



## The Substance Abuse and Mental Health Corporation Has Not Addressed Its Responsibilities Fully

### *at a glance*

The Legislature created the Substance Abuse and Mental Health Corporation in 2003 to oversee the publicly funded substance abuse and mental health systems. In 2004, the corporation focused on its legislative directive to review Medicaid's transition to managed behavioral health care and worked primarily with DCF and AHCA.

The corporation has not worked closely with other state agencies involved with the substance abuse and mental health systems to address its other eight statutory responsibilities. Of these, the corporation has addressed one fully, partially addressed three, and has not addressed four. To fully meet its responsibilities, the corporation should complete required memoranda of agreement with state agencies and analyze data and develop processes to improve the coordination, quality, and efficiency of the state's substance abuse and mental health programs.

The corporation is scheduled to sunset on October 1, 2006, unless reenacted by the Legislature. While the corporation's work during 2004 evinces useful beginning steps, it will be difficult to justify its continuing existence unless it more fully addresses its statutory responsibilities.

### Scope

Chapter 2003-279, *Laws of Florida*, directs OPPAGA and the Auditor General to evaluate the state's substance abuse and mental health systems and management. This is the second in a series of reports examining the state's substance abuse and mental health programs.<sup>1</sup>

This report addresses three questions.

- To what extent has the corporation met its statutory responsibility to analyze the impact of managed care on the mental health service delivery system?
- To what extent has the corporation worked with state agencies to create integrated substance abuse and mental health systems?
- To what degree has the corporation met its additional statutory responsibilities?

### Background

The 2003 Legislature created the Substance Abuse and Mental Health Corporation to oversee the state's publicly funded substance abuse and mental health systems and make policy and resource recommendations to improve the coordination, quality, and

<sup>1</sup> The first report, *Centralizing DCF Substance Abuse and Mental Health Programs Provides Benefits but also Challenges*, [Report No. 05-07](#), was published in February 2005.

efficiency of the systems. The corporation is a not-for-profit organization independent of state government and is to annually evaluate and report on the status of the state's substance abuse and mental health systems.<sup>2</sup>

The corporation, which is administratively housed within the Department of Children and Families, has two employees, an executive director and an administrative assistant. The corporation is governed by a 12-member board of directors appointed by the Governor, the Speaker of the House, and the President of the Senate.

Board members are to be community or business leaders with experience or interest in substance abuse or mental health and are to include consumers, child welfare community-based care, and the criminal justice system. Three ex-officio board members represent the Department of Children and Families, the Agency for Health Care Administration, and the Florida Association of Counties. The board chairperson, who is appointed by the Governor, has appointed ad hoc committees to address issues related to children's mental health, behavioral managed care, and agency data systems.

All board members were appointed as of October 2003, the board held its first meeting in December 2003, the executive director was hired in March 2004, and the corporation began addressing its mandates in June 2004. This report therefore reviews the board's actions for the six-month period from June to December 2004.

The Legislature appropriated the corporation \$250,000 for each of Fiscal Years 2003-04 and 2004-05.<sup>3,4</sup> The corporation requested \$350,000

for Fiscal Year 2005-06, but this request was not included in the department's Legislative Budget Request or the Governor's budget recommendations.<sup>5</sup> During Fiscal Year 2003-04, state agencies were appropriated approximately \$2 billion in state and federal funds for substance abuse and mental health services. (Appendices A and B provide detailed information on these agencies' services and funding.)

## Findings

Chapter 2003-279, *Laws of Florida*, directs OPPAGA to address three questions.

- To what extent has the Substance Abuse and Mental Health Corporation met its statutory responsibility to analyze the impact of managed care on the mental health service delivery system?
- To what extent has the corporation worked with state agencies to create integrated substance abuse and mental health systems?
- To what degree has the corporation met its additional statutory responsibilities?

In 2004 the corporation focused on addressing its legislative directive to analyze the transition of Medicaid recipients to managed care for behavioral health.<sup>6,7</sup> The corporation has not addressed its other responsibilities to take a systematic approach to coordinating and improving the state's mental health and substance abuse systems. While the corporation receives an extensive amount of information from state agencies and other stakeholders, it has not yet analyzed this information. Of its eight specific statutory responsibilities, the corporation has addressed

<sup>2</sup> Chapter 2003-279, *Laws of Florida*.

<sup>3</sup> Funding was through DCF substance abuse and mental health Other Personnel Services and Expense budget items. The corporation's funding prevents the department from contracting with the corporation and prevents the corporation from providing benefits to its employees, whose salaries are paid by the department.

<sup>4</sup> The corporation was unable to provide the required financial audit for FY 2003-04 because DCF did not establish the codes necessary to track the corporation's expenditures.

<sup>5</sup> Section 394.655(8), *F.S.*, requires the corporation to develop a budget request for its operation and to submit the request to the Legislature and Governor pursuant to Ch. 216, *F.S.*, through the secretary of the department. This requirement also is addressed in the corporation's memorandum of agreement with the department.

<sup>6</sup> Behavioral health encompasses mental health and substance abuse.

