



STATE OF ARIZONA
Department of Health Services
NOTICE OF REQUEST FOR INFORMATION

**ARIZONA DEPARTMENT
OF HEALTH SERVICES**
1740 West Adams Street
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

REQUEST NUMBER: HF332025

REQUEST DUE DATE/TIME: January 22, 2014 at 5:00 p.m. Arizona Time

SUBMITTAL LOCATION: Submit via email to the Procurement Officer indicated below

DESCRIPTION: **Greater Arizona Behavioral Health Services**

In accordance with A.R.S. § 41-2555, a Request for Information (RFI) for the services specified will be received by the Arizona Department of Health Services (ADHS) by the Procurement Officer named below as an email attachment. Submittals received by the due date and time will be opened. The name of each Respondent will be publicly available. Late information will not be considered. It is the responsibility of the Respondent to routinely check the ADHS Procurement website web site for any changes to the request. <http://www.azdhs.gov/procurement/index.htm>

Additional instructions for preparing the information are included in this RFI.

With seventy-two (72) hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation contact person named below.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE REQUEST FOR INFORMATION

Contact Person:

Elena Beeman, Procurement Specialist
Arizona Department of Health Services
(602) 542-2944
E-mail: Elena.Beeman@azdhs.gov

<p style="text-align: center;">SPECIAL INSTRUCTIONS TO RESPONDENTS REQUEST NO: HF332025</p>

1. Requirements

Submit an email Attachment of no more than twenty (20) written pages, single spaced, 11-point font size (Microsoft Word document). The response should be organized to correspond to the outline numbering convention in this RFI. Include Company name, address and telephone number on the cover page. In addition, provide the name, title, telephone number and e-mail address of your organization's designated contact person for questions or clarification of your response as outlined in this document.

The ADHS will not provide any reimbursement for the cost of developing a response to this RFI.

2. Information Opening

Information received by the due date and time will be opened. The name of each Responder will be publicly available. Pursuant to A.A.C. R2-7-G301, 2. to the extent allowed by law, information may be considered confidential until the procurement process is concluded or two (2) years, whichever occurs first.

3. Questions

All questions regarding this RFI shall be submitted by email to the Procurement Officer named on page one (1) of this document no later than **5:00 PM on Wednesday, January 22, 2014.**

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GREATER ARIZONA BEHAVIORAL HEALTH SERVICES

1. Purpose

- 1.1. The Arizona Department of Health Services (ADHS) and the Arizona Health Care Cost Containment System (AHCCCS) are exploring the feasibility of contracting with more than one at-risk managed care organizations (MCOs) to act as a Regional Behavioral Health Authority (RBHA) to create an integrated health care service delivery system to provide physical and behavioral health care services, maximize care coordination in Greater Arizona (all counties except Maricopa County), and be responsible for:
 - 1.1.1. All medically necessary physical and behavioral health care services including: all outpatient and inpatient medical and behavioral health care, supportive services, such as peer and family support, patient education, engagement, and follow up for Title XIX eligible adults determined to have a SMI.
 - 1.1.2. The inclusion of a Medicare Special Needs Plan for dual eligible Title XIX eligible adults determined to have a SMI.
 - 1.1.3. Consistent with current RBHA contractual responsibilities, all medically necessary behavioral health services for Title XIX eligible persons designated as General Mental Health (GMH), Substance Abuse (SA) and Children/Adolescents (CA) while coordinating physical health care for these members with AHCCCS acute care health plans.
 - 1.1.4. Consistent with current RBHA contractual responsibilities, designated behavioral health services for Non TXIX eligible adults determined to have a SMI subject to available legislative appropriations and other available funding (e.g. federal grants and Intergovernmental Agreements).
 - 1.1.5. Consistent with current RBHA contractual responsibilities, designated Non-TXIX reimbursable services for TXIX eligible members (e.g. supported housing, room and board) subject to available legislative appropriations and other available funding (e.g. federal grants and Intergovernmental Agreements).
 - 1.1.6. Consistent with current RBHA contractual responsibilities designated behavioral health services for Non TXIX eligible adults and children subject to available legislative appropriations and other available funding (e.g. federal grants and Intergovernmental Agreements).
- 1.2. The purpose of RFI is to seek input on the design of the service delivery system to be implemented in Greater Arizona and be fully operational October 1, 2015.

