



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles Health and Mental Health Services

**DATE:** Wednesday, July 1, 2020  
**TIME:** 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,  
MEETING WILL BE HELD BY PHONE.  
TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:  
DIAL-IN NUMBER: 1 (323) 776-6996  
CONFERENCE ID: 495545110#**

### AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **Information Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):
  - a. **DHS:** Request approval of an Amendment to Agreement H-707628 with ImageNet, LLC for the provision of additional Paper to Electronic Data Interchange and Image Hosting Services.
- III. **Presentation Item(s):**
  - a. **DPW/DHS:** MLK Jr MC Child and Family Wellbeing Center Project – Approve Construction Change Order
  - b. **DMH:** Approval of Sole Source Amendment Number Five to Agreement Number 77676 with Netsmart Technologies, Inc., for Post-Implementation System Operations Work and to Add Clarification to Service Level Requirements for the Integrated Behavioral Health Information System
- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting

- V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda
- VI. Public Comment
- VII. Adjournment

## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**

July 14, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO THE AGREEMENT  
WITH IMAGENET, LLC FOR CONTINUED  
PAPER TO ELECTRONIC DATA INTERCHANGE AND IMAGE HOSTING SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVED [X]**

**SUBJECT**

Request approval of an Amendment to the Agreement with ImageNet, LLC for the provision of additional Paper to Electronic Data Interchange and Image Hosting Services, and delegation of authority to the Director of Health Services, or designee, to execute future amendments to address any related unforeseen needs of Department of Health Services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or designee, to amend Los Angeles County (County) Agreement H-707628 with ImageNet, LLC to modify the scope of services to include COVID-19 related claims scanning, Paper to Electronic Data Interchange (EDI) and Image Hosting Services at mutually agreed upon rate(s), funded within Department of Health Services (DHS) existing resources and with no increase to the County's overall estimated cost of \$297,000 for the term of the Agreement.
2. Delegate authority to the Director, or designee, to execute future amendments to the Agreement to: (a) make changes (including additions, deletions, and/or

revisions) to the scope of services and rates, with such changes resulting in no more than a 10 percent increase to the County's estimated cost for the entire term, including any option years; and (b) add, delete and/or change non-substantive terms and conditions, as those mandated by Federal or State law or regulation, County policy, the County Board of Supervisors (Board), Chief Executive Office, with all actions subject to prior review and approval by County Counsel.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

### **Background**

DHS is responsible for coordinating patient care and services for County residents assigned to DHS through agreements with health plans, such as L.A. Care and HealthNet, wherein DHS is a participating provider and hospital. Under these contractual relationships, DHS is paid a capitated rate and assumes financial responsibility for certain services it provides to its assigned health plan members, as well as those provided by non-DHS hospitals, physician and medical groups (known as Out-Of-Network providers). These Out-Of-Network providers submit paper claims directly to the claims unit of the former DHS - Managed Care Services (MCS), now under Health Services Administration Finance-Consolidated Business Office/Claims Management Section (CBO-Claims), for adjudication and payment.

With the COVID-19 pandemic, DHS executive leadership gave a directive to decompress DHS hospitals by transferring clinically eligible patients to Lower Level of Care (LLOC) facilities, such as but not limited to: Skilled Nursing Facility, Custodial Care and Home Health. These facilities are Out-Of-Network providers that require negotiation of individual (per provider/per patient) Letters of Agreement. DHS will be paying for these services via grants and/or supplemental funding sources (e.g., Stimulus, FEMA). Therefore, DHS is in need of immediate implementation of a temporary process to reimburse these LLOC providers until such time as the COVID-19 Public Health Emergency (PHE) is lifted and the need of the County has been stabilized pursuant to the impact of COVID-19. Further, the CBO-Claims Unit also adjudicates post-book claims for the Integrated Correctional Health Services Medical Billing Unit for services provided to inmates at non-DHS hospitals and services provided by non-DHS providers for which a surge of claims processing is also expected due to PHE.

