

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 878

SPONSOR: Senator Myers

SUBJECT: Health Care/Transfer of Alcohol, Drug Abuse, and Mental Health

DATE: April 19, 1999 REVISED: 04/21/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Liem</u>	<u>Wilson</u>	<u>HC</u>	<u>Fav/3 amendments</u>
2.	<u>Peters</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 878 transfers alcohol, drug abuse, and mental health (ADM) functions and resources, including state mental health institutions, from the Department of Children and Family Services to the Department of Health by a type two transfer, effective January 1, 2000.

In creating the Division of Mental Health and the Division of Substance Abuse in the Department of Health, these divisions are placed under the direct supervision of a Deputy Secretary for Behavioral Health Care. References to “alcohol and drug abuse” are replaced with references to “substance abuse.” Local health councils are given duties relative to local ADM planning functions.

The bill creates a behavioral health care transition advisory committee with specific tasks in specific time frames, to ensure a smooth transition of the programmatic transfers.

The bill creates, within the Executive Office of the Governor, the Commission on Mental Health and Substance Abuse, which will over a two-year period conduct a systematic review of the overall management of the state’s mental health and substance abuse system and its funding, and make recommendations for updating part IV of chapter 394, F.S., and related statutes. The bill provides an appropriation of \$75,000 in general revenue and \$75,000 in federal Medicaid administrative match to fund the commission’s activities. The bill authorizes the Department of Health to continue using unit-cost methods of payment for purchase of contracted services during the commission’s study period.

The bill amends the following sections of the Florida Statutes: 20.19 (1998 Supp.), 20.43 (1998 Supp.), 39.001 (1998 Supp.), 39.502 (1998 Supp.), 216.0172 (1998 Supp.), 216.136 (1998 Supp.), 322.055, 393.11 (1998 Supp.), 394.453, 394.455, 394.457, 394.4574 (1998 Supp.), 394.4615, 394.4674, 394.4781 (1998 Supp.), 394.47865, 394.480, 394.493 (1998 Supp.), 394.498 (1998 Supp.), 394.4985 (1998 Supp.), 394.65, 394.66, 394.67 (1998 Supp.), 394.675,

394.73, 394.74, 394.75, 394.76, 394.77, 394.78 (1998 Supp.), 394.79, 397.311 (1998 Supp.), 397.321 (1998 Supp.), 397.481, 397.706 (1998 Supp.), 397.753, 397.754, 397.801, 397.821, 397.901, 400.0065, 400.435, 400.4415, 402.165 (1998 Supp.), 402.166 (1998 Supp.), 402.167, 402.175 (1998 Supp.), 402.20, 402.22 (1998 Supp.), 402.33, 408.701 (1998 Supp.), 409.906 (1998 Supp.), 411.222, 411.224, 414.70 (1998 Supp.), 458.3165, 561.121, 561.19, 775.16, 817.505 (1998 Supp.), 877.111, 893.02 (1998 Supp.), 893.11, 893.12 (1998 Supp.), 893.15, 893.165, 895.09 (1998 Supp.), 916.105 (1998 Supp.), 916.106 (1998 Supp.), 916.107 (1998 Supp.), 916.32 (1998 Supp.), 916.33 (1998 Supp.), 916.37 (1998 Supp.), 916.39 (1998 Supp.), 916.40 (1998 Supp.), 916.49 (1998 Supp.), 938.23, 944.706, 945.025, 945.12, 945.41, 945.47, 945.49, 947.146 (1998 Supp.), 948.034 (1998 Supp.), 984.225 (1998 Supp.), 985.06, 985.21 (1998 Supp.), 985.223 (1998 Supp.), 985.226 (1998 Supp.), 985.23 (1998 Supp.), 985.233, and 985.308 (1998 Supp.).

The bill creates five undesignated sections of law.

II. Present Situation:

Department of Health

Section 20.43, F.S., 1998 Supplement, creates and provides the organizational structure for the Department of Health. The mission of the department is to promote and protect the health and safety of all residents and visitors in the state. The department monitors the overall health of Floridians, diagnoses and investigates health problems, and mobilizes communities to address health issues. The department also develops policies to improve the public's health, enforces health-related laws and regulations, regulates health care practitioners, and provides specialized and basic health care services to people who have difficulty accessing care from the private sector.

The department was established as an independent agency on January 1, 1997. Prior to this, health was a program within the Department of Health and Rehabilitative Services. On July 1, 1997, the following responsibilities were also transferred to the Department of Health: regulation of health care practitioners and responsibility for local health councils, from the Agency for Health Care Administration; and the Correctional Medical Authority, from the Department of Corrections.

