SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: November 24, 1997 Revised: 01/07/98

Subject: Child and Adolescent Mental Health Services

	Analyst	Staff Director	Reference	Action
1.	Barnes	Whiddon	CF	Favorable/CS
2.			WM	
3.				
4.				
5.				

I. Summary:

Committee Substitute for SB 236 includes the following provisions: 1) statutory additions to ch. 394, F.S., for comprehensive child and adolescent mental health services to be implemented statewide, and 2) the establishment of demonstration models to pilot locally organized systems of care for children and adolescents with serious emotional disturbances who have complex service needs.

The statutory revisions to ch. 394, F.S., include the following provisions:

- Guiding principles for the child and adolescent mental health system,
- Target populations for child and adolescents mental health services funded through the department,
- General performance outcomes for the child and adolescent mental health system,
- Programs and services in the child and adolescent mental health system of care,
- Service planning, and
- Case management services.

The demonstration models would bring together local public and private agencies through a written interagency partnership agreement to provide mental health treatment services to the children and adolescents who have serious emotional disturbances and multiple and complex service needs. These models would pool funds and use a care management system for the purchasing and management of the treatment services. These models would enhance the delivery of mental health services by uniting local purchasers to work toward the same service goals for the defined population; assuring greater involvement of the family in service planning, the treatment process, and statewide system planning; and increasing accountability by designating the

case manager as responsible for the development and implementation of a single unified service plan.

The demonstrations models would operate for three years. Each distinct model would be identified and evaluated by the Louis de la Parte Florida Mental Health Institute with a report submitted to the Legislature by December 31, 2001. Based upon the findings and conclusions of the evaluation, the financial strategies and best practice models that are proven effective would be implemented statewide.

Each service district must develop a plan for a district-wide child and adolescent mental health information and referral network to be operational by July 1, 1999. The plan must be submitted by the department to the Legislature by October 1, 1998.

This bill substantially creates sections 394.490, 394.491, 394.492, 394.493, 394.494, 394.495, 394.496, 394.497; and repeals sections 394.50, 394.56, 394.57, 394.58, 394.59, 394.60, 394.61, and 394.62, Florida Statutes.

II. Present Situation:

The Current System

Chapter 394, F.S., provides the authority for the Department of Children and Family Services to provide mental health services to children and adolescents and includes provisions for voluntary and involuntary admission, rights of patients, district planning, and contracting with community-based mental health providers. Part III of ch. 394, F.S., Children's Residential and Day Treatment Centers, is not applicable to the current system of care because it includes provisions such as admission and discharge procedures that were followed when children and adolescents were admitted to the state mental health hospitals. The admission of children was discontinued by the department in 1985, and the admission of adolescents was discontinued in 1991. It is departmental policy to serve children in their own home or in a home-like community-based program rather than in a restrictive residential program unless the clinical needs of the child require a more restrictive and secure setting. There are no requirements in ch. 394, F.S., for the department to provide information and referral services.

Child and adolescent mental health services in Florida are administered by the Alcohol, Drug Abuse and Mental Health (ADM) Program Office and 15 district ADM offices within the department. The FY 1996-97 ADM budget for child and adolescent mental health services was approximately $74 million. In addition to state dollars, Medicaid currently funds about two-thirds [$125.4 million estimated for FY 1996-97] of the mental health services for children. Medicaid is a federal/state health insurance entitlement program which provides payment for certain mental health services to approved providers for enrolled eligible children and adolescents. The Agency for Health Care Administration administers the Medicaid program.

Child and adolescent mental health services are delivered by both private-for-profit and private nonprofit service providers either under contract or under rate agreements with the district ADM office. Some additional services are delivered by providers who operate on a fee-for-services basis. Local governments provide matching funds for a portion of the budget. The ADM district program offices are responsible for negotiating contracts (primarily performance-based) and purchase-of-service agreements with mental health centers and private mental health professionals such as psychiatrists, psychologists and clinical social workers. In general, the community mental health centers are the primary service providers.

