



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** March 16, 2017  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

**AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Dorinne Jordan/Gevork Simdjian
  - A) **Board Letter – PHASE II TRANSFER OF THE LOS ANGELES SHERIFF'S DEPARTMENT, MEDICAL SERVICE BUREAU POSITIONS TO THE DEPARTMENT OF HEALTH SERVICES, INTEGRATED CORRECTIONAL HEALTH SERVICES**  
CEO CLASS – Steve Masterson or designee  
DHS – Mitchell Katz or designee
  - B) **Board Letter – CHIEF INVESTMENT OFFICER SALARY ORDINANCE CHANGE**  
LACERA – Gregg Rademacher or designee
  - C) **Board Letter – APPROVAL TO RECEIVE ALL CURRENT AND ANY FUTURE SERVICES AND EQUIPMENT FOR THE PUBLIC SAFETY ANSWERING POINT 9-1-1 TELEPHONE COMMUNICATIONS SYSTEM FROM THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES, PUBLIC SAFETY COMMUNICATIONS, CALIFORNIA 9-1-1 EMERGENCY COMMUNICATIONS BRANCH**  
FIRE – Daryl Osby or designee
  - D) **Board Letter – APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC. FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM**  
DHS – Mitchell Katz or designee
2. Public Comment
3. Adjournment



SACHI A. HAMAI  
Chief Executive Officer

# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

Board of Supervisors  
HILDA L. SOLIS  
First District  
MARK RIDLEY-THOMAS  
Second District  
SHEILA KUEHL  
Third District  
JANICE HAHN  
Fourth District  
KATHRYN BARGER  
Fifth District

April 4, 2017

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**PHASE II TRANSFER OF THE  
LOS ANGELES SHERIFF'S DEPARTMENT, MEDICAL SERVICES BUREAU  
POSITIONS TO THE DEPARTMENT OF HEALTH SERVICES,  
INTEGRATED CORRECTIONAL HEALTH SERVICES  
(ALL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

On June 9, 2015, the Board of Supervisors approved the proposed integrated jail health services organizational structure and the multi-phased transition of jail health staff from the Department of Mental Health and the Los Angeles Sheriff's Department Medical Services Bureau (LASD MSB) to a single, integrated unit within the Department of Health Services (DHS). This Board letter recommends the Phase II transfer of LASD MSB staff to DHS and approval of a request for an appropriation adjustment to implement this last phase of the transition plan, effective May 1, 2017.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the Phase II transfer of staff from the Los Angeles Sheriff's Department, Medical Services Bureau to the Department of Health Services, Integrated Correctional Health Services, effective May 1, 2017;

*"To Enrich Lives Through Effective And Caring Service"*

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Intra-County Correspondence Sent Electronically Only**

2. Approve the accompanying ordinance amending Title 6 - Salaries of the Los Angeles County Code to reflect the transfer of ordinance positions necessary to implement Phase II of the transition plan;
3. Approve the attached appropriation adjustment in the amount of \$28 million associated with the transfer of 1,586.0 ordinance positions; and
4. Delegate authority to the Director of Health Services or his designee, to execute amendments to transfer authority from the Sheriff for the administration and management of existing contracts and memorandums of understanding related to Medical Services Bureau.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

In June 2015, the Board approved the proposed restructure of jail health and mental health services under a single point of leadership, in response to the March 3, 2015 Board motion directing the Chief Executive Office (CEO), in conjunction with County Counsel, the Department of Human Resources, Department of Health Services, Department of Mental Health (DMH), Department of Public Health, and Los Angeles Sheriff's Department to report back in writing summarizing the status of jail health services in Los Angeles County and outlining a set of proposed approaches and strategies to address the highlighted issues and improve the overall quality and delivery of the care provided in the County jails.

The approved integrated organizational structure was to be formed by transferring existing jail personnel from DMH and LASD MSB to DHS in two separate phases; creating a new health leadership team to set the vision for integrated health services within the County jail system; and adding new functions (e.g. reentry services, access to care), as necessary, to create an integrated clinical care model designed for health professionals, in partnership with LASD custody personnel, to provide comprehensive, coordinated care to the inmate-patient population, and to effectively link inmates to reentry services upon discharge.

As a part of the Fiscal Year (FY) 2016-17 Final Adopted Budget, the Board approved the Phase I implementation which cumulatively transferred 106.0 positions from LASD MSB and 367.0 jail mental health positions from DMH to the newly-created Integrated Correctional Health Services (ICHS) unit within DHS.

Approval of the aforementioned recommendations will allow for the implementation of Phase II, effective May 1, 2017, and transfer of remaining MSB staff (pharmacists, nurses, etc.).

