

ENHANCING LIVES, ENSURING ACCOUNTABILITY: THE VALUE OF FLORIDA'S BEHAVIORAL HEALTH MANAGING ENTITIES

TENTH YEAR REVIEW

February 2025





106 North Bronough Street, Tallahassee, FL 32301 floridatxwatch.org o: 850.222.5052 f: 850.222.7476

Piyush Patel
Chairman of the Board of Trustees

Dominic M. Calabro
President & Chief Executive Officer

DEAR FELLOW TAXPAYER,

Florida manages the delivery of behavioral health services to the indigent and uninsured through a group of nonprofit organizations called Behavioral Health Managing Entities (BHMEs). This model was designed to promote access to care and service continuity, be more efficient and effective, and streamline the administrative process to create cost efficiencies and provide flexibility to better match services to needs. Organizations that make up Florida's BHME system administer over a billion dollars' worth of services to Floridians in need in every community throughout the state.

Ensuring that the delivery of government services is efficient and effective is a core function of Florida TaxWatch. Along with promoting and protecting budget integrity, improving taxpayer value and government accountability, and educating taxpayers on the activity of their government, analyzing government service delivery models is the mission of Florida TaxWatch as a nonpartisan, nonprofit public policy research institute.

In a March 2015 report entitled "*Analysis of Florida's Behavioral Health Managing Entity Model*," Florida TaxWatch found that the BHME model is the model for delivery of these services, but that barriers limiting the success of the system remained. The report included recommendations to improve the system, remove the barriers to full access, and enhance taxpayer value.

Now a decade later, with the 2025 legislative session approaching, Florida TaxWatch presents this 10th year review of the BHME model. We look forward to discussing our findings and recommendations with policymakers during the 2025 legislative session and beyond.

Respectfully,

A handwritten signature in black ink that reads "Dominic M. Calabro".

Dominic M. Calabro
President & CEO

TABLE OF CONTENTS

Executive Summary.....	i
Introduction	1
Behavioral Health Across the Nation.....	2
Rising Population, Rising Demand: Addressing Florida’s Behavioral Health Amid Growth.....	2
Florida’s Funding Sources for Behavioral Health Services	3
What is a Managing Entity?.....	3
History: Florida Legislature Transitioned to a Managing Entity Model.....	4
Value of Florida’s Behavioral Health Managing Entities.....	5
<i>Behavioral Health Safety Net</i>	5
<i>Array of Behavioral Health Services</i>	5
<i>Community-Driven</i>	6
<i>Network of Community Provider Organizations</i>	7
<i>Payor Level Care Coordination</i>	7
<i>Recovery and Resiliency</i>	8
<i>Accountability and Transparency</i>	9
<i>Strategic Financial Management</i>	9
<i>Data-Driven, Decision-Making and Accountability</i>	10
<i>Innovation and Statewide Impact</i>	10
<i>Emergency Preparedness and Disaster Response</i>	11
<i>Operational Integrity</i>	12
Conclusion and Recommendations.....	13

EXECUTIVE SUMMARY

Florida has developed a unique community-based behavioral health network of Behavioral Health Managing Entities (BHMEs) designed to provide safety-net services for children and adults in need of substance use and mental health prevention, treatment, and recovery.

In 2001, the Legislature authorized the Department of Children and Families to implement as a pilot program BHMEs as the management structure for the delivery of local mental health and substance abuse services. After evaluating the pilot program's effectiveness, the Florida Legislature expanded the BHME model statewide in 2008. By 2013, Managing Entities were fully implemented across Florida, ensuring that all regions operated under this coordinated system of care.

BHMEs are nonprofit corporations created to oversee and coordinate the delivery of behavioral health services throughout the state. Their primary function is to manage a comprehensive network of more than 300 community-based organizations across Florida, ensuring individuals receive the care they need through a coordinated system.

BHMEs ensure access to a wide range of services, ensuring individuals and families receive appropriate care at every stage—from crisis intervention to long-term recovery support. This comprehensive approach provides care for individuals and families at every level of need. Services include but not limited to:

- Crisis stabilization services;
- Inpatient psychiatric and substance use treatment for both children and adults;
- Outpatient community-based mental health and substance use counseling;
- Community support services; and
- Specialty programs for children and families.

All BHMEs are nationally accredited organizations that adhere to a strict Code of Ethics designed to uphold integrity and prevent conflicts of interest. To further ensure accountability and quality of care, BHMEs require providers within their networks to obtain accreditation or meet nationally recognized standards.

To support their providers and ensure the stability and financial viability of the network, BHMEs facilitate the prompt payment of network provider invoices through a seamless validation process. This reliable funding stream offers crucial financial support in contrast to other sources that may experience months-long delays or outright denial. This commitment ensures that Florida's behavioral health network operates with consistency, reliability, and financial security, allowing providers to focus on delivering high-quality care to individuals in need.

Since 2015, BHMEs have seen their role expand significantly, managing a 107 percent increase in funding, overseeing a growing provider network, and implementing key state and federal initiatives. BHMEs used existing operational funds to manage an additional \$270 million in programs since 2015-16 with no dedicated operational funding.

Despite their growing responsibilities, BHMEs continue to operate with a three percent collective overhead rate far below the 7-15 percent range of comparable funders. While this efficiency has allowed BHMEs to manage their behavioral health programs effectively, the limited operational budget constrains operational capacity and limits the ability to hire staff. Florida TaxWatch warns that this operational efficiency has approached a

critical threshold. As the state's population continues to grow and behavioral health needs escalate, the ability of BHMEs to sustain operations and meet these increasing demands could be jeopardized.

Florida's Behavioral Health Managing Entities are a model of efficiency, accountability, and innovation in behavioral health system management. By optimizing taxpayer resources, engaging collaboration, and implementing measurable solutions, BHMEs ensure that vulnerable populations have access to critical services. Florida's BHMEs demonstrate the effectiveness of strategic oversight and a strong commitment to community-centered care. Their innovative model not only sets the standard for Florida but could serve as a national blueprint for effective behavioral health management.

Providing adequate resources will protect the operational integrity of these organizations, ensuring they continue to deliver essential services efficiently and effectively. Investing in BHMEs is an investment in Florida's most vulnerable residents, the well-being of communities, and the future of the state's behavioral health safety-net system.

