

Questions and Answers for Birch Tree Center RFP

Q & A from 06/28/23 Optional Preproposal Conference

Question

Requirement to be licensed or working to be licensed – a provider must have a facility to be licensed. What is the expectation for providers who are not yet licensed?

Answer

The Intent is that you would meet all of the other requirements so that at a time a facility was available you would have all of the other requirements in place to move forward.

Question

Rent in the RFP is extraordinarily high. Curious about rate setting for this program. Is rent covered in a rate setting?

Answer

A portion of the rent/facility cost is covered by the rate setting, but DHS can provide the best information regarding how much could be recovered through rate setting.

Question about potential expansion of beds indicated in the RFP

Answer

The facility is currently licensed for 12-16 beds. We have some preliminary architectural designs that show we have the potential to modify existing space to increase it from 12 to 16 beds. The additional beds could all be crisis beds or could potentially be IRTS beds. That information was included to let respondents know that we are considering expansion. However, at this time we have no specific plan developed or specific dates for expansion.

Question

Who master leases the building?

Answer

The primary lease is between Arrowhead Health Alliance (joint powers board for ABHI) and Center City Housing. The ABHI subleases Birch Tree Center to a provider.

Question

Do the contents of the building belong to the ABHI or to the existing provider?

Answer

The only thing in the building that would belong to the existing providers would be computers, office equipment or incidentals. Furnishings, artwork, and other equipment belong to the ABHI.

Written Questions received by RFP deadline:

Question

The room and board costs for the lease, food, room and board supplies, furnishings replacement, etc. are significantly underfunded for this type of program. The extraordinary lease and the food costs are the primary drivers of this underfunding. Actual room and board costs for food are \$80,000 to \$120,000 per year based on occupancy due to the type of MDH license allowed for the type of kitchen built at the 4720 Burning Tree Road location. All hot food or any food requiring preparation must be catered and cannot be prepared onsite per MDH. A program of this size with a fully functioning kitchen with meals prepared on-site generally has food costs of roughly \$25,000 per year. With the expectation laid out in the RFP to pay the full costs of the building lease as part of room and board expenditures has the ABHI given any consideration to supporting the exorbitant costs of food due to the building design and current commercial kitchen limitations on top of the exceptional lease costs?

Answer

It was not the intent of the RFP to suggest the ABHI would not assist in paying some portion of the lease cost. The intent was to outline the actual yearly lease cost so respondents could address what portion of those expenses would be covered by the provider.

Question

Would a tour be available before the decision point?

Answer

A tour of the facility will be given on August 24, 2023, at 1:00 pm. Please limit attendance to no more than two people per organization. If you are planning to attend this tour, please email Ric.Schaefer@arrowheadhealthalliance.org no later than 5:00 pm on August 23rd.

Question

Does the state provide any guidance related to the transfer of the license?

Answer

Please contact the appropriate Minnesota DHS resource with this question.

Question

Would be able to access information related to staff in effort to plan for absorption?

Answer

The ABHI would not be able to answer this question.

Question

Is there any insight on Thrive employees? If they plan to stay assuming a new agency gets the RFP?

Answer

The ABHI would not be able to answer this question.

Question

Who is currently prescribing? Is that Thrive or another agency?

Answer

Prescriber(s) are APRNs currently on staff with current provider.

Question

Are we able to review operations and financials?

Answer

Operations and financial information would be the property of the current provider. We are unaware of this information being available to the public.

Question

What maintenance is included in the leasing?

Answer

Routine Maintenance is factored into the lease agreement with a settle-up at the end of each year. The following is taken from the current master lease agreement.

The rent, as finally calculated pursuant to the terms hereof, will include taxes, insurance, general maintenance, structural items, utilities and refuse collection and handling. Cleaning of the space will be the responsibility of Tenant. These items are otherwise addressed herein...

Tenant shall be responsible for janitorial and cleaning of the Premises...

Question

Snow/lawn?

Answer

Snow removal and lawn care fall under the general maintenance of the building.

Question

Will furnishings come with building/option to purchase?

Answer

Furnishings were purchased by the ABHI at the time of construction and will remain with the building.

Question

What is the uncompensated care bucket?

Answer

It is anticipated the ABHI will have between \$117,300 and 234,600 to assist with Uncompensated Care in 2024.

Question

Will the ABHI assist with uncompensated care and center city with rent during the time of transition between license holders?

Answer

Arrowhead Health Alliance holds the master lease agreement with Center City Housing and will make any necessary payments during a potential transition period. Uncompensated care dollars are paid out via a process covered in a Crisis Residential Contract specific to each calendar year and provider contract.