The amendment with ImageNet, LLC will aid DHS in its efforts to perform efficient claims processing by scanning paper claims received from LLOC, Non-DHS hospital and providers into an electronic format to facilitate claims pricing and reimbursement.

### Recommendations

Approval of the first recommendation will allow the Director, or designee, to execute the Amendment, substantially similar to Exhibit 1, with ImageNet, LLC to modify the scope of services to include COVID-19 related claims scanning (paper to EDI). Expanding the Agreement to include post-book claims will provide DHS with continuous professional claims scanning, paper to EDI conversion and image hosting services to facilitate the claims adjudication and payment for the additional COVID-19 patients.

Approval of the second recommendation will allow the Director, or designee, to amend the Agreement further, if necessary, to ensure uninterrupted day-to-day operations, so that both routine and non-routine claims are adjudicated and paid timely, and ensure the terms of the Agreement are kept up to date.

### Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities", Strategy III.2, "Embrace Digital Government for the Benefit of Our Internal Customers and Communities", and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

### FISCAL IMPACT/FINANCING

The recommended Amendment will not cause an increase in the County's estimated cost for the term of the Agreement. DHS will seek to offset the cost related to COVID-19 with grants and/or supplemental funding sources. Funding is included in DHS' Fiscal Year 2020-21 Final Budget and will be requested in future fiscal years as continuing appropriation if needed.

### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Agreement with ImageNet, as amended, includes all Board required provisions including, but not limited to, all relevant information security provisions. The services ImageNet provides also include remote image hosting of the claims received from Out-Of-Network providers, which DHS is able to access through a secure web portal. DHS' Departmental Information Security Officer assessed ImageNet's Software-as-a-Service security and privacy posture and determined that the vendor fit to contract with the County. The Agreement may be terminated for convenience by the County upon ten days' prior written notice.

The Chief Information Officer (CIO) has reviewed and supports this request. As this action merely adds workload to the existing Agreement and does not introduce any new

The Honorable Board of Supervisors  
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technology-related issues or products, the CIO, therefore, determined that no formal CIO Analysis is required.

The Department has determined that this is not a Proposition A Agreement, as the services are of specialized nature and are provided on a part-time or intermittent basis; and, therefore, provisions of the County's Living Wage Program County Code Charter 2.201 do not apply.

County Counsel has approved the attached Exhibit 1 as to form.

### **CONTRACTING PROCESS**

On March 6, 2018, the Board of Supervisors approved a sole source Agreement with ImageNet, LLC for the provision of Paper to Electronic Data Interchange and Image Hosting Services to produce 837 Health Care Claims in a Health Insurance Portability and Accountability Act (HIPAA) compliant format for the claims unit of the former DHS – MCS division. The recommended actions amends' that Agreement.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will ensure that DHS continues to meet its highly time-sensitive paper to EDI and imaging hosting service needs. It will also provide support for DHS for timely reimbursement of community partners assisting DHS during this COVID-19 pandemic.

Respectfully submitted,

Reviewed by:

Christina R. Ghaly, M.D.  
Director

William S. Kehoe  
Chief Information Officer

CRG:YM

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## BOARD LETTER FACT SHEET

Agenda Review Date: July 1, 2020

Board Meeting Date: July 21, 2020

Sup. Dist. / SPA No.: 2

DEPARTMENT: **PUBLIC WORKS**

SUBJECT: Martin Luther King, Jr. Child and Family Wellbeing Center Project

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

Non-mandated. The Project will improve building systems for patient care services.

### II. RECOMMENDED ACTIONS (summarized)

Public Works is seeking Board approval to execute a construction change order with gkkworks Construction Services, for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center project.

### III. COST AND FUNDING SOURCES

Cost: Change order not-to-exceed amount of \$410,000

Funding: First floor to be funded by DHS, DMH, DCFS and DPH based on space allocation. Second and third floors to be funded by Tobacco Settlement. The DMH pre-purchased modular units, \$18,201,000 funded by State Mental Health Services Act.

