Board of Supervisors Memorandum

April 9, 2013

Provision of Health Services at the Adult and Juvenile Detention Centers and the Psychological Services Required for the Sheriff's Department

Background and History of Services

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

In 2002, Pima County transitioned from its previous models of care. At that time, PCADC operated with an employee model; and PCJDC operated with multiple contracts for nursing, pediatricians and psychiatrists that remained insufficient in spite of repeated procurement efforts. The County replaced these models with a model in which a single vendor became accountable for the full range of essential services and was required to meet national standards for adults and juveniles as published by the National Commission on Correctional Healthcare (NCCHC). This transition resolved an array of difficulties the County had experienced with recruiting and retaining essential, qualified personnel to meet the medical, behavioral, and dental needs of the individuals detained at these sites. The new approach also addressed issues identified in the 2001 study entitled "Management Audit of the Pima County Criminal Justice System" conducted by the Harvey M. Rose Accountancy Corporation.

Between 2002 and 2008, the County gained experience managing comprehensive vendor contracts for these sites and as a result refined its contracting requirements to incorporate an array of performance standards and payment adjustments tied to vendor performance, staffing and significant changes in census. The performance indicators for clinical and business operations, as well as the staffing payment adjustment, are designed to maximize compliance with industry standards and vendor commitments to the County. The vendor providing services in July 2008, Correctional Medical Services, Inc. (CMS), determined it was no longer willing to meet the County's expectations and provided a notice of service termination effective within one week.

The County then utilized its emergency procurement process to solicit vendors that had expressed interest in providing services to Pima County and subsequently negotiated a contract with Conmed Healthcare Management, Inc. (Conmed). This contract was effective August 1, 2008 at PCADC. The contract included more prescribing providers and staffing qualified to address the increasing number of individuals with behavioral health conditions entering the criminal justice system. Subsequently, Conmed assumed

responsibility for healthcare operations at PCJDC. This site was added to their contract effective February 2010 after University Physicians Healthcare, Inc. gave a 30-day notice of their intent to terminate their contract at that site.

The Request for Proposal Process

Pima County procurement rules permit up to five one-year extensions of existing contracts. Options for extending the Conmed contract expire with the contract period ending June 30, 2013, requiring a full procurement process. On December 19, 2012, Pima County Procurement published a Request for Proposals (#78416) for firms to provide healthcare to detained adults and youth at PCADC and PCJDC and to provide certain psychological services to the Sheriff's Department effective July 1, 2013. A mandatory pre-proposal conference was held with 11 representatives of 6 potential bidders from across the country on January 17, 2013. Two addenda to the RFP were published in response to questions received from potential bidders. The solicitation closed on February 28, 2013. Two bids were received. They were from Conmed based in Hanover, Maryland and Correctional HealthCare Companies, Inc., (CHC) headquartered in Greenwood Village, Colorado.

The Evaluation Committee for this solicitation consisted of seven voting members: Pima County Sheriff's Department, Corrections Captain Logistics Services, Captain India Davis; Pima County Juvenile Court, Director of Detention Services, Jennifer Torchia; Administrative Services Manager for the Department of Institutional Health, Garrett Hancock; Chief Medical Director, Dr. William Martz; Assistant County Administrator, Honey Pivirotto; Behavioral Health Administrator, Danna Whiting; and a member of the public with special expertise, Sally Mowris, RN, who retired from Pima County as the Program Manager for the Office of the Chief Medical Director.

An average of the scores assigned by the members of the Evaluation Committee can be seen in the following chart:

Criteria	Maximum Points Possible	Points Assigned to Conmed	Points Assigned to CHC
Project Plan	40	35.5	23.3
Cost	30	29.6	28.4
Company Experience	10	9.2	6.5
Management and Staff Turnover	10	6.5	6.3
References	10	8.7	8.3
Total	**100**	**89.5**	**72.8**

The "not to exceed" costs for an initial three-year contract period in the vendors' submissions were as follows:

	For the Three-year Time Period 7/1/2013 to 6/30/2016		
For Services at	**Conmed Original Proposal**	**Conmed Best and Final Offer (BAFO)**	**CHC – Original Proposal (no BAFO requested)**
PCADC (Adult)	$31,007,088	$31,383,516	$33,390,930
PCJDC (Juvenile)	4,538,700	4,538,700	3,859,769
Sheriff's Department	223,200	223,200	221,443
Total	**$35,768,988**	**$36,145,416**	**$37,472,142**

Note: The three-year figures include the costs related to healthcare services for detainees from community providers. The County chose to include these costs as payments to the vendor beginning in Fiscal Year (FY) 2012 and expects to continue this policy in the new contract period.

The Best and Final Offer (BAFO) from Conmed reflects an increase in costs of $376,428 from the original proposal. The BAFO costs reflects increases in both administrative and personnel costs associated with adding 1.5 full-time equivalent mental health professionals to meet the expectations of the County in terms of comprehensive examination and documentation of the status of certain high-risk detainee populations at PCADC housed in administrative segregation.

