SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/CS/SB1258

SPONSOR: Health, Aging and Long-Term Care Committee, Children and Families Committee and Senator Mitchell

SUBJECT: Behavioral Health Services

DATE: April 10, 2001 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barnes	Whiddon	CF	Favorable/CS
2.	Liem	Wilson	HC	Favorable/CS
3.	Peters	Belcher	AHS	Fav/1 amendment
4.			AP	Withdrawn: Fav/1 am.
5.				
6.				

I. Summary:

The Committee Substitute for Committee Substitute for Senate Bill 1258 creates two service delivery strategies to allow the Department of Children and Family Services (department) and the Agency for Health Care Administration (agency) to contract with the same managing entity in each of two geographic locations to design and develop a complementary system of mental health and substance abuse (behavioral health) care for persons with emotional, mental, or addictive disorders. One service delivery strategy permits the department to contract with one of the two Medicaid prepaid mental health plans. The second strategy requires the department and the agency to competitively procure the management services of a single entity that will be accountable for behavioral health services for children, adolescents, and adults that are funded under the Medicaid program and under the department. It is the goal of both strategies to improve quality of care, access to treatment, continuity of care, and to contain costs.

The bill directs the department to contract with an independent entity to conduct a formative evaluation of each strategy identifying the most effective methods and techniques used to manage, integrate, and deliver behavioral health services and to report every 12 months to the department, agency, Office of the Governor, and Legislature on the status of the service delivery strategies. If the Executive Office of the Governor makes no recommendation to the Legislature to implement the service delivery strategies in other areas after 3 years of operation, the strategies are terminated and the Governor's Office is to submit a report to the Legislature that explains the reasons for their termination.

CS/CS/SB 1258 establishes a Behavioral Health Services Integration Workgroup to assess barriers to the effective and efficient integration of mental health and substance abuse services across various systems and to propose solutions. The Workgroup is comprised of representatives of state agencies with an involvement in behavioral health care services and local stakeholders

such as county jails, homeless coalitions, service providers, Baker Act receiving facilities, and consumers and their families. The Workgroup must submit a report to the Governor and the Legislature by January 1, 2002, regarding their progress toward achieving their statutory purpose.

The bill authorizes the department, in consultation with the agency, to implement children's behavioral crisis unit demonstration models. The demonstration models will provide integrated emergency mental health and substance abuse services to persons under the age of 18 at facilities licensed as children's crisis stabilization units. Children served in the demonstration programs will have access in one facility to both mental health and substance abuse services, based on their individual needs.

The bill provides legislative intent for mental health and substance abuse providers under contract with the department to deliver quality treatment services consistent with best practice standards as recognized by national accreditation organizations. The Legislature intends for state agencies responsible for the licensure and monitoring of these contracted service providers to perform in the most cost efficient and effective manner with limited duplication and disruption to the service organizations.

The bill requires that accreditation be accepted by the department and the agency to replace licensure onsite review requirements and be accepted as a substitute for the department's administrative and program monitoring requirements. The department and the agency may adopt rules for additional monitoring and licensing standards when the accreditation standards and processes do not cover a specific and distinct requirement. The rules may also address onsite monitoring for non-residential and residential facilities by the department and the agency during the months between accreditation surveys to assure compliance with critical standards.

The bill substantially amends ss. 394.66, 394.90, 397.411 and 397.403, F.S.; and creates ss. 394.499 and 394.741, F.S., and 3 undesignated sections of law.

II. Present Situation:

Florida's public mental health and substance abuse (behavioral health) systems are funded primarily through legislative appropriations (general revenue and federal trust funds) to the Department of Children and Family Services (department). The FY 1999-2000 legislative appropriation to the department for mental health and substance abuse services was approximately $462 million. In addition, Medicaid, a federal/state health insurance entitlement program administered by the Agency for Health Care Administration (agency), provides payment for certain mental health and substance abuse services to approved providers for enrolled eligible children, adolescents, and adults. The agency reports that Medicaid expenditures for community mental health and substance abuse services for FY 1999-2000 was approximately $230 million.