<sup>7</sup> Chapter 2004-269, *Laws of Florida*.

one fully, partially addressed three, and not addressed four.

The corporation is scheduled to sunset on October 1, 2006, unless reenacted by the Legislature. While the corporation's work during 2004 evinces useful beginning steps, unless the corporation demonstrates value to the state by more fully addressing its statutory responsibilities during 2005, it will be difficult to justify its continued existence.

***To what extent has the corporation met its statutory responsibility to analyze the impact of managed care on the mental health service delivery system?***

The corporation focused much of its work in 2004 on addressing its legislative directive to analyze the transition of Medicaid recipients to managed care for behavioral health. Chapter 2004-269, *Laws of Florida*, directs the corporation to analyze managed care contracts and the impact of these contracts on the mental health service delivery system in the state and to include this information in its 2004 annual report. This analysis was to include provider and client outcomes from the perspective of cost-effectiveness, quality of care, and access to care. The analysis also was to include a comparison of levels of benefit packages.

The corporation met this responsibility. It developed a side-by-side comparison of the Medicaid HMO and Prepaid Mental Health Plan contracts and noted which areas were the same and which differed. In its annual report, the corporation offered many recommendations on managed care, including client and provider outcomes; standardizing outcomes, encounter data, functional assessments, and satisfaction surveys for both Medicaid and non-Medicaid funded services; changing the capitation rate methodology to ensure that rates are risk adjusted; and developing an integrated data system that tracks Medicaid and non-Medicaid funded behavioral health services. The report emphasized that without an integrated data system the state cannot determine access to

services, quality of services, or the cost-effectiveness of services.

***To what extent has the corporation worked with state agencies to create integrated substance abuse and mental health systems?***

In Chapter 2003-279, *Laws of Florida*, the Legislature required the corporation to work with state agencies that fund, purchase, or provide mental health and substance abuse services and to develop memoranda of agreement with these agencies. While the corporation worked closely with three agencies—the Department of Children and Families, the Agency for Health Care Administration, and Governor's Office of Drug Control, it has had limited involvement with the departments of Juvenile Justice, Corrections, and Education, which also play a major role in the state's mental health and substance abuse programs.

Department of Children and Families (DCF). The corporation has worked closely with the Department of Children and Families, which was instrumental in establishing and supporting its work. The department's deputy secretary for Substance Abuse and Mental Health appointed a liaison who worked with the corporation to arrange its initial board orientation meeting, draft its articles of incorporation and bylaws, and assist in advertising and hiring the corporation's executive director. The department provides the corporation ongoing administrative support and in-kind services such as office space, telephone service, and postage.

Several of the department's key substance abuse and mental health managers regularly attend corporation meetings and provide information through presentations, handouts, and discussions. The department Secretary also attends board meetings in her ex-officio role. Several department substance abuse and mental health program managers have worked closely with the board's ad hoc committees examining behavioral managed care, related

data systems, and children's mental health. However, the corporation has had limited interaction with other department programs such as mental health treatment facilities and substance abuse prevention. The corporation should seek to interact with the full range of department substance abuse and mental health programs to stay informed about issues affecting the department's programs and services.

The corporation has established one of the two statutorily required memoranda of agreement with the department. The corporation and the department entered into a memorandum of agreement governing requests for information, the department's administrative and in-kind support to the corporation, submission of legislative budget requests, assistance with the corporation's annual report, and response procedures to recommendations. However, the corporation and department have not yet developed an agreement detailing their interaction concerning department program areas. As directed by statute, the corporation and department should develop such an agreement to specify how the program areas and the corporation will coordinate, including the roles and responsibilities of each party, how they will communicate and request information, and the amount and type of program staff support the department will provide to the corporation to assist it in fulfilling its responsibilities. Given the corporation's significant responsibilities and staff of two, it needs such agreements to clarify the types of assistance and information that will be provided by program staff.

Agency for Health Care Administration (AHCA). The corporation also has worked closely with AHCA. Agency representatives from the areas of health managed care, pre-paid behavioral health care, and data systems worked with the corporation and its ad hoc committees related to moving Medicaid recipients to managed behavioral health care. AHCA staff also regularly attend board and ad hoc committee meetings. To date, the agency

secretary has not attended meetings although he is an ex-officio board member.

The corporation has not entered into a memorandum of agreement with AHCA. As discussed above, the corporation and the agency should establish an agreement delineating the roles and responsibilities of each party and specifying the amount and type of staff support the agency will provide to the corporation. In addition, the Secretary of AHCA or his designee should attend board meetings to participate in efforts to coordinate and increase the efficiency of the state's mental health and substance abuse systems.

Office of Drug Control. The Governor's Office of Drug Control has made presentations to the corporation board and has met with the corporation's executive director to consult on substance abuse and related issues. The corporation's annual report recommended that the Legislature fund an Office of Suicide Prevention within the Office of Drug Control, as suicide prevention is one of the office's initiatives. The corporation should continue working closely with the Office of Drug Control. For example, the office's initiatives on adolescent mental health screening and suicide prevention fall within the corporation's purview to examine the coordination of services across agencies.

