To: Summit County Council
From: Aaron W. Newman, Mental Health & Substance Abuse Programs
Date: April 17th, 2019
Item: Clarification on Key Items Related to the RFP for the Mental Health and Substance Abuse Local Contracted Provider and the RFP Committee's Recommendation

Introduction:

The following document has been developed to provide clarification on items requested by the Summit County Council in relations to behavioral health in Summit County with specific focus on items relevant to the *Substance Use Disorder Treatment & Mental Health Services for Medicaid, Uninsured, and Non-Medicaid Summit County Residents* RFP. This document also serves as the recommendation to Council in its capacity as the Local Substance Abuse Authority and Local Mental Health Authority through statutory mandate of UCA §17-43-201 & 301 et. seq., in regards to the RFP and awarded contract.

Contents:

Funding of Services Related to the RFP

Funding for the Local Contracted Provider (LCP) contract stems from three primary sources; Medicaid, State Block Grants, and Summit County funds. Currently, this breaks down to a 70/30 split, with federal dollars comprising 70% of the budget and the remaining 30% funded by state and county funds at a shared rate of 80% state and 20% county.

Medicaid Funding - $717,114 FY19

Medicaid is a jointly funded Federal-State health insurance program for those living at or below the federal poverty level or have one of 20 eligibility conditions for federally assisted income maintenance payments. In Utah, Medicaid is available to individuals eligible for Supplemental Security Income (SSI) benefits. Medicaid eligibility starts the same months as SSI eligibility. To qualify a recipient must:

- Be a US citizen and a resident of Utah;
- Be eligible for an SSI cash payment for at least one month;
- Meets eligibility rules for one of the eligibility conditions, including the resources test;
- Need Medicaid to work; and
- Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care.

In 2018, children ages 0-18 comprise 75% of Medicaid recipients for Summit County.

Medicaid funding is overseen by the Division of Medicaid and Health Financing at the Utah Department of Health. Every five years, Summit County enters into a contract with the Division of Medicaid in order to receive Medicaid dollars for behavioral health services. Our current contract is slated to end on September 30th, 2020, however, with the selection of a new Local Contracted Provider, a new contract will need to entered into.

Medicaid funding, while contracted with Summit County, is handled by the LCP who submits claims directly to the Division of Medicaid. The Division then provides reimbursement directly to the LCP. The Division of Substance Abuse and Mental Health (DSAMH) reviews these transactions yearly with the Summit County Health Department as part of their annual audit of the LCP.

State Block Grants - $1,217,054 FY19*, Pre-Amendment*

State Block Grants are designated accounts focused on supporting unfunded residents of Summit County in need of services which either do not qualify for Medicaid or have not applied for benefits. All prevention funding, along with the majority of Substance Use

Medicaid Coverage Categories

- Children Under Age 1
- Children Age 1-5
- Children Age 6-18
- Child Medically Needy
- Foster Care Medicaid
- Child in Subsidized Adoption
- Pregnant Woman
- Medically Needy Pregnant Woman
- Baby Your Baby
- Parent / Caretaker Relative Medicaid
- 12 Month Transitional Medicaid
- Individuals with Breast or Cervical Cancer
- Aged, Blind or Disabled
- Medicaid Work Incentive Program
- Spenddown Program (Medically Needy)
- Medicaid Cost Sharing Programs
- Medicaid for Long-Term Care and Waiver Program
- Refugee Medicaid
- Emergency Medicaid

Disorder funding and services for those incarcerated or in the Drug Court program come from these grants. Reviewed monthly, adjustments are made every two months to ensure full utilization between the 13 Local Authorities. These funds are administered by DSAMH at the Utah Department of Human Services through two contracts with Summit County. (Separate Contracts for Mental Health and Substance Abuse Disorder/Prevention Services)

Unlike Medicaid funds, the County serves a direct oversight role as the releasing agent for the funds. In this model, the LCP submits a quarterly bill to DSAMH which releases the funds to the Summit County Health Department to either hold or pass on to the LCP.

Summit County Match - $168,332 FY19

Required by law, Summit County is responsible for covering 20% of the 30% gap between the federal coverage rate and 100% coverage. To meet this 20%, Local Authorities provide two sources of match. The first is a direct cash coverage. (This is the amount above) This amount is required per the Medicaid contract signed with the Division of Medicaid and calculated each year by DSAMH. The second source of match comes from undefined in-kind resources such as office space, staff, prevention services, and crisis response. For FY20, this is estimated to be approximately $650,000, which is in addition to the above amount.

