



**NEW YORK STATE DEPARTMENT OF CIVIL SERVICE**

**REQUEST FOR PROPOSALS #2014-MH-1**

**"MENTAL HEALTH AND SUBSTANCE ABUSE PROGRAM  
FOR THE EMPIRE PLAN, EXCELSIOR PLAN AND STUDENT  
EMPLOYEE HEALTH PLAN"**

**RELEASE DATE: March 13, 2014**

**PROPOSAL DUE DATE: May 20, 2014**

**IMPORTANT NOTICE:** A Restricted Period under the Procurement Lobbying Law is currently in effect for this Procurement and will remain in effect until State Comptroller approval of the resultant contract. During the Restricted Period for this Procurement ALL communications must be directed, in writing, solely to the Procurement Manager as listed below and shall be in compliance with the Procurement Lobbying Law and the NYS Department of Civil Service "*Rules Governing Conduct of Competitive Procurement Process*" (refer to RFP, Section II: Procurement Protocol and Process).

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**Jerry Boone  
Commissioner  
New York State Department of Civil Service**

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Director  
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**SECTION I: INTRODUCTION****A. Purpose**

The purpose of this Request for Proposals (RFP or Procurement), entitled “Mental Health and Substance Abuse Program for the Empire Plan, Excelsior Plan and Student Employee Health Plan” is to secure the services of a qualified Offeror to administer The Empire Plan, Excelsior Plan and Student Employee Health Plan Mental Health and Substance Abuse Program (MHSA Program).

- (1) It is the Department of Civil Service’s (Department) intent to enter into a contract (Agreement) with one (1) Offeror selected as a result of this RFP. The Agreement will be for a term of five (5) years with one optional extension period of up to eleven (11) months at the sole discretion of the Department, commencing on the first Day of the month following a minimum 90-Day implementation period after the Office of the State Comptroller approves the Agreement, during which the selected Offeror shall be responsible for administering the MHSA Program in accordance with the terms and conditions of the Agreement.

The Offeror must agree to be bound by its Proposal which will be explicitly incorporated by reference into the executed Agreement. The Department will only contract with a single Offeror, which will be the sole contact with regard to all provisions of the Agreement. If the Offeror’s Proposal includes Key Subcontractors or Affiliates, the Offeror will be considered the Prime Contractor, and the Offeror shall assume full responsibility for the fulfillment of all of the Contractor responsibilities under the Agreement. This RFP and other relevant information may be reviewed at: [www.cs.ny.gov/MHSA2014RFP/index.cfm](http://www.cs.ny.gov/MHSA2014RFP/index.cfm)

**Note:** Refer to Section VIII: Glossary of Terms, for definitions of terms used throughout this RFP.

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**B. Overview of the New York State Health Insurance Program**

The New York State Health Insurance Program (NYSHIP) was established by the New York State Legislature in 1957 to provide essential health insurance protection to New York State (NYS) Employees, Retirees, and their eligible Dependents. Chapter 56 of the Laws of 2010 amended the law to allow the New York State Employee Health Insurance Plan the option to be self-funded. Specifically, the law states that the President of the Civil Service Commission “may provide health benefits directly to plan participants, in which case the president is hereby authorized to purchase a contract or contracts with one or more firms qualified to administer, on New York State health benefit plan’s behalf, the plan of benefits.” Public authorities, public benefit corporations, and other quasi-public entities, such as the NYS Thruway Authority and the Dormitory Authority may choose to participate in NYSHIP; those that do are called Participating Employers (PEs). Article XI of the NYS Civil Service Law also allows local units of government such as school districts, special districts, and municipal corporations to participate in NYSHIP; those local government units which choose to participate in NYSHIP are called Participating Agencies (PAs). At present, there are approximately 453 NYS agencies, 93 PEs, and 798 PAs in NYSHIP. Under Article XI of the Civil Service Law, as amended, and 4 New York Code of Rules and Regulations (NYCRR) Part 73, as amended, the President of the New York State Civil Service Commission, who also serves as the Commissioner of the Department, through the Department’s Employee Benefits Division (EBD), is responsible for the ongoing administration of NYSHIP.

NYSHIP currently covers over 589,635 NYS, PA and PE Employees and retirees. Eligible covered Dependents bring the total number of covered lives to approximately 1,222,500.