Community-based mental health and substance abuse services are administered by the Mental Health Program Office, the Substance Abuse Program Office and 15 district offices within the department. Services are delivered by private nonprofit service providers under contract with each district mental health and substance abuse office. Local governments provide matching

funds for a portion of the budget. The department contracts with 280 private for-profit and not-for-profit providers (mental health centers, substance abuse treatment and prevention centers, public and private psychiatric hospitals, and private mental health professionals) that deliver a variety of services. The department currently uses a fee-for-service method of payment to its contract service providers.

Medicaid reimburses for behavioral health services through a variety of mechanisms. Fee-for-service is a process by which providers bill Medicaid for eligible services provided to Medicaid recipients. To bill for community mental health services, providers must either have a contract or a rate agreement with the mental health program in the department's district office. Medicaid pays a fixed rate for the particular service that is provided. Medicaid has also begun to implement managed care strategies, using prospective payments for behavioral health services.

The agency obtained a 1915B waiver from the federal Health Care Financing Administration that has allowed it to implement a capitated financing strategy in Districts 6 and 14 as a demonstration project that puts managed care entities at risk for the provision of mental health services of Medicaid recipients. In this demonstration site, Medicaid recipients who select Medicaid's MediPass program for the delivery of their health care services have their mental health and substance abuse needs provided for through a prepaid mental health plan. Providers within that plan are paid a per member per month capitated rate based on the age and eligibility category for the enrollees assigned to their geographic area. For that fee, providers must provide for all of the enrollee's mental health services, with the exception of medications, which are still reimbursed on a fee-for-service basis. The prepaid plan will soon be operational in District 1 pursuant to ch. 2000-277, L.O. F., and substance abuse services are being added to the benefit structure in these capitated plans effective January 1, 2001. The prepaid mental health plan has been evaluated by the Louis de la Parte Florida Mental Health Institute and based on their May 2000 report, the cost containment objectives of the plan have been met.

Florida Commission on Mental Health and Substance Abuse

The Florida Commission on Mental Health and Substance Abuse was created in 1999 pursuant to ch. 99-396, L. O. F., to conduct a systematic review of the state's mental health and substance abuse system. The Commission was asked to make recommendations in areas including planning, service strategies, funding, accountability, emergency behavioral health services, and the unique needs of older persons. The Commission report includes findings such as:

- The state of the science in both mental health and substance abuse has improved dramatically during the last 20 years as evidenced by the proven techniques to successfully treat most mental and addictive disorders. However, Florida's practices lag behind in both the treatment of these disorders and in the service system design. The organization, financing, and management structures do not comport with our knowledge and the efficiency and effectiveness of the overall system need improving.
- Based on current information management systems, it can be reasonably estimated that only about 20 percent of all children and adults with the need for mental health and substance abuse services receive treatment from providers under contract with the department. It is not possible to estimate the percentage of the state's population in need of services who are served by other state agency service providers. The Commission's

research indicated that within Florida jails and nursing homes, about 1 in 4 persons in need of treatment receives services from at least one non-department provider.

- Persons with severe disorders who are served in the traditional mental health and substance abuse systems often have difficulty obtaining the support and rehabilitative services such as housing and transportation needed to recover. Restrictions of the system include categorical funding and barriers to service access and continuity of care. It is difficult to hold agencies and service providers accountable for client outcomes when there are inadequate resources to meet the complicated needs of persons with significant disability due to mental and addictive disorders.
- Each of the state agencies serving people with mental and addictive disorders has planning, quality assurance and accountability functions. There is no governmental entity responsible for state strategy, policy and leadership across the combined system in mental health as exists in substance abuse through the Office of Drug Control.
- Mental health and substance abuse services are fragmented, uncoordinated and ineffective in many Florida communities across health, human services, educational, and correctional settings.
- The data needed to make important treatment, funding, and other policy decisions are either unavailable or cannot be integrated to the degree necessary to understand the full impact of the current mental health and substance abuse systems.

