NOTE: A feasibility study of this nature is to determine whether it is in the public’s best interest for a private entity to take on a division of a public entity. In this case, we are analyzing Spokane Regional Health District’s Treatment Services. A decision and recommendation will not be made until the feasibility study is completed.
Overview

In 1990, the “methadone clinic” was started by the Spokane Regional Health District (SRHD) because there was no one else in the Spokane community offering services to individuals addicted to heroin. Today, we continue to be the singular largest opioid treatment program (OTP) in our state, but there are other clinics offering the same OTP services in our community and the nation as well. We are also living in a different political and fiscal environment. In Washington, Foundational Public Health Services (FPHS) are core services which the governmental public health system is responsible for providing in a consistent and uniform way in every community in Washington (RCW 43.70.512). Opioid treatment is not a core service. And in fact, there is only one other public health department in Washington that continues to operate an OTP. In addition, there are now funding opportunities that SRHD’s Treatment Services Division is not eligible for because it is not a separate entity with its own EIN and NPI number.

The need for services in Spokane County is great but our ability to expand and grow may be limited by the constraints of being organized as a public health special purpose district.

It may benefit the Treatment Services Division to operate like a traditional community or non-governmental based outpatient treatment provider, and to have the ability to respond to funding opportunities quickly. It has grown to where it is no longer operating as a program within the Health District, but rather as a direct service provider in its own right and must have the ability to be nimble and responsive to the needs of the community.

The Treatment Service Division is licensed to provide the following services:

Behavioral Health Agency Opioid Treatment Program – BHA.FS.61408797-OPIOID

- Opioid Treatment Program Services - Opioid Treatment Programs (OTP)
- Behavioral Health Agency Substance Use Disorder Outpatient Service – BHA.FS.61408797-SUDOUT
- Substance Use Disorder Outpatient Services 1 - Level 1 Outpatient

Behavioral Health Agency Mental Health Outpatient Service – BHA.FS.61408797-MHOUT

- Outpatient Mental Health Services 1 - Brief Intervention Treatment
- Outpatient Mental Health Services 2 - Family Therapy
- Outpatient Mental Health Services 3 - Group Therapy
- Outpatient Mental Health Services 4 - Individual Treatment
- Outpatient Mental Health Services 5 - Rehabilitative Case Management

On April 25, 2024, the Spokane Regional Health District Board of Health (BOH) approved conducting a feasibility study of the possible separation of the Treatment Services Division from the District. This document outlines the process that will be followed to conduct the study.
Step 1) Conduct a feasibility study which will include:

a.) Identification of impacts on the organization, employees, and community

- Conduct an Internal Stakeholder Analysis: Involve SRHD staff from various departments, including OTPs, clinicians, administrative personnel, and financial officers. Gather their feedback on operational strengths and weaknesses, concerns regarding separation, and potential improvements under private ownership. Meet with Unions to understand their position. Conduct key informant interviews with Treatment Services clients.
- Conduct an External Stakeholder Analysis: Consult with representatives from local healthcare providers, patient advocacy groups, tribal, local, state, and federal agencies involved in oversight of OTP services. Understand their perspectives on the potential impact of privatization on access to care, treatment quality, and community needs. Identify key stakeholders impacted by the privatization, such as government agencies and community members. Conduct key informant interviews. Hold town hall meetings and other convenings.
- Town Hall Meetings: Organize public meetings for employees, community members, clients, and government officials to answer questions, and gather feedback.
- Employee Town Halls/Communications: Hold separate meetings or distribute clear communication materials for SRHD employees, addressing job security, potential changes, and support systems.
- Press Releases: Issue timely press releases notifying public of Town Hall Meetings, outlining key milestones, addressing public concerns, and emphasizing transparency throughout the process.
- Financial Data: Analyze financial records related to the Treatment Services division. This includes operating budgets, revenue streams (government funding, patient fees), staffing costs, and overhead expenses.
- Operational Data: Compile data on patient volume, treatment programs offered, staffing levels (clinicians, support staff), and utilization rates for various services.
- Performance Data: Gather data on patient treatment outcomes, such as retention rates, reduction in opioid use, and successful transitions to recovery programs.

b.) Measure interest of other OTPs to help Treatment Services Division to separate from SRHD:

- Conduct an Analysis of Interest: Consult with representatives from local healthcare organizations, tribal, state, and national agencies to measure interest.
Data Analysis:

- **Stakeholder Input:** Analyze the stakeholder input to determine the potential impact on employees, clients, and the community.
- **Financial Viability:** Analyze the financial data to determine the financial viability of maintaining or separating the Treatment Services division from SRHD.
- **Operational Efficiency:** Evaluate the efficiency of the current Treatment Services operations. Identify areas for improvement under private management, such as organizational structure and oversight needs.
- **Public Health Impact:** Analyze the potential impact of privatization on public health outcomes. Consider factors like access to treatment for low-income patients, continuity of care, and potential changes in treatment protocols.