### IV. BACKGROUND (critical and/or insightful)

During rough grading work necessary for the installation of the grade beams and spread footings for the building's foundation system, the project encountered unforeseen saturated soil that require additional work to achieve the required soil compaction. The additional scope of work includes removal, export, and disposal of an additional 24-inch layer of native soil; import and installation of two 12-inch layers of crushed base; and installation of one layer of geogrid fabric below each layer of crushed base to meet the compaction required by the geotechnical report. To avoid delays to the overall project schedule, Public Works, under delegated authority, issued a proceed order for \$210,000 that allowed gkkworks to commence work while we seek Board approval for the complete scope of work. Board approval is required because change order value exceeds Public Works' delegated authority.

### V. POTENTIAL ISSUE(S)

None

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

DPW: Esther Diaz (626) 300-2333 | Health Services: Phil Franks (213) 288-8076 |  
County Counsel: Talin Halabi (213) 974-8948



July 21, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
MARTIN LUTHER KING, JR. MEDICAL CAMPUS  
CHILD AND FAMILY WELLBEING CENTER PROJECT  
APPROVE CONSTRUCTION CHANGE ORDER  
CAPITAL PROJECT NOS. 69846, 69886, 69887, AND 69888  
(SUPERVISORIAL DISTRICT 2)  
(4 VOTES)**

**SUBJECT**

Public Works is seeking Board approval to execute a construction change order with gkkworks Construction Services, for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of the environmental impacts analyzed in the previously certified Addendum to the Final Environmental Impact Report for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center project.
2. Approve and authorize the Director of Public Works or his designee to finalize and execute a change order with gkkworks Construction Services for a not-to-exceed amount of \$410,000, to mitigate unforeseen saturated soil conditions.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will find that the revised scope of work is within the scope of the environmental impacts analyzed in the previously certified Addendum to the Final Environmental Impact Report (FEIR); and authorize the Director of Public Works to execute a change order for a not-to-exceed amount of \$410,000 with gkkworks

Construction Services (gkkworks) for remedial work due to unforeseen saturated soil for the Martin Luther King, Jr. (MLK) Child and Family Wellbeing Center (CFWC) project.

### Background

On December 18, 2018, the Board established the MLK CFWC project, and on April 23, 2019, approved the project and the use of Board-approved Job Order Contract to deliver the make-ready work.

On October 1, 2019, the Board approved the total project budget of \$51,540,000 for the MLK CFWC project, and authorized Public Works to award a Design-Build agreement to the most qualified bidder, gkkworks, to provide design and construction services for a maximum contract sum of \$25,757,945. Construction began in April 2020 and is approximately 40 percent complete.

During rough grading work necessary for the installation of the grade beams and spread footings for the building's foundation system, the project encountered unforeseen saturated soil that require additional work to achieve the required soil compaction. The additional scope of work includes removal, export, and disposal of an additional 24-inch layer of native soil; import and installation of two 12-inch layers of crushed base; and installation of one layer of geogrid fabric below each layer of crushed base to meet the compaction required by the geotechnical report. To avoid delays to the overall project schedule, Public Works, under delegated authority, issued a proceed order for \$210,000 that allowed gkkworks to commence this work while we seek Board approval for the complete scope of work.

### Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design policy. The project is designed to achieve the United States Green Building Council Leadership in Energy and Environmental Design Gold level and Envision Silver level certifications by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.2, Support the Wellness

of our Communities; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by supporting the wellness of our communities and enhancing the delivery of healthcare services that will in turn benefit the common good by driving the development of the workforce and the economic development of the County.

### **FISCAL IMPACT/FINANCING**

Approval of the recommended actions will allow Public Works to issue a change order to gkkworks for a not to exceed amount of \$410,000. Sufficient funds for the recommended change order are available within the \$1,020,000 change order contingency of the Board-approved project budget of \$51,540,000. The Project Budget Summary is enclosed.

