**DRAFT**

Ohio Department of Developmental Disabilities

Request for Proposal (RFP)

**Development of Revised ICF-IID Reimbursement Methodology**

Proposals must be received no later than August 31, 2015

This RFP will be posted on July 14, 2015 to: <http://procure.ohio.gov/proc/searchProcOpps.asp>

For additional information, please contact:

Josh Anderson, Ohio Department of Developmental Disabilities

Medicaid Development and Administration

(614) 387-0576

Joshua.Anderson@dodd.ohio.gov

**OVERVIEW & MISSION**

The Ohio Department of Developmental Disabilities (DODD) is responsible for overseeing a statewide system of services and supports for people with developmental disabilities and their families.

The mission of DODD is continuous improvement of the quality of life for Ohio’s citizens with developmental disabilities and their families.

**GUIDING PRINCIPLES**

DODD will:

* Create less complex service delivery, with fair and logical payment systems that are federally compliant
* Continue to be good stewards of limited resources
* Provide quality outcomes through a combination of people and processes
* Design service delivery models in response to choices made by the people served, in alliance with community supports
* Develop a system-wide vision and long-range strategic plan by listening to our funding partners, constituents and stakeholders

**BACKGROUND**

The Ohio Department of Developmental Disabilities oversees approximately 420 Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs-IID) which serve approximately 5700 individuals. See Attachment 1 for current list of providers and bed counts. The current reimbursement formula was developed more than 20 years ago. See Chapter 5124 of the Ohio Revised Code and Chapter 5123:2-7 of the Ohio Administrative Code. It is a prospective system that uses annual cost reports from the previous calendar year to set the provider’s rate for the next fiscal year. The rate is divided into 4 components: Direct care, Indirect Care, Capital, and Other Protected Costs. See Attachment 2 for a flowchart of the current reimbursement formula. The Direct Care component is also adjusted by an acuity tool designed to measure staffing needs to care for the individual called the Individual Assessment Form (IAF) which was also developed in the 1990s. The IAF questions and instructions for filling it out accurately are found here: <http://dodd.ohio.gov/medicaid/Documents/IAF%20Instructions1.pdf>.

1. **STATEMENT OF NEED**

Almost 3 years ago DODD released a White Paper (<http://dodd.ohio.gov/Medicaid/Documents/ICF%20White%20Paper.pdf>) to outline its vision for the ICF-IID program and the desire to focus more on intense behavioral and medical needs. The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified reimbursement experts to develop a transformative and modernized ICF-IID reimbursement methodology. The new methodology will incentivize quality measures and payments based on health outcomes and will promote services provided in the most integrated setting appropriate to the needs of each individual.

1. **SCOPE OF WORK AND DELIVERABLES**

The contractor will develop recommendations for transformation of the ICF-IID reimbursement methodology. In developing the methodology, the contractor must take into account all of the following:

1. Examination of the IAF, including its use to group individuals into one of 6 Resident Assessment Classifications (RACs), and its application in the methodology in helping to achieve the vision described above in Section I.
2. Recommendations of the ICF-IID Reimbursement and Quality Incentive workgroups.
3. The methodology must assume flat funding for the ICF program.
4. Differences in cost structure and their significance of inclusion in the reimbursement formula. These factors may potentially include but are not limited to:
	1. Size of the facility: small, medium or large.
	2. Public vs Private
	3. Geographic regions
5. Incentives for large facilities to downsize.
6. The potential for outcome based reimbursement.
7. Wages for direct care staff
8. Day programming costs supporting greater community participation
	1. Should it be case mix adjusted?
9. Capital costs
	1. Appropriate funding for renovations
	2. How to account for fixed costs appropriately when downsizing/conversion of beds takes place?
	3. Consideration of government grants previously awarded for which liability still exists.
10. Owners and relatives allowable compensation
11. Outliers and their role in the system
	1. Examination of current outliers
	2. Potential development of new outliers based on need
12. Reimbursement for the Franchise Permit Fee
13. Achieving person centered based outcomes
14. The transparency of the system to the extent that it will be understandable without an expert level of knowledge.