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1: Operational Effectiveness and Goal 3: Integrated Services Delivery intended to maximize opportunities and create efficiencies to measurably improve outcomes and leverage resources through the continuous integration of health, community, and public safety services.

### **FISCAL IMPACT/FINANCING**

The attached appropriation adjustment (Attachment I) reflects the establishment of funding to cover staffing costs for the last two months of the current fiscal year and will result in no additional net County cost. The full-year funding will be formalized in the FY 2017-18 Final Changes budget for the Board's consideration in June 2017.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In preparation for Phase II, DHS and LASD have had joint and regular communications with the labor organizations representing the MSB employees and co-hosted informational town halls for the transitioning employees. Ongoing efforts to maintain an open line of communication with both labor and the MSB employees continue to ensure a seamless transition.

The accompanying staffing ordinance (Attachment II) reflecting the transfer of ordinance positions from LASD MSB to DHS ICBS has been approved as to form by County Counsel. DHS continues to assess and evaluate progress, and explore opportunities to enhance operational efficiencies in clinical and administrative functions, and will work with CEO Classification/Compensation to determine the most appropriate staffing model and return to the Board with recommendations once the evaluation is completed.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will facilitate the full implementation of integrated correctional health services in partnership with LASD custody personnel to ensure that inmate-patients have access to quality health and mental services, with particular attention to coordinated primary and preventative care, substance use services, and discharge/reentry planning. In addition, the integrated structure under the leadership of DHS allows for greater opportunities for recruitment, retention and training of correctional health staff.

Respectfully submitted,

SACHI A. HAMAI  
Chief Executive Officer

SAH:SK:MK  
AE:KP:mmg

Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Affected Departments

n:\classification\abcd - board letters - working file\mid year transfers - 4-4-17\04-04-17\_msb transfer of positions to ichs phase ii (draft).docx

**ANALYSIS**

This ordinance amends Title 6 - Salaries, of the Los Angeles County Code by adding and/or deleting and changing certain classifications and numbers of ordinance positions in the departments of Health Services and Sheriff to reflect mid-year transfers.

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
RICHARD D. BLOOM  
Principal Deputy County Counsel  
Labor & Employment Division

RDB:

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 6 - Salaries, of the Los Angeles County Code relating to the addition, deletion, and changing of certain classifications and number of ordinance positions in the departments of Health Services and Sheriff as a result of mid-year transfers.

**SECTION 1.** Section 6.78.085 (Department of Health Services – Integrated Correctional Health Services) is hereby added to read as follows:

<b>ITEM NO.</b>	<b>NO. OF ORDINANCE POSITIONS</b>	<b>TITLE</b>
<u>8042A</u>	<u>1</u>	<u>ASST HOSPITAL ADMINISTRATOR III</u>
<u>4595A</u>	<u>1</u>	<u>ASSISTANT STAFF ANALYST,HLTH SERVS</u>
<u>5082A</u>	<u>2</u>	<u>CENTRAL SERVICES TECHNICIAN I</u>
<u>5083A</u>	<u>1</u>	<u>CENTRAL SERVICES TECHNICIAN II</u>
<u>5308A</u>	<u>1</u>	<u>CHIEF NURSING OFFICER II</u>
<u>4895A</u>	<u>17</u>	<u>CLINICAL LABORATORY SCIENTIST I</u>
<u>4896A</u>	<u>2</u>	<u>CLINICAL LABORATORY SCIENTIST II</u>
<u>5298A</u>	<u>1</u>	<u>CLINICAL NURSING DIRECTOR I</u>
<u>5299A</u>	<u>7</u>	<u>CLINICAL NURSING DIRECTOR II</u>
<u>5472J</u>	<u>18</u>	<u>CONSULTING SPECIALIST,MD(PER SESS)</u>
<u>4745A</u>	<u>10</u>	<u>DENTAL ASSISTANT</u>
<u>5794A</u>	<u>2</u>	<u>DIAGNOSTIC ULTRASOUND TECHNICIAN</u>
<u>8088A</u>	<u>1</u>	<u>DIRECTOR,MEDICAL SERVICES,SHERIFF</u>

