



# OLR RESEARCH REPORT

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## **PROPOSED DMHAS/DOC NURSING HOME IN ROCKY HILL**

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You asked for detailed background information on the authorization and siting of a proposed private nursing home in Rocky Hill serving Department of Mental Health and Addiction Services (DMHAS) and Department of Correction (DOC) clients.

### **SUMMARY**

The law allows the DOC, DMHAS, and Social Services (DSS) commissioners to establish or contract for a nursing home to care for individuals who require nursing home levels of care and are (1) transitioning from a state correctional facility or (2) receiving DMHAS inpatient services. A 2012 budget act provision allows the DOC commissioner to release inmates who meet certain criteria into licensed, community-based skilled nursing homes under contract with the state.

In September 2011, DMHAS issued a request for information (RFI) for nursing home space for these individuals and specified the information to be provided in response to the RFI. It then issued a request for proposals (RFP), in conjunction with DOC and DSS, in February 2012 to identify nursing home levels of care for these individuals. The RFP described its purpose, identified eligibility and application requirements, and specified the proposal evaluation and selection process. The selection process was designed to choose a service vendor, rather than a particular site, although proposals were required to provide information regarding their potential sites.

The agencies received three proposals, one of which it determined was not responsive. DMHAS chose SecureCare Options, LLC as the service vendor. SecureCare Options chose 60 West Street in Rocky Hill as the project's site because, as a former nursing home, it would need minimal modification to serve patients with severe medical needs in a secure setting. This proposal received a substantially higher score (77.36 vs. 46 out of 100) by the inter-agency rating team than the remaining proposal. The town of Rocky Hill recently sought an injunction to prevent the facility from opening on zoning and other grounds.

Extensive project information, including the [RFI](#), [RFP](#), the selected [proposal](#), and answers to frequently asked questions is available on DMHAS website, <http://www.ct.gov/dmhas/cwp/view.asp?a=3749&q=515698>. The other proposals are attached to this report.

## **LEGISLATION**

2011 legislation ([PA 11-44](#), codified as [CGS § 17b-372a](#)) allows the DOC, DMHAS, and DSS commissioners to establish or contract for the establishment of a chronic or convalescent nursing home on state-owned or private property to care for individuals who need nursing home levels of care and are (1) transitioning from a state correctional facility, or (2) receiving DMHAS inpatient services. A nursing home developed under this provision is exempt from the law requiring nursing homes to obtain a certificate of need from DSS ([CGS §§ 17b-352](#) to [17b-354](#)). The law places no geographical limits on the nursing home's location.

A provision in the 2012 budget act ([PA 12-1](#), June 12 Special Session) allows the DOC commissioner, at his discretion, to release an inmate, other than one convicted of a capital felony or murder with special circumstances (the category that replaced capital felonies), for placement in a licensed, community-based nursing home under contract with the state. The act permits this transfer if the DOC medical director determines that the inmate is suffering from or is so debilitated or incapacitated by a terminal condition, disease, or syndrome that he or she (1) requires continuous palliative or end-of-life care or (2) is physically incapable of presenting a danger to society.

The nursing home must provide palliative and end-of-life care to the inmate and DOC must continue the inmate's supervision. The commissioner may require, as a condition of release under this provision, that the medical director conduct a periodic medical review and

diagnosis of the inmate during the release. An inmate must be returned to DOC custody if the medical director determines that the inmate no longer meets the criteria described above.

## **REQUEST FOR INFORMATION**

On September 30, 2011, DMHAS issued an RFI for nursing home space for individuals either receiving inpatient DMHAS services or transitioning from a correctional facility. The RFI stated that DMHAS and DOC were looking for innovative and effective approaches to provide long term care access to a small group of DMHAS clients and prisoners at the end of their sentence or being released from parole.

The agencies sought submissions that:

1. stimulated innovation and efficiency in service delivery,
2. supported person-centered approaches,
3. provided access to care for a population that existing nursing homes refused due to their criminal histories or level of psychiatric disability,
4. contained a plan to maintain the population below institutions for mental disease levels, and
5. were financially sustainable.