Other state agencies. To date, the corporation has had limited contact with the departments of Juvenile Justice, Corrections, and Education, although these agencies are involved with substance abuse and mental health services. The corporation has not established memoranda of agreement with these agencies as required by law. The corporation's executive director stated that this is due to the corporation's incremental approach to working with state agencies. However, as the corporation is charged by statute with analyzing the state's overall substance abuse and mental health systems, excluding these agencies substantially limits the corporation's ability to achieve its mission.

The Departments of Education and Juvenile Justice have made presentations to the board regarding their programs, funding, and special initiatives. However, managers responsible for substance abuse or mental health services at these agencies are not routinely notified of board meetings, and reported that they had little knowledge of the corporation or its responsibilities. The executive director should increase outreach to these state agencies and establish memoranda of agreement as required by law, which would enable the board to be informed of major substance abuse and mental health issues, funding needs, new initiatives, and clarify the types and levels of support that the agencies will provide the board.

### ***To what degree has the corporation met its additional statutory responsibilities?***

The corporation is charged with eight major statutory responsibilities related to the mental health and substance abuse systems. As described below, the corporation has addressed one fully, partially addressed three, and not addressed four of these obligations. This was due in part to the board's focus on meeting the legislative directive to analyze the transition of Medicaid recipients to managed behavioral health care and report its findings in the corporation's 2004 annual report.

### **Statutory Responsibilities**

1. *Provide mechanisms for substance abuse and mental health stakeholders, including consumers, family members, providers, and advocates to provide input concerning the management of the overall system*

The corporation has met this responsibility, and providing a forum for providers and stakeholders to be heard has been one of its major roles. At each board meeting, the corporation allows time for public input. Consumers, providers, advocates, and other stakeholders address the corporation on issues relating to substance abuse and mental health services for children and adults. Corporation board meetings are well attended by provider

organizations, advocacy groups, and other stakeholders.

2. *Review and assess the collection and analysis of needs assessment data as described in s. 394.82, Florida Statutes*

The corporation partially met this responsibility. It has collected needs assessment data, but has not yet evaluated this information. Section 394.82, *Florida Statutes*, requires the Department of Children and Families, in collaboration with AHCA, to estimate the need for and cost of expanding community mental health services, including crisis services, treatment services, rehabilitative services, support services, and case management services. The department developed its estimate and provided it to the corporation in high-level categories, without breakdowns by type of service. The corporation's 2004 annual report presented the department's data and recommended additional funding to address the unmet need for mental health and substance abuse services as well as to maximize Medicaid funding for substance abuse services.

However, the corporation did not meet this responsibility fully, as it did not assess the department's methods for collecting or analyzing the needs assessment data to verify its accuracy or to prioritize needs, as required by statute. To fully meet its statutory charge, the corporation should conduct a detailed analysis of needs for specific services, including crisis, treatment, rehabilitative, and case management for children and adults. The corporation also should identify any deficiencies in the continuum of community-based services; for example, some stakeholders have asserted that additional services are needed to support clients in the community after treatment and discharge from residential programs. The corporation also should project the funding required for any recommended expansion of services and prioritize these needs. This information would assist the Legislature in its funding deliberations.

3. *Review and assess the status of the publicly funded mental health and substance abuse systems and recommend policy designed to improve coordination and effectiveness*

The corporation partially met this responsibility. During 2004, to assess the current systems and make policy recommendations, the corporation examined the state's initiative to move Medicaid recipients into managed behavioral health care and made several related policy recommendations.

However, the corporation has not assessed other aspects of the state's substance abuse and mental health systems, and has had little interaction with the other state agencies that administer parts of the systems. To fully meet this statutory responsibility, the corporation should expand its focus to determine whether programs and services in the other agencies are integrated and efficacious and examine inter-agency coordination and service impediments. For example, the corporation could examine the policy and budget impacts of reestablishing Medicaid eligibility for juveniles or adults coming out of residential or institutional settings, connecting former inmates with mental health or substance abuse problems with community providers, and ensuring that substance abuse and mental health programs across agencies use identified best practices.

4. *Make recommendations concerning strategies for improving the performance of the systems*

The corporation partially met this responsibility in its work on managed care. Most of the corporation's recommendations in its annual report are strategies directed at behavioral managed care. To fully meet this responsibility, the corporation should expand its examination of the performance of the substance abuse and mental health systems to include the Departments of Juvenile Justice, Corrections, and Education and take a systematic approach to funding, clients served, the coordination and integration of services and programs, and the use of evidence-based

practices. Furthermore, the corporation should strive to make the substance abuse and mental health systems more efficient by identifying redundancies in services and processes.

5. *Review data regarding the performance of the publicly funded substance abuse and mental health systems*

The corporation has not met this responsibility, as it did not review performance data on the quality of services and outcomes of individuals served by substance abuse and mental health services. The corporation did look at the state and federal performance measures used for DCF substance abuse and mental health services and recommended in its annual report that common outcomes be established across state agencies. It also recommended the development of an integrated substance abuse and mental health database across state agencies. To facilitate the development of such a data system, the corporation recommended establishing stakeholder workgroups to, in part, estimate the cost and timeline to establish common data sets.