<u>1759A</u>	<u>1</u>	<u>EPIDEMIOLOGIST</u>
<u>1416A</u>	<u>17</u>	<u>HEALTH INFORMATION ASSOCIATE</u>
<u>1410A</u>	<u>1</u>	<u>HEALTH INFO MGMT SENIOR SUPERVISOR</u>
<u>1409A</u>	<u>7</u>	<u>HEALTH INFO MANAGEMENT SUPERVISOR</u>
<u>1411A</u>	<u>1</u>	<u>HEALTH INFORMATION MANAGER</u>
<u>1418A</u>	<u>2</u>	<u>HEALTH INFO SENIOR TECHNICIAN</u>
<u>1417A</u>	<u>5</u>	<u>HEALTH INFORMATION TECHNICIAN</u>
<u>1138A</u>	<u>29</u>	<u>INTERMEDIATE CLERK</u>
<u>1389A</u>	<u>4</u>	<u>MEDICAL RECORDS SUPERVISOR I</u>
<u>1390A</u>	<u>1</u>	<u>MEDICAL RECORDS SUPERVISOR II</u>
<u>2180A</u>	<u>1</u>	<u>MEDICAL STENOGRAPHER</u>
<u>2209A</u>	<u>2</u>	<u>MEDICAL TRANSCRIBER TYPIST</u>
<u>5286A</u>	<u>21</u>	<u>NURSE MANAGER</u>
<u>5100A</u>	<u>106</u>	<u>NURSING ATTENDANT II</u>
<u>5214A</u>	<u>12</u>	<u>NURSING INSTRUCTOR</u>
<u>1228A</u>	<u>12</u>	<u>OPERATIONS ASSISTANT I,SHERIFF</u>
<u>1229A</u>	<u>8</u>	<u>OPERATIONS ASSISTANT II,SHERIFF</u>
<u>1230A</u>	<u>3</u>	<u>OPERATIONS ASSISTANT III,SHERIFF</u>
<u>5595A</u>	<u>2</u>	<u>ORTHOPEDIC TECHNICIAN</u>
<u>5512A</u>	<u>51</u>	<u>PHARMACIST</u>
<u>5501A</u>	<u>3</u>	<u>PHARMACY HELPER</u>
<u>5529A</u>	<u>1</u>	<u>PHARMACY SERVICES CHIEF II</u>
<u>5516A</u>	<u>6</u>	<u>PHARMACY SUPERVISOR I</u>



<u>5504A</u>	<u>60</u>	<u>PHARMACY TECHNICIAN</u>
<u>4977A</u>	<u>25</u>	<u>PHLEBOTOMY TECHNICIAN I</u>
<u>5837A</u>	<u>1</u>	<u>PHYSICAL THERAPIST I</u>
<u>5475A</u>	<u>2</u>	<u>PHYSICIAN,MD</u>
<u>5475F</u>	<u>2</u>	<u>PHYSICIAN,MD</u>
<u>2344A</u>	<u>1</u>	<u>PROCUREMENT ASSISTANT I</u>
<u>2346A</u>	<u>1</u>	<u>PROCUREMENT ASSISTANT II</u>
<u>5230A</u>	<u>6</u>	<u>PUBLIC HEALTH NURSE</u>
<u>5798A</u>	<u>22</u>	<u>RADIOLOGIC TECHNOLOGIST</u>
<u>5799A</u>	<u>2</u>	<u>RADIOLOGIC TECHNOLOGIST,SPEC PROC</u>
<u>5139N</u>	<u>2</u>	<u>REGISTERED NURSE I,SHERIFF</u>
<u>2101A</u>	<u>1</u>	<u>SENIOR SECRETARY II</u>
<u>4594A</u>	<u>1</u>	<u>SENIOR STAFF ANALYST,HEALTH</u>
<u>2389A</u>	<u>1</u>	<u>SERVICE UNIT MATERIALS MANAGER I</u>
<u>4593A</u>	<u>1</u>	<u>STAFF ANALYST,HEALTH</u>
<u>4903A</u>	<u>1</u>	<u>SUPVG CLINICAL LAB SCIENTIST I</u>
<u>4904A</u>	<u>1</u>	<u>SUPVG CLINICAL LAB SCIENTIST II</u>
<u>4747A</u>	<u>1</u>	<u>SUPERVISING DENTAL ASSISTANT</u>
<u>5804A</u>	<u>2</u>	<u>SUPVG RADIOLOGIC TECHNOLOGIST I</u>
<u>5810A</u>	<u>1</u>	<u>SUPVG RADIOLOGIC TECHNOLOGIST II</u>
<u>2331A</u>	<u>4</u>	<u>WAREHOUSE WORKER I</u>
<u>2332A</u>	<u>2</u>	<u>WAREHOUSE WORKER II</u>
<u>2333A</u>	<u>1</u>	<u>WAREHOUSE WORKER III</u>

2329A

2

WAREHOUSE WORKER AID

**SECTION 2.** Section 6.78.085 (Department of Health Services – Integrated Correctional Health Services) is hereby amended to change the number of ordinance positions for the following classes:

