

State of Oregon
Oregon Health Authority (OHA)
Health Systems Division (HSD)

2015 – 2017
Competitive Application Process
Substance Use Disorder Day Treatment with Housing Support Service
APPLICATION NOTICE

Health Systems Division (HSD), formerly known as Addictions and Mental Health (AMH) and Medical Assistance Programs (MAP) is pleased to announce the solicitation of Applications from Substance Use Disorders (SUDs) treatment providers, Tribal Authorities (TA), Community Mental Health Programs (CMHP) and Coordinated Care Organizations (CCO) and all other interested parties are invited to apply. Funding will be used to develop Substance Use Disorder Day Treatment (Out Patient ASAM Level II.5) with Housing Support Services for the Medicaid or Indigent populations. The Indigent population and the Medicaid population are two different populations. The Indigent population has no insurance coverage such as Medicaid or Medicare. The programs being developed are to increase access to care for these two population groups (i) the Indigent and (ii) those eligible for Medicaid. Therefore, the programs are not to accept private pay or private insurance.

Please Note: In order for applications to be considered, Applicants **MUST** obtain a letter of endorsement from each of the following:

- Renter Rehabilitation Program recognized in the community by landlords;
- CMHP;
- CCO; and
- Applicable TAs for tribal projects.

Successful Applicants will be required to start program development immediately upon award. Development of the Day Treatment programs is specific to increasing access to care capacity for the Medicaid and Indigent populations, Applicants must be able to support this goal by reserving all capacity to these populations. Payment for clinical Day Treatment services will be obtained via existing funds available

through Medical Assistance Programs (MAP), CMHPs and CCOs. Awardees will have to be or have the ability to become a participating provider(s) with MAP and CCOs for the clinical portion of services provided to Medicaid eligible individuals (Day Treatment outpatient SUDs services is an Oregon Medicaid benefit) and work with local CMHPs to obtain a contract to receive funds for outpatient services for the indigent population.

Available Funds:

The amount of funding available through this application is a total of \$1,750,000.00 to support the development of multiple programs (funding not to exceed 16 beds per program). Max funding per program will be established based upon applicant's bid and budget at HSD's discretion. A onetime payment will be available per program for construction cost (development costs) and start-up cost (furnishings, fixtures and staff) associated with developing a Day Treatment Program (Out Patient ASAM Level II.5) with Housing Support Services.

Application Question & Answer Session:

HSD will provide one (1) Question and Answer Session for this Application

Date: January 4, 2016

Time: 9:30am

Participation by phone: Call-In Number- 1-877-336-1828

Participation Code- 907760

All interested parties are invited to participate.

Application Due Date:

Applications must be delivered to HSD no later than 5:00pm February 1, 2016. Postmarks will not be accepted. No Applications will be accepted by fax or email or any other electronic mean of submission.

For an Application Packet please make an email request to:

Dana C. Peterson at dana.c.peterson@state.or.us

Background & General Information

These funds will enhance and expand the recovery oriented system of care and will provide additional funding to support transitional treatment to appropriate lower levels of SUDs out-patient, specifically for the Medicaid and Indigent populations. Day Treatment (Out Patient ASAM Level II.5) with housing support services, case

management and peer delivered services (PDS) is for individuals that are ready to be discharged from SUDs residential but do not have a living environment that will support and stabilize the individual in recovery as well as for individuals that assess directly at ASAM II.5 level of care. These individuals will transition down to ASAM Level II.1 (Intensive outpatient) and step down to ASAM Level I (outpatient) while residing in the Day Treatment Program as part of their treatment plan and progress goals.

Relapse is largely due to lack of adequate housing and supports. The day treatment model with housing support services, case management and peer delivered services will support individuals to continue receiving treatment and move through the continuum of outpatient SUDs care while developing adequate life, social, emotional and behavioral skills to succeed outside of a substance-using environment, and to secure stable long term self-sufficiency in housing.

Length of Stay:

Length of stay will vary for each individual depending upon their level of need. An estimated 3-9 month stay in day treatment with housing support services will allow for individuals to move through the continuum of care and to make strong connections within the community and identify local resources and supports.

The addition of day treatment in the continuum of care that is inclusive of housing support services, case management and PDS will model advocacy.

Housing Support Services:

The housing support services will include partnering with existing renters rehabilitation programs such as the Second Chance Renters Rehabilitation Program (<http://freshgrok.com/satarah/SVdP/renters-rehabilitation.php5>). HSD will enter into a contractual agreement with the successful applicant awardees to provide a \$24 per diem rate for each resident and a one-time barrier removal stipend of up to \$500.00 per resident as needed.

The Renters Rehabilitation Programs are designed to help prospective renters overcome obstacles which prevent them from obtaining housing. Consisting of multiple classes taught by qualified instructors from the community, participants will learn new skills in landlord tenant issues; conflict resolution; energy education; money management; goal setting; and how to be a good tenant. The existing “Second Chance” programs are in 5 Oregon counties. The classes are typically between 8-10 weeks. There is a \$200 fee and some offer a scholarship.