2. Introduction

- 2.1. AHCCCS is the state's Medicaid program and single largest source of health insurance, providing coverage to more than 1.3 million Arizonans. Since its inception in 1982, AHCCCS has operated in accordance with a federal waiver allowing a managed care model of service delivery, with the exception of a relatively small fee-for-service population comprised of American Indians and individuals who qualify for Federal Emergency Services.
- 2.2. AHCCCS received a demonstration waiver from the Centers for Medicare and Medicaid Services that allowed the State to offer only one choice of plan for individuals with serious mental illness receiving acute care through the RBHA in Maricopa County. As with all demonstration waivers, AHCCCS is required to evaluate the premise of the demonstration, which is testing the effect of integrating behavioral and physical health services by measuring the improvements in health outcomes for individuals with serious mental illness. AHCCCS plans to request an additional waiver of choice for the Greater Arizona RBHA; however, this involves CMS approval. While there are strong arguments to support such a request, CMS may decide to wait until the Maricopa RBHA waiver evaluation is complete. Therefore, it is prudent for the State to contemplate contract structures that facilitate integration while allowing for member choice.

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- 2.3. AHCCCS makes prospective capitation payments to contracted MCOs responsible for the delivery of care of acute care services with the exception of behavioral health services. These services are “carved out,” and AHCCCS contracts with ADHS for these services. ADHS contracts with RBHAs to provide behavioral health services in six defined geographic service areas.
- 2.4. AHCCCS’ “carved out” behavioral health services for Greater Arizona are a particular challenge for members with SMI; they have to navigate two (2) systems to receive all health care services. When the member also has Medicare coverage, he or she may have to navigate up to four (4) systems to receive all health care services (Medicare Part A/B, Medicare Part D, Medicaid Acute Health Plan and the RBHA). The challenge associated with receiving care under the current service delivery system is a barrier to effectively serve members with both chronic behavioral health and medical conditions. Further, financial incentives are often absent or misaligned to promote clinical integration and care coordination.
- 2.5. It is estimated an additional 400,000 members will be eligible and enrolled with AHCCCS as a result of the Governor’s Medicaid Plan. In addition to increased AHCCCS enrollment, the implementation of the Federally Facilitated Marketplace will increase demand for provider accessibility.
- 2.6. ADHS serves as the single state authority to provide coordination, planning, administration, regulation and monitoring of all facets of the state’s public behavioral health system providing services to approximately 70,000 individuals, including 23,000 TXIX eligible adults with SMI in Greater Arizona. ADHS contracts with entities known as RBHAs, to administer behavioral health services statewide. RBHAs are MCOs that contract with a network of service providers to deliver a full range of behavioral health care services, including prevention programs for adults and children, and a full continuum of services for adults with substance abuse and general mental health disorders, adults with serious mental illness, and children with serious emotional disturbance.
- 2.7. In addition, a RBHA may be required to operate and maintain a crisis service delivery system that provides behavioral health crisis services to all persons in such needs. Crisis services include a 24/7 crisis phone line service, mobile crisis teams and crisis stabilization/detoxification inpatient services.
- 2.8. The state is currently divided into six (6) geographic service areas. These geographic services areas are defined by zip code and roughly correspond to the following counties:
 - 2.8.1. GSA 1- Mohave, Coconino, Apache, Navajo and Yavapai Counties;
 - 2.8.2. GSA 2- Yuma and La Paz Counties;
 - 2.8.3. GSA 3- Graham, Greenlee, Cochise and Santa Cruz Counties;
 - 2.8.4. GSA 4- Pinal and Gila Counties;
 - 2.8.5. GSA 5- Pima County; and
 - 2.8.6. GSA 6- Maricopa County.
- 2.9. This RFI is to obtain information for all GSAs except for GSA 6 (Maricopa County).
- 2.10. ADHS also has Intergovernmental Agreements (IGAs) with some of Arizona’s American Indian Tribes to deliver behavioral health services to American Indians. Also, ADHS has IGAs with the Arizona Department of Economic Security, Division of Developmental Disabilities (ADES/DDD) to deliver behavioral health services to the DDD population.
- 2.11. In addition to services funded through Medicaid (TXIX), ADHS receives funds from federal block grants, general fund legislative appropriations and from IGAs. Funding from these sources is used to provide non-TXIX-covered behavioral health services to TXIX members and targeted behavioral health services to non-TXIX eligible persons.