Although each district provides a broad array of services, the availability of services and who gets services varies across districts. Currently, the system serves a broad population of children and adolescents with mental health problems. The lack of specific parameters to define who needs and who gets services as well as limited funding has created a system where the demand for services is much greater than the supply of services to meet the need. Based on needs assessment information, the department estimates that 35 percent of the children with mental health problems [56,979 out of 159,916] are receiving needed services.

The Department of Juvenile Justice ($8.7 million in FY 1996-97) spends funds on mental health evaluation and treatment services for juveniles in detention and commitment programs as well as residential long-term therapeutic programs provided by Eckerd Family Youth Alternative, Inc. Federal education funds ($130.3 million for FY 1995-96) are utilized by local education programs to implement the student's individual education plan and are spent for instruction, specialized materials, consultation, counseling or other essential services related to student learning.

Funding Constraints

The department estimates that approximately 3 to 5 percent of Florida's children and adolescents with emotional disturbances need very extensive, complex, and expensive treatment services. The traditional approach to funding categories of services does not always procure the treatment and support services needed by this difficult population. Florida's state agencies are required under s. 216.181, F.S., to spend general revenue and trust funds appropriated by the Legislature for only those services specified in budget entities appropriations categories. Based on these legislative appropriation categories, state agencies develop reimbursement categories and other codes under which contractual service providers may be reimbursed. Services cannot usually be provided for which there is no cost center or reimbursement category in either ADM or Medicaid. There is little funding flexibility in the purchase of services approach.

Assessment and Case Management Services

Comprehensive mental health assessments are currently being conducted for most of the children and adolescents who receive publicly funded mental health services. The Medicaid program reports that when it is medically necessary, case management services are provided to children and adolescents receiving mental health services under the Medicaid program. It has been reported that duplication in case management services exists in the publicly funded mental health

systems. Chapter 10E-15.031, F.A.C., specifies the priority clients in the ADM system for which case management services are required.

III. Effect of Proposed Changes:

SECTIONS 1-8 (APPLY STATEWIDE)

The bill creates ss. 394.490-394.497, F.S., and cites it as the "Comprehensive Child and Adolescent Mental Health Services Act."

Guiding Principles

Section 394.491, F.S., delineates the guiding principles for the publicly funded child and adolescent mental health treatment and support system. These principles would enhance the child and adolescent mental health system by placing greater emphasis on such things as: individualized needs and strengths of the child or adolescent and his family; involvement of the families or surrogate families in planning, selecting, and delivering services; provision of services in the least restrictive setting based on the clinical needs of the child or adolescent; integrating and linking treatment services with schools, residential child-caring agencies, and other child-related agencies; and assuring a smooth transition to the adult mental health system for age-appropriate services.

Target Population Groups

Section 394.493, F.S., delineates the four target population groups for child and adolescent mental health services funded through the department. The bill specifies that children and adolescents who reside with their parents or legal guardians or who are placed in state custody are served to the extent that resources are available.

The bill requires that the mental health providers under contract with the department collect fees from the parents or legal guardians. The fees would be collected from families whose net family income is between 100 percent and 200 percent of the Federal Poverty Income Guidelines and the amount collected would be determined by a sliding fee scale developed by the department in administrative rule. Families whose net family income is 200 percent or more above the Federal Poverty Income Guidelines would be responsible for paying the cost of services.

The target population groups are consistent with the population groups defined by the Senate for performance-based budgeting except that the bill separates children and adolescents who are experiencing an acute mental or emotional crisis from those with a serious emotional disturbance.

Performance Outcomes

The bill creates s. 394.494, F.S., which describes the general performance outcomes for the children's mental health system. It delineates four broad performance expectations for the system that would be further defined in the department's annual performance outcomes and performance

measures. The performance expectations include stabilization or improvement of the child's or adolescent's emotional condition or behavior as evidenced by resolving the presenting problems and symptoms recorded in the initial assessment; improving his functioning in the family and in school with minimum appropriate supports; and avoiding behaviors that may be attributable to the emotional disturbance, such as substance abuse, unintended pregnancy, delinquency, sexually transmitted disease and other negative consequences.