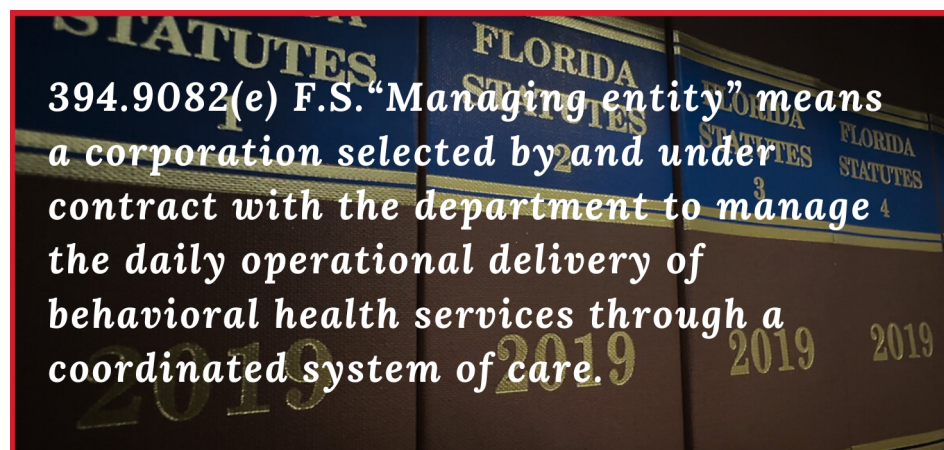
Florida TaxWatch recommends increasing operational funding for Behavioral Health Managing Entities to a sustainable five percent operation rate. This realignment of BHME operational funding will ensure the sustainability needed to oversee Florida's behavioral health safety-net system. Legislative action is necessary to realign BHME operation funding to a level sustainable enough to effectively oversee Florida's behavioral health safety net system.

With adequate funding, BHMEs can continue to fulfill their vital role in Florida's behavioral health system—preserving access to essential services for individuals, children, and families while maintaining the accountability and effectiveness that taxpayers expect.

INTRODUCTION

Florida TaxWatch’s ongoing analysis of the state’s behavioral health system has identified a key factor that sets Florida apart: its Behavioral Health Managing Entities (BHMEs). This innovative model for delivering mental health and substance use disorder services positions Florida as a national leader in behavioral health management.

Florida has uniquely developed a community-based behavioral health network designed to provide safety-net services for children and adults in need of substance use and mental health (SAMH) prevention, treatment, and recovery.¹



Unlike traditional models, BHMEs do not deliver direct services, preventing competition with providers and fostering a system of collaboration and accountability. Instead, they serve as strategic managers, ensuring effective oversight and efficient resource allocation for the state’s most vulnerable populations, including those in underserved and rural areas.

BHMEs take a comprehensive approach to managing Florida’s behavioral health landscape, coordinating services at the community level to ensure continuity of care and appropriate service delivery.² By partnering with law enforcement, school districts, local governments, and Federally

Qualified Health Centers and other partners, they act as strategic think tanks, driving innovation, improving service coordination, and directing resources to areas of greatest need. Their community-driven approach, supported by local boards and stakeholders, ensures that services are tailored to meet the specific needs of each county.

This report highlights 12 key contributions of BHMEs to Florida’s behavioral health system, emphasizing their critical role in coordinating care, managing networks and funding, and improving outcomes—all while maintaining an exceptionally low collective operational cost of just 3.12 percent (Fiscal Year 2023-24). It also examines the impact of insufficient operational funding on service availability and quality.

Since 2015, BHMEs have seen their role expand significantly, managing a 107 percent increase in funding, overseeing a growing provider network, and implementing key state and federal initiatives.³ BHMEs used existing operational funds to manage an additional \$270 million in programs since 2015-16 with no dedicated operational funding—such as Opioid Abatement funds (Non-Qualified Counties, CORE, Hospital Bridge, Peer Supports, Treatment and Recovery), Mobile Response Teams, Florida Lifeline (988), Transition Vouchers, among other critical programs.

Despite their growing responsibilities, BHMEs continue to operate with a collective overhead rate far below the 7-15 percent range of comparable funders.⁴ This imbalance, however, is unsustainable and threatens the efficiency and effectiveness that have made BHMEs so successful in improving behavioral health outcomes. Without targeted operational funding, BHMEs will face increasing challenges in maintaining oversight, retaining qualified staff, and ensuring the continued delivery of essential services to Florida’s most vulnerable residents.

Florida’s BHMEs demonstrate the effectiveness of strategic oversight and a strong commitment to community-centered care. Their innovative model not only sets the standard for Florida but could serve as a national blueprint for effective behavioral health management.

¹ Florida Department of Children and Families. n.d. “Substance Abuse and Mental Health Services.” <https://www.myflfamilies.com/services/substance-abuse-and-mental-health>.

² Florida Association of Managing Entities. (n.d.). What We Do. Retrieved from <https://flmanagingentities.com/>, February 1, 2025.

³ Florida Managing Entities. (n.d.). *Facts & Figures*. Retrieved from <https://flmanagingentities.com/facts-figures/>, February 1, 2025.

⁴ Ibid.

BEHAVIORAL HEALTH ACROSS THE NATION

Behavioral health systems vary significantly across the United States, with states adopting diverse approaches to delivering critical SAMH services. A number of states, including North Carolina, Georgia, Arizona, and Arkansas have transitioned their mental health and substance abuse service delivery structures to regional systems that share similarities with Florida's BHME model.⁵

In Michigan, a system similar to the Managing Entities exists called Community Mental Health Service Programs,⁶ which are authorized to provide direct care services—a practice that may lead to inherent conflicts of interest and competition with community stakeholders. This dual role has the potential to compromise neutrality, hinder resource allocation, and weaken the integrity of system management.

Florida, by contrast, has developed a more effective approach. Florida's BHMEs do not provide direct services, enabling them to focus solely on managing the system of care.⁷ This separation of responsibilities allows BHMEs to serve as neutral overseers and strategic coordinators, ensuring that services are delivered based on need rather than competition. This conflict-free structure fosters trust among stakeholders, promotes collaboration, and ultimately leads to improved outcomes for individuals and families seeking care.

RISING POPULATION, RISING DEMAND: ADDRESSING FLORIDA'S BEHAVIORAL HEALTH AMID GROWTH

With Florida's population now exceeding 23 million and growing by 1.62 percent annually (365,200 people)⁸ the demand for SAMH services has risen, placing increased pressure on the state's behavioral health system:⁹

- 17.49 percent of adults in Florida experience mental illness, equating to about 2.985 million individuals;
- 4.26 percent of adults, approximately 727,000 people, have reported serious thoughts of suicide; and
- Among youth aged 12 to 17, 15.51 percent have experienced at least one major depressive episode in the past year.

In 2021, Mental Health America looked at 15 measures and ranked Florida 35th in overall rankings for behavioral health.¹⁰ In 2024, Mental Health America ranked Florida 21st in the nation.¹¹ The state has made significant strides in expanding access to behavioral health care. This improvement demonstrates the critical role that strategic investment and innovative management play in strengthening Florida's behavioral health system.