The Commission made several recommendations to improve the mental health and substance abuse systems in Florida. The Commission recommends that the department be provided with the management and purchasing tools needed to fulfill its statutory missions. The department should be charged by the Legislature to assure an accountable system of mental health and substance abuse services through the establishment of local management entities and local advisory groups to organize and manage local service delivery systems. The Commission also recommended better integration of mental health and substance abuse services among all community-based systems to facilitate the recovery of persons with the disabling illnesses, disseminating state of the art approaches to treatment, and devising performance management systems that promote the use of effective treatment, support and rehabilitative technologies within local service contracts.

The Commission believes that a statewide coordinating council should be created to produce a statewide strategy for mental health and substance abuse services. The Commission recommends that the council be located in the Office of the Governor, composed of leadership from across human service departments, and coordinated with the Office of Drug Control.

Children's Crisis Stabilization Units and Juvenile Addictions Receiving Facilities

Crisis services are the front door for mental health and substance abuse emergencies, but the number of facilities available is limited and access is difficult. Parents do not have one easily identified place to which to turn when their children are in crisis.

Currently children's crisis services are established as two separate systems in Florida. Children's Crisis Stabilization Units (CCSU), authorized under ch. 394, F.S., provide mental health crisis services. Juvenile Addictions Receiving Facilities (JARF), authorized under ch. 397, F.S.,

provide substance abuse crisis services. CCSUs are designated by the department and licensed by the agency. JARFs are designated and licensed by the department.

Access to crisis services is limited. There are 165 CCSU beds available at 10 providers and 103 JARF beds available in six locations statewide. Crisis Stabilization Units served 4,381 children in 1999-2000 at a cost of $6.3 million. JARFs served 2,716 children at a cost of $3.2 million.

At the same time, some substance abuse JARFs have closed because of under utilization. Fort Myers lost both a CCSU and a JARF when Charter Hospital closed. This bill provides statutory authority to integrate children's mental health crisis centers and substance abuse crisis centers to make them more financially sound and available throughout the state.

Crisis centers require multi-disciplinary teams to handle medical, psychological, and other problems. To be financially feasible, they must be a minimum size. Average utilization of JARF beds is 66 percent, but ranges from 87 percent in Orlando to 23 percent in Clearwater. As a result, some substance abuse JARFs have closed because of under utilization. Due to the closing of the Charter Hospitals, there are currently no children's crisis stabilization services or juvenile addiction receiving facilities in Lee County. There are no juvenile addiction receiving facilities in Collier and Sarasota counties. The dual system of children's crisis services maintained by the state contributes to the problem of lack of access and under utilization.

Crisis stabilization units are not licensed to provide substance abuse addiction receiving services and there is no statutory authority that would allow them to serve children with different problems at the same facility. Rule 65E-12.106(23), Florida Administrative Code, does not permit co-mingling clients of CCSU and detoxification units unless individually authorized by the physician's or psychiatrist's written order.

A mental health and substance abuse work group, formed to address the problem of facility closures, recommended piloting the integration of CCSUs and JARFs in the area of Fort Myers, Naples, and Sarasota to increase their utilization and test the feasibility of opening more sites throughout the state.

Licensure of Behavioral Health Services Providers

Section 394.90, F.S., specifies that for crisis stabilization units and residential treatment facilities licensed under s. 394.875, F.S., the agency may accept the survey or inspection of an accrediting organization instead of its own inspections for licensure, if the provider is accredited and the agency receives the report from the accrediting organization.

For substance abuse services, s. 397.403(3), F.S., requires the department to accept proof of accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF) or the Joint Commission on Accreditation of Health Care Organizations or through any other nationally recognized certification process that is acceptable to the department and meets the minimum licensure requirements under ch. 397, F.S., in lieu of information required in a licensure application specified in s. 397.403(1)(a)-(c), F.S.