To meet this responsibility, the corporation should review the performance data and measures related to substance abuse and mental health services of relevant state agencies. It also should analyze these agencies' core functions to assess the feasibility of adopting common performance measures. Finally, the corporation will need to monitor the creation and operation of agency data system workgroups to ensure that the corporation's recommendations are implemented.

6. *Recommend priorities for service expansion*

The corporation has not met this responsibility. Stakeholders view the corporation as an objective body that can advocate for the resources necessary to address unfunded or underfunded service needs. The corporation made several recommendations for expanding services in its annual report, but it did not establish priorities. For example, the corporation recommended raising Medicaid capitation rates for behavioral health services

to ensure statewide equity, providing additional funding to substance abuse and mental health services to close the treatment gap for children and adults, expanding drug courts, and funding guardian advocates and guardian ad litem. However, the corporation did not recommend priorities for these actions, which is essential given the state's limited resources. To meet this statutory responsibility, the corporation should establish priorities and cost projections for services that it recommends be expanded.

7. *Prepare budget recommendations to be submitted to the appropriate departments for consideration in the development of their legislative budget requests and provide copies to the Governor, President of the Senate, and Speaker of the House for their consideration*

The corporation has not addressed this responsibility. However, the executive director indicated that the corporation plans to during 2005. In order to do so, the corporation will need to establish working relationships with all state agencies involved in substance abuse and mental health treatment. Due to the state budget schedule, the corporation must prepare its recommendations for agencies by July 2005.

8. *Review, assess, and forecast substance abuse and mental health manpower needs and work with the department and the educational system to establish policies, consistent with the direction of the Legislature, which will ensure that the state has the personnel it needs to continuously implement and improve its services*

The corporation did not address this responsibility during 2004 except to note in its annual report that DCF and AHCA may not have adequate staff to effectively manage and monitor managed care plans and ensure access to service. The corporation also wrote to the Governor expressing concern over the reduction of substance abuse and mental health positions in DCF for Fiscal Year 2004-05. However, the corporation has not systematically examined substance abuse and mental health staffing needs for DCF, nor has it

worked with state community colleges and universities to determine the steps that should be taken to develop a skilled workforce.

To meet this responsibility, the corporation should assess DCF staffing needs, including estimated costs. For example, the corporation could assess the Department of Children and Families' need for substance abuse and mental health staff in the central and field offices to develop and implement policy, manage and monitor outsourced service providers, work effectively with other agencies and stakeholder groups, and manage and provide direct services in civil and forensic facilities.

## Conclusions and Recommendations

In 2004 the Substance Abuse and Mental Health Corporation, working with the Department of Children and Families and the Agency for Health Care Administration, addressed its legislative directive to analyze the transition of Medicaid recipients to managed care for behavioral health. The corporation's annual report included many related recommendations pertaining to access to care, quality of care, administration, and financial requirements.

However, the corporation did not work closely with other state agencies that are part of the substance abuse and mental health systems to improve the coordination, quality, and efficiency of the systems. Of its eight designated responsibilities, the corporation fully addressed one by providing a forum for stakeholder involvement. It partially met three by reviewing needs assessment data and making policy and strategy recommendations to improve the performance of the systems. It made little progress in four areas. The corporation did not address prioritizing recommendations for service expansion; agency budget recommendations; reviewing agency performance data; or forecasting staffing needs for DCF. While the corporation's work during 2004 evinces useful

beginning steps, unless the corporation demonstrates value to the state by more fully addressing its statutory responsibilities during 2005, it will be difficult to justify its continued existence.

To fully meet its statutory responsibilities, the corporation should take the actions described below.

- Expand its focus to all state agencies that fund, purchase, or provide substance abuse and mental health services to include the departments of Juvenile Justice, Corrections, and Education. These agencies should assist the corporation in assessing the quality, coordination, and effectiveness of the substance abuse and mental health systems and making recommendations as needed for policies and strategies for improvement. In addition, the corporation should notify state agencies of its board meetings and keep the heads of these agencies informed of its activities.
- Complete memoranda of agreement with state agencies that are a part of the substance abuse and mental health systems to describe the roles and responsibilities of each party, especially staff support to the corporation to assist in fulfilling its responsibilities.
- Develop processes to analyze data on state mental health and substantive abuse programs, such as needs assessment data. These processes should include the collection, analysis, and synthesis of information by staff to facilitate board discussions and decision making.
- Analyze performance data across agencies to determine the quality of services and the outcomes achieved for individuals receiving state funded substance abuse and mental health services.

- Provide cost projections and priorities for recommended resource increases, including staffing needs and service expansion, to assist the Legislature and Governor in budget discussions and decisions.
- Prepare budget recommendations for the appropriate departments to assist in developing their legislative budget requests. These recommendations also should be provided to the Governor and Legislature for their consideration in budget development.