While some states (e.g., Michigan) blend service management and direct care, Florida's BHMEs avoid providing services, focusing solely on oversight. This separation:

- Ensures *unbiased decisions* (no competition with providers)
- Prioritizes *resources based on community needs*
- Builds *trust/collaboration* among stakeholders

As Florida's population surges (23M+, +1.62% yearly):
2.98M adults grapple with mental illness
727K adults report serious suicidal thoughts
15.5% of youth (12-17) had depression in the past year

Florida leaped from #35 to #21 in Mental Health America's rankings (2021-2024) by strategically investing in access, funding, and BHME-driven efficiency.

5 Florida TaxWatch, "Analysis of Florida's Behavioral Health Managing Entity Model," March 2015.

6 §330.1116(2), Michigan Mental Health Code.

7 §394.9082(1)(b), Fla. Stat.

8 World Population Review, "Florida Population 2024," retrieved from <https://worldpopulationreview.com/states/florida>, January 28, 2025.

9 Florida Hospital Association. *Behavioral Health Profile Data Brief* for Florida. Accessed January 2025: <https://www.fha.org/common/Uploaded%20files/FHA/Health%20Care%20Issues/Updated%20Briefs%200525/Issue%20Brief%20on%20Behavioral%20Health%20Data%20Profile%20for%20Florida%20FINAL.pdf>.

10 Reinert, Maddy, Theresa Nguyen, and Danielle Fritze. 2020. "The State of Mental Health in America 2021." Alexandria, VA: Mental Health America. <https://mhanational.org/research-reports/2021-state-mental-health-america>.

11 Mental Health America, "The State of Mental Health in America 2024," retrieved from <https://mhanational.org/sites/default/files/2024-State-of-Mental-Health-in-America-Report.pdf>, January 28, 2025.

FLORIDA'S FUNDING SOURCES FOR BEHAVIORAL HEALTH SERVICES

Florida's SAMH services operate within a fragmented and siloed system, relying on a complex array of funding sources that include both private and public resources:¹²

- **Private insurance**—Coverage provided through employer-sponsored or individual insurance plans.
- **Medicaid/Medicare**—Federal and state-funded insurance programs that provide healthcare coverage to eligible low-income individuals (Medicaid) and individuals aged 65 or older or with certain disabilities (Medicare). Both programs are managed by Managed Care organizations under the oversight of the Agency for Health Care Administration (AHCA).
- **Local city/county governments**—Local governments contribute funding through county-level programs, partnerships, and initiatives designed to address community-specific behavioral health needs.
- **Self-pay**—Individuals may pay out-of-pocket for behavioral health services.
- **Other resources** from state agencies such as:
 - Department of Juvenile Justice (DJJ)
 - Department of Corrections (DOC)
 - Department of Education (DOE)
 - Department of Veteran Affairs (FDVA)
 - Department of Elder Affairs (DOEA)
 - Opioid-specific grants and programs
- **Managing Entities' Safety Net System**—BHMEs manage Florida's **behavioral health safety net**, a unified and integrated system that ensures access to essential services regardless of funding source. BHMEs operate under contracts with the Florida Department of Children and Families.

WHAT IS A MANAGING ENTITY?

Florida's Behavioral Health Managing Entities are nonprofit corporations created to oversee and coordinate the delivery of behavioral health services throughout the state. Their primary function is to manage a regional network of community providers, ensuring individuals receive the care they need through a coordinated system. Established under Section 394.9082, Florida Statutes¹³ BHMEs operate under contracts with the Florida Department of Children and Families to manage a regional network of community mental health and substance use service providers. Per Section 394.9082(2)(e), Florida Statutes, a Managing Entity is defined as a corporation selected by the Department to manage the daily operational delivery of behavioral health services. As nationally accredited organizations, the primary role of BHMEs is to ensure the efficient and effective delivery of services through a comprehensive, coordinated system of care.

State law outlines the core responsibilities of BHMEs, which include:

- Planning and coordinating behavioral health services.
- Ensuring that individuals in need have access to care.
- Promoting continuity of care across providers and funding sources.
- Efficiently managing service allocation to meet regional needs.
- Supporting the effective delivery of mental health and substance use treatment.

Florida law mandates that BHMEs maintain a community board. Per Section 394.9082(2)(c), Florida Statutes, if the BHME is a not-for-profit, community-based organization, it must have a governing board that is representative. At a minimum, the governing board must include consumers and their family members, representatives of local government, area law enforcement agencies, health care facilities, and community-based care lead agencies, business leaders, and providers of substance abuse and mental health services as defined in this chapter and chapter 397.

¹² Florida Department of Children and Families. (2018). Florida's Community Behavioral Health System. Retrieved from <https://www.fdle.state.fl.us/MSDHS/Meetings/July-Meeting-Documents/Presentations/July-12-1115am-Florida-Mental-Health-System-DCF-Ga.aspx>, February 6, 2025.

¹³ The Florida Senate. (2014). Chapter 394 Section 9082 - 2014 Florida Statutes. Retrieved from <https://www.flsenate.gov/Laws/statutes/2014/394.9082>, January 26, 2025.

HISTORY: FLORIDA LEGISLATURE TRANSITIONED TO A MANAGING ENTITY MODEL

Florida's transition to the Behavioral Health Managing Entity model began in 2001 following a recommendation from the Florida Commission on Mental Health & Substance Abuse.¹⁴ The Commission recognized the need for a coordinated and accountable system for delivering mental health and substance use services, leading to the following recommendations for the Department of Children and Families (DCF):

Establish a managing entity in each area of the state that will be the accountable entity for DCF MHSA services in that area, including emergency, continuing care services and other services purchased with public resources. The structure of this entity should be variable to accommodate local resources and needs.

Assure that the managing entity has flexibility in its management of the local services system to guarantee that the system fully utilizes available local resources and is responsive to citizens' needs.

