



Legislation Text

File #: 07-170, **Version:** 1

Public Health, Sheriff, and Probation Departments recommending that the Board authorize the Public Health Department to enter into a new contract with California Forensic Medical Group effective July 1, 2007. (Refer 12/12/06, Item 4)

FUNDING: General Fund (to be budgeted in FY 2007-08 in the Public Health Department through a transfer from the Sheriff's Department budget)

Fiscal Impact/Change to Net County Cost: There is no fiscal impact or net County cost for FY 2006-07. The estimated FY 2007-08 net county cost of the departments' recommendation is approximately \$2.52 million. The FY 2006-07 budget includes \$2.2 million for this contract. Staff anticipates an additional \$236,000 in charges incurred in FY 2006-07 over and above the \$15,000 CFMG obligation, bringing the FY 2006-07 amount to \$2.4 million.

Background: The County contracted with CFMG beginning January 1, 1996 to provide jail medical/mental health services in Placerville and South Lake Tahoe. This contract has been renewed twice and amended to include Placerville Juvenile Hall (medical only) and South Lake Tahoe Juvenile Treatment Center (medical only) services.

The current contract, administered by the Public Health Department in conjunction with the Sheriff, Probation, and Mental Health Departments, expires June 30, 2007. A review of the service history by County staff indicates that CFMG has performed the services to the County's satisfaction over the entire contractual period. Research of other possible vendors indicates that there is only one other possible vendor. This vendor works in two counties, while CFMG operates in 22 other counties.

CFMG is willing to entertain a three year agreement with a one year increase at 5% (see summary chart below); then the base rate, weekend Licensed Vocational Nurse coverage rate, and per diem rate adjusted in years two and three based on the percentage increase of the medical CPI in the San Francisco - Oakland region from February of the previous year to February of the current year.

An associated issue is the growing trend of patients whose inpatient care is exceeding the \$15,000 per person per inpatient episode cap. Currently, CFMG's financial liability for medical or psychiatric inpatient episodes is limited to \$15,000 per person per episode, with the County paying for everything beyond that amount. As a result of SB 159, the County is able to substantially discount those costs. However, that option sunsets on January 2009, and the County will need to directly negotiate new rates and contracts with providers. As has been previously shared with the Board, this cap has been exceeded 11 times in the past four years in the provision of care for 24 inmates.

Staff has been working with Risk Management to identify an excess loss insurance policy to better protect the County from these costs in the future. A policy has been identified through CSAC EIA. The policy would cover inmate and ward inpatient costs at \$250,000 per individual with an aggregate cap of \$1,000,000, based on a \$15,000 deductible. This would cover the County cost from the

\$15,000 cap imposed by the CFMG contract up to \$250,000 per inmate inpatient episode. The annual cost would be \$91,230. Additional terms would be:

Exclusions or limitations:

- All charges in connection with security or guarding any inmate for any reason.
- All charges in connection with treatment within 72 hours of the effective date of agreement with Alliant Insurance Services, Inc.
- Charges which are incurred after the inmate has been released from custody.
- All charges for which government authorities are not legally obligated to pay.
- All charges in connection with treatment in mental or nervous disorder.
- All charges in connection with treatment of substance abuse.
- Charges which are not inpatient medical.
- Buyback coverage options: (Not recommended at this time)
 1. All charges incurred as a result of AIDS/HIV illness.
 2. All charges in connection with pregnancy.

Public Health, Sheriff, and Probation have identified the following issues:

1. Whether to continue to contract with our current provider or issue an RFP.

Reason for no RFP: Current vendor has given best offer. Lack of competition may result in no other proposal (only one other provider serving two California counties). Yolo County recently conducted an RFP and only received a proposal from CFMG, their existing provider. No assurance that the County will not be low balled. Sheriff, Mental Health, Probation and Public Health are satisfied with the current vendor. County has unique needs with incarcerated population base spread out over four facilities in two population centers, one of which is geographically isolated. The County Purchasing Ordinance states that the Board may contract for services without advertising for bids or seeking proposals. The contractor selection method can depend on the nature of the services or the availability of an already existing contracting source. The contractor selection may be made by considering only one provider.

Reason for RFP: Determine if lower cost and higher quality service can be obtained from other than current vendor.

The three departments recommend that the County continue to contract with CFMG, our current provider.

2. Whether to obtain excess loss insurance coverage. (\$91,230 per year)

Fiscal Year: Actual charges incurred (over and above the \$15,000 CFMG obligation) due to inpatient episodes

05-06	\$191,066
06-07	\$235,899*

*Actual charges plus estimated charges based on known cases

The three departments recommend that the County obtain excess loss insurance.

3. Whether to modify the existing service level.

The Sheriffs Department has requested and CFMG has responded with estimates for the following changes to the existing service level:

The Nurse Manager for all four facilities (Placerville and SLT Jails, the Juvenile Hall and Juvenile Detention Center) is responsible for the oversight of all medical activities for the County detention facilities. Historically the Nurse Manager has also fulfilled the duties of daily sick call and medical care in the Placerville Jail. The last few years, increased activities and workload have had a significant impact on the Nurse Managers ability to fulfill the oversight of all facilities, including regularly scheduled visits to all four. As a result, the Sheriffs Department has requested a charge nurse assignment in Placerville and a part time clerical support person to allow the Nurse Manager time for administrative duties.

- Estimated annual cost for one Charge Nurse Monday through Thursday, per CFMG: \$97,548
- Estimated annual cost for 0.5 FTE clerical support in the Placerville Jail, per CFMG: \$29,040.

The Probation and Mental Health Departments have requested the following changes to the existing service level:

Management and administering of psychotropic drugs in the juvenile hall and juvenile detention center be handled by CFMG staff.

- Estimated cost per CFMG: \$3,024

The three departments recommend that the new contract include the proposed changes to CFMG's current level of service.

Proposed costs for FY 2007-08 including additional services -

Adult Base Rate - Placerville and South Lake Tahoe Facilities	\$1,908,612.72
Juvenile Hall (JH) and Juvenile Treatment Center (JTC) facilities	355,491.86
Weekend Nursing Visits - JH & JTC	<u>30,056.00</u>

Base Rate Subtotal FY 2007-08: \$2,294,160.58

Additional Services -

Charge Nurse Placerville Jail	\$97,548.00
Clerical Support (0.5 FTE) Placerville Jail	29,040.00
Psychotropic Drug Management JH and JTC	<u>3,024.00</u>

Additional Services Subtotal FY 2007-08: \$129,612.00

Base Rate plus Additional Services Total FY 2007-08: \$2,423,772.58

Base Rate, Additional Services, & Excess Loss Insurance: \$2,515,002.58

Action to be taken following Board direction: Department to carry out Board directive.

Contact: Dan Buffalo

Concurrences: