



*Mental Health,  
Developmental Disabilities,  
and Substance Abuse Services*  
HEALTH AND HUMAN SERVICES

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## **Request for Application**

**Comprehensive Case Management for Adults with Mental Health  
Treatment Needs and Substance Use Disorder Treatment Needs  
(AMH/ASU)**

**Applications are due by:**

**November 23, 2016 by 5:00pm EST**

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## INTRODUCTION

On July 14, 2015, Executive Order No. 76 established the Governor's Task Force on Mental Health and Substance Use. The Task Force was charged with submitting strategic recommendations to the Governor that would improve the lives of North Carolina's adults and children with mental illness and substance use disorders.

The Governor's Task Force on Mental Health and Substance Use is comprised of experts from the justice system and related private sector professionals, the healthcare provider community, county leadership, non-governmental entities and private sector employers. The Task Force further includes members of the Executive, Legislative, and Judicial branches of government, as well as key stakeholders to make recommendations to improve the lives of citizens with mental illness and substance use disorders.

The Task Force was charged with the following duties as identified in Executive Order No. 76:

1. Evaluate the linkages between agencies of state government and local government and create recommendations for the transfer of existing best practices across the state;
2. Examine the role of mental health and other specialty course currently in North Carolina to determine how they can best be utilized to improve our efforts to address and reduce the extent to which individuals suffer from untreated mental health disorders and substance use problems;
3. Examine successful efforts to heighten awareness and reduce stigma associated with mental health treatment in our state and recommendations on how to improve these efforts;
4. Examine the ways the justice system can best handle cases of young people with mental illness and substance use disorders to provide them the best opportunity to reach their full potential as North Carolina citizens;
5. Examine the link between foster care and the need for mental health and substance use services to improve outcomes for teenagers when they leave the foster care system; and
6. Any other duties as assigned by the Governor or the Co-Chairs.

The Task Force was then divided into three workgroups: The Workgroup on Adults; the Workgroup on Children, Youth, and Families; and the Workgroup on Prescription Opioid Misuse and Heroin Resurgence. The focus of this Invitation to Apply is on the research and recommendations made by the Workgroup on Adults.

The Workgroup on Adults focused on identifying ways to provide case management/recovery navigation to individuals who need it, and have sufficient numbers of inpatient beds for patients in crisis who need inpatient treatment. The major concerns identified and supporting data are as

follows:

### **Emergency Department Overflow-**

- Individuals seeking care in a hospital ED for mental health and/or substance use disorders spend an average of 4.6 days in the ED waiting for a hospital bed, and this trend is worsening. In one part of the state, an individual was in a hospital ED for 8 months while awaiting placement. Psychiatric ED boarding not only costs hospitals millions of dollars in uncompensated care, more importantly it doesn't provide the services and supports the individual needs to lessen their mental health and/or substance use symptoms.
- Many hospital EDs do not have an adequate number of staff (or sometimes any staff) that have been trained in working with individuals with mental health and/or substance use disorders.

### **Shortages of Hospital Beds**

- The number of public psychiatric hospital beds has been reduced by 60% since 2000 in spite of significant population growth in NC.
- Completed suicide rates have also significantly increased, and trend higher in counties with limited resources.
- The lack of psychiatric beds leads to ED overflow, which in turn increases ED wait times for the limited bed openings
- Hospitals are generally not reimbursed for ED stays longer than 1-2 days, which in turn results in hospitals providing millions of dollars of services that can't be reimbursed, and compromise their sustainability.

### **Access to Outpatient Care**

- With the increase in complex billing requirements in the past five years, the number of providers and psychiatrists that are credentialed to work with individuals that have Medicaid or are uninsured and need to access State funds for services has decreased.
- As a result, individuals with Medicaid or without insurance are forced to navigate a complex and sparse mental health and substance use service network to meet their needs. When the individuals' needs are not met in the community, they often turn to hospital EDs for psychiatric care.