Funding is being provided by each participating department based on their specific allocation of space programmed within the first floor of the facility. The second floor is planned to be occupied by two non-County entities, the Special Needs Network, in partnership with St. John's Well Child Center, and the third floor will house a family justice center managed by the Department of Public Health. Based on the program and space allocation, the percentage of costs for the first floor is as follows: Department of Health Services – 53.3 percent, Department of Mental Health – 26.9 percent, Department of Children and Family Services – 18.3 percent, and the remaining 1.5 percent is to be funded from the Committed for Health Services – Tobacco Settlement. The Chief Executive Office is in negotiations with St. John's and Special Needs Network to determine fair market value rental rates for each of the respective leases in order to recoup the costs of tenant improvements.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In accordance with the Board's Civic Art Policy, the project budget includes 1 percent of the design and construction costs to be allocated to the Civic Art fund. The eligible Civic Art allocation remains at \$270,000.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the project continues to require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

Section 20137 of the Public Contract Code allows the Board, with a four-fifths vote, to authorize an individual change order to a construction contract that is 10 percent or less

of the original contract amount without having to obtain bids for the work. This change order is within the statutory threshold.

### **ENVIRONMENTAL DOCUMENTATION**

On October 11, 2011, the Board certified the FEIR for the MLK Medical Center Campus Redevelopment project. On April 23, 2019, the Board certified an Addendum to the FEIR for the MLK Medical Campus Redevelopment project when it approved the MLK CFWC project. The recommended actions are within the scope of the impacts analyzed in the previously certified Addendum to the FEIR, and there have been no substantial changes to the project or to the circumstances under which it will be undertaken. The previously approved Mitigation Monitoring and Reporting Program and the Environmental Findings of Fact and Statement of Overriding Considerations will continue to apply.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152(a) of the California Public Resources Code and will comply with Notice requirements included in Item No. 8 of the Governor's Executive Order N-54-20, dated April 22, 2020.

### **CONTRACTING PROCESS**

On October 1, 2019, the Board authorized the award of a design-build agreement to gkkworks. After further negotiations, the agreement was executed for a contract amount of \$24,757,945, plus a \$500,000 design completion allowance, and a \$500,000 ground lease allowance for a maximum contract sum of \$25,757,945. To date, Public Works, under its delegated authority, has executed one construction change order, for a total \$185,679 credit to the contract amount.

The change order recommended in this action will increase the contract amount by \$410,000 for a revised total contract amount of \$24,982,266.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will have no impact on current services at the campus. Patient care services on campus will remain fully operational during construction.

The Honorable Board of Supervisors  
July 21, 2020  
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**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA  
Director of Public Works

MP:AKM:jc

Enc.

c: Department of Arts and Culture  
Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office  
Health Agency  
Department of Children and Family Services  
Department of Health Services (Capital Projects Division)  
Department of Mental Health  
Department of Public Health

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
MARTIN LUTHER KING, JR. MEDICAL CAMPUS  
CHILD AND FAMILY WELLBEING CENTER PROJECT  
APPROVE CONSTRUCTION CHANGE ORDER  
CAPITAL PROJECT NOS. 69846, 69886, 69887, AND 69888  
(SUPERVISORIAL DISTRICT 2)  
(4 VOTES)**

**I. PROJECT SCHEDULE SUMMARY**

Project Activity	Scheduled Completion Date
<b>CFWC Make-Ready</b>	
Construction Documents	05/28/19 (actual)
Jurisdictional Approvals	06/25/19 (actual)
Construction Award	06/26/19 (actual)
Substantial Completion	11/13/19 (actual)
<b>CFWC Design-Build Construction</b>	
Scoping Documents	04/15/19 (actual)
Design-Build Award	10/24/19 (actual)
Jurisdictional Approvals	04/01/20 (actual)
Modular Units Completion	10/15/20
Substantial Completion (including demolition of the existing MLK HUB)	04/15/21
Project Acceptance	06/14/21

