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April 4, 2008

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
for Director and Health Officer

SUBJECT: **UPDATE ON REQUEST FOR PROPOSAL (RFP) DEVELOPMENT FOR HIV/AIDS MEDICAL SERVICES PORTFOLIO (Relates to Board Agenda Item S-2 for Tuesday, April 8, 2008)**

This is to provide you with an update on the Office of AIDS Programs and Policy's (OAPP) progress in developing a solicitation for HIV/AIDS medical services and an update on the finalization of the rate study for HIV/AIDS medical outpatient services.

RATE STUDY UPDATE

OAPP has contracted with Mercer Government Human Services Consulting (Mercer) to conduct rate studies to develop consistent fee-for-service reimbursement rates across the County to better predict and allocate funds for services currently being supported through cost-reimbursement contracts. The service descriptions, service units, and fee-for-service reimbursement rates provided by the rate study will be the foundation upon which new RFPs for these services are built.

In October 2007, Mercer submitted a draft of the Medical Clinical Fee-for-Service Reimbursement Rate Study, which redefines service units and associated service unit costs for four service categories: 1) ambulatory medical outpatient care, 2) medical case management, 3) AIDS Drug Assistance Program (ADAP) enrollment, and 4) Nutritional Counseling services. A description of these services is included in Attachment I.

The draft Mercer document brought to the forefront several questions and concerns related to the cost calculations and assumptions about service delivery for medical outpatient services. As a result of these issues, OAPP requested that Mercer revise the draft to address the questions and concerns, and to collect additional information from current contracted medical outpatient providers to more accurately describe the service system of HIV/AIDS care.

In January 2008, Mercer began a peer review of their calculations and collection of additional data from medical outpatient providers to address concerns highlighted by OAPP related to the rigor and validity of the draft report. OAPP expects Mercer to complete the current review and deliver the new rate study draft document by May 2008. Following critical review of the document by OAPP and the Chief Executive Office, reimbursement rates for the services described will be determined and the HIV/AIDS medical services RFP can be completed. Funds to support the services described come from the Ryan White CARE Act program.

RELEASE OF UPCOMING RFPS

At present, OAPP anticipates a September 2008 release of the solicitation for outpatient medical services, medical case management, ADAP enrollment and nutritional counseling. While the final investment level is still being determined by the Los Angeles County Commission on HIV (COH), the anticipated level of investment for medical outpatient services, medical case management, ADAP enrollment and nutritional counseling is in the range of $20 to $22 million, with the final amount to be determined cooperatively by the COH and OAPP.

The release of an HIV/AIDS medical services RFP in September 2008 will allow for new contracts to be in place beginning in June 2009. OAPP anticipates recommending an extension of the current medical outpatient, medical case management, ADAP enrollment and nutritional counseling contracts for 6-12 months to avoid service interruption, as current contracts are set to expire February 28, 2009. Attachment II includes a timeline explaining the time required for proposal submission, review, and development of funding recommendations and the Board Letter for the new contracts.

A second solicitation will be developed and issued for oral health services, early intervention services, and medical case management services to re-align investments and contracts with the new Minority AIDS Initiative (MAI) Plan. This solicitation is scheduled for Fall of 2008, with contracts to be in place by August 2009, the start of the MAI grant year. This solicitation will be for approximately $2.3 million, contingent on the MAI grant award. OAPP will request a five-month extension of the MAI-related oral health, early intervention and medical case management services contracts in order to align the contract terms with the recently revised federal MAI grant cycle, which is August 1-July 31. Current MAI contracts are set to expire February 28, 2009. The five month extension will allow for resolicitation of the contracts and the alignment of contract terms with the new grant cycle.

The combined total of funding that will be distributed through these two solicitations is expected to be approximately $24-26 million. All funds are from the Ryan White CARE Act program.

In the case of both RFPs, proposals received will go through an extensive internal review for completeness and accuracy, and an independent external review by review panels scoring the merits of each proposal. The combination of the scores received from the internal and external reviews will determine the final score for each proposal. Proposal scores, in combination with the Geographic Estimate of Need for service distribution across the County, and provider capacity will determine the final award recommendations that will be forwarded to the Board for approval.

If you have any questions or need additional information, please contact Mario J. Pérez, Director of OAPP, at (213) 351-8001.

JEF:mg

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

SERVICE DESCRIPTIONS

Medical Outpatient Services: HIV/AIDS medical outpatient services are educational, preventive, diagnostic, and therapeutic medical services provided by licensed health care professionals with requisite training in HIV/AIDS. Medical outpatient service components include: medical evaluation and clinical care, medical case management, drug resistance testing, nutrition therapy, AIDS Drug Assistance Program, and HIV prevention in medical settings. The goals of medical outpatient services include interrupting or delaying the progression of HIV disease, preventing and treating opportunistic infections, promoting optimal health, and interrupting further HIV transmission by providing the background for appropriate behavioral change.

AIDS Drug Assistance Program (ADAP) Enrollment: ADAP provides drugs that prolong quality of life and delay the deterioration of health for people living with HIV who otherwise could not afford them. ADAP services are supervised by local enrollment coordinators. ADAP staff screen patients for service eligibility, provide basic education about services, educate patients on drug formularies and pharmacy sites, address patient grievances, maintain documentation, and re-certify patient eligibility.

Medical Nutrition Therapy: Medical nutrition therapy is the provision of specific nutrition counseling and interventions to help treat HIV disease, including screening, referral, assessment, intervention and communication. Medical nutrition therapy involves both assessment and appropriate treatments to maintain and optimize nutrition status.

Early Intervention Services: HIV/AIDS early intervention programs (EIP) offer services for persons living with HIV and their at-risk partners and family members. EIP services are distinct from standard ambulatory care in their attempt to identify and support people newly identified as HIV positive or entering treatment in a team approach that combines mental health psychosocial, health education, case management, medical and risk reduction services in the continuum of care for people living with HIV. The underlying philosophy in EIP services is similar to that of chronic disease management in which patient self-management is emphasized over medical management. Although services of this kind have historically been called early intervention programs, there is no expectation that a client would be discharged later in the disease process, but, rather, services would be a benefit to clients at all levels of HIV illness.

Medical Case Management: Medical case management services focus on access, utilization, retention and adherence to primary health care services for people living with HIV. Services are conducted by qualified registered nurse case managers who facilitate optimal health outcomes for people living with HIV through advocacy, liaison and collaboration.

Oral Health Care: Oral health care is an integral component of Los Angeles County's primary health care core services to people with HIV/AIDS, encompassing the provision of diagnostic, prophylactic and therapeutic services rendered by dentists, dental hygienists, registered dental assistants, and similar professional practitioners.

Attachment II

Office of AIDS Programs and Policy
Proposed Medical Outpatient, ADAP Enrollment, Medical Case Management, And Nutritional Counseling Solicitation Schedule*

Solicitation release:	September 15, 2008
Proposal due date:	October 31, 2008
Proposal review:	November 5-December 15, 2008
Funding recommendation process:	December 16, 2008-January 30, 2009
Board Letter drafted and reviewed by DPH, County Counsel, CEO:	January 31, 2009-March 31, 2009
Board Letter presented at Agenda Review Meeting:	April 1, 2009
Board Approval:	April 14, 2009

*This proposed timeline assumes no requests for review or appeals will be filed by applicants.