## Corporation Response

The Substance Abuse and Mental Health Corporation provided a written response to this report. In summary, the corporation disagrees with the report's conclusion that the corporation has not addressed fully its statutory responsibilities and states that its mission was redirected by a stipulation in the General Appropriations Act for Fiscal Year 2004-05 to look at the transition of Medicaid-funded behavioral health care services from fee-for-service to managed care. However, based on our analysis of the legislation and discussions with legislative staff, the analysis of managed care contracts was to be in addition to, not in lieu of, the corporation's responsibility to improve the coordination, quality, and efficiency of the substance abuse and mental health systems across state agencies. The corporation's full response is located on page 11.



## Appendix A

### Substance Abuse and Mental Health Funding by Service Type Fiscal Year 2003-04

The following table shows funding by type of service for those state agencies that provide or fund substance abuse and mental health services. Funding is based upon appropriations for Fiscal Year 2003-04.

	AHCA	DCFS	DJJ	DLE	DOC	DOE <sup>2</sup>	Total	State	Federal
<b>Mental Health</b>									
Emergency Stabilization	\$ -	\$ 92,091,061	\$ -	\$ -	\$ 3,507,661	\$ -	\$ 95,598,722	\$ 85,132,584	\$ 10,466,138
Residential Care		82,818,319	8,142,848				90,961,167	83,960,676	7,000,491
Case Management		25,104,574	2,035,713				27,140,287	18,371,660	8,768,627
Outpatient Services		59,214,549			39,146,282		98,360,831	87,496,082	10,864,749
Community Support Services		39,226,199					39,226,199	28,554,363	10,671,836
Assertive Community Treatment Teams		35,878,394					35,878,394	25,369,900	10,508,494
Juvenile Restoration Support		6,062,772					6,062,772	6,062,772	
Forensic Treatment		106,819,231					106,819,231	99,753,641	7,065,590
Civil Treatment		175,433,486					175,433,486	119,782,109	55,651,377
Other <sup>1</sup>	794,074,965	44,219,418			103,749	1,837,058	840,235,190	353,465,104	486,770,086
<b>Total</b>	<b>794,074,965</b>	<b>666,868,003</b>	<b>10,178,561</b>	<b>-</b>	<b>42,757,692</b>	<b>1,837,058</b>	<b>1,515,716,279</b>	<b>907,948,891</b>	<b>607,767,388</b>
<b>Substance Abuse</b>									
Prevention/ Education	-	28,769,608	1,104,490	5,406,208	-	-	35,280,306	557,705	34,722,601
Treatment		129,607,710	3,865,715	1,508,229	29,200,285		164,181,939	62,750,671	101,431,268
Enforcement		26,377,900	552,245	2,218,616			29,148,761	9,392,592	19,756,169
Other <sup>1</sup>		9,491,824		419,576	722,366		10,633,766	2,788,602	7,845,164
<b>Total</b>	<b>-</b>	<b>194,247,042</b>	<b>5,522,450</b>	<b>9,552,629</b>	<b>29,922,651</b>	<b>-</b>	<b>239,244,772</b>	<b>75,489,570</b>	<b>163,755,202</b>
<b>Total Mental Health and Substance Abuse</b>	<b>\$794,074,965</b>	<b>\$861,115,045</b>	<b>\$15,701,011</b>	<b>\$9,552,629</b>	<b>\$72,680,343</b>	<b>\$1,837,058</b>	<b>\$1,754,961,051</b>	<b>\$983,438,461</b>	<b>\$771,522,590</b>
State	\$320,588,661	\$584,697,413	\$ 9,079,181	\$ -	\$68,594,502	\$ 478,704	\$983,438,461		
Federal	\$473,486,304	\$276,417,632	\$ 6,621,830	\$9,552,629	\$ 4,085,841	\$1,358,354	\$771,522,590		

<sup>1</sup> Includes administrative costs and amounts that agencies were not able to identify by type of service. AHCA's amount represents payments to medical providers.