**II. PROJECT BUDGET SUMMARY**

Project Budget Category	Board Approved Budget	Changes Since Previous Board Approved Budget	Revised Budget
Hard Costs	\$	\$	\$
Design-Build Construction	\$ 22,184,000	\$	\$ 22,184,000
Make Ready/Utilities Construction	\$ 1,521,000	(\$ 265,000)	\$ 1,256,000
Contingency/Allowances	\$ 1,755,000	\$ 265,000	\$ 2,020,000
Construction Subtotal	\$ 25,460,000	\$	\$ 25,460,000
Civic Art	\$ 270,000	\$	\$ 270,000
<b>Hard Costs Subtotal</b>	<b>\$ 25,730,000</b>	<b>\$</b>	<b>\$ 25,730,000</b>
Soft Costs	\$	\$	\$
Plans and Specifications (Scoping Documents)	\$ 834,000	\$	\$ 834,000
Plans and Specifications (D-B Design Fee)	\$ 2,574,000	\$	\$ 2,574,000
Consultant Services	\$ 840,000	\$	\$ 840,000
Miscellaneous Expenditures	\$ 80,000	\$	\$ 80,000
Jurisdictional Review/Plan Check/Permits	\$ 930,000	\$	\$ 930,000
County Services	\$ 2,351,000	\$	\$ 2,351,000
<b>Soft Costs Subtotal</b>	<b>\$ 7,609,000</b>	<b>\$</b>	<b>\$ 7,609,000</b>
<b>SUBTOTAL (excluding modular)</b>	<b>\$ 33,339,000</b>	<b>\$</b>	<b>\$ 33,339,000</b>
Pre-purchased Modules (DMH)	\$ 18,201,000	\$	\$ 18,201,000
<b>TOTAL PROJECT COST</b>	<b>\$ 51,540,000</b>	<b>\$</b>	<b>\$ 51,540,000</b>

## BOARD LETTER FACT SHEET

**DRAFT**

Agenda Review Date: July 1, 2020  
Board Meeting Date: July 14, 2020  
Sup. Dist. / SPA No.: ALL

### DEPARTMENT: **Mental Health**

**SUBJECT:** Request approval of Amendment Number Five to Agreement Number 77676 with Netsmart Technologies, Inc., to add \$5.8 million in Pool Dollars for County-requested Other Professional Services/Change Notices needed for post-implementation System operations work, and add clarification to Service Level Requirements.

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

Approval will allow DMH to continue to maintain and support the existing IBHIS system which interacts with other healthcare information systems and also meet federal and State mandated standards regarding health information exchange.

### II. RECOMMENDED ACTIONS (summarized)

1. Approve and authorize the Director of Mental Health (Director), to execute Amendment Number Five, to the existing Department of Mental Health Integrated Behavioral Health Information System Agreement Number 77676 with Netsmart Technologies, Inc., effective upon Board approval to: a) increase the Contract Sum by \$5.8 million Pool Dollars, fully funded by 2011 Realignment revenue, for Other Professional Services/Change Notices for post-implementation System operations work, for a total Contract Sum of \$114,516,793; and b) add clarification in the Service Level Requirements for Level I, Level II, and Level III Priority issues.
2. Delegate authority to the Director, to execute future amendments to the Agreement to increase the Contract Sum; add, delete, modify or replace Other Professional Services/Change Notices and Service Level Requirements; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the increase does not exceed 10 percent of the last Board approved contract sum; and 2) sufficient funds are available with prior review and approval as to form by County Counsel and County Chief Information Officer, if applicable, with written notice to the Board and the Chief Executive Officer.

### III. COST AND FUNDING SOURCES

Cost: \$5.8 million  
Funding: 2011 Realignment

### IV. BACKGROUND (critical and/or insightful)

The IBHIS contract was executed with Board approval on October 18, 2011 and is an eleven year contract. IBHIS is a fully integrated, web-enabled software system that supports multiple simultaneous users and securely interfaces with several County information systems and other healthcare organizations. IBHIS provides clinical, administrative, financial, and secure data sharing functionality to support the State of California Department of Health Care Services Medi-Cal and Federal Medicare programs.

