



## Legislation Text

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**File #:** 23-1635, **Version:** 1

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Health and Human Services Agency (HHS) recommending the Board:

- 1) Make findings that the provision of services to operate County of El Dorado Psychiatric Health Facility (PHF) provided by Telecare Corporation, Inc. are in the public's best interest and that there are specialty skills, qualifications, and equipment not expressly identified in County classifications involved in the performance of the work in accordance with El Dorado County Ordinance Code, Chapter 3.13.030(B);
- 2) Approve and authorize the Chair to sign Amendment II to, competitively procured, Agreement for Services 4330 with Telecare Corporation, Inc., with the retroactive amendment start date of July 1, 2023, which increases the compensation by \$4,728,120 for a new total compensation amount of \$34,878,086, adds incentive payment options, updates standard contract language, and updates cost report and cost settlement requirements, with no change to the ending term date of the Agreement, with the retroactive request to allow HHS to meet the Department of Health Care Services required implementation date of this new agreement, in compliance with the California Advancing and Innovating Medi-Cal initiative;
- 3) Authorize the Purchasing Agent to execute amendments relating to Agreement 4330, contingent upon approval by County Counsel and Risk Management, which do not increase the maximum dollar amount or term of the Agreement; and
- 4) Authorize the HHS Director, or the HHS Chief Assistant Director, to execute programmatic, administrative, and fiscal documents relating to Agreement 4330.

**FUNDING:** 75% Medi-Cal, 5% Other County Revenue (i.e., other counties paying to place their clients in our PHF), and 20% Realignment.

### **DISCUSSION / BACKGROUND:**

The County of El Dorado's (County) 16-bed PHF is designed to provide 24-hour stabilization and treatment services countywide for those persons who meet criteria specified under the California Welfare and Institutions Code Section 5150, which defines by regulation that any person, as a result of a mental health disorder, is a danger to themselves or others, or gravely disabled, may be involuntarily detained for treatment. PHF services include but are not limited to psychiatry, medication, clinical treatment, nursing, and the required documentation and maintenance of health information in accordance with prevailing federal and state laws and regulations. Services at the PHF are provided upon referral by other agencies.

In 2013, a financial analysis of the then County operated PHF determined that privatization would ensure ongoing PHF services with a higher level of staffing at a cost substantially lower than a County operated PHF. Subsequently, in 2014, the County privatized the provision of services at the PHF through County issued Request For Proposals (RFP) 14-918-072 from which Telecare Corporation, Inc. (Telecare) was selected as the most successful proposer. On January 6, 2015, the award of the RFP to Telecare was approved by the Board and the Chair executed Operational Agreement (OA) 221-S1511 and a non-financial Facility Use Agreement (FUA) 227-O1511 with Telecare (File ID 14-0517, Version 3). The FUA specified the roles and responsibilities of Telecare in

using the County's PHF building. The OA was the County's contract with Telecare to operate and manage the County PHF. As specified in the OA, the County would release an RFP after five years to solicit a PHF operator/manager.

On June 7, 2019, the County's Procurement and Contracts Division released RFP 19-918-083 for the solicitation of continued operations and management of the County's PHF. In response to this RFP, Telecare was the only proposal received. On December 17, 2019, the Board approved the RFP award, the renewal OA 4330 in the amount of \$30,149,966, and renewal non-financial FUA 4332 with Telecare, for the continued operation of the PHF, both for the term of five years from January 1, 2020, through December 31, 2025 (File ID 19-1397). Subsequently, on March 7, 2022, Amendment I to this Agreement was executed by the County Purchasing Agent to update language in the maximum obligation article with no change to the maximum contractual obligation, to update the HIPAA Business associate agreement and contract administrator as well as add Force Majeure language, with no increase to the term.

Beginning in early 2023, the DHCS developed program and payment reform across the Medi-Cal program, called the CalAIM initiative, designed to improve the quality of life and health outcomes of Medi-Cal eligible individuals. Under CalAIM, DHCS added new programs and made important reforms to many existing Medi-Cal programs, which required new CalAIM contract language and new Medi-Cal billing rates to be included in numerous existing County Specialty Mental Health Services (SMHS) contracts. The County's PHF contract with Telecare 4330 was one of the County's required contract amendments, in which DHCS established July 1, 2023, as the County's deadline for achieving said CalAIM documentation and Medi-Cal payment reforms.

Consequently, to ensure that HHSa could meet this required deadline, HHSa developed Amendment II to Telecare OA 4330 and is recommending the Board authorize the Chair to execute this Agreement for the retroactive amendment effective date of July 1, 2023. This amended agreement increases the maximum obligation to allow for incentive payments to Telecare for meeting benchmark goals for filling Medi-Cal-Billable Daily Bed Days each month, as well as updates invoicing language and standard articles in the Agreement. This amendment also updates reporting requirements that were identified as required changes under CalAIM as well as compensation changes that have been negotiated to align with those required changes.

HHSa recommends the Board approve of this Amendment II to Agreement 4330 to ensure compliance with CalAIM, Federal, and State requirements. Through execution of this amended agreement, the County will continue to uphold parameters such as consistency in service delivery expectations, performance measures and outcomes, productivity, and funding.

**ALTERNATIVES:**

Should the Board decline to approve the Amendment II to Agreement 4330, the current contract for services would have insufficient funding to provide the required scope of services and the County would be out of compliance with CalAIM requirements.

**PRIOR BOARD ACTION:**

- 1) 12/17/19, 19-1397, PHF Telecare Agreements 4330 and 4332
- 2) 08/13/19, 19-1156, HHSa Psychiatric Health Facility RFP Award to Telecare
- 3) 11/04/14, 14-0517, Version 2, Psychiatric Health Facility Agreement with Telecare
- 4) 08/26/14, 14-0517, Version 3, HHSa Psychiatric Health Facility RFP Award to Telecare

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

County Counsel, Human Resources, Procurement and Contracts, and Risk Management.

**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 remaining term of the Agreement.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to obtain signature of Chair on one (1) original Amendment II to Agreement for Services 4330

**STRATEGIC PLAN COMPONENT:**

Healthy Communities

**CONTACT**

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