Fee-for-Service Model vs. Capitated Models of Funding

Fee-for-service and capitation are two different models of payment for contracted behavioral health services. In a capitated system, the service provider is paid a set amount each month based on the number of individuals enrolled in Medicaid while fee-for-service pays providers based on the type and quantity of services provided to clients. Both systems are used in the US, with the majority of behavioral health systems using capitation. Please note, that as of this report, both organizations have agreed to utilize a fully capitated model of service delivery.

Fee-For-Service Model:

In the fee-for-service model (FFS), clinicians are reimbursed for the type and quantity of services provided. Every intake, treatment, session, and medication management review are assigned an agreed upon value and billed to a payer by the agency providing the service. In the Local Authority Model used by Utah, that payer is Summit County. While Summit County does not pay these bills directly, it is the local governmental agency which holds the funding contracts for both Medicaid and the State. As such, it is Summit County which is responsible for ensuring all payments are made through direct operations or contracting with an LCP.

In the network model of providing services with an FFS structure, the clinicians will bill the LCP (Optum or University of Utah) which will in turn bill Medicaid or the State. In the Medicaid system, Medicaid will pay the LCP directly, which will then reimburse the clinicians at an agreed upon rate for each service provided. Per Medicaid rules, they may elect to keep up to 19% of each payment for administrative costs. In the State system, the clinician will still bill the LCP, which will in turn bill the State; however the State releases the funds to the Summit County Health Department, which then passes the funds on to the LCP to be passed on to the clinician. In the State system, all funds are passed through to the clinician. If at the end of the fiscal year

there are unused Medicaid or State funds, those funds remain with their corresponding agency and are lost at the end of the fiscal year.

With the passing of the Affordable Care Act in 2010 and the 2015 MACRA legislation (Medicare Access and CHIP Reauthorization Act), healthcare providers have been moving away from the fee-for-service model. Viewed as incentivizing "quantity-based treatment" were practitioners are incentivized to see more clients, FFS systems place the burden of financial risk on the County. With the County receiving a set amount of funds each year from Medicaid and the State, any overages in treatment or services billed beyond the funds allocated to the County fall on the County to cover. As a result of this risk, the majority of Utah counties classified as class 2-6 operate in a capitated model.

Capitation Model – *Recommended Model*:

In the capitation model, clinicians are reimbursed on a prospective rate, also referred to as a "per member per month" (PMPM) rate. The PMPM payment is determined by the number of individuals who are enrolled in Medicaid regardless of how many services the individual receives during that month. In the capitation model, Summit County remains the local governmental agency which holds the funding contracts for both Medicaid and the State.

In the network model of providing services with a capitated structure, the LCP will receive a monthly payment from Medicaid based on the number of clients enrolled. The LCP will then pass on those funds to clinicians, less any administrative costs up to 19%, based on the number of Medicaid clients they are seeing. In the State system, payments will be provided to the Summit County Health Department in equal payments split between 12 months beginning on July 1st of each year. These funds are then passed onto the LCP which transfers the funds on to agencies providing the services covered in the State contract, such as Drug Court. If at the end of the fiscal year there are unused Medicaid or State funds, those funds the LCP is allowed to retain. How those funds are then utilized will be a determinant of the contract between the County and the LCP. Examples of usage include the funds being placed into a community investment fund for program enhancements or utilized to provide bonuses to agencies for providing value-based services.

The capitated model is recognized as a more stable and financially confident delivery system by ensuring a monthly guarantee of payment regardless of a client seeking treatment or not. Under this model, should the cost of services used be greater than the funds allocated by Medicaid and the State to Summit County, the LCP bears all responsibility for covering the cost of these overages, removing the risk from the County.

Change in Service Delivery Models

Since 1995, Summit County has operated under a Primary Mental Health Provider (PMHP) or "Staffed Model" of behavioral health services. While this model has many benefits and indeed works for many rural and frontier counties, Summit County has grown to the point where this model with the current provider can no longer meets the needs of the community.

