

# **Regional Support Network: Procurement & Accountability Efforts**

Joint Legislative and Executive Task Force  
on Mental Health Services and Financing

July 6, 2006

**Richard E. Kellogg, Director**  
**Mental Health Division**  
**Health & Recovery Services Administration**  
**Department of Social and Health Services**

# Overview

- ❖ RFQ/RFP: Results & Benefits
- ❖ System Accountability
  - Shared Concerns
  - Tools & Processes
    - Provider Licensing
    - RSN Contract Monitoring
    - EQRO
  - Recent challenges
  - Positive changes
  - Future opportunities
- ❖ Questions

# RFQ/RFP Results

- ❖ 9 of the 14 current RSNs passed the RFQ
- ❖ RFP proposals submitted by 4 of the 5 RSNs that failed the RFQ
- ❖ 1 of the RSNs that passed the RFQ bid on the 5th
- ❖ No private entities applied for the RFP
- ❖ All 5 of the RFP proposals were successful
  - ❖ Thurston-Mason
  - ❖ Grays Harbor
  - ❖ Peninsula
  - ❖ Spokane
  - ❖ North Central (for NEWRSN)
- ❖ Net result is reduction from 14 – 13 RSNs in Sept 06

## RFQ/RFP Results (continued)

- ❖ Examples of substantive changes from RFQ to RFP proposals
  - Significant changes in financial position (enactment of local tax for MH/SA services)
  - Adoption of new policies and procedures
  - Changes in subcontractors and terms of subcontracts
  - Provision of more detailed information on how requirements will be met (rather than simple restatement of requirements)

# Benefits of the RFQ/RFP Process

- ❖ Uniformity of RSN expectations and formal written plans
- ❖ Adoption of new standards and contract requirements
  - New RSN requirement for best practice managed care functions e.g. authorization and other care management functions no longer delegated to providers
  - Increased focus on EBPs and consumer/family involvement
- ❖ Identification of areas for improvement
  - More consistent access to services statewide
  - RSN oversight of sub-contracts

# Accountability- Shared Concerns

- ❖ Shared Concerns of the Public and Elected and Appointed Officials
  - Health and safety of consumers and communities
  - Services are cost effective and support recovery
  - Statewide access to quality services
  - Audit risks/ potential loss of federal funds
- ❖ Actions of Legislature and Governor
  - Mental Health Task Force
  - Recent legislation (E2SHB 1290, E2SSB 5763 & 2SSB 6793)
  - GMAP
- ❖ Actions of DSHS Secretary
  - Reorganization of HRSA & MHD
  - Commitment to increased focus on contract monitoring & enforcement

# Accountability Tools

- ❖ Provider Licensing & Certification Requirements
  - Consumer & Family Voice
  - Standards for Administration
  - Quality Management
  - Clinical records, confidentiality
  - Intake Assessment & Treatment Planning
  - Psychiatric Treatment and Medications
  - Cultural and Age Competency
  - Consumer Rights
  - Additional standards for specialized services (e.g. inpatient, peer support, supported employment)

## Accountability Processes

- ❖ On site provider licensing reviews
  - Prior to issuing initial license
  - Every 2 – 3 years
  - 200+ providers
  - MHD Quality Assurance Team – (4.5 FTEs)
  - Allows for unannounced inspections and response to complaints/emergencies
  - Possible outcomes (technical assistance, corrective action suspension/termination of provider license)

# Accountability Tools

- ❖ RSN Contract- Requirements & Areas of Focus Include
  - Marketing & Information for Consumers
  - Access, Capacity & Quality Of Care
  - Enrollee Rights & Protections
  - Care Management
  - Management Information System
  - Grievance System
  - Benefits Package
  - Tribal Relationships
  - Remedial Actions

# Accountability Processes

- ❖ RSN Contract Monitoring and Certification Process
  - ❖ Annual Reviews of the 14 RSNs
  - ❖ MHD QA Team – (4.5 FTEs- same team does licensing)
  - ❖ MHD Fiscal Audit Team- (2 FTEs reassigned by MHD)
  - ❖ Possible Outcomes (technical assistance, corrective action, financial penalties, contract termination)

# Accountability Tools

- ❖ Federal Requirements
  - CMS Pre-Paid Inpatient Health Plan (PIHP) requirements
  - CMS Provider Requirements
    - ✓ Third Party Billing
    - ✓ Fraud and Abuse
  - Actuarial Study
    - ✓ Encounter reporting
    - ✓ Financially sound rates
    - ✓ Establishment of reasonable risk reserves

# Accountability Processes

## ❖ EQRO PIHP Reviews

- Annual Reviews of the 14 RSNs
- Contracted independent of MHD as required by BBA
- \$800,000 per year
- Focus on Medicaid requirements (access, quality & records review data)
- Report to MHD identifying RSN and statewide strengths & deficiencies for MHD action
- Possible Outcomes (technical assistance, corrective action, financial penalties, contract termination, statewide quality improvement)

# Accountability Challenges

- ❖ Recent Challenges Include:
  - ❖ Increased scrutiny from CMS and CMHS over use of federal funds
  - ❖ Moving from process to outcome oriented contract terms and oversight
  - ❖ Adequate and reliable financial and encounter data
  - ❖ Enforcement related to identified deficiencies: QA/QI/compliance
  - ❖ Staffing resources are needed for monitoring and technical assistance of RSN/Provider system
  - ❖ 2006 EQRO findings related to documentation of services and data quality indicate significant problems

# Accountability- Recent Progress

- ❖ Change from semi-annual to quarterly RSN financial reports
- ❖ New onsite fiscal monitoring of RSNs: 2 FTEs assigned
  - Appropriateness of expenditures and fund sources
  - 10% limit of RSN administrative expenses
  - Appropriate billing of 3rd party resources
  - Financial stability of RSNs
  - Review of Federal Block Grant Contracts

# Accountability- Recent Progress (continued)

- ❖ Clarified expectations in Sept 06 RSN contract
  - EPSDT
  - Requirements to provide all medically necessary state plan modalities for Medicaid recipients
  - Written notification to consumers of RSN service authorization and denials
- ❖ Significant improvements noted by EQRO in areas where RSNs had deficiencies in 2005
  - Grievance and appeal – clearer policies and assistance for consumers
  - Enrollee rights – clearer policies and better consumer access to information
  - Good use of the 2004 review to prioritize QI activities

# Accountability- Future Opportunities

- ❖ 7 FTEs under review for increased RSN oversight in 06-07
  - Secretary exemption to MHD for mid-management reductions
  - Staffing decision package under development
- ❖ Continued evolution to a performance based contract
- ❖ Data driven contract monitoring- examples include
  - Timeliness in provision of service
  - Availability of all state plan modalities
  - Revenue and Expenditure Reporting
  - State hospital utilization data
  - GMAP data elements

# Accountability- Future Opportunities

- ❖ Monitoring comparability of RSN services and expenditures
- ❖ Integration/Coordination of HRSA Division Contract Monitoring
  - Alignment of contract requirements
  - Emphasis on integrated MH, CD, and physical health care
  - Streamlined process for providers with multiple contracts
- ❖ System Transformation Initiatives

Questions?