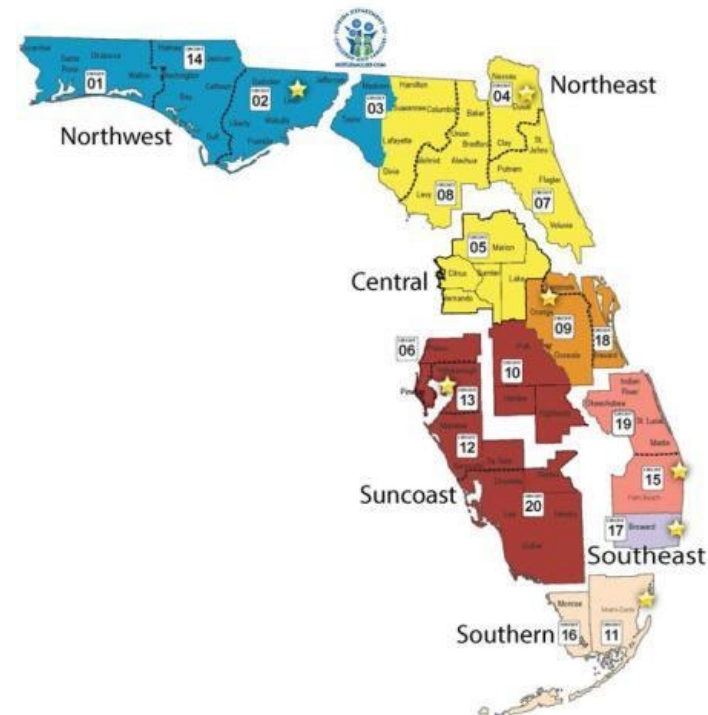
In 2001, the Legislature authorized the DCF to implement Behavioral Health Managing Entities as the management structure for the delivery of local mental health and substance abuse services (Chapter 2001-191, Laws of Fla.). The implementation began on a pilot basis, allowing the state to evaluate the effectiveness of this model. After evaluating the pilot program's effectiveness, the Florida Legislature expanded the BHME model statewide in 2008. By 2013, Managing Entities were fully implemented across Florida, ensuring that all regions operated under this coordinated system of care. (see Figure 1).

Statewide Coverage of the BHMEs is as follows:

- Central Florida Behavioral Health Network, Inc.—Serving Charlotte, Collier, DeSoto, Glades, Hardee, Highlands, Hendry, Hillsborough, Lee, Manatee, Pasco, Pinellas, Polk, and Sarasota counties;
- South Florida Behavioral Health Network, Inc. d/b/a Thriving Mind-South Florida—Serving Miami-Dade and Monroe counties;

- Broward Behavioral Health Coalition, Inc.—Serving Broward County;
- Central Florida Cares Health System, Inc. d/b/a Central Florida Cares,—Serving Brevard, Orange, Osceola, and Seminole counties;
- Lutheran Services of Florida, Inc. d/b/a LSF Health Systems—Serving Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Gilchrist, Hamilton, Hernando, Lake, Lafayette, Levy, Marion, Nassau, Putnam, St. Johns, Sumter, Suwannee, Union, and Volusia counties;
- Southeast Florida Behavioral Health Network, Inc.—Serving Indian River, Martin, Okeechobee, Palm Beach, and St. Lucie counties; and
- Big Bend Community Based, Inc. d/b/a NWF Health Network—Serving Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Madison, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington counties.

**FIGURE 1. REGIONAL COVERAGE OF BEHAVIORAL HEALTH
MANAGING ENTITIES**



Source: Florida Department of Children and Families

¹⁴ Florida Commission on Mental Health & Substance Abuse Final Report, January 2001.

VALUE OF FLORIDA'S BEHAVIORAL HEALTH MANAGING ENTITIES

A review by Florida TaxWatch of the Behavioral Health Managing Entity model highlights its significant support for individuals in need of care, community organizations, and taxpayers throughout the state. This analysis has identified several key contributions that underscore the role of Florida's Behavioral Health Managing Entities, each showcasing the unique values they offer compared to other care management models. Key contributions include:

- Behavioral Health Safety Net;
- Array of Behavioral Health Services;
- Community-Driven;
- Network of Community Provider Organizations;
- Payor Level Care Coordination;
- Recovery and Resiliency;
- Accountability and Transparency;
- Strategic Financial Management;
- Data-Driven, Decision-Making and Accountability;
- Innovation and Statewide Impact;
- Emergency Preparedness and Disaster Response; and
- Operational Integrity.

BEHAVIORAL HEALTH SAFETY NET

Florida's Behavioral Health Managing Entities play a vital role in the state's behavioral health safety-net, ensuring that individuals receive critical mental health and substance use services, regardless of financial status. This includes uninsured and underinsured Floridians, families involved in the child protection system, individuals experiencing homelessness, and those facing complex behavioral health challenges, such as co-occurring disorders or severe mental illness.

¹⁵ Florida Department of Children and Families. 2023. *Fiscal Year 2022-2023 Behavioral Health Catalog of Care*. Florida DCF. <https://www.myflfamilies.com/sites/default/files/2023-04/FY%202022-2023%20Behavioral%20Health%20Catalog%20of%20Care.xlsx>.

Behavioral Health Managing Entities also provide targeted support for high-risk populations, including individuals with opioid use disorders, intravenous drug users, and pregnant women struggling with substance use disorders. Additionally, they serve veterans, students, families, youth in the juvenile justice system, and individuals involved in the criminal justice system.

COMMITMENT TO FLORIDIANS:

Through careful coordination and oversight, BHMEs ensure the availability, coordination, and oversight of safety-net services for substance use and mental health prevention, treatment, and recovery, serving children and adults who would otherwise be unable to access these critical resources.

ARRAY OF BEHAVIORAL HEALTH SERVICES

Behavioral Health Managing Entities ensure access to a wide range of services, ensuring individuals and families receive appropriate care at every stage—from crisis intervention to long-term recovery support. This comprehensive approach provides care for individuals and families at every level of need. Services include but are not limited to:¹⁵

- Crisis stabilization services—Includes detoxification programs, psychiatric crisis units, and assessments under Florida's Baker Act (emergency mental health treatment) and Marchman Act (court-ordered substance use intervention).
- Inpatient services—Psychiatric and substance use treatment for both children and adults address severe mental health and substance use challenges in a structured environment.
- Outpatient Services—Community-based options such as mental health and substance use counseling, Medication-Assisted Treatment (MAT), day treatment programs, drop-in centers, and Florida Assertive Community Treatment (FACT).
- Community Support Services—Encompasses case management, care coordination, respite care, supported employment and housing, specialty courts (e.g., Mental Health Court and Drug Court), 211 and Florida Lifeline (988) crisis helplines, clubhouses, telehealth, suicide prevention, substance use prevention, and peer support programs, among others.

- Specialty programs for children and families—Dedicated teaming models, such as Community Action Treatment (CAT) Teams, Family Intensive Treatment (FIT) Teams, and Mobile Crisis Response Teams (MRT), provide targeted interventions to meet the unique needs of children, youth, and families in distress.

COMMITMENT TO COMPREHENSIVE SERVICES:

BHMEs go beyond traditional funding models by funding wrap-around services. These services include, offering comprehensive, individualized support beyond traditional program funding. By integrating behavioral health care with primary care, housing assistance, employment support, and care coordination, BHMEs ensure a holistic approach to treatment.

