

**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 Health and Human Services Appropriations Committee

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**BILL:** PCS/SB 1466 (961330)

**INTRODUCER:** Committee on Health and Human Services Appropriations

**SUBJECT:** Child Welfare Services and Mental Health and Substance Abuse

**DATE:** March 17, 2010

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hardy	Hansen	HA	<b>Pre-meeting</b>
2.			WPSC	
3.			RC	
4.				
5.				
6.				

**I. Summary:**

The Proposed Committee Substitute requires certain state agencies that contract for child welfare services to implement changes to improve efficiency in contract administration. The bill requires child welfare contracting agencies to limit administrative monitoring to once every three years, if the contracted provider is accredited by specified accrediting organizations. The bill also mandates the department to limit contract monitoring of a child-caring or child-placing provider to only once per year.

The bill authorizes private-sector development and implementation of an Internet-based secure and consolidated data warehouse for maintaining corporate, fiscal and administrative records related to child welfare provider contracts, and requires state agencies that contract with child welfare providers to access records from this database, unless records are outdated or unavailable.

The bill also repeals the Florida Substance Abuse and Mental Health Corporation.

This bill will generate a savings of \$245,457 in general revenue and \$58,220 in trust funds for a total of \$303,677 as a result of repealing the Florida Substance Abuse and Mental Health Corporation.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 402.7305, 409.1671 and 394.655.

**II. Present Situation:**

**Contract Monitoring**

State agency procurement contracts typically include oversight mechanisms for contract management and program monitoring. Contract monitors ensure that contractually required services are delivered in accordance with the terms of the contract, approve corrective action plans for non-compliant providers, and withhold payment when services are not delivered or do not meet quality standards.

In November 2008, Children's Home Society of Florida (CHS) surveyed 162 programs, in an effort to “assess the quantity of external contract monitoring of CHS programs and identify any potential areas of duplication across monitoring by state and designated lead agencies.”<sup>1</sup> One-hundred four programs (64 percent) responded to the survey.

According to the responses, between October 1, 2007 and September 30, 2008, these 104 programs were monitored 154 times by state agencies, and 1,369 documents were requested in advance of site monitoring visits. Of the document requests, 488 (36 percent) were requested by other state agencies or other departments within a state agency during the past year. According to the survey, examples of duplicative document requests included:

- Finance and Accounting Procedures;
- Human Resources Policies and Procedures;
- List of Board of Directors and Board Meeting Minutes;
- Financial Audit and Management Letter;
- IRS forms;
- By-laws; and
- Articles of Incorporation.<sup>2</sup>

According to the survey, professional program staff spend an average of 19 hours to prepare for each site visit, for a total of 3,777 hours.

The survey also disclosed that, during site visits, reviewers evaluated the same policies and procedures reviewed by other state agencies during the year 130 times. The following are examples of documents that were reviewed multiple times during site visits:

- Cash Management Policies and Procedures;
- Finance and Accounting Procedures; and
- Administrative Policies.

According to the survey, professional program staff spend an average of 60 hours on each site visit.<sup>3</sup>

### **Substance Abuse and Mental Health Corporation**

Section 394.655, Florida Statutes, relates to the Substance Abuse and Mental Health Corporation which is a non-profit corporation created by the Legislature to oversee the state's publicly funded substance abuse and mental health services. The Governor, President of the Senate and Speaker

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<sup>1</sup> CHS, *Case Study-Contract Monitoring Survey* (December 3, 2008).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

of the House appoint its 12 directors. The corporation is charged with making recommendations annually to the Governor and the Legislature on policies designed to improve coordination and effectiveness of the state's publicly funded mental health and substance abuse system.

### III. Effect of Proposed Changes:

#### **Contract Monitoring**

The bill requires DCF, as well as the departments of Health and Juvenile Justice, and the agencies for Persons with Disabilities and Health Care Administration, to implement changes to improve efficiency in health and human services contract administration. The bill includes the following provisions:

- Requires health and human services contracting agencies to limit administrative monitoring to once every three years, if the contracted provider is accredited by one of the following organizations:
  - Joint Commission on the Accreditation of Healthcare Organizations (JCAHO);
  - Commission on Accreditation of Rehabilitation Facilities (CARF); or
  - Council on Accreditation (COA).

The contracting agency does not, however, forfeit its right to monitor or investigate a provider under specified circumstances. In addition, Medicaid provider agreements are excepted from the requirement.

- Authorizes private-sector development and implementation of a data warehouse for maintaining corporate, fiscal and administrative records related to child welfare provider contracts.
- Requires state agencies that contract with child welfare providers to access records from this database, unless records are outdated or unavailable.
- Provides that the following records, at a minimum, must be included in the database:
  - Articles of incorporation;
  - Bylaws;
  - Governing board and committee minutes;
  - Financial audits;
  - Expenditure reports;
  - Compliance audits;
  - Organizational charts;
  - Staff resumes;
  - Governing board membership information; and
  - Human resource policies and procedures.

#### **Substance Abuse and Mental Health Corporation**

The bill repeals s. 394.655, Florida Statutes, to eliminate the Substance Abuse and Mental Health Corporation.

The bill has an effective date of July 1, 2010.

**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, Section 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. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The ability to access documents through a database will likely result in increased efficiencies for contracted health and human services providers.

C. Government Sector Impact:

The provisions of this bill are necessary to implement the General Appropriations Act for Fiscal Year 2010-2011. This bill will generate a savings of \$245,457 in general revenue and \$58,220 in trust funds for a total of \$303,677 as a result of repealing the Florida Substance Abuse and Mental Health Corporation.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial 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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