Primary Mental Health Provider Model *(Valley Behavioral Health):*

In the PMHP model of service delivery, the LCP serves as the "one-stop-shop" for all behavioral health needs within the community. By providing the majority, if not all, of the mandated services through a single organization, the LCP is able to provide greater coordinated care for the client so long as the LCP can provide the needed services. If a client requires services not provided by the LCP, the level of care reduces. A primary limitation of this model is that it relies on the ability of the LCP to maintain staffing levels to meet service demands. Failure to maintain staffing levels often results in delays for treatment, interruption of care, and increased rates of failure to complete prescribed treatment plans.

Network Model *(Optum-MCO, University of Utah Health Plans-ACO):*

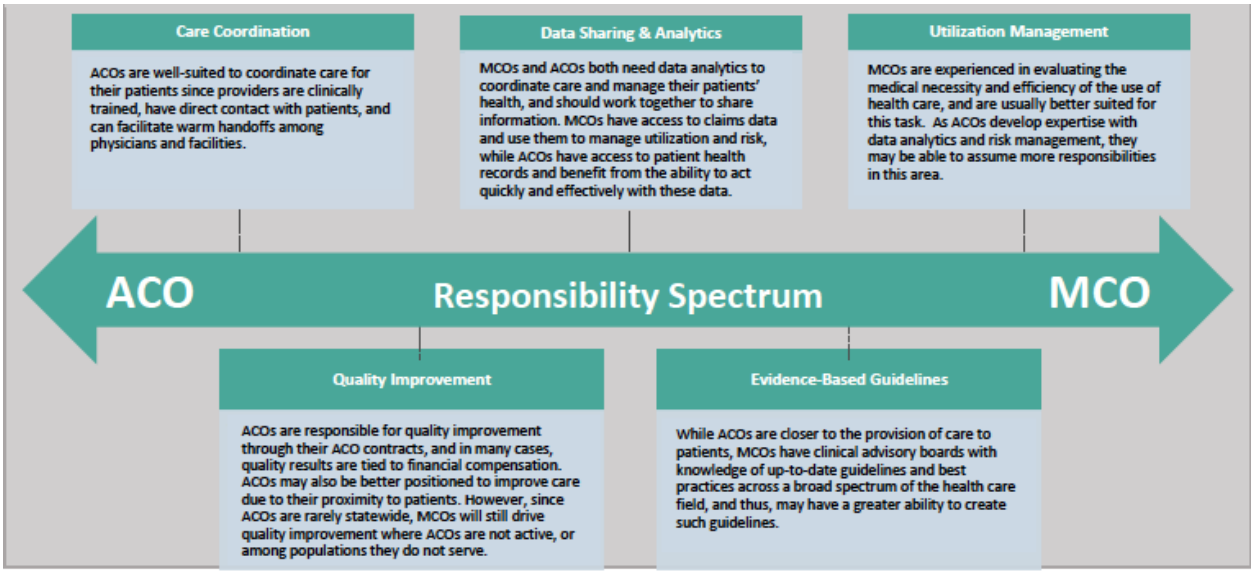
Like the PMHP model, the LCP serves as the central point of service with the exception that the LCP does not provide any services directly but utilizes a network of providers to meet the needs of the clients. By contracting with a variety of clinicians, the LCP can offer a greater number of clinicians and services. Often, the clinicians have higher level of specialization than found in the PMHP model and due to the breadth of clinicians, wait times are reduced. This model of service delivery also allows for an increase in service delivery by bringing in new clinicians to meet any growth in clients. An additional benefit of the network models is the ability to have greater collaboration between a client's behavioral health clinician and their primary care physician through central coordination by the LCP and its case managers.

ACO vs. MCO:

While both provide services through a network model, the difference between an Accountable Care Organization (ACO) and a Managed Care Organization (MCO) can at time be subtle.

By definition, MCOs were developed as an alternative to fee-for-service models of care to help control the cost of services for members of the MCO and improve the quality of treatment. Membership in an MCO is based on a person's ability to be part of a qualifying plan. For the LCP contract, having Medicaid or meeting the State's unfunded requirements qualifies a person for membership in the LCP's MCO. While MCOs can operate as either a not-for-profit or a for-profit, MCOs are designed to coordinate a client's behavioral and physical healthcare through a capitated system.