<b>ITEM NO.</b>	<b>NO. OF ORDINANCE POSITIONS</b>	<b>TITLE</b>
5357A	<del>2</del> <u>6</u>	CLINICAL NURSE SPECIALIST
2214A	<del>46</del> <u>84</u>	INTERMEDIATE TYPIST-CLERK
5107A	<del>2</del> <u>226</u>	NURSING ASSISTANT, SHERIFF
5139A	<del>44</del> <u>347</u>	REGISTERED NURSE I, SHERIFF
5140A	<del>9</del> <u>269</u>	REGISTERED NURSE II, SHERIFF
5141A	<del>2</del> <u>71</u>	REGISTERED NURSE III, SHERIFF
1140A	<del>3</del> <u>13</u>	SENIOR CLERK
2103A	<del>4</del> <u>2</u>	SENIOR SECRETARY IV
2216A	<del>46</del> <u>37</u>	SENIOR TYPIST-CLERK
5340A	<del>5</del> <u>95</u>	SUPERVISING STAFF NURSE I, SHERIFF

**SECTION 3.** Section 6.120.017 (Sheriff – Medical services bureau) is hereby amended to delete the following classes and number of ordinance positions:

<b>ITEM NO.</b>	<b>NO. OF ORDINANCE POSITIONS</b>	<b>TITLE</b>
8042A	4	ASST HOSPITAL ADMINISTRATOR III
4595A	1	ASSISTANT STAFF ANALYST, HLTH SERVS
5082A	2	CENTRAL SERVICES TECHNICIAN I
5083A	1	CENTRAL SERVICES TECHNICIAN II
5308A	1	CHIEF NURSING OFFICER II
4895A	17	CLINICAL LABORATORY SCIENTIST I
4896A	2	CLINICAL LABORATORY SCIENTIST II
5357A	4	CLINICAL NURSE SPECIALIST
5298A	1	CLINICAL NURSING DIRECTOR I
5299A	7	CLINICAL NURSING DIRECTOR II
5472J	18	CONSULTING SPECIALIST, MD (PER SESS)
4745A	10	DENTAL ASSISTANT
5794A	2	DIAGNOSTIC ULTRASOUND TECHNICIAN
8088A	1	DIRECTOR, MEDICAL SERVICES, SHERIFF
1759A	1	EPIDEMIOLOGIST
1416A	17	HEALTH INFORMATION ASSOCIATE
1410A	1	HEALTH INFO MGMT SENIOR SUPERVISOR
1409A	7	HEALTH INFO MANAGEMENT SUPERVISOR
1411A	1	HEALTH INFORMATION MANAGER

1418A	2	HEALTH INFO SENIOR TECHNICIAN
1417A	5	HEALTH INFORMATION TECHNICIAN
1138A	29	INTERMEDIATE CLERK
2214A	68	INTERMEDIATE TYPIST-CLERK
1389A	4	MEDICAL RECORDS SUPERVISOR I
1390A	1	MEDICAL RECORDS SUPERVISOR II
2180A	1	MEDICAL STENOGRAPHER
2209A	2	MEDICAL TRANSCRIBER TYPIST
5286A	21	NURSE MANAGER
5107A	224	NURSING ASSISTANT, SHERIFF
5100A	106	NURSING ATTENDANT II
5214A	12	NURSING INSTRUCTOR
1228A	12	OPERATIONS ASSISTANT I, SHERIFF
1229A	8	OPERATIONS ASSISTANT II, SHERIFF
1230A	3	OPERATIONS ASSISTANT III, SHERIFF
5595A	2	ORTHOPEDIC TECHNICIAN
5512A	51	PHARMACIST
5501A	3	PHARMACY HELPER
5529A	1	PHARMACY SERVICES CHIEF II
5516A	6	PHARMACY SUPERVISOR I
5504A	60	PHARMACY TECHNICIAN
4977A	25	PHLEBOTOMY TECHNICIAN I
5837A	1	PHYSICAL THERAPIST I