### V. POTENTIAL ISSUE(S)

N/A

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Mirian Avalos, Departmental Chief Information Officer, MSAvalos@dmh.lacounty.gov, (213) 251-6481  
Patrice Salseda, Senior Deputy County Counsel, psalseda@counsel.lacounty.gov, (213) 808-8774



## DEPARTMENT OF MENTAL HEALTH

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

Curley L. Bonds, M.D.  
Chief Deputy Director  
Clinical Operations

Gregory C. Polk, M.P.A.  
Chief Deputy Director  
Administrative Operations

July 14, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE AMENDMENT NUMBER FIVE  
TO AGREEMENT NUMBER 77676 WITH NETSMART TECHNOLOGIES, INC.,  
FOR POST-IMPLEMENTATION SYSTEM OPERATIONS WORK AND TO ADD  
CLARIFICATION TO SERVICE LEVEL REQUIREMENTS  
FOR THE INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM**

**(3 VOTES)  
(ALL SUPERVISORIAL DISTRICTS)**

**CIO RECOMMENDATION: APPROVE (X)**

### **SUBJECT**

Request approval of Sole source amendment Number Five to Agreement Number 77676 with Netsmart Technologies, Inc., to add \$5.8 million in Pool Dollars for County-requested Other Professional Services/Change Notices needed for post-implementation System operations work, and add clarification to Service Level Requirements.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute Sole source amendment Number Five, substantially similar in format to Attachment I, to the existing Department of Mental Health (DMH or Department) Integrated Behavioral Health Information System (IBHIS or System) Agreement Number 77676 with Netsmart Technologies, Inc. (Netsmart), effective upon Board approval to: a) increase the Contract Sum by \$5.8 million Pool Dollars, fully funded by 2011 Realignment revenue, for Other Professional Services/Change Notices for post-implementation System operations work, for a total Contract Sum of \$114,516,793; and b) add clarification in the Service Level Requirements for Level I, Level II, and Level III Priority issues.



2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future sole source amendments to the IBHIS or System Agreement described in Recommendation 1 to increase the Contract Sum; add, delete, modify or replace Other Professional Services/Change Notices and Service Level Requirements; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the increase does not exceed 10 percent of the last Board approved contract sum; and 2) sufficient funds are available. The sole source amendments will be subject to prior review and approval as to form by County Counsel and County Chief Information Officer (CCIO), if applicable, with written notice to the Board and the Chief Executive Officer (CEO).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

IBHIS is a fully integrated, web-enabled software system that supports multiple simultaneous users and securely interfaces with several County information systems and other healthcare organizations. IBHIS provides clinical, administrative, financial, and secure data sharing functionality to support the State of California Department of Health Care Services Medi-Cal and Federal Medicare programs.

Board approval of the Recommendation 1 will allow DMH to increase Pool dollars by \$5.8 million from \$19,056,378 to \$24,856,378 for County-requested Other Professional Services/Change Notices for post-implementation System operations work. This funding will allow DMH to maintain ongoing System operations, and implement limited essential System modifications.

Board approval of Recommendation 2 will allow DMH to amend the agreement to add, delete, modify, or replace Other Professional Services/Change Notices and Service Level Requirements; reflect federal, State, and County regulatory and/or policy changes; and/or increase the contract sum not to exceed 10 percent of the Board adopted contract sum.

Key reasons to increase Operational Cost are as follows:

➤ **Maintain Ongoing System Operations (estimated \$4.8 million)**

Continue the Hosting, Maintenance, and Support Services for Meaningful Use (MU) certified software modules purchased after the initial implementation of the System:

- CareConnect: Enables IBHIS to securely exchange Continuity of Care Documents (CCD) with external MU certified Electronic Health Record (EHR) systems.
- OrderConnect: Provides e-Prescribing and lab Order Entry.
- Diagnosis Service: Provides licensing for International Classification of Diseases Tenth Revision (ICD-10 codes).
- Web Services: Supports electronic data exchange between IBHIS and DMH Contract Providers.

