



Lynnwood Crisis Care Facility Request for Proposals

Submitted Questions and Answers

The below questions were submitted by in response to the **Lynnwood Crisis Care Facility – Behavioral Health Crisis Stabilization and 23-Hour Crisis Program Request for Proposals (RFP)**. More information on the RFP may be found [here](#).

- 1. Question:** The Statement of Work (SOW) specifies that the selected agency will be responsible for providing crisis stabilization and 23-hour crisis program services. However, one of the project goals is to support the development of a psychiatric urgent care model. Is the selected operator expected to provide psychiatric urgent care services in addition to crisis stabilization and the 23-hour crisis program? If so, is it the intention to provide the urgent care services within the current floor plan of the building?

 - **Response:** Yes, the intention is that the selected agency would have a Psychiatric Urgent Care, 23-hour Crisis Program Services, and Crisis Stabilization within the current floor plan of the building. That said, one of the RFP Goals is to support the development of an Urgent Psychiatric Care Unit, it is not expected that all three need to go live at the same time, and agencies submitting responses can indicate if they want to have a staged approach to program implementation.
 - 2. Question:** One of the project minimum requirements is to “limit patient stays to a maximum of 23 hours and 59 minutes except for patients waiting on a Designated Crisis Responder (DCR) evaluation or making an imminent transition to another setting as part of an established aftercare plan.” Aligned with the SOW to provide crisis stabilization services in addition to 23-hour crisis program services, please confirm that individuals may stay longer than 24 hours in the crisis stabilization unit which is a critical component of a comprehensive crisis center.

 - **Response:** Correct. The limit of 23 hours and 59 minutes is specific to clients residing within the 23-hour crisis program portion of the building. Those staying in Crisis Stabilization Unit would be able to stay longer.
 - 3. Question:** What are the expectations around the timing of the opening of the center? Are there funding limitations tied to timing?

 - **Response 1:** It is expected that the selected agency will work to open the facility as soon as feasibly possible, ensuring staffing levels are adequate for a 365/24/7 facility. This may factor into final decisions related to the selected agency.
 - **Response 2:** Funding portion of question: There are funding limitations attached to opening. Snohomish County has indicated they have \$3,000,000 from the Affordable Housing and Behavioral Health Sales Tax Fund to support the opening of this facility. This funding is specific only to opening costs (i.e. this is not expected to be an annual amount for the ongoing operations of the facility). This requires that the selected agency meet the following requirements by **April 30, 2025**:
-

- A fully executed lease agreement for the Community Recovery Center (CRC) is in place between a service provider selected by the North Sound BH-ASO and the City of Lynnwood.
- Evidence that the Provider:
 - Has made application to the State of Washington for appropriate licensure to operate the CRC.
 - Has entered into negotiations with all of the Managed Care Organizations operating in the State of Washington.
 - Has entered into negotiations with private insurance companies.
- We may be able to work with Snohomish County on these timelines after selecting an agency, but the timeline to meet the above requirements would still be a fairly tight turnaround. Currently, there is a completely finished building sitting empty in Lynnwood, and the goal is to get a program operational in the space ASAP.

4. Question: To support budget development, what is included in the lease of the building in terms of furniture, equipment, technology, and other generally needed supplies?

- **Response:** Furniture (recliners for the 23-hour Crisis Program and beds for the Crisis Stabilization program, and a few TVs) is in the space already and will be included in the lease. At this time, Lynnwood has indicated that they have funded the build through grants and state funding, so they only plan on charging a lease that includes the coverage of building maintenance and property taxes. Other equipment including technology or generally needed supplies would be covered by the selected agency. Additionally, as the jail has a fully functioning kitchen, the program was designed to allow food to be delivered from the jail nutrition program. The selected agency would need to negotiate that program with Lynnwood staff. Bidders will need to budget for a nutritional program in their submission.

5. Question: Should the proposer assume lease, utilities, maintenance, pest control, CAM, and other associated building costs in their budget? If so, how much?