5475A	2	PHYSICIAN,MD
5475F	2	PHYSICIAN,MD
2344A	4	PROCUREMENT ASSISTANT I
2346A	4	PROCUREMENT ASSISTANT II
5230A	6	PUBLIC HEALTH NURSE
5798A	22	RADIOLOGIC TECHNOLOGIST
5799A	2	RADIOLOGIC TECHNOLOGIST,SPEC PROC
5139A	336	REGISTERED NURSE I,SHERIFF
5139N	2	REGISTERED NURSE I,SHERIFF
5140A	260	REGISTERED NURSE II,SHERIFF
5141A	69	REGISTERED NURSE III,SHERIFF
1140A	10	SENIOR CLERK
2101A	4	SENIOR SECRETARY II
2103A	4	SENIOR SECRETARY IV
4594A	4	SENIOR STAFF ANALYST,HEALTH
2216A	21	SENIOR TYPIST-CLERK
2389A	4	SERVICE UNIT MATERIALS MANAGER I
4593A	4	STAFF ANALYST,HEALTH
4903A	4	SUPVG CLINICAL LAB SCIENTIST I
4904A	4	SUPVG CLINICAL LAB SCIENTIST II
4747A	4	SUPERVISING DENTAL ASSISTANT
5340A	90	SUPERVISING STAFF NURSE I,SHERIFF
5804A	2	SUPVG RADIOLOGIC TECHNOLOGIST I

5810A	1	SUPVG RADIOLOGIC TECHNOLOGIST II
2331A	-4	WAREHOUSE WORKER I
2332A	2	WAREHOUSE WORKER II
2333A	1	WAREHOUSE WORKER III
2329A	2	WAREHOUSE WORKER AID

**SECTION 4.** Pursuant to Government Code Section 25123(f), this ordinance shall take effect immediately upon final passage.

[APR2017MIDYEARRECLASSKPCEO]



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2713

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MARY C. WICKHAM  
County Counsel

March 1, 2017

Sachi A. Hamai  
Chief Executive Officer  
713 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**Re: Ordinance Amending Title 6 – Salaries of the Los Angeles  
County Code**


Dear Ms. Hamai:

As requested, enclosed please find the analysis and the ordinance amending Title 6 – Salaries of the Los Angeles County Code by changing the salary of one non-represented employee classification and amending a Los Angeles County Employees Retirement Association ("LACERA") Management Appraisal and Performance Plan Tier 1 Salary Structure table.

Very truly yours,

MARY C. WICKHAM  
County Counsel

By

  
RICHARD D. BLOOM  
Principal Deputy County Counsel  
Labor & Employment Division

APPROVED AND RELEASED:

  
LESTER J. TOLNAI  
Chief Deputy

RDB:ctj

Enclosure

April 4, 2017

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF ORDINANCE AMENDING TITLE 6 – SALARIES  
APPLICABLE ONLY TO LACERA (3 VOTES REQUIRED FOR APPROVAL)**

**SUBJECT**

Recommendation to amend salary range table for the Los Angeles County Employees Retirement Association (LACERA) and to adjust the salary range for one non-represented classification.

**IT IS RECOMMENDED THAT THE BOARD:**

Approve the accompanying ordinance amending Title 6 – Salaries of the County Code to amend the LACERA salary range table to include salary ranges LR26 through LR28 and to adjust the salary range for the Chief Investment Officer (UC), LACERA, Item No. 0493 to range LR28.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Los Angeles County Employees Retirement Association (LACERA) is responsible for investing the \$49 billion retirement trust portfolio and the \$600 million OPEB trust portfolio. These funds will be used to pay retirement and healthcare benefits to more than 100,000 current county employees and 60,000 retirees. Together the LACERA Board of Retirement and Board of Investments (LACERA Boards) are responsible for attracting and retaining highly qualified employees with the knowledge and experience to invest funds globally through numerous external managers specializing in public equity, private equity, fixed income, real estate, hedge funds and commodities. The LACERA Chief Investment Officer is the investment expert for LACERA's Board of Investments, acting as advisor on all matters involving the investment or proposed



investment of LACERA trust assets. The Chief Investment Officer position is currently being filled on an interim basis with LACERA actively recruiting to permanently fill the position with the assistance of internal and external executive search teams since the position became vacant in June 2015. An independent compensation consultant recently found that the current compensation package for the Chief Investment Officer (UC) LACERA, Item 0493, is below market compared to other public pension plans. To facilitate attracting and retaining a highly qualified candidate to the Chief Investment Officer position, the LACERA Boards have approved amending the LACERA salary range table to include salary ranges LR26 through LR28 and to adjust the salary range for the position of Chief Investment Officer (UC) LACERA to LR28.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The actions recommended in this letter promote the County's Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability by providing for a wage and fringe benefit structure in a financially responsible yet competitive manner.

### **FISCAL IMPACT/FINANCING**

Adoption of the enclosed ordinance will have no direct fiscal impact on the County of Los Angeles. The entire cost of administering the Retirement Association, including expenses associated with salaries and benefits, are a charge on the earnings of the retirement fund pursuant to Government Code Section 31580.2. There is no financing involved with this action.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The legal authority relating to this recommendation is found in the County Employees Retirement Law of 1937, California Government Code Section 31450 and following, and in the California Constitution.

