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1 A bill to be entitled
2 An act relating to substance abuse and mental health;
3 amending s. 394.9082, F.S.; revising legislative
4 findings and intent; revising definitions; revising
5 provisions relating to contract negotiations between a
6 behavioral health managing entity and the Department
7 of Children and Family Services; revising the core
8 functions performed by the managing entity; revising
9 requirements relating to the qualification and
10 operational criteria used by the department when
11 selecting a managing entity; revising the
12 responsibilities of the department; providing an
13 effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17 Section 1. Subsection (1), paragraphs (d) and (e) of
18 subsection (2), paragraph (b) of subsection (4), paragraphs (c)
19 and (d) of subsection (6), and subsections (7) and (8) of
20 section 394.9082, Florida Statutes, are amended to read:

21 394.9082 Behavioral health managing entities.—

22 (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds
23 that untreated behavioral health disorders constitute major
24 health problems for residents of this state, are a major
25 economic burden to the citizens of this state, and substantially
26 increase demands on the state's juvenile and adult criminal
27 justice systems, the child welfare system, and health care
28 systems. The Legislature finds that behavioral health disorders

29 | respond to appropriate treatment, rehabilitation, and supportive
 30 | intervention. The Legislature finds that it has made a
 31 | substantial long-term investment in the funding of the
 32 | community-based behavioral health prevention and treatment
 33 | service systems and facilities in order to provide critical
 34 | emergency, acute care, residential, outpatient, and
 35 | rehabilitative and recovery-based services. The Legislature
 36 | finds that local communities have also made substantial
 37 | investments in behavioral health services, contracting with
 38 | safety net providers who by mandate and mission provide
 39 | specialized services to vulnerable and hard-to-serve populations
 40 | and have strong ties to local public health and public safety
 41 | agencies. The Legislature finds that a management structure that
 42 | places the responsibility for publicly financed behavioral
 43 | health treatment and prevention services within a single
 44 | private, ~~nonprofit~~ entity at the local level will promote
 45 | improved access to care, promote service continuity, and provide
 46 | for more efficient and effective delivery of substance abuse and
 47 | mental health services. The Legislature finds that streamlining
 48 | administrative processes will create cost efficiencies and
 49 | provide flexibility to better match available services to
 50 | consumers' identified needs.

51 | (2) DEFINITIONS.—As used in this section, the term:

52 | (d) "Managing entity" means a corporation incorporated or
 53 | registered ~~that is organized~~ in this state that manages, ~~is~~
 54 | ~~designated or filed as a nonprofit organization under s.~~
 55 | ~~501(c) (3) of the Internal Revenue Code, and is under contract to~~
 56 | ~~the department to manage~~ the day-to-day operational delivery of

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57 behavioral health services through an organized system of care
58 under contract with the department.

59 (e) "Provider networks" mean the direct service agencies
60 ~~that are under contract with a managing entity and~~ that together
61 constitute a comprehensive array of emergency, acute care,
62 residential, outpatient, recovery support, and consumer support
63 services.

64 (4) CONTRACT FOR SERVICES.—

65 (b) The operating costs of the managing entity contract
66 shall be funded through funds from the department and any
67 savings and efficiencies achieved through the implementation of
68 managing entities when realized by their participating provider
69 network agencies. The department recognizes that managing
70 entities will have infrastructure development costs during
71 start-up so that any efficiencies to be realized by providers
72 from consolidation of management functions, and the resulting
73 savings, will not be achieved during the early years of
74 operation. The department shall negotiate a reasonable and
75 appropriate administrative cost rate for the system of care
76 managed by ~~with~~ the managing entity. The Legislature intends
77 that reduced local and state contract management and other
78 administrative duties passed on to the managing entity allows
79 funds previously allocated for these purposes to be
80 proportionately reduced and the savings used to purchase the
81 administrative functions of the managing entity. Policies and
82 procedures of the department for monitoring contracts with
83 managing entities shall include provisions for eliminating
84 duplication within the provider network and between ~~of~~ the

85 department's and the managing entities' contract management and
 86 other administrative activities in order to achieve the goals of
 87 cost-effectiveness and regulatory relief. To the maximum extent
 88 possible, provider-monitoring activities shall be assigned to
 89 the managing entity.

90 (6) ESSENTIAL ELEMENTS.—It is the intent of the
 91 Legislature that the department may plan for and enter into
 92 contracts with managing entities to manage care in geographical
 93 areas throughout the state.

94 (c) The managing entity shall ensure that its provider
 95 network is broadly conceived. ~~All~~ Mental health or substance
 96 abuse ~~treatment~~ providers currently under contract with the
 97 department shall be offered a contract by the managing entity
 98 for 1 year.

99 (d) The department may contract with managing entities to
 100 provide the following core functions:

101 1. System of care development and management ~~Financial~~
 102 ~~accountability.~~

103 2. Utilization management ~~Allocation of funds to network~~
 104 ~~providers in a manner that reflects the department's strategic~~
 105 ~~direction and plans.~~

106 3. Network and subcontract management ~~Provider monitoring~~
 107 ~~to ensure compliance with federal and state laws, rules, and~~
 108 ~~regulations.~~

109 4. Quality improvement ~~Data collection, reporting, and~~
 110 ~~analysis.~~

111 5. Technical assistance and training ~~Operational plans to~~
 112 ~~implement objectives of the department's strategic plan.~~