The funded recommendation made by the Workgroup for Adults was to develop Comprehensive Case Management (CCM.) CCM is intended to be a service provided by a community based behavioral health provider that provides 24/7/365 staff in the hospital ED for

immediate linkage, as well as case management services post hospital ED discharge to ensure individuals are successfully linked to community supports and services that can prevent future hospital ED visits, and can decrease psychiatric ED boarding time.

Funding has been made available from State funds for the duration of SFY17 and for SFY18 to support between one to two pilot sites.<sup>1</sup>

## **ELIGIBILITY AND INSTRUCTIONS FOR APPLICANTS**

Eligible applicants are Local Management Entities-Managed Care Organizations (LME-MCOs). LME-MCOs must work in collaboration with one identified hospital, and an identified behavioral health provider that will be responsible for implementing CCM in the identified hospital.

Funds will be disseminated to successful LME-MCOs to ensure geographical distribution to regions where these services are most needed, and to communities which best demonstrate the ability to partner and address specific needs.

### **Instructions to Interested LME-MCOs:**

Each LME-MCO may submit one application, focused on an identified hospital ED of high need. No LME-MCO will receive more than one award. Applications should be prepared in accordance with the instructions outlined in this section and elsewhere in this Invitation. Applications must be received by the Division of MH/DD/SAS by close of business (5:00 pm) November 23, 2016. Please submit one (1) original and five (5) hard copies to the DMH/DD/SAS contact below. An email pdf version is a helpful addition but will not be considered as the official submission.

Late applications will not be accepted. The Division of MH/DD/SAS will not be held responsible for the failure of any mail or delivery service to deliver an application prior to the stated due date and time. It is solely the applicant's responsibility to: (1) Ascertain all required and necessary information, documents and attachments are included prior to submitting a response; (2) ensure that the response is received at the correct location and time. No faxed or emailed responses will be accepted or considered.

### **Application Format**

Applications should be prepared as simply as possible and provide a straightforward, concise description of the proposed project and the applicant's capabilities and partnerships. Formatting

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<sup>1</sup> A note on sustainability funding: There is no current Medicaid or state service definition to support CCM. In addition, DMH/DD/SAS will develop a service definition and draft rate for consideration to be added to the state services array.

should be single-spaced in a minimum of 12-point font. An original signature is required in blue ink on the letter of transmittal.

#### Questions Submission Instructions:

A bidder's conference will be held virtually on Thursday, November 3, 2016 from 1:00p.m.-2:30p.m. Please contact Brenda Smith at [Brenda.T.Smith@dhhs.nc.gov](mailto:Brenda.T.Smith@dhhs.nc.gov) for WebEx address and call in information no later than noon on Tuesday, November 1, 2016.

Completed application packets should be delivered to:

NC Division of MH/DD/SA Services  
Attn: Brenda T. Smith  
3004 Mail Service Center  
Raleigh, NC 27699-3004  
919-715-2368  
[stacy.smith@dhhs.nc.gov](mailto:stacy.smith@dhhs.nc.gov)

The LME-MCO's submission should include the following content/headings in the following order:

1. Application Face Sheet (Form available in Attachment A of this document)
2. Proposal Summary/Project Objectives
3. Organizational Capacities
4. Program Narrative
5. Project Implementation Plan, Timeline and Schedules
6. Budget and Budget Narrative (Template available as separate Excel attachment)
7. Letters of Support

## SCOPE OF WORK

An award based upon successful application for these funds is intended to allow an LME-MCO to partner with a hospital ED and a behavioral health provider to develop and implement Comprehensive Case Management for individuals at high risk of hospital ED boarding or repeat hospital ED admissions.