The department monitors the contracted community mental health providers for compliance with ch. 65E-5, F.A.C. The department licenses substance abuse providers pursuant to ch. 397, F.S., and ch. 65D-30, F.A.C. The agency licenses the crisis stabilization units and short-term residential treatment facilities pursuant to ch. 394, F.S., and ch. 65E-12, F.A.C., and licenses the residential treatment facilities pursuant to ch. 394, F.S., and ch. 65E-4, F.A.C.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), an independent, not-for-profit organization, evaluates and accredits nearly 19,000 health care organizations and programs in the United States including hospitals, health care networks, home care organizations, long-term care facilities, behavioral health care organizations, ambulatory care providers, and clinical laboratories. It is estimated that 1,707 of those programs are behavioral health care (mental health or substance abuse) providers. The outcome data collected in the accreditation process are housed in JCAHO's database. JCAHO accreditation is currently used by 44 states for deemed status, including total and partial relief from state compliance requirements for funding and licensure as well as added incentives to accredited agencies.

All JCAHO surveys are conducted by experienced behavioral health care professionals including psychologists, psychiatrists, social workers, nurses, and mental health administrators. The Commission standards for behavioral health care providers include subjects such as rights, responsibilities, and ethics; continuum of services; assessment; care; and education.

The Rehabilitation Commission (CARF) is an independent private, not-for-profit organization in the medical and vocational rehabilitation fields promoting quality programs for people with disabilities and others in need of services. CARF standards, developed through the efforts of consumers, providers, third-party purchasers, and other professionals, include behavioral health care programs such as assertive community treatment, case management, community-based rehabilitation, crisis intervention, day treatment, detoxification, and residential treatment. The onsite survey is conducted by a team of professional persons who provide an impartial, external review, using a consultative approach, on conformance of the programs to CARF standards. At present, close to 25,000 programs and services in more than 3,000 organizations in the U.S., Canada and Europe have earned CARF accreditation in the areas of adult day services, assisted living, behavioral health, employment and community services, and medical rehabilitation. CARF accreditation is mandated, promoted, and endorsed by many governmental and private entities.

The National Committee on Quality Assurance is an independent, non-profit organization whose mission is to evaluate and report on the quality of the nation's managed care organizations.

III. Effect of Proposed Changes:

Section 1. Provides Legislative findings that a management structure establishing responsibility for mental health and substance abuse treatment services with a single entity and containing a flexible funding arrangement will allow for customized mental health and substance abuse services that meet individualized client needs. The bill states that a transition period is needed in order for demonstration sites to be established where new financing strategies can be tested and critically reviewed. The Legislature recognizes that Medicaid, mental health, and substance abuse treatment programs are three separate systems with each having unique characteristics and

that careful and deliberative planning is needed in order to achieve a well-integrated system of behavioral health care services.

The bill directs the department and the agency to develop two service delivery strategies that will improve the coordination, integration, and management of the delivery of mental health and substance abuse treatment services to persons with mental, emotional, or addictive disorders. At least one service delivery strategy must complement or be consistent with the closure of G. Pierce Wood Memorial Hospital in Arcadia, Florida. The department and the agency are authorized to contract with a managing entity that will be accountable for the delivery of all behavioral health services funded through Medicaid and the department. The bill specifies that the managing entity must manage and coordinate all publicly funded diagnostic or assessment services, acute care services, rehabilitative services, support services, and continuing care services. The managing entity may be a network of existing providers with an administrative-services organization that can function independently, an independent administrative services organization, or an entity of state or local government.

The bill provides definitions for "behavioral health services" and "managing entity".

The bill requires the department and the agency to develop service delivery strategies to improve coordination, integration, and management of the delivery of mental health and substance abuse services.

