RFP 26-86284

Division of Mental Health and Addiction

Fiscal Agent

Term: 7/1/2026 – 6/30/30

Optional term at the State’s discretion: 7/1/2030-6/30/2032

Through the Indiana Mental Health Funds Recovery Program (MHFRP) the Indiana Family and

Social Services Administration’s (FSSA) Division of Mental Health and Addiction (DMHA), in

collaboration with the FSSA’s Office of Medicaid Policy and Planning (OMPP), claims federal

reimbursement for allowable administrative activities performed in support of the proper and

efficient operation of the State Medicaid Plan.

FSSA/DMHA contracts with mental health providers to assure that a continuum of care (i.e., a full range of mental health and addiction services, as specified in Indiana Code 12-7-2-40.6) is available to eligible individuals. The purpose of the MHFRP is to provide eligible mental health providers the opportunity to submit reimbursement claims for administrative activities that support the Medicaid program. Allowable activities are specifically approved by the Centers for Medicare & Medicaid Services (CMS). They include, in general: location, identification, and referral of targeted at-risk populations; linkage of targeted populations to services and Medicaid health coverage; and administrative case management activities.

In this context, mental health providers are either:

a) Indiana’s non-profit Community Mental Health Centers (CMHC) or

b) Non-CMHCs, which are private, non-profit organizations certified by FSSA/DMHA.

Individuals are eligible for services under the above-referenced State Medicaid Plan if they are in one of the major covered populations and have an income at or below 200 percent of the federal poverty level. The major population categories are: adults with serious mental illness, children with serious emotional disturbance, and individuals with substance use disorder.

Because all mental health providers must assure that the continuum of care is available to an “at-risk” population, all may participate in the MHFRP. Mental health providers are permitted to contract with a single fiscal agent to achieve economies of scale in recovering available Medicaid funding, ensure program integrity and consistency of methodology application, and to achieve quality control.

The fiscal agent will gather specific financial data each quarter from approximately 33 mental health providers in Indiana. Methodology for the MHFRP is based on 2 CFR 200 (OMB Super Circular) cost allocation principles, guidance issued by the Centers for Medicare and Medicaid Services, and *Generally Accepted Accounting Principles*. The financial data is gathered on specific cost pool categories identified within each mental health provider. These categories are grouped together based on like title and function.

During each quarter, the fiscal agent will conduct an aggregate time study to determine the appropriate distribution of time dedicated to administrative activities by the cost pool categories during the claiming quarter. All participating mental health providers are involved in the time study.

The percentage of time for each activity is applied to each cost pool expense to compute the gross expenditure dollars each mental health agency spends on Medicaid administrative activities. Further adjustments are then made to each provider’s gross expenditures before they are aggregated into claim form and presented to the State on a quarterly basis, for the prior quarter. The submitted quarterly claim form will include amounts for:

a) Medicaid administrative activities performed by mental health providers, and

b) a fee for performing fiscal agent duties.

The fiscal agent will act as the single point of contact between the State and the mental health providers participating in the MHFRP and will serve as the subject matter expert. There are numerous administrative activities that go into overall claim production, including, but not limited to, yearly collection of each mental health provider Medicaid Eligibility Rate (MER), quarterly disbursement of claim payments to the participating mental health providers, cooperation with an MHFR auditor, and maintenance of a risk pool.

The current fiscal agent conducts annual interactive online training for the mental health providers involved in the program. During this training the fiscal agent goes over pertinent topics, advises of any changes in the program, updates providers on MHFR news, etc. Reports that highlight the individual financial data from recent quarters are provided to each respective mental health provider. Additionally, FSSA/DMHA secures a contracted independent auditor of the MHFRP, who may provide a report and update to the participating mental health providers at the training conducted by the fiscal agent.

Independent Verification & Validation (IV&V)

If the State decides to add Independent Verification & Validation services as part of this engagement, the Contractor will copy the IDOA IV&V team member(s) on all project-related communications (emails, meeting invites, collaboration tools, etc.) and will grant access to all documents and deliverables throughout the term of the contract.

IV&V Payment Approval

If IDOA elects to deploy IV&V services in connection with this engagement, the IV&V Team shall review and assess all Deliverables to determine compliance with the State’s requirements as set forth in the Contract and/or applicable Statement(s) of Work. For contracts entered into, renewed, or amended after June 30, 2026, IV&V shall serve as an approving authority, and no payment shall be issued to the Vendor unless and until IV&V has provided such approval.