The Department of Health provides its services in several areas: community public health and disease prevention, leadership in the development of public health delivery systems, services for children who are at risk or have special health care needs, analysis of trends in the evolution of health care systems and promotion of innovative and cost-effective delivery systems, and the regulation of health care practitioners. Community public health services include the following divisions as specified in s. 20.43, F.S., 1998 Supplement: the Division of Environmental Health, the Division of Disease Control, and the Division of Family Health Services. The 67 county health departments are the primary operational arm for the department's community public health functions. Services to children with special health care needs are provided by the department's Division of Children's Medical Services. The department regulates health care practitioners and improves access to health care providers through the Division of Medical Quality Assurance and the Division of Local Health Planning, Education, and Workforce Development, respectively. The Division of Administration is responsible for the department's functions relating to accounting, budgeting, personnel, general services, purchasing, and related administrative matters. The

Correctional Medical Authority monitors health care provided to state prison inmates, using contract health care providers to perform audits under the direction of CMA employees.

Department of Children and Family Services

The Department of Children and Family Services, as authorized by s. 20.19, F.S., 1998 Supplement, has responsibility for most state-funded social services programs, including alcohol, drug abuse and mental health services and mental health institutions. Services are provided by operations staff in 15 service districts under the line authority of District Administrators.

Programmatic and policy direction is provided by headquarters staff under the direction of the Deputy Secretary for Human Services, who oversees the program offices for Alcohol, Drug Abuse, and Mental Health; Children and Families; Developmental Services; and Economic Self-Sufficiency. This programmatic structure is mirrored in each of the districts, with the District Administrators reporting to the Secretary of the department. At the district level, community alcohol, drug abuse, and mental health services are provided through direct contracts or purchase of service contracts with private providers. State mental health institutions and the developmental services institutions are under the supervision of the respective District Administrator.

Administrative support services, such as accounting, budgeting, personnel and general services, are integrated at the district level, although most institutions also have administrative support staff. For example, a district fiscal office provides accounting and budgeting services for all programs administered in the district. Similarly, legal and public information services are integrated at the district and headquarters levels.

III. Effect of Proposed Changes:

Section 1. Provides for the January 1, 2000, transfer of alcohol, drug abuse, and mental health functions and resources, including state mental health institutions, from the Department of Children and Family Services to the Department of Health by a type two transfer as specified in s. 20.06, F.S. This section also provides a saving clause for rules subject to the transfer and authorizes the Department of Health to organize, classify, and manage the transferred positions in a manner that will reduce duplication, achieve maximum efficiency and ensure accountability.

Section 2. Effective January 1, 2000, amends s. 20.19, F.S., 1998 Supplement, relating to the organization and structure of the Department of Children and Family Services, to delete alcohol, drug abuse, and mental health related provisions from the Department of Children and Family Services' statutory authority.

Section 3. Effective January 1, 2000, amends s. 20.43, F.S., 1998 Supplement, relating to the organization and structure of the Department of Health, to: provide Department of Health duties relative to mental health and substance abuse; create the Division of Mental Health and the Division of Substance Abuse in the Department of Health; and specify that the Division of Mental Health and the Division of Substance Abuse as created in the Department of Health be under the direct supervision of a Deputy Secretary for Behavioral Health Care.

Sections 4-9. Effective January 1, 2000, amend various sections of statute to conform to the transfer of mental health and substance abuse services from the Department of Children and Family Services to the Department of Health.

Sections 10-32. Effective January 1, 2000, amend various sections of chapter 394, F.S., relating to mental health, to conform to the transfer of mental health services from the Department of Children and Family Services to the Department of Health. In so doing, the bill: defines “service district” in the context of the provision of substance abuse and mental health services; clarifies coordination of functions between the Department of Health and the Department of Children and Family Services; refers to “substance abuse services” rather than “alcohol and drug abuse services;” eliminates the district advisory council function and changes the references to the district administrator to the new Deputy Secretary for Behavioral Health Care; includes local health councils, as established under s. 408.033, F.S., in the local substance abuse and mental health planning functions; and establishes performance standard language that is deleted from s. 20.19, F.S., (by section 2 of the bill) as part of s. 394.78, F.S., (in section 31 of the bill).

Sections 33-41. Effective January 1, 2000, amend various sections of chapter 397, F.S., relating to substance abuse services, to conform to the transfer of substance abuse services from the Department of Children and Family Services to the Department of Health. In so doing, the bill refers to “substance abuse services” rather than “alcohol and drug abuse services;” clarifies the coordination of functions among the Department of Health, the Department of Children and Family Services, and the Department of Juvenile Justice; and changes the references to the district administrator to the new Deputy Secretary for Behavioral Health Care.

Sections 42-94. Effective January 1, 2000, amend various sections of statute to conform to the transfer of mental health and substance abuse services from the Department of Children and Family Services to the Department of Health, and to clarify the respective agency’s responsibilities.