NYSHIP currently provides health benefits coverage through The Empire Plan, a Participating Provider Organization (PPO) with managed care components, and 10 Health Maintenance Organizations (HMOs). The Excelsior Plan is a lower cost version of The Empire Plan available to PAs. Additionally, the Student Employee Health Plan (SEHP) is administered through The Empire Plan contracts. SEHP is a health benefits plan for graduate student Employees of the New York State and New York City University systems. NYS and PE employees and retirees may elect to enroll in either The Empire Plan or in HMOs offered

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through NYSHIP. NYSHIP offers only The Empire Plan and the Excelsior Plan to PAs. PAs may, and frequently do, offer HMOs directly to their own Employees and retirees as an alternative to Empire Plan coverage.

**C. Overview of The Empire Plan, Excelsior Plan and Student Employee Health Plan**

The Empire Plan, Excelsior Plan, and SEHP (collectively referred to as the Program) are comprehensive health benefit programs for New York's public Employees and their families. The Program is sponsored by the Council on Employee Health Insurance (CEHI). The Council is composed of the President of the Civil Service Commission, the Director of the Governor's Office of Employee Relations (GOER), and the Director of the Division of the Budget (DOB). The Department holds the contracts with the Program carriers/third party administrators. All components of the Program are self-funded.

This RFP seeks to secure the services of a qualified Offeror under a self-funded Administrative Services Only (ASO) arrangement for the MHSA Program. The Employee Benefits Division (EBD) within the Department is responsible for the administration of the Program. The Empire Plan currently has over 528,000 Enrollees with approximately 1,096,000 covered lives. The Empire Plan benefit design has four (4) main parts including:

1. Hospital Program benefits that include coverage for hospital inpatient stays and Emergency Care that are primarily medical as opposed to psychiatric or substance abuse issues, as well as outpatient services. This program is currently administered by Empire BlueCross BlueShield;
2. Medical Program benefits that include coverage for medical and surgical services under the Participating Provider and the Basic Medical Programs and includes several specialty programs. This program is currently administered by UnitedHealthcare Insurance Company (UHC) of New York;
3. Prescription Drug Program benefits that include coverage for prescription drugs dispensed through retail network pharmacies, and through the Mail Service Pharmacy

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Process, through the Specialty Pharmacy Program, and through non-network pharmacies. This program is currently administered by CVS/Caremark [CVS Caremark]; and

4. Mental Health and Substance Abuse Program benefits that include coverage for network services through participating provider and non-network services. This program is currently administered by ValueOptions, Inc. [ValueOptions].

The benefit design of The Empire Plan is the result of collective bargaining between NYS and the various unions representing its Employees. Benefits are administratively extended to non-represented NYS Employees, Employees of PAs and PEs, and retirees. Therefore, the benefit design is subject to change from time to time as the result of those negotiations, and there are variations in The Empire Plan's benefit design among the bargaining units. The benefit design cannot deviate from that which has been collectively bargained. The majority of the active workforce is represented by various unions, and union participation in the design and oversight of NYSHIP is active and ongoing. The Excelsior Plan, available to NYS local governments who participate with NYSHIP, is a more affordable version of The Empire Plan. It offers many of the same features and benefits of The Empire Plan, with a higher degree of Cost Sharing by covered individuals. The collective bargaining units and the unions representing the collective bargaining units are identified in Exhibit II.A2 as well as the other groups that participate in the Program.

The Empire Plan also affords benefits to members of the SEHP through the various Empire Plan contracts with the Administrators. The SEHP was established in 1994 through collective bargaining. The SEHP became part of NYSHIP in 2002 to provide basic health insurance protection to graduate student Employees of the State University of New York and their eligible Dependents. This benefit was extended to the graduate student Employees of the City University of New York (CUNY) on January 1, 2009. Like The Empire Plan, the SEHP includes hospital, medical, managed mental health and substance abuse benefits, and prescription drug benefits. In 2013, the SEHP had a combined hospital, medical, managed mental health and substance abuse, and prescription drug benefit annual limit of \$2,000,000. No annual combined SEHP benefit limit is permitted for plan years beginning January 1,

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2014. SEHP covers an average of 5,600 Employees; their eligible covered Dependents bring the total number of average covered lives to approximately 6,900.