- InterSystems Caché Enterprise Licenses: Maintains 500 concurrent IBHIS Database User licenses recently added due to organic growth.

➤ **Implement System Modifications to Meet Current Needs (estimated \$1 million)**

DMH conducts ongoing evaluations of its policies and workflows to identify areas for improvements. As part of that process, DMH considers IBHIS improvements that may require customizations as defined in the Agreement. Examples of identified improvements include:

**Interoperability**

- RevConnect: Implement Netsmart's clearinghouse services to improve insurance eligibility checks for any DMH client who uses Medicare and/or other healthcare insurance. This solution directly integrates with IBHIS allowing both mass batch eligibility checks, as well as single real time eligibility.
- Integration Platform as a Service (iPaaS via Azure): Continue to transform how DMH electronically exchanges information with its Contract Providers. DMH will transition from its current use of web services technologies to specific Health Level Seven International (HL7) Fast Healthcare Interoperability Resources (FHIR) web service technologies between the Netsmart solution and the new Microsoft Azure middleware.
- CareQuality Interoperability Framework: Implement the nationwide platform neutral framework for connecting health data networks to promote trusted exchange of clinical information. Netsmart is an approved implementer of the CareQuality Interoperability Framework, enabled through the CareConnect module in IBHIS.

**Risk Management**

- Active Directory (AD) Integration: Identify, authenticate, and authorize individuals to have access to IBHIS by associating user rights and restrictions with established County Information Technology (IT) policies.
- Azure Multi-Factor Authentication (MFA): Implement computer access control in which users will be able to access IBHIS only after successfully presenting at least two separate pieces of evidence to an authentication mechanism.

These modifications will further improve DMH's ability to realize additional revenue, enhance care coordination with non-government agencies, and reduce risk.

Lastly, the DMH and Netsmart have agreed to update the review process for Level I, Level II, and Level III Priority issues described in Exhibit D – Service Level Requirements. The following additional activities have been agreed upon: produce monthly reports showing issues, meet on a regular basis to review possible credits owed to the County, and refine

the mechanism for identifying System Component Deficiencies that were not timely resolved by the Contractor. This action will enable DMH to more readily receive potential Service Credits if owed to the County.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with County Strategic Plan Goal 3, "Realize Tomorrow's Government Today."

- Strategy III.2 – Embrace Digital Government for the Benefit of our Internal Customers and Communities: Implement technological business solutions to enable County departments to meet their core mission, transform how we share information, and protect the privacy rights of individuals.
- Sole source amendment Number Five is also consistent with CCIO IT Strategic Goals and DMH IT Initiatives.

### **FISCAL IMPACT/FINANCING**

This Board action increases the total Contract Sum by \$5.8 million for Pool Dollars, with a revised total Contract Sum of \$114,516,793. The increase of \$5.8 million is fully funded by 2011 Realignment revenue. Funding for this increase is included in DMH's FY 2020-21 Recommended budget.

Funding for future fiscal years will be included in DMH's annual budget request process.

There is no net County cost impact associated with the recommended actions.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 18, 2011, your Board approved Agreement Number 77676 with Netsmart to provide DMH with an IBHIS, as well as ongoing Maintenance and Support Services, Hosting Services, application management, and other related services for an 11-year term and a total Contract Sum of \$93,316,793. IBHIS provides clinical, administrative, financial, and data sharing functionality to support the State of California Department of Health Care Services Medi-Cal and Federal Medicare programs.

On September 23, 2013, your Board approved Amendment Number One to revise standard County language regarding Contractor's Obligations as a Business Associate under the Health Insurance Portability and Accountability Act (HIPAA).

On December 17, 2013, your Board approved Amendment Number Two to add an additional \$6 million in Pool Dollars for Other Professional Services/Change Notices in support of requirements introduced by the Affordable Care Act (ACA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and to address

requirements unique to the complexity and scale of the County; increase the Contract Sum by \$6 million, from \$93,316,793 to \$99,316,793; exclude certain Deliverables from the holdback provision; redistribute \$1,856,750 into a new Deliverable (Pilot 1 Production Use), originally tied to Final System Acceptance; modify Maintenance and Support Services and Hosting Services provisions to reflect that such services shall commence upon Production Use of the System; and add/update certain other County-required provisions of the Agreement.