- **Response:** The tenant will be responsible to pay Leasehold Tax, which we've calculated to be about \$18,500 per year/paid quarterly (this is based on market rental value). This is paid to the City of Lynnwood, which in turn pays the department of revenue. The tenant will be responsible for all utilities (electrical, water, sewer, stormwater) and other services such as internet, cable, and anything that is contracted for inside of the building like security. Unfortunately, as this is a brand new facility, it is unknown what the estimated costs will be for those utilities and services. In addition, there will be a monthly common area and maintenance operations (CAMO) charge to cover maintenance and repair costs, but this is negotiable.

6. Question: What vendor services (food, etc.), if any, are covered as part of the lease.

- **Response:** The jail has a fully functioning kitchen, the program was designed to allow food to be delivered from the jail nutrition program. The selected agency would need to negotiate that program with Lynnwood staff.

7. **Question:** Will the selected operator have access to start-up operations funds, and if so, where should the proposer indicate how much funding is requested? The budget template does not separate periods for start-up versus ongoing operations, however, some of the line items reference start-up costs such as training venues, travel, IT, and equipment. Can proposers modify the current budget layout to reflect the expenses incurred in these two stages? If so, do proposers also need to include a narrative in the “Budget Detail Narrative” tab on start-up expenses or only on ongoing operational expenses.
- **Response:** There are start-up funds available, however, we need the proposer to indicate how much start-up they would need to open and operate the program. The proposer should be able to identify in the Budget Overview Narrative what their forecasted gap will be in funding versus what would be needed for start-up. It is preferred that every entity utilize the tools that have been included in the application packet. If agencies applying to the RFP believe they need to add additional documents (such as a start-up budget with estimated costs and timeline to full program implementation). It is highly recommended that agencies fill out the “Budget Detail Narrative” and distinguish any forecasted differences between start-up and ongoing operational expenses.
8. **Question:** In general, can proposers modify the line items and layout of the tabs in the Budget & Narrative Attachment?
- **Response:** No. We ask that everyone use the Budget & Narrative Attachment as laid out. Again, additional information and documents can be included in the submission.
9. **Question:** Are there any available capital funds for moderate renovation of the building necessary to improve safety and confidentiality (and expansion of urgent care services, if applicable)?
- **Response:** At this time, there are start-up funds identified. If the selected agency believes there should be renovations to the building, they should be minimal at most as this is a brand new building that was designed in coordination with a behavioral health agency. If a bidding agency wants to identify ahead of time what types of renovations they think are necessary, it would be important that they consider that this is a turn-key behavioral health facility that cost approximately \$20 million. Any funds pulled down for renovations would be pulled from potential start-up funds and not be usable for getting the program started.
10. **Question:** In which category should proposers budget certain clinical costs such as medication and linens/scrubs provided at the facility? It looks like “Assistance to Individuals” is the closest, however, we are not providing payment to patients for these services as described in the “Category Definitions” tab, so it may not necessarily fit here.
- **Response:** A separate budget is required for Start-up funds. Please complete one Budget for on-going costs and one Budget for Start-up costs.
11. **Question:** Please clarify what would be considered an allowable expense under the “Capital” budget category. The explanation on the “Category Definitions” tab references capital expenditures but goes on to say “are unallowable as direct changes.”
- **Response:** This Category Definition refers mainly to Federal Block Grant Capital Cost restrictions. Capital costs are converted to direct costs through usage costs, rent or

depreciation. Depreciation is the method for allocating the costs of fixed assets to periods benefiting from the asset use. The recipient or subrecipient may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP provided that they are needed and used in the recipient's or subrecipient's activities and correctly allocated to Federal awards. The compensation must be made by computing the proper depreciation.

If the funds being considered for this program include HCA state funds it may be possible to cover Capital expenditures for general purpose equipment, buildings, and land as direct costs, but only with prior written approval from HCA and North Sound Behavioral Health Administrative Services Organization (North Sound BH-ASO).

