



Health Services
LOS ANGELES COUNTY

June 26, 2024

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District


Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice K. Hahn
Supervisor Kathryn Barger

FROM: Christina R. Ghaly, M.D. 
Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO EXTEND
SOLE SOURCE AGREEMENT NO. H-705933 WITH
SAFETY NET CONNECT, INC.**

Christina R. Ghaly, M.D.
Director

Nina J. Park, M.D.
Chief Deputy Director, Population Health

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

This is to advise the Board of Supervisors (Board) that the Department of Health Services (DHS) intends to enter into sole source negotiations and then request approval to amend Agreement No. H-705933 (Agreement) with Safety Net Connect, Inc. (SNC) for the continued provision of a web-based "eConsult" system and related services (System) to extend the term of the Agreement as detailed below, on a sole source basis.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 288-8050
Fax: (213) 481-0503

Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for an extension of a Board-approved agreement at least six months prior to the Agreement's expiration date.

www.dhs.lacounty.gov

Background

In 2011, L.A. Care selected SNC to develop and implement a secure, web-based communication platform that allows primary care physicians and specialists to securely share health information, discuss patient care, and improve care coordination, referred to as an "eConsult." Subsequently, the Board approved a Memorandum of Understanding (MOU) with L.A. Care, the Community Clinic Association of Los Angeles County, and other community healthcare organizations for DHS to participate in a demonstration project to use, test, and evaluate the System. It was found that the use of the System increased access to specialty care, improved health outcomes with earlier specialist intervention, and reduced wait times for a specialty appointment. As a result of the successful demonstration project, on October 29, 2013, the Board approved the sole source Agreement No. H-705933 with SNC to expand the System at all DHS and My Health L.A. clinic sites, including clinics operated by other Los Angeles County (LA County) departments and health care organizations. On

"To advance the health of our patients and our communities by providing extraordinary care"

www.dhs.lacounty.gov



September 12, 2017, the Board approved Amendment No. 2 to extend the term for five additional years, from October 29, 2017, to October 28, 2022, and increase the maximum agreement sum to \$12,636,058, with an option to further extend the Agreement term annually thereafter for two years from October 29, 2022 to October 28, 2024, with an annual increase of \$995,328 for each optional renewal period. In addition, the Board delegated authority to DHS to increase the maximum Agreement sum by no more than ten percent of the maximum contract sum of the five-year extension term for a potential increase of \$517,664 to fund additional unanticipated work.

Justification

The System enables primary care physicians and other health care professionals to consult with DHS specialists to address the specialty care needs of patients served by all DHS facilities, community partner clinics, other LA County departments, and health care organizations. The System includes a communications technology and care management process that addresses gaps in the way primary care providers (PCPs) and specialty care providers communicate to improve the coordination of care and treatment for patients. Since "go-live" in July 2012, over 2 million "eConsults" have been submitted to DHS. On average, DHS specialists review 18,000 "eConsults" per month.

The System, which incorporates over 12 years of features and customizations made specifically for DHS, is used by both providers and support staff to manage patient care. There are currently over 16,000 active providers and 12,000 support staff using the System. It is used by DHS' central schedulers in the Office of Patient Access to schedule 9,000 appointments per month. The System workflow designed and implemented at LA County remains unique in modern American healthcare in giving PCPs an opportunity to learn from each "eConsult," while also facilitating appropriate specialty care—the right care, at the right time, at the right place. Finally, the System interfaces with DHS' electronic health record system, (commonly referred to as ORCHID), for the exchange of data, which allows DHS to access extensive reports built exclusively for DHS' regulatory and performance improvement efforts.

It is in the best economic interest of LA County to extend the Agreement. Replacing the System, even assuming a potential vendor would agree to the level of customization required by DHS, including training all its users, would be costly and disruptive to patient care. In an environment where access to specialty care is particularly important, DHS' resources are best deployed for patient care, rather than addressing technological issues. Finally, the cost of the System has not increased during the term of the Agreement, and DHS expects to negotiate the extension of the Agreement to maintain current pricing, notwithstanding the increase in costs across the technology sector. With rising costs in the IT industry, including for labor and supplies, IT vendors at all levels have increased prices for customers. However, in the case of SNC, DHS has successfully negotiated to maintain pricing for many years and intends to do so for these extensions.

DHS intends to negotiate the extension of the Agreement in two parts. To prevent any disruption to services, DHS intends to return to the Board for a short-term extension of up to two years, maintaining the current pricing terms in the Agreement. This is to allow for the full impact of the changes to Medi-Cal to be considered in pricing for the extension. Pricing for the System is based in part on volume of "eConsults." With the sunset of the My Health LA Program, which ended on January 31, 2024, the migration of many of the affected patients to Medi-Cal has changed the landscape and use of the System. DHS anticipates community partner clinics will continue to refer residually uninsured patients and continue to use the System in such cases. As the Medi-Cal transition matures, DHS will continue to monitor changes in volume. Therefore, DHS will return to the Board again, sometime in the next two (2) years, for approval of a longer-term extension. This will allow LA County to determine pricing for the extension when appropriate and with all necessary information.

Conclusion

DHS has determined that SNC is uniquely positioned to continue providing primary care physicians and other health care professionals tools to consult with DHS specialists to address the specialty care needs of patients served by all DHS facilities, community partner clinics, other LA County departments, and health care organizations. DHS will commence negotiations for the Agreement extension no earlier than four weeks from the date of this notification unless otherwise instructed by the Board. Thereafter, DHS will negotiate the longer-term extension, sometime in the next two years, unless requested otherwise by the Board.

If you have any questions, you may contact me or your staff may contact Dr. Stanley Dea, eConsult Project Director, by email at sdea@dhs.lacounty.gov.

CRG:sd

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