

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 1726

INTRODUCER: Children, Families, and Elder Affairs Committee

SUBJECT: Reimbursement for Crisis Stabilization Unit Services

DATE: April 9, 2014

REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
<u>Crosier</u>	<u>Hendon</u>		<b>CF SPB 7122 as introduced</b>
1. <u>Brown</u>	<u>Kynoch</u>	<u>AP</u>	<b>Pre-meeting</b>

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**I. Summary:**

SB 1726 directs the Department of Children and Families (DCF) to require behavioral health managing entities<sup>1</sup> to implement a new reimbursement methodology for crisis stabilization unit services by January 1, 2015. The DCF is directed to maintain a statewide database to track utilization of crisis stabilization services regardless of available funding.

The bill is not expected to have a fiscal impact.

**II. Present Situation:**

Individuals experiencing severe emotional or behavioral problems often require emergency treatment to stabilize their situations before referral for outpatient services or inpatient services can occur. Emergency mental health stabilization services may be provided to voluntary or involuntary patients. Involuntary patients must be taken to one of the state's designated "receiving facilities." Receiving facilities are defined by the Florida Mental Health Act (ss. 394.451 – 394.4789, F.S.) and are often referred to as Baker Act Receiving Facilities.<sup>2</sup>

The Florida Legislature enacted the Florida Mental Health Act in 1971 to revise the state's mental health commitment laws. The Act substantially strengthened the due process and civil rights of persons in mental health facilities and those alleged to be in need of emergency evaluation and treatment. A major intent of the Act was to increase community care of persons with mental illnesses.<sup>3</sup>

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<sup>1</sup> See s. 394.9082, F.S. A managing entity is a not-for-profit corporation organized in Florida and is under contract with the DCF on a regional basis to manage the day-to-day operational delivery of behavioral health services through an organized system of care and a network of providers who are contracted with the managing entity to provide a comprehensive array of emergency, acute care, residential, outpatient, recovery support, and consumer support services related to behavioral health.

<sup>2</sup> Section 394.455(25)(26), F.S.

<sup>3</sup> Budget Subcommittee on Health and Human Services Appropriations, the Florida Senate, *Crisis Stabilization Units*, (Interim Report 2012-109) (Sept. 2011).

The purpose of receiving facilities is to receive and hold involuntary patients under emergency conditions or for psychiatric evaluation and to provide short-term treatment. Law enforcement officers usually transport individuals requiring involuntary Baker Act examinations to the nearest receiving facility.<sup>4</sup> However, involuntary examinations may be initiated by a court order, a certificate executed by a physician, clinical psychologist, psychiatric nurse, mental health counselor, marriage and family therapist, or clinical social worker or by self-presentation.<sup>5</sup> A facility must accept individuals brought by a law enforcement officer for involuntary examination, regardless of bed availability.<sup>6</sup>

Receiving facilities may be either public or private but only facilities that have a contract with a managing entity to provide mental health services to all persons, regardless of their ability to pay, and that are receiving state funds for this purpose, are considered public receiving facilities.<sup>7</sup> Transfer of individuals between two public facilities, from a public facility to a private facility, and from a private facility to a public facility is permitted.<sup>8</sup> Funds appropriated for Baker Act services only may pay for services to diagnostically and financially-eligible persons, or those who are acutely ill, in need of mental health services, and the least able to pay.

Crisis Stabilization Units (CSUs) are public receiving facilities that receive state funding and provide a less intensive and less costly alternative to inpatient psychiatric hospitalizations for individuals presenting as acutely mentally ill. CSUs screen, assess, and admit for short-term services persons brought to the unit under the Baker Act as well as those who present themselves for services.<sup>9</sup> CSUs provide services 24 hours a day, seven days a week, through a team of mental health professionals. The purpose of the CSU is to examine, stabilize, and redirect people to the most appropriate and least restrictive treatment settings, consistent with their mental health needs. Individuals often enter the public mental health system through CSUs.<sup>10</sup>

Managing entities have assumed the responsibility for purchasing, managing, and monitoring behavioral health services in the state. The DCF's contracts with the managing entities are required to include payment methods that promote flexibility, efficiency, and accountability. Managing entities must follow current statutes and rules that require CSUs be paid for bed availability rather than utilization.