12. Question: In which budget category should proposers include ongoing IT services, support, and EMR spend?

- **Response:** Categories are as follows:
 - Machinery & Equipment if the EMR acquisition cost is more than \$5,000.00 single cost or per unit cost.
 - Small Tools & Equipment if the EMR acquisition cost is less than \$5,000.00.
 - Ongoing IT services & Support can go in the Professional Services or Miscellaneous category if preferred.

13. Question: What is the anticipated term for this contract?

- **Response:** The RFP process is being done in partnership between North Sound BH-ASO and Lynnwood to have a provider for this body of work in the Lynnwood facility. There is no anticipated end date for the contract once it is started.

14. Question: How much is anticipated to be Medicaid billing?

- **Response:** At this point, this body of work is still rather new in Washington State so it's hard to completely anticipate billing. From another program in the state, we understand the following:
 - Approximately 50% of the billing for the 23-hour crisis program is likely to be billable to Medicaid. The other 50% includes all non-Medicaid people including private insurance, Medicare, Veterans' benefits, and non-insured.
 - For Crisis Stabilization programs in our region, often 70-80% is Medicaid billable. The other 20-30% of the budget has been largely paid for by the BHASO. See the next item for addition information on BHASO funding.

15. Question: How much is anticipated to be North Sound BH-ASO billing?

- **Response:** In the state of WA, neither the Crisis Stabilization programs nor the 23-hour crisis programs are considered entitlements. This means that North Sound BHASO does not get an increase in funding based on new facilities opening in our region. At this time, we do not know if the North Sound BHASO will receive any funding from the state to cover the non-Medicaid population. Legislators have been working on a solution to this issue, but we do not have an update at this time. This is a currently evolving situation.

- 16. Question:** What is the anticipated payor mix?
- **Response:** As this is still a new facility in Washington State, and the only operational facility of its kind is currently in King County where the funding models are significantly different from the rest of the state. Given that the 23-hour crisis facility operates on a no-decline rule, it can be expected that clients will be a mix of people who have Medicaid, private insurance, non-insured, Medicare, and Veteran's benefits. Payors will include the five (5) Managed Care Organizations in our region. Bidders should look into similar programs to understand what that payor mix may look like, with the acknowledgement that it is so far unclear how under- or non-insured people will be covered in our region. This is an evolving conversation at the legislative level.
- 17. Question:** What is the anticipated volume?
- **Response:** This type of facility requires constant turn over of recliners and beds. It has 16 recliners in the 23-hour crisis program and 16 beds in the Crisis Stabilization program. Volume is hard to estimate as there is no similar facility in our region. We would recommend bidders consider similar facility types and a quick turnover in availability of recliners and beds.
- 18. Question:** Will there be rent for the facility.
- **Response:** Yes. At this time, Lynnwood has indicated that they have funded the build through grants and state funding, so they only plan on charging a lease that includes the coverage of building maintenance and property taxes.
- 19. Question:** What is the annual budget?
- **Response:** This RFP is essentially to identify a provider who would sign a lease with Lynnwood and move forward with the program. It is expected that bidders will create their annual budget for this type of program to show they understand programmatic design of these programs in the State of Washington and who they will be billing to meet those budgetary requirements.
- 20. Question:** Are there licensing or accreditation requirements (e.g., CARF, Joint Commission, state regulations)?
- **Response:** The bidding agency should research this with the Department of Health, keeping in mind any existing licenses they hold.
- 21. Question:** What are the expected services?
- **Response:** All services in a 23-Hour Crisis program, Crisis Stabilization and Psychiatric Urgent Care model, though bidders could recommend a stage-gated approach to implementation of the three programs.
- 22. Question:** Are there restrictions on how funds can be used?
- **Response:** As the funds are those that the selected bidder will be billing to insurance companies and Managed Care Organizations, they would follow the same limitations as those funding sources for ongoing funding. Bidders need to be able to forecast potential shortfalls during start-up to indicate what types of start-up funds they would need to open this type of facility and for how long.
- 23. Question:** Will the funding cover uninsured or underinsured clients?

