

# TEXAS HEALTH AND HUMAN SERVICES COMMISSION

KYLE L. JANEK, M.D.  
EXECUTIVE COMMISSIONER

October 29, 2014

## STAFF BRIEFING REQUEST / EVENT/MEETING BRIEFING MEMORANDUM FOR THE EXECUTIVE COMMISSIONER

FROM: Wayne Wilson, CTPM, CTCM  
Deputy Executive Commissioner for Procurement and Contracting Services

SUBJECT: Operation of Terrell State Hospital, Request RFP 537-5-0000135376

### **Purpose**

To obtain your direction on next steps regarding the posting of a tentative award announcement, commencing contract negotiations and contingent upon the successful contract negotiations, execute and make a final contract award for the Operation of Terrell State Hospital, and ongoing support for Request for Proposals (RFP) 537-5-0000135376

### **Background/Summary**

HHSC competitively solicited proposals from entities interested in contracting with the Texas Department of State Health Services (DSHS) to perform all or part of the activities related to the operation of Terrell State Hospital (TSH) on behalf of DSHS. The purpose of this RFP is to obtain proposals that will meet the stated objectives of HHSC, DSHS, the Legislative Budget Board (LBB) and Governor's office in providing quality psychiatric care in an efficient, effective manner.

### **Procurement Process:**

The RFP was released on June 9, 2014. A site visit of the facility was held on June 24, 2014; vendor questions were received on July 7, 2014 and proposals were received on August 19, 2014.

Procurement and Contracting Services (PCS) received two (2) proposals for the Operation of Terrell State Hospital on August 19, 2014 from:

1. GEO Care, LLC, and,
2. Green Oaks Hospital

After initial screening of the proposals, Green Oaks Hospital was determined to be non-responsive on August 20, 2014. The proposal submitted by Green Oaks Hospital did not meet the submission requirements of the RFP.

The Historically Underutilized Business (HUB) requirements were applicable to the procurement and the HHSC HUB Program Office rendered its determination for the probability of subcontracting opportunities for this RFP. All Respondents were required to submit a completed HUB Subcontracting Plan (HSP) with their response. After responsiveness screening by the PCS, the proposal was sent to the HUB Program Office on August 20, 2014 to determine if the proposals complied with the provisions of Texas Government Code 2161.252 and TAC, Title 34, Part 1, Chapter 20, Subchapter B, Rule 20.14.

The HSP evaluation was completed on August 20, 2014 by the HUB Program Office and they determined that the GEO Care, LLC proposal was compliant with the HUB requirements.

**Best Value Factors and Criteria:**

Section 2155.144 of the Texas Government Code exempts most HHSC procurement and contracts from the requirements of general state purchasing and procurement provisions as administered by the Comptroller of Public Accounts. However, HHSC is required to adopt administrative rules to govern HHSC's procurements of its goods and/or services. In accordance with 1 T.A.C. §391.121, HHSC procures goods and/or services using several enumerated best value factors and any other factors the agency deems relevant to the procurement.

For this RFP, the criteria set forth in Section 5.1 of the RFP are consistent with the applicable and relevant criteria listed in 1 T.A.C. §391.121. HHSC evaluated the submitted proposals based on the following criteria, which are listed in order of importance:

1. Business Solution Meets or Exceeds RFP Requirements (36%);
2. Experience Performing Services Described in this RFP (33%); and,
3. Quality and Reliability of Respondent's Services (31%),

**The Evaluation:**

PCS staff coordinated the responsive proposals with the RFP evaluation team, and facilitated the procurement evaluation process. The RFP evaluation team conducted a thorough evaluation of the proposal using an evaluation tool developed to recommend the respondent who may offer the best value to HHSC and DSHS. The evaluation team was composed of ten (10) subject matter experts selected from HHSC and DSHS.

The criteria set forth in Section 5.1 of the RFP, and as identified in the Best Value Selection Criteria section of this memorandum were weighted to establish the relative importance of the criteria to the overall project. The evaluators reviewed and individually scored the proposals in accordance with the evaluation criteria, which started on September 19, 2014. The individual evaluators' scores were averaged for each evaluation criterion and the applicable weight applied

to determine a score. On October 16, 2014, PCS RFP staff discussed, compiled and tabulated the final evaluation scores. PCS staff facilitated the evaluation process and verified the final scores. The evaluation team weighted scores are summarized in Table A.