In addition to Government Code Section 31522.1 providing the LACERA Boards the authority to appoint such personnel as are required to accomplish the necessary work of the LACERA Boards, Government Code Section 31522.4 further authorizes the LACERA Boards to appoint specified management personnel, including a Chief Investment Officer, and further provides such personnel "shall not be subject to county charter, civil service, or merit system rules. The persons appointed shall be county employees and their positions shall be included in the salary ordinance or resolution adopted by the Board of Supervisors for the compensation of county officers and

employees. The persons appointed shall be directed by, shall serve at the pleasure of, and may be dismissed at the will of, the appointing board or boards." The LACERA Boards have delegated the appointment and dismissal of such personnel and persons to the LACERA Chief Executive Officer.

Article XVI, section 17 of the California Constitution provides that, "the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system."

The accompanying ordinance implementing amendments to Title 6 – Salaries, of the County Code has been approved as to form by County Counsel.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this agenda item will not impact current service or projects.

Respectfully submitted,



GREGG RADEMACHER  
Chief Executive Officer  
LACERA

GR:nm  
HR/Salary Ord Ltr to BOS March 2017v1.pdf

Enclosure

- C: LACERA Board of Retirement
- LACERA Board of Investment
- LACERA Chief Counsel
- LACERA Human Resources
- Los Angeles County Executive Office, Board of Supervisors
- Los Angeles County County Counsel
- Los Angeles County Auditor-Controller

## ANALYSIS

This ordinance amends Title 6 – Salaries of the Los Angeles County Code by changing the salary of one non-represented employee classification and amending a Los Angeles County Employees Retirement Association ("LACERA") Management Appraisal and Performance Plan Tier I Salary Structure table. The LACERA Boards of Retirement and Investments acted under, and the Board of Supervisors shall act, pursuant to Government Code section 31522.4.

MARY C. WICKHAM  
County Counsel

By



RICHARD D. BLOOM  
Principal Deputy County Counsel  
Labor & Employment Division

RDB:ctj

Received: 2/15/17  
Revised: 2/17/17

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 6 - Salaries of the Los Angeles County Code relating to the changing of one non-represented classification and amending a Los Angeles County Employees Retirement Association salary structure table to implement the findings of a compensation study.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 6.26.040 is hereby amended to add pay ranges to the following Los Angeles County Employees Retirement Association salary structure table:

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)  
MANAGEMENT APPRAISAL AND PERFORMANCE PLAN  
TIER I SALARY STRUCTURE TABLES – LR SCHEDULE  
Table LG – Effective April 1, 2017

Range	Minimum	Control Point	Maximum
LR 25	\$23,205.16	\$29,164.03	\$35,122.90
<u>LR 26</u>	<u>\$24,945.55</u>	<u>\$31,351.35</u>	<u>\$37,757.13</u>
<u>LR 27</u>	<u>\$26,816.47</u>	<u>\$33,702.70</u>	<u>\$40,588.91</u>
<u>LR 28</u>	<u>\$28,827.70</u>	<u>\$36,230.40</u>	<u>\$43,633.08</u>

**SECTION 2.** Section 6.28.050 is hereby amended to change the salary of the following class:

ITEM NO.	TITLE	EFFECTIVE DATE	SALARY OR SALARY SCHEDULE AND LEVEL	
0493	Chief Investment Officer, LACERA (UC)	01/01/2016	N23L	LR25
		<u>04/01/2017</u>	<u>N23L</u>	<u>LR28</u>

**SECTION 3.** Pursuant to Government Code section 25123(f), this ordinance shall take effect immediately upon final passage.

[626040GRLACERA]



# COUNTY OF LOS ANGELES

## FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE  
LOS ANGELES, CALIFORNIA 90063-3294  
(323) 881-6180

DARYL L. OSBY  
FIRE CHIEF  
FORESTER & FIRE WARDEN

April 4, 2017

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL TO RECEIVE ALL CURRENT AND ANY FUTURE SERVICES AND EQUIPMENT FOR THE PUBLIC SAFETY ANSWERING POINT 9-1-1 TELEPHONE COMMUNICATIONS SYSTEM FROM THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES, PUBLIC SAFETY COMMUNICATIONS, CALIFORNIA 9-1-1 EMERGENCY COMMUNICATIONS BRANCH  
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

### SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting Board of Supervisors (Board) approval to receive all current and future services and equipment for the Public Safety Answering Point (PSAP) 9-1-1 telephone communications system from the California Governor's Office of Emergency Services, Public Safety Communications, California 9-1-1 Emergency Communications Branch (CA 9-1-1 Branch).