As required under the Mental Health Parity and Addiction Equity Act (MHPAEA), effective January 1, 2012, annual Deductibles and out-of-pocket Coinsurance Maximums are shared between the Program's medical, hospital and mental health and substance abuse (MHSA) carriers/third party administrators. The annual shared Deductible and out-of-pocket Coinsurance Maximums vary by group. See **Exhibit II.B** for a summary of shared accumulators by group. Currently, the Program's medical carrier/third party administrator oversees administration of the shared accumulators through daily claims processing files. See **Exhibit II.F5** for the file layout of the shared accumulator claims files.

Also required under MHPAEA, the Program completed a review of the quantitative and non-quantitative treatment limits. See **Exhibit II.L** for a summary of non-quantitative treatment limitations under the Empire Plan Medical Program. As currently designed, the Program is compliant with the MHPAEA interim regulations with regard to Cost Sharing, Pre-Certification requirements, concurrent review and utilization review for inpatient and outpatient services; we anticipate that some modifications will need to be made on January 1, 2015 as a result of the recently issued final regulations. The Program's MHSA and medical carrier/third party administrators interact on a regular basis to ensure that the Program remains parity compliant.

Effective January 1, 2013, the MHSA Program was required to comply with the NYS Autism mandate (Chapters 595 and 596 of the Laws of 2011) to provide coverage for the screening, diagnosis, and treatment of Autism Spectrum Disorder (ASD). This coverage includes assessments, evaluations or tests to diagnose ASD, medications, psychiatric and psychological care, and therapeutic care, including services provided by licensed speech therapists, occupational therapists, social workers and physical therapists. The Program's medical and MHSA carriers/third party administrators currently cover the vast majority of mandated benefits with the exception of Applied Behavioral Analysis (ABA). Effective January 1, 2014, the MHSA Program applies an annual maximum of 680 hours per individual for ABA services allowed by Chapter 56 of the Laws of 2013.

Effective January 1, 2014, the MHSA Program was required to comply with the Provider Non-Discrimination provisions of the Affordable Care Act (citation). The MHSA Program currently provides non-network coverage to MHSA providers acting within the scope of their license.

**D. Overview of the Mental Health and Substance Abuse Program**

Program coverage for mental health and substance abuse services has been part of the Empire Plan since its inception in 1986. In 1992, the Empire Plan was redesigned to provide coverage for MHSA services separate from hospital and medical benefits and, since that time, the MHSA benefit has been insured and administered as a separate program within the Empire Plan which provides both Network and out-of-network benefits.

A primary component of the Network benefit is a stable and adequate panel of quality behavioral health providers. The MHSA Program network is currently composed of a mix of licensed psychiatrists, psychologists, licensed and registered clinical social workers, psychiatric nurses and nurse practitioners, Certified Structured Outpatient Rehabilitation Programs, residential treatment centers, group homes, Partial Hospitalization Programs, hospitals, group practices and licensed Certified Behavioral Analysts (CBA). To assure there is the opportunity to supplement clinical care with community programs, the Network also includes alternative treatment programs such as half-way houses and treatment programs for dually diagnosed individuals and programs certified by the NYS Office of Alcoholism and Substance Abuse Services. For the Agreement that results from this RFP, the Offeror may include in the Network Provider-types who are licensed at the highest level in their State and who are providing Covered Services within their licensure. For NYS, this includes LCSW-R and LCSW who qualify for the R-designation.

Since the MHSA Program guarantees access to the Network level of benefit, if an appropriate Network Provider is not available for an appointment within a time frame which meets the member's clinical needs, the Contractor must make a Single Case Agreement with a Non-Network Provider for services at the Network level of benefits.

Recognizing the importance of providing individualized, appropriate treatment in the least restrictive option possible, the MHSA Program utilizes a Clinical Referral Line and care management. The Clinical Referral Line is staffed by licensed clinicians experienced in the assessment and treatment of mental health and substance use disorders, and is maintained by the Contractor as a Program-dedicated telephone line available twenty four hours a day, seven days a week from anywhere in the United States. Callers can reach the Clinical Referral Line through the NYSHIP toll-free number. The Clinical Referral Line gives callers a thorough clinical assessment which, in turn, helps the Contractor identify the most appropriate treatment setting and provider for referral. Once a referral is received, the caller is guaranteed that the provider is a Network Provider.

Clinical Management assesses the medical necessity of the proposed care so as to best meet the treatment needs of the Enrollee and evaluate whether appropriate care is rendered at the least restrictive level. Clinical Management is especially important where the case is complex and continuing review is necessary to determine if treatment goals are being met. Clinical Managers coordinate care with the Enrollee's family, primary care provider, treating facility, and provider to follow the Enrollee through their treatment plan.

