

**Substance Abuse
and Mental Health Corporation**

FY 2007-08 Planning

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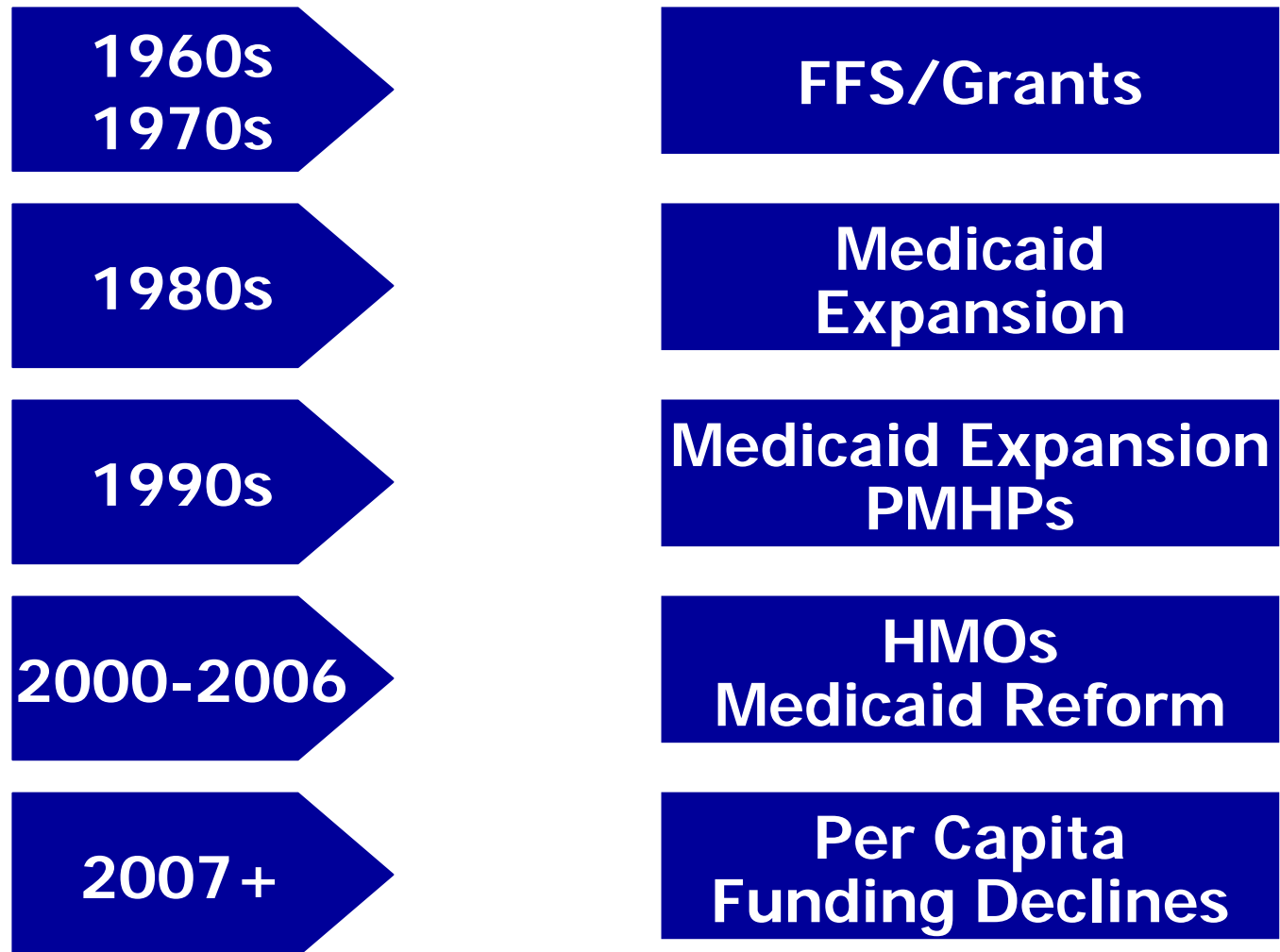
**Florida Council for
Community Mental Health**

May 17, 2007

2007 Legislative Recap

Budget Item Summary	Approved
Community Forensic Program	\$3,155,720
Forensic Beds	\$48,483,424
Public Safety, Mental Health and Substance Abuse Local Matching Grant Program	\$4,000,000
Outpatient Baker Act Pilot Program	\$2,500,000
Community Budget Issue Requests – Community Mental Health	\$8,225,000
Community Budget Issue Requests – Community Substance Abuse	\$3,045,000
Community Budget Issue Request – Criminal Justice Jail Diversion, Substance Abuse and/or Mental Health	\$4,005,000

Evolution of the Mental Health System



Environmental Scan – Pressure Points Mental Health

Need	vs.	Funding
Costs	vs.	Reimbursement
New Services	vs.	Traditional Services
Safety Net	vs.	Competition
Agency Directed	vs.	Consumer/Family Directed
Providers	vs.	MCOs