**TABLE A**

Respondent	GEO Care, LLC
HUB Status	Non-HUB
<b>Business Solution Meets or Exceeds RFP Requirements (36%)</b>	27.00
<b>Experience Performing Services Described in this RFP (33%)</b>	22.94
<b>Quality and Reliability of Respondent's Services (31%)</b>	<b>22.01</b>
<b>TOTAL</b>	<b>71.95</b>

**Strengths and Weaknesses:**

As part of the scoring process, the evaluation team discussed the strengths and weaknesses (see **Attachment I**) of the Respondent's proposal in order to identify the best value

**Discussion**

The evaluation team determined that the Respondent's proposal represents best value to the State in accordance with the best value factors for the procurement. The recommendation is based on a review of all available information, evaluation scoring of the identified/selected Respondents, the strengths and weaknesses of each respondent as summarized in Attachment I, and the overall procurement best value of the proposed services.

**Discussion of Recommended Vendor:**

The following Respondent is recommended as the best value Respondent and should be considered for final contract award for the Operation of Terrell State Hospital (TSH), RFP #537-5-0000135376.

- **GEO Care, LLC**  
**One Park Place, 621 NW 53rd Street, Suite 500**  
**Boca Raton, FL 33487**

Established in 1997, GEO Care has more than 16 years of experience operating state psychiatric facilities in multiple states, including experience with civil, forensic, sex offender, youth, adult, and geriatric populations. GEO Care specializes in treating high-risk and vulnerable populations,

with additional experience delivering behavioral healthcare and other secure treatment services to government agencies. GEO Care is a wholly owned subsidiary of Correct Care Solutions; GEO Care is led by a robust team of dedicated healthcare professionals with expertise in mental health, discharge planning, general healthcare, facility maintenance, security, food service, nursing, social work, pharmacy, facility design, utilization management, and all aspects of facility management.

**GEO Care, LLC Key Personnel:**

- Jorge A. Dominicis, President
- Manny Fernandez, Senior Vice President, Operations
- Bob Quam, Chief Executive Officer Steve Jelle, Senior Database Administrator
- Karen Galin, PhD., Vice President of Clinical Programs
- Cassandra Newkirk, M.D., Vice President / Chief Medical Officer
- Bent Nielsen, RN, Director of Nursing and Utilization Review
- Michael J. Funk, Ph. D., Consultant Psychologist
- Judy Dowdie, Director Performance Improvement and Risk Management
- Diana Acosta, Director of Compliance
- Genna Marx Brisson, LCSW, Director of Operations
- Philip Mahalik, PHARM.D, R.Ph., CPh, Pharmacy Services Director
- Frank Fela, Facility Expert
- Charles “Chuck” Lister, Vice President, Security Operations
- Scott A. Pustizzi, SPHR, Senior Vice President of Human Resources
- Bob Martin, Chief Information Officer
- Craig Jenkins, Chief Financial Officer

**Recommendation:**

PCS recommends your authorization and approval to proceed with a contract award to GEO Care, LLC for services related to the Operation of Terrell State Hospital, and ongoing support. This recommendation is based on the evaluation scores, the strengths and weaknesses of the respondent as summarized in Attachment I, and the overall best value of the proposed services.

**Commissioner’s Decision**

Approve	_____	Disapprove	_____
Modify	_____	Schedule Briefing	_____
Comments/Acknowledgment	_____		

Upon receipt of your approval, staff will proceed in posting/releasing tentative award, initiate final contract negotiations and, contingent upon successful contract negotiations, execute the

final contract and make the final contract award to GEO Care, LLC. After contract execution, staff will proceed with announcement of final contract award.

**Information for Scheduling Briefing**

**Meeting Priority and Explanation of Time-Sensitive Factors**

Your approval to proceed with discussions is needed as soon as possible to ensure contract award is timely to plan and start implementation of the project.

**Event/Meeting Date, Time, and Location**

At your convenience and discretion.