On April 7, 2015, your Board approved Amendment Number Three to add an additional \$4,400,000 in Pool Dollars for Other Professional Services/Change Notices; and to increase the Contract Sum by \$4,400,000, from \$99,316,793 to \$103,716,793 to provide necessary software changes and additional technical and go-live support resources for DMH's implementation and roll-out of IBHIS for Directly-Operated clinics and Contract Providers.

On December 11, 2015, Final System Acceptance was achieved contingent upon Netsmart's completion of the following: a) assistance with and resolution of Levels I and II Priority Deficiencies during County's transition of one rollout of Contract Providers to IBHIS; b) support for County during one monthly claim submission and remittance for a new Contract Provider; and c) support for County during the transition of 50 Contract Providers to IBHIS. As a result, County released the remaining Holdback Amount of \$500,000.

On December 15, 2017, your Board approved Amendment Number Four to add an additional \$5,000,000 in Pool Dollars for Other Professional Services/Change Notices; and to increase the Contract Sum by \$5,000,000, from \$103,716,793 to \$108,716,793 to provide necessary software changes and additional technical and go-live support resources for DMH's implementation and roll-out of IBHIS for Directly-Operated clinics and Contract Providers.

This Sole source amendment adds updated exhibits, and new Board policy language, and Board-mandated provisions, including Workers Compensation and Employers' Liability, Assignment and Delegation/Mergers or Acquisitions, Compliance with Fair Chance Employment Practices, County Policy of Equity, and Default Method of Payment: Direct Deposit or Electronic Funds Transfer.

The Sole source amendment has been reviewed and approved as to form by County Counsel.

The CIO has reviewed this Board Letter and recommends approval. The CIO further determined that a CIO Analysis is not required for the recommended action.

Except as expressly provided in the Sole source amendment, all other provisions and conditions of the Agreement will remain the same and in full force and effect.

Under the Board Policy, No. 5.100 (Sole Source Contracts) adopted on March 31, 2020, this amendment qualifies as a Sole Source action. Due to timing of this policy, DMH did not submit the six month advance notification as required under the policy. This contract action is necessary as the pool dollars provide Additional Professional Services that are required due to regulatory program changes that must be made in a timely fashion to ensure County reimbursement. In addition, due to COVID 19 budget issues, it took longer than anticipated to secure and confirm the funding amount. The contract was competitively procured and is currently in year seven of an eleven-year term.

The required Sole Source Checklist (Attachment II), approved by the CEO, is also attached.

### **IMPACT ON CURRENT SERVICES**

Board approval of the recommended Sole source amendment will enable the continuation of the maintenance and support of CareConnect and electronic care coordination communication and interoperability activities with other healthcare information systems (e.g., County Providers' EHRs, OrderConnect, Probation Electronic Medical Records System (PEMRS), E-Prescribing Substance Control (EPSC), Los Angeles Network for Enhanced Services (LANES), eConsult, etc.), while meeting MU certification requirements and supporting federal and state mandates standards for health information exchange under the HITECH Act. Approval of the recommended Sole source amendment will also allow DMH to improve workflow processes to support the growing number of Contract Providers.

Respectfully submitted,

Reviewed by:

Jonathan E. Sherin, M.D., Ph.D.  
Director

William S. Kehoe  
Chief Information Officer

JES:MA:KVS:VS:rlr

### **Attachments**

c:     Executive Office, Board of Supervisors  
       Chief Executive Office  
       County Counsel  
       Chairperson, Mental Health Commission

## SOLE SOURCE CHECKLIST

Department Name: Mental Health

☐ New Sole Source Contract

☐ Existing Sole Source Contract      Date Sole Source Contract Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b> Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input checked="" type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input checked="" type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Date