Funding for Behavioral Health Services in Florida: Frequently Asked Questions

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August 2022

For years, state funding of behavioral health services\(^1\) has not kept pace with Florida’s population growth and needs.\(^2\) Notably, Mental Health of America has ranked Florida 48th in the nation on access to mental health care.\(^3\)

Florida’s low ranking, in part, is based on pre-pandemic 2018-19 data that shows:

- More than a half million (512,000) adults with mental illness were uninsured.
- Twenty-two percent of adults with mental illness (643,000) were unable to get needed treatment over the course of the prior year.
- More than two-thirds of youths with major depression (117,000) could not get treatment.

During the pandemic, other research shows:

- Over 7,500 Floridians died in 2020 from opioid overdoses, an increase of 37 percent from 2019.\(^4\)
- Nearly one-third of Florida adults reported symptoms of anxiety and/or depressive disorder from September 29 to October 11, 2021.\(^5\)
- Over 35,000 Florida children and youth were subject to involuntary emergency behavioral health examinations initiated under the Baker Act in 2020.\(^6\)

Below is a snapshot of current Florida funding for behavioral health services.

**How are behavioral health services funded in Florida?**

Each year the Legislature appropriates both federal and state funds through the General Appropriations Act (GAA) for behavioral health to multiple state agencies. Federal funding comes through the Medicaid program, lump sum block grants and other federal grants. Most state funding is from general revenue and in recent years settlement funds from opioid litigation have been added into the budget. Funding can either be recurring or time-limited (non-recurring).\(^7\) It can also be restricted to use for specific populations (e.g., children) and /or services (e.g., crisis).

Individual county and city governments also provide varying amounts of additional indigent care funding for behavioral health including services provided to people who are incarcerated. Further,
pursuant to state law, local service providers are responsible for meeting local matching fund requirements for behavioral health services.  

Is there a designated single state agency responsible for administration, planning, and oversight of statewide behavioral health funding?

No.

What is the total state budget for behavioral health?

There is no publicly reported amount.

Which state agencies receive funds for behavioral health services?

The largest share of funds for these services are appropriated to the Agency for Health Care Administration (AHCA) and the Department of Children and Families (DCF) Office of Substance Abuse and Mental Health (SAMH).

What funding does AHCA receive for behavioral health services?

The largest sums of funding for these services are appropriated to AHCA through the Medicaid program. Medicaid services are jointly funded by the state and federal government. The federal government pays 61 percent of the cost for Medicaid services. This means that for every dollar the state spends, the federal government pays $1.56. During the pandemic the state has been receiving a larger share of federal Medicaid funds.

Do Medicaid managed care plans receive funds for behavioral health services?

AHCA contracts with multiple Medicaid managed care plans (MCOs) that serve over 5 million beneficiaries statewide, including children and adults. These plans are responsible for providing their enrollees with a comprehensive package of both physical and behavioral health services.

For Fiscal Year (FY) 2022-23, the Legislature appropriated to AHCA over $25 billion for Medicaid managed care. AHCA pays the MCOs on a capitated basis, meaning they are paid one flat monthly payment for each enrollee. There is no separate line item in the state budget specifically designated for funding of behavioral health services through the MCOs. Thus, it is extremely difficult for policymakers and the public at large to know how much AHCA provides, and how much MCOs spend, on these services.
Has any data been publicly released showing expenditures for behavioral health services through Medicaid Managed Care?

AHCA recently presented data to the Finance Subcommittee of the Florida Substance Abuse and Mental Health Commission showing that Medicaid expenditures on behavioral health services for children and adults totaled about $10.2 billion during FY 2021. (See Figure 1.)

Most of the dollars spent ($8.6 billion) were for services delivered through private for-profit insurance companies. It is noteworthy that $8.6 billion is nearly 40 percent of the total Medicaid managed care budget for FY 2020-21 ($22.1 billion). While this is a substantial portion of the budget, the quality of behavioral health services delivered through managed care is troubling. The most recent independent evaluation of these services delivered through Florida's Medicaid managed care program finds that on half of the quality measures, performance ranked below minimum targets set by AHCA.

What funding does DCF receive for behavioral health services?

The DCF Office of Substance Abuse and Mental Health receives funding for a statewide behavioral health services safety net for people who are uninsured or underinsured. For FY 2022-23, DCF was appropriated $1.1 billion for community-based care and $410.2 million for institutional care.

Figure 1. Children's Mental Health Services Account for Over Half of Total Medicaid Behavioral Health Expenditures in Florida

Source: Agency for Health Care Administration presentation to the Finance Subcommittee of the Florida Substance Abuse and Mental Health Commission.
Funding is provided through federal block grants, other discretionary federal grants (e.g., state opioid response grant), state general revenue, and funds from the Temporary Assistance for Needy Families (TANF) program for eligible recipients. Numerous dollars are non-recurring, even though they are for ongoing needs such as crisis services.

