



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 012
For Agenda Of: September 18, 2012
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Chandra L. Wallar, County Executive Officer
Director(s)
Contact Info: Terri Nisich, Assistant County Executive Officer, 568-3400
SUBJECT: **ADMHS Request for Proposal – Contract Award – TriWest Group, LLC**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Receive report from staff and;
- B. Approve the attached contract with TriWest Group, LLC (not a local vendor), in the amount of (not to exceed) \$170,000, for TriWest Group, LLC to perform a comprehensive analysis and assessment of the Alcohol, Drug and Mental Health (ADMHS) outpatient system and service delivery for adult and children systems of care, clinic operations and contract provider services as well as perform an analysis and assessment of business practices of ADMHS's systems considering compliance with all state and federal guidelines;
- C. Authorize and direct the Chair to execute the attached contract upon return of the executed contract documents from TriWest Group, LLC, and the review and approval of those contract documents by: County Counsel, Auditor-Controller, and Risk Manager or their authorized representatives and;
- D. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(b) (3).

Summary Text:

This item is on the agenda in order for the Board of Supervisors to receive a report from staff and award a contract in the amount \$170,000 to TriWest Group, LLC (TriWest) for the purpose of providing consulting services regarding the analysis and assessment of:

(Project 2): The ADMHS outpatient system and service delivery for adult and children system of care, clinic operations and contract provider services and recommendations on service delivery models vs. current facility service model and;

(Project 3): The business practices of ADMHS’s systems considering compliance with all state and federal guidelines.

Background:

On April 23, 2012, the County Executive Office (CEO) received proposals from eight firms in response to a notice of Request for Proposals (RFP). The purpose of this was to seek a qualified consultant or team of consultants to provide a comprehensive review of the Alcohol, Drug and Mental Health Services (ADMHS) department including financial processes, inpatient and outpatient operations, and service delivery options, internal control and support systems, procedures and practices including revenue cycle management and fiscal/cost reporting strategies to ensure optimal service delivery and compliance with all generally accepted government accounting, auditing and legal standards and contractual and regulatory requirements of the state and federal government.

The County previously formed multidisciplinary teams to assist ADMHS enhance finance systems reporting and program compliance. Over the last several years, various fiscal, operational and programmatic improvements have been made to address operational challenges and increase compliance with state and federal requirements. The RFP serves as a vehicle to seek external assistance evaluating multiple aspects of the ADMHS System of Care in order to assess and offer solutions to both continued and emerging challenges as well as affirm recent process and system changes.

The deliverables for consultant services included written findings and recommendations for enhancement of overall service delivery, proposed correction strategies and action plans to address the following:

1. Identification and implementation of best practices models for inpatient and outpatient service delivery and financing;
2. Ensuring that all compliance requirements are met;
3. Mitigation of claim denials and audit disallowances.

Based on their skills, abilities, and depth of experience the consultants were invited to present proposals on any combination of projects set forth within the RFP. Eight firms provided proposals to the County. In order to thoroughly review the proposals a team composed of internal and external stakeholders was formed. Those serving on the review team included: Terri Nisich, Assistant CEO; Dr. Takashi Wada, Director of Public Health; Dr. Ann Detrick, Director of ADMHS, Chief Don Patterson, Santa Barbara County Sheriff Department; Dr. Ole Behrendtsen, Medical Director ADMHS; Suzanne Jacobsen, Chief Financial Officer (CFO) Public Health Department; Michelle Brenner, Mental Health Commission; Ann Marie Cameron, Community Service Provider; Dr. Manuel Casas, Mental Health Commission; and Michael Vellekamp, Mental Health Commission. In addition, Tom Alvarez, Budget Director and Mike Evans, Assistant Director of Finance - ADMHS; were consulted regarding the capability and experience of firms in the finance area.