- 113 6. Data collection, reporting, and analysis ~~Contract~~
- 114 ~~compliance.~~
- 115 7. Financial Performance management.
- 116 8. Planning ~~Collaboration with community stakeholders,~~
- 117 ~~including local government.~~
- 118 9. Board development and governance ~~System of care through~~
- 119 ~~network development.~~
- 120 10. Disaster planning and responsiveness ~~Consumer care~~
- 121 ~~coordination.~~
- 122 11. ~~Continuous quality improvement.~~
- 123 12. ~~Timely access to appropriate services.~~
- 124 13. ~~Cost effectiveness and system improvements.~~
- 125 14. ~~Assistance in the development of the department's~~
- 126 ~~strategic plan.~~
- 127 15. ~~Participation in community, circuit, regional, and~~
- 128 ~~state planning.~~
- 129 16. ~~Resource management and maximization, including~~
- 130 ~~pursuit of third-party payments and grant applications.~~
- 131 17. ~~Incentives for providers to improve quality and~~
- 132 ~~access.~~
- 133 18. ~~Liaison with consumers.~~
- 134 19. ~~Community needs assessment.~~
- 135 20. ~~Securing local matching funds.~~

136 (7) MANAGING ENTITY REQUIREMENTS.—The department may adopt
 137 rules and standards and a process for the qualification and
 138 operation of managing entities which are based, in part, on the
 139 following criteria:

140 (a) A managing entity's governance structure shall be

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141 representative and shall, ~~at a minimum,~~ include consumers and
142 family members and, appropriate community stakeholders and
143 organizations, ~~and~~ Providers of substance abuse and mental
144 health services as defined in this chapter and chapter 397 may
145 not be part of the managing entity's governance structure. If
146 there are one or more private-receiving facilities in the
147 geographic coverage area of a managing entity, the managing
148 entity shall have one representative for the private-receiving
149 facilities as an ex officio member of its board of directors.

150 ~~(b) A managing entity that was originally formed primarily~~
151 ~~by substance abuse or mental health providers must present and~~
152 ~~demonstrate a detailed, consensus approach to expanding its~~
153 ~~provider network and governance to include both substance abuse~~
154 ~~and mental health providers.~~

155 ~~(c) A managing entity must submit a network management~~
156 ~~plan and budget in a form and manner determined by the~~
157 ~~department. The plan must detail the means for implementing the~~
158 ~~duties to be contracted to the managing entity and the~~
159 ~~efficiencies to be anticipated by the department as a result of~~
160 ~~executing the contract. The department may require modifications~~
161 ~~to the plan and must approve the plan before contracting with a~~
162 ~~managing entity. The department may contract with a managing~~
163 ~~entity that demonstrates readiness to assume core functions, and~~
164 ~~may continue to add functions and responsibilities to the~~
165 ~~managing entity's contract over time as additional competencies~~
166 ~~are developed as identified in paragraph (g). Notwithstanding~~
167 ~~other provisions of this section, the department may continue~~
168 ~~and expand managing entity contracts if the department~~

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169 ~~determines that the managing entity meets the requirements~~
170 ~~specified in this section.~~

171 ~~(d) Notwithstanding paragraphs (b) and (c), a managing~~
172 ~~entity that is currently a fully integrated system providing~~
173 ~~mental health and substance abuse services, Medicaid, and child~~
174 ~~welfare services is permitted to continue operating under its~~
175 ~~current governance structure as long as the managing entity can~~
176 ~~demonstrate to the department that consumers, other~~
177 ~~stakeholders, and network providers are included in the planning~~
178 ~~process.~~

179 (b)(e) Managing entities shall operate in a transparent
180 manner, providing public access to information, notice of
181 meetings, and opportunities for broad public participation in
182 decisionmaking. ~~The managing entity's network management plan~~
183 ~~must detail policies and procedures that ensure transparency.~~

184 (c)(f) Before contracting with a managing entity, the
185 department must perform an onsite readiness review of a managing
186 entity to determine its operational capacity to satisfactorily
187 perform the duties to be contracted.

188 (d)(g) The department shall engage community stakeholders,
189 ~~including providers,~~ and managing entities under contract with
190 the department, in the development of objective standards to
191 measure the competencies of managing entities and their
192 readiness to assume the responsibilities described in this
193 section, and the outcomes to hold them accountable.

194 (8) DEPARTMENT RESPONSIBILITIES.—With the introduction of
195 managing entities to monitor department-contracted providers'
196 day-to-day operations, the department and its regional ~~and~~

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197 ~~ircuit~~ offices will have increased ability to focus on broad
198 systemic substance abuse and mental health issues. After the
199 department enters into a managing entity contract in a
200 geographic area, the regional ~~and circuit~~ offices of the
201 department in that area shall direct their efforts primarily to
202 monitoring the managing entity and its system of care; contract,
203 ~~including negotiation of system quality improvement, cost~~
204 management, and outcomes requirements; goals each contract year,
205 ~~and~~ review of the managing entity's plans to execute department
206 strategic plans; carrying out statutorily mandated licensure
207 functions; conducting community and regional substance abuse and
208 mental health planning; ~~communicating to the department the~~
209 ~~local needs assessed by the managing entity; preparing~~
210 ~~department strategic plans;~~ coordinating with other state and
211 local agencies; ~~assisting the department in assessing local~~
212 ~~trends and issues and advising departmental headquarters on~~
213 ~~local priorities;~~ and providing leadership in disaster planning
214 and preparation. The ultimate responsibility with respect to
215 accountability for the expenditure of substance abuse and mental
216 health public funds shall reside with the department.

217 Section 2. This act shall take effect July 1, 2012.