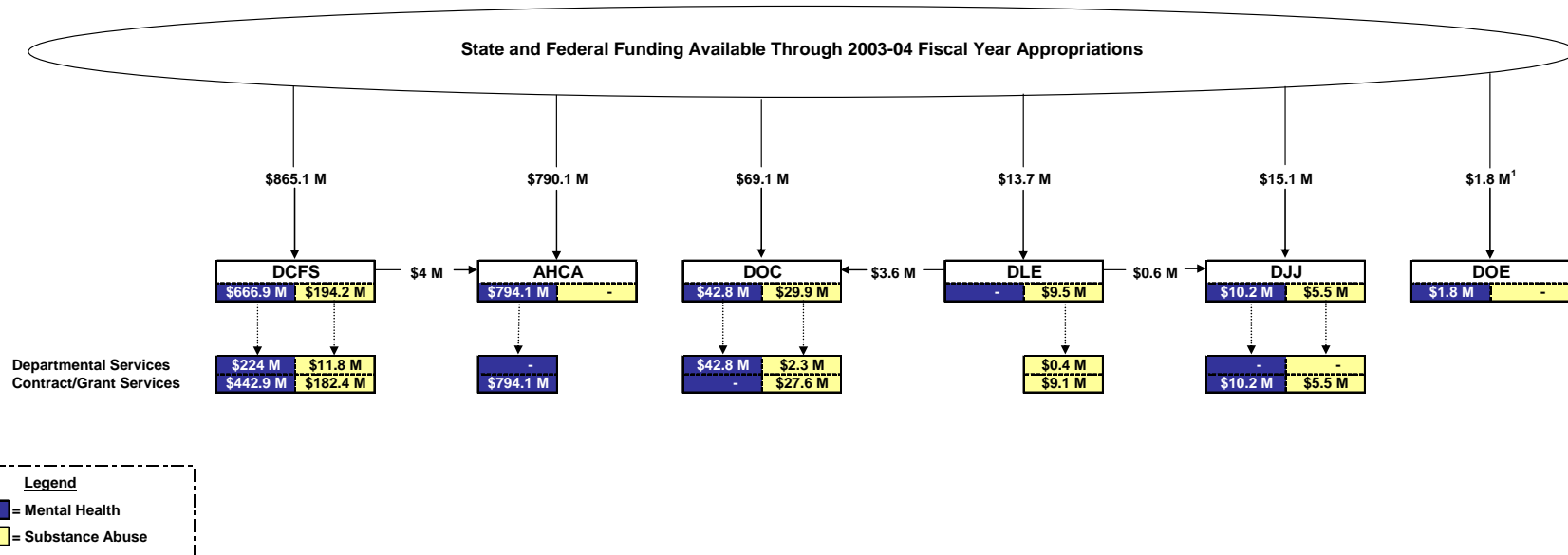
<sup>2</sup> DOE identified additional appropriations used for Safe Schools and Exceptional Student Education programs that are provided to district school boards, but was not able to identify portion that may be attributed specifically for mental health and substance abuse.

Source: Compiled from agency-provided information by the Office of the Auditor General.

## Appendix B

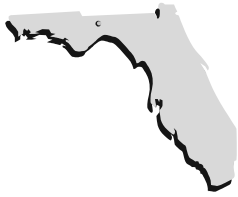
# Allocation of Substance Abuse and Mental Health Funding Fiscal Year 2003-04

The diagram below shows funding by department or contracted services, as well as funding transfers between agencies, for those state agencies that provide or fund substance abuse and mental health services. Funding is based upon appropriations for Fiscal Year 2003-04.



<sup>1</sup> DOE identified additional appropriations used for Safe Schools and Exceptional Students Education programs that are provided to district school boards, but was not able to identify portion that may be attributed specifically for mental health and substance abuse.

Source: Compiled from agency-provided information by the Office of the Auditor General.



# Florida Substance Abuse and Mental Health Corporation

March 18, 2005

***Dorothy G. Lewis, Ed.D.***  
***Chair***

***Members***

*Patricia M. Barton*

*Robert C. Bernstein*

*Joseph P. George, Jr.*

*Larry D. Hart*

*Susan Richardson Latvala*

*Melanie G. May*

*Jeane Ann McCarthy, M.D.*

*William Allen Mellan, Jr. Ph.D.*

*David Miller*

*Rocky Rodriguez*

*Conni Taylor Wells*

***Ex Officio Members***

*Jennifer Flinn*

*Columbia County Commission*

*Alan Levine, Secretary*

*Agency for Health Care Administration*

*Lucy Hadi, Secretary*

*Department of Children and Families*

***Ellen Piekalkiewicz***  
***Executive Director***

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Gary R. VanLandingham, Interim Director  
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111 W. Madison St., Room 312  
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Tallahassee, FL 32399

Re: First Six (6) Month Review of the Florida Substance Abuse and Mental Health Corporation, and Corporation Report of December 2004

Dear Mr. VanLandingham:

Thank you for the opportunity to respond to the OPPAGA Report on behalf of the 12 gubernatorial and legislatively appointed members of the Florida Substance Abuse and Mental Health Corporation ("Corporation"), who have logged over 1,200 hours, without including travel, to carry out the mission of the Corporation through its first (December 2004) Report.

The Corporation members are disturbed, perplexed and would contest the unfair tenor of your report. The misleading report title casts an unfair pall over the work of the Corporation, which sought to adhere to its primary mission directions from the Legislature at the end of 2003, but was then given a changed and re-prioritized mission in the first quarter of 2004. Also, no consideration was given to the multiple agency heads and other staffing changes that occurred and how the Corporation adroitly handled this reality within its mandate. As the report rightly notes, the Corporation flexibly responded and accomplished the goal of the changed 2004 priority within six (6) months with the Corporation's analysis of the impact of managed care. Never did we feel or hear any expectation that we would address all of our legislative responsibilities fully in six (6) months. Therefore, to title the report of the Corporation's interim work as an unfulfilled responsibility not only states the obvious, but is itself irresponsible, unfairly critical and fails to appropriately highlight the Corporation's Report findings and recommendations.

