



Board Agenda Item 29

DATE: January 26, 2021

TO: Board of Supervisors

SUMMITTED BY: David Pomaville, Director, Department of Public Health
Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Third Amendment to Agreement with Unilab Corporation dba Quest Diagnostics

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a Third Amendment to Agreement No. 15-523 with Unilab Corporation dba Quest Diagnostics, to revise the rate schedule for COVID-19 testing effective February 1, 2021, with no change in term of October 15, 2015 through June 30, 2021 and increasing the maximum by \$1,585,000 to a total of \$4,650,000; and**
- 2. Adopt Budget Resolution increasing FY 2020-21 appropriations and estimated revenues for the Department of Public Health Org 5620 in the amount of \$1,585,000 (4/5 vote).**

Approval of the recommended actions will allow the Departments of Public Health and Behavioral Health to continue COVID-19, clinical laboratory and toxicology testing services. This action further provides for an amendment to the schedule of fees to lower the amount paid for COVID-19 testing rates due to the reduction of Quest's overhead with no change in Net County Cost. Approval of the second recommended action will increase the Department of Public Health's FY 2020-21 appropriations and revenues for testing services. This item is Countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Departments of Public Health and Behavioral Health would be unable to conduct sufficient levels of laboratory and toxicology testing, and the rate for COVID-19 testing would be unchanged. The County's Public Health Laboratory is not operational and therefore cannot perform the services required by the Departments.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The Amendment will increase the maximum annual compensation to \$1,585,000 for a total six-year term maximum of \$4,650,000.

The Department of Public Health (DPH) will fund \$1,585,000 of the FY 2020-21 compensation through prior allocated CARES Act funding general fund savings, and/or Enhancing Laboratory Capacity grant funds, Health Realignment, fees, and State and/or Federal grants. The recommended budget resolution will add sufficient appropriations and estimated revenues to the DPH Org 5620 FY 2020-21 Adopted Budget to continue sufficient levels of laboratory and toxicology testing, including COVID-19 testing.

The Department of Behavioral Health (DBH) does not anticipate including additional appropriations or estimated revenues. Sufficient appropriations and estimated revenues are included in the FY 2020-21

Adopted Budget for DBH Org 5630.

DISCUSSION:

On October 13, 2015, your Board approved Agreement No. 15-523 with Quest for routine clinical laboratory and toxicology testing services. On April 26, 2016, your Board approved the First Amendment with minor changes to testing rates and phlebotomy services. On June 23, 2020, your Board approved a Second Amendment extending Quest's contract term for an additional twelve-month period through June 30, 2021.

The Department is seeking a Third Amendment to account for the increase in testing due to COVID-19 community monitoring and testing for the Fresno County Jail staff and inmate population. It is estimated that since June 2020, over 50% of all sample collections evaluated by Quest Diagnostics have been related to ongoing monitoring of Fresno County Jail staff and inmate populations. To assist with our testing needs, the Department is working in conjunction with the State of California to make state funded testing and laboratory options available for the County of Fresno by April 2021.

Approval of the Third Amendment will allow the Department of Public Health to support critical testing needs in FY 2020-21, which include the following tests: COVID-19, tuberculosis, sexually transmitted diseases, toxicology and routine outpatient lab tests. All other provisions in the Agreement, First and Second Amendment will remain unchanged.

Approval of this item also amends the schedule of fees for this agreement to lower the amount paid for COVID-19 testing due to the reduction of Quest's overhead.

REFERENCE MATERIAL:

BAI #46.1, June 23, 2020
BAI #33, April 26, 2016
BAI #48, October 13, 2015

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Budget Resolution
On file with Clerk - Third Amendment with Unilab Corporation dba Quest Diagnostics

CAO ANALYST:

Raul Guerra