



Board Agenda Item 21

DATE: February 7, 2017

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health
Robert W. Bash, Director, Internal Services Department/Chief Information Officer

SUBJECT: Agreement with Netsmart Technologies, Inc.

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances for the solicitation of an integrated mental health electronic information system for the Department of Behavioral Health.**
- 2. Approve and authorize the Chairman to execute an Agreement with Netsmart Technologies, Inc., to provide system support and maintenance for the Department of Behavioral Health, effective July 1, 2017 through June 30, 2018, with four automatic extensions (\$7,736,535).**

Approval of the recommended actions will allow for continued support and maintenance services for the Department of Behavioral Health Integrated Mental Health Electronic Information System (Avatar). Avatar is utilized to meet State Department of Health Care Services (DHCS) reporting and billing requirements for all mental health and substance use disorder programs the Department and its contracted service providers administer. Avatar support and maintenance is financed with Mental Health Services Act (MHSA) and Federal Substance Abuse funds, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

If the recommended actions were not approved, the selection, purchase and implementation of a new integrated mental health electronic information system would be an additional expense. Additionally, a new system would require data conversion, modification and user retraining. Since 2008, Netsmart has been modified to meet the needs of the Department and the DHCS reporting requirements.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department requests your Board waive the competitive bidding process consistent with Administrative Policy No. 34 as Netsmart has provided Avatar, support and maintenance since 2008. The transition that took place in 2008 from the previous mental health information system (Creative Socio-Medics) to Avatar required significant investment in terms of staff training and development of protocols necessary to ensure the Department business practices complied with the new system. Avatar was specifically designed by Netsmart to meet the Department's reporting and billing requirements with DHCS.

If the Department were to change to another system, the conversion process would be costly and time consuming. The County has invested a significant amount of funding to implement and utilize Avatar for reporting and billing for all mental health and substance use disorder services for all programs administered by

the Department as well as its contracted providers of services, including over 1,200 identified users of Avatar. In addition, Avatar is the only mental health information system that has the Reaching Recovery client assessment instrument fully integrated within the system. The instrument is integral to providing services as it is used to assess clients' needs and form a recommendation of level of care ranging from most intensive to least intensive. This assessment, and subsequent recommendation, allows the Department access to a longitudinal display of clients' progress data, which further assists in providing appropriate client care.

The Internal Services Department - Purchasing Division concurs with the Department's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum annual cost for FY 2017-18 is \$1,866,234; \$7,736,535 for the projected five-year term. The recommended agreement will be financed with MHSA and Federal Substance Abuse funds. Sufficient appropriations will be included in the Department's Org 5630 FY 2017-18 requested budget and included in subsequent budget requests. There is currently an existing agreement with Netsmart, which is fully financed with appropriations included in the Department's Org 5630 FY 2016-17 approved budget.

DISCUSSION:

In March 2008, your Board approved Agreement No. 08-042 with Netsmart to replace the mental health information system (Creative Socio-Medics), which had been in place since 1987. The agreement was established after the completion of a selection process that included ranking of written proposals, product demonstrations, staff site visits to three California counties, as well as focus groups that reviewed the components of the new system.

If approved, the recommended agreement would allow Netsmart to continue support and maintenance services necessary to ensure the Department remains in compliance with changes in Federal and State regulations as well as advancements in information system technology. Avatar is an American Recovery and Reinvestment Act-certified electronic health information system with a full suite of features including:

- Client/provider practice management;
- Electronic clinical records and records management;
- Claims processing;
- Coordination of benefits and third party liability;
- Automated verification with the State's client Medi-Cal eligibility system;
- Electronic digital signature functionality (client and clinical staff);
- Medication management solutions, including e-prescribing;
- Client treatment planning, reporting and record keeping; and
- Reaching Recovery System, which is a measurement-based clinical content tool to assist in providing appropriate client care based on clients' needs/level of care.

The recommended agreement will be effective July 1, 2017 through June 30, 2018, with four (4) additional one-year extensions. This deviates from the County's standard contract term as it will allow the Department to secure ongoing support and maintenance services. This agreement may be terminated by the County without cause with 30-day written notice. In addition, this agreement includes language which would indemnify and hold harmless the contractor from and against claims arising out of, or resulting from, County's failure to use Avatar as permitted under this agreement. County's Risk Management Division has reviewed this agreement and concurs with the inclusion of this language in this agreement.

REFERENCE MATERIAL(S):

BAI #30, March 24, 2015
BAI #37, October 8, 2013
BAI #27, November 6, 2012
BAI #55, August 9, 2011
BAI #10, March 25, 2008

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended agreement during the January 2017 meeting.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Agreement with Netsmart Technologies, Inc.

CAO ANALYST:

Sonia De La Rosa