The LME-MCO will be expected to carefully choose the location, the partner hospital ED, and the partner behavioral health provider so it will be possible to demonstrate the impact of CCM for individuals served and for the corresponding hospital ED. Applications may be submitted for projects where an LME-MCO and hospital ED has data demonstrating a significant need for a group of individuals meeting the eligibility criteria for the Comprehensive Case Management service as outlined in the attached service definition.<sup>2</sup> The application must clearly identify a cohesive group of consumers to be served, and identify the specific geographical area that will be addressed with the use of the funds.

The LME-MCO must limit its selection of providers for this service to those who are already working with the LME-MCO's identified population. The addition of CCM is expected to enhance a strong provider's existing continuum of care. No more than one provider per LME-MCO may be selected to receive authorized funds from this award. The LME-MCO may identify the provider in this proposal, or alternatively may discuss the process by which the provider will be selected should an award be made.

The Division of MH/DD/SAS will provide training, technical assistance, linkage to approved external training resources, and a learning community to assure implementation to evidence-based practice standards throughout the duration of this funding. Learning collaborative membership will include (but not be limited to): DHHS staff, LME-MCO staff, hospital staff (E.D., QI, etc.), CCM provider, local justice systems, local law enforcement, local magistrates, and additional community stakeholders as identified. Selected applicants must commit to full participation of LME-MCO and provider agency staff in this opportunity.

## FUNDING AVAILABILITY AND DURATION

The Division of MH/DD/SAS has a total of \$9,750,000 available, with \$4,875,000 recurring and \$4,875,000 non-recurring for SFY 17. State funds constitute 100% of the available funds. State funds vary each year and may not be viewed as recurring beyond the second year of this project. Organizations must meet certain requirements for the use of State funds which will be outlined below. Selected applicants will be required to maintain data to inform state-wide work to

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<sup>2</sup> See the final draft service document sent with this RFA.

demonstrate success of this project and sustainable funding.

## FUNDING METHODOLOGY

It is anticipated that at least one award of up to \$9,750,000 will be made for selected projects. An LME-MCO is eligible to receive only one award from this process.

Funding for each year is contingent upon approval by DMH/DD/SAS, as well as continued funding availability.

Funding Mechanism	Allocation
Funds will be allocated to the LME-MCO who will contract with its identified service provider agency.	After the first year award, recurring funds will be available for a second year - state fiscal year 18 - contingent on funding availability and achievement of approved project specific benchmarks by June 2017.

## ALLOWABLE COST

Funding may be used for start-up costs and for ongoing operational costs related to direct provision of services. For SFY 18, LMEMCOs and service providers could be expected to earn any portion of the dollars allocated toward service provision through the new State Service Definition and standard UCR claims submission and payment processes if the corresponding policies and procedures are in place.

## APPLICATION REQUIREMENTS

The Application is to be completed according to the order and descriptions provided in each of the following sections:

### 1. Proposal Summary/Project Objectives

Provide a brief overview of the proposal. Identify the target group of individuals for which a Comprehensive Case Management strategy will be developed. Describe the specific challenges you are attempting to address with this proposal. Include your vision of how individuals in your identified target group will be better served should this project be selected for funding.

## 2. Organizational Capacities

### LME-MCO:

- Briefly describe how your LME-MCO is structured and managed, focusing on the relevant organizational supports for this project.
- Provide the Name and Position and contact information of the LME-MCO Management Team member who will be directly responsible for implementation of this initiative.

### Hospital Emergency Department (ED) Selection:

- Identify the hospital, hospital staff name, position, and contact information of the management team member who will be directly responsible for the implementation of this initiative
- Identify how the hospital management team member will be involved in the implementation of this initiative
- Briefly describe how your LME-MCO is structured and managed, focusing on the relevant organizational supports for this project
- Provide data points specific to the identified hospital ED on:
  - Current psychiatric hospital ED boarding trends
  - Hospital ED volume and ED size relative to the number of psychiatric admission they receive on average per week
  - Hospital specific policy on length of time to trigger psychiatric ED boarding