By embedding evidence-based practices throughout the system of care, BHMEs work to maintain that clinical interventions are research-driven, effective, and aligned with best practices to improve behavioral health outcomes across Florida.

COMMUNITY-DRIVEN

Behavioral Health Managing Entities ensure that behavioral health services are responsive to the unique needs of Florida’s communities. Operating under the guidance of community-based boards, BHMEs engage key stakeholders—including law enforcement, school officials, local government leaders, business professionals, consumers, and family members—to shape service delivery and enhance local impact.

To ensure strategic resource allocation, BHMEs conduct comprehensive triennial needs assessments for each community, identifying service gaps and emerging priorities. These assessments are supplemented by annual Enhancement Plans, allowing for proactive adjustments to meet evolving demands. Triennial needs assessments and Enhancement Plans are submitted to the Department.



BHMEs tailor services to regional needs by forming strategic partnerships and developing specialized programs. Below are two examples of how this approach has directly benefited communities:

- To meet the increasing demand for peer support in their region, LSF Health Systems partnered with Jacksonville University to develop a specialized curriculum and establish practicum sites within their provider network. This initiative equips Peers for the Peer Specialist Certification. To date, LSF Health Systems has trained over 325 Peers.
- Bithlo, a small community in East Orlando, identified as experiencing high overdoses, homelessness, poverty and critical need for behavioral services. Central Florida Cares in partnership with United Global Outreach, Clear Futures, STEPS, Aspire Health Partners, True Health (FQHC), Recovery Connections of Central Florida and Advent Health partnered to create a comprehensive wrap-around behavioral health and primary care system for this community.

COMMITMENT TO ADDRESSING LOCAL NEEDS:

Behavioral Health Managing Entities operate at a regional level, overseeing networks of provider organizations to ensure comprehensive service coverage across entire communities and geographic areas.

By conducting ongoing assessments of service gaps, BHMEs identify unmet behavioral health needs and strategically partner with qualified local organizations to deliver essential services. This targeted approach maximizes resources, enhances service accessibility, and ensures that behavioral health care is responsive to the specific challenges faced by each community.

NETWORK OF COMMUNITY PROVIDER ORGANIZATIONS

Behavioral Health Managing Entities oversee a comprehensive network of more than 300 community-based organizations across Florida, creating a framework for delivering behavioral health services.¹⁶ These networks encompass both traditional providers, such as community mental health centers, and non-traditional partners, including child protection agencies, school districts, law enforcement, hospitals, veterans' organizations, and faith-based groups, telehealth providers, supportive housing, supportive employment, peer support, and prevention-focused organizations.

Example of Community Partnerships:

- Broward Behavioral Health Coalition (BBHC) collaborates with Broward County Public Schools (BCPS) to enhance student safety and well-being.¹⁷ Following the tragic 2018 school shooting at Marjory Stoneman Douglas High School in Parkland, Central Florida Behavioral Health Network (BHME in the Suncoast region) developed a school mental health program with the Hillsborough School District. BCPS modeled their program after Hillsborough. This program strengthens communication and coordination between schools and behavioral health providers, ensuring that students identified by school staff receive timely support. By addressing behavioral health needs, this initiative helps create a safer learning environment, allowing teachers to focus on their jobs effectively.

COMMITMENT TO COLLABORATIVE SOLUTIONS:

Behavioral Health Managing Entities foster strategic partnerships with both traditional and nontraditional behavioral health organizations to expand service accessibility and enhance holistic care. These collaborations extend beyond traditional mental health services to include housing providers, supported employment programs, and innovative trauma treatment providers, such as art therapy and equine therapy. By integrating these diverse resources, BHME's are promoting a comprehensive approach to behavioral health.

BHMEs recognize the growing demand for qualified behavioral health professionals and work closely with community partners to develop

sustainable solutions, including training initiatives and workforce development strategies.

Additionally, BHMEs leverage and secure alternative funding sources, such as federal grants, and public-private partnerships, to strengthen and expand the services offered by their network providers. By diversifying revenue streams, BHMEs are expanding their provider networks, maximizing resources, and introducing new innovative programs to the state to meet the evolving needs of Florida's behavioral health system.

PAYOR LEVEL CARE COORDINATION

Payor-Level Care Coordination, implemented by BHMEs, streamlines service access for individuals with complex behavioral health needs. By coordinating across providers, agencies, and funding sources, this model reduces barriers to care and enhances service integration. These individuals may face the risk of "falling through the cracks." Payor level care coordination bridges these gaps by working across providers, agencies, and funders to eliminate obstacles to care.

Beyond providing access to individuals for essential behavioral health services, Payor-Level Care Coordination extends to broader community stabilization efforts by collaborating with key partners such as law enforcement, courts, child welfare agencies, and school districts. This program ensures seamless access to comprehensive, continuous support. This integrated approach facilitates stabilization and long-term recovery by connecting individuals with behavioral health services, primary care, housing assistance, and essential social supports, addressing both immediate and long-term needs.

To further strengthen community stabilization, BHMEs collaborate with key community partners, including law enforcement, courts, child protection organizations, Medicaid/insurance providers, housing organizations, and school districts. Through these partnerships, BHMEs identify and remove barriers, ensure individuals receive appropriate services, and continuously monitor progress to improve long-term outcomes.

¹⁶ Supra, see footnote 3.

¹⁷ Broward Behavioral Health Coalition. (n.d.). *School-Based Services*. Retrieved from <https://bbhcflorida.org/school-based-services/>.

A study conducted by Thriving Mind-South Florida on Payor-Level Care Coordination examined its impact on high-need individuals who had experienced three or more Baker Act admissions within 180 days. The findings showed that participants had fewer hospital re-admissions, greater engagement in outpatient and non-crisis treatment services, and lower overall costs for the public behavioral health system.¹⁸ Beyond reducing hospitalizations and expenses, the study highlighted how coordinated care helps individuals achieve long-term stability by increasing participation in behavioral health treatment, improving housing security, and supporting employment opportunities.

