

STORAGE NAME: h2331.cf

DATE: April 10, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Children & Families
ANALYSIS**

BILL #: HB 2331 (formerly PCB CF 00-07A)

RELATING TO: Substance Abuse Services

SPONSOR(S): Committee on Children & Families and Representative Murman

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Children & Families YEAS 8 NAYS 0
 - (2)
 - (3)
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I. SUMMARY:

The bill provides incentives for substance abuse providers to increase the quality and effectiveness of their programs. The bill directs the Department of Children and Families (DCF) to develop a two-tiered quality rating system for substance abuse treatment programs. The designation, called the "Gold Seal Quality Substance Abuse Treatment Program," will allow a substance abuse service provider under contract with and licensed by the department to earn incentives related to contract rates and payment of licensure fees. Programs that meet the following criteria would earn the Gold Seal Quality Substance Abuse Treatment Program designation for one year from the department.

Criteria for Goal Seal Quality Substance Abuse Treatment Program:

- The program must provide proof of accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Health Care Organizations (JCAHCO), or through any other nationally recognized certification process recognized by the DCF.
- The program must achieve designated performance criteria regarding recidivism and relapse, as set by the Legislature pursuant to s. 216.0166, F.S.
- The program must meet all licensing requirements and standards pursuant to s. 397.403, F.S. and department rules.

A Gold Seal Quality Substance Abuse Treatment Program qualifies for an enhanced contract payment rate for substance abuse services provided to individuals who are eligible and the department must also waive the annual licensure fees normally charged to those programs.

If Gold Seal programs are exempted from paying licensure fees, DCF projects a maximum reduction in revenue of approximately \$232,542 (providing all state-funded providers are Gold Seal designated). The department has \$150 million of contracts with approximately 160 service providers for substance abuse treatment. The impact of this bill would increase the dollar amount of contracts with programs that meet the Gold Seal designation.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Substance abuse providers under contract with the department are reimbursed for services rendered on the basis of model rates which have been established in the Florida Department of Children and Families "Guide to Performance Contracting for Alcohol, Drug Abuse and Mental Health Services." There are no provisions in statute or administrative rule and no criteria in the guide that would allow the department to reimburse providers at an enhanced rate.

Contract providers must also be licensed under ch. 397, F.S., to provide substance abuse services. Such providers are required to pay a licensure fee as provided for in s. 397.407, F.S. The amount of fees is established in rule and the fees are paid annually. The payment or nonpayment of licensure fees is not currently linked to the provider's level of performance.

C. EFFECT OF PROPOSED CHANGES:

The bill provides incentives for substance abuse treatment programs to achieve better quality and effectiveness. Programs that achieve the Gold Seal Quality Substance Abuse Treatment Program designation qualify for an enhanced payment rate for substance abuse services provided to individuals who are eligible and the department must waive the annual licensure fees normally charged to those programs.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 Creates s. 397.482, F.S., to establish the Gold Seal Quality Substance Abuse Treatment Program.

Requires DCF to establish a two-tiered quality rating for substance abuse treatment programs. Programs that meet the following criteria would earn the Gold Seal Quality Substance Abuse Treatment Program designation for one year from the department.

Criteria for Goal Seal Quality Substance Abuse Treatment Program:

- The program must provide proof of accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Health Care Organizations (JCAHCO), or through any other nationally recognized certification process recognized by the DCF.
- The program must achieve designated performance criteria regarding recidivism and relapse, as set by the Legislature pursuant to s. 216.0166, F.S.
- The program must meet all licensing requirements and standards pursuant to s. 397.403, F.S. and department rules.

A Gold Seal Quality Substance Abuse Treatment Program qualifies for an enhanced payment rate for substance abuse services provided to individuals who are eligible and the department must waive the annual licensure fees normally charged to those programs.

Section 2. Provides that, if passed by the Legislature and approved by the Governor, the bill shall take effect on July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

If Gold Seal programs are exempted from paying licensure fees, DCF projects a maximum reduction in revenue of approximately \$232,542 (providing all state-funded providers are Gold Seal designated).

2. Expenditures:

The department has \$150 million of contracts with approximately 160 service providers for substance abuse treatment. The impact of this bill would increase the dollar amount of contracts with programs that meet the Gold Seal designation.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Gold Seal providers would be reimbursed at an enhance rate and licensure fees would be waived.

D. FISCAL COMMENTS:

The fiscal impact of the bill would depend on the enhanced rate and the number of providers that qualified.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

The bill provides authority for the Department of Children and Families to develop rules for the Goal Seal Quality Substance Abuse Treatment Program.

C. OTHER COMMENTS:

One of the recommendations that was generated at the **Florida Statewide Drug Control Summit 2000** was to institute a "gold seal" system requiring professional credentials and recognizing accredited programs.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Two amendments were adopted unanimously.

Amendment 1, replaced lines 14-23 on page 2, regarding performance criteria, with the requirement that a Gold Seal program must exceed state performance criteria by 10 percent, and must have been licensed for at least five consecutive years.

Amendment 2, replaced lines 19-20 on page 3, regarding rule authority, to require the department to rescind the Gold Seal designation if a provider fails to meet standards delineated in licensure rules.

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VII. SIGNATURES:

COMMITTEE ON Children & Families:

Prepared by:

Staff Director:

Bob Barrios

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