For inpatient services other than emergencies, including alternate levels of care such as halfway houses and residential treatment centers, Network care should be pre-certified to ensure the highest level of benefits. If the Enrollee is referred to inpatient treatment from the Clinical Referral Line, the Network Provider is responsible for contacting the Contractor to begin the pre-certification process. During this process, Clinical Managers apply the Contractor's clinical and medical necessity criteria as well as utilization management techniques. Thereafter, the Clinical Manager discusses the proposed treatment with staff at the facility which includes either the facility attending provider or an internal utilization review nurse. The Clinical Manager determines medical necessity by reviewing the symptoms, diagnosis, history, treatment goals, and planned interventions against the Contractor's clinical criteria.



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If the Clinical Manager cannot determine the medical necessity of an inpatient admission, the case is automatically reviewed by the Contractor's Peer Reviewers. Peer Reviewers must be either psychiatrists or Ph.D. psychologists, with a minimum of five years of clinical experience. Clinical Management also includes concurrent inpatient reviews that occur with variable frequency depending on the level of care and the complexity of the case. Clinical Managers closely monitor the Enrollee's transition from inpatient to outpatient care with appropriate discharge planning to make certain that appointments are kept and the Enrollee is compliant with medications.

The following services are covered under the MHSA Program, subject to applicable Cost Sharing:

1. Outpatient Care
  - a. Emergency Care at a hospital for treatment of MHSA when there is no inpatient admission following the care;
  - b. Office Visits;
  - c. Psychiatric Second Opinion;
  - d. Substance Abuse-Structured Outpatient Rehabilitation Program;
  - e. Twenty (20) Family Sessions per year when Enrollee is in a Structured Outpatient Substance Abuse Rehabilitation Program and, if the Enrollee is not in active treatment and the family member is covered under the same Empire Plan enrollment, twenty Family Sessions per year;
  - f. Psychological Testing and Evaluations with prior approval from the Contractor;
  - g. Medically Necessary Ambulance Services for MHSA care;
  - h. Electro-Convulsive Therapy with prior approval from the Contractor;
  - i. Crisis Intervention (Copays waived for up to three (3) visits per crisis);
  - j. Home-Based Counseling;
  - k. Registered Nurse Practitioners;
  - l. Telephone Counseling;
  - m. Applied Behavioral Analysis for the treatment of Autism, subject to a 680 hour annual cap, effective January 1, 2014; and
  - n. Medication Management

2. Inpatient and Alternate Levels of Care
  - a. Hospital Services;
  - b. Residential Treatment Facilities; Halfway Houses and Group Homes. Limited coverage only for SEHP);
  - c. Partial Hospitalization and other Hospital-Based Alternate Levels of Care such as Intensive Outpatient; Day Treatment 23 Hour Extended Bed and 72 Hour Crisis Bed;
  - d. Psychiatric Treatment or Consultation while you are a MHSA Inpatient;
  - e. Psychiatric Consultations on a Medical Unit; and
  - f. Prescription Drugs when dispensed by an Approved Facility, residential or day treatment program.

**Exhibit II.B2** of this RFP provides the applicable Copayments by plan and Employee group. Also, for informational purposes, the Department's current Empire Plan Certificate of Insurance, SEHP Summary Plan Description and the NYSHIP Benefit Plan Comparison are included as **Exhibits II.C, II.C2 and II.D** of this RFP.

The MHSA Program does not have an Employee Assistance Program (EAP) component. There is a Statewide EAP for New York State Employees staffed by NYS Employees who participate as volunteers; however, EAPs do not have a formal role in the MHSA Program. They are not permitted to make referrals, nor can the Contractor accept clinical information from the EAP unless the Enrollee is included in the conversation (i.e., either physically present or on a conference call). Some EAP volunteers have professional degrees in mental health fields, some are certified EAP counselors, and others have various levels of training. EAP volunteers have been provided the opportunity to receive training regarding the MHSA Program and are encouraged to assist Employees in accessing MHSA services through the MHSA Program. Participating Employers and Participating Agencies may have no EAP, some have internal EAPs, and others have contracted, professional EAPs.

Finally, Enrollees use the Empire Plan identification card, the Excelsior identification card and the SEHP identification card to access MHSN Network services. The Offeror is not responsible for the production and distribution of identification cards, nor will a MHSN Program-specific identification card be accepted as part of the MHSN Program benefit design.