- **Response:** In the state of WA, neither the Crisis Stabilization programs nor the 23-hour crisis programs are considered entitlements. This means that North Sound BHASO does not get an increase in funding based on new facilities opening in our region. At this time, we do not know if the North Sound BHASO will receive any funding from the state to cover the non-Medicaid population. Legislators have been working on a solution to this issue, but we do not have an update at this time. This is a currently evolving situation.
- 24. Question:** What are the billing and reimbursement requirements for services provided (e.g., Medicaid codes, bundled payments, value-based reimbursement)?
- **Response:** Contracts with insurance companies and Managed Care Organizations are highly individualized. It is recommended that bidders review their existing contracts in place for behavioral health billing. It would likely be similar types of relationships for these types of facilities, with potential additions of codes.
- 25. Question:** Will there be an option for capacity payments?
- **Response:** This is not an option at this time, but there are various bills currently being reviewed in the Washington State legislative session that could change the answer in the future.
- 26. Question:** Is there start-up funding included for initial operational costs?
- **Response:** We do have access to start up funding, but it is important that all bidders create their budgets and identify what their forecasted financial needs are for start up and for how long those additional funds would be required.
- 27. Question:** What technology infrastructure is required (e.g., EHR system compatibility, telehealth capabilities, data tracking/reporting)?
- **Response:** The requirements would be the similar or the same as other behavioral health services, including what is needed to bill payors of these services.
- 28. Question:** What are the minimum staffing requirements (e.g., licensed clinicians, medical providers, peer support, security)?
- **Response:** Please see Washington State guidance on these types of programs.
- 29. Question:** What is the staffing ratio per shift (e.g., nurse-to-patient ratio, psychiatric coverage)?
- **Response:** Please see Washington State guidance on these types of programs.
- 30. Question:** Are there required training or certifications?
- **Response:** Please see Washington State guidance on these types of programs.
- 31. Question:** What is the contract length and are there options for renewal?
- **Response:** The RFP process is being done in partnership between North Sound BHASO and Lynnwood to have a provider for this body of work in the Lynnwood facility. There is no anticipated end date for the contract once it is started.
- 32. Question:** Are there performance-based incentives or penalties?

- **Response:** North Sound BHASO and Lynnwood are not currently funders of the services in these facilities. This could change through legislative work that is being done now in the State of Washington. As we are not currently funders of the services, performance-based incentives and/or penalties would be discussed with current funders such as private insurance companies and Managed Care Organizations.

33. Question: What are the termination or non-compliance consequences?

- **Response:** It will depend on the language negotiated with the City of Lynnwood for the lease. It is important to remember that a contract like this is a commitment to the community, so there are elements of consequence that may be more complicated for an agency than financial. That said, we cannot currently state what the potential consequences of termination of non-compliance would be at this juncture.

34. Question: Are there partnership requirements (e.g., MOUs with law enforcement, EMS, or behavioral health providers)?

- **Response:** As identified in the RFP, there is a requirement that the selected bidder sign an MOU that would be between them, North Sound BH-ASO and the City of Lynnwood to actively participate in a stakeholder group in the community to identify what's working, what's not working and evolve the program as needed to meet community needs.

35. Question: Is there a plan for sustainability beyond the initial funding period?

- **Response:** The bidders will need to speak to any issues with sustainability they could see beyond the initial funding period.

36. Question: Will the crisis center be required to participate in state or regional behavioral health coordination efforts?

- **Response:** Yes. As a provider of a Behavioral Health crisis program in our region, it would be expected that they would partner on coordination efforts regionally and throughout the state as appropriate.

37. Question: What support or technical assistance is available for applicants?

- **Response:** North Sound BH-ASO, in partnership with the city of Lynnwood, wants the chosen provider to be successful. We are willing and happy to provide technical assistance where appropriate for the applicants.