Following a thorough review of proposals, firms were ranked via a weighted systems assessing overall response to the RFP and ability and experience to perform the services requested. The top five firms

were then interviewed to gain a more thorough understanding of capabilities as it related specifically to the needs expressed in the RFP. Based on the interview, firms were then ranked based on the overall criteria:

- Ability to derive tangible benefits to clients
- Depth of expertise
- Knowledge of California mandates and Medi-Cal System experience
- Record of program and systems enhancements
- Knowledge of national perspective on health care delivery system
- Team’s confidence in ability to get job done

Based on the rigorous selection process, two firms were selected to address the projects/services requested in the RFP. The projects include the following:

Project 1: (Awarded to Health Management Associates on August 14, 2012)

Perform a comprehensive analysis and assessment of the ADMHS Inpatient Service System delivery model (including acute psychiatric inpatient services, crisis residential and Institutions for Mental Disease (IMD)) and provide options and recommendations on service delivery models vs. current facility service model. Specific items for review include but are not limited to:

1. Identify and evaluate all alternative opportunities for inpatient bed service delivery within the County as a means to provide high quality services in an efficient and cost effective manner.
2. Compare and contrast licensing and accreditation standards of the various models.
3. Determine whether the department’s current inpatient service system delivery model is the optimal structure and sustainable given the level of service and overall needs of County.
4. Identify any legal and compliance issues related to the intake process, and identify recommendations and opportunities for improvement to effectively manage inpatient psychiatric facility function and enhance service delivery.
5. Evaluate and make recommendations regarding patient mix.

Project 2: (Recommended award to TriWest, Group, LLC on September 18, 2012)

Perform a comprehensive analysis and assessment of the ADMHS Outpatient systems service delivery for adult and children systems of care and clinic operations and contract provider services. The analysis must contain all facets of operation including financial best practices, operations, internal systems and support and compliance with all state and federal standards and guidelines. Specific items for review include but are not limited to:

1. Analyze the current outpatient system internal clinic operations, considering adult and children’s services, and make recommendations for improvements over the following areas:

Financial Operations:

- Analysis of funding sources and structure for programs, including use of Mental Health Services Act funds to ensure that sources are utilized in the most beneficial manner.
- Review of comparable county funding sources and program structures.
- Analysis of patient/payer mix and the sustainability of the current service model.

- Evaluate completeness of billing cycle and charges (including federal and state, patient, insurance, as applicable).
- Evaluate processes and procedures for claiming Medi-Cal reimbursement.
- Analysis of denial rates and reasons for denials.
- Analysis of revenue management practices and financial management activities across funding streams utilized including reimbursements, grants, private pay and outside insurance companies.
- Analysis of compliance with all legal contractual and regulatory requirements of federal and state governments.

Programmatic Operations:

- Identify opportunities for optimum service delivery for outpatient internal clinic systems.
- Evaluate client referral processes.
- Evaluate composition of staffing, including analysis of productivity, deployment, and staff qualifications needed to provide services.
- Compare the current staffing model to other counties and provide recommendations.

2. Analyze the current outpatient system’s contracted (provider) operations, considering adult and children services, and make recommendations over the following areas:

Financial Operations:

- Analysis of funding sources and structure for programs, including use of Mental Health Services Act funds to ensure that sources are utilized in the most beneficial manner.
- Review comparable county funding sources and program structures.
- Analysis of patient mix and the sustainability of the current service model.
- Evaluate completeness of billing charges (including federal and state, patient, insurance, as applicable).
- Evaluate processes and procedures for claiming Medi-Cal reimbursement.
- Analysis of denial rates and reasons for denials.
- Analysis of revenue management practices and financial management activities across funding streams utilized including reimbursements, grants, private pay and outside insurance companies.
- Analysis of compliance with all legal contractual and regulatory requirements of federal and state governments.

Programmatic Operations:

- Identify opportunities to provide optimum service delivery for outpatient clinic contracted (provider) systems.
- Review client referral processes.
- Evaluate composition of staffing, including analysis of productivity, deployment, and staff qualifications needed to provide services.
- Compare the current staffing model to other counties and make recommendations.

Project 3: (Recommended award to TriWest, Group, LLC on September 18, 2012)

Systems and Support:

- Adequacy of intake procedures, including charting and coding, ensuring that adequate information is efficiently captured to meet billing and compliance requirements.
- Capacity to produce reports and meet billing needs.
- Technology systems capacity and strategy.

- Internal controls and compliance with generally accepted accounting standards and state and federal standards and guidelines.
- Business practices and quality assurance processes.
- External service provider contracting, oversight and program compliance.
- Cost reporting practices, include an evaluation of opportunities for improvement and identify any areas that may be at risk of audit adjustment.