The methodology must be completed no later than September 30, 2016 with the goal of implementing on July 1, 2017 (state fiscal year 2018). It shall include all of the following to implement the transformative changes as applicable:

* 1. Recommendations for transition into the new methodology.
	2. Recommended changes to Ohio Revised Code and Ohio Administrative Code.
	3. Recommendations for systems changes.
	4. Recommended changes to the IAF or recommendation for a new tool to replace the IAF. If a new tool is recommended, demonstration of validity of the new tool is also a requirement.
	5. Recommended changes to the cost report needed to implement reimbursement system changes. The current cost report is completed electronically with the Automated Cost Report (ACR) software found here: <http://www.medicaid.ohio.gov/PROVIDERS/ProviderTypes/LongTermCareFacilities/AutomatedCostReporting.aspx>.
	6. Reports showing estimated impacts on a provider level.

The contractor will work closely with the Reimbursement workgroup during the process. They will report out on a regular basis to the workgroup with progress reports, interim analyses, and any issues/questions that may arise.

1. **MINIMUM QUALIFICATIONS OF CONTRACTOR**

The contractor must have experience with development and analysis of Medicaid reimbursement methodologies in multiple states. They should have a background of expertise in health care costs and accounting. The contractor must not have any direct relationships with any current ICF-IID provider in Ohio. Samples of previous work should be shared through hardcopy and/or online reports or charts.

1. **BID PROCESS**
2. DODD reserves the right to:
	1. Accept or reject any and all Proposals if DODD determines that it is in the best interest of the State to do so.
	2. Rebid this RFP, requesting new Proposals from qualified firms.
	3. Waive or modify minor irregularities in Proposals received.
	4. Negotiate with Proposer(s) within the requirements of this RFP, to best serve the interests of the State of Ohio.
	5. Require the submission of modifications or additions to Proposals as a condition of further participation in the selection process.
	6. Fund any Proposal in full or in part; any assignments of work by DODD under the scope of this RFP will be made dependent on need and the availability of adequate, specific funding.
	7. Not make an award at the end of the evaluation process; this RFP is not to be interpreted or construed to guarantee that one or more Proposers submitting responses will be awarded contracts.
	8. Adjust the RFP calendar and event dates for whatever reason in deems appropriate.
	9. Contract Proposer to clarify any portion of the Proposer’s submittal.

Bidders may submit their proposals electronically or via hardcopy through 4:00 pm on August 31, 2015.

**Electronic proposals** must be submitted in PDF format to Joshua.Anderson@dodd.ohio.gov.

**Hardcopy proposals** may be delivered via mail service to:

Ohio Department of Developmental Disabilities

Attn: Josh Anderson

30 E. Broad St., 13th Floor

Columbus, Ohio 43215

**Timelines**

Subject to approval by the State Controlling Board, the contract period will begin no sooner than September 20, 2015**,** and run through June 30, 2017**.**

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| **Stage** | **Deadline** |
| Public Notice | July 14, 2015 |
| Requests for Clarification due to DODD | August 5, 2015 |
| Clarification from DODD due | August 15, 2015 |
| Proposals due to DODD | August 31, 2015 |
| Notification of Award | September 20, 2015 |
| Start work date | October 1, 2015 |

**Inquiries**

To ensure an open bid process is maintained, all inquiries regarding this RFP must be provided in writing only via email to Joshua.Anderson@dodd.ohio.gov. Inquiries may be submitted through August 31, 2015. DODD will respond to inquiries electronically by September 20, 2015.

1. **OTHER REQUIREMENTS**
2. **Communications Prohibited**

From the issuance date of this RFP, until a contract is awarded to a bidder, there may not be communications concerning the RFP between any bidder who expects to submit a proposal and any employee of DODD involved in the issuing of the RFP or other state employee who is in any way involved in DODD’s design and implementation of ICF-IID reimbursement.

