

# 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/SB 682

SPONSOR:       Appropriations Subcommittee on Health and Human Services and Senator Mitchell

SUBJECT:        Mental Health Treatment

DATE:            March 20, 2001                REVISED:       \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Barnes</u>	<u>Whiddon</u>	<u>CF</u>	<u>Favorable</u>
2.	<u>Peters</u>	<u>Belcher</u>	<u>AHS</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>AP</u>	<u>Withdrawn: Fav/CS</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

**I. Summary:**

CS/SB 682 establishes a client-directed and choice-based pilot project in the Department of Children and Family Services District 4 mental health program. This project is designed to provide mental health treatment and support services to adults who have a serious mental illness allowing the client to control the public mental health funds allotted for his/her treatment and to directly purchase the services from the vendor of choice. The bill specifies that an evaluation be conducted by an independent entity to assess key provisions of the project. The pilot project expires July 1, 2004, and includes an appropriation of \$470,000 from the Alcohol, Drug Abuse and Mental Health Trust Fund in the Department of Children and Family Services for FY 2001-2002.

**II. Present Situation:**

The public community mental health system is funded through a variety of sources including federal block grants, state general revenue, Medicaid Title XIX and Title XXI, local county government, and client fees. State and federal funds are appropriated by the Legislature each year and are designated under specific categories of services. The Department of Children and Family Services (the department) is authorized under s. 394.74, F.S., to contract with “any hospital, clinic, laboratory, institution, or other appropriate mental health service provider” when funds are available. Persons needing publicly funded mental health services may chose one of the service providers in their community that is under contract with the department or is an approved Medicaid provider under the Agency for Health Care Administration. Also, persons must meet certain requirements for services under Medicaid Title XIX, Title XXI, or requirements specified in s. 394.674, F.S. The Mental Health Program Office in the department estimates that based on current law, Florida's publicly funded mental health system is currently meeting approximately 21 percent of the treatment needs of children and adolescents and 12 percent of the treatment needs of adults.

The Florida Commission on Mental Health and Substance Abuse recommends in their January 2001 Final Report that the department promote mental health care policies that increase consumer choice. The Commission recommends the establishment of a pilot project such as the self-directed care model and that the model be evaluated in order to identify creative mental health programs and other consumer-run program alternatives.

The 1999 Legislature directed the department's Developmental Disabilities Program to establish a consumer-directed, choice-based system in one to three sites to test a payment model in which the consumer controls the money that is available for his or her care. Districts 1, 2 (five counties), and 4 were selected as implementation sites. A status report on the implementation of those models was submitted to the Legislature by the department on December 1, 2000. The status report states that the projects are operational and project objectives are being met based on "informal feedback, anecdotal evidence, and an initial analysis of individuals' purchasing." A complete evaluation of those models is due to the Legislature in December, 2002.

The key components of client-directed care include care coordination, client involvement in treatment goals and plans, individualized services, and a strong provider network. Other states have used certain of these concepts in designing successful community-based systems of care for children with serious mental health problems. Wraparound Milwaukee is one example of an integrated, multiservice approach for adolescents with mental health problems. This program was successful in serving delinquent and nondelinquent youth placed in residential treatment centers. Within 90 days of using a client-directed approach to treatment, Wraparound Milwaukee returned 17 of the 25 identified youth with complex mental health problems to the community in either foster homes or with their families.

### **III. Effect of Proposed Changes:**

CS/SB 682 establishes a mental health client-directed and choice-based pilot project in District 4 of the Department of Children and Family Services to provide mental health treatment and support services to adults who have a serious mental illness. This project will allow the client to control the public mental health funds allotted for his or her treatment and to directly purchase the services from the vendor of choice.

The bill specifies that an evaluation shall be conducted by an independent entity to assess the following areas: criteria for selecting eligible participants, duties of the care coordinator, accessibility and quality of services provided to the participants, the degree to which the client participates in treatment plan development, achievement of treatment goals and outcome measure, demonstrated improvements or cost savings, monitoring and oversight by the Department of Children and Family Services and the Agency for Health Care Administration, and the assistance of the local advisory group in the design and implementation of the project.

A report is required to the appropriate legislative committees by December 1, 2002, and December 1, 2003, concerning the progress of the pilot projects.

The bill includes an appropriation of \$470,000 for FY 2001-2002 to the Alcohol, Drug Abuse, and Mental Health Trust Fund in the Department of Children and Family Services to implement the pilot project.

Even though some of the concepts contained in client-directed care have proven to be successful, the target population served under this model must be carefully selected. Provisions must be included in the pilot project for providing immediate psychiatric assistance to persons with serious mental illness when he or she decompensates because of the illness and is unable to make decisions. This model must include safeguards and special provisions in order to protect the client from harm or abuse.

The client's ability to choose his or her mental health service provider is an important part of this bill. According to the department, there are currently only 12 publicly funded mental health providers in District 4 to serve the 100 clients in the pilot project. This small number of service providers would give the clients limited choices. The district mental health program office proposes to broaden the network of providers to include additional providers such as licensed private practitioners (psychiatrists, psychologists, social workers, counselors, etc.). Because the district's planning efforts for this pilot are in the initial stage, the department has not developed a list of preferred providers and has no assurance that the professional fees offered to these professionals will be accepted.

The project will be comprised of both Medicaid and non-Medicaid clients. The department proposes to utilize Medicaid mental health funds as well as the new general revenue funds for the 100 clients served in the pilot. The department does not believe that a federal Medicaid waiver will be necessary because the current fee-for-service payment structure will be maintained with the target population.

#### **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:**

This bill would provide incentives to service providers to offer services that are appropriate and effective for adult mental health clients.

**C. Government Sector Impact:**

According to the department's District 4 mental health staff, new funds are needed for the pilot because there are insufficient state general revenue funds for adult community mental health services in District 4. It is estimated that \$940,000 is needed to serve 100 persons for \$9,000 per person per year. The department states that these costs are based upon existing service delivery costs and are consistent with similar programs in other states. The bill includes an appropriation of \$470,000 from the Alcohol, Drug Abuse and Mental Health Trust Fund. The remaining funds needed are to be used from base funding already appropriated. The new funds would be recurring at least until the project expires at the end of FY 2003-04.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.