Contract Deliverable:

Fiscal agent administrative costs per quarter (4 quarters per year). Payments to be disbursed to mental health providers is estimated to be $400,000,000.00 for the duration of the four year term. Respondents will bid on the administrative cost to disburse these funds and complete the requirements listed below.

Administrative costs requirements per quarter:

1. Deliverable: System Architecture Document

The Contractor shall provide a full system architecture document (applications, data flows, environments, security controls) prior to project acceptance, with at least an annual review and updated document provided to IOT for vendor-managed systems.

1. Gather specific financial data each quarter from approximately 33 mental health providers.
2. Disbursement Controls & Risk Pool Governance

The Contractor shall implement and document financial controls for claims disbursement and risk pool maintenance, including: segregation of duties; dual-approval workflows; daily reconciliation of payment files to approved claims; NACHA-compliant ACH processing; audit trail retention (7 years minimum); exception handling and adjustment procedures; and monthly reports of risk pool balances, movements, and rationale for adjustments.

1. Conduct aggregate time study to determine the appropriate distribution of time dedicated to administrative activities by the cost pool categories during the claiming quarter.
2. Act as the single point of contact between the State and mental health providers participating in the MHFRP.
3. Serve as the subject matter expert to all participating mental health providers in the MHFRP.
4. Yearly collection of each mental health provider’s Medicaid Eligibility Rate (MER).
5. Quarterly disbursement of claim payments to the participating mental health providers, estimated to be $400,000,000.00 disbursed over the duration of the four year term.
6. Actively cooperate with and assist the MHFR auditor.
7. Conduct annual interactive online training for all mental health providers in the program.
8. Security & Standards Compliance

The State has robust and comprehensive security standards established and maintained by the Indiana Office of Technology (IOT). If the proposed solution involves information technology-related products or services, all such products or services must be compatible with the applicable technology standards within the State’s Information Security Framework. Respondents will be required to sign a Non-Disclosure Agreement (NDA) to access the Framework and shall ensure that the proposed solution meets all applicable standards. (See: <https://www.in.gov/iot/iot-vendor-engagement/>)”

1. Data Exchange & File Transfer

The Contractor’s solution must support the State’s standard API and secure file transfer methods to facilitate secure data transmission. The State’s standardized technologies are the MuleSoft API Management and GoAnywhere Managed File Transfer (MFT) services. If the proposed solution does not support these technologies, the Contractor must explain why and propose an alternative approach meeting State security standards. (See: <https://www.in.gov/iot/policies-procedures-and-standards/applications-standards/>)”

1. Authentication & Identity

If the solution includes a web portal or application accessed by providers or State users, the Contractor is expected to integrate with Access Indiana, the State’s single sign-on mechanism. If the proposed solution cannot accommodate Access Indiana at award, outline timelines and actions required for integration. (See: <https://www.in.gov/inwp/applications/authentication/>)”

1. Accessibility & Assistive Technology

The Contractor agrees all hardware, software, and services provided to or purchased by the State shall be compatible with the Assistive Technology Standard and the State’s architectural standards, including compliance with WCAG 2.1 AA. Any deviation must be approved in writing by IOT in advance. (Refs: https://www.in.gov/core/accessibility.html and https://www.in.gov/iot/iot-vendor-engagement/).”

1. Business Continuity and Disaster Recovery (BC/DR)

The Contractor shall maintain and share with the State a Disaster Recovery Plan and a Business Continuity Plan specific to operating State systems for which it is responsible. Plans shall be reviewed and updated annually with updates shared with the State. The Contractor’s DR Plan is exempt from public disclosure under IC 5-14-3-4(a) and (b)(10), (11) and (19).”

General Terms:

1. Equipment Requirements for State Network Access

If equipment is needed to access the State’s network, the Contractor will reimburse the State for equipment and access-related costs, as outlined in the current Indiana Office of Technology Services Catalog. Seat (Maintenance) Charge, Security Support Fee, and User Account Access Fees apply and are subject to July 1 annual adjustment.”

1. End of Contract Turnover

The services under this Contract are vital to the State and must continue without interruption. The Contractor shall plan and perform disengagement activities to ensure a seamless transition to the State or a successor. At minimum, the Contractor will develop an End of Contract Turnover Plan (roles, responsibilities, schedule, milestones), transfer all relevant artifacts (architecture, operations, training, interfaces), conduct training and shadowing/reverse shadowing, and be available for support during the disengagement period. The State may initiate disengagement with 30 calendar days’ written notice.”