



**MHMRA of Harris County
Provider of Last Resort Procurement Plan
Fiscal Year 2005**

**MENTAL HEALTH • MENTAL RETARDATION
AUTHORITY OF HARRIS COUNTY**

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I. Background

The 78th Legislative Regular Session had profound effects on the mental health, mental retardation and chemical dependency service delivery system throughout Texas. Specifically, the amendment of Texas Health & Safety Code §533.035(e)¹ required a Local MHMR Authority (LA) to assemble a network of service providers in which the LA may only serve as a provider of last resort. The LA is considered the provider of last

¹ a.k.a. HB2292, Sec. 2.74 (2003)

resort if it can demonstrate that it has made every attempt to solicit an available and appropriate provider base and there is no willing provider available in the local service area or county of need.

However, the new requirements of Sec. 533.035(e) must be followed in conjunction with the requirements contained in Sec. 533.035(c). This means that the “ potential providers” would ultimately be assembled into a network by the LA through consideration of public input, ultimate cost-benefit, and client care issues to ensure consumer choice and the best use of public money.

To that end, in March 2004, a Request for Information (RFI) process was developed and initiated as a means of determining interest in a comprehensive treatment network for people with mental illness and mental retardation. Respondents were asked to provide information on various service packages and include any topics or questions the respondent or any other interested parties believes important to address in any future Request For Proposal (RFP). The RFI document included a geographic description of the local service areas, thus giving the respondents an opportunity to indicate the preference to serve the entire local service area or a portion thereof. The RFI document also included the verbatim service descriptions from LA’ s FY 2004 TDMHMR Performance Contract, Attachment IX-Exhibits A, B, and C. Respondents were given

an opportunity to express interest in providing the entire service package or individual services within the package. See Attachment A., below, which includes a list of services presently being contracted and/or a procurement status for services in Harris County, and Attachment B., below, which is the RFI response summary.

After reviewing the RFI responses, comments and questions, MHMRA of Harris County, the designated Local MHMR Authority for the Harris County service area now submits its FY 2005 Procurement Plan.

II. Notification: Local Authority Designation and Provider Status

This Provider of Last Resort Procurement Plan is submitted as required in Attachment VIII, section VI.I of the FY 2005 Performance Contract between MHMRA of Harris County and the Department of State Health Services (DSHS) and the Department of Aging and Disability Services (DADS). Submission of this Provider of Last Resort Procurement Plan is conditioned upon the express understanding that nothing contained in this Plan shall be construed to limit MHMRA of Harris County' s ability to act as a provider of the services described in Attachment A, now or at any time in the future, nor shall it be construed to limit MHMRA of Harris County' s ability to act as Local Mental Health Authority and/or Local Mental Retardation Authority for its Local Service Area, now or at any time in the future.

III. Goals of Procurement Process

1. Provide the basis for negotiation of timelines between MHMRA of Harris County and TDMHMR in accordance the December 9, 2003 memo from TDMHMR Commissioner, Karen Hale and the FY 2005 Performance Contract;
2. Coordinate the Procurement Plan with the FY 2005 Performance Contract required Local Plan due June 1, 2005;
3. Comply with *Guidelines for Local Service Area Planning*;
4. Optimize the availability of providers in Harris County' s Local Service Area;
5. Ensure compliance to the relevant statutory, regulatory, and contractual requirements including Texas Health and Safety Code Chapters 533 and 534, 25 TAC Chapter 412 Subchapter B, 40 TAC Chapter 2 Subchapter B, Medicaid rules, and TDMHMR Performance Contract requirements; and
6. Seek participation of MHMRA of Harris County' s Board of Trustees, advisory committee members and other stakeholders to consider public input, ultimate cost-benefit, and client care issues thus ensuring consumer choice and the best use of public money.

IV. Current and Future Areas of Concerns

1. Ambiguity/Uncertainty of Texas' new service delivery system;
2. Uncertainty of the role of Local Authorities in the future;
3. Medicaid concerns, including applicability of rehabilitation requirements (including under-arrangement agreements), administrative claiming, and service coordination /case management mandates;
4. Funding instability and uncertainty, including consideration that rates of service have not been adequately determined for all services which have the potential for procurement;
5. Potential Department of Labor concerns caused by the degree of control required to be exercised by the LA over the potential contract providers; and
6. Inconsistent requirements of present and future relevant statutory, regulatory, and contractual requirements enumerated in Health and Safety Code Chapters 533 and 534, 25 TAC Chapter 412 Subchapter B, Medicaid rules, and Performance Contract requirements.