Outcomes of Payor-Level Care Coordination:

- During Fiscal Year 2023-2024, Payor Level Care Coordination program successfully diverted 96 percent of participants from costly crisis stabilization units, emergency rooms, and jail, demonstrating its effectiveness in reducing high-cost interventions and improving long-term outcomes.¹⁹

RECOVERY AND RESILIENCY

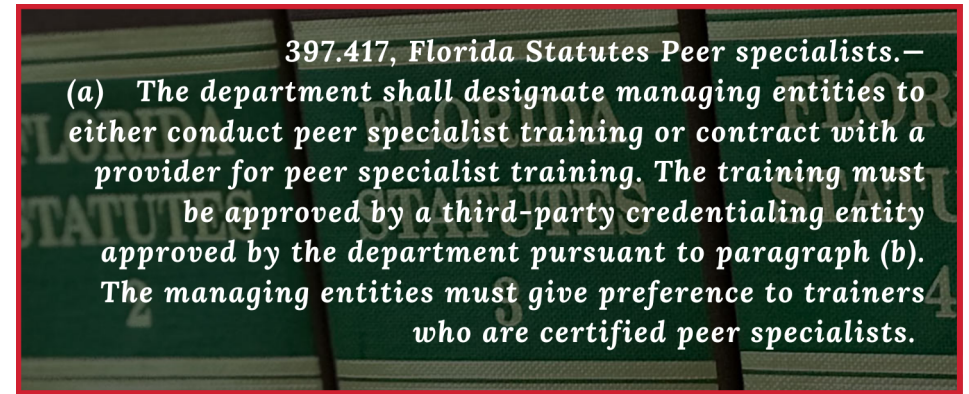
Behavioral Health Managing Entities play a vital role in shifting the focus of behavioral health care from acute intervention to long-term recovery and resiliency. This approach empowers individuals to take control of their recovery journeys, supporting independence, and community reintegration.

Recovery-Oriented System of Care (ROSC):

BHMEs prioritize recovery-oriented care, which moves beyond crisis stabilization, to address the ongoing needs of individuals. By supporting programs that promote personal growth, self-sufficiency, and connection to community resources, BHMEs create an environment where individuals can build meaningful lives despite the challenges of mental health or substance use disorders.

Peer Support:

Peer support is central to Florida's recovery framework, with BHMEs integrating these services into the behavioral health system.²⁰



Peer support programs provide individuals in recovery with access to trained mentors who have lived experience, offering guidance, encouragement, and a shared understanding. This approach cultivates trust and inspires hope, significantly enhancing recovery outcomes.

Building Resiliency in Communities:

BHMEs ensure that individuals in recovery have access to employment support, housing assistance, and community-building activities. Programs, such as supported employment services and clubhouse models, provide critical opportunities for skill-building, social connection, and economic stability – all essential components of long-term recovery.

Examples:

- Central Florida Cares worked with grassroots organizations to develop and implement Recovery Community Organizations (RCO) in their region. They have all three proven that recovery services are extremely beneficial in ensuring individuals can maintain stability and support them in promoting resiliency and recovery. Since their inception capacity has increased for all three, in one instance adding another drop-in center. Since July 2022, Recovery Connections of Central Florida has had the following impact: 2,483 people served, 20,711 Recovery Plan goals achieved, 1,543 referrals completed, and

¹⁸ Proctor, Steven L., Brittney Gursky-Landa, Jacob T. Kannarkat, Johnny Guimaraes, and John W. Newcomer. "Payor-Level Care Coordination and Re-admission to Acute Mental Health Care for Uninsured Individuals." *Journal of Behavioral Health Services & Research* 49, no. 3 (July 2022): 385–396. <https://doi.org/10.1007/s11414-022-09789-1>.

¹⁹ Supra, see footnote 3.

²⁰ Florida Department of Children and Families, Office of Substance Abuse and Mental Health. *Florida Peer Services Handbook*. 2016. <https://nuance.myflfamilies.com/sites/default/files/2022-12/DCF-Peer-Guidance.pdf>.

87 Recovery support groups hosted.

- **Fatherhood Initiative:** NWF Health Network’s Fatherhood Initiative partners with the Florida Department of Corrections to collaborate on the Fatherhood Initiative. The Office of Community Corrections currently supervises almost 19,000 offenders throughout the NWF Health Network service area. To support incarcerated fathers in their transition back into the community, Fatherhood Initiative Peers have also been embedded in the local county jails to provide reentry assistance with incarcerated fathers. These peers assist incarcerated fathers with interactive journaling, reentry planning, addressing behavioral health needs, with the hope of reintegration back into the family upon release.
- **Certified Law Enforcement Recovery Peer Specialist:** NWF Health Network offers an opportunity for members of law enforcement to earn a continuing education incentive by becoming Certified Recovery Peer Specialists (CRPS). Law Enforcement Certified Peers are able to confidentially refer those that seek help beyond the services of a Certified Peer to a network of licensed mental health providers designed to address the mental health needs specifically of law enforcement officers. The CRPS credential designates competency in the domains of Recovery Support, Advocacy, Mentoring and Professional Responsibilities.

COMMITMENT TO RESILIENCY AND RECOVERY:

Behavioral Health Managing Entities are dedicated to promoting resiliency and recovery, transforming lives and reshaping the landscape of behavioral health care. This focus on building resiliency not only empowers individuals but also contributes to reducing reliance on costly acute care services, fostering long-term stability and cost-effective care within Florida’s behavioral health system.

ACCOUNTABILITY AND TRANSPARENCY

Florida’s Behavioral Health Managing Entities uphold high standards of fiscal responsibility, transparency, and accountability to ensure the efficient and effective use of taxpayer dollars. BHMEs uphold rigorous oversight through more than 65 required reports submitted to the

21 U.S. Department of Labor, Office of Disability Employment Policy. n.d. Blending, Braiding, and Sequencing Funds for Competitive Integrated Employment. <https://www.dol.gov/agencies/odep/program-areas/cie/bbs>.

Department on a monthly, quarterly, and annual basis. These reports track efficacy, financial expenditures, and provider performance, ensuring that taxpayer dollars are used efficiently and services align with community needs. This commitment to transparency guarantees that public funds are managed responsibly, with a focus on achieving meaningful outcomes that align with community needs while maximizing taxpayer value.

COMMITMENT TO EXCELLENCE:

All BHMEs are nationally accredited organizations that adhere to a strict Code of Ethics designed to uphold integrity and prevent conflicts of interest. To further ensure accountability and quality of care, BHMEs require providers within their networks to obtain accreditation or meet nationally recognized standards. This commitment ensures that Florida’s behavioral health system operates with efficiency, transparency, and measurable results, delivering high-quality services to those in need while safeguarding taxpayer investments.

STRATEGIC FINANCIAL MANAGEMENT

Florida’s Behavioral Health Managing Entities effectively manage diverse funding streams to ensure taxpayer dollars are allocated efficiently and deliver measurable results. By strategically leveraging federal grants, state appropriations, and local partnerships, BHMEs maximize financial resources to address evolving community needs while maintaining strict fiscal accountability and cost-effective service delivery.