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2.12. For perspective, the Table 1 presents financial information related to the behavioral health populations in Greater Arizona and statewide. The information is representative of the revenues allocated for the populations for SFY 2012.

	Greater Arizona	Statewide
TXIX (Medicaid/CHIP) SMI		
Behavioral Health	\$ 169,781,141	\$ 510,956,221
Acute MCO	\$ 92,220,384	\$ 176,178,251
Medicare	NA	NA
Subtotal	\$ 262,001,524	\$ 687,134,472
NTXIX/NTXXI (State Funding) SMI		
Behavioral Health	\$ 34,141,394	\$ 78,846,900
Housing	\$3,103,994	\$5,324,800
TXIX/TXXI Adults General Mental Health/Substance Abuse		
Behavioral Health	\$ 143,915,396	\$ 274,190,608
TXIX/TXXI Children		
Behavioral Health	\$ 183,986,415	\$ 373,291,552
Federal, Grant, County and Other Funding		
Behavioral Health	\$ 35,090,184	\$ 123,943,775
Crisis		
State-Only	\$ 6,618,959	\$ 16,391,100
Total	\$ 668,857,866	\$ 1,559,123,207

Note: Medicare makes payments for limited services provided to SMI members who are dually-eligible for Medicaid and Medicare; more than 40% of SMI members are dual eligible.

2.13. Important qualifications related to the information presented in the data include:

2.13.1. The amounts included on the lines labeled "Behavioral Health" represent *payments* made to the RBHAs for TXIX and TXXI behavioral health services for SFY 2012.

2.13.2. The amount included on the "Acute MCO" line represents the value of encounters submitted for SFY 2012 by AHCCCS health plans for individuals that have an indicator of "SMI". The value of encounters has been "grossed-up" to include amounts for administration and risk.

2.14. The amount included on the "NTXIX/NTXXI (State Funding) SMI" and Crisis lines represents the SFY 2013 appropriation of state-only funds.

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3. Background

- 3.1. ADHS and AHCCCS share the common goal of providing physical and behavioral health care services that improve the overall health, wellness and quality of life for members through an efficient, financially sustainable health care service delivery system. To address this issue, AHCCCS and ADHS have established a Steering Committee whose charge is to expand the current behavioral health service delivery model to contain physical health services for TXIX SMI, and to create a coordinated service delivery system to improve the overall health care and outcomes for TXIX eligible adults with SMI in Greater Arizona.
- 3.2. The following principles will serve as the foundation in the design of a service delivery model that contains physical and behavioral health care services for TXIX adults with SMI in Greater Arizona:
 - 3.2.1. Member and family member involvement at all system levels;
 - 3.2.2. Collaboration with the greater community;
 - 3.2.3. Effective innovation by promoting evidence-based practices;
 - 3.2.4. Expectation for continuous quality improvement;
 - 3.2.5. Cultural competency;
 - 3.2.6. Improved health outcomes;
 - 3.2.7. Reduced health care costs;
 - 3.2.8. System transformation;
 - 3.2.9. Transparency; and
 - 3.2.10. Prompt and easy access to care.

