

1 A bill to be entitled

2 An act relating to pay-for-success contracts; creating  
3 s. 287.05715, F.S.; defining terms; authorizing a  
4 state agency to negotiate and enter into a pay-for-  
5 success contract with a private entity, subject to  
6 authorization in the General Appropriations Act;  
7 requiring a state agency to take certain actions if  
8 participating in the program; prescribing requirements  
9 for a pay-for-success contract; requiring a contracted  
10 private entity to annually report to the appropriate  
11 state agency for the length of the contract;  
12 specifying an exclusion from competitive solicitation  
13 requirements; requiring the Department of Management  
14 Services to prescribe procedures by a specified date;  
15 authorizing the Department of Health to implement the  
16 Nurse-Family Partnership pay-for-success program;  
17 providing an appropriation; providing an effective  
18 date.

19  
20 WHEREAS, the Legislature finds that there are numerous  
21 prevention-focused social service programs and services for  
22 health care which can result in positive impacts and outcomes  
23 for individuals and families that use government resources more  
24 efficiently, and

25 WHEREAS, because government resources are limited, the

26 | state is often unable to fund these critical programs or  
 27 | services, and

28 |       WHEREAS, new and innovative financing models, like pay-for-  
 29 | success initiatives, are emerging throughout the country which  
 30 | authorize nongovernmental entities to invest their funds to  
 31 | provide support for these programs and services, and

32 |       WHEREAS, such financing models enable governmental entities  
 33 | to shift away from a traditional model of paying service  
 34 | providers for a defined quantity of services to a model where  
 35 | governmental entities only pay upon the successful achievement  
 36 | of agreed-upon outcomes, and

37 |       WHEREAS, the Legislature further finds that the  
 38 | establishment of a pay-for-success contract program will foster  
 39 | partnerships between the public, private, and philanthropic  
 40 | sectors while also emphasizing accountability in the rendering  
 41 | of services and encouraging the use of sophisticated program  
 42 | evaluations, NOW, THEREFORE,

43 |  
 44 | Be It Enacted by the Legislature of the State of Florida:

45 |  
 46 |       Section 1. Section 287.05715, Florida Statutes, is created  
 47 | to read:

48 |       287.05715 Pay-for-success contracts.-

49 |       (1) As used in this section, the term:

50 |       (a) "Pay-for-success contract" or "contract" means a

51 contract between a state agency and a private entity to fund a  
52 program, as specified in the General Appropriations Act, to  
53 address a critical public problem with historically poor  
54 outcomes.

55 (b) "Private entity" means a private, not-for-profit  
56 organization, or a subsidiary or an affiliate thereof, exempt  
57 from federal income taxation pursuant to s. 501(c)(3) of the  
58 Internal Revenue Code of 1986 which enters into a pay-for-  
59 success contract with a state agency and subcontracts with one  
60 or more entities to provide the actual services.

61 (c) "Success payment" means the amount paid to a private  
62 entity when performance outcome measures established in the pay-  
63 for-success contract are met, or as otherwise set forth in the  
64 pay-for-success contract.

65 (2) Contingent upon authorization in the General  
66 Appropriations Act, a state agency may negotiate and enter into  
67 a pay-for-success contract with a private entity. The contract  
68 may be initiated in 1 fiscal year, may continue into subsequent  
69 fiscal years, and may be paid from appropriations authorized in  
70 any of those fiscal years. The state agency shall:

71 (a) Determine performance outcome measures to be included  
72 in the contract in consultation with the private entity and  
73 provider.

74 (b) Determine the data to be included in an annual report  
75 filed by a private entity pursuant to subsection (4).

76 (c) Select an independent, nationally recognized evaluator  
77 through competitive solicitation procedures to evaluate the  
78 performance outcome measures specified in the contract.

79 (d) Ensure that subcontractors share participant data and  
80 sign an acknowledgment that the data may be shared with an  
81 independent evaluator for research and evaluation purposes, and  
82 maintain documentation of the required acknowledgements.

83 (3) A pay-for-success contract must meet all of the  
84 following requirements:

85 (a) Be limited to programs specified in the General  
86 Appropriations Act.

87 (b) Require the private entity to underwrite or secure  
88 upfront capital from private funders, such as foundations,  
89 banks, businesses, or individuals to fund the services provided  
90 under the subcontracts.

91 (c) Require an independent evaluator to determine whether  
92 the specified performance outcomes have been achieved.

93 (d) Require a success payment, consistent with the General  
94 Appropriations Act, if the specified performance outcome  
95 measures are achieved.

96 (e) Prohibit the private entity from receiving or viewing  
97 any personally identifiable participant information.

98 (4) The private entity shall annually report to the state  
99 agency for the duration of the contract term.

100 (5) Funding obtained for a program under this section is

101 not considered a procurement item under s. 287.057.

102 (6) By December 1, 2017, the department shall prescribe  
103 procedures to be used by state agencies in connection with pay-  
104 for-success contracts which are consistent with this section.

105 Section 2. Contingent upon authorization in the General  
106 Appropriations Act, the Department of Health is authorized to  
107 implement the Nurse-Family Partnership pay-for-success contract  
108 as an evidence-based practice model or provider. All subsequent  
109 models or providers funded under this program are subject to the  
110 same requirements provided under s. 287.05715, Florida Statutes,  
111 as created by this act.

112 Section 3. For the 2017-2018 fiscal year, the nonrecurring  
113 sum of \$850,000 is appropriated from the General Revenue Fund to  
114 the Department of Health to support existing infrastructure and  
115 implementation of the Nurse-Family Partnership model in  
116 designated healthy start coalitions and federally qualified  
117 health centers as provided in Specific Appropriation 467 of the  
118 2016-2017 General Appropriations Act in preparation for  
119 participation in the pay-for-success contract program  
120 established under s. 287.05715, Florida Statutes, as created by  
121 this act.

122 Section 4. This act shall take effect July 1, 2017.