According to the RFI, nursing home placement might be considered the least restrictive, most integrated setting for these individuals when two conditions are met. First, the person has physical, medical, or cognitive needs requiring 24-hour skilled nursing services, all community options have been explored and the person's health and safety needs can only be met in a skilled nursing home setting, or both.

Second, the admission complies with federal and state preadmission screening and resident review (PASRR) criteria because the person has (1) an uncontrolled, unstable, or chronic medical condition requiring continuous skilled nursing services as evidenced by diagnoses, therapies or services, observation requirements, and frequency or (2) chronic conditions requiring substantial assistance with daily personal care. (Information about PASRR is available at <http://www.pasrr.com/ConnecticutDefault.aspx>.)

Respondents were required to provide (1) a clear and specific description of their proposed approach and how it further supported establishment and implementation of a nursing home level of care for these individuals and (2) contact information. They were required to do so by November 1, 2011 (one month from the RFI issuance date.)

## **REQUEST FOR PROPOSALS**

### ***Background***

State agencies use RFPs as a form of competitive procurement to purchase or acquire services. The submitted proposals are evaluated and rated according to the agency's predetermined criteria. The agency selects the proposal that best meets the state's interests and offers the selected proposer an opportunity to negotiate a contract. The resulting contract cannot differ substantially from the agency's original requirements, as presented in the RFP.

In this case, DMHAS issued its RFP in conjunction with DOC and DSS on February 6, 2012. The RFP had a March 30, 2012 submission deadline and called for vendor selection by May 18, 2012, contract negotiations to begin by June 8, 2012, and the contract to start by January 1, 2013.

### ***Purpose***

According to the RFP, the departments were looking to contract for approximately 95 nursing beds for clients as described in the RFI. The departments sought a vendor presently operating a skilled nursing home and who was interested in converting an existing property for this new business.

The RFP stated that the departments would award one proposer the right to negotiate a contract with them for the services described in the RFP. It noted that the departments anticipated that the program would primarily be federally-funded since most clients would be Medicaid-eligible. Under the RFP, DMHAS would reimburse the provider through a purchase of services contract for anyone Medicaid-ineligible who had no other means of payment.

### ***Eligible Proposers***

The RFP was open to for-profit and nonprofit long-term care providers, state agencies and municipalities. Proposers were required to:

1. have a demonstrated track record of operating a skilled nursing facility;
2. own and operate a skilled nursing facility with a capacity of approximately 95 beds;
3. comply with federal and state nursing home operating standards;

4. agree to comply with a structured monitoring process established and operated in conjunction with DOC and DMHAS addressing such things as tracking client referrals, admissions, treatments, client rights issues, and discharges; and
5. demonstrate an ability to self monitor resident population to ensure the facility does not reach the status of an Institution for Mental Disease (i.e., a hospital or other institution for mental diseases with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases).

### ***Proposal Components***

The proposal had to address a variety of issues pertaining to physical plant, staffing, timelines, and budget. It had to provide the facility's address and physical description, including its type of structure, capacity, and safety features, such as cameras or security systems. It had to be properly zoned and have desirable space options to accommodate individuals with a full range of past criminal offenses. It also had to explain in detail any community obstacles that may arise by providing services to these individuals.

With respect to staffing, the proposal had to provide ratios and configurations of professional and paraprofessional staff to meet the needs of a nursing home with an approximate capacity of 95 beds. These staff had to be competently trained and able to treat people who (1) meet PASRR criteria, (2) are difficult to place because of DOC or DMHAS involvement, and (3) require nursing home levels of care.

In addition, the proposal had to describe:

1. the proposer's specific type and length of experience in delivering skilled nursing services, particularly to individuals transitioning from correctional facilities or receiving DMHAS services;
2. data collection, management, and reporting processes;
3. key dates for converting the existing property, completing renovations, hiring and training staff, and admitting the first person (i.e., the work plan); and
4. an anticipated startup and annualized budget for services.