The only exceptions to this prohibition are communications provided through the submission of written requests for clarification/interpretation as specified in Section IV.

1. **Fee Schedule**

The Contractor shall be compensated based on deliverables as outlined in Section II. The personal services contract between DODD and the selected bidder will further specify the timelines for completion of each deliverable & payment structure.

1. **State Contracts**

Proposals must list any current contracts the bidder has with State of Ohio agencies, boards or commissions. The list must indicate the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percent of the project completed.

1. **Interview**

Firms or individuals submitting bids may be requested to participate in an interview as part of the evaluation process. DODD reserves the right to select from responding bidders for interviews and may not interview all bidders submitting proposals. The bidder shall bear the cost of travel to any scheduled interview.

1. **Proposal Costs**

Costs incurred in the preparation of this proposal and any subsequent contracts are to be borne by the bidder. DODD will not contribute in any way to the costs of preparation. Any costs associated with proposal review interviews will not be DODD's responsibility.

1. **Proprietary Information**

All proposals submitted shall become the property of DODD. All information submitted by the bidder will be considered to be public information unless the bidder specifically demonstrates, in writing, which information it considers to be proprietary. "Proprietary information" is information which, if made public, would put the bidder at a disadvantage in the market place and trade in which the bidder is a part. Consequently, any assertion of "proprietary" information must be clearly identified and the basis of the assertion must be included. It is not adequate for the bidder to simply state that disclosure of the information will put it at a disadvantage in the market place. DODD will make the final decision as to whether information is "public" or "proprietary."

1. **Contractual Requirements**
2. Any contracts resulting from the issuance of this RFP are subject to the terms and conditions as provided in the personal services contract. The information contained in the RFP and in the proposal submitted by the selected bidder shall be considered part of the enclosed contract.
3. Payments for any and all services provided pursuant to the contract are contingent upon the availability of state and federal funds.
4. All aspects of the contract apply equally to work performed by any and all subcontractors.
5. The contractor, and any subcontractor(s), will not use or disclose any information made available to them for any purpose other than to fulfill the contractual duties specified in the RFP. The contractor, and any subcontractor(s), agrees to be bound by the same standards of confidentiality, including federal and state statutory and regulatory requirements that apply to the employees of DODD and the State of Ohio.
6. As a condition of receiving a contract from DODD,the selected contractor and any subcontractor(s) shall certify compliance with any court order for the withholding of child support, which is issued pursuant to Section 3113.217 of the Ohio Revised Code. The contractor, and any subcontractor(s), must also agree to cooperate with DODD and any Ohio Child Support Enforcement Agency in ensuring that the contractor or employees of the contractor meet child support obligations established under state law.
7. As a condition of receiving a contract from DODD,the contractor and any subcontractor(s) shall certify compliance with Ohio Bureau of Worker's Compensation requirements by providing a current Worker's Compensation Certificate.
8. **Travel Reimbursement**

Travel cost should be encompassed within the cost of the deliverables. Travel is not to be listed separately. For purposes of this RFP, travel includes all modes of transportation (airfare, taxi, car rentals, etc.), lodging expenses, cost of communications by phone, mail, e-mail or fax and meals.

1. **Ethical and Conflict of Interest Requirements**
2. No contractor or individual, company or organization seeking a contract shall promise or give to any DODD employee any item of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties.
3. No contractor or individual, company, or organization seeking a contract shall solicit any DODD employee to violate any of the conduct requirements for employees.
4. Any contractor acting on behalf of DODD shall refrain from activities that could result in violations of ethics and/or conflicts of interest. Any contractor or potential contractor who violates the requirements and prohibitions defined here or of Section 102.03 or of Section 102.04 of the Ohio Revised Code is subject to termination of the contract or refusal by DODD to enter into a contract.
5. **PROPOSAL FORMAT AND SUBMISSION**
6. Proposal Submission
7. The proposal must be prepared in accordance with instructions in this section.
8. The proposal is to be prepared in a manner that clearly outlines how each of the deliverables in Section II will be completed within the time frames specified in that same section.
9. Proposals must either be emailed or mailed to the following individual by August 31, 2015:

