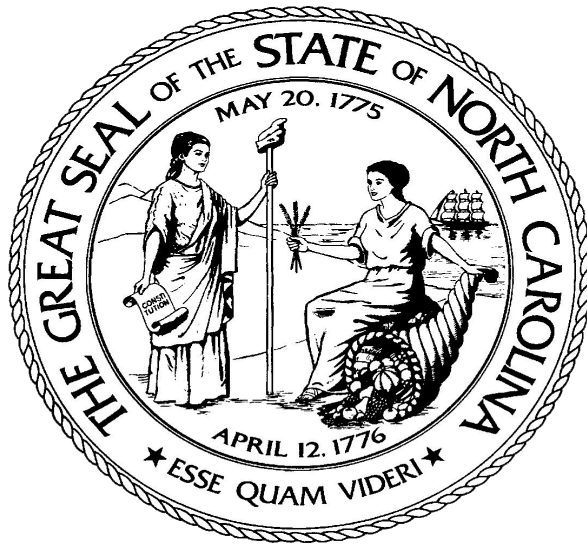


Interim Report on
Consolidation of Forensic Health Care at Dorothea Dix Complex

Session Law 2011-145, Section 10.12



October 30, 2011

North Carolina Department of Health and Human Services
Division of State Operated Healthcare Facilities

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Background

In 2011, the General Assembly passed legislation (Session Law 2011-145, Section 10.12) requiring the Department of Health and Human Services, Division of State Operated Healthcare Facilities (DSOHF) to issue a Request for Proposal (RFP) for the consolidation of forensic hospital care. According to the legislation, *The Secretary of Health and Human Services is authorized to proceed with contracting with a private entity if the Secretary can justify savings through the contract. The Secretary may only proceed if the Secretary determines the Department will save money and ensure appropriate safety and quality of care for patients.*

DSOHF currently operates 76 forensic treatment beds at Central Regional Hospital (CRH), with 22 Forensic Maximum and 24 Medium beds located in Butner and 30 Forensic Minimum beds located in Raleigh at the Dorothea Dix Complex. In addition, CRH provides Pre-Trial Evaluation services on an inpatient and outpatient basis in Butner. These services are not subject to the RFP and will continue to be provided by CRH.

The current cost for DSOHF to operate 90 forensic treatment beds is \$16,205,800, based on State Fiscal Year (SFY) 2010/11 direct costs prorated for 90 beds. These costs represent direct costs which could be eliminated with outsourcing forensic treatment services and from which the cost of contracting with a private entity for the services would be paid. See Attachment I for detail of these costs.

Request For Proposal (RFP) Development and Issuance

In accordance with S.L. 2011-145, Section 10.12, an RFP was developed to solicit proposals from private entities to provide 90 forensic treatment beds, comprised of 30 Forensic Maximum, 30 Forensic Medium, and 30 Forensic Minimum beds to be located at the McBryde Building in the Dorothea Dix Complex or other location as identified and procured by the vendor.

The RFP details clinical, programmatic, and operational requirements for the 90 beds to ensure appropriate safety and quality of care for patients, including but not limited to the following components:

- Legal requirements
- Admission procedures
- Active treatment program
- Medical services
- Patient rights
- Support services
- Discharge planning and transition

- McBryde Building renovations
- Facility management
- Equipment and furnishings
- Transfer of patients
- Staffing requirements
- Facility licensure and certification
- Vendor reporting requirements
- Performance measures
- Vendor qualifications

To determine cost savings to the State for outsourcing the forensic treatment services, vendors are required to submit the following information in their cost proposal:

- One time costs including facility renovations, lease, purchase, or construction
- Personnel costs
- Total operating costs
- Per diem cost for each of five years, to be inclusive of all vendor costs

The RFP was issued on July 20, 2011. On August 19, 2011, a mandatory site visit was held to provide vendors with an overview of the RFP and a tour of the McBryde Building, which is being offered as a potential location for consolidated forensic hospital care. Estimated costs were provided for renovation of internal and external spaces at the McBryde Building to upgrade security and customize units for 90 forensic patients. Representatives of three vendors attended the August 19 site visit: Geo Care, Inc. of Boca Raton, FL, Liberty Healthcare Corporation of Bala Cynwyd, PA, and MHM Services, Inc. of Vienna, VA. In response to requests from vendors, a second site visit to review the McBryde Building took place on September 16, 2011, attended by representatives of Geo Care, Inc. and MHM Services, Inc.

Vendor questions regarding the RFP were received August 22, 2011, and written responses were posted on September 9, 2011 as an addendum to the RFP. Based on the timing of the response to vendor questions, the proposal submission date was extended from September 30, 2011 to October 12, 2011. The only vendors eligible to submit proposals based on attendance at the mandatory site visit are Geo Care, Inc., Liberty Healthcare Corporation, and MHM Services, Inc. No proposals have been received as of the writing of this interim report.

Summary

In compliance with S.L. 2011-145 Section 10.12, DSOHF issued a Request for Proposal to consolidate forensic hospital care at the Dorothea Dix Complex or other site identified by the vendor. The RFP, which details clinical, programmatic and operational requirements to ensure appropriate safety and quality of care for patients, was issued on July 20, 2011, and vendor site visits were held on August

19, 2011 and September 16, 2011. Responses to vendor questions were posted as an addendum to the RFP on September 9, 2011. The submission date for proposals has been extended to October 12, 2011. An updated report will be filed detailing potential cost savings identified after submitted proposals are received and reviewed.