One of the performance outcomes, resolving the presenting problem and symptoms of the serious emotional disturbance recorded in the initial assessment, that is proposed in s. 394.494(1)(a), F.S., is not in the department's current performance outcomes and measures required under s. 216.0166, F.S. The department does not collect statewide client data to determine the achievement of this outcome.

System of Care

The bill creates s. 394.495, F.S., directing the department to establish within available resources the array of services to meet the individualized service and treatment needs of the children, adolescents and their families who are included in the target populations as specified in s. 394.493, F.S. State mental health facilities may not be included within the array of services because the Legislature does not intend for children and adolescents to be admitted to those facilities.

The bill requires that assessment services are based on the individual clinical needs of each child or adolescent and include but are not limited to the following areas: physical and mental health, psychological functioning, intelligence and academic achievement, social and behavioral functioning, and family functioning. The bill states that the department must work with other state agencies and the local school district to avoid duplicating assessment services. The bill specifies the professionals who may perform assessments and directs the department to develop by rule statewide standards for mental health assessments based on current relevant professional and accreditation standards.

The department reports that most children and adolescents in the ADM system receive assessments but these assessments are poorly coordinated and do not provide information that is necessary for individualized service plans. Better coordination and management of the ADM resources spent for assessment services is needed.

The remaining array of services that may be provided to the target population groups include: prevention services, home-based services, school-based services, family therapy, family support, respite services, outpatient treatment, day treatment, crisis stabilization, therapeutic foster care, residential treatment, inpatient hospitalization, case management, child sex offender victim services, and transitional services.

Service Planning

The bill creates s. 394.497, F.S., which specifies requirements for service planning. The service planning process must focus on individualized treatment and service needs of the child or adolescent, concentrate on the service needs of the family and individual family members, enhance family independence by building on the strengths and assets of the family, and involve appropriate family members and pertinent community-based health, education, and social agencies in the service planning process. The bill specifies principles of the service planning process such as using all available resources in the community, particularly informal support services, to assist in carrying out the goals of the service plan. The bill specifies the major elements of a services plan, specifies that a mental health professional must be included among those persons developing the service plan, and directs the department to adopt by rule criteria for determining when a service plan is developed for a child or adolescent receiving mental health services under ss. 394.490-394.497, F.S.

Service or treatment plans are currently prepared for the majority of clients served in the public mental health system. Medicaid policy requires treatment or service plans for each eligible child and adolescent served under the Medicaid program. It is departmental policy that all children and adolescents served by the ADM system have a service or treatment plan.

Case Management Services

The bill specifies that case management services relate to the development and implementation of a services plan, provide advocacy, link service providers to the client and his family, monitor the delivery of services, and collect information to determine the effectiveness of services. The department is directed to develop by rule criteria that define the target population groups to be assigned a case manager. The department must develop standards for case management services and procedures for appointing case managers. The bill establishes legislative intent specifying that case management service not be duplicated or fragmented but must promote continuity and stability of a case manager.

The Medicaid program currently reimburses for case management services when medically necessary. The department is analyzing ADM client data to estimate the percentage of children and adolescents in the ADM system who need case management services but these services are not available.

SECTION 9 (APPLICABLE TO GEOGRAPHIC AREAS MEETING THE CRITERIA FOR DESIGNATION AS A DEMONSTRATION MODEL)

The bill creates child and adolescent interagency system of care demonstration models for children and adolescents who have serious emotional disturbances and their families. In addition to having a serious emotional disturbance as defined in s. 394.492(6), F.S., these children and adolescents must have had multiple out-of-home placements, their monthly mental health treatment costs exceed $3,000 per month, and the current case planning efforts and traditional services have not resulted in satisfactory outcomes. The models would operate for three years and would be established within existing funds. Each distinct model would be evaluated and based upon the

findings and conclusions of the evaluation, the financial strategies and best practice models proven to be effective would be implemented throughout Florida.

