

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 2894

SPONSOR: Children and Families Committee and Senator Webster

SUBJECT: Mental Health and Vocational Rehabilitation Services

DATE: March 31, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Collins</u>	<u>Whiddon</u>	<u>CF</u>	<u>Fav/CS</u>
2.	_____	_____	<u>HC</u>	_____
3.	_____	_____	<u>AHS</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 2894 provides for the continuation of the client-directed and choice-based pilot in District 4 and authorizes the Department of Children and Families (DCF or the department) to expand the project to one additional district. This legislation also authorizes the department to implement a similar pilot project for children. The use of funding appropriated for direct client services to pay for the administrative costs of these projects is prohibited.

The department is directed to establish procedures that are applicable to all of the pilot sites prior to expanding the current project. The provisions for an independent evaluation of the pilot project are continued, and it is specified that an independent evaluation is required if the project is expanded.

Separate reports must be provided to the appropriate substantive committees of the Legislature by the independent evaluator and the department. The preliminary reports are due by December 31, 2005, and the final reports are due by December 31, 2006.

The department is directed to work with the Agency for Health Care Administration (AHCA) and the Division of Vocational Rehabilitation (DVR) to explore obtaining federal waivers to support the expansion of the client-directed and choice-based pilot project. Recommendations relating to the use of waiver funds must be included in the reports to the Legislature.

This committee substitute amends s. 394.9084, of the Florida Statutes.

II. Present Situation:

The publicly funded mental health system provides mental health services to individuals who meet certain requirements and have been enrolled in the program. Community-based services are provided by local providers who are under contract with the Department of Children and Families. The mental health services may include an individualized mixture of the following:

- Emergency stabilization and support services;
- Case management services;
- Community support services;
- Outpatient services;
- Residential services; and
- Assertive Community Treatment.

In 1998, Nausau County's National Alliance for the Mentally Ill (NAMI), began studying the issue of funding adequacy for services to adults with mental illness. Among the ideas explored to improve service delivery was the concept of self-directed care (SDC), a program involving client choice, where the funding followed the client.

There are critical differences between the traditional mental health service delivery system and a self-directed care model. Service providers in the SDC model may or may not be members of the publicly-funded mental health provider system. Also, allowable services (those that may be paid for with state funding) in the SDC model include services that contribute to the individual meeting a recovery goal that may not have been payable under the traditional system. Under the SDC model, the individual has explicit control of the service dollars that have been allocated for his or her care. Finally, participants in a SDC, model report improved accessibility to needed services.

The Department of Children and Families currently operates a pilot project in the five counties of District 4 that offers client-directed and choice-based mental health services for up to 100 adults. This pilot is authorized under Chapter 394.9084, F.S., and funded with Mental Health funds, \$470,000 of which are from Mental Health Block Grant and \$216,092 from general revenue. The section of the statute establishing the pilot expires on June 30, 2004.

The current pilot project is configured to serve 100 adults with severe and persistent mental illnesses. The elements of the project include the development of a system that is based upon individual self-determination and recovery from mental illness through the exercise of personal choice in selecting providers and services. The SDC pilot uses a voucher system of purchasing, and participants choose their services and providers within a designated budget. This pilot is designed based on the recommendations of a taskforce located in District 4 and a participant advisory board.

The department contracts with the Institute for Health & Human Services at Florida State University to implement and administer the SDC pilot. Additionally, the department contracts with the Florida Mental Health Institute at the University of South Florida to conduct an independent evaluation of the project as mandated in the original legislation. The first year

evaluation was completed in June 2003. The second evaluation will be completed in June of 2004.

The initial evaluation of the pilot conducted by Florida Mental Health Institute concluded that it was too early in the pilot to evaluate outcomes and cost effectiveness. Some of the further findings of the evaluation indicated that although the pilot program was viewed positively by community providers and program participants, the program took much longer to start up than had been anticipated. The slow start-up of the program caused widespread frustration and inhibited the ability to fully evaluate the program. The evaluation also concluded that at the point of evaluation, there was insufficient history to assess the impact of holding every individual to the same funding cap.

III. Effect of Proposed Changes:

The committee substitute for SB 2894 continues the client-directed and choice-based pilot project in District 4 and authorizes the department to expand the project to one additional district that is to be selected by the department. This legislation also allows the department to implement a pilot mental health treatment and support services project for children. The committee substitute prohibits the use of funds appropriated for direct client services to pay for the administrative costs of these projects.

Prior to expanding the project beyond District 4, the department must establish procedures applicable to both project sites. These procedures are to address:

- A description of the project and its purpose;
- The eligibility requirements for project participants;
- The scope of services that project funding may be used for such as services provided by the administrative entity, services provided by a behavioral healthcare provider, and the goods and services for recovery-related goals; and
- The eligibility requirements and responsibilities of the administrative entity, including all services to be provided by the entity, the responsibilities of staff employed or under contract with the managing entity, financial management and recordkeeping requirements, and documentation requirements relating to client participation in the project.

This committee substitute continues the provisions for an independent evaluation of the pilot project and specifies that an independent evaluation is required for the project expansion sites. This legislation specifies additional elements for the independent evaluation, including the duties and responsibilities of the administrative entity and the staff who are employed by or under contract with the entity. The evaluations must also address the implementation status of the project in each district as well as identify any problems with implementation.

The independent evaluator must provide reports reflecting the findings and recommendations of the evaluation to the appropriate substantive committees of the Legislature and the department. A preliminary report is due by December 31, 2005, that must address the evaluative elements specified in this legislation. A final report is due by December 31, 2006, and must address the

specified elements of the evaluation and include recommendations whether and how to expand the client-directed and choice-based pilot project and the pilot project for children.

The department is directed to work with the Agency for Health Care Administration (AHCA) and the Division of Vocational Rehabilitation (DVR) to explore obtaining federal waivers to support the expansion of the client-directed and choice based pilot project. Recommendations relating to the use of waiver funds must be included in the reports to the Legislature.

The department, AHCA, and DVR have began meeting to discuss how federal waivers could be used to help fund the client-directed and choice-based project. The provisions of this legislation will allow additional time for the group to assess the use of waivers and to consider the findings of the independent evaluations when making recommendations regarding the best utilization of federal funding.

The department is directed to submit reports to the Legislature reflecting the progress of the client-directed and choice-based project as well as the project for children. These reports must reflect how funding is allocated and managed for each district, project staffing, the number of project participants, the number of participants who leave the project and why they leave, the percentage of service plan and recovery plan goals that are met by program participants, and how recommendations from the independent evaluation are incorporated into practice.

This legislation will enable the continuation of the current pilot project as well as authorize its limited expansion. These provisions will provide an opportunity to obtain additional information regarding program efficiencies and the development of operational procedures to further standardize the operations of the projects.

The expiration date of the section governing the pilot projects is extended from July 1, 2004, to July 1, 2007. An effective date of July 1, 2004, is provided by this committee substitute.

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:

C. Government Sector Impact:

There will be an unknown fiscal impact to the department associated with the expansion of the pilot project.

VI. Technical Deficiencies:

None

VII. Related Issues:

None

VIII. Amendments:

None

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