### Provider Agency Selection:

- If the provider(s) has already been selected, identify the agency, name, position, and contact information of the management team member who will be directly responsible for implementation of this initiative.
- Provide details about the process by which the provider(s) were or will be selected.
  - It is not necessary to include routine contracting requirement language.
  - Instead, describe the Scope of Work expectations you will have of your provider(s). Include information about:
    - Your criteria for the provider's experience in serving your identified client population
    - Your expectations for which other services in the provider's continuum of care are relevant and necessary to enhance the successful implementation of Comprehensive Case Management

- Other criteria that will help you make your decision
- Describe any other community partners – magistrates, Sheriffs Association, Association of Chiefs of Police, NC Hospital Association, individual organizations or community coalitions that will participate in this project. Include membership, history and current area(s) of focus.
  - How will this project leverage the relationships amongst community partners to ensure successful implementation of CCM?

### 3. Program Narrative

Funding is available for programs that plan to use Comprehensive Case Management as an effective strategy which can be well integrated into an existing service array, and which will improve outcomes for individuals at high risk of psychiatric ED boarding and repeat hospital ED admissions for mental health and/or substance use disorders.

Please provide a comprehensive description of your proposed implementation of CCM. At a minimum, include the following points in your description.

- Detailed service implementation timeline for SFY 17.
- Describe the specific target group of individuals for whom this strategy is intended.
- Describe the specific geographical areas within which the identified target group is found.
- Describe how the LME-MCO and/or provider(s) will identify individual consumers within the target group for whom CCM will be effective.
- How many individuals will be impacted?
- Describe the data and data analysis process used to identify the needs of the target group.
- Describe how CCM will fit into the service mix of the identified provider(s).
- Describe how the use of CCM will enhance, rather than duplicate, other LME-MCO care coordination and/or provider-based service strategies.
- Provide a flowchart that demonstrates the intended significant linkages between hospital ED staff, CCM, community based services, and other care coordination and service activities.
- Describe plans to educate, engage, and collaborate with the other providers, resources, community partners, and referral sources that will be essential to the successful implementation of CCM within your network.
- Discuss what outcomes the LME-MCO, the hospital ED, and the behavioral health provider hopes to achieve by incorporating CCM into the system of care.
- Include a discussion of factors that will indicate the efficacy of the interventions and strategies implemented within the program design.
- Describe how your intended outcomes will be met in measureable terms.

- Describe how data will inform quality management, quality improvement, and fiscal management of the program.

#### 4. Project Implementation Plan, Timeline, and Schedules

Provide a project implementation plan and a project timeline that includes specific activities, action steps and the responsible parties who will assure the project's timely implementation. At a minimum, address the following:

- Hiring and training of staff
- Anticipated date of implementation
- Resolution of challenges: an analysis of the project's risks and limitations including how these factors will be addressed or minimized
- Plan for sustainability of program: Steps taken to ensure future successes for continuing the project beyond the awarded period.

The LME-MCO will provide quarterly status reports to the NC DMH/DD/SAS Crisis Solutions Initiative Project Manager. Status reports will include at a minimum a discussion of project progress, problems encountered and recommended solutions, identification of policy or management questions, and requested project plan adjustments.

#### 5. Budgets

Two (2) separate budget proposals must be submitted with this application. A budget should be submitted effective November 1, 2016 through June 30, 2017, as well as for next state fiscal year 18. Each budget should be based on anticipated actual costs, and cannot exceed \$9,750,000 with the maximum available, per fiscal year. The budget should specify how funds will be spent, why these costs are justified and necessary to conduct the proposed initiative and that the costs are reasonable and appropriate for the level of effort proposed.

For the first year allocation (remainder of state fiscal year 17) distinction should be made between start-up costs and an ongoing operating budget for this fiscal year.

