

Community-Based **DHS** Services Request for Proposals



Barbara Flynn Currie
Majority Leader

Illinois House of Representatives
93rd General Assembly

July 2004

Community-Based DHS Services Request for Proposals

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, is entered into this 2nd day of July, 2004 by and between the Illinois Department of Human Services (hereinafter “the Department”), the Governor’s Office of Management and Budget, Mattie Hunter, Vice-Chairperson of the Senate Health & Human Services Committee, Dale Righter, the Republican Spokesperson for the Senate Health & Human Services Committee, Rosemary Mulligan, the Republican Spokesperson for the House Special Committee on Fee-For-Service Initiatives and Barbara Flynn Currie, Chairperson of the House Special Committee on Fee-For-Service Initiatives, and hereinafter referred to as “the parties.”

WITNESSETH

WHEREAS, the State of Illinois has an obligation to provide for the health, safety, and welfare of its citizens;

WHEREAS, The Department is charged with designing, coordinating and funding a comprehensive and coordinated community-based and culturally and gender-appropriate array of services throughout the state and has the fiduciary responsibility to the residents of the state to provide these services in a manner which maximizes the effectiveness of its appropriated resources;

WHEREAS in furtherance of its mission and its responsibilities and to ensure that the Department is receiving the highest quality of services provided to its consumers, the Department intends to enter into contractual arrangements with its providers via a competitive selection process in program areas that the Department believes will result in an improved system;

WHEREAS, The Department believes that the use of the competitive selection process will encourage the Department and its providers to look at contracts and the service delivery system in a new way and will challenge the Department and its providers to become more innovative and efficient. In so doing, the Department intends to work with stakeholders to develop criteria by which program areas will be considered for the RFP process;

WHEREAS, the Department has utilized the competitive selection process for fiscal year 2005 contracts and intends to continue this practice for fiscal year 2006 contract;

WHEREAS, it is the agreement of the parties that this Memorandum of Understanding is entered into to make a smooth transition to a system based upon competitive bidding; but it is not intended to expand entitlement programs beyond those that already exist, or may in the future be enacted, under federal or state law.

The Parties Agree:

1. During fiscal year 2005, the Department will initiate a pilot project aimed at the improvement of delivery of community-based services by increasing the use of the competitive selection process by an aggregate contractual value of \$64,000,000, including the following:
 - a. Mental health: SASS program, Preadmission Assessment and Screening;
 - b. Rehabilitative Services: Extended Services Programs;
 - c. Alcoholism and Substance Abuse: HIV Counseling and Testing, Technical Assistance;
 - d. Developmental Disabilities: Self-Advocacy Training, Enhanced Respite Services in Underserved Areas;
 - e. Community Health and Prevention: Abstinence Only Education, Early Intervention Child and Family Connections, Crossroads Program, Family Planning;
 - f. Human Capital Development: TANF- Work First, TANF- Job Placement with Retention, Food Stamp Employment with Training and Retention, Emergency Food Program, Emergency Food and Shelter Program, Donated Funds Initiative Employability Development Service.
2. The Department will make periodic progress reports relating to the competitive selection process to the Governor, the House Special Committee on Fee-For-Service Initiatives, and the Senate Health & Human Services Committee over the next several months, specifically including reports (including written reports) in September and December of 2004;
3. The Department's pilot project, including any contracts authorized pursuant to a competitive selection process during or relating to fiscal year 2005 will be evaluated by an independent consultant with expertise in the competitive selection of social services and a report on the progress or results of competitive contracting will be submitted to the Governor, the Senate Health & Human Services Committee, and the House Special Committee on Fee-For-Service Initiatives on April 30, 2005;
4. For fiscal year 2006 and any subsequent fiscal year in which the Department intends to implement a competitive selection process in program areas not subject to the competitive selection process in fiscal year 2005, the Department will provide to the Governor, the Senate (including the Senate Health & Human Services Committee), and the House of Representatives (including the Special House Committee on Fee-For-Service Initiatives, or its successor, if any) by November 30th of the prior Fiscal Year, supplementary information to the Governor's proposed Illinois State Budget listing the additional program areas to be converted and estimated expenditures for that fiscal year related to each such program, together with an analysis conducted by the Department on the relative benefits of implementing a competitive selection process in the proposed

program area(s). Such information will also include evidence that the Department has taken into account in its proposal any recommendations made in its progress report on the results of competitive contracting and will demonstrate that contracts entered into as a result of this process are consistent with the other requirements of this Memorandum;

5. In the implementation of a competitive selection process with regard to any additional programs, the Department will consult experts in philanthropy who have experience in grant-making in the social services continuum for the development, implementation, and evaluation of this project. In any requests for proposal established on the basis of these consultations, performances measurements will be incorporated and deliverables based on performance will become the norm;
6. Contracts between the Department and its providers which arise from a competitive selection process will include provisions for (a) adequate and timely notice of any determination by the Department that the provider is not in compliance with the contract; and (b) an opportunity for such provider to take corrective action. Such contracts may be terminated if any such provider fails to take contractually prescribed corrective action. In the event of any such contract termination, the Department will ensure that consumers will continue to receive necessary services in the community;
7. The Department may in the course of the competitive selection process execute multi-year agreements, when applicable, and these agreements may, when appropriate, include periodic renewals.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be executed by their authorized representatives on the 2nd day of July, 2004.

For the Department of Human Services:



Carol L. Adams, Secretary

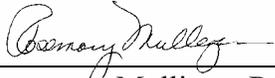
For the Governor's Office of Management and Budget:



John B. Filan, Director



Barbara Flynn Currie, Chairperson
House Special Committee on Fee-For-Service Initiatives



Rosemary Mulligan, Republican Spokesperson
House Special Committee on Fee-For-Service Initiatives



Mattie Hunter, Vice-Chairperson
Senate Health & Human Services Committee



Dale Righter, Republican Spokesperson
Senate Health & Human Services Committee