Section 95. Effective July 1, 1999, creates a 9-member behavioral health care transition advisory committee, made up of six staff appointed by the Secretaries of Health and Children and Family Services, two additional persons representing mental health and substance abuse providers, plus one consumer/advocate representative, to prepare for the transfer of behavioral health care functions. Specific tasks and time lines are specified, with a schedule of transition activities and functions to be developed by October 1, 1999.

Section 96. Creates, within the Executive Office of the Governor, the Commission on Mental Health and Substance Abuse, which will over a two-year period conduct a systematic review of the overall management of the state’s mental health and substance abuse system and its funding, and make recommendations for updating part IV of chapter 394, F.S., and related statutes. This section of the bill provides: legislative findings as to the need for the commission; for the creation of the commission; commission duties; membership; for appointment of an advisory committee; staffing; meetings; and interim and final reports. Authorization for the Commission expires on May 15, 2001.

Section 97. Provides an appropriation of \$75,000 from General Revenue and \$75,000 from Medicaid administrative funds for the commission for each of the next two fiscal years.

Section 98. Authorizes the Department of Health to use unit-cost methods of payment in contracts for purchasing mental health and substance abuse services through June 30, 2001; authorizes the department to reimburse actual expenditures for start-up contracts and fixed capital outlay contracts in accordance with contract specifications; and directs the department to develop rules to implement this section.

Section 99. Provides for an effective date of July 1, 1999, except as otherwise provided in the act.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Subsections 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Current staff and budget reported by the Department of Children and Families for transfer to the Department of Health for ADM services are as follows:

<u>SERVICE/INSTITUTION</u>	<u>FTE's</u>	<u>BUDGET</u>
ADM Services	172	\$ 390,444,357
Mental Health Institutions	6,404.5	\$257,208,593
Indirect	36.18	\$ 1,835,982

The Department of Health identified 6,569 direct FTEs which would be transferred, and an additional 51 infrastructure and support FTEs which should transfer the first year the bill is implemented.

The bill specifies funding for the Commission on Mental Health and Substance Abuse as follows: \$75,000 from General Revenue and \$75,000 from Medicaid administrative funds for both fiscal year 1999-2000 and fiscal year 2000-2001.

VI. Technical Deficiencies:

Section 6 of the bill amends s. 216.0172 (2) (b), F. S. to replace Department of Health and Rehabilitative Services (Alcohol, Drug Abuse and Mental Health) with Department of Health (Substance Abuse, Mental Health) for performance-based budgeting scheduling purposes. This section should be deleted, since performance-based budgeting for the Department of Health is subject to the provisions of s. 216.0172 (6) (e), F.S.

Section 41 of the bill (page 63, beginning with line 18) amends s. 397.901(4), F.S., to specify that the Department of Juvenile Justice has the responsibility for prototype juvenile addictions receiving facilities. Staff of the Department of Juvenile Justice have indicated that the Department of Juvenile Justice is not responsible for this function. In keeping with the transfer provisions of the bill, this reference to the Department of Juvenile Justice should be changed to a reference to the Department of Health.

VII. Related Issues:

Section 97 of the bill appropriates Medicaid administrative match to support the activities of the Commission on Mental Health and Substance Abuse. Federal Regulations (42 CFR 433.15(b)(7)) allow federal financial participation (FFP) for administrative activities the HHS Secretary finds necessary for proper and efficient administration of the state Medicaid plan. The scope of the activities of the commission, while including an evaluation of the mental health and substance abuse provided under Medicaid, includes other activities which are not related to the administration of the State plan. Inclusion of these non-Medicaid analyses and evaluation may not be eligible for FFP.

VIII. Amendments:

#1 by Health Aging and Long-Term Care:

Deletes changes to the performance-based program budgeting timetables for the Alcohol, Drug Abuse, and Mental Health program.

#2 by Health Aging and Long-Term Care:

Transfers rule writing authority for the prototype juvenile addictions receiving facilities from the Department of Juvenile Justice to the Department of Health.

#3 by Health Aging and Long-Term Care:

Adds a new Section 99 to the bill to add Subsection (36) to section 641.31, F.S. requiring all Health Maintenance contracts that provide coverage for massage to also cover the services of persons licensed to practice massage if the massage is prescribed by a licensed physician as medically necessary and the prescription specifies the number of treatments. Massage services are subject to the same terms, conditions and limitations as other contracted providers.

#1 by Fiscal Policy Committee:

Amends s. 458.3115, F.S., with respect to eligibility of certain foreign-licensed physicians to take and pass standardized examinations and limit the fee charged not to exceed 25 percent of the actual costs of the first examination, and a fee not to exceed 75 percent of the actual costs for any subsequent examination.

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