Established under the Affordable Care Act, ACOs are not-for-profits specifically focused on providing services to individuals receiving Medicaid or Medicare. Similar to MCOs, ACOs serve as a network of clinicians and agencies which agree to work collectively to coordinate the care of clients from a team approach.



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Role of Physical Health Integration in Behavioral Health

With continued research demonstrating the importance of linking a client's physical health with their behavioral health, the ability to integrate services is crucial when taking the client's complete health into consideration, as is the high cost of care for Medicaid recipients with co-occurring physical and behavioral health conditions. According to a 2015 Medicaid and CHIP Payment Access Commission's Report to Congress, one in five Medicaid recipients lives with a diagnosed behavioral health condition, with schizophrenia and psychotic disorders representing the two most common diagnoses for re-hospitalization of Medicaid recipients. Often these individuals have co-occurring physical health conditions such as diabetes or asthma. (Note: No scientific data is conferring a link between these conditions; instead the data collected by Medicaid shows that half of all recipients have a diagnosis of diabetes and/or asthma.)

Given the prevalence of mental health conditions in the Medicaid population and the adverse impact that uncoordinated care can bring about, initiatives to integrate physical and behavioral health for Medicaid recipients has been identified as a priority for ACOs. Integrated care approaches have been shown to improve health outcomes for individuals with behavioral health conditions. Effective integrated care can also enhance patient engagement and activation, which has been shown to increase treatment adherence, improved patient satisfaction, improved quality of life, and increased behavioral and physical health. Based on current research and best practices, there is little dispute that Medicaid recipients fare best when their physical and behavioral health needs are addressed in tandem by a single professional or LCP.

Selection Process and Criteria

Selection of Finalists:

Upon receipt, the RFP Committee conducted a review of each bid and scored it on a scale of 100 points. 20 of the points were based on the financial statements with the remaining 80 based on the ability to meet the needs of the County and the quality of the services delivered in relation to those mandated in Utah Code. Based on the scores, Optum and the University of Utah Health Plans were selected to present in front of the Council. The bids were scored based on the answers provided in Form A, Form B, Form C, and their financial statements. Average committee scores are listed below for the finalists.

Committee Total LCP RFP Scoring Sheet

OPTUM | UnitedHealthcare Community Plan

SCORE: *57.52*

Answer Scoring Criteria	
0	Response is unclear or has been skipped
1	Unable to provide the service required and failed to provide an explanation
2	Unable to provide the service required but provided an explanation
3	Meets basic requirement
4	Meets requirement with additional services provided to enhance delivery
5	Ability to meet services exceeds RFP expectations. *(Example would be the ability to provide 13 clinicians between Coalville and Kamas. If you award a 5, please be ready to provide rational on why.)*

DO NOT ENTER SCORES IN THIS SECTION...SEE BELOW
Automatic Scoring Section

FORM	Category	AVERAGE SCORE
A	Demonstration of Capacity & Qualifications	3.25
A	Staffing Levels Meet Community Need	3.17
A	Financial Documentation Inline *(X2 Weight)*	3.00
A	Transition Plan Ensures Continuity of Care	2.50
B	Inpatient Care & Services	2.92
B	Residential Care & Services	2.50
B	Outpatient Care	2.88
B	Crisis Care	3.08
B	Psychoeducational Services & Psychosocial Rehabilitation	2.42
B	Medication Management	2.83
B	Case Management	2.56
B	Community Support Services	2.75
B	Consultation & Education Services (Including School Based Services)	2.97
B	Services to Incarcerated Persons	2.92
B	Other Services Requested	3.25
C	SUD Screenings	2.83
C	SUD Treatment	2.79
C	Drug Court and Incarcerated Services	2.92
C	Other Services Requested	3.00
E	Indicated Network Partners Adequate to Meet Service Needs	3.00

HEALTH PLANS UNIVERSITY OF UTAH

SCORE: *55.15*

Answer Scoring Criteria	
0	Response is unclear or has been skipped
1	Unable to provide the service required and failed to provide an explanation
2	Unable to provide the service required but provided an explanation
3	Meets basic requirement
4	Meets requirement with additional services provided to enhance delivery
5	Ability to meet services exceeds RFP expectations. *(Example would be the ability to provide 13 clinicians between Coalville and Kamas. If you award a 5, please be ready to provide rational on why.)*