Josh Anderson

Medicaid Development and Administration

Ohio Department of Developmental Disabilities

30 E Broad St, 13th Floor

Columbus, Ohio 43215

614-387-0576

Joshua.Anderson@dodd.ohio.gov

1. Proposal Format

To be accepted, a proposal must include: a Technical Proposal and a Cost Proposal as described in this section, contain all the information specified for each of the categories listed in this section, and meet the requirements of this section.

1. Technical Proposal
	1. Transmittal Letter. The Technical Proposal must include:
		1. A transmittal letter that identifies the bidder;
		2. The name, title, address, and telephone number of the bidder's contact person with authority to answer questions concerning the RFP; and
		3. The name, title, address, and telephone number and e-mail address of the bidder's contact person with authority to address contractual issues, including a person with the authority to execute a contract on behalf of the bidder.
	2. Organizational Experience. The bidder must include:
		1. Information on the background of the firm or individual, including background information of any subcontractor(s);
		2. Any prior experience relevant to this RFP (including current contact names and phone numbers for these references), and a list of similar projects currently underway by the firm, individual or by any subcontractor(s) as well as all completed over the past five (5) years. The Evaluation/Selection Review committee will consider these additional references and may contact each of these sources.
	3. Technical Approach and Work Plan. The Technical Proposal must indicate how the bidder plans to address the purpose, objectives and deliverables, within the timeframes as stated in this RFP. The proposal must outline the following in detail:

* + 1. Samples of previous analysis of reimbursement methodologies in other states.
		2. The project staffing, including any subcontractors;
		3. A Table of Organization for the project;
		4. A procedure for reporting the status of the project, including work completed;
		5. A proposal for how coordination will occur and how information will be shared with DODD; and
		6. A proposed procedure to address and resolve unanticipated problems during the course of the project, specifying that the procedure will not adversely affect the timelines associated with the project.
	1. Personnel Qualifications
		1. The Technical Proposal must include the names, resumes, education, and experience of personnel listed in the Table of Organization/personnel chart for this project (including any subcontractors), and fully explain how their education and experience is relevant to the areas described in Sections I, II and III of this RFP.
		2. DODD shall require a clause in the resulting contract regarding key personnel that any person identified as critical to the success of the project may not be removed without reasonable notice to DODD.
		3. One Project Manager shall be named on behalf of the bidder. All correspondence shall be directed through this named individual.
	2. Disclosures
		1. The contractor may choose to subcontract portions of the research and analysis work. Any subcontracts are subject to approval by DODD and subcontractors are subject to the same requirements of state rules, laws, and provisions of this contract as the contractor itself.
1. Cost Proposal

The Cost Proposal must indicate the total cost for the project for each of state fiscal years 16 and 17 and the following elements:

* + 1. Cost of analysis and research; and
		2. Cost to develop transformative reimbursement methodology.
		3. The contractor should also include its standard hourly rate for similar work.
1. **CRITERIA FOR PROPOSAL EVALUATION AND SELECTION**

All proposals will be reviewed and scored by a Proposal Review Committee, comprised of staff from DODD. The Proposal Review Committee shall include a representative from at least two Divisions of DODD. Any proposals not meeting the requirements contained in this RFP will not be scored.

A maximum of 100 points will be awarded for the Proposal, as outlined in this section.

1. **EVALUATION OF PROPOSAL – POINT SYSTEM**

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| 40 | The bidder’s proposal clearly outlines the method, work plan and timelines for achieving each of the deliverables  |
| 20 | The costs associated with this proposal are reasonable and commensurate with the services provided. |
| 40 | The bidder’s proposal reflects the project staffing and demonstrates the competence, knowledge, and qualifications of employees and subcontractors as outlined in the RFP related to Medicaid payment and reimbursement, particularly as it relates to the DD system. |