Under one service delivery strategy, the department may contract with a Medicaid prepaid mental health plan that operates pursuant to s. 409.912, F.S. The authority for the department to contract with this entity will add several desirable but currently absent dimensions to the department's capacity to maximize the value of its expenditures for behavioral health care. These improvements include the implementation and oversight of clinical guidelines to ensure best practices, utilization management to ensure appropriate access and that the right service is given in the right amount, and the credentialing of providers and improved quality of care monitoring. This arrangement will also improve the capacity to coordinate Medicaid and departmental expenditures and services. The department is also given the authority to contract with the managing entity on a prospective payment basis. This will provide the department with the opportunity to pass along financial risk and extend to providers a much-needed level of clinical flexibility that does not currently exist under a fee-for-service funding method. The department reports that an actuarial study will be necessary before it can undertake this purchasing methodology.

Under the second service delivery strategy, the department and the agency must competitively procure a contract for the management of behavioral health services with a managing entity that will improve quality of care and contain costs. By having a single managing entity responsible for all state behavioral health funding, new elements of clinical management will be introduced including credentialing of providers, promulgation of clinical care and access criteria, utilization management of high cost units, improved outcome data, quality of care improvement and data management. These functions do not currently exist on a system-wide basis. This bill will also provide for better coordination of Medicaid and departmental resources for mental health and substance abuse. The management entity should forge stronger linkages between the public mental health system and related systems such as jails, courts and child welfare.

The bill proposes that the agency and department utilize methods that will simplify billing and enhance clinical flexibility. Methods specified in the bill for both strategies include using benefit packages based on the level of severity of illness and level of client functioning; aligning and integrating procedure codes, standards, or other requirements to simplify or improve client services and efficiencies in service delivery; using prepaid per capita and prepaid aggregate fixed-sum payment methodologies; and modifying current procedure codes to increase clinical flexibility, encourage the use of the most effective interventions, and support rehabilitative activities.

The agency and department will jointly fund the administrative services organization from current service funds, which will be offset by greater efficiencies in utilization. The bill states that to operate the managing entity, the department and the agency may not expend more than 10 percent of the annual appropriations for mental health and substance abuse services prorated to the geographic areas including all behavioral health Medicaid funds including psychiatric inpatient funds. By using a single managing entity in these areas there will be a definite point of accountability for all state purchased behavioral health care. A single point of accountability would help prevent duplication of services and help insure that the right amount and type of services are delivered. The department and the agency would establish benchmarks to ensure that cost shifting does not occur to the state hospitals, the department or the criminal justice system. The department and the agency would ensure that the network includes enough providers or programs to allow the consumer adequate choice.

The bill requires Medicaid contracts for Behavioral Health Overlay Services for dependant or delinquent children to remain fee-for-service, and that existing or future providers of behavioral health services to residential group care facilities or with the Department of Juvenile Justice in residential commitment programs be in the provider network under both strategies.

The bill specifies goals for the service delivery strategies that include: improving accountability for a local system of behavioral health care services; assuring continuity of care for the target population; providing early diagnosis and treatment interventions to enhance recovery; improving quality of care through best practice models; improving service integration between behavioral health services and other systems such as vocational rehabilitation, child welfare, criminal justice, primary health care, and emergency services; and providing for testing of creative and flexible financing strategies.

For both service delivery strategies, the bill defines the target population and specifies requirements for the continuing care system, local advisory body, written cooperative agreements with local agencies, and performance expectations of the managing entities.

The bill allows the agency to establish a voluntary certified match program, and gives the agency authority to seek federal waivers necessary to implement the strategies.

The bill requires that the department prepare an amendment by October 31, 2001, to the 2001 master state plan describing certain details of each service delivery strategy.

The bill directs the department to contract with the Louis de la Parte Florida Mental Health Institute to conduct a formative evaluation of each strategy identifying the most effective

methods and techniques used to manage, integrate, and deliver behavioral health services. The entity conducting the evaluation must report every 12 months to the department, agency, Office of the Governor, and Legislature on the status of the service delivery strategies. Prior to making any changes in the design of the strategies and prior to implementing the strategies in other areas of the state, the Office of the Governor must consult with the appropriate legislative committees. If after 3 years of operating, the Executive Office of the Governor makes no recommendation to the Legislature to implement the service delivery strategies in other areas, the strategies shall be terminated and the Governor's Office must submit a report to the Legislature that explains the reasons for their termination.