V. Determination of Services to be Procured and Implementation Timeline

The determination of which services will be procured for FY06 and the implementation timeline will be contingent upon a variety of factors including:

- a. Analysis of Baseline level of current provider network;
- b. Incorporating the Procurement Plan with public input process including the LA' s Local Plan; and
- c. Obtaining clarification and guidance for the concerns enumerated in Section IV, above.

MHMRA of Harris County will submit its Local Plan inclusive of the Baseline Provider Network Analysis and the FY 2005 Procurement Plan.

VI. Attachment A

A. List of Services Provided and Contracted by MHMRA of Harris County

Provider Services and Contracted Services		
MENTAL RETARDATION SERVICES		
Service	Provider	Procurement Information
Community Support	CCI Enterprises The Center Diversity Health Care Everyone Counts Lakewood Vocational (Transportation only) Rainbow Christian Academy (Transportation only) Reach Unlimited Southbelt Worksource Village Learning Center (Transportation only) Zimac Care Center (Transportation only)	Procured via Open Enrollment in FY04.
Respite	CCI Enterprises The Center Diversity Health Care	Procured via Open Enrollment in FY04.

	<p>Exceptional Care Hermann Respite House R & L Group United Cerebral Palsy Zimac Care Center</p>	
<p>Employment Assistance and Supported Employment</p>	<p>MHMRA of Harris County Plans for FY '06</p>	<p>Open Enrollment procurement may be utilized for FY06 pending Local Planning process.</p>
<p>Vocational Training</p>	<p>MHMRA of Harris County Baytown Opportunity Center CCI Enterprises The Center Clarewood Work Training Center Diversity Health Care Gulf Coast Opportunity Center Lakewood Vocational Center Nightingale Rehabilitation Rainbow Christian Academy Reach Unlimited Southbelt Worksource Village Learning Center Zimac Care Center</p>	<p>Procured via Open Enrollment in FY04.</p>
<p>Day Habilitation</p>	<p>MHMRA of Harris County All the Little Things That Count Baytown Opportunity Center Clarewood Work Training Center Diversity Health Care Gulf Coast Opportunity Center Lakewood Vocational Center Nightingale Rehabilitation Rainbow Christian Academy Reach Unlimited Southbelt Worksource Village Learning Center Zimac Care Center</p>	<p>Procured via Open Enrollment in FY04.</p>
<p>Nursing</p>	<p>MHMRA of Harris County</p>	<p>Request for Proposal may be utilized for FY06 pending Local Planning process.</p>
<p>Behavioral Support</p>	<p>MHMRA of Harris County</p>	<p>Request for Proposal may</p>

		be utilized for FY06 pending Local Planning process.
Specialized Therapies	MHMRA of Harris County	Request for Proposal may be utilized for FY06 pending Local Planning process.
GR Residential Services	Avondale The Center	Not Applicable
Other MR Services/Safety Net Services	MHMRA of Harris County	No current plans to complete Open Enrollment.

MENTAL HEALTH SERVICES		
Service	Provider	Procurement Information
Crisis Services—crisis counseling, psychiatric consultation, crisis respite	Internal-Neuropsychiatric Center	No current plans to complete procurement per baseline analysis
MH Crisis Services—Inpatient Hospitalization	Harris County Psychiatric Center	Sole Source Contract per State
Pharmacological Management Services	MHMRA of Harris County	No current plans to complete procurement Cost prohibitive to outsource unless inclusive within a package
Routine Case Management	MHMRA of Harris County	<p>An open enrollment procurement may be utilized for FY 06 pending Local Planning process:</p> <ul style="list-style-type: none"> • RFI draft with detail- Target Summer 2005 • Open Enrollment if >10% capacity – Target Fall 2005 • Contracts in place during FY 2006
Rehabilitative Services	MHMRA of Harris County	
Supported Employment	MHMRA of Harris County	
Rehabilitative Counseling and Therapy	MHMRA of Harris County	
Medical Support	MHMRA of Harris County	
Skills Training—Child and Parent	MHMRA of Harris County	
Multisystemic Therapy	Not currently utilized-Will Procure	
Family Psychoeducation	MHMRA of Harris County	
Case Coordination	MHMRA of Harris County	
Counseling	MHMRA of Harris County	
Family Partner	MHMRA of Harris County	
Intensive Case Management	MHMRA of Harris County	
Psychiatric Evaluation	MHMRA of Harris County	
Treatment Foster Care	Depelchin (Foster Care) (Individual Service Contract)	
Other MH Services—	See crisis services summary below	
Medication Management	MHMRA of Harris County	Procured via open enrollment in FY 04- poor response (2 qualified providers) will reattempt inclusive of service packages per above plan

