

STORAGE NAME: h0821s.hcc.doc

DATE: March 4, 2002

HOUSE OF REPRESENTATIVES

COUNCIL FOR HEALTHY COMMUNITIES ANALYSIS

BILL #: CS/HB 821

RELATING TO: Substance Abuse and Mental Health Services

SPONSOR(S): Council for Healthy Communities and Representative(s) Bean

TIED BILL(S):

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

- (1) CHILD & FAMILY SECURITY YEAS 9 NAYS 0
 - (2) HEALTH & HUMAN SERVICES APPROPRIATIONS YEAS 13 NAYS 0
 - (3) COUNCIL FOR HEALTHY COMMUNITIES YEAS 14 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

CS/HB 821 requires each Department of Children and Family Services district to hold an annual publicly announced meeting for input from assisted living facilities holding a limited mental health license into a plan required under s. 394.4574, F.S. These plans are used to ensure that state-funded mental health services are provided to residents of assisted living facilities. The district is also required to record minutes of the meeting.

The bill allows the department to use case rate or per capita contracts to secure mental health and substance abuse treatment services and requires contract providers using this method of reimbursement contract to report persons served and services provided. It calls, within statewide or district resources, for the department to:

- Require that contract funds support individual client treatment or service plans and clinical status.
- Develop proposed eligibility criteria and associate benefit packages as part of a state master plan.
- Promote electronic formats for all initial contract material and subsequent revisions or amendments, to include electronic signatures.
- Promote web-enabled application software to simplify and expedite contract data collection and reimbursement.
- Ensure that all state and local funding partners are participating behavioral health service delivery strategies at statutorily required levels.

On February 19, the Committee on Health and Human Services Appropriations adopted two amendments to eliminate the fiscal impact of the original bill and to ensure that assisted living facilities that hold a limited mental health license are part of the provider network service delivery. See Section V for more details. On February 26, the Council Healthy Communities incorporated all traveling amendments into a Council substitute.

If enacted into law, the bill takes effect on July 1, 2002.

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:

Subsection 400.402(6), F.S., defines an assisted living facility as any building or buildings, section or distinct part of a building, private home, boarding home, home for the aged, or other residential facility, whether operated for profit or not, which undertakes through its ownership or management to provide housing, meals, and one or more personal services for a period exceeding 24 hours to one or more adults who are not relatives of the owner or administrator.

Section 394.74, F.S., authorizes the department to contract for the establishment and operation of local mental health and substance abuse services with hospitals, clinics, laboratories, institutions or other appropriate service providers.

Contract Management in Department of Children and Family Services

As of December 31, 2001, the Department of Children and Family Services (DCF) has 598 contracts for mental health and substance abuse services with approximately 366 different providers. Providers may be not-for-profit or for-profit entities and include community mental health centers, substance abuse treatment and prevention centers, public and private psychiatric hospitals, and private mental health professionals. The dollar amount for these 598 contracts total \$677,333,572.

Contract management is typically delegated from the Tallahassee headquarters office to the districts and performed by department staff. The most conventional organizational structure, as it relates to contract management, places contract managers under the appropriate district substance abuse-mental program office administrator. In some districts and regions, contract management for mental health and substance abuse contracts has been placed in a centralized contract management unit that serves all DCF programs.

According to DCF, the majority of the department's contract managers continue to perform contract management as only a portion of their duties. The number of staff who report that they spend more than 50 percent of their time managing mental health or substance abuse contracts equals a total of 31.05 FTEs. In addition there are other staff (20 different staff for a total of 3.95 FTEs) who spend less than 50 percent of their time managing mental health or substance abuse contracts, but who contribute to the overall effort managing contracts. Several districts report that they use OPS staff (11 different staff for a total of 7.8 FTEs) to assist with the management of mental health or substance abuse contracts. Some of these OPS staff are solely devoted to

this function while others report only a percentage of their time being involved in mental health or substance abuse contract management.

The Department of Management Services maintains a website from which prospective vendors may search currently available bid opportunities. According to DCF, the department advertises all competitive solicitation on this website.

In 1999, DCF conducted a contract management training needs assessment. The needs assessment identified the following areas that necessitate ongoing training support:

- Negotiation skills.
- Basic contract management.
- Budget/pricing.
- Auditing and monitoring.
- Accessibility to information and tools to assist them perform their job duties.