Project 4: To be awarded following review of initial findings of consulting teams

Conduct analysis and evaluate pros and cons and provide recommendations for service integration and/or consolidation of functions and services provided through County of Santa Barbara Health & Human Services Departments in order to provide optimum behavioral and physical health services and necessary support systems. Utilizing:

- Findings and recommendations of independent review of inpatient and outpatient service review and ADMHS business systems analysis commissioned by the County of Santa Barbara County Executive Office (2012),
- Best practices and emerging trends in behavioral and physical health care service delivery including patient centered approach,
- Mandates set forth within federal and state health care reform;
- Current and projected county wide health service needs

Project four was added at the direction of the Board of Supervisors and not represented in the initial RFP nor within the existing budget allocation of \$250,000.

The Selected Firm – Project 2 & Project 3

As noted within the RFP offering, the County has the ability to award a contract for services requested for individual projects or all projects referenced within the RFP. Therefore, based on an overall analysis of the capabilities of all firms, the firm of TriWest has been selected to provide services regarding Project 2 and 3 as detailed previously. TriWest is a partnership which includes TriWest as lead, Sternbach Consulting, ZiaPartners and Mary Thorton and Associates. They each bring unique capabilities to assist in resolving the issues identified:

- TriWest - Clinician led team specializing in data analysis in complex systems,
- Sternbach Consulting - National leaders in behavioral health, managed care and business information technology practices grounded in the knowledge of multiple California county run systems
- ZiaPartners- Evaluation of clinical system performance tailored to California counties
- Mary Thorton and Associates - Fiscal and regulatory compliance and business practice expertise in 36 states.

TriWest has performed services for the following California County clients:

- *Alameda County* - Assessment of business practices and provider network functions and clinical practice guidelines
- *Monterey County* - Multi stakeholder needs assessment for adult offenders in county jail, designed Forensic Assertive Community Treatment Team

- *San Mateo County* - Assessment of service delivery options, funding and administrative operations and merger of mental health and alcohol drug functions, documentation guide for Medi-cal billing
- *San Diego County* - Design of Medi-cal compliant policies and procedures
- *Marin County* - Organizational framework for merger of health systems
- *San Francisco and Amador County* - Performance improvement plans for quality review support and integrated service delivery treatment team

TriWest and partners have also work with Fresno, Stanislaus, Contra Costa, Kern, Napa, Placer, Santa Cruz and Shasta Counties.

TriWest will work under the direction of the County Executive Office and work collaboratively with the County Executive Advisory Committee on Behavioral Health. This diverse committee of 17 members was recently formed to offer additional internal and external stakeholder support to this effort and provide feedback and insight regarding behavioral health related programs and needs within the community to the County Executive Officer.

Fiscal and Facilities Impacts:

Funding for the contract in the amount of \$250,000 was allocated during the FY2012-13 budget adoption from Contingency 9898 to County Executive Office Program 1000-7510 (Contractual Services). Per the Board of Supervisors direction, the Scope of Services provided via the consultant will be amended to review the pros and cons of service integration and/or County department consolidation. This project is referenced above as Project 4. Funding has not been allocated for this particular work, however all information resulting from the work of consulting teams will support that analysis and development of a specific scope of work. Staff will return to the Board for award of Project 4.

On August 14, the firm of Health Management Associates (HMA) was awarded a contract not to exceed \$115,000. That particular contract has been revised downward per the direction of the Board as well as additional negotiations by staff. The contract now removes associated travel time. The total cost is not to exceed \$90,000. The total cost of the contact for TriWest to complete Project 2 and 3 is not to exceed \$170,000. This amount was determined as a result of significant review and negotiations by staff to ensure all components of the RFP were addressed yet travel and associated costs were kept to a minimal level. Direct travel costs for TriWest are not to exceed \$9,500 and are included within the total \$170,000 contract. Should the full “not to exceed” contract(s) costs actually be incurred, General Program 1000, Line Item 7700 Projects within the CEO Office will be utilized.

Special Instructions:

Direct the Clerk of the Board to send a copy of the minute order to the County Executive Office, Attn.: Sonia Thompson.

Attachments:

Contract (including Scope of Work)

CC:

Ann Detrick, Director Alcohol, Drug, and Mental Health Services