4. Requirements for the Greater Arizona Behavioral Health Services

The RBHA is expected to:

- 4.1. Be a fully integrated RBHA for Title XIX eligible adults with SMI. The RBHA must have a presence in the service area or demonstrate how they will be responsive to service needs in the service area. The RBHA may delegate or enter into a subcontract or a comprehensive management services agreement to perform key operational functions that are critical for service delivery including integrated health care service delivery, including, at a minimum; Grievance System; Quality Management; Medical Management; Provider Relations; Network and Provider Services contracting and oversight; Member Services; and Corporate Compliance, as long as the entity under subcontract or agreement provides all of the key operational functions listed above.
- 4.2. Be a Special Needs Plan for dual eligible Title XIX eligible adults with SMI.
- 4.3. Coordinate care using health information technology and an electronic health record which provides information to measure system and member-level outcomes.
- 4.4. Coordinate and manage benefits for dual eligible Title XIX eligible adults with SMI.
- 4.5. Provide all behavioral health services under a carve-out system to the GMH/SA/CA populations.
- 4.6. Provide all Non-TXIX services subject to available funding
- 4.7. Provides the full continuum of care encompassing all outpatient and inpatient medical and behavioral health care as well as supportive services, including peer and family support, patient education, engagement and follow up.

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- 4.8. Coordinates and facilitates integrated care through health care teams that can share and have access to medical records.
- 4.9. Provides multidisciplinary team approach.
- 4.10. Provides a designated health care team that meets formally and informally on a regular basis, including a health care practitioner and a case manager who will oversee each member's care process.
- 4.11. Measures outcomes and processes as a team, not individually.
- 4.12. Accepts joint responsibility for outcomes and costs.

5. Request for Information Input

ADHS and AHCCCS request a response to the following questions. (A response to all of these questions is not a requirement.)

- 5.1. What opportunities exist for restructuring the Greater AZ GSAs? What regional geographical approach should the state consider when creating the RFP? North, South?
- 5.2. In the event that the state opts to consolidate Greater Arizona's existing regions and to select two (2) vendors to serve Greater Arizona in whole, what would the benefits, challenges and risks be?
- 5.3. What are challenges and opportunities of establishing the following Term of Contract options:
 - 5.3.1.1. Three (3) years subject to one (1) additional successive period of twenty-four (24) months;
 - 5.3.1.2. Five (5) years subject to one (1) additional successive period of twenty-four (24) months; and
 - 5.3.1.3. Three (3) years subject to two (2) additional successive periods of twenty-four (24) months each.
- 5.4. What are the implications of the State implementing a statewide crisis system? How can crisis services be more effectively delivered in Greater Arizona?
- 5.5. Are there unique opportunities or challenges present in the Greater Arizona geographic area when it comes to integration of care? How would your organization maximize or minimize the opportunities or challenges? What models should be considered?
- 5.6. What challenges exist for the RBHA to be a Dual Eligible Special Needs Plan? Describe the challenges and opportunities in establishing a Medicare Network in Greater Arizona?
- 5.7. When it comes to service delivery, how will your organization utilize regional and cultural diversity to its maximum advantage in order to provide physical and behavioral health care in Greater Arizona?
- 5.8. What services would be most critical to fund using general fund state-only dollars?
- 5.9. What are the barriers or challenges to care coordination in the current service delivery system in Greater Arizona, and what could be done to improve care coordination, particularly at transition points for high utilizers (discharge from inpatient, release from jail, and children transitioning to and from the Comprehensive Medical and Dental Program)?
- 5.10. What specific measures and processes should be used to evaluate access to care and improved outcomes?
- 5.11. What are the current barriers for health information system and technology that support the sharing of individual health information for improved care coordination and health outcomes, and what steps can be taken to overcome them?
- 5.12. What is the most effective way to engage the community and stakeholders in Greater Arizona, and how should a RBHA be held accountable to those parties?

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- 5.13. How should stakeholders such as courts, detention centers, school systems and colleges be engaged as an evaluator of RBHA performance?
- 5.14. What payment models should be considered to incentivize health outcomes, access to care, and cost efficiency for Greater Arizona?
- 5.15. How could the community be utilized to its maximum advantage to support a recovery based system in Greater Arizona?

6. Respondent Contact Information to be included in the Response:

Contractor _____
Attention: _____
Address _____
Address _____
City, State, ZIP _____
Phone _____
Fax _____
Email _____
Website _____

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