

Legislative Link

A legislative update provided by the United Way of Florida, Inc.

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In observance of Passover and Easter, the Legislature did not meet this week. This *Legislative Link* provides a look at the budget, discusses some new issues, and summarizes bill actions to date in Bill Briefs.

OH WHAT A DIFFERENCE ONE YEAR MAKES

As they entered budget negotiations last year, the Florida House was proposing to slash Medicaid funding for pregnant women, gut the Medically Needy program, eliminate adult Medicaid vision and dental care, and reduce funding for a host of additional human services. The Senate was outraged. It fought back bravely, and the Medically Needy program was saved, as were all of the other Medicaid services, with the exception of those for adult vision and hearing. Those services were funded by about \$2 billion of nonrecurring funds, raids on trust funds and fees on mobile home owners, hunters and cell phone users.

Serious budget negotiations will begin next week as legislators attempt to piece together the 2004-2005 state budget bill – the only bill they are constitutionally required to pass each year.

But this year, the table is flipped. The Senate is proposing to slash many of the same programs targeted by the House last year, while the House is proposing to fund them, at a cost of about \$1.1 billion more than the Senate. The budget priorities and additional \$1.1 billion proposed to be spent by the House appear to reflect a huge flip-flop of funding philosophies. It doesn't.

The House largely funds the \$1.1 billion difference with nonrecurring, one-time-only funds, many of which are being "swept" or, according to many "stolen", from trust fund reserves. The Senate has maintained steadfastly to its philosophy that one-time money should not be used to fund recurring programs. Therein lies most of the \$1.1 billion difference.

Fortunately for Floridians, the Senate is a compassionate group that will in most likelihood end up agreeing to fund most of the programs it has targeted. Unfortunately for Floridians, because there is no political will to change, those programs will probably be funded with one-time money, much of which will not be available next year.

Attached to this Legislative Link is a breakdown of the proposed budgets, comparing certain select lines from each proposal and comparing them to this year's funding.

GOVERNOR CREATES DEVELOPMENTAL DISABILITIES BLUE RIBBON TASK FORCE

Last week, Governor Bush created by Executive Order the Blue Ribbon Task Force on Inclusive Community Living, Transition, and Employment of Persons with Developmental Disabilities (the Blue Ribbon Task Force). The task force was created to develop a plan for expanding and improving community living options for individuals with developmental disabilities. A portion of the Order reads:

WHEREAS, more than 240,000 individuals with developmental disabilities currently reside in the State of Florida; and

WHEREAS, individuals with developmental disabilities are capable of self-determination and independence, are competent and productive, and are able to contribute to the community, particularly when necessary services, supports, and other assistance is available; and

WHEREAS, only a very small percentage of students with disabilities leaving the State's education systems are securing competitive, integrated employment or self-employment; and

WHEREAS, the State of Florida should facilitate the provision of services, supports, and other assistance that address the needs of individuals with developmental disabilities who want to live, learn, work in competitive, integrated employment, and participate in all aspects of community life; and

The Blue Ribbon Task Force is charged with developing a recommended plan of action for expanding and improving inclusive community living options for individuals with developmental disabilities; coordinating the provision of transition services statewide for students with developmental disabilities as they leave school and attempt to access employment, postsecondary education, vocational training, programs, and adult community services; and expanding and improving competitive, integrated employment opportunities for individuals with developmental disabilities.

Among others, the Task Force is also charged with developing recommendations regarding alignment of resources at the federal, state, and local level to influence and increase interagency collaboration on all inclusive community living, transition, and employment efforts and increasing participation of individuals with disabilities and their families in the receipt of services as early as possible.

