



Board of Supervisors Memorandum

May 15, 2018

Health Services Procurement for Pima County Adult and Juvenile Detention Center Facilities

Background

The Pima County Sheriff's Department has the legal responsibility for health services to detainees booked into the Pima County Adult Detention Complex (PCADC). Similarly, the Pima County Juvenile Court is legally responsible for health services for youths detained in the Pima County Juvenile Detention Center (PCJDC).

Prior to 2002, Pima County operated health services at both of these facilities using a combination of employees and individual contractors. Historically, the County experienced difficulties with recruiting and retaining essential, qualified personnel to meet the medical, behavioral and dental needs of the individuals detained at these sites. Additionally, notable shortcomings were identified in the 2001 "Management Audit of the Pima County Criminal Justice System" conducted by the Harvey M. Rose Accountancy Corporation.

Since 2002, the County has contracted with a variety of vendors to provide the range of comprehensive physical and behavioral health services for detainees in Pima County operated facilities. One innovation is the requirement that vendors meet national standards of the National Commission on Correctional Health Care, thus ensuring the quality of care delivered in our facilities.

Conmed Healthcare Management, Inc. (Conmed) became our most recent health services vendor at PCADC on August 1, 2008, selected through an emergency procurement process after its predecessor abruptly provided notice of termination of services. Conmed subsequently assumed the additional responsibility for healthcare operations at PCJDC effective February 2010 after University Physicians, Inc. terminated its contract.

On December 19, 2012, Pima County Procurement published a Request for Proposal (#78416) for the provision of healthcare at PCADC and PCJDC, as well as ancillary psychological services to the Sheriff's Department, effective July 1, 2013. The contract was eventually awarded to the incumbent, Conmed. In 2013, Correct Care Solutions (CCS) acquired Conmed and assumed operation at that time. Conmed and subsequently CCS have provided high-quality comprehensive physical and behavioral health services to detainees in both PCADC and PCJDC since that time.

The current CCS contract expires June 30, 2018 and is not eligible for renewal, and triggers a new procurement process. On November 16, 2017, Pima County Behavioral Health published a Request for Proposal (#BH-2018-01) for comprehensive physical and behavioral healthcare for detainees housed in the PCADC and PCJDC effective July 1, 2018. A mandatory pre-proposal conference was held on December 13, 2017 and attended by 23

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Health Services Procurement for Pima County Adult and Juvenile Detention
Center Facilities**

May 15, 2018

Page 2

individuals representing seven potential bidders and two ancillary pharmacy entities from across the country. Those attending the pre-proposal conference included representatives from a local hospital and an Arizona-based behavioral health organization; however, no bids were received from firms headquartered in Arizona.

Three addendums to the Request for Proposals were published in response to 263 questions received from five potential bidders and a national pharmacy. The solicitation closed on February 9, 2018. Four bids were received:

- Centurion of Arizona, LLC, headquartered in Virginia;
- Corizon Health, Inc., headquartered in Tennessee;
- Correct Care Solutions, LLC, also headquartered in Tennessee; and
- Wexford Health Sources, Inc., headquartered in Pennsylvania.

The Evaluation Committee assembled for this solicitation consisted of five Pima County voting members:

- Lieutenant James Smead, PCADC Medical and Mental Health Section, Pima County Sheriff's Department;
- Jennifer Torchia, Juvenile Services Director and Chief Probation Officer, Pima County Juvenile Court;
- Danna Whiting, Director, Behavioral Health Department;
- Garrett Hancock, Health System Business Director, Behavioral Health Department; and,
- William Martz, MD, Medical Director, Behavioral Health Department.

Individual committee members independently rated each respondent using well-defined and balanced evaluation criteria. The three top-scoring respondents were invited to make in-person structured presentations and respond to questions from the evaluation committee. These presentations occurred on March 12, 2018.

The results of this evaluation process are included in the table below, which summarizes the average point scores for each criterion by responding vendor.

The Honorable Chair and Members, Pima County Board of Supervisors
 Re: **Health Services Procurement for Pima County Adult and Juvenile Detention
 Center Facilities**

May 15, 2018

Page 3

Criteria	Maximum Points Possible	Centurion	Corizon	CCS	Wexford
Project Plan	40	35.6	23.5	28.6	30.4
Cost	30	25.0	24.9	29.5	30.0
Experience	10	8.5	7.0	6.8	7.9
Management/ Staff Turnover	10	8.4	6.2	5.2	7.7
References	5	4.6	4.1	4.6	3.7
Financial Viability	5	5.0	3.0	3.0	4.0
Total	100	87.1	68.7	77.7	83.7

Cost Trends

In general inflation for medical goods and services exceeds those of other consumer products and services. According to the U.S. Department of Labor, Bureau of Labor Statistics, the cost of Medical Care rose 11.81 percent during the term of the prior correctional health services contract (from 2013 to 2017). Vendors in this arena have historically sought to budget for costs anticipating inflation at the beginning of each contract cycle. This results in significant increases that become apparent at the beginning of each procurement cycle, as noted in the table below.

Contract Term	Conmed/CCS *NTE Amount	Centurion *NTE Amount
FY 13/14	12,047,862	
FY 14/15	12,037,547	
FY 15/16	12,037,181	
FY 16/17	12,037,181	
FY 17/18	13,137,180	
FY 18/19		17,091,722
FY 19/20		16,499,507
FY 20/21		17,028,167
FY 21/22		TBD
FY 22/23		TBD

*Not To Exceed

These phenomena are reflected in the current proposal. The last year (FY17/18) of the CCS contract includes a not to exceed amount of \$13,137,180, while the first year of the Centurion contract carries a price of \$17,091,722, an increase of \$3,954,542. Part of this increase is also accounted for by a significant increase in staffing from CCS 105.81 FTE (combined PCADC and PCJDC) to 118.65 FTE for Centurion in FY18/19. Significant savings

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Health Services Procurement for Pima County Adult and Juvenile Detention
Center Facilities**

May 15, 2018
Page 4

Conclusion

The final cost proposal from Centurion is for \$50,619,396 for the three-year period. This compares to the proposal cost of \$47,054,429 by the vendor that was ranked second in the procurement evaluation process. Given the criticality of the health care services provided to adult and juvenile detainees, the potential for litigation involving the County when care is sub-standard, and Pima County's commitment health and well-being of the community, this cost-differential is defensible and well-justified given the high-quality of care that is proposed by the selected vendor.

Recommendation

I recommend the Board of Supervisors approve a final contract with Centurion for the provision of health services at the adult and juvenile detention centers, and for ancillary psychological services for the Sheriff's Department, effective July 1, 2018.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mp – May 8, 2018

- c: The Honorable Mark Napier, Pima County Sheriff
The Honorable Kathleen Quigley, Presiding Judge, Pima County Juvenile Court
Jan Leshner, Chief Deputy County Administrator
Dr. Francisco García, Assistant County Administrator, Community and Health Services
Wendy Peterson, Assistant County Administrator, Justice and Law Enforcement
Mary Jo Furphy, Director, Procurement Department
Danna Whiting, Director, Behavioral Health Department