



## Legislation Details (With Text)

**File #:** 24-0784      **Version:** 1

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**File created:** 4/17/2024      **In control:** Board of Supervisors

**On agenda:** 5/21/2024      **Final action:** 5/21/2024

**Title:** Health and Human Services Agency (HHSA), Behavioral Health Division, recommending the Board:  
 1) Make findings that the provision of Software as a Service (SAAS) provided by Netsmart Technologies, Inc. (Netsmart), is in the public's best interest and that the work requires specialty skills and qualifications not expressly identified in County classifications are involved in the performance of the work in accordance with El Dorado County Ordinance Code, Chapter 3.13.030(B);  
 2) Make findings in accordance with Procurement Policy C-17 Section 3.4.2(f) exempting the competitive bidding process, with Purchasing Agent concurrence, because the procurement is for HHSA's continued use of the Netsmart Avatar SAAS system, where the continuity of providers will provide efficiency or critical knowledge, and other providers of the services cannot provide similar efficiencies or critical knowledge;  
 3) Approve and authorize the Chair to sign Agreement for Services 8522 with Netsmart for the provision of the Netsmart Avatar electronic health record and billing system, for the term of June 1, 2024, through May 31, 2029, with a maximum contractual obligation of \$1,676,458.85;  
 4) Authorize the Purchasing Agent, or designee, to execute further documents relating to Agreement for Services 8522, including amendments which do not increase the maximum dollar amount or term of the Agreement, and contingent upon approval by County Counsel and Risk Management; and  
 5) Authorize the HHSA Director, or Chief Assistant Director, to execute Work Orders that do not exceed the Work Order amount (outlined in the Master Agreement Expenditures table), programmatic, administrative, and fiscal documents relating to Agreement 8522.

**FUNDING:** State and Federal: 10% Federal Medi-Cal, 5% State Mental Health Realignment and 85% Mental Health Services Act.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A- 8522 PE, 2. B- Counsel Approval, 3. C- Non Competitive Bid Justification Form, 4. Executed Netsmart Master Agreement

Date	Ver.	Action By	Action	Result
5/21/2024	1	Board of Supervisors	Approved	Pass

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2024, through May 31, 2029, with a maximum contractual obligation of \$1,676,458.85;  
4) Authorize the Purchasing Agent, or designee, to execute further documents relating to Agreement for Services 8522, including amendments which do not increase the maximum dollar amount or term of the Agreement, and contingent upon approval by County Counsel and Risk Management; and  
5) Authorize the HHSa Director, or Chief Assistant Director, to execute Work Orders that do not exceed the Work Order amount (outlined in the Master Agreement Expenditures table), programmatic, administrative, and fiscal documents relating to Agreement 8522.

**FUNDING:** State and Federal: 10% Federal Medi-Cal, 5% State Mental Health Realignment and 85% Mental Health Services Act.

**DISCUSSION / BACKGROUND:**

On October 4, 2005, the Board approved and authorized the Chair to sign a Behavioral Health Memorandum of Understanding with the California Regional Mental Health Systems Coalition Joint Powers Authority (JPA) to develop an integrated information systems infrastructure to support mental health and substance abuse programs for multiple counties. Subsequently, the JPA members researched available software systems suitable for mental health records and Medi-Cal billing that satisfied the requirements of the California Medi-Cal system. As a result, the JPA selected and implemented the Avatar system in 2007, a product of the Netsmart Technologies Corporation, to achieve this goal and meet the State requirements.

Despite the quality and success of the product, the Application Service Provider (ASP) billing configuration proved to be problematic and the JPA system was dissolved by June 30, 2013. HHSa staff and the County's Information's Technology Division concurred that the Avatar system included a great deal of valuable functionality and recommended continued use of Avatar, due to the financial and staff time investment in developing and using the software, the multitude of records contained in the software platform, and to ensure continuity of record keeping for those clients whose records already reside in the system.