Trends in Costs of Services

Historically, the PCADC portion of the total contract with Conmed is 89 percent of the "Not to Exceed" dollars. Over the last five years, the "Not to Exceed" cost of providing health services using Conmed as the vendor has actually decreased at PCADC by $149,207, or 1.5 percent, exclusive of funding for detainees requiring healthcare services offsite. The staffing has remained consistent with a decrease of less than one half of a full time position over the contract term. At PCJDC the cost has increased 10.4 percent or $118,000 due to the Court's requirement that a single LPN position be added to work evenings thereby reducing demands on the RN and a pilot to examine alternatives for screening youth including the possible use of resources at the Crisis Response Center on the Kino Campus. Conmed agreed to share the cost of the Licensed Practice Nurse (LPN) position, so only $48,000 of that cost is funded by the County; Conmed is absorbing $26,267.

The BAFO provided by Conmed for FY 2014 reflects one half of one percent increase in the "Not to Exceed" amount for PCADC when compared to FY 2013. The BAFO from

Conmed for PCJDC reflects a 20.3 percent increase related to the addition of 2.54 full-time equivalents. The additional positions include a registered nurse (RN) to supplement the Health Services Administrator who is an RN, 0.90 full-time equivalent RN to screen every juvenile presented at the site regardless of whether they are ultimately admitted to detention, and 0.8 net full-time equivalent mental health professionals to assure every juvenile admitted to detention receives a treatment plan signed by a psychiatrist. Conmed reduced various positions by 0.16 full-time equivalents to partially offset the additional positions.

Conmed has committed to pricing that does not increase over the three-year period. Conmed's proposal also includes an onsite utilization management nurse at no additional cost to the County.

Impact of the Affordable Care Act

The Affordable Care Act (ACA) is effective January 1, 2014. The ACA focuses on insuring all eligible citizens of the United States. Two of the key components of the ACA include expansion of the states' Medicaid programs, as well as availability of qualified health plans (QHPs) with affordable premiums for the uninsured not eligible for Medicaid. The Arizona Legislature is currently considering the Governor's recommendation to expand eligibility for Arizona's Medicaid program known as the Arizona Healthcare Cost Containment System (AHCCCS) to 133 percent of poverty, which essentially restores coverage the voters in Arizona have previously approved. Coalitions throughout Arizona are working with the federal government on strategies to identify and connect with the uninsured throughout the state to educate and link these individuals with the QHPs, including the use of specially trained Navigators. Enrollment in the QHPs begins October 1, 2013.

This will impact PCADC in two ways. It will reduce the cost the County currently pays for individuals who require inpatient hospitalization while in the custody of the Sheriff's Department. Currently, the County pays 100 percent of AHCCCS rates for an estimated 100 admissions per year as the majority of those detainees who would have qualified for AHCCCS are no longer eligible. If AHCCCS coverage is restored, the County would pay at the most one third of the AHCCCS rate, which is the state match; the remaining two thirds would be funded with the federal reimbursement. The "Not to Exceed" costs in the BAFO include payment of $2,156,686 related to the costs of services detainees must receive in the community. The County would need to reduce this figure by at least $550,000 annually to reflect the savings related to the ACA on inpatient hospital admission costs.

The second way in which the ACA will impact the cost of healthcare services at PCADC is to provide health insurance coverage through QHPs once the detainee is released. The

availability of health insurance will decrease barriers to healthcare, including the purchase of psychotropic medications, thereby potentially reducing recidivism related to disruption of care. This may result in a decrease in bookings and related healthcare costs. An additional benefit is that enrollment of individuals released from PCADC will result in fewer uninsured presenting to community providers for health services.

Recommendation

I recommend the Board of Supervisors approve development of a final contract with Conmed Healthcare Management, Inc. to be effective July 1, 2013 for the provision of health services at the Pima County Adult Detention Complex and the Pima County Juvenile Detention Center and the psychological services required for the Sheriff's Department.

Respectfully submitted,

C. H. Huckelberry
County Administrator

CHH/mjk – April 3, 2013

c: Jan Lesher, Deputy County Administrator for Medical and Health Services

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 04/09/13

ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS:

Most Qualified: Award of Contract, Requisition No. 13000000000000000210, Conmed, Inc. (Headquarters: *Hanover, Maryland*) for Correctional Health Services to be provided at the Adult and Juvenile Detention Centers, to the highest ranked/most qualified respondent, in the three-year amount of $ 36,145,416.00. Contract is for a three-year term and includes two one-year renewal periods. Funding Source: General fund Administering Department(s): Office of Medical Services

Background
Pursuant with Pima County Procurement code 11.12.020 and as requested by the Department of Institutional Health Request for Proposals # 78416 was published in the legal newspaper of Pima County, posted to the Procurement Department Internet site and completed to establish an "as required" contract for Correctional Health Services to be provided at the Adult and Juvenile Detention centers.

Notice of the solicitation was given directly to all vendors registered with Pima County for relevant commodities, researched and identified by the Procurement Contracts Officer, or provided by the Requesting Department. Pursuant to the published solicitation terms the award is recommended to the highest ranked and most qualified respondent.

Attached: CHH memo dated 04/09/13 – Provision of Health Services at the Adult and Juvenile Detention Centers and Psychological Services Required for the Sheriff's Department

Contract Officer: Jennifer Moore, 520.724.8164, Procurement Department

Payment System: Advantage Pimacore

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

4/4/13

Procure Dept 04/04/13 PM11:07