After successful completion of the program the participants receives a certificate that is recognized by landlords.

As individuals approach discharge from day treatment and if needed, have completed the renter's rehabilitation program they would then benefit from housing support services in the form of a stipend towards move in costs.

This stipend would be a one-time payment of up to \$500 to assist in removing barriers and allow the individual to access independent housing.

The stipend could be used towards the cost of a renter's rehabilitation program, utility bills that are in arrears, security deposits, pet deposits, fees for identification (driver's licenses, state ID, etc.) and other barrier removal services designed to allow people to access housing.

All though not every individual accessing Day Treatment will need to participate in a renter's rehabilitation program, HSD feels it is an important relationship for the Day Treatment program to have in place with a letter of endorsement from a local renter's rehabilitation program.

A meaningful transformed system of care that provides day treatment with housing support services, case management and peer delivered services must be widely available to Oregonians; HSD will be looking for partners across the state in multiple communities for geographical distribution of resources.

Day Treatment Housing Focus and Eligibility of Funds

HSD reserves the right to identify specific types of program development being targeted to address client needs. This application round is for the development of multiple Day Treatment programs with Housing Support Services, to increase capacity to serve the indigent and Medicaid population, funding will not exceed 16 beds per program. No other type of program will be considered during this application round.

Potential referral sources for residents may be; higher levels of SUDs residential care, lower levels of SUDs outpatient care, juvenile justice settings, criminal justice, the Secure Adolescent Inpatient Program (SAIP), or Child Welfare.

Additional Funding Sources for Day Treatment and Housing Support Services Development

HSD requires notification of other funding sources being used for program development. HSD requires that any and all executed commitment letters for additional funding to be attached to your application. Examples include commitment letters from CMHPs, primary lender(s), private trusts, etc.

Appeal of Funding Decisions

Applicants who do not agree with funding decisions are encouraged to discuss their application with Division staff. If the issue is not resolved, applicants may submit a request for appeal of the decision to the Chief Health Systems Officer (CHSO) or designee, as follows:

(A) The applicant requesting an appeal will submit a written request to the CHSO or designee within seven (7) business days after receiving the written funding decision.

(B) Division Review and Notification: The CHSO will approve or deny the request for an appeal and will notify the applicant in writing of the decision to approve or deny the requested appeal, within fifteen (15) business days of receipt of the appeal.

(C) Appeal to the Director: Appeal of the decision of the CHSO will be made in writing to the Director of the Oregon Health Authority, whose decision will be final and will be provided in writing within fifteen (15) business days of receipt of the appeal.

(D) The decision to grant the appeal in favor of the applicant for one (1) request does not set a precedent that must be followed by the Division when evaluating subsequent requests for appeal.

15 Day Reservation Period

Once the application process is completed and successful applicants have been notified of a conditional award, the project enters a 15 day reservation period. During this period the applicant is expected to respond to all reservation conditions outlined in the letter prior to funding of the award. In the event of non-performance, the Division may decide to revoke the conditional award.

Division's Direction to Retain Funding and Project Completion

HSD requires applicants and program owners (collectively "applicant") to submit all requested documents on time, complete, and accurate. HSD may withhold the release of funding for any project until all required documents are received and approved by HSD. Any project that has been awarded funding that does not show significant progress toward completion in line with the project's development timeline is subject to having funding rescinded. HSD expects Day Treatment programs to be open as soon as is feasible.

Submission of Construction Costs Documents

Applicants will be required to include in the application the cost estimations used to determine the construction or renovation budget. Examples of appropriate cost documents are:

- A contractor's or cost estimator's worksheet
- Itemized contractor bid
- Renovation assessment
- Scope of work
- Other documents which show how construction costs were established

Submission of Start-up Costs Documents

Applicants will be required to include in the application the cost estimations used to determine the start-up budget. Examples of appropriate cost documents are:

- Worksheet of staff titles, brief description of duties and training needs, document would include start up wages and/or training costs associated with the position
- Itemized cost of furnishings

Technical Assistance

HSD staff is available to provide technical assistance regarding the application and its attachments, including budget forms. This assistance is limited to obtaining clarity and general questions related to the application. The applicant is expected to possess the ability to complete the project application and budget, using HSD approved budget forms and documents.

Applicant Qualifications and Experience

The applicant must demonstrate sufficient experience in project management along with the requisite fiscal expertise to bring a project to completion. Past experience in housing/Day Treatment development and experience composing a competent development team or partnership is preferred, but not necessary.

Applicant qualifications and experience will be scored on the following criteria:

- Applicant's history of providing residential services for the identified population.
- Applicant's ability to achieve operational status within the prescribed time frame.
- Applicant's experience developing and owning housing and/or Day Treatment.
- Applicant's development team's experience developing Day Treatment programs.
- Applicant's readiness to initiate development process.
- The scoring of an applicant's qualifications and experience will include a review by HSD of the applicant's past performance related to developing Day Treatment program on time and on budget. It will also include applicant's program performance for existing facilities.
- Applicant's ability to coordinate and/or provide substance use disorder treatment services.
- Applicant's ability to coordinate and/or provide housing support services. (Renter rehab, peer services, case management etc.)

