



TASK ORDER # YH18-0031

For

Analysis of Prop 206 Impact on Provider Network Adequacy

ISSUE DATE: September 14, 2017

QUESTIONS DUE DATE: September 21, 2017

RESPONSE DUE DATE: September 28, 2017 by 3:00 pm, Arizona Time

PROCUREMENT OFFICER: Michael Kowren, Procurement Specialist
AHCCCS Procurement Office
701 E. Jefferson, MD 5700
Phoenix, AZ 85034
Michael.Kowren@azahcccs.gov

RESPONSE SUBMISSION REQUIREMENTS:

This task order is open to all Contractors under the following contracts:

1. Arizona Statewide Medical Management Contracts
2. AHCCCS Health Care Financial Consultants

Any resultant award of this project will be added to your contract through either an amendment to that contract (for AHCCCS contract) or through purchase order release (for the Statewide contract). AHCCCS reserves the right to accept whole or partial responses from one or more respondents.

Please submit your response electronically via **email** to the procurement officer listed above. Please do not submit anything considered "proprietary" or "confidential". Make sure the subject line of your response email reads: "**YH18-0031 Task Order Response**" along with your company's name.

Late responses will not be considered.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Task Order YH18-0031

1.0 PROJECT TITLE: Analysis of Prop 206 Impact on Provider Network Adequacy

2.0 PROJECT TIMELINE: Beginning 10/06/2017, ending 01/02/2018.

3.0 BACKGROUND/PURPOSE:

Proposition 206, the Fair Wages and Healthy Families Act, increases Arizona's hourly minimum wage from \$8.05 to \$12 an hour by 2020 and requires paid sick leave for employees working greater than 30 hours per week. As a result of Proposition 206, the Arizona Health Care Cost Containment System (AHCCCS) identified that it was necessary to increase the AHCCCS Fee-For-Service (FFS) rates for Home and Community-Based Services and the Nursing Facility per diem rates, as these providers were significantly impacted by this change in the minimum wage. Likewise, AHCCCS' Managed Care Organizations (MCOs), including the Division of Developmental Disabilities (DDD) in the Department of Economic Security, were mandated by AHCCCS to increase their contracted rates for the same services in order to pass-through additional funds to providers.

AHCCCS payment rates for providers of these services are lower than they were in 2009 as a result of a series of rate reductions that were implemented during the recessionary period between 2009 and 2011. In addition to any inflationary costs, AHCCCS is aware of numerous direct pressures on the costs providers have experienced since that time including federal mandates regarding overtime pay and health insurance offerings. Medicaid is the predominant payer of these services and the primary source of revenue for these providers. In any given month, more than a million hours of these services may be authorized for ALTCS members. Gaps in the availability of these services or a material decrease in the quality of these services would pose significant risks to the health and safety of tens of thousands of medically fragile individuals. Another potential impact of fewer available HCBS providers would be members being moved to the more costly nursing facility placement even when less-costly HCBS placements are warranted. AHCCCS has communicated its concerns about pressures on the network to policymakers on a number of occasions.

As required by federal law, the AHCCCS contracts with its MCOs require contractors to establish a network of contracted health care providers sufficient to meet the needs of the individuals enrolled with the contractor. Given these myriad pressures on providers, a concern resulting from the enactment of Proposition 206 is how the impact of the increased provider costs may have or will affect the provider network for AHCCCS members. Laws 2017, Chapter 305, directs AHCCCS to conduct an analysis on "the impact of provider cost increases resulting from the enactment of Proposition 206...on the adequacy of the provider network for enrollees in the Arizona Long-Term Care System." AHCCCS is seeking a comprehensive analysis that reviews the impact to the provider network, specifically providers that may have been disproportionately impacted by the minimum wage increase, and any impacts on the availability of services for Arizona Long Term Care System (ALTCS) members. It is noted the paraprofessional workforce is an integral component to analyzing and ensuring the network adequacy. The concerns on

network adequacy and access to care for members are further exacerbated by the current and future projected exponential growth of the aging population.

4.0 PROJECT DESCRIPTION

The purpose of the analysis is to review the adequacy of the AHCCCS long-term care system provider network (including those providers contracted with DDD) and to identify any network deficiencies that may have resulted from the enactment of Proposition 206, in order to ensure AHCCCS members' access to health care services. Services to be included in this analysis are Nursing Facility and HCB services. HCB services include the following: Attendant Care; Personal Care; Homemaker; Respite; Habilitation and Assisted Living and DDD Group Homes; and Day Treatment and Training and Adult Day Health; and Center Based and Group Supportive Employment Programs.