**IT IS RECOMMENDED THAT YOUR HONORABLE BOARD, ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:**

1. Accept services and equipment from the CA 9-1-1 Branch for the District's PSAP 9-1-1 telephone communications system.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS	BRADBURY	CUDAHY	HAWTHORNE	LA HABRA	LYNWOOD	PICO RIVERA	SIGNAL HILL
ARTESIA	CALABASAS	DIAMOND BAR	HIDDEN HILLS	LA MIRADA	MALIBU	POMONA	SOUTH EL MONTE
AZUSA	CARSON	DUARTE	HUNTINGTON PARK	LA PUENTE	MAYWOOD	RANCHO PALOS VERDES	SOUTH GATE
BALDWIN PARK	CERRITOS	EL MONTE	INDUSTRY	LAKEWOOD	NORWALK	ROLLING HILLS	TEMPLE CITY
BELL	CLAREMONT	GARDENA	INGLEWOOD	LANCASTER	PALMDALE	ROLLING HILLS ESTATES	WALNUT
BELL GARDENS	COMMERCE	GLENDORA	IRWINDALE	LAWNDALE	PALOS VERDES ESTATES	ROSEMEAD	WEST HOLLYWOOD
BELLFLOWER	COVINA	HAWAIIAN GARDENS	LA CANADA-FLINTRIDGE	LOMITA	PARAMOUNT	SAN DIMAS	WESTLAKE VILLAGE
						SANTA CLARITA	WHITTIER

2. Delegate authority to the Fire Chief, or his authorized designee to accept any future services and equipment for the District's PSAP 9-1-1 telephone communications system from the CA 9-1-1 Branch.
3. Delegate authority to the Fire Chief, or his authorized designee to select a vendor of choice from the State's pre-approved list of vendors for services and equipment for the District's PSAP 9-1-1 telephone communications system.
4. Find that these services are exempt from the California Environmental Quality Act (CEQA).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION(S)**

The administration of services and equipment related to 9-1-1 calls is based on laws passed by the California State Legislature as defined in California Government Code, Warren-911-Emergency Assistance Act, Sections 53100-53120 and the California Revenue and Taxation Code, Emergency Telephone Users Surcharge Act, Sections 41001-41176.

The laws provide for the CA 9-1-1 Branch to manage the State Emergency Telephone Number Account and reimburse State approved vendors directly for services and equipment related to 9-1-1 calls in the State of California. The goal of the CA 9-1-1 Branch is to enable each PSAP to provide the fastest, most reliable, and cost-effective access to emergency services for all 9-1-1 callers in California.

On April 1, 2014, your Board approved the District's request to accept \$1,224,000 in upgrades and maintenance services for the District's PSAP 9-1-1 telephone communications system from the CA 9-1-1 Branch. Approval of the recommended actions will afford the District delegated authority to accept current and future services and equipment from the State's pre-approved list of vendors for the District's PSAP 9-1-1 telephone communications system through the CA 9-1-1 Branch. The anticipated services and equipment will enhance the District's ability to respond to 9-1-1 calls.

### **Implementation of Strategic Plan Goals**

Approval of the recommended actions is consistent with the County's Strategic Plan Goal No. III, Strategy III.3: Pursue Operational Effectiveness, Fiscal Responsibility and Accountability, by continually assessing our efficiency and effectiveness, maximizing and leveraging resources, and holding ourselves accountable.

### **FISCAL IMPACT/FINANCING**

The administration of services and equipment related to the routing and answering of 9-1-1 calls is based upon laws passed by the California State Legislature. Selected vendors from the State's pre-approved list of vendors for services and equipment related to the District's PSAP 9-1-1 telephone communications system will be reimbursed directly from the CA 9-1-1 Branch. The telephone communications system is part of the District's long-term strategy to accommodate the modernization of the nation's 9-1-1 communications system which includes new and evolving capabilities of broadband voice and data communications and the ability to update our mission critical Geographical Information Systems layers.

There is no impact to net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The recommended actions have been reviewed and approved by County Counsel and the Chief Information Office (CIO). The CIO determined a CIO Analysis is not required, because these actions do not introduce new technology.

### **ENVIRONMENTAL DOCUMENTATION**

The services and equipment provided will not have a significant effect on the environment; and, therefore, these services are exempt from California Environmental Quality Act (CEQA), pursuant to Section 15061 (b)(3) of the CEQA Guidelines.