**What federal block grants does DCF receive for behavioral health services?**

Each year the Legislature appropriates to DCF funds that the state receives from two federally mandated non-competitive capped block grants: the Community Mental Health Services Block Grant (CMHSBG) and the Substance Abuse Prevention and Treatment Block Grant (SAPTBG). In order to receive funds from these grants, the state must comply with the Maintenance of Effort (MOE) requirements, which are put in place to ensure that the state’s contribution to funding for mental health services is stable over time. The MOE for these two block grants is a calculation based on the average amount of expenditures the state has put towards services over the last two years.

CMHSBG funding is targeted towards adults with serious mental illness and children with serious emotional disturbances. SAPTBG funding is targeted towards pregnant women and women with dependent children, intravenous drug users, tuberculosis services, early intervention services for HIV/AIDS, and primary prevention services.

For award year 2022 (October 1, 2022-September 30, 2023), DCF will receive $111.4 million from the SAPTBG and the state MOE is $105.9 million. It will also receive $47.8 million from the CMHSBG and the state MOE is $101.2 million.

Through supplemental federal COVID relief funding, additional non-recurring block grant funds have also been awarded to the state.

**What are managing entities?**

Most of the funding DCF receives for behavioral health services is passed through to seven private not-for-profit regional “managing entities” (MEs) charged with administering a safety net program providing a “coordinated system of care.” Florida law specifically prescribes over 20 “essential components” for this system including, but not limited to: crisis stabilization, community interventions, case management, care coordination, outpatient services, residential services, hospital inpatient care and aftercare, medication assisted treatment, family therapy, and therapeutic foster care. MEs are currently serving more than 320,000 Floridians. For FY 2021-22, the total state budget (both federal and state revenue) for MEs was $852 million. Nearly 25 percent of those funds were non-recurring.
What other state agencies receive funding for behavioral health services?

Additional behavioral health services funding is scattered throughout the budget among multiple state agencies. There is no single central inventory of this funding. Here are some examples from the FY 2022-23 GAA:

- Department of Education- $140 million for the Marjory Stoneman High School Public Safety Act Mental Health Assistance Allocation, which is distributed among all school districts.\(^{25}\)
- Department of Corrections- $26.3 million for community substance abuse, prevention education, and treatment services.\(^{26}\)
- Department of Juvenile Justice- $4.2 million for the Juvenile Redirections Program, family therapy Services as an alternative to commitment;\(^{27}\)
- Judiciary- $11.4 million to problem-solving courts (e.g., mental health courts, drug courts) for treatment services.
- Department of Veterans Affairs –$1 million to special projects for suicide prevention.\(^{28}\)

How does Florida's funding of behavioral health services compare to other states?

On national rankings, Florida has consistently ranked in the bottom on per-capita state funding of behavioral health services.\(^{29}\) Recent state reports filed with the federal government show that Florida’s per capita spending on mental health community services was 50th in the country ($36.59).\(^{30}\) However, this data does not include Florida’s spending for behavioral health services covered by Medicaid.

Does Medicaid fund any BHS provided by schools?

Yes. Under the Certified School Match Program,\(^{31}\) school districts can certify state or local funds to meet Medicaid state match requirements. Then they can draw down federal funding for a range of health services including behavioral health screenings, diagnosis, and treatment services delivered by psychologists, social workers, and counselors.

Prior to 2020, school districts could only obtain Medicaid reimbursement for services provided to Medicaid-eligible children with disabilities who had an individual education plan (IEP). An FPI report identified a federal law change which eliminated this restriction.\(^{32}\) In 2020, state law was amended to allow school districts to seek reimbursement on behalf of any Medicaid-eligible child.\(^{33}\) Over 1 million children enrolled in public schools are covered by Medicaid.
How could state coordination and funding of behavioral health services be improved?

While there was new recurring state general revenue added to the community mental health budget during the 2022 legislative session, more resources are needed to address persistent systemic barriers across agencies and the continuum of care.

The 1999 Florida Commission on Mental Health and Substance Abuse determined that, “no one entity is attending to the overall system.” This finding is equally relevant today. There is no statewide vision for behavioral health services, funding is siloed and there is little coordination among agencies on investment of these funds.

Florida Policy Institute recommends:

- Designating a single entity to oversee the overall behavioral health system, including funding;
- Investing more in recurring state funding for behavioral health rather than relying on non-recurring funding for ongoing core services;
- Improving transparency on state investments in behavioral health across all agencies;
- Requiring ongoing public reporting on expenditures, claims paid, and services provided by the MCOs under Medicaid managed care; and
- Leveraging state dollars to maximize federal funding, including crisis care dollars available under the American Rescue Plan Act.

Now more than ever, Florida lawmakers need to address these systemic barriers and invest in behavioral health so the state can better respond to public health emergencies and build broader long term resilience for families.

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26. GAA 729-731

27. GAA 1128


