 1. Establishing a program that provides grants to criminal justice agencies that develop and implement effective violent crime prevention and investigative programs and which provides grants to law enforcement agencies for the purpose of drug control, criminal gang, and illicit money laundering investigative efforts or task force efforts that are determined by the council to significantly contribute to achieving the

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state's goal of reducing drug-related crime, that represent significant criminal gang investigative efforts, that represent a significant illicit money laundering investigative effort, or that otherwise significantly support statewide strategies developed by the Statewide Drug Policy Advisory Council established under s. 397.333, subject to the limitations provided in this section. The grant program may include an innovations grant program to provide startup funding for new initiatives by local and state law enforcement agencies to combat violent crime or to implement drug control, criminal gang, or illicit money laundering investigative efforts or task force efforts by law enforcement agencies, including, but not limited to, initiatives such as:

- a. Providing enhanced community-oriented policing.
- b. Providing additional undercover officers and other investigative officers to assist with violent crime investigations in emergency situations.
- c. Providing funding for multiagency or statewide drug control, criminal gang, or illicit money laundering investigative efforts or task force efforts that cannot be reasonably funded completely by alternative sources and that significantly contribute to achieving the state's goal of reducing drug-related crime, that represent significant criminal gang investigative efforts, that represent a significant illicit money laundering investigative effort, or that otherwise significantly support statewide strategies developed by the Statewide Drug Policy Advisory Council established under s. 397.333.
 - 2. Expanding the use of automated biometric identification

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systems at the state and local levels.

- 3. Identifying methods to prevent violent crime.
- 4. Identifying methods to enhance multiagency or statewide drug control, criminal gang, or illicit money laundering investigative efforts or task force efforts that significantly contribute to achieving the state's goal of reducing drug-related crime, that represent significant criminal gang investigative efforts, that represent a significant illicit money laundering investigative effort, or that otherwise significantly support statewide strategies developed by the Statewide Drug Policy Advisory Council established under s. 397.333.
- 5. Enhancing criminal justice training programs that address violent crime, drug control, illicit money laundering investigative techniques, or efforts to control and eliminate criminal gangs.
- 6. Developing and promoting crime prevention services and educational programs that serve the public, including, but not limited to:
- a. Enhanced victim and witness counseling services that also provide crisis intervention, information referral, transportation, and emergency financial assistance.
- b. A well-publicized rewards program for the apprehension and conviction of criminals who perpetrate violent crimes.
- 7. Enhancing information sharing and assistance in the criminal justice community by expanding the use of community partnerships and community policing programs. Such expansion may include the use of civilian employees or volunteers to relieve law enforcement officers of clerical work in order to enable the

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officers to concentrate on street visibility within the community.

Section 28. Subsection (1) of section 943.042, Florida Statutes, is amended to read:

943.042 Violent Crime Investigative Emergency and Drug Control Strategy Implementation Account.—

- (1) There is created a Violent Crime Investigative
 Emergency and Drug Control Strategy Implementation Account
 within the Department of Law Enforcement Operating Trust Fund.
 The account shall be used to provide emergency supplemental
 funds to:
- (a) State and local law enforcement agencies that are involved in complex and lengthy violent crime investigations, or matching funding to multiagency or statewide drug control or illicit money laundering investigative efforts or task force efforts that significantly contribute to achieving the state's goal of reducing drug-related crime, that represent a significant illicit money laundering investigative effort, or that otherwise significantly support statewide strategies developed by the Statewide Drug Policy Advisory Council established under s. 397.333;
- (b) State and local law enforcement agencies that are involved in violent crime investigations which constitute a significant emergency within the state; or
- (c) Counties that demonstrate a significant hardship or an inability to cover extraordinary expenses associated with a violent crime trial.