The OPPAGA report on page 2 admits that the Corporation began addressing its mandates in June 2004. The OPPAGA report therefore reviews the Corporation's activities for only the six (6) month period from June to January 2004. This reality seems to have been forgotten in the major conclusion reached by OPPAGA that the Corporation "has not addressed its responsibilities fully." The Corporation's active volunteer members and two staff have worked tirelessly to accomplish the goals set for it by the Legislature and further refined by the Corporation. The Corporation would respectfully assert that it has made substantial progress in the short time frame, and we will continue to meet the legislative challenge to timely serve the citizens of Florida.

The statutory requirement the Corporation recognizes as most important is that it is to provide annual recommendations in December to the Governor and Legislature. The Corporation met this deadline and has already distributed 250 copies of its annual report with recommendations. The report is in very high demand and the Corporation has ordered an additional printing of 300 copies for governmental leaders.

The Corporation believes strongly in its mandate to serve as a public forum for stakeholders, advocates and consumers as well as serve as a source of information regarding Florida's substance abuse and mental health systems. The Corporation quickly developed an easily accessible website, [www.samhcorp.org](http://www.samhcorp.org), which is frequently updated to serve the public. The initial Annual Report, all corporate meeting schedules and most of the numerous citizen and agency presentations are posted and available on the website. No mention is made of this important and easily accessible resource in the OPPAGA report.

The initial and primary 2003 omnibus legislation establishing the Corporation gave it responsibility for "oversight of the publicly funded substance abuse and mental health systems and for making policy and resources recommendations, which will improve the coordination, quality, and efficiency of the system." However, before the Corporation had the opportunity to adequately review and assess relevant data and make a recommendation, the 2004 Legislature enacted new legislation redirecting the corporate mission. The Legislature did so by capitulating mental health services and mandating the transition of Medicaid eligible persons from a "fee for service" mental health service delivery model to a managed behavioral healthcare model.

The Legislature then directed the Corporation to analyze the transition of Medicaid beneficiaries to managed behavioral healthcare and evaluate its impact on the publicly funded mental health system. The new 2004 law, House Bill (HB) 1837, Section 21 states:

In order to implement Specific Appropriation 372 of the 2004-2005 General Appropriations Act, the annual report required by section 394.655 (10), Florida Statutes, for 2004-2005 shall include a specific analysis of managed care contracts and the impact of these contracts on the mental health service delivery system in Florida. Provider and client outcomes must be assessed from the perspective of cost effectiveness, quality of care, and access to care. Additionally, a comparison of levels of benefit packages must be included. This paragraph expires July 1, 2005.

Immediately responding to the new priority, in June 2004, the Corporation Chairperson, Dr. Dorothy Lewis, appointed an "Ad Hoc Committee on Medicaid Managed Behavioral Healthcare," to analyze the shift to managed behavioral

healthcare for Medicaid beneficiaries and its impact on the publicly funded mental health system.

By way of further necessary background, albeit inadequately emphasized in the OPPAGA report, the legislation enacted during the 2003 and 2004 Legislative Sessions (SB 2404 in 2003, and HB1837 in 2004) moved the publicly funded behavioral healthcare system from fee-for-service to managed care. This dramatic change impacts the delivery system substantially since Medicaid funds approximately 80 percent of all children's mental health and 60 percent of all adult mental health services. Therefore and obviously to be properly responsive to the 2004 Legislature's new instruction, to analyze the impact on the way that the mental health services delivery system was changing, the Corporation prudently focused its time on a comprehensive evaluation of the change to the Medicaid behavioral service delivery system.

The Corporation's Ad Hoc Committee met with stakeholders, representing diverse interests of the various substance abuse and mental health treatment providers, advocates, consumers and managed care organizations. These representatives came together with apprehension to discuss the change in the delivery system for Medicaid mental health services. The group was brought together collaboratively to analyze an extensive (45-page) side-by-side contract analysis created by the Corporation, of the Medicaid Health Maintenance Organization (HMO) provider and Pre-Paid Mental Health Plan provider contracts.

The Corporation's recommendations focused on protecting consumer services and rights deemed vital and ensuring proper State monitoring and oversight of Requests for Proposals (RFPs), contracts, implementation, and the actual real-life experiences of both the Pre-Paid managed care plans and the HMO managed care plans.

The Corporation was credited by the competing contract entities for creating an environment of cooperation formerly unknown amongst stakeholders, the Agency for Healthcare Administration (AHCA), and the Department of Children and Families (DCF), on the issue of managed behavioral healthcare. The AHCA has sought input from the Corporation on implementation of managed behavioral healthcare and has been responsive to the Corporation's preliminary recommendations. The AHCA has also held numerous additional forums to seek public input at the Corporation's suggestion.

The Corporation made preliminary recommendations in September 2004 in an attempt to guide AHCA and DCF in the planning and implementation phase of managed behavioral healthcare. The report of the Corporation's findings was submitted on time to the Governor and Legislature in December as required. However, the Corporation believed the information it had collected through the work of the Ad Hoc Committee on Managed Care needed to be made public and available to AHCA and DCF at the critical point when many important decisions about managed care were in process. Therefore, the Corporation filed this

preliminary report which is unrecognized by the OPPAGA six (6) month progress report.