The analysis shall review the AHCCCS provider network and identify impacts to the adequacy and capacity of service delivery and shall include the following:

1. Conduct a provider survey and/or interviews and analysis of results designed to provide information on the capacity of the workforce through a statistically significant sample of each provider type. The survey/interviews shall address the following:
 - i. Recruitment and retention rates, including turnover and vacancy;
 - ii. recruitment and retention strategies;
 - iii. financial implications (e.g., overtime);
 - iv. other challenges to recruitment, hiring and retention of the workforce
 - v. quality/value of the services provided
 - vi. other notable trends or observations as a result of Prop 206
2. Review of AHCCCS Non Provision of Service Report trending for HCB services provided in the home of the member and any other available metrics related to whether services are being delivered timely.
3. Review and analysis of providers that have made a reduction in service provision or termination of contracts due to rates, capacity or sustainability factors
4. Focus groups with ALTCS Managed Care Organizations (MCOs), including DDD, to identify issues and/ or challenges with access and availability of services, member choice and member satisfaction including time between the identification of a service need and the member receiving the needed service.
5. Review and analysis of ALTCS MCOs' policies and practices related to provider contracting
6. Review and analysis of ALTCS MCOs' Network Management and Development Plan
7. Review and analysis of AHCCCS policy regarding network standards

8. Review and consider the Annual Title XIX Rate Reimbursement Study conducted by DDD to provide additional context for the reported impacts. The study may be found: <https://des.az.gov/sites/default/files/CertificationRateOverview.pdf> and https://des.az.gov/sites/default/files/SFY-2017-Analysis%20Packet-Cert%20Letter_20160915.pdf
9. As appropriate, review of AHCCCS (including DDD) claims and encounters data to provide additional context for the reported impacts.

5.0 Contractor Requirements

The Contractor will meet the following minimum criteria:

1. Expert knowledge in MLTSS and the ALTCS population including persons with developmental disabilities, persons with physical disabilities and the elderly.
2. Expert knowledge in provider network adequacy and workforce development analytics
3. Ability to provide analytical support
4. Ability to perform projections by HCPCS, Managed Care Organization, and geographic areas of the state
5. Availability to begin project in September 2017
6. Ability to complete the work by January 2, 2018

6.0 PROJECT DELIVERABLES with TIMEFRAMES/DUE DATES:

By **January 2, 2018** the contractor shall deliver the following:

1. A comprehensive network report that provides a detailed description of the methodologies used for the analysis. the findings in accordance with the required elements in Paragraph 4.0, and recommendations that address the following:
 - a. any identified network or access to care deficiencies
 - b. strategies/methodologies for establishment of new and/or additional network standards
 - c. strategies for identifying, evaluating and addressing any current and projected workforce capacity deficiencies and needs

The analysis should include the impacts by provider type, as well as delineated by Geographical Service Area (GSA)

- i. GSA 1 – Mohave, Coconino, Navajo, Apache, Yavapai
- ii. GSA 2 – Maricopa, Gila, Pinal
- iii. GSA 3 – La Paz, Yuma, Pima, Santa Cruz, Graham, Cochise, Greenlee

7.0 Evaluation Criteria

This task order will be evaluated on the following criteria, listed in their relative order of importance:

- 7.1. Experience and Capacity
- 7.2. Methodology and Approach
- 7.3. Pricing proposal

8.0 HOW TO RESPOND TO THIS TASK ORDER:

8.1. Required Elements:

1. Company name and contract number.
2. Cover letter with signature of authorized company representative.
3. Name and contact information of person responsible for response to this task order.

4. **Experience and Capacity -**
 - a) Experience of the firm working on projects same or similar to this scope of work
 - b) Experience of the proposed staff and list of names and classification personnel expected to perform specific activities, including use of subcontractors
 - c) Capacity/Availability of the firm to initiate services within specified project timelines
 - d) Note: Resumes may be separately as attachments at Offeror's discretion – Resumes are not in place of section

5. **Methodology and approach (Limit 10 pages)**

Propose methodology and approach that details the processes utilized to complete the analysis requirements described in section 4.0 RESPONSIBILITIES/TASKS: above. Your response must include the following:

 - a) Detailed description of the methodologies that will be used for each component.
 - b) Timeline for completion of each component.
 - c) Description of recommended deliverables
 - d) Other information as needed

6. **Pricing proposal**

Provide an all-inclusive overall project price for performance of the services listed. Pricing shall be broken down by job category and hourly rate as described in the contract. Pricing shall be inclusive of travel and any other expense necessary to perform the service.

8.2. Please submit your response electronically via **email** to the procurement officer listed on the front page with the subject line "**YH18-0031 Task Order Response**" along with your company's name.

8.3. Please do not submit anything considered "proprietary" or "confidential".

9.0 AWARD

AHCCCS will evaluate responses and will award the task order to the Contractor(s) with the most advantageous response(s) based upon the evaluation criteria set forth above.



QUESTIONS AND ANSWERS FORM

Analysis of Prop 206 Affect on Provider Network Adequacy – Task Order # YH18-0031

Questions shall be submitted electronically on this form to michael.kowren@azahcccs.gov no later than **September 8, 2017, 3:00 PM, ARIZONA TIME.**

Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	Leave Blank for AHCCCS Response
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