To address these needs, a variety of strategies are used by DCF in the design and development of training curricula for contracting personnel. These strategies include, Web-based interactive courses, video teleconferencing, CD-ROM and classroom instructional materials.

The DCF Contracted Client Services Intranet website provides guidance, information and tools to assist in all aspects of contract management. The website provides links to the department's contracting manuals and publications as well as links to statutes and rules governing DCF and state contracting. The department has adopted and published a set of contract and financial rules in the Florida Administrative Code, ch. 65-E14, that provide the operational framework for contracting, budgeting, methods of payment to mental health and substance abuse providers.

C. EFFECT OF PROPOSED CHANGES:

CS/HB 821 requires the department's districts to hold an annual publicly announced meeting for input from assisted living facilities holding a limited mental health license into a plan required under s. 394.4574, F.S. These plans are used to ensure that state-funded mental health services are provided to residents of assisted living facilities. The district is also required to record minutes of the meeting. The CS also call for certain enhancements in the department's mental health and substance abuse treatment contract management system.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. This section amends s. 394.4574

Requires each department district to hold an annual publicly announced meeting for input from assisted living facilities holding a limited mental health license into a plan required under s. 394.4574, F.S. These plans are used to ensure that state-funded mental health services are provided to residents of assisted living facilities. The district is also required to record minutes of the meeting.

Section 2. This section amends s. 394.74, F.S.

Allows the department to use case rate or per capita contracts to secure mental health and substance abuse treatment services and requires contract providers using this method of reimbursement contract to report persons served and services provided.

Subsection (4) is created to specify new requirements for mental health and substance abuse contracts. It calls, within statewide or district resources, for the department to:

- Require that contract funds support individual client treatment or service plans and clinical status.
- Develop proposed eligibility criteria and associate benefit packages as part of a state master plan.
- Promote electronic formats for all initial contract material and subsequent revisions or amendments, to include electronic signatures.
- Promote web-enabled application software to simplify and expedite contract data collection and reimbursement.
- Ensure that all state and local funding partners are participating behavioral health service delivery strategies at statutorily required levels.

Section 3. If enacted into law, the bill takes effect on July 1, 2002.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

CS/HB 821 promotes electronic formats for all initial contract material and subsequent revisions or amendments, to include electronic signatures. It also promotes web-enabled application software to simplify and expedite contract data collection and reimbursement. If implemented, these enhancements would save time and money for contract providers.

D. FISCAL COMMENTS:

None

III. 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 expenditures of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

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

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 19, the Committee on Health and Human Services Appropriations adopted two amendments:

Amendment 1 is a "strike all" amendment that removes several provisions of the bill:

- Multi-year contracts.
- Contract renewal based on client and community satisfaction.
- Privatization of contract administration.
- Contract advisory boards.
- Annual report cards for each vendor.
- Biennial status reports to the Legislature.
- Designation of contract eligibility for providers.
- Assurance that funding partners are participating and statutorily required levels.

The amendment restores the provisions of unit cost payment methods, and adds authority for the department to use case rates or per capita contracts, as well as to ensure consumer choice among providers. The amendment also changes the provisions for use of electronic formats and web-based applications to the promotion of them. All of the above changes are intended to eliminate the fiscal impact of the bill.

Amendment 2 adds provisions for assisted living facilities (ALFs) holding limited mental health license:

- Each district will hold a publicly announced meeting to receive input from ALFs on the district plans for service.

STORAGE NAME: h0821s.hcc.doc

DATE: March 4, 2002

PAGE: 6

- ALFS, along with other stakeholders, will be invited to an annual statewide review of the district plans.

These changes are intended to ensure that ALFs that hold a limited mental health license are part of the provider network in the redesign of mental health delivery system.

On February 26, the Council for Healthy Communities incorporated all traveling amendments into a Council Substitute.

SIGNATURES:

COMMITTEE ON CHILD & FAMILY SECURITY:

Prepared by:

Robert Brown-Barrios

Staff Director:

Robert Brown-Barrios

AS REVISED BY THE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS:

Prepared by:

Stephanie Massengale

Staff Director:

Cynthia Kelly

AS FURTHER REVISED BY THE COUNCIL FOR HEALTHY COMMUNITIES:

Prepared by:

Robert Brown-Barrios

Council Director:

David De la Paz