On May 22, 2012, the Board approved the first HHSa Agreement for Services 465-S1211 with Netsmart, for a five-year term, for the continued provision of the Avatar electronic health record (EHR) system and billing software (Legistar item 12-0629). Thereafter, the Board has continued to approve and execute subsequent renewal agreements with Netsmart. During the period of continuous Agreements, Netsmart has proven to be a consistent partner by providing support and customizing to HHSa as requested. Through the Netsmart Avatar system's effective electronic billing processes, HHSa has been able to obtain continued Medi-Cal funding to support Behavioral Health Division (BHD) services.

This proposed Agreement 8522 with Netsmart is a renewal of Agreement 844, which was approved by the Board on April 18, 2017, for the term through May 31, 2024 (Legistar item 17-0321), to provide continued Avatar EHR/billing SAAS services to HHSa. Under the existing Agreement 844, HHSa had to bring multiple amendments to the Board to add Avatar services to incorporate changes in the County's EHR system that were mandated by the Department of Health Care Services (DHCS) under the California Advancing and Innovating Medi-Cal (CalAIM) initiative. On May 17, 2022, the Board approved Amendment 6 to Agreement 844, in which HHSa added a pre-determined not-to-exceed amount to the agreement for future Work Orders which allowed such Work Orders to be processed without returning to Board (File ID: 22-0086). This practice allowed more timely changes to be processed that did not increase the agreement's term or maximum obligation. Consequently, in the renewal Agreement 8522, HHSa is asking the Board to continue to authorize the HHSa Director to execute Work Orders which do not exceed a pre-determined amount. This will allow services to be

added in a timely matter and as available from Netsmart, without having to return to the Board for approval, ultimately ensuring HHSAs timely compliance with any required EHR updates.

In accordance with Board of Supervisors Procurement Policy C-17, Netsmart Agreement 8522 is exempt from competitive bidding, with Purchasing Agent concurrence, per Section 3.4.2 (f) because the procurement is for continued use of the Netsmart Avatar SAAS system, where the continuity of providers will provide efficiency or critical knowledge, and other providers of the services cannot provide similar efficiencies or critical knowledge. Netsmart has been engaged by County to provide SAAS licensed software and support in the form of the Avatar EHR since 2005 and software has been customized to fit HHSAs BHD's Medi-Cal billing and medical record programs needs over the course of time. HHSAs recommends the Board approve of this Agreement 8522 to ensure continuation of necessary Netsmart Avatar electronic health record and billing system services without any service interruption.

**ALTERNATIVES:**

Disapproval of Agreement for Services 8522 will result in a gap in availability of an electronic health record system which will cause HHSAs BHD to be out of compliance with the federal Patient Protection and Affordable Care Act (Public Law 111-148) and will impact HHSAs ability to submit timely and accurate Medi-Cal billings and maintain adequate client records.

**PRIOR BOARD ACTION:**

- 1) 05/22/12, 12-0629, HHSAs Netsmart Agreement
- 2) 04/18/17, 17-0321, Approved Agreement for Services 447-S1711 (FENIX #844)
- 3) 05/21/19, 19-0384, HHSAs Netsmart Agreement 844 Amendment 2
- 4) 03/17/20, 19-1716, HHSAs Netsmart Agreement 844 Amendment 3
- 5) 12/15/20, 20-1097, HHSAs Netsmart Agreement 844 Amendment 4
- 6) 11/09/21, 21-1487, HHSAs Netsmart Agreement 844 Amendment 5
- 7) 05/12/22, 22-0086, HHSAs Netsmart Agreement 844 Amendment 6

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

County Counsel, Risk Management, HR, and Information Technologies. The Auditor-Controller has been notified in accordance with Policy B-12.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no General Fund Cost associated with this Agenda item. Sufficient appropriations were included in the Fiscal Year 2023-24 Budget and will be included in future budgets for the term of the Agreement.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to obtain signature of Chair on one (1) original Agreement for Services 8522

**STRATEGIC PLAN COMPONENT:**

N/A

**CONTACT**

Olivia Byron-Cooper, MPH, Director