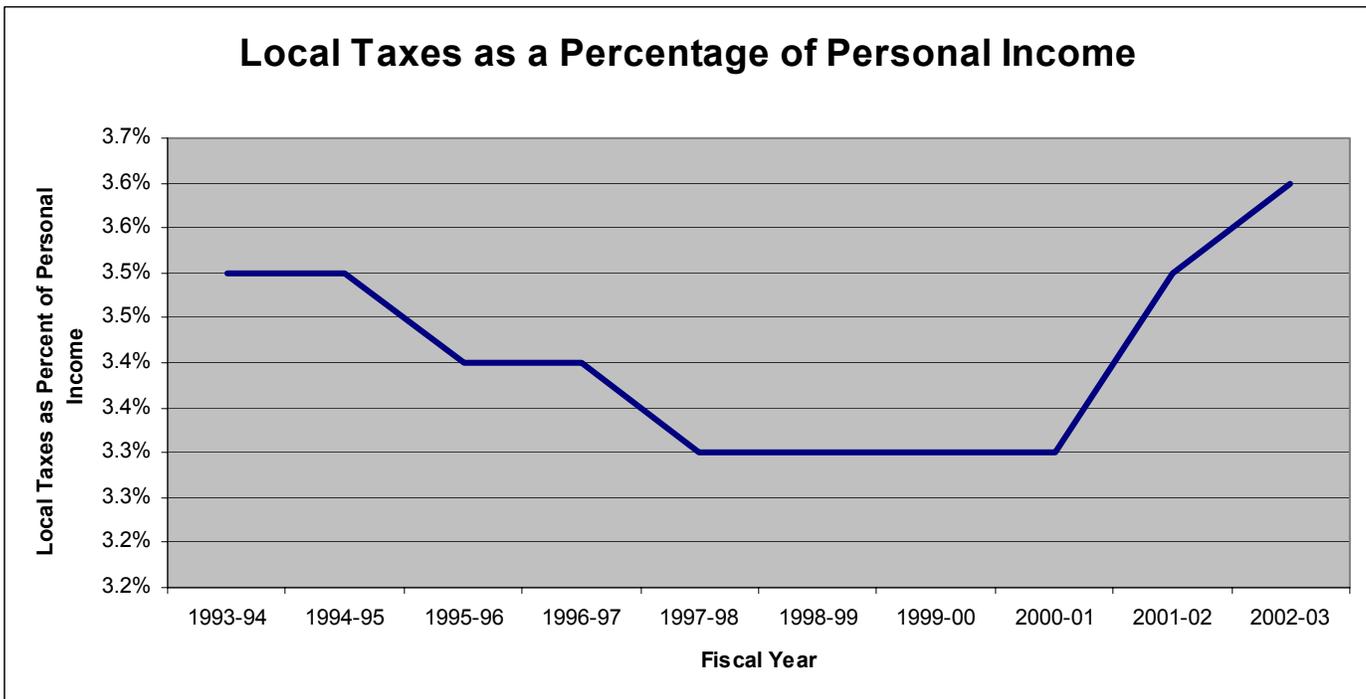
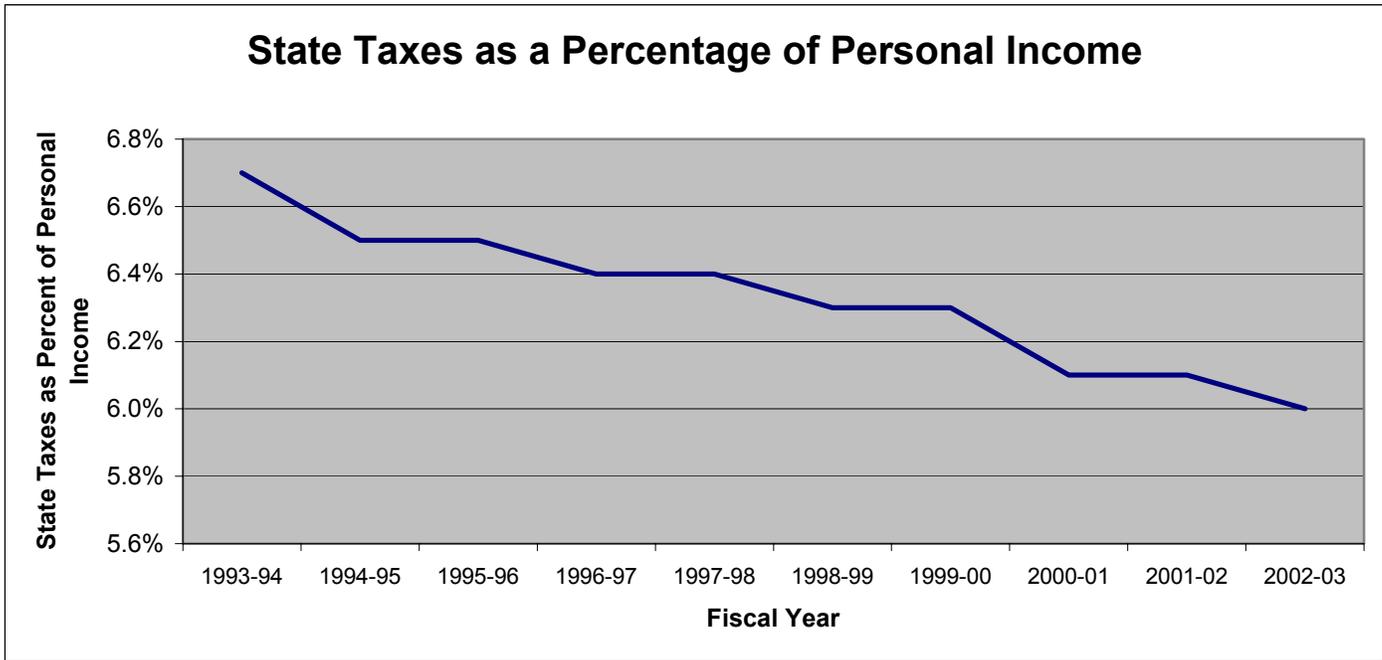
The Task Force recommendations are due to the Governor and Legislature by December 15, 2004.