Data Management:

- The data will be organized into a centralized system like spreadsheets or databases for easy analysis and presentation in the feasibility report.
- Ensure data accuracy by verifying information from multiple sources and addressing any inconsistencies.

Based on the above findings, a recommendation will be made to the SRHD BOH for or against moving forward to Step 2.

**Step 2** Begin to work through all of the details ONLY IF the recommendation is to move forward.

**Press Releases:** Issue timely press releases outlining key milestones, addressing public concerns, and emphasizing transparency throughout the process.

**Public Website:** Create a dedicated webpage containing information about the separation plan, timeline, FAQs, and contact details for inquiries.

**Conduct a Market Analysis:** Since SRHD’s Treatment Services offers fee for services, we will analyze the competitive landscape and potential impact of privatization on market dynamics.

**Legal and Regulatory Considerations:** Analyze the legal framework surrounding privatization of Treatment Services. This might involve researching relevant state legislation, public bidding processes, and potential regulatory hurdles from governing bodies.

**Financial Analysis:** Assess the financial situation of Treatment Services. This could include reviewing its budget, funding sources, liabilities, and any assets that would be part of the separation.

**Valuation:** Estimate the fair market value of Treatment Services to determine a realistic separation cost. Consider factors like its assets, liabilities, and future earning potential.
Target Audiences:

- **SRHD Employees:** Address job security concerns, potential changes in work environment, and communication channels for questions.
- **Treatment Services Clients:** Address continuity of care and access to care concerns.
- **BOH/Government Officials:** Provide clear explanations of the separation rationale, potential benefits to the public good, and adherence to legal/regulatory processes.
- **Community Members:** Address concerns regarding service availability, quality, and affordability under a different ownership. Offer opportunities for public input and feedback.
- **Media:** Develop clear messaging and designated spokespersons to address media inquiries and provide accurate information about the possible separation.

Public Interest and Benefits:

- Discuss how different ownership will benefit the public. This could involve information like improved efficiency, increased access to services, or potential cost savings.
- Address any potential concerns regarding a change in ownership, such as job security for public employees or reduced access to services for vulnerable populations. Propose solutions to mitigate these concerns.

Based on the above findings a recommendation will be made to the SRHD BOH for or against moving forward to Step 3.

**Step 3) Develop and initiate the Request for Qualification process.**

Legal and Regulatory Considerations:

- **Public Bidding:** If the plan involves selling Treatment Services to a private entity, research public bidding requirements outlined in Washington State legislation. This ensures a fair and transparent separation process.
- **Contract Development:** Develop a comprehensive contract specifying the terms of separation, including transfer of assets and liabilities, data security measures for patient information (HIPAA compliance), and guarantees regarding service continuity during the transition.
- **Compliance with State and Federal Regulations:** Ensure that every aspect adheres to all state and federal regulations governing OTP operations. This includes licensing requirements, medication-assisted treatment (MAT) protocols, and patient privacy standards.

Transition Plan:

- Develop a detailed transition plan that outlines the steps involved in separating the Treatment Services Division from SRHD. This should address staffing changes, patient communication, inventory management, and technology transfer procedures.
- Minimize disruptions to patient care during the transition by ensuring continuity of treatment plans and access to medication.
- Develop a communication plan to keep patients, staff, and the community informed about the separation process and timeline.
Potential Risks and Mitigation Strategies:
- Identify potential risks associated with changing ownership, such as reduced access to services for low-income patients, increased treatment costs, or changes in treatment protocols that don't align with public health goals.
- Develop mitigation strategies to address these risks. This might involve stipulating requirements in the contract to maintain affordability of services or setting up a community advisory board to monitor the quality of care provided by the new owner of Treatment Services.

Conclusion and Recommendations:
- Based on the data analysis and consideration of all factors, draw a conclusion regarding the feasibility of separating Treatment Services.
- If feasible, provide recommendations for moving forward with the separation process in a way that maximizes benefits for public health, employees, patients, and the community.

Request for Qualifications:
- If the results of Step 3 indicate moving forward, a request for qualifications will be announced.
- A robust committee representing internal and external stakeholders will be established to score the submissions.