Section 29. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a

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reference thereto, paragraph (a) of subsection (6) of section 39.407, Florida Statutes, is reenacted to read:

- 39.407 Medical, psychiatric, and psychological examination and treatment of child; physical, mental, or substance abuse examination of person with or requesting child custody.—
- (6) Children who are in the legal custody of the department may be placed by the department, without prior approval of the court, in a residential treatment center licensed under s. 394.875 or a hospital licensed under chapter 395 for residential mental health treatment only pursuant to this section or may be placed by the court in accordance with an order of involuntary examination or involuntary placement entered pursuant to s. 394.463 or s. 394.467. All children placed in a residential treatment program under this subsection must have a guardian ad litem appointed.
 - (a) As used in this subsection, the term:
- 1. "Residential treatment" means placement for observation, diagnosis, or treatment of an emotional disturbance in a residential treatment center licensed under s. 394.875 or a hospital licensed under chapter 395.
- 2. "Least restrictive alternative" means the treatment and conditions of treatment that, separately and in combination, are no more intrusive or restrictive of freedom than reasonably necessary to achieve a substantial therapeutic benefit or to protect the child or adolescent or others from physical injury.
- 3. "Suitable for residential treatment" or "suitability" means a determination concerning a child or adolescent with an emotional disturbance as defined in s. 394.492(5) or a serious emotional disturbance as defined in s. 394.492(6) that each of

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the following criteria is met:

- a. The child requires residential treatment.
- b. The child is in need of a residential treatment program and is expected to benefit from mental health treatment.
- c. An appropriate, less restrictive alternative to residential treatment is unavailable.

Section 30. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a reference thereto, subsection (21) of section 394.67, Florida Statutes, is reenacted to read:

- 394.67 Definitions.—As used in this part, the term:
- (21) "Residential treatment center for children and adolescents" means a 24-hour residential program, including a therapeutic group home, which provides mental health services to emotionally disturbed children or adolescents as defined in s. 394.492(5) or (6) and which is a private for-profit or not-for-profit corporation licensed by the agency which offers a variety of treatment modalities in a more restrictive setting.

Section 31. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a reference thereto, paragraph (b) of subsection (1) of section 394.674, Florida Statutes, is reenacted to read:

394.674 Eligibility for publicly funded substance abuse and mental health services; fee collection requirements.—

(1) To be eligible to receive substance abuse and mental health services funded by the department, an individual must be a member of at least one of the department's priority populations approved by the Legislature. The priority populations include:

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(b) For children's mental health services:

- 1. Children who are at risk of emotional disturbance as defined in s. 394.492(4).
- 2. Children who have an emotional disturbance as defined in s. 394.492(5).
- 3. Children who have a serious emotional disturbance as defined in s. 394.492(6).
- 4. Children diagnosed as having a co-occurring substance abuse and emotional disturbance or serious emotional disturbance.

Section 32. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a reference thereto, subsection (1) of section 394.676, Florida Statutes, is reenacted to read:

394.676 Indigent psychiatric medication program.-

(1) Within legislative appropriations, the department may establish the indigent psychiatric medication program to purchase psychiatric medications for persons as defined in s. 394.492(5) or (6) or pursuant to s. 394.674(1), who do not reside in a state mental health treatment facility or an inpatient unit.

Section 33. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a reference thereto, paragraph (c) of subsection (2) of section 409.1676, Florida Statutes, is reenacted to read:

409.1676 Comprehensive residential group care services to children who have extraordinary needs.—

- (2) As used in this section, the term:
- (c) "Serious behavioral problems" means behaviors of

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children who have been assessed by a licensed master's-level human-services professional to need at a minimum intensive services but who do not meet the criteria of s. 394.492(7). A child with an emotional disturbance as defined in s. 394.492(5) or (6) may be served in residential group care unless a determination is made by a mental health professional that such a setting is inappropriate. A child having a serious behavioral problem must have been determined in the assessment to have at least one of the following risk factors:

- 1. An adjudication of delinquency and be on conditional release status with the Department of Juvenile Justice.
- 2. A history of physical aggression or violent behavior toward self or others, animals, or property within the past year.
 - 3. A history of setting fires within the past year.
- 4. A history of multiple episodes of running away from home or placements within the past year.
 - 5. A history of sexual aggression toward other youth.

Section 34. For the purpose of incorporating the amendment made by this act to section 394.492, Florida Statutes, in a reference thereto, paragraph (b) of subsection (1) of section 409.1677, Florida Statutes, is reenacted to read:

409.1677 Model comprehensive residential services programs.—

- (1) As used in this section, the term:
- (b) "Serious behavioral problems" means behaviors of children who have been assessed by a licensed master's-level human-services professional to need at a minimum intensive services but who do not meet the criteria of s. 394.492(6) or

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(7). A child with an emotional disturbance as defined in s. 394.492(5) may be served in residential group care unless a determination is made by a mental health professional that such a setting is inappropriate.

Section 35. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2015.