"A study in the Washington Post says that women have better verbal skills than men. I just want to say to the authors of that study: "Duh." -- Conan O'Brien

"Our bombs are smarter than the average high school student. At least they can find Afghanistan!" - A. Whitney Brown

TAX BURDEN SHIFTS TO LOCALS

For years, counties and municipalities have complained that the Florida Legislature has been abdicating state responsibilities and forcing local governments to assume them. The two charts below, included in *The Florida Revenue Primer*, produced by the Human Services Coalition of Dade County, dramatically support the allegations. There are many reasons put forth by legislators for this devolution of tax burdens. The bottom line: State lawmakers don't want to take the blame for raising taxes, so they pass laws and refuse to fund basic services that must be provided, thereby forcing local governments to raise taxes to pay for them. It's great State lawmakers can even say they've reduced taxes. It's a shame they aren't being honest.



Source: *The Florida Revenue Primer: Florida's Needs & How We Pay for Them*, April 2003

MENTAL HEALTH SERVICES IN JEOPARDY

Florida legislators have a proposal before them that, if passed, will change the course of the state's public behavioral health care system

Last year, the Legislature passed a bill describing how behavioral health services are to be provided to Medicaid recipients by managed care plans. These plans would be responsible for providing all behavioral health care to Medicaid enrollees in their areas. The single managing entities were to be selected by a competitive bidding process *after* the state drew up a plan for a three-year rollout of the proposal. The law would allow traditional community mental health and substance abuse treatment agencies to compete with HMOs to serve Medicaid recipients.

HMOs are now trying to derail the law through a House-sponsored amendment to HB 1843, the Medicaid budget conforming bill. If adopted, an estimated 550,000 or more current Medicaid recipients would have to receive all their behavioral health services through their HMOs, rather than through community-based providers who now serve them.

According to the Florida Council for Behavioral Healthcare, Florida's public mental health system will lose approximately \$140 million in reimbursements it now receives for serving Medicaid recipients under the HMOs' proposal. The Council bases its estimates on experience in the Tampa Bay region's Medicaid prepaid mental health care demonstration project. Independent evaluations of that project indicate providers could expect to receive back from the HMOs about 43% of these funds—assuming the HMOs subcontract with current providers. This would mean a net loss of \$80 to \$90 million in services to the public system of care, providers say.

A sudden shift to HMOs for the provision of behavioral health care could leave many people in limbo as the HMOs gear up to provide the infrastructure and services now available in the community behavioral health system. There is no provision for a transition plan or an assessment of consumers' treatment needs in the proposed House

amendment. These people would leave a behavioral health care "home" and be transferred to an insurance plan with little, if any, experience in serving people with serious and disabling mental health disorders.

The loss of current Medicaid reimbursements will be devastating to a not-for-profit system that relies on every cent received to remain in business. Over the past 20 years, the Legislature has increasingly required community mental health providers to rely on Medicaid revenue. In fact, legislators have transferred considerable state funding from the mental health program to the Medicaid budget so the state can earn more federal dollars. Suddenly removing these funds will cause major rollbacks in service and force some providers to close their doors.

The Florida Council, which represents nearly 70 community mental health care and substance abuse treatment providers, believes more cost-effective care can be accomplished by implementing the plan legislators adopted last year. The Council is urging legislators to take no action without careful study of the impact the HMO proposal would have on access to treatment services and the public system of care.

A vehicle for that kind of careful study was created last year by the Legislature when it established a special nonprofit corporation to study the delivery of state-funded behavioral health services and recommend ways to improve it. The board of this new organization—comprised of business and professional leaders and local officials—has had only two meetings and is only now beginning its real work. Its first report is due to the Legislature and Governor in December 2004.

Behavioral health providers and advocacy groups like Florida Partners in Crisis say it's premature to consider adopting a measure that would dramatically change the system of care before this board has made its recommendations to the Legislature. Whether legislators heed that advice should be known next week when the issue is surely to be the subject of budget negotiations between the House and Senate.

REMINDER

Click on 2004-05 Florida Budget Comparisons and 2004 Bill Briefs attachments accompanied with this email.

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