Section 2. Establishes a Behavioral Health Services Integration Workgroup to assess barriers to the effective and efficient integration of mental health and substance abuse services across various systems and to propose solutions. The Workgroup is comprised of representatives of state agencies which includes Juvenile Justice, Corrections, Education, Office of Drug Policy, Agency for Health Care Administration and representatives of local stakeholders such as the county jails, homeless coalitions, service providers, Baker Act receiving facilities, and consumers and their families. The department may transfer up to $200,000 under the authority of ch. 216, F.S., to support the Behavioral Health Services Integration Workgroup. The Workgroup must submit a report to the Governor and the Legislature by January 1, 2002, regarding the progress toward achieving their statutory purpose.

Section 3. Creates s. 394.499, F.S., authorizing the Department of Children and Family Services to implement children's behavioral crisis unit demonstration models to provide integrated emergency mental health and substance abuse services to persons under the age of 18 at facilities licensed as Children's Crisis Stabilization Units. The demonstration models will integrate children's mental health crisis stabilization units with substance abuse juvenile addictions receiving facilities services, to provide emergency mental health and substance abuse services.

Children served in the demonstration models will have access to both mental health and substance abuse services, in accordance with their individual needs, in one facility. The demonstration models will be able to admit and stabilize children with co-occurring disorders in addition to children with mental health, or substance abuse-only needs.

The demonstration models may be implemented beginning July 1, 2001, in consultation with the Agency for Health Care Administration. The initial demonstration models are limited to three counties (Collier, Lee and Sarasota).

Beginning July 1, 2004, pending a required evaluation of the demonstration sites, the department, in consultation with the agency, may expand the demonstration models to other locations in the state. The department is required to contract for an independent evaluation of the demonstration models to be reported to the Legislature by December 31, 2003.

Criteria for admission to and treatment in these new units are specified, and reflect existing criteria for emergency mental health and substance abuse services for children. It provides for the children's behavioral crisis units to be licensed as crisis stabilization units and provides rule-making authority.

Section 4. Provides that nothing in section 3 of the act shall be construed to require an existing crisis stabilization unit or addiction receiving facility to convert to a children's behavioral crisis unit.

Section 5. Amends s. 394.66, F.S., to specify that the Legislature intends for alcohol, drug abuse and mental health service providers under contract with the department to deliver quality treatment services that are consistent with best practice standards as recognized by national accreditation organizations. It is also specified in legislative intent that the state agencies responsible for the licensure and monitoring of these contracted service providers perform in the most cost efficient and effective manner with limited duplication and disruption to the service organizations.

Section 6. Creates s. 394.741, F.S., to provide accreditation requirements for providers of behavioral health services, and defines "Behavioral health services" as mental health and substance abuse treatment services.

The bill requires the agency to accept accreditation instead of its own facility licensure on-site review requirements and the department to accept accreditation as a substitute for its administrative and program monitoring requirements when:

- An organization from which the department purchases behavioral health care services is accredited by the Joint Commission on Accreditation of Healthcare Organizations or the Council on Accreditation for Children and Family Services, or those services being purchased by the department accredited by CARF—the Rehabilitation Accreditation Commission.
- A mental health facility licensed by the agency or any substance abuse component licensed by the department is accredited by the Joint Commission on Accreditation of Healthcare Organizations, CARF—the Rehabilitation Accreditation Commission, or the Council on Accreditation for Children and Family Services.
- A network of providers from which the department or the agency purchases behavioral health care services is accredited by the Joint Commission on Accreditation of Healthcare Organizations, CARF—the Rehabilitation Accreditation Commission, the Council on Accreditation for Children and Family Services, or the National Committee for Quality Assurance.

The bill specifies that for mental health services, the department and the agency may adopt rules that establish:

- additional standards for licensing or monitoring accredited programs and facilities that the department and agency have determined are not specifically and distinctly covered by the accreditation standards and processes.
- an on-site monitoring process between 24 months and 36 months after accreditation for non-residential facilities to assure compliance with critical standards.
- an on-site monitoring process between 12 months and 24 months after accreditation for residential facilities to assure compliance with critical standards.