### ***Evaluation Process***

***Screening Committee.*** DMHAS, DOC, DSS, the Department of Public Health, and the Long-Term Care Ombudsman formed a committee to review the three proposals DMHAS received in response to the RFP,

including any confidential information. Only proposals found to be responsive (i.e., compliant with all RFP instructions and requirements) were rated and scored. When evaluating proposals, negotiating with successful proposers, and awarding contracts, DMHAS followed its written procedures for purchase of service procurements (pursuant to [CGS § 4-217](#)) and the state's Code of Ethics ([CGS §§ 1-84](#) and [1-85](#)).

**Evaluation Criteria.** Proposals that met the minimum submission requirements were evaluated according to the RFP's criteria (weights in parentheses): (1) organizational profile (10%), (2) service requirements (40%), (3) staffing requirements (20%), (4) data and technology (5%), (5) work plan (15%), and (6) budget and budget narrative (10%).

After completing its evaluation, the screening committee submitted its rankings of all proposals to the DMHAS commissioner, who was responsible for choosing the successful proposer. The proposer was allowed to negotiate, but not entitled to, a contract with DMHAS.

**Review and Appeal.** The RFP allowed losing proposers, within ten days being notified by DMHAS, to request information or a meeting about the evaluation and selection process. If held, the debriefing meeting would not compare proposals or change, alter, or modify the outcome of the evaluation or selection process.

The RFP allowed proposers to appeal any aspect of DMHAS procurement, including the evaluation and selection process. The appeal could be filed any time after the proposal due date, but no more than 30 days after DMHAS notified unsuccessful proposers about the outcome of the evaluation and selection process. The filing of an appeal would not be sufficient reason for DMHAS to delay, suspend, cancel, or terminate the procurement process or execution of a contract.

## **SELECTED PROPOSAL**

The screening committee determined that one of the proposals, from Chi-Central Healthcare Initiatives, Inc., was nonresponsive because it did not complete any of the required proposal sections (i.e., organizational profile, service requirements, staffing requirements, data and technology requirements, work plan, and budget). The committee selected SecureCare Options, LLC, whose [proposal](#) received an average score of 77.36 out of 100. The other proposal, from CorrectHealth, LLC, received a score of 46.00. The DMHAS commissioner subsequently began negotiations with SecureCare Options.

SecureCare Option's proposal stated that, at the time of submission, it did not have adequate vacancies in its existing Connecticut properties to house the projected 95 beds covered by the RFP. Instead, SecureCare Options stated that it was considering buying a vacant, appropriately zoned facility to serve this population, preferably in a semi-rural environment, at least one mile from the nearest school.

In November 2012, SecureCare Options bought 90 West Street, Rocky Hill for \$1.9 million. The facility opened as a nursing home in 1967, but had been vacant since April 2011. SecureCare Options chose this project site because, as a former nursing home, it would need minimal modification to serve patients with severe medical needs in a secure setting.

According to DMHAS' website, SecureCare Options will provide 24 hour security personnel at the facility. Like other nursing homes, secure units will be used to control patient movement. Security personnel provided by SecureCare Options will monitor all nursing home visitors entering the nursing home and DOC patients will follow the department's visitation rules. DMHAS does not expect the facility to use emergency services more than the nursing home formerly located on the site.

## **RECENT DEVELOPMENTS**

In December 2012, the Rocky Hill town council authorized the town attorney to pursue legal action against SecureCare Options. The suit was filed December 18 against affiliates of SecureCare Options, seeking temporary and permanent injunctions to prevent the facility from opening. The suit alleges that the facility violates local zoning requirements and is not currently operating, as was contemplated in the 2012 budget act. The litigation is pending.

In addition, proposed legislation currently before the Public Health Committee, SB 115, would prevent the establishment of residential nursing facilities serving inmates and mental health patients without a site approval process requiring local input.

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