Through January 2014, the DCF's expenditures during Fiscal Year 2013-2014 for adult CSUs, Baker Act, and Inpatient Crisis Services were \$50.4 million. Expenditures for the same services for children in the same time period were \$10.9 million.<sup>11</sup> As of March 2014, there were 51 public receiving facilities with 1,971 beds and 66 private receiving facilities with 3,118 beds. The DCF has a contracted capacity of 2,987 adults and 478 children for Fiscal Year 2013-2014. Based on the Florida Mental Health Institute's Annual Report of Baker Act Data Summary for

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<sup>4</sup> *Id.*

<sup>5</sup> Section 394.4655(2), F.S.

<sup>6</sup> Section 394.462, F.S.

<sup>7</sup> Budget Subcommittee on Health and Human Services Appropriations, the Florida Senate, *Crisis Stabilization Units*, (Interim Report 2012-109) (Sept. 2011).

<sup>8</sup> Section 394.4685, F.S.

<sup>9</sup> Section 394.875, F.S.

<sup>10</sup> Budget Subcommittee on Health and Human Services Appropriations, the Florida Senate, *Crisis Stabilization Units*, (Interim Report 2012-109) (Sept. 2011).

<sup>11</sup> Information received from the Department of Children and Families on March 26, 2014.

2012, released February 2014, in calendar year 2012 157,352 involuntary examinations were initiated.<sup>12</sup>

### III. Effect of Proposed Changes:

**Section 1** creates a new subsection 10 of s. 394.9082, F.S., to direct the DCF to require contracted managing entities to implement a new reimbursement methodology for crisis stabilization unit (CSU) services by January 1, 2015. The bill requires each managing entity to:

- Enter into agreements with providers qualified to serve as public receiving facilities located within the managing entity's designated service area.
- Enter into agreements with any receiving facility located within the same service area that chooses to participate.
- Using no more than one-quarter of the funds provided to managing entities for crisis stabilization services, allocate a base funding amount – not to exceed a minimum utilization level set out by the managing entity – to receiving facilities that entered agreements with the managing entity. The amount of base funding shall be proportionate to the number of involuntary admissions to the receiving facility in the prior fiscal year and must be updated annually.
- Use the balance of the funds provided for crisis stabilization services to provide a per diem reimbursement to receiving facilities with a signed agreement.
- Make per diem payments when a claim is submitted by the receiving facility following the patient's discharge and require claims to include the identity of the patient, the date of admission, date of discharge, confirmation of lack of third-party coverage, services provided during the stay, and whether the patient was discharged to his or her home or to another facility.
- Define a standard per diem reimbursement rate based on available funds, cost of service, and the expected total days of care in the area.

If, after three months, the total paid reimbursements during the period are less than one-quarter of the funds available for this purpose, the managing entity is required to distribute the remaining funds in an amount proportionate to the days of care provided by each receiving facility with a signed agreement. Private receiving facilities that choose not to participate cannot be paid by the managing entity for involuntary care.

Managing entities may establish caps on the amount of reimbursements that each receiving facility may earn in a month. The caps must be proportionate to the days of care provided by the receiving facility.

This section also requires each receiving facility that signs an agreement with the managing entity to provide crisis stabilization unit services to accept all patients. The receiving facility must also agree to accept the base funding and reimbursement of adjudicated claims as payment-in-full for services provided to involuntary patients.

The DCF is directed to establish uniform standards for the data that must be submitted by the providers with their claims. The DCF is directed to establish a statewide database to compile

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<sup>12</sup> *Id.*

claims data from the managing entities to track use of crisis stabilization services, regardless of available funding. The claims data must be securely maintained consistent with state and federal law.

The DCF must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 31, 2016, and annually thereafter. The report is to include a description of funds expended, base allocations and per diem rates in each service area, total reimbursements paid to each provider, the amount of quarterly distributions, and the amount of unfunded care in each service area.

**Section 2** provides an effective date of July 1, 2014.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Under SB 1726, managing entities may experience costs associated with creating and implementing the new reimbursement system. Crisis stabilization units may experience differences in their levels of reimbursement after the new system is implemented.

C. Government Sector Impact:

The Department of Children and Families (DCF) may experience an indeterminate amount of costs for establishing and maintaining the statewide database of crisis stabilization claims data, and for maintaining the security of the data, as required under the bill. The bill requires the DCF to establish the database regardless of available funding.

#### **VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends s. 394.9082 of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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