BHMEs use blended and braided funding strategies to maximize financial resources. Blended funding combines multiple funding streams into a single pool to support flexible service delivery, while braided funding aligns distinct funding sources while maintaining their separate reporting and accountability requirements.²¹ These approaches allow BHMEs to coordinate with city and county governments, private entities, and foundations to expand service capacity and ensure sustainable financial management.

COMMITMENT TO SERVICE AND STABILITY:

Community Action Treatment (CAT) Teams and Family Intensive Treatment (FIT) Teams are solely funded by BHME’s. In addition,

BHME's combine funding with other funding services for essential behavioral health programs. Some examples of these programs include substance abuse prevention, Mobile Crisis Response Teams (MRTs), and state hospital diversion.²²

BHMEs also take a proactive role in securing external grants and additional resources, allowing them to pilot innovative programs, scale proven initiatives, and effectively address emerging behavioral health challenges across their networks.

Additionally, BHMEs provide timely payments to network providers, offering critical financial support and stability, unlike other funding sources that may delay payments for months or deny them altogether.

DATA-DRIVEN, DECISION-MAKING AND ACCOUNTABILITY

Behavioral Health Managing Entities use data systems to support informed decision-making and improve service delivery. These systems provide valuable insights into service utilization and client outcomes, allowing BHMEs to identify gaps, and adjust funding allocations in real time. Financial data systems play a crucial role in ensuring prompt payment of network provider invoices through a seamless validation process that addresses accuracy of funding, staff identifier, service encounter, and eligibility of clients served.

In addition to financial data, the collection of performance outcome data across fiscal years tracks access, utilization, and capacity trends; validates the success of evidence-based programs by target populations; and supports decision making to identify service bottlenecks and implement targeted interventions that improve accessibility and care continuity. Waitlists, length of stay, acute care readmissions, and individual engagement/retention are examples of data collected by BHMEs and used to improve the safety net system of care. These data systems provide the framework for adherence to state performance-based budgeting and federal block reporting requirements by providing the means to accountability and transparency. Importantly, BHMEs depend on their data analytics to validate and quantify the return on investment for the state and Florida taxpayers, demonstrating the tangible value of behavioral health programs.

²² Supra, see footnote 15.

²³ Florida Association of Managing Entities. "Managing Entities At-a-Glance." Last modified 2025. Accessed February 16, 2025. <https://flmanagingentities.com/managing-entities-at-a-glance/>.

²⁴ Florida Department of Children and Families. (n.d.). Managing Entities Performance Measures. Retrieved from <https://www.myflfamilies.com/service-programs/samb/managing-entities/performance-measures.shtml>, January 27, 2025.

Quantifying the Return on Investment of Behavioral Health Programs: Data-driven analyses demonstrate the fiscal impact and effectiveness of behavioral health programs in Florida. Key examples include:²³

- Mobile Crisis Response Teams (MCRT): These teams successfully diverted 80 percent of individuals from involuntary psychiatric examinations under the Baker Act, resulting in an estimated annual cost savings of \$12.2 million for the state.
- Community Action Treatment (CAT) Teams: In Fiscal Year 2023-2024, CAT Teams provided services to 3,444 children with behavioral health needs. The program achieved a 98 percent diversion rate from juvenile justice system involvement and a 97 percent diversion rate from Statewide Inpatient Psychiatric Programs (SIPPs), generating an estimated cost savings of approximately \$34 million.

Maximizing Value for Florida:

Through data-driven insights, BHMEs improve service coordination, reduce inefficiencies, and enhance individual outcomes. These efforts maximize the impact of Florida's behavioral health safety net and ensure the system operates with efficiency, accountability, and measurable impact—delivering maximum value to the state and its taxpayers.²⁴

INNOVATION AND STATEWIDE IMPACT

Florida's Behavioral Health Managing Entities drive innovation by developing and piloting new programs to test effective strategies and solutions. These pilot initiatives serve as incubators for best practices, allowing BHMEs to evaluate outcomes, refine approaches, and identify scalable models for improving behavioral health services.

When pilot programs demonstrate successful outcomes, BHMEs collaborate with providers and stakeholders to replicate and scale these innovations across regions, ensuring consistent access to high-quality behavioral health solutions. This collaborative model ensures that proven strategies are adopted regionally and implemented efficiently, maximizing their impact and enhancing the quality of care for individuals regardless of geographic location.

Example of Innovative Services:

- Central Florida Behavioral Health Network (CFBHN) funds the RAE wearable, a cutting-edge technology that enhances personal awareness and relapse prevention.²⁵ This smart device monitors physiological stress indicators, alerting individuals and their support systems to potential cravings in real time. By integrating this data with behavioral health interventions, this initiative empowers individuals with actionable insights to manage triggers effectively. It also leverages technology for improved treatment outcomes, ensuring opioid settlement funds create sustainable, data-driven solutions that support long-term recovery and reduce overdose risks

Expanding Access to Underserved Communities:

A critical component of achieving statewide impact is ensuring that individuals in rural and underserved areas have access to essential behavioral health service. BHMEs address these disparities by leveraging technology, telehealth, and innovative service delivery models to overcome barriers to care. By utilizing telehealth, mobile crisis teams, and other creative solutions, BHMEs bridge service gaps in rural and underserved areas. These solutions reduce distance related challenges and ensure that individuals can be reached in all 67 counties.

Examples of Expanding Access to Underserved Communities

- Faith-Based Support: Southeast Florida Behavioral Health Network partners with Federation of Families, located in rural western Palm Beach County, to help children and adolescents with behavioral health challenges. Using the Open Table Model, they leverage community and faith-based support to help individuals and families achieve their goals and improve their lives.
- Community Outreach Coordinators: In 2021, NWF Health Network (NWFHN) partnered with rural sheriff's offices across the Florida Panhandle, to launch a pilot program aimed at enhancing resources to address substance use and mental health challenges for law enforcement within the criminal justice system. The Community Outreach Coordinator program allows a non-sworn civilian to serve as a liaison between law enforcement, jailed individuals, and

the behavioral health system of care. These coordinators connect incarcerated individuals with behavioral health services upon release, educate the community on behavioral health needs, and establish trusted resources for seeking help, ultimately mitigating the criminality associated with behavioral health issues. Currently, the program is in twelve rural sheriff's offices in northwest Florida, expanding access to vital services in communities with limited behavioral health resources.

EMERGENCY PREPAREDNESS AND DISASTER RESPONSE

BHMEs play a critical role in the state's emergency and disaster response efforts, addressing natural, technological, and human-caused crises. Through proactive planning and coordination, BHMEs ensure that their provider networks remain operational and continue delivering essential behavioral health services in the aftermath of a disaster.

