

Summary of DCF Managing Entity Work Group Meeting
June 30, 2005
DCF Conference Room, Tallahassee

Overview: DCF has established a Work Group to develop policy recommendations to govern DCF contracting with Managing Entities. Below are highlights of the first meeting, which clearly set the agenda and a timetable for statewide "transformation" of the system (as it was described in papers DCF distributed) over the next 2-3 years.

Managing Entities are organizations which will be selected by competitive bid in each region (except where there are already operating pilots) to manage DCF funded substance abuse and mental health services. Managing Entities will subcontract with a network of providers, which in many instances will be the founders of the Managing Entity. A proportion of direct services funds in the region will support operations of the Managing Entity. *This system will replace unit cost contracting.*

The 26-member Managing Entity Work Group, which will be divided into three teams: ME Structure, Contracting, and Information Systems.

One general observation: all the work that FADAA members have accomplished on this issue over years was clearly apparent.

- The two networks represented at the meeting were largely founded by FADAA leaders (CFBHN and SFPC.)
- The national consultant who FADAA members have repeatedly brought to Florida was acting as facilitator (Tom Lucking.)
- FADAA staff were equipped with FADAA's adopted Principles and preferred Model to guide ME/ network development, and we were able to contribute these points to the guidance given to "teams" tasked with developing recommendations to DCF.
- Several participants, including DCF and Florida Council staff, remarked that they found a wealth of information about network development and Managing Entities on the FADAA web site.
- The Medicaid perspective was represented at the meeting by AHCA staff Darcy Abbott. Darcy has learned the details of our issues from FADAA members participating in the RWJ project (funded by a grant which FADAA submitted.)
- FADAA members and staff, and consumer representatives, led the discussions. An exception to this was Paul Rolling's active participation as Program Supervisor in District One, where he has

led a successful pilot project incorporating Medicaid, DCF and CBC managed care contracting.

Highlights of the discussion:

- Ken DeCerchio was present for the whole meeting, all day, and he made it clear that the three "self-directed" work groups will complete their recommendations to DCF in 90 days.
- In response to a suggestion that there be graduated responsibility for Managing Entities, with the State working in partnership with communities to develop these organizations over time - Ken made it clear that Lucy Hadi's intention is that there will be Managing Entities statewide "within 2-3 years." The task was described as "transformation" of the service system.
- John Daigle made the point whenever possible that there must be an internal DCF transformation as well; we have some concern that DCF does not appreciate the close monitoring that will be necessary to insure that this culture change takes place. Ken did assign to one work group the task of listing all DCF activities necessary to make "form follow function" as the new contracting and financing mechanisms are put in place.
- There was mention of legislation and rules that must be amended, but no clear process yet.
- Ken DeCerchio did *not* rule out for profit organizations as MEs, except to say that fed block grant funds must be contracted to non-profits.
- Ken DeCerchio said all MEs will be competitively bid (except for those already established and with contracts that address additional transfer of dollars.)
- The relative value vs. the disadvantages of DCF contracting with the same organization which Medicaid contracts with for BH services will be a key issue, and there were points made on both sides yesterday. DCF staff pointed out that the statutory authority for DCF contracting with Managing Entities mentions "coordination with the Medicaid managing entity," which implies it could be a separate organization.

There is likely to be less debate on this issue if it becomes clear that Medicaid HMOs will retain the responsibility to manage BH services under Medicaid reform, which means the organizations contracting as Prepaid Mental Health Plans would have little value.

- There was little discussion and no guidance on whether a single ME must contract for both MH and SA services. Consultant Tom Lucking presented models from other states which had both integrated networks and separate networks. He did point out that **one combined MH/SA network did not draw down all the SA block grant funds. Staff said SA was given less priority because MH had more client emergencies which commanded attention.**
- Many points were made about giving preference in bids to ME organizations with strong linkages to community stakeholders. There was discussion about whether the "community" should be defined narrowly, or more broadly as the whole state of Florida.
- Ken DeCerchio responded negatively to a suggestion that Provider Networks have a say in selecting a ME for their community, and it was pointed out that providers have control by declining to sign a Letter of Intent to contract (with the result that the ME applicant would be bidding with a weak network.)
- Consumer representatives were very vocal about moving from "participation" to "influence" in the process of managing services, including consumers as staff at all levels.
- Tom Lucking's presentation included his observations of where Florida should take note of lessons learned in other states. They included the need for ME stability, reflected through multi-year contracts. Tom also pointed out that HMOs had no incentive to coordinate with other community groups, and places where lack of administrative funding contributed to some high profile collapses of Provider Networks. He also pointed out how where an MCO was able to put more money to deep end services than the state CMHCs had been in the past, when performance was compared.
- There were many points made about how DCF should define what quality or capacity it requires, or what goal it is trying to meet, and leave it up to communities and their Managing Entities to develop *the mechanism* to achieve that quality or capacity. For example, minimum data elements, yes, but not prescribed software. Managing Entities should demonstrate their mechanisms to insure consumer input to services design and Continuous Quality Improvement targets, but DCF should not prescribe that consumers be included on ME Boards.
- DCF contracting staff said they **do not intend** to require that a ME have their policies, procedures or protocols reviewed by community stakeholders. Rather the ME should show evidence of

collaborating with stakeholders when developing policies and procedures which will impact stakeholders.

- The Managing Entity work groups will feed the details of this initiative to the 5-6 other committees already established to address performance measures.

DCF Managing Entity Work Group Members:

John Daigle FADAA
Bob Sharpe Fla Council for Community MH
Ellen Piekalkiewicz SA/MH Corporation
Carol Bracy Fla Assoc of Counties

DCF central office staff:

Ken DeCerchio ADM Tallahassee
John Bryant ADM Tallahassee
Lonnie Mann ADM Tallahassee
Senyoni Musingo ADM Tallahassee
Susan Dickerson ADM Tallahassee
Amy Johnson Contracts ADM Tallahassee
Rod Hall ADM Tallahassee
Aleisa McKinlay ADM Tallahassee Self Directed Care
Patrick Williams ADM Tallahassee (former Medicaid Bureau Chief, managed care)
Harry Smith ADM Tallahassee
John Raymaker, DCF General Counsel

DCF district office staff:

Pam Baker District 8 ADM
Paul Rollings District 1 ADM
Debbie Spellman Suncoast ADM

AHCA Medicaid staff:

Darcy Abbott Medicaid policy development
Beth Kidder AHCA Medicaid

Managing Entity staff:

John Dow South Fla Provider Coalition CEO
Linda McKinnon Central Fla. Behavioral Health Network CEO

Consumer representatives:

Suzanne Hormant, NAMI
Susan Lang, CFBHN Director of Consumer Affairs
Dave Shaver, consumer
Michael McNally, Consumer Advocate, Ruth Cooper CMHC, Ft Meyer