



COUNTY ADMINISTRATOR
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TO: Katie Scott, Chair
Ways & Means Committee

FROM: Gregory Dill
County Administrator

DATE: August 7, 2019

SUBJECT: Authorization to issue a Request for Proposal to identify a contractor to review program utilization authorizations and operations of Washtenaw County Community Mental Health to ensure alignment with the State Mental Health Code and State funding levels

BOARD ACTION REQUESTED:

Authorize the issuance of a Request for Proposal to identify a third party contractor to review Washtenaw County Community Mental Health program utilization authorizations and operations with the objective to obtain recommendations to align program service delivery in alignment with the State Mental Health Code and State funding.

BACKGROUND:

In March, BOC Leadership and County Administration requested an independent data analysis of CMH revenue and expenditures. The vendor, Rehmann Robson, was selected to review and compare FY 2018 cost structures, rates and correlating services, as well as to provide a regional and state-wide benchmark comparison of services and rates that are provided by CMH as set forth by the State Mental Health code and the various underlying contracts. The scope of the analysis was limited to the reports and related data provided by CMH which are the same as those reported to the Michigan Department of Health and Human Services (MDHHS). Statewide data was obtained for comparison from the MDHHS website related to fiscal year 2017. Statewide data for 2018 was not yet available on the State's website.

Service codes that represent the highest total cost of operations for FY 2018 were identified and compared to the 2017 and 2018 FY Sub Element Cost Report

(SECR) data for Washtenaw, Livingston, Lenawee and Monroe counties as well as the state-wide average for each service.

The report was completed and provided mid-May and highlighted areas where WCCMH operations were outside the state-wide or the region average costs for specific service codes. The report recommended the following action to right size WCCMH to State funding levels.

- Analysis of Utilization of Services by CMH Population
- Productivity of Internal Staff
- Compensation of Internal Staff
- Productivity of External Providers

DISCUSSION:

The Prepaid Inpatient Health Plans (PIHPs) contract with their Community Mental Health Service Providers (CMHSPs) to provide all medically necessary and mandated specialty mental health and substance use services to qualified Medicaid beneficiaries. Washtenaw County Community Mental Health is the CMHSP for Washtenaw County. The agreement emulates the contractual requirements of the MDHHS and PIHP Medicaid agreement. The sub-contract assigns certain contractual requirements of the Medicaid agreement to the CMHSPs. The delegation of these functions include the provision of service and several administrative functions, such as utilization management and provider network management. Through auditing and monitoring activities, the PIHP (Community Mental Health Partnership of Southeast Michigan) ensures that the CMHSPs are providing all of the medically necessary and mandated services to the eligible individuals within the respective counties.

The structure and funding model utilized in the State of Michigan to deliver public mental health and substance use services is—in theory—designed such that all medically necessary services are made available to Medicaid/HMP beneficiaries under the entitlement programs. The CMHPSM has a contractual obligation to the State to ensure the beneficiaries are receiving those entitlements.

The balance between available State funding and the level of authorized service delivery is a challenge when faced with the rising cost of service provision as well as the eligible population expanding based on health policy.

To achieve this balance of service provision in accordance with the State Mental Health Code and maintaining costs that are in alignment with State Medicaid funding, a complete review of Washtenaw County Community Mental Health by an independent contractor is necessary. By utilizing an independent contractor to perform this work, across all CMH programs and populations, in accordance with the mental health code, an unbiased evaluation of service levels and costs can be made of the programs provided by Washtenaw County Community Mental Health. This review will not be replacing the review function carried out by Washtenaw County Community Mental Health as a function delegated by the PIHP, but is

looking to supplement those functions, and to bring additional resources to bear on understanding the sources of the ongoing operating deficits within the Mental Health fund.

Implementation of recommendations would focus on continuing the delivery of care that is of high quality and a benefit to the consumer while being cost effective and within available State funding. This will ensure a steady level and structure of care can be sustained.

IMPACT ON HUMAN RESOURCES

None with the issuance of a contract. There could be an impact based on the findings and recommendations upon completion of the contract work.

IMPACT ON BUDGET

The costs for this contract will be an expense paid for by the general fund.

IMPACT ON INDIRECT COSTS:

None

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

None

CONFORMITY TO COUNTY POLICIES

This request is in conformance with County policies.

ATTACHMENTS/APPENDICES:

Resolution

A RESOLUTION AUTHORIZING THE ISSUANCE OF A REQUEST FOR
PROPOSAL TO IDENTIFY A CONTRACTOR TO PROVIDE REVIEW OF
WASHTENAW COUNTY COMMUNITY MENTAL HEALTH PROGRAM
UTILIZATION AUTHORIZATIONS AND OPERATIONS

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 7, 2019

WHEREAS, the Prepaid Inpatient Health Plans (PIHPs) contract with their Community Mental Health Service Providers (CMHSPs) to provide all medically necessary and mandated specialty mental health and substance use services to qualified Medicaid beneficiaries; and

WHEREAS, Washtenaw County Community Mental Health is the CMHSP for Washtenaw County; and

WHEREAS, the sub-contract assigns certain contractual requirements of the Medicaid agreement to the CMHSPs. The delegation of these functions include the provision of service and several administrative functions; and

WHEREAS, the structure and funding model utilized in the State of Michigan to deliver public mental health services is in theory designed such that all medically necessary services are made available to Medicaid/HMP beneficiaries under the entitlement programs; and

WHEREAS, the balance between available State funding and the level of authorized service delivery is a challenge when faced with the rising cost of service provision as well as the eligible population expanding based on health policy; and

WHEREAS, the services sought through this RFP are intended to bring additional resources to understanding and addressing the sources of operational deficits within the mental health fund, and not to replace those functions delegated to Washtenaw County Community Mental Health by the PIHP; and

WHEREAS, to achieve this balance of providing service in accordance with the State Mental Health Code and maintaining costs that are in alignment with State Medicaid funding a complete review of Washtenaw County Community Health by an independent contractor is necessary; and

WHEREAS, by utilizing an independent contractor to perform this work, across all CMH programs and populations, in accordance with the mental health code, an unbiased evaluation of service levels and costs can be made of the programs provided by Washtenaw County Community Mental Health; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED the Washtenaw County Board of Commissioners directs the County Administrator to issue a Request for Proposal (RFP) for an independent contractor to perform a review of the Washtenaw County Community Mental Health programs and provide recommendations for aligning service delivery with available State funding.

BE IT FURTHER RESOLVED that the Board of Commissioners directs County Administration and CMH Administration to collaboratively develop the language for the RFP.

BE IT FURTHER RESOLVED that the RFP shall be sent out for responses no later than August 30, 2019.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes the County Administrator to identify a team to evaluate the RFP responses. The Team should include representation from the Board of Commissioners, Community Mental Health, Labor, County Finance and County Administration.

BE IT FURTHER RESOLVED that the Board of Commissioners take the following actions upon successful identification of a vendor through the issuance of an RFP and evaluation of all responses:

1. Authorize the Administrator to enter into a contract with the selected vendor in conformity with the vendor's proposal upon the review of Corporation Counsel, to be filed with the County Clerk
2. Amending the Administrator's budget for the cost of the selected vendor's contract.