



## Legislation Text

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**File #:** 19-1156, **Version:** 1

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

- 1) Award Request for Proposals 19-918-025, to Telecare Corporation, for the operation and management of the County's Psychiatric Health Facility; and
- 2) Authorize HHS to negotiate an Agreement for Services with Telecare Corporation, with a total not-to-exceed amount to be negotiated, and with a term effective on execution through January 31, 2025, with the possibility of an additional five-year term extension, contingent upon mutual agreement between the County Board of Supervisors or designee and Telecare Corporation.

**FUNDING:** 41% with Federal funding, 2% with State funding, 8% with Other Government funding, and 49% with Behavioral Health Realignment.

### **DISCUSSION / BACKGROUND**

On June 7, 2019, the County's Procurement and Contracts Division released a Request For Proposals (RFP # 19-918-083) for the operation and management of the County's Psychiatric Health Facility (PHF). Written proposals were due on July 12, 2019; only a single proposal was received in response to the RFP. The single proposal received was submitted by the incumbent service provider, Telecare Corporation.

In 2014, the County privatized the provision of services at the Psychiatric Health Facility through a similar RFP process (RFP # 14-918-072), from which the Telecare Corporation was selected. The subsequent agreement with the Telecare Corporation specified the County would again release an RFP after five years, a commitment met through the RFP released in June of 2019. The result of that process also included a Facility Use Agreement, specifying the roles and responsibilities of the vendor in using the County's building.

Subsequent to the negotiation process, HHS will return to the Board for the final approval of the Agreement for Services as well as the Facility Use Agreement.

### **ALTERNATIVES**

Should the Board decline to award the RFP, or decline to authorize HHS to negotiate the required agreements with Telecare Corporation, the County would be without a vendor operating and managing the Psychiatric Health Facility when the agreement currently in place with Telecare Corporation expires on January 19, 2020.

### **PRIOR BOARD ACTION**

- 1) August 26, 2014 (Item # 14-0517)

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

Procurement and Contracts, County Counsel, and Risk Management.

### **CAO RECOMMENDATION / COMMENTS**

It is recommended that the Board approve this item.

## **FINANCIAL IMPACT**

There is no County General Fund Impact as a result of this award or the resulting agreement. The County's current agreement with the Telecare Corporation provides a base compensation in the amount of \$4,783,107 (Fiscal Year 2019 - 2020) with a budgeted annual increase of 3%. The current agreement also provides for an annual Cost Report to rectify any discrepancy in budgeted funds and actual operating costs; most recently the Cost Report has resulted in Telecare Corporation repaying some of the budgeted funding.

The Telecare Corporation proposal projects the cost to operate the Psychiatric Health Facility in Fiscal Year (FY) 2020-2021 to be \$4,926,599. Based on historic averages, the majority of those costs would be split 41% (\$2,019,905) in Medi-Cal Federal Financial Participation (FFP) Funding being generated through County billing, 49% (\$2,414,033) in Behavioral Health Realignment, with the remaining 10% being comprised of State and Other Government funding from fee for service by other contractor's using the PHF. This cost projection represents a 3% increase from the FY 2019-2020 budget.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

## **STRATEGIC PLAN COMPONENT**

County Strategic Goal: "Healthy Communities - Improved health, well-being and self-sufficiency of El Dorado County communities, residents, and visitors."

## **CONTACT**

Don Semon, Director