



STUDY OF ACUTE PSYCHIATRIC HOSPITALIZATION AND RESIDENTIAL CARE - SUMMARY OF PROPOSALS

This memorandum provides information regarding proposals submitted in response to the Acute Psychiatric Treatment Committee's request for proposal for consultant services related to a study of acute psychiatric hospitalization and residential care needs of the state.

BACKGROUND INFORMATION

[Section 5 of House Bill No. 1012 \(2021\)](#) provides for a study during the 2021-22 interim regarding the acute psychiatric hospitalization and related step-down residential treatment and support needs of individuals with mental illness. The Legislative Management is required to create an Acute Psychiatric Treatment Committee consisting of eight members to conduct the study. The Legislative Management Chairman is required to designate the committee Chairman and Vice Chairman. The committee must complete the study by October 1, 2022.

As part of the study, the committee is required to gather input from stakeholders and other groups, including private hospitals, the Department of Human Services (DHS), and mental health advocates. The study must review options for a long-term plan for acute psychiatric hospitalization and related step-down residential treatment and support needs in the state and short-term options during the next 2 bienniums to contract with private provider acute psychiatric care facilities to provide treatment services in four or more cities in the state, workforce needs of such specific locations, and options to replace the existing State Hospital facility with one or more treatment facilities focused on forensic psychiatric evaluation and treatment.

The committee, with the approval of the Legislative Management, may obtain consulting services to determine the total number of acute care beds needed in the state and to develop recommendations for private provider contracts, treatment requirements and outcome measures, locations in the state, including private and public facilities, and the future use of facilities at the State Hospital campus, including the LaHaug Building. The consulting services may also include the development of conceptual drawings for recommendations for a new State Hospital. The 2021 Legislative Assembly appropriated one-time funding of \$500,000 from the general fund to the Legislative Council for consulting services of the study.

The Department of Human Services is required to provide to the consultants and the committee a complete description of other outpatient and inpatient private and public behavioral health services, including substance use disorder facilities existing in the state to prevent acute behavioral health hospitalization and to support patients following discharge from psychiatric hospitalization and related residential care. The department is required to seek Medicaid plan amendments or Medicaid waivers to allow federal funding reimbursement for services provided in institutions for mental diseases to Medicaid beneficiaries between the ages of 21 and 64.

REQUEST FOR PROPOSAL REQUIREMENTS

On August 3, 2021, the Legislative Management issued a request for proposal for consultant services related to a study of acute psychiatric hospitalization and residential care needs of the state conducted by the Acute Psychiatric Treatment Committee.

Specific areas the study is to address include:

1. Development of options and a recommendation for a long-term plan for acute psychiatric hospitalization and related step-down residential treatment and support needs in the state, including:
 - a. The number of acute care beds needed in the state;
 - b. Appropriate locations in the state for treatment and support services, considering workforce availability;
 - c. The involvement of private providers, including contract requirements, treatment requirements, and outcome measurers; and
 - d. The use of existing public facilities and the need for new public facilities, including options to replace the existing State Hospital facility with one or more treatment facilities focused on forensic psychiatric evaluation and treatment.
2. Development of options and a recommendation for a short-term plan for the remainder of the 2021-23 biennium and the 2023-25 biennium to contract with private acute psychiatric care facilities to provide appropriate treatment services in four or more cities in the state.
3. Development of options and a recommendation for the future use of facilities at the State Hospital, including the LaHaug Building.

As an optional additional service, the committee may request the development of conceptual drawings for a new State Hospital based on the option selected by the committee.

Proposals were due to the Legislative Council on Friday, September 17, 2021.

The resulting contract will require periodic reports to the Acute Psychiatric Treatment Committee on the status of the project and on tentative findings and recommendations with the final written report due by Friday, April 1, 2022.

SUMMARY OF SUBMITTED PROPOSALS

The following is a summary of proposals submitted in response to the Acute Psychiatric Treatment Committee's request for proposal.

| Summary of Proposal Information | Schafer Consulting, Inc. | Renee Schulte Consulting, LLC |
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| Consultant profile | Schafer Consulting, Inc. was started in 1993 by Mr. Steve Schafer and Mr. Neil Shapiro. Prior to this time, the partners owned, managed, and operated psychiatric hospitals and clinic systems. The partners have been executive directors and senior managers of nonprofit community mental health centers, and children and youth service systems. Mr. Schafer has led projects for state and local government behavioral health and human service departments and hospital systems, community mental health centers, psychiatric product lines of regional medical centers, children and youth organization, provider networks, private practices, multistate human service systems, group practices, Indian tribes, foundations, and associations. Mr. Shapiro provides financial, management, and development services to improve profitability, develop strategies, and lead organizational transformation. | Ms. Renee Schulte started Schulte Consulting, LLC in 2012. She has more than 2 decades of experience in the behavioral health care field working at national, state, local, and provider levels in both the public and private sectors. She is a licensed mental health therapist and has worked with a variety of care continuum environments, including psychiatric hospitals, child welfare state providers, and therapeutic foster care services. She is a former Iowa state legislator and holds a bachelor's degree in psychology and a master's degree in counseling and educational psychology. |
| Lead contact | Mr. Steve Schafer, President and Senior Partner | Ms. Renee Schulte, Project Director and Senior Consultant |
| Other team members | Mr. Neil Shapiro, Senior Partner | Mr. Jason Haglund, Senior Consultant |
| | Mr. Steve Friedman, Senior Partner | Ms. Elle Victoria-Gray, Project Coordinator for Special Populations |

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| Expertise and experience | <p>Schafer Consulting, Inc. has completed business, financial, program and clinical, independent review, accreditation, compliance, physician recruitment, marketing, partnership and merger acquisition, and information system projects in the United States and Canada. Examples of projects include:</p> <ul style="list-style-type: none"> • Broadlawns Medical Center - Consisting of a behavioral health feasibility study of inpatient and community-based substance abuse and addiction treatment services for central Iowa. • Sentara Healthcare, Virginia and North Carolina - Interim management and strategic operations assessment for four inpatient psychiatric units, intensive outpatient and partial hospital programs. • Behavioral health operations assessment for Jefferson Health, Cherry Hill, New Jersey - Consulting services for Jefferson Health New Jersey, a behavioral health service provider in New Jersey with adult and pediatric inpatient care, a 24-hour crisis unit, and partial hospital and intensive outpatient programs. • Psychiatric hospitals and behavioral health turnaround for Texas Health Resources hospitals - Consulting services provided for a large, faith-based, nonprofit health system in North Texas consisting of acute care, short stay, rehabilitation, and transitional care facilities, psychiatric facilities, a residential drug treatment facility, a mobile assessment team, and an outpatient behavioral health system. | <p>Mr. David J. Gion, Healthcare Delivery Consultant Ms. Nancy Vogeltanz-Holm, Senior Data Analyst</p> <p>Renee Schulte Consulting, LLC has provided services in Indiana, Iowa, Minnesota, and North Dakota. Examples of projects include:</p> <ul style="list-style-type: none"> • North Dakota Behavioral Health Planning Report - Consisting of identifying, focusing, and providing guidance for the North Dakota mental health and substance abuse system. • Stark County, Richardton facility report - Included a needs assessment for facility and program needs in Stark County, including an evaluation of the former Richardton Health Center building and utilization of the facility based on the needs of the surrounding region. • Certified community health center project, rural Iowa - Provided guidance and technical support to locate, fund, start-up, accredit, recruit staff, and launch a certified community health center in an underserved part of rural Iowa. • Evaluation and system design improvements in rural critical access hospital - Provided guidance, technical support, and subject matter expertise to provide business operations support and planning to a rural critical access hospital with an embedded substance use disorder residential treatment facility. |
| Project plan | <p>A summary of the proposed project plan from Schafer Consulting, Inc. is as follows:</p> <ul style="list-style-type: none"> • Beginning work on November 1, 2021. • Send a request for information and key contact list to the Legislative Council and Acute Psychiatric Treatment Committee. • Obtain state and local level behavioral health utilization data from the Legislative Council and committee, the Department of Human Services, the North Dakota Hospital Association, and other state-specific data. • Use population data and projections, statistical and predictive analytics and geocoding to derive key findings from national and state databases. | <p>A summary of the proposed project plan from Renee Schulte Consulting, LLC is as follows:</p> <ul style="list-style-type: none"> • Interviewing stakeholders in the state, including public and private providers, as well as analyzing existing capacity and evaluating opportunities for scaled expansion and growth. • Identifying providers and facilities providing psychiatry to provide information on the current scope and array of community-based, residential, subacute, and acute care addiction and mental health care options available in each local community and region. • Obtaining a clear understanding of existing funding methodology, billing practices, and opportunities for diversionary and cost-effective nonhospital-based levels of care. |

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| <p>Proposed cost</p> | <ul style="list-style-type: none"> • Request help from the committee in identifying key stakeholders and contact information for an online survey for the study, i.e. an "Acute and Residential Psychiatric Treatment Needs Survey." • Examine utilization from behavioral health treatment services for adults and adolescents, including acute hospital inpatient treatment for mental health and substance abuse and residential step-down mental health and substance use treatment. • Prepare a draft survey in collaboration with the committee, disseminate and conduct the survey, and aggregate and analyze an online survey of key stakeholders regarding the project. The survey will include the perceived number of acute care beds needed in the state; the responder's geographical area; appropriate locations in the state; input and feedback of private providers, including contract requirements, treatment requirements, and outcome measurers; and the use of existing public facilities and the need for new public facilities. • Relate and include survey findings in a draft study report. • Creation of conceptional drawings for a new State Hospital, if requested by the committee. Drawings will depend on the psychiatric populations and clinic services or specialties the new State Hospital will serve. • Prepare a draft report for the committee and adjust the report based on committee input. • Present a final written report focused on each requirement included in the request for proposal by April 1, 2022. <p>\$393,000, excluding any conceptional drawings of a new State Hospital the committee may request.</p> | <ul style="list-style-type: none"> • Evaluating the capacity of public and private providers to enhance and expand existing programs, facilities, and levels of care to meet the evolving behavioral health needs of each community. In-person, geographically coordinated roundtable discussions with leaders within the addiction, behavioral health, state, education, and other related entities will be held to understand and address barriers and opportunities facing service delivery and capacity at each level of care in the state. • Creation of architectural renderings and program design recommendations for a new State Hospital, if requested by the committee. An understanding of population, scope, upstream impact on bed utilization, and community-based infrastructure is needed for the design of facilities. • Establishing a road map to guide future initiatives that will significantly impact the scale, scope, and specialty design of acute psychiatric and residential care facilities, the size needed, and the location of beds to maximize efficiency, specialty need, and workforce capacity. <p>\$247,000, excluding any conceptional drawings of a new State Hospital the committee may request.</p> |