Current Issues - DCF


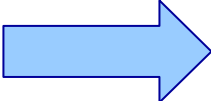
- ◆ **DCF Reorganization**
- ◆ **Contract Simplification**
- ◆ **Managing Entities – Community Based Networks**
- ◆ **MH System Transformation**
- ◆ **Self-Directed Care**
- ◆ **Reimbursement**
- ◆ **Funding vs. Coverage Expectations**

Current Issues - Medicaid

- ◆ **Medicaid Reform**
- ◆ **Managed Care**
- ◆ **Federal Cutbacks**
- ◆ **System Investment – State and Federal**
- ◆ **Recovery Based Benefit**
- ◆ **Specialty Plans – Disabled Populations**

Medicaid Reform

Reform Plan Enrollment

2007		200,000+
2009		1,500,000+

- ◆ HMO Dominance
- ◆ HMO Defined Benefit/Coverages
- ◆ PMHP Phase Out
- ◆ Decline of Agency Revenues/Infrastructure/Safety Net
- ◆ Medical Model? Recovery-Based Services?
- ◆ Reimbursement Levels

Early Effects of Medicaid Reform/Managed Care

Provider Revenues



HMO/PSN Enrollment



Cost Shifts



Benefits/Service Menu



Use of Specialists



Provider Administrative Burden



Staff Layoffs



Medicaid Managed Mental Health Care HMO/PSN Issues

- | | |
|---|---|
| <ul style="list-style-type: none">◆ Loss of essential services◆ Disruption of continuity of care◆ Frequent denials of needed services◆ Lack of plan understanding of SPMI/SED populations◆ Failure to meet prompt pay requirements◆ Multiple prior authorization forms/procedures◆ Excessive paperwork requirements◆ Frequent plan audits of providers | <ul style="list-style-type: none">◆ Decline in provider productivity◆ Increased provider administrative costs◆ Different staff credentialing protocols/requirements◆ Required service termination dates for severely and persistently mentally ill◆ Poor plan communications◆ Sharp drop in beneficiary referrals◆ Sharp drop in community mental health agency Medicaid revenues |
|---|---|

HMOs – 2007 Session

- ◆ **Elimination of Medicaid 80% MH Medical Loss Ratio – Limit Service Coverage Requirements**
- ◆ **Delay in Implementation of Risk Adjusted Rates – Reduce Competition, Protect Markets, Limit PSN Formation**
- ◆ **Guaranteed Annual Rate Increases**

Medicaid Mental Health Managed Care Recommendations to AHCA

- ◆ Transition from medical necessity criteria to psychosocial criteria for service authorizations
- ◆ Convert from medical model of care to a recovery-based model of care
- ◆ Redesign Medicaid mental health benefit package to support strong disease management approach
- ◆ Enhance SPMI/SED consumer protections
- ◆ Establish model mental health programs for SPMI/SED populations
- ◆ Expand MCO contract standards relative to mental health benefits and delivery

Medicaid Mental Health Managed Care Recommendations to AHCA

Monitoring

- ◆ Monitor plan adherence to prompt pay requirements
- ◆ Expand AHCA monitoring of plan mental health service authorization and service delivery
- ◆ Increase monitoring/audits of care provided to SPMI/SED individuals (medical record audits)
- ◆ Seek to standardize plan service authorization processes and forms

Service Model

- ◆ Assess plan mental health service orientation and service protocols
- ◆ Assess plan application of 'medical necessity' criteria

Planning

- ◆ Convene group of HMOs/PSNs and community mental health agencies to address managed care issues

Implications of Medicaid Reform Accelerated Managed Care Implementation

- ◆ **Reduced Funding for Mental Health Care**
- ◆ **Loss of Federal Funding**
- ◆ **Loss of Certain Services/Coverages/Programs**
- ◆ **Maintenance of/Reversion to Medical Model of Care**
- ◆ **Consumer Harm**
- ◆ **Cost Shifts**
- ◆ **Damage to Safety Net**
- ◆ **Loss of Infrastructure**
- ◆ **Less DCF Influence on Public Mental Health System**

Future HHS Related Legislative Priorities

- ◆ **DD Population**
- ◆ **KidCare**
- ◆ **Child Welfare**
- ◆ **Juvenile Justice**
- ◆ **Public Safety/Criminal Justice/Mental Health Issues**
- ◆ **Medicaid Reform**
- ◆ **Uninsured Populations**
- ◆ **Housing/Homelessness**

Florida Council 2008 Tentative Legislative Package

- ◆ **Fair Market Pricing – DCF COLAs**
- ◆ **Medicaid Rate Adjustments**
- ◆ **Mental Health System Investment**
- ◆ **Enhance Children's Mental Health Systems of Care**
- ◆ **Medicaid Reform – Specialty Plans**