Case Management Redesign

RFP for case management financial analysis

This document provides a summary of a Request for Proposal that the Department of Human Services (DHS) will post related to case management redesign.

Amount: $500,000

Time period: two-year contract with the opportunity for a one-year extension

Purpose

DHS will contract with a vendor to:

1. Document and comprehensively describe the finances currently associated with administering and providing Medical Assistance-funded case management services. This will include a description of the funds counties use when services are provided by a contracted provider and funds used to provide similar case management services when someone is ineligible for Medical Assistance.

2. Develop models for a universal rate for a base set of core case management activities.

3. Develop and use fiscal modeling to compare the potential universal rates to the current payment structures and rates and assess potential financial impact across counties throughout the state.

Tasks

The vendor will be responsible for the tasks in Phases 1 and 2:

Phase 1: Document the current financial state.

The vendor will take the following steps to describe the current financial state of case management including costs and revenue sources used to provide case management services across the state.

1. Create a methodology to document the rates and costs associated with the delivery of case management, and identify revenue sources such as reimbursements, grants, and local share used to pay for:
   - Infrastructure to administer and oversee case management services, including evaluation of case management outcomes when applicable.
   - The direct provision of case management services.
• Activities that have historically been covered by case management rates or associated with the time study rate-setting structures that may need to be financed differently.
• Similar case management-related activities that are currently provided by counties that are not reimbursable by Medicaid.

The description of revenue sources may include, but are not limited to Medicaid (paid for through both fee-for-service and managed care), federal administrative funds, state or federal grant dollars, and county dollars.

2. Test the methodology with a sample of counties to determine its effectiveness. This will require the vendor to gather data from counties identified by DHS and to make modifications to the methodology if necessary.

3. Once the methodology has been tested and modified as necessary, develop a report to summarize the current state for the small, medium and large counties that participate in the data collection.

Phase 2: Develop modeling for potential changes to the case management rate structure.

In Phase 2, the vendor will work with the State to develop potential models for a universal rate for the base set of case management activities identified in Phase 1. The vendor will use fiscal modeling to compare potential models to the current payment structures and rates including an assessment of potential financial impact across counties throughout the state and adjustments for additional costs based on modifications to the core set. The vendor will work closely with the State to determine the types of modeling needed and will be required to model up to four potential rate structures.

Using the understanding of the current financing structure, the vendor will compare the status quo to the potential case management rate structure(s) with a base benefit and adjustments for additional costs based on modifications to the core set. This will include:

1. Determining the costs of providing a base set of core case management activities provided to all recipients of case management services. This will include the development and use of uniform and reliable cost-finding methods.

2. Estimating potential costs associated with possible adjustments needed to the core set of activities based on variations in:
   • Population needs
   • Professionals needed to deliver services
   • Service design
   • Provider location
   • Other factors as determined with the State.

3. Estimating costs that have historically been covered by the case management rates or associated with the time study rate-setting structures that would need to be financed differently if a universal rate structure replaced the current financing design.

4. Assessing potential impacts on county agency revenues and expenditures, paying particular attention to various regions of the state.

5. Identifying any assumptions made or recommendations needed to promote success of the model, i.e., case mix, case volumes, geographic location.
Working with Counties and Tribes

The vendor will be required to work with three counties identified by DHS. The State will identify one small, one medium and one large-sized county for data collection. At least one county will be chosen where services are primarily delivered through contracted providers. The vendor will be required to pay each county the following amounts for participating in the data collection:

- Small-sized county = $14,500
- Medium-sized county = $16,500
- Large-sized county = $19,000

In consultation with the DHS Office of Indian Policy and Tribal partners, the decision was made to forgo the inclusion of a Tribe in the data collection under this RFP. Instead, the DHS Tribal/Urban Case Management Redesign team will set up meetings with Tribes in fall 2017 to develop a set of recommendations regarding overall policy and finance, including a discussion about if and how to gather financial data from Tribes.

Oversight and external stakeholders

The case management redesign finance and policy teams include staff from DHS and county and Tribal leaders. The finance team will oversee Phase 1 of the vendor’s work. While the vendor conducts Phase 1, the policy team will build upon work that has already been done and informed by stakeholders to solidify the definition of case management and the core set of activities. This will inform Phase 2 of the vendor’s work. The policy team will also work with stakeholders, including providers and people we serve, to develop a process and options for expanding the core set of activities to reflect variations in the needs of people we serve and the professionals needed to deliver services. Final recommendations about add-ons to the core set of activities and the cost of those adjustments will be informed by the vendor’s work in Phase 2 but will be made outside of the scope of the RFP.

Your feedback matters

Please send your questions, ideas or concerns to dhs.cmredesign@state.mn.us.