



Board Agenda Item 45

DATE: September 10, 2019

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Master Agreement for Specialty and Primary Professional Medical Services and Emergency Care

RECOMMENDED ACTION(S):

1. **Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as only licensed and Community Medical Centers credentialed medical service provider groups are authorized to provide Specialty and Primary Professional Medical Services and Emergency Care for Medically Indigent Services Program to patients within the hospital and clinic setting; and,**
2. **Approve and authorize the Chairman to execute a Master Agreement with licensed and Community Medical Centers credentialed medical service provider groups for Specialty and Primary Professional Medical Services and Emergency Care to Medically Indigent Services Program patients, effective September 10, 2019, not to exceed ten consecutive years, which includes a three-year base contract and seven optional one-year extensions, total not to exceed \$22,793,197; and,**
3. **Authorize the Director of the Department of Public Health, or designee, to add and/or delete licensed and Community Medical Centers credentialed medical service provider groups to the Master Agreement for Specialty and Primary Professional Medical Services and Emergency Care, as necessary.**

Approval of the recommended actions will authorize a Master Agreement with licensed and Community Medical Centers (CMC) credentialed medical service provider groups for mandated specialty and primary professional medical services and emergency care within the hospital and clinic setting to eligible patients accessing the County's Medically Indigent Services Program (MISP). The recommended agreement will supersede the existing MISP professional medical services agreement that will expire November 30, 2019. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended agreement is not approved, the County will not have an agreement in place as of December 1, 2019 with professional medical service providers in compliance with Welfare and Institutions Code, section 17000, et seq. However, the County would still be responsible for the medical care and subsequent costs for eligible MISP patients.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department of Public Health's request to suspend the competitive bidding process consistent with Administrative Policy No. 34 results from the fact that only licensed and Community Medical Centers credentialed professional medical services provider groups can provide the approved MISP scope of specialty and primary service professional medical services and emergency care at CMC hospital and clinic settings. The groups have been the principal providers of professional medical services for the County's low income, indigent, and MISP since 1996, when the Board approved Master Agreement No. 96-440 for Indigent and Inmate Medical Care. Accordingly, the providers on the Master Agreement are uniquely qualified to provide MISP medical services based on facilities, staffing, and overall expertise in treating the County's low income, indigent, and MISP population.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The County only pays for services rendered. The total maximum contract amount for the ten-year period is \$22,793,197. The Department estimates that the MISP population could be between 100 to 500 patients annually. MISP medical care is estimated at \$5,000 to \$6,000 per patient based on cost information provided by CMC resulting in an estimated cost range of \$500,000 to \$3,000,000 annually. The County previously provided MISP services through a fixed cost agreement; therefore, the revised MISP eligibility criteria, projected annual costs may vary because the actual cost of indigent medical care is dependent on the actual number of MISP patients enrolling in the program and the type of services required for those patients. Should the projected cost for contracted services exceed the maximum contract amount, Department staff would return to the Board for an amendment. Due to the Affordable Care Act, the County has realized minimal cost under MISP; however, a mechanism to provide care is obligated under Welfare and Institutions Code, section 17000, et seq. The agreement will be funded with Health Realignment. Sufficient appropriations and estimated revenues are included in the Department's Org 5240 FY 2019-20 Recommended Budget and will be included in future budget requests.

DISCUSSION:

On August 11, 2015, the Board approved Agreement No.14-677 with University Faculty Associates, Inc. (UFA) for the provision of professional medical services for MISP patients, which is scheduled to terminate on November 30, 2019.

On August 20, 2019, the County entered into an agreement with CMC for Comprehensive Hospital Services for the County's MISP patients (Agreement No. 19-411). At that time, it was determined that a superseding Master Agreement would be brought to your Board before the end of the current professional medical services agreement terminates due to recent professional medical provider organizational changes at CMC.

Compensation will be paid to the professional medical providers on a Medicare fee-for-service basis. The recommended agreement will allow for the County to continue to meet its mandate under Welfare and Institutions Code, section 17000, et seq.

With your Board's approval, the Director of the Department of Public Health, or designee, will be able to add and/or delete licensed and CMC credentialed professional medical service provider groups to the Master Agreement. Only licensed and CMC credentialed groups who provide services that are within the MISP scope of services are eligible to join this Master Agreement.

Additionally, the recommended agreement allows either the County or each contractor to terminate their participation without cause upon giving a 90-day advance written notice of the intent to terminate. The agreement contains dispute resolution language that allows the parties to informally resolve any dispute that arises by nonbinding mediation; however, each party reserves the right to resolve the dispute in any manner

provided by law or in equity. The recommended agreement contains mutual indemnification and hold harmless, which has been approved by the County's Human Resources - Risk Management Division. The agreement also contains non-standard insurance language in that the commercial general liability is on a claims made and not a per occurrence basis. In the event that licensed and CMC credentialed professional medical service provider groups does not continuously maintain a claims made policy, groups will purchase tail coverage at that time. Additionally, the agreement also contains non-standard sub-limits in the cyber liability insurance portion of the agreement.

The recommended agreement deviates from the standard three-year base with two optional one-year extensions to allow for stability of the current fee-for-service rate as there continues to be legal challenges to the Federal Patient Protection and Affordable Care Act (ACA) [Public Law 111-148, enacted on March 23, 2010], and to the individual mandate.

REFERENCE MATERIAL:

BAI #33, August 20, 2019
Board Briefing Report, March 15, 2017 - Potential Repeal and Replacement of the Affordable Care Act
BAI #53, August 11, 2015
BAI #35, November 4, 2014
Board Briefing Report, August 6, 2014 - Update Regarding Medically Indigent Services Program and Community Medical Centers Agreement
BAI #4, August 23, 2013
BAI #113357, August 27, 1996

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Master Agreement

CAO ANALYST:

Sonia M. De La Rosa