B. Baseline Level of Network Development Activities

1. Legal and Contractual Requirements for Network Development

Texas Health & Safety Code §533.035(c) requires that MHMRA of Harris County consider **public input, ultimate cost-benefit, and client care issues** to ensure consumer choice and the best use of public money in: (1) assembling a network of service providers; and (2) making recommendations relating to the most appropriate and available treatment alternatives for individuals in need of mental health or mental retardation services. In addition, the Performance Contract has required that each Local Authority have a process for objectively evaluating services on a routine basis. These requirements represent only a few of the various measures that MHMRA of Harris County has undertaken as part of an ongoing effort to gather information to assure its Administrative Team and Board of Trustees that any problems identified are properly understood and addressed and that MHMRA of Harris County's provider network has sufficient capacity and quality of services to serve the Local Service Area.

Mental Retardation Services (Network Summary)-

MHMRA of Harris County currently utilizes external network providers for the majority of its service provisions and has been operating as the Provider of Last Resort with the exception of Employment Assistance and Supports, and Vocational Services and Day Habilitation associated with the Employment Assistance and Supports, and Specialized

Services for the dually disordered population with both Mental Health and Mental Retardation diagnosis. The dually disordered program is difficult to procure due to its specialization and limited Provider base with such expertise, however, will reevaluate the availability of such service pending Local Planning and Procurement Activities for FY 2006.

Crisis Services (Network Summary)-

MHMRA of Harris County completed extensive work on analyzing the needs in its local community around crisis services in 1999 and in collaboration with the County Commissioners Court, Harris County Hospital District, and local stakeholders, the Neuropsychiatric Center was created to address crisis service needs for Harris County. These services are inclusive of: 24-hour crisis hotline, 24 hour Psychiatric emergency services, 24 hour observation unit, Crisis Stabilization unit, Crisis Respite program, Crisis Counseling, and Mobile Crisis Outreach. These services were created based on a local need. These services are primarily County funded and utilize only a limited amount of General Revenue funding. The coordination and close proximity with the Hospital District has been imperative in efforts to implement hospital diversion activities as appropriate and allowing quality and coordinated services to occur. Outcome and performance information is shared with local stakeholders, Administration, and the

Board of Trustees for MHMRA of Harris County and at this time does not warrant procurement activity.

Mental Health Services (Network Summary)-

The Mental Health Services Division for MHMRA of Harris County identified a need for the procurement of Psychiatrists in FY 03 and completed an open enrollment process in FY 04. Initial response was 19 providers, however, upon further education of the Training requirements and the Documentation requirements, in addition to their concerns that the rate was low (went out above Medicaid rates), MHMRA of Harris county ended up with only two interested providers with limited capacity. As a result, it became cost prohibitive to manage their data, training, and oversight needs for such limited capacity. With the current Resiliency and Disease Management (RDM) model, MHMRA has again reviewed the network needs and believes it may be feasible to look at procurement if the packages as defined in RDM are kept intact. The rational for this is two fold- 1) The functional level of the population we serve and the outcome expectations and 2) Fiscal responsibility.