The OPPAGA report rightly states that the Corporation has an excellent working relationship with DCF and AHCA. However, the report cites the Corporation for not yet having additional relationships with the Department of Juvenile Justice (DJJ), the Department of Education (DOE) and the Department of Corrections (DOC). The Corporation made a strategic decision to direct its limited initial report time and resources to the primary agencies which control the bulk of the State's funding, 94.3 percent, for substance abuse and mental health services, namely, AHCA and DCF. The OPPAGA report on the Corporation used the following numbers:

DCF	\$865,100,100
AHCA	<u>\$790,100,000</u>
<b>Subtotal</b>	<b><u>\$1,655,200,100</u></b>
DOC	\$69,100,000
DLE	\$13,700,000
DJJ	\$15,100,000
DOE	<u>\$1,800,000</u>
<b>Subtotal</b>	<b><u>\$99,700,000</u></b>
<b>TOTAL</b>	<b>\$1,754,900,100</b>

The Corporation has opened effective lines of communication and will continue to work closely with all state agencies responsible for providing substance abuse and mental health treatment services in Florida.

We are committed to continue to work on a Memorandum of Agreement with AHCA, and acknowledge the cooperation of the Agency in providing the Corporation with extensive information, staff support and meeting space.

It appears that OPPAGA is indicating the Corporation may need more staff by suggesting that Memorandums of Agreement would assist the Corporation in its work. The Corporation is receiving the necessary information from state agencies for the Corporation to proceed in its work. At the July meeting of the Corporation, Dr. Lewis, the Corporation Chair, will sign Memorandums of Agreements with several additional state agencies.

The Corporation would note the error of the OPPAGA report's assertion that the Corporation has had limited contact with the Department of Juvenile Justice (DJJ). The Corporation, primarily through its Executive Director, has had an appropriate amount of contact with the DJJ during the six (6) month review period. Our Executive Director has met with the Secretary of DJJ on several occasions and had a meeting with all program directors. Furthermore, the Executive Director reached out to the newly hired Medical Director for DJJ, to a position that has been vacant for 10 years. The Secretary has now designated the Medicaid Director as the DJJ liaison to the Corporation.

The Corporation's Annual Report further addresses the assertion that it has had limited contact with DJJ in its mission planning. Please refer to page 55 of the Annual Report where it is emphasized that the Corporation will be prioritizing youth at risk of involvement with the delinquency system. Clearly, the Corporation will have increased contact with DJJ.

To address OPPAGA's claim that the Corporation did not review performance data on the outcomes of people served by the substance abuse and mental health treatment systems, please refer to the first chapter of the Corporation's Annual Report which is completely devoted to the issue of data collection and assessment. Instead of using hypothetical numbers to meet legislative requirements, the Corporation undertook, through its Ad Hoc Committee on Data, the establishment of criteria for common data collection with data sets having common operational definitions. This has resulted in new inter-agency cooperation, discussion by state agencies on common data sets, hardware and software needs, staffing needs to accomplish these tasks, and forthcoming funding requests to complete these requirements. Perhaps, the evaluators representing OPPAGA may not have had sufficient background to understand what the Corporation was accomplishing. The Ad Hoc Committee on Data will continue its focus on reviewing performance data.

The Corporation recommended in its Annual Report that common data sets be established between AHCA and DCF. This is of paramount importance. The State must also develop an integrated mental health and substance abuse services database across state agencies. This database will provide the information necessary for appropriate policy decisions and focused substance abuse and mental health treatment best practices. Moreover, it will reduce redundancy in data collection. The Ad Hoc Committee on Data met March 16, 2005, to receive updates from AHCA and DCF regarding data collection. The Corporation regards data as the number one issue for the Corporation and the State to address. The State's data system is woefully lacking and therefore the Corporation believes it is providing a public service to the Governor and Legislature by alerting them to this reality.

In closing, the OPPAGA report does not recognize the level of detail and the extent of deliberation encompassed in the recommendations made by the Corporation and the impact the Corporation has already had on Florida's system of care. The members are unsettled by the report's findings and conclusions and do not believe the report is a fair portrayal of the Corporation's work to date.

It is respectfully requested that the OPPAGA again review the Corporation's 75-page first Annual Report and further explain how they arrived at the negative conclusion that the Corporation has not has not fulfilled its mandate considering the six (6) month timeframe, agency staff changes and additional legislative direction on managed care.

As OPPAGA is required to continue in its review of the Corporation's progress, we look forward to an ongoing, balanced and positive relationship. We appreciate OPPAGA's perspectives and invite you or your staff to clarify your findings and recommendations to the entire Corporation at its next meeting in May.

Please contact Ellen Piekalkiewicz at (850) 414-1576 with any questions and to schedule a time on our May agenda.

Sincerely,

/s/

Dorothy "Dotti" Lewis, Chair

Cc   The Honorable Governor Bush  
      The Honorable Tom Lee, President of the Senate  
      The Honorable Alan Bense, Speaker of the House of Representatives  
      Auditor General  
      Full Corporation membership



# *The Florida Legislature*

## *Office of Program Policy Analysis and Government Accountability*

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- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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