



# County of El Dorado

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## Legislation Text

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Health Services Department recommending continuance of the current perpetual agreement with the California Regional Mental Health Systems Coalition Joint Powers Authority (JPA) in the amount of \$179,975 for Fiscal Year 2008-2009 and approximately \$190,000 for Fiscal Year 2009-2010 for continued electronic billing and clinical management software systems and support for said Department; and further recommending the Purchasing Agent be authorized to encumber funding for same.

**FUNDING:** Medi-Cal, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Realignment, and MHSA.

BUDGET SUMMARY:		
FY 2008-09 Cost	\$179,975	
FY 2009-10 Cost	\$190,000 (approx.)	
Funding		
Budgeted FY2008-09	\$179,975	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$179,975	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

The total funding for this agreement is \$179,975 for FY 2008-09. There is no Change to Net County Cost. Funding for the FY 2009-10 payment of approximately \$190,000 will be included in the Department's requested budget.

Background:

In 2005, the County entered into a contract to purchase a new electronic billing and medical records system for use in the Mental Health Division. Implementation of the electronic billing function of this Netsmart system, known as Avatar, began in 2007. Implementation of the electronic medical records function is anticipated to occur in FY 2009-10.

The Department procured this system as part of a nine-county Joint Powers Authority (JPA) that includes Glenn, Colusa, El Dorado, Amador, Calaveras, Mono, Inyo, Shasta, and Modoc counties. The JPA agreement permits payment for the ongoing implementation, testing, and production of Avatar. This includes software licenses, regular system maintenance, and processing of all monthly insurance and Medi-Cal billings. Participation in the JPA provides the Department with financial and technical support advantages, as compared with the alternative of selecting, implementing, and

operating a new system as a single small county.

The total dollar amount per county is calculated by a formula that combines two primary factors: 1) costs associated with implementation are divided equally among the JPA counties regardless of size and 2) annual user fees are divided based on the number of system users per county.

The County has the option to continue or opt out of the JPA on an annual basis. Department staff evaluated the benefits of remaining with the JPA, versus other potential options, such as entering into a direct relationship with Netsmart, or considering different electronic billing and clinical records systems. Department staff and County I.T. concur that the Avatar system includes a great deal of valuable functionality; once fully operational, revenue recovery and clinical recordkeeping will be improved. Given resources available to the Department, continuation of the JPA is recommended as the best method of continuing implementation efforts at this time. During the upcoming year, the Department will continue to evaluate the value of participating in the JPA, versus other options, and will return to the Board with any recommended changes for the FY 2010-11 contract.

Reason for Recommendation:

Continued participation in the JPA will allow the Department to continue in its use of the Avatar software system and to pay the vendor for software licenses, system maintenance, and processing of billing.

This matter is presented to the Board pursuant to section 4.5 of Board of Supervisors Policy C-17, Procurement Policy, which requires authorization from the Board of Supervisors, initially, and on an annual basis, to utilize any contract that does not have a stated contract term.

Action to be taken following Board approval:

Purchasing Agent will encumber funds for this agreement and Mental Health will make payment upon receipt and approval of invoices.

Contact: Diana Buckley, Chief Fiscal Officer

Concurrences: The JPA agreement was approved by County Counsel and Risk Management and a copy is on file in the Board Clerk's Office.