Funding may be used for start-up costs and for ongoing operational costs related to direct provision of services. For SFY 17 and SFY 18, LME-MCOs and service providers will be expected to earn any portion of the dollars allocated toward service provision through the new State Service Definition and standard UCR claims submission and payment processes once this process is in place and a rate has been established. Until the policies and procedures are established, LME-MCOs and service providers will continue to receive non-UCR funding, be required to submit operating budgets, and submit FSRs for reimbursement.

Recipients and sub-recipients must be non-profit entities. Allowable expenditures are limited to direct project-related costs and cannot supplant any existing funding. State funds must also be directed toward programmatic service components and are not available for capital expenditures. Applicants are not allowed to include indirect cost in the budget, as this is not an allowable cost for State funds.

The applicant must submit a detailed line item budget and budget narrative to support or justify the expenditure/cost utilizing the attached budget template.

## 6. Letters of Support

LME-MCOs must demonstrate collaboration with their identified hospital ED, contracted CCM service provider, as well as with other providers of services, housing providers, jails, or other partners who are routinely engaged with clients in the CCM project's identified target group. Evidence of such collaboration can be provided through attached letters of support or other similar attestations.

### EVALUATION CRITERIA – MAXIMUM 100 POINTS

#### Proposal Summary up to 10 points

The application demonstrates a comprehensive understanding and approach to the requirements in the Scope of Work and Invitation description. The proposal clearly identifies the selected target group of individuals and describes how the LME-MCO, hospital, and provider intend to utilize CCM to improve outcomes for them in measureable terms.

#### Introduction to the Organizations up to 20 points

The application describes the leadership at the LME-MCO, at the hospital, at the selected service provider, and at other identified key stakeholders who will be responsible for successfully implementing the project. The section describes how the organizations will leverage resources and work with community partners to support and enhance outcomes in the implementation of Comprehensive Case Management.

#### Program Narrative up to 40 points

The Program Narrative clearly describes all aspects of how the implementation of Comprehensive Case Management fits into and enhances the system of care for individuals in the target group. The narrative describes the intended clinical and financial outcomes. The narrative clearly describes the data analysis used by the organization in order to identify the need, and to decide to utilize CCM as a strategy to meet that need. The program narrative addresses the need clearly

describes how the project will be carried out and implemented.

Implementation Plan up to 30 points

The application describes a reasonable and well-developed proposal for the implementation of the project proposed that fits into the overall mission/goals/objectives, values, and strategies of the LME-MCO's system of care for the identified target group of individuals. This section must provide a clear picture of the activities and events that are scheduled to occur.

Budgets Pass/Fail

Letters of Support Pass/Fail

### **SELECTION PREFERENCE:**

Selection preference will be given to those organizations whose overall capacity, qualification and experience best demonstrate a strong history of leadership, partnership, collaboration along with the ability to effectively deliver services and achieve definable outcomes with proven sustainability.

### **SELECTION AND NOTIFICATION PROCEDURES**

Applicants must demonstrate capability and capacity to implement their proposal by responding to all sections of this Invitation to Apply. Applications that are incomplete or do not follow the required format may be determined ineligible for review.

Each application that is received by the deadline and meets formatting and content requirements will be reviewed by a Selection Committee comprised of various staff from the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. Applications will be evaluated and scored as noted above. DMH/DD/SAS may choose to include interviews or site visits with LME-MCO and provider staff as a second step in the evaluation and selection process.

It is the Division's intent to provide funding for between one to two separate initiatives; however, only those applications that meet scoring and evaluative criteria will be funded. Continuation awards will depend on the availability of funds, progress in meeting project goals and objectives, timely submission of required data and reports, and compliance with all terms and conditions of the award. Allocation letters for successful applications will be promptly processed and mailed to successful LME-MCO applicants.

**ATTACHMENT A: APPLICATION FACE SHEET**

**Name of LME-MCO:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**FAX Number:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**EIN**

**Fiscal Year End: Month and Day**

**Contract Signature Authority/Title**

**Administrative Contact Name and Title:**

\_\_\_\_\_

