



## Legislation Details (With Text)

**File #:** 22-0086 **Version:** 1

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**File created:** 12/30/2021 **In control:** Board of Supervisors

**On agenda:** 5/17/2022 **Final action:** 5/17/2022

**Title:** Health and Human Services Agency (HHSA) recommending the Board:  
1) Approve and authorize the Chair to sign Amendment 6 to Agreement for Services 844 (447-S1711) with Netsmart Technologies, Inc., for the provision of the Netsmart Avatar electronic health record and billing system services, which extends the term for an additional two (2) years with a new expiration date of May 31, 2024, and increases the not-to-exceed (NTE) amount by \$727,983, for a new NTE amount of \$1,657,433; and  
2) Authorize the HHSA Director or their designee to execute further documents relating to Agreement 844 (447-S1711), including amendments which do not increase the maximum dollar amount or term of the Agreement, contingent upon approval by County Counsel and Risk Management.

**FUNDING:** Federal and State Funding: 50% Medi-Cal, 24% Mental Health Realignment, and 26% Mental Health Services Act.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. A - Approved CRS, 844 A6, 2. B - Netsmart Technologies, 844 A6, 3. C- Netsmart 844, A1, A2, A3, A4, A5+ Approved CRSs, 4. Fully executed 844 A6

Date	Ver.	Action By	Action	Result
5/17/2022	1	Board of Supervisors	Approved	Pass

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**FUNDING:** Federal and State Funding: 50% Medi-Cal, 24% Mental Health Realignment, and 26% Mental Health Services Act.

### DISCUSSION / BACKGROUND:

In 2005, the Board approved a Mental Health Agreement to contract with the California Regional Mental Health Systems Coalition Joint Powers Authority (JPA) to develop an integrated information systems infrastructure. The JPA members researched available software systems suitable for Mental Health records and billing that satisfied the requirements of the California Medi-Cal system. As a result, the JPA selected and implemented the Avatar system, a product of the Netsmart Technologies Corporation, to achieve this goal and meet 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. The Health and Human Services Agency (HHSA) desired to continue using 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. Since that time, as electronic billing processes result in Medi-Cal funding to support Behavioral Health services and as Netsmart has proven to be a consistent partner in providing support and customizing as requested, Behavioral Health has continued contracting with Netsmart Technologies Inc. for the provision of the Avatar electronic health record and billing system.

On May 1, 2020, the United States Centers for Medicare & Medicaid Services (CMS) published their Interoperability and Patient Access final rule (Document 85 FR 25510) which is intended to move the health care ecosystem in the direction of interoperability, and to signal their commitment to the vision set out in the 21st Century Cures Act and [Executive Order 13813](#)

[<https://www.federalregister.gov/executive-order/13813>](https://www.federalregister.gov/executive-order/13813) to improve the quality and accessibility of information that Americans need to make informed health care decisions, including data about health care prices and outcomes, while minimizing reporting burdens on affected health care providers and payers. Currently, patients and their health care providers are often presented with an incomplete picture of their health as pieces of their information are often stored in various unconnected systems and do not accompany the patient to every care setting. The Interoperability and Patient Access final rule provides enforceable standards of interoperability and data exchanges to prevent an often complicated and time-consuming search for health information. As a result, health information technology, including electronic health record (EHR) systems, will soon be required to be compliant to the standards set by CMS.

The California Department of Health Care Services (DHCS) has launched the California Advancing and Innovating Medi-Cal (CalAIM) project to guide counties through the transition of updating their EHR systems to be in compliance with CMS's requirements. HHSA is working with Netsmart on the CalAIM project to bring the County into compliance with the standards, with respect to its Behavioral Health client information in Avatar. The timeline for compliance with the changes is September 2022 through September 2023.

Per prior Board action on the Netsmart Agreement, amendments that increase the Not-To-Exceed (NTE) or term of the Agreement must be approved by the Board each time; therefore, HHSA determined that the best course of action was to add a pre-determined NTE to the Agreement for future work orders. This will allow services to be added as required per CalAIM's timeline, and as available from Netsmart, without having to return to the Board for approval, ultimately ensuring HHSA's timely compliance with the required EHR updates. Amendment 6 adds \$350,000 for these services over the two-year period. This Amendment 6 to the Agreement stipulates that each work order must receive written HHSA approval before the services may commence and any payment is issued.

In addition, this Amendment 6 adds one additional OrderConnect Token to the Agreement to increase the number of Behavioral Health (BH) physicians able to prescribe controlled substances in Avatar to four. The Agreement currently provides three OrderConnect Tokens, which excludes the BH Physician Assistant (PA) from having this ability; however, it has been determined that in order to streamline the provision of mental health services, the PA requires the ability to prescribe controlled substances via Avatar.

Lastly, Amendment 6 adds American Medical Association (AMA) Current Procedural Terminology (CPT) Code Subscription services to the Agreement. AMA is addressing the dysfunction in health care by removing obstacles and burdens that interfere with patient care; therefore, this new service will bring HHSA's Avatar services into compliance with AMA billing requirements in regards to CPT codes.

HHSA is aware of the high number of amendments to this Agreement 844. During the amendment process, HHSA weighed its options to amend or renew the Agreement and decided to amend based on several factors:

1. The impending expiration of the Agreement on May 31, 2022;
2. Netsmart's terms and conditions;
3. The process required to make informed decisions on the various EHR requirements and options available to HHSA; and
4. The rapidly changing healthcare ecosystem.

If HHSA chooses to continue using Avatar long-term, HHSA will return to the Board with a new Agreement for the EHR services provided by Netsmart Technologies Inc.

#### **ALTERNATIVES:**

The Board may not approve this recommendation, however that decision would allow the Netsmart contract to expire on May 31, 2022 as there will not be sufficient time for HHSA to negotiate a new agreement or process another amendment.

#### **PRIOR BOARD ACTION:**

- 1) 04/18/17, 17-0321, Approved Agreement for Services 447-S1711 (FENIX #844)
- 2) 05/21/19, 19-0384, HHSA Netsmart Agreement 844 Amendment 2
- 3) 03/17/20, 19-1716, HHSA Netsmart Technologies, 844 A3 (447-S1711)
- 4) 12/15/20, 20-1097, HHSA Netsmart 844 A4
- 5) 11/09/21, 21-1487, HHSA Netsmart Technologies 844 A5

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

Approved by County Counsel, Human Resources, Information Technologies, and Risk Management. The Auditor-Controller was notified per Policy B12.

#### **CAO RECOMMENDATION:**

Approve as recommended.

#### **FINANCIAL IMPACT:**

There is no use of General Fund for this Agreement. The increase of \$727,983 will be paid from Medi-Cal, Mental Health Realignment, and Mental Health Services Act. Sufficient appropriations were included in the Fiscal Year 2021-22 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 original Amendment for Services 844.

#### **STRATEGIC PLAN COMPONENT:**

County Strategic Plan Objective Healthy Communities: Achieve better outcomes for children, young

adults and families in the areas of mental illness and substance abuse prevention.

**CONTACT**

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