DO NOT ENTER SCORES IN THIS SECTION...SEE BELOW
Automatic Scoring Section

FORM	Category	AVERAGE SCORE
A	Demonstration of Capacity & Qualifications	3.42
A	Staffing Levels Meet Community Need	3.17
A	Financial Documentation Inline *(X2 Weight)*	3.17
A	Transition Plan Ensures Continuity of Care	3.17
B	Inpatient Care & Services	3.25
B	Residential Care & Services	2.08
B	Outpatient Care	3.25
B	Crisis Care	3.25
B	Psychoeducational Services & Psychosocial Rehabilitation	2.25
B	Medication Management	2.58
B	Case Management	2.56
B	Community Support Services	2.17
B	Consultation & Education Services (Including School Based Services)	2.47
B	Services to Incarcerated Persons	2.00
B	Other Services Requested	2.92
C	SUD Screenings	2.83
C	SUD Treatment	2.54
C	Drug Court and Incarcerated Services	2.33
C	Other Services Requested	2.75
E	Indicated Network Partners Adequate to Meet Service Needs	3.00

Based on the above information, the two finalists were requested to attend the April 10th Summit County Council meeting to provide a 30-minute presentation to Council related to the services listed in the RFP.

Council Presentations:

Each finalist was notified of the date and time of their presentation to Council. In that notification, a list of additional questions the RFP Committee felt they needed further clarification on was given to the finalists, along with instructions on what to cover in the presentations. Those topics included:

- A Brief Executive Summary of Their Bid

- Their Transition Plan
- Their Vision of Physical Health and Behavioral Health Integration
- Information on Their Service Locations
- Anything Else They Felt the Council Should Know

At the conclusion of each presentation, Council was able to pose questions to the presenters for clarification on points in their bid or from their presentation. At the conclusion of the Council presentations, the RFP Committee met on the April 12th to review all available information and come to a consensus on a recommendation to Council.

Deliberation:

In reaching a recommendation for the award of the *Substance Use Disorder Treatment & Mental Health Services for Medicaid, Uninsured, and Non-Medicaid Summit County Residents Contract*, the RFP Committee considered information presented in the bids, Council presentations, and clarifying questions posed to the bidders in order to provide a recommendation to Council of the "bidder whose proposal is determined to be the most advantageous to the County." (RFP, Page 28) In order to determine which bid was the most advantageous to the County, a scoring matrix was established for the 7 members of the RFP Committee to make their determination.

Post Presentation Score Sheet

GENERAL	Optum	U of U	No Difference
Highest Bid Score	7	0	0
Overall Mental Health Services	0	7	0
Overall SUD Services	0	6	1
Greater Local Resource Utilization	0	7	0
Ability to Integrate Local Psychical Health with Behavioral Health	0	2	5
Non-Profit Organization	0	7	0
Capitated Model	7	0	0
Provider Medicaid Contribution	0	7	0
Community Collaboration Experience	2	3	1
Higher Percentage of Summit County Network Providers	2	5	0
Community Recommendations	2	5	0
Past Experience as a LCP	7	0	0
Provider Monitoring	1	1	5
Transition Plan	5	2	
SUD Inpatient Treatment	0	5	2
Commitment to Strategic Plan	2	2	3
Experience with Critical Need, Mandated Services, & Directives	Optum	U of U	No Difference
CN: Outpatient Care	2	5	0
CN: Case Management	1	1	5
CN: Psychotropic Medication Management	0	7	0
CN: Services to Incarcerated Persons	1	6	0
CN: Drug Court	1	5	1
CN: 24 Hour Crisis Care	0	5	2
Inpatient Care & Services	0	5	2
Residential Care & Services	2	3	2
Psychoeducational Services & Psychosocial Rehabilitation	0	1	6
Community Supports Services	5	2	0
Consultation & Education Services	0	4	3
Peer Support Services	5	2	0
Opioid Treatment and Recovery	0	7	0
School-Based Services	2	2	3
Spanish Language Services	1	1	5
Suicide Prevention Services	1	5	1
Suicide Intervention Services	1	5	1
TOTALS:	58	130	49

Recommendation & Justification

It is the recommendation of the RFP Committee that the Summit County Council, in its capacity as the Local Substance Abuse Authority and Local Mental Health Authority through statutory mandate of UCA §17-43-201 & 301 et. seq., that the Council direct the Summit County Attorney's Office to **enter into negotiations with the University of Utah Health Plans as the Local Contracted Provider** with regards to the *Substance Use Disorder Treatment & Mental Health Services for Medicaid, Uninsured, and Non-Medicaid Summit County Residents Contract*.