Example of Innovative Emergency Preparedness and Disaster Response:

- Tactical Operations Center (TOC) Protocol: In the event of an emergency or natural disaster NWF Health Network utilizes a *Tactical Operations Center* response protocol (TOC) to exercise command and control of operations, the deployment and management of personnel and resources, planning and addressing resource requirements and the management of logistics. While the protocol included here can most-readily be utilized in response to weather-related emergencies such as hurricanes, it can be adapted to address any of the emergency/crisis situations included in this plan. The purpose of the TOC Protocol is to: (1) Support Mission Critical Tasks; (2) Coordinate Efforts, Ensure Efficiency and Prevent Duplication of Effort; and (3) Expedite Procurement of Mission-Critical Resources (Staffing, Goods & Supplies).

CFBHN adopted a similar model when addressing the needs of their network following Hurricanes Ian and Milton.

²⁵ Central Florida Behavioral Health Network. (n.d.). *Innovations in Recovery*. Retrieved from <https://www.cfbhn.org/innovations-in-recovery/>, February 14, 2025.

OPERATIONAL INTEGRITY

The operational effectiveness of BHMEs is largely attributed to their efficiency as nonprofit organizations, maintaining a collective statewide rate of just over 3 percent. While this efficiency has allowed BHMEs to manage their behavioral health programs effectively, the limited operational budget constrains operational capacity and limits the ability to hire staff. Florida TaxWatch warns that this operational efficiency has approached a critical threshold. As the state’s population continues to grow and behavioral health needs escalate, the ability of BHMEs to sustain operations and meet these increasing demands could be jeopardized.

Prior to 2015, the Department negotiated operational rates individually with each BHME. These rates were generally 4-5 percent. In 2015, the Department requested the Legislature to establish a dedicated line item in the General Appropriations Act for BHMEs’ oversight of network providers, aligning the allocated funds with that year’s operational needs.

Since 2015, Florida’s behavioral health safety-net budget has grown by 107 percent due to legislative and federal funding increases. This funding addresses population growth and rising service demands. During this period, BHMEs managed an additional \$270 million in programs without receiving dedicated operational funding. To manage these additional funds, BHMEs internally shifted allocations and improved efficiency to maintain oversight of critical services. These services included Opioid Abatement funds (Non-Qualified Counties, CORE, Hospital Bridge, Peer Supports, Treatment and Recovery), Mobile Response Teams, Florida Lifeline (988), and Transition Vouchers, among other programs.

BHMEs continue to operate with an overhead rate of 3.12 percent (see Table 1.) —far below the 7 to 15 percent range of comparable funders; however, BHMEs face an increasing challenge as private plans, which offer substantially higher pay for identical positions, exacerbate workforce shortages and operational strain. As a result, BHMEs are becoming a training ground for other agencies, depleting their pool of qualified staff and placing an increasing workload on those who remain.

TABLE 1. BHME OVERHEAD RATE

Managing Entity FY23-24	Total Contract (\$)	Operations Rate (%)
LSF	262,078,448.00	2.47
Central Florida Behavioral Health Network	315,187,901.00	2.62
NWF Health Network	136,059,444.00	2.74
Central Florida Cares Health System	129,183,495.00	3.12
Southeast Florida Behavioral Health Network	126,200,530.00	3.76
Thriving Mind	140,342,889.00	4.0
Broward Behavioral Health Coalition	103,215,537.00	4.78
All MEs	1,212,268,244.00	3.12

The BHMEs’ capacity to oversee SAMH programs, develop their workforce, and support their network of providers with technical and programmatic issues is constrained by such a minimal overhead rate. Without additional support, BHMEs’ ability to maintain quality oversight and ensure the continued delivery of essential services will be at risk—jeopardizing Florida’s behavioral health safety net for its most vulnerable residents.

CONCLUSIONS AND RECOMMENDATIONS

Florida's Behavioral Health Managing Entities are a model of efficiency, accountability, and innovation in behavioral health system management. By optimizing taxpayer resources, engaging collaboration, and implementing measurable solutions, BHMEs ensure that vulnerable populations have access to critical services; however, this model may be at risk. With an oversight rate of approximately three percent, BHMEs operate at a level that threatens their ability to expand provider oversight, hire and retain staff, and address increased need in our communities. Despite significant population growth, increased service needs, and expanded specialty programs, operational funding has remained stagnant. This imbalance jeopardizes their capacity to maintain high-quality oversight and service delivery.

To address this shortfall, Florida must enhance oversight funding to reflect the increasing complexities of behavioral health care. Providing

adequate resources will protect the operational integrity of these organizations, ensuring they continue to deliver essential services efficiently and effectively. Investing in BHMEs is an investment in Florida's most vulnerable residents, the well-being of communities, and the future of the state's behavioral health safety-net system.

Florida TaxWatch recommends increasing operational funding for Behavioral Health Managing Entities to a sustainable five percent operational rate. This realignment of BHME operational funding will ensure the sustainability needed to oversee Florida's behavioral health safety net system. Legislative action is necessary to realign BHME operation funding to a level sustainable enough to effectively oversee Florida's behavioral health safety net system.

With adequate funding, BHMEs can continue to fulfill their vital role in Florida's behavioral health system—preserving access to essential services for individuals, children, and families while maintaining the accountability and effectiveness that taxpayers expect.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	President & CEO
The Hon. Jeff Kottkamp	Executive Vice President & General Counsel
Bob Nave	Senior Vice President of Research
Kurt Wenner	Senior Vice President of Research
George Kantelis	Director of Communications

FLORIDA TAXWATCH VOLUNTEER LEADERSHIP

Piyush Patel	Chairman
James Repp	Chairman-Elect
Marva Brown Johnson	Treasurer
David Casey	Secretary
The Hon. George LeMieux	Immediate Past Chairman

All Florida TaxWatch research is done under the direction of Dominic M. Calabro, President, CEO, Publisher & Editor.

The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please contact us if you believe that this paper contains any factual inaccuracies.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, Executive Committee, or Board of Trustees; and are not influenced by the individuals or organizations that may have sponsored the research.

The **EYES** and **EARS** of Florida Taxpayers.

See more at FloridaTaxWatch.org/Research

Florida  TaxWatch

Stay Informed

 FloridaTaxWatch.org

 Florida TaxWatch

 @FloridaTaxWatch

 @FloridaTaxWatch

 @FloridaTaxWatch

 FloridaTaxWatch

106 N. Bronough St
Tallahassee, FL 32301

o: 850.222.5052

Copyright © 2024
Florida TaxWatch
Research Institute, Inc.
All Rights Reserved

Have a Research Inquiry?

Contact Jeff Kottkamp at jkottkamp@floridataxwatch.org