In order to be a demonstration model, at least three agencies (Mental Health Program and Family Safety and Preservation Program of the Department of Children and Family Services, Medicaid program of the Agency for Health Care Administration, local school district, or the Department of Juvenile Justice) and other interested public or private entities must enter into a partnership agreement to provide a locally organized system of care for children and adolescents who meet the criteria.

The bill specifies the essential elements for a child and adolescent interagency system of care demonstration model. These elements include requirements such as: establishing a pooled funding plan that allocates proportionate costs to the purchasers; identifying a care management entity that is responsible for the organization, planning, purchasing, and management of mental health treatment services to the target population; measuring the goals of the demonstration models, qualitative and quantitative performance outcomes; training staff involved in all aspects of the project; and identifying and managing the basic provider network responsible for serving the target population.

The care management entity is defined as assuming responsibility for the organization, planning, purchasing, and management of mental health treatment services to the target population in the demonstration model but may not provide direct services to the target population. The bill states that in one demonstration model, the local consortium of purchasers may contract directly with a network of service providers rather than use a care management entity. These providers could use prospective payment mechanisms through which they would accept financial risk for the production of outcomes for the target population.

The demonstration models would enhance the delivery of mental health services by uniting local purchasers to work toward the same service goals for the defined population; assuring greater involvement of the family in service planning, in the treatment process, and statewide system planning; strengthening the network of providers by including natural community supports in the treatment process; blending all funds into a single pool; and increasing accountability by making the case manager the single point of accountability for the development and implementation of a single unified service plan.

The bill requires that the Louis de la Parte Florida Mental Health Institute identify and evaluate each distinct demonstration model and submit a report to the Legislature by December 31, 2001, that includes findings and conclusions for each distinct model and recommendations for statewide implementation. The bill states that financial strategies and best-practice models proven effective shall be implemented statewide.

Section 10

The bill directs each service district of the department to develop an implementation plan for establishing a district-wide comprehensive child and adolescent mental health information and referral network to be operational by July 1, 1999. The plan must be submitted by the department to the Legislature by October 1, 1998. The network must use existing district information and referral providers if, in the development of the plan, it is concluded that existing providers would deliver information and referral services in a more efficient and effective manner when compared to other alternatives. The bill requires that the network include a resource file of services and specifies minimal information that must be included in the file. Information must be available in the information and referral network for families or adolescents who want to directly contact providers and professionals in the community that serve children and adolescents who have an emotional disturbance. The bill specifies minimal information that must be maintained by the information and referral network. The district network must have the ability to share client information with the appropriate community agencies. The bill includes elements that must be considered by the service district in the development of the network.

Section 11

The bill repeals ss. 394.50, 394.56, 394.57, 394.58, 394.59, 394.60, 394.61, 394.62, F.S.

Section 12

The bill becomes effective on July 1, 1998.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

There is no fiscal impact on the public sector. This bill should result in improved outcomes for the children and adolescents with a serious emotional disturbance and complex service needs served by the demonstration models with no increase in public funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The provisions of this bill reflect the recommendations made in the interim project report, *Comprehensive Children's Mental Health Services*. This interim project was assigned by the Senate President to the Senate Committees on Children, Families, and Seniors and Ways and Means. The interim project report concluded that because the current provisions in part III, ch. 394, F.S., address the admission of children and adolescents to state mental health hospitals, those sections should be repealed and basic statutory provisions should be added defining and authorizing a child and adolescent treatment and support system financed with public mental health funds. Because strict reimbursement categories do not allow flexible funding for children and adolescents who have complex treatment and support needs, demonstration models were recommended to pilot a locally organized system of care using an integrated blending of state, federal, and local funds with a local multi agency (state and county) consortium as the governance authority. The consortium would be responsible for designing a well-defined care management system and network of experienced mental health providers for achieving delineated client outcomes. Each distinct demonstration model would be evaluated to determine the feasibility of statewide implementation with clients who have difficult needs as well as with clients who have less complex service needs.

VIII. Amendments:

None.