**Participants**

Dr. Kyle Janek  
Wayne Wilson  
Jack Stick  
Cecilia Whitley  
Lauren Lacefield  
Barbara Owens  
PCS staff, as identified

Cc: Erica Stick, Chief of Staff

Attachments

**Attachment I**

**Operation of Terrell State Hospital  
Request for Proposal (RFP) # 537-5-0000135376**

**Respondent's Strengths and Weaknesses**

<b>Respondent Number</b>	<b>Respondent Legal Name</b>
001	GEO Care, LLC

## Attachment I

### Operation of Terrell State Hospital Request for Proposal (RFP) # 537-5-0000135376

#### Respondent's Strengths and Weaknesses

#### Respondent 001 – GEO Care, LLC

##### Strengths:

- GEO Care appears to have extensive experience working with governmental entities to fulfill the role of private public partnerships with regard to running and operating state hospital and forensic psychiatric facilities. They seem to have a system and resources in place already that allows for them to be flexible in ensuring that all requirements of the proposed contract are met.
- GEO Care reports 15 -16 years of experience working with forensic and state psychiatric hospitals in various states.
- GEO Care's proposal included training materials, which were very comprehensive. Staffing plans are comparable to current TSH staffing plans.
- GEO Care plans to construct a new patient building complex.
- Regarding incident and de-escalation for patients in behavioral crisis, they use the Mandt system, which is an excellent model.

##### Weaknesses:

- Their noted clinical treatment experience is generally acceptable, but weak in child experience. They do not acknowledge that none of their child-adolescent experience is in general acute inpatient treatment. They do not seem to have an understanding of the difference between providing mental health to juveniles in detention facilities vs providing acute psychiatric care to a non-justice general child and adolescent population.
- Proposal does not adequately describe the maintenance of staffing levels during transition. They do say that they would accept applications from current staff, but they do not indicate what the contingency plan is for staffing if not enough current staff applies for positions.
- The response mostly addresses non-discrimination in hiring, but there is nothing about non-discrimination against patients. The section on cultural and linguistic competency does not get at the biggest area of discrimination--mental illness--even by mental health practitioners.
- Response tells what they had to correct the administrative issues found at Montgomery County in 2011, but contains no explanation of how or why the problems happened in the first place. As this is the most similar facility they run, this information is very pertinent. Leaving out an explanation brings up the question as to whether they really looked at why this happened.
- The patient grievance plan does not account for complaints that must immediately be reported to DFPS or to a licensing board. It allows them to be "resolved" at the unit level and it only goes higher if "unresolved" at that level.
- There are approximately 165 law suits listed to include 76 involving conditions of confinement, 16 involving medical treatment, 3 sexual assaults, 7 inmate on inmate sexual assaults, and others involving race, civil rights, religion, suicide and excessive force. These

**Attachment I**

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**Respondent's Strengths and Weaknesses**

involve issues within their hospitals, the majority originated from their Florida Civil Commitment center.



Operation of Terrell State Hospital (TSH)  
RFP 537-5-0000135376  
Procurement Chronology

No.	Date	Task
1.	June 3, 2014	Requisition receipt date
2.	June 4, 2014	RFP submitted for CAT review
3.	June 9, 2014	CAT review response received (including risk assessment)
4.	June 9, 2014	RFP posted to the ESBD
5.	June 24, 2014	TSH Site Visit – Attendees – Geo Care, Green Oaks HCA, UT Health Science Center at Tyler and Timberlawn Mental Health System
6.	June 30, 2014	Vendor Conference held
7.	July 30, 2014	Vendor Questions due to PCS
8.	June 30, 2014	Addendum #1 posted - revising the procurement timeline
9.	June 30, 2014	Addendum #2 – Vendor Conference PowerPoint presentation and Vendor Conference Sign in Sheet posted
10.	July 7, 2014	Vendor questions received from GEO Care and Timberlawn Mental Health System
11.	July 28, 2014	Addendum #3 posted – extending the proposal due date from July 31, 2014 to August 19, 2014
12.	August 4, 2014	Addendum #4 – Vendor Questions and Answers posted
13.	August 12, 2014	Addendum #5 – Revision of Vendor Questions and Answers to include referenced documents posted
14.	August 19, 2014	Two proposals received – Green Oaks Hospital and GEO Care
15.	August 20, 2014	Green Oaks Hospital’s proposal was determined to be non-responsive
16.	October 20, 2014	Tentative Award Announcement posted on the HHSC Business Opportunities Page, the ESBD and DSHS websites
17.	October 30, 2014	Vendor Presentation by GEO Care