Securing State Investments and Repayment Provisions

Applicants receiving a Day Treatment with housing support development award must enter into a Community Housing Development Agreement with HSD. Day Treatment with housing support development awards are defined as \$5,000 or more awarded to support the purchase, or improvement of real property. The Community Housing Development Agreement outlines the conditions under which the Day Treatment with housing support development award is made. Recipients of Day Treatment with housing support development awards must agree to execute a Promissory Note and Trust Deed. The Trust Deed is recorded as a lien against the project property in the respective county. Awards are disbursed through escrow; it

is the responsibility of the successful applicant to pay recording and escrow fees or other charges associated with the transaction.

The equity value on the subject property must support all secured lien positions. Any project that reflects a negative equity margin must be secured by additional collateral approved by HSD.

HSD Day Treatment with housing support development funds are awarded with a provision of repayment in the event of default of the recipient. Interest is accrued at the rate of zero (0) percent per annum. The repayment amount is based on the amount of funding awarded and is multiplied by a fraction, the numerator of which shall be 30 minus the number of full years that have transpired between the date of the filed legal document and the date of demand, and the denominator of which is 30. The following is example scenario:

Amount of the award is \$115,000 and applicant agrees to develop project and maintain the project for a minimum of 30 years. If, after 15 years the applicant decides to change the project use, the Applicant would repay 15 years of the remaining amount of the original \$115,000. Annually the amount awarded would be reduced by \$3,833.33, so after 15 years the “forgiven” amount would be \$57,499.95. The original amount of \$115,000.00 less the “forgiven” amount of \$57,499.95 creates a remaining amount owed to HSD of \$57,500.05.

In the event of default, the recipient is responsible for repaying the “un-forgiven” (balance of award amount remaining) amount of the award to HSD.

Recipient has the option to locate a new owner, but the new ownership MUST be approved by HSD prior to the transfer of the property. It is the responsibility of HSD to provide approval or non-approval in a timely manner.

All requirements for both parties are detailed in the Community Housing Development Agreement, Trust Deed, Promissory Note and other legal documents that may be required by HSD to secure the state’s interest.

Non-discrimination

Under civil rights and fair housing laws, it is illegal to discriminate based on race, national origin, religion, sex, age, familial status, marital status, source of income and physical and mental disability. Applicants must certify that they will not discriminate in service delivery or housing provisions.

Civil rights and fair housing laws information is available at the following locations:

<http://www.leg.state.or.us/ors/659a.html>

<http://uscode.house.gov/download/pls/42C45.txt>

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

<http://www.fhco.org/>

Documentation of Start-Up and Operating Expenses

Awardee must provide final DRAFT start-up and construction budgets not less than two months prior to occupancy. Awardee may be asked to provide additional financial information related to the programs operation for HSD review. Final start-up and construction budgets will be negotiated with HSD for max award.

Compliance Monitoring

Applicants approved for an HSD Housing/Day Treatment development award are required to prepare and submit written annual reports for completed projects to satisfy HSD requirements of the continued use of the property for the agreed purpose as defined in the trust deed.

Application Selection Process and Criteria

Applications will be reviewed, scored and ranked by an HSD appointed review panel. The review panel's recommendations will be presented to the HSD CHSO, who will make the final award decision. The review panel will use criteria listed on page 12 and 13 of the Application Materials to score and rank the applications.

Applications must meet all threshold criteria and have a cumulative score of at least 120 points out of 200 in order to be considered for funding. HSD reserves the right to amend or cancel this HSD 2015-2017 competitive application, to reject any and all applications, to score applications, or to require additional information as a condition of acceptance.

Merit and Feasibility

Conditional awards will be made for programs based on the overall merit and feasibility of a program proposal. HSD reserves the right to adjust the amount of funding and to negotiate modifications to the proposed program plan and budget prior to agreement execution.

Availability of Funds

In general, applicants who receive conditional awards should not expect to draw funds until all documents required in the listed conditions of award letter have been submitted and are deemed satisfactory by HSD. Funds will be released after the applicant has signed the Community Housing Development Agreement and conditions of the award letter have been satisfied. HSD will deliver the funds and the Trust Deed and Promissory Note to a title company located in the state of Oregon approved by both the applicant and HSD. The Applicant is responsible for all fees associated with the cost of filing and recording these legal documents.

Changes to the Scope of Project During or After the Award

Funding awards will be based upon reasonable, if not entirely firm program concepts. Limited amendments to the scope or nature of a program will be permitted with prior HSD approval. The HSD Chief Health Systems Officer (CHSO) reserves the right to revoke the award. The applicant should not make any decisions regarding a change in the project's concept without including HSD in the revision process.

If you have would like an application packet, have questions or would like technical assistance, please email Dana C. Peterson dana.c.peterson@state.or.us