

Council Substitute for House Bill No. 1429

An act relating to mental health and substance abuse services; amending s. 394.9082, F.S.; providing legislative findings and intent; establishing goals; specifying roles and responsibilities of the Department of Children and Family Services; creating community-based systems of care; authorizing the implementation of managing entities by the Department of Children and Family Services; establishing a process for contracting with managing entities; specifying qualifying criteria for managing entities; specifying responsibilities of managing entities; specifying responsibilities of the department; providing for evaluations and reports; providing for a monitoring process; providing an effective date.

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

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

(Substantial rewording of section. See s. 394.9082, F.S., for present text.)

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 it has made a substantial long-term investment in the funding of the community-based behavioral health prevention and treatment service systems and facilities 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 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 management structure that places the responsibility for publicly financed behavioral health treatment and prevention services within a single private, nonprofit entity at the local level will 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?

(c) “Geographic area” means a county, circuit, regional, or multiregional area in this state.

(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 Service, and is under contract to the department to manage the day-to-day operational delivery of behavioral health services 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) SERVICE DELIVERY STRATEGIES.—The department may work through managing entities to develop service delivery strategies that will improve the coordination, integration, and management of the delivery of behavioral health services to people who have mental or substance use disorders. 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.

(4) CONTRACT FOR SERVICES.—

(a) The department may contract for the purchase and management of behavioral health services with community-based managing entities. 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 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, provider-monitoring activities shall be assigned to the managing entity.

(c) Contracting and payment mechanisms for services must promote clinical and financial flexibility and responsiveness and must allow different categorical funds to be integrated at the point of service. The contracted service array must be determined by using public input, needs assessment, and 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.

(5) GOALS.—The goal of the service delivery strategies is to 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 a local system of behavioral health care services to meet performance outcomes and standards through the use of reliable and timely data.

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

(c) 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) Improving the assessment of local needs for behavioral health services.

(f) 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 between behavioral health 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 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.

(l) 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 co-occurring 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) 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, community mental health agencies, substance abuse treatment providers, and best-practice consumer services providers.

(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.

(c) The managing entity shall ensure that its provider network is broadly conceived. All mental health or substance abuse treatment providers currently under contract with the department shall be offered a contract by the managing entity.

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

1. Financial 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. Operational plans to implement objectives of the department's strategic plan.
6. Contract compliance.
7. Performance management.
8. Collaboration with community stakeholders, including local government.
9. System of care through network development.
10. Consumer care coordination.
11. Continuous quality improvement.
12. Timely access to appropriate services.
13. Cost-effectiveness and system improvements.
14. Assistance in the development of the department's strategic plan.
15. Participation in community, circuit, regional, and state planning.
16. Resource management and maximization, including pursuit of third-party payments and grant applications.
17. Incentives for providers to improve quality and access;
18. Liaison with consumers.
19. Community needs assessment.
20. Securing local matching funds.

(e) The managing entity shall ensure that written cooperative agreements are developed and implemented among the 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 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, 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 standards and a process for the qualification and operation of managing entities which are based, in part, on the following criteria:

(a) A managing entity's 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.

(b) 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 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.

(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.

(f) Before contracting with a managing entity, the department must perform an on-site readiness review of a managing entity to determine its operational capacity to satisfactorily perform the duties to be contracted.

(g) 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 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.

(9) 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 Repre-

sentatives on January 1 and July 1 of each year until the full transition to managing entities has been accomplished statewide.

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

Section 2. This act shall take effect July 1, 2008.

Approved by the Governor June 30, 2008.

Filed in Office Secretary of State June 30, 2008.