Functional Levels- The consumers currently in Mental Health Services in Harris County by nature of their meeting local eligibility criteria for MHMRA services are in need of intensive services and supports. To fragment their care across a multitude of providers

would not only pose transportation, connectivity and continuity challenges but also increase cost per consumers in trying to manage the oversight of wide spread service providers. In addition, it is less likely that we will see the positive outcomes that we expect with RDM if services are not cohesive in their approach to the consumers needs. As such, Harris County is recommending a review of procurement planning by packages to ensure the best outcomes for consumers and an ease in navigating through treatment protocols. The RFI responses in FY 04, were high but with very few providers able to provide an entire service package, hence this new approach will likely result in the need for a new RFI with package limitations to better determine the practicality of this approach.

Fiscal Responsibility- In reviewing the initial RFI responses and in discussions with local providers, there is a clear interest in providing the Rehabilitation services which are often attached to a lower cost provider with a higher profit margin. However, the Psychiatric services if partitioned off are generally not covering the costs of the service provider and auxiliary staff when encompassed with additional documentation and assessment requirements. In approaching these services in a package modality we offset the cost of medication services with the rehabilitation services and not only maintain continuity of care for the consumer with a “ package” approach but also maintain the fiscal viability of the system in not maintaining all of the medication service

costs at the LA level. Furthermore, MHMRA of Harris County has developed a very successful Pharmacy Assistance Management Program, which has greatly reduced medication costs and hence allotted for more funds to go towards service provision. In the procurement review process this will be closely monitored to ensure that procured services do not put these gains at risk and that a system is developed for external providers to follow a similar model and/or to keep that service internal to the MHMRA system if not a viable procurement option.

2. Ensuring Public Input, Cost Benefit, Client Care in Network Development

The challenge for MHMRA of Harris County has been to successfully engage its local community in planning for, assembling, and managing the performance of a network of providers which offers the greatest value in the provision of services and supports for people with mental illness or mental retardation in a manner which reflects the highest integrity and stewardship over public resources. MHMRA of Harris County must routinely analyze its provider network to ensure that it has the capacity to provide its consumers with access to a full range of services. This capacity can best be understood by using various Network Development Analysis Tools, described below, to examine the strengths and weaknesses of the current provider system. The objective is to identify gaps in services and to solicit input from consumers, family members, and other stakeholders, in compliance with the statutory and contractual requirements stated

above. This approach has provided the information necessary to analyze MHMRA of Harris County' s provider network while building a provider base that supports the goals of the MHMRA of Harris County in many ways.

3. Network Development Analysis Tools

Examples of Evaluation Tools that MHMRA of Harris County has utilized to ensure consideration of public input, cost benefit and client care include:

1. Mental Health and Mental Retardation Planning and Advisory Committees;
2. Consumer Satisfaction Surveys;
3. Accessibility/Availability of Services Data
4. Outcome Measures
5. Productivity and Capacity Reports
6. Cost per Consumer/Cost per Package Analysis

4. FY 2005 Provider Network Development Assessment

In the past, the tools and processes described above have assisted MHMRA of Harris County in determining whether to provide a particular service or to contract that service out. More importantly now, however, in light of the changes brought by the “ Provider of Last Resort” amendment of THSC §533.035(e), these processes will continue to assist MHMRA of Harris County by ensuring the ongoing requirement of considering

public input, ultimate cost benefit, and client care issues in assembling its network of providers. It is anticipated that MHMRA of Harris County will incorporate these tools and processes into its Local Plan, which will be completed by June 1, 2005, as per FY 2005 Contract, Attachment XVIII, Page XVIII-3. After June 1, 2005, the determination of which services will be procured for FY 2006, if any, and the timelines for implementation of procurement, will be contingent upon a variety of factors. These factors include (1) consideration of the information received through MHMRA of Harris County' s public input process, (2) analysis of provider interest, such as responses to the RFI process, and (3) examination of provider capacity, as may be evidenced by RFI Respondents' existing activities in MHMRA of Harris County' s Local Service Area. By doing so, MHMRA of Harris County will ensure that the goal of the Local Planning process—to aggregate the requirements of all of customers, internal, external and ultimate, into a set of initiatives which guide MHMRA of Harris County' s resource allocation and priorities, taking into account fiduciary responsibility as well as excellence of care—is met along with ensuring compliance with relevant statutory, contractual and regulatory requirements.

VII. Attachment B

A. RFI Summary

Attached is the **RFI Summary** MHMRA of Harris County submitted to TDMHMR May 2004, that lists all respondents to the RFI Document.