Justification:

Upon review of all available information, the RFP Committee determined that the University of Utah Health Plans presented a compelling bid for the services of Summit County in regards to the proposed Local Contracted Provider role. Key points for the RFP Committee include:

- Its status as the state accountable care organization (ACO) for all new Medicaid enrollees.
- Its ability to provide additional state Medicaid dollars to Summit County of $300,000 or greater per year.
- 73% of its proposed service network currently based in Summit County as compared to 20% in the Optum bid.
- The role of the University Neuropsychiatric Institute (UNI) in establishing the Summit County Mental Wellness Alliance and in helping develop the Summit County Mental Wellness Strategic Plan.
- UNI's contracted role with the State to oversee and provide all mental health crisis services within Utah, such as the state crisis line, MCOTs (Mobile Crisis Outreach Teams), and SafeUT.
- UNI's primary role in both bids for inpatient care, but with additional priority access for Summit County residents when available.
- Its connection to the University of Utah School of Psychiatry and its corresponding ability to provide psychiatric interns to supplement gaps in services, including psychiatric APRNs (Advanced Practice Registered Nurse).
- Its direct access to UNI resources.
- UNI's past commitment to respond to crisis needs within the Summit County Jail when the current LCP has not been able to provide care.
- Its stated commitment to provide a shared school phycologist for North Summit School District and South Summit School District.

Should the University of Utah Health Plans fail to enter into a contract with Summit County within 60 days of its selection, the RFP Committee respectfully request a joint meeting with Council to discuss options.

Post Selection

Contract:

Upon selection of the LCP by the Council, the Summit County Attorney's Office, along with the Health Department and a member of the Summit County Mental Wellness Alliance Executive Committee will work with the LCP to establish a contract for service in line with the needs of the County and the directives of the State. Once drafted, the Utah Division of Substance Abuse and Mental Health (DSAMH), and the Utah Division of Medicaid will review the contract to ensure it meets the criteria and terms mandated for the receipt of state and Medicaid funds. After both agencies have approved the contract, the LCP and the Council will enter into the agreement. With the Contract signed, DSAMH and the Division of Medicaid will draft new funding contracts between the agencies, the County and the LCP to authorize funding beginning on September 1st.

During this contracting period, the Summit County Mental Wellness Alliance Executive Committee, with the support of DSAMH, will ensure that current service levels do not drop or result in the loss of clients through service attrition. A meeting is scheduled on April 26th with DSAMH and Valley Behavioral Health to establish terms to ensure full-service delivery during the transition.

Area Plan:

For funding to be released to the County and LCP, a Council approved Area Plan must be submitted to DSAMH. During the transition period, the Health Department Staff will work with the new LCP and Valley Behavioral Health to complete the Area Plan and present it to Council for approval. As a means of simplifying the development, the RFP included three forms for bidders to complete which comprise the governance, mental health, and substance use disorder sections of the Area Plan. While there will be changes to the forms, the majority of the information provided within the RFP will transfer over to the area plan for approval and submission.

Transition:

In preparation of the award, a county transition team (CTT) has been established to provide oversight and insurance that the transition takes place in a manner which ensures that a client's continuity or care is disrupted to the minimalist amount possible. This team will work in conjunction with the LCP's transition team, Valley Behavioral Health's transition team, and a team from DSAMH. The CTT will provide a transition plan to the Council at the end of May.

Commissioning:

After the transition has taken place on September 1st, the CTT will continue to monitor, along with the Summit County Mental Wellness Executive Committee, the LCP in its service delivery and network to ensure any metrics or dates identified in the transition plan are met. The CTT will provide quarterly staff reports to the Council on the status of the transition and service implementation. After one year, the CTT will disband and the Executive Committee will oversee all contract compliance and performance measures such as it currently does with the Valley Behavioral Health contract.

- END OF REPORT -