For substance abuse services, the department must conduct full licensure inspections every three years and must develop in rule criteria that would justify more frequent inspections.

The bill requires that the department and the agency be given access to all accreditation reports, corrective action plans, and performance data submitted to the accrediting organizations. The department and the agency may perform follow-up monitoring activities when major deficiencies are identified through the accreditation process. The bill specifies that the department or agency may perform inspections of accredited organizations, including contract monitoring, at any time to ensure that deliverables are provided in accordance with contracts.

The department and the agency are required to report to the Legislature by January 1, 2003, on the viability of mandating that all organizations that are under contract with the department or licensed by the agency to provide behavioral health services be accredited. The report must include the viability of privatizing all licensure and monitoring functions through an accrediting organization.

The bill specifies that these provisions would apply to contracted organizations that are already accredited immediately upon becoming law.

Sections 7, 8, and 9. Amend ss. 394.90, 397.411 and 397.403, F.S., to make conforming changes.

Section 10. Provides an effective date of upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The funding flexibility associated with the service delivery strategies will allow service providers to design behavioral health services to meet the individual needs of clients rather than services being driven by funding categories. Funding efficiencies should improve quality of services, broaden the array of services, and increase service capacity.

It is likely that private accreditation organizations will charge providers a fee for the accreditation process.

C. Government Sector Impact:

CS/CS/SB 1258 specifies that to operate the managing entity, the department and the agency may not expend more than 10 percent of the annual appropriations for mental health and substance abuse services prorated to the geographic areas including all behavioral health Medicaid funds.

The bill states that the department may transfer up to $200,000 under the authority of ch. 216, F.S., to support the Behavioral Health Services Integration Workgroup.

The department and the agency report that the following resources will be needed to implement the behavioral health service delivery strategies for FY 2001-02:

- Professional consultation to assist in the development of the strategies (examples of work include organizational design of managing entities, historical actuarial analysis for services, document for procurement of services, and implementation of entities). $90,000

- Louis de la Parte Florida Mental Health Institute formative evaluation. $50,000

- Agency and department staffing (2 FTEs funded for 9 months) for waiver development and oversight. $112,718

- TOTAL Cost - $252,718 (34 percent of these costs can be allocated to Medicaid Trust Fund)

According to the department, existing mental health and substance abuse crisis services dollars will be used to purchase crisis services at the demonstration models, at no additional cost and with expected savings due to increased, and more efficient, utilization of capacity. According to the department, the evaluation report to the Legislature that is required if the demonstration models are expanded could be funded within existing resources.

There could be staffing and administrative cost savings for the department and agency if fewer licensure or monitoring visits are required.

There will be indeterminate costs to the department and the agency to conduct the two reviews and the preparation of the report to the Legislature by January 1, 2003.

SUMMARY OF COSTS

Estimated Expenditures	FY 2001-02	FY 2002-03
1. NON-RECURRING COSTS		
Expenses (2 FTE @ $3,061)	$6,122	
OCO (2 FTE @ $1,500)	$3,000	
Total Non-recurring Costs	$9,122	
2. RECURRING COSTS		
Salaries (2 FTE @ $49,088 12 mos.)	$73,632	$98,176
Expense (2 FTE @ $14,982)	$29,964	$29,964
Consultant	$90,000	$90,000
Louis de la Parte Florida Mental Health Inst.	$50,000	$50,000
Total Recurring Costs	$243,596	$268,140
TOTAL ALL	$252,718	$268,140
General Revenue	$166,794	$176,972
Trust Fund	$ 85,924	$91,168

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 Appropriations Subcommittee on Health and Human Services:
Provides an appropriation of $166,794 from the General Revenue Fund and $85,924 from the Administrative Trust Fund to the Department of Children and Family Services to implement the provisions of this act.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.