### **CONTRACTING PROCESS**

The CA 9-1-1 Branch completed the contracting process associated with the acquisition of the services and equipment that allow each PSAP to select vendors of choice from the State's pre-approved list of vendors. The County's Purchasing Agent will issue a "Zero Dollar" purchase order to the selected vendors. This process is accomplished by the County's Purchasing Agent in accordance with the County's purchasing and contracting policies and procedures.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will enable the District to enhance its PSAP 9-1-1 telephone communications system and enhance public safety services.

### **CONCLUSION**



The Honorable Board of Supervisors  
April 4, 2017  
Page 4

Upon approval by your Honorable Board, please instruct the Executive Officer to submit the adopted stamped copy of this letter to the following:

Consolidated Fire Protection District of Los Angeles County  
Executive Office, Business Operations  
Attention: Zuleyda Reyes, Administrative Services Manager I  
1320 North Eastern Avenue  
Los Angeles, CA 90063  
[Zuleyda.Reyes@fire.lacounty.gov](mailto:Zuleyda.Reyes@fire.lacounty.gov)

The District's contact be reached at (323) 881-6173.

Respectfully submitted,

DARYL L. OSBY, FIRE CHIEF

Reviewed by:

PETER LOO  
ACTING CHIEF INFORMATION OFFICER

DLO:pa

c: Chief Executive Officer  
Executive Officer, Board of Supervisors  
County Counsel  
Chief Information Office  
Internal Services Department

bc: Lawrence  
Anderson  
Marrone

Bundesen  
Barrera  
Seidman  
Tsao  
Crabtree

DRAFT

April 4, 2017

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART  
TECHNOLOGIES, INC. FOR A SUBSTANCE USE DISORDER MANAGED CARE  
INFORMATION SYSTEM  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE [x]**

**SUBJECT**

Approval of delegated authority to the Director of the Health Agency to execute a sole source Agreement with Netsmart Technologies, Inc. for provision of a Substance Use Disorder Managed Care Information System for Substance Abuse Prevention Control and to amend Agreement for various contractual actions

**IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Health Agency Director (Director), or his designee, to execute a sole source Agreement with Netsmart Technologies, Inc. (Netsmart), for the provision of a Substance Use Disorder (SUD) Managed Care Information System (System or Sage), effective upon execution, for an initial term of ten (10) years, with an option to extend the term of the Agreement for five (5) additional one-year periods, with a Maximum Agreement Sum not to exceed \$49.2 million, which includes \$12.2 million for Pool Dollars, for the entire term of the Agreement, including the optional extensions.
2. Delegate authority to the Director, or his designee, to approve and execute: (a) Change Notices to the Agreement for: (i) alterations to the project schedule; and (ii) changes that do not require any additional costs or expenses or that do not otherwise materially affect any term or condition of the Agreement; and (b) Change Orders or Amendments using Pool Dollars included as part of the Maximum Agreement Sum to acquire Optional Work, provided the amounts payable under such Change Orders or Amendments do not exceed the available amount of Pool Dollars.

3. Delegate authority to the Director, or his designee, to: (a) issue written notice(s) of partial or total termination of the Agreement for convenience without further action by the County Board of Supervisors (Board); and (b) execute Amendments to the Agreement to: (i) add, delete, and/or change certain terms and conditions as mandated by Federal or State law or regulation, Los Angeles County (County) policy, the Board and/or Chief Executive Office (CEO); (ii) reallocate the components comprising the Maximum Agreement Sum; (iii) reduce the Services and the Maximum Agreement Sum; (iv) extend the term of the Agreement; (v) assign and delegate the Agreement, resulting from acquisitions, mergers, or other changes in ownership; (vi) approve Cost of Living Adjustments (COLAs) requested by Netsmart for the optional extensions, at the Director's discretion, limited to the fixed hourly rates for professional services and ongoing fees, with any such COLAs, consistent with the Board's COLA policy, with all such actions subject to prior review and approval by County Counsel, and as applicable, the Chief Information Office (CIO), with notice to the Board and CEO for and actions (b)(iii), (b)(iv), and (b)(vi).

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

### **Background**

Under the Health Agency, the Department of Public Health (DPH) Substance Abuse Prevention and Control (SAPC) currently operates a contracted provider network throughout the County, comprised of approximately 150 community-based prevention and treatment organizations and 350 provider sites. On an annual basis, SAPC's provider network serves approximately 50,000 SUD clients.

SAPC submitted its implementation plan on February 11, 2016, to the California Department of Health Care Services (State) and the Centers for Medicaid and Medicare Services (CMS) to participate in the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver. On July 27, 2016, the State and CMS approved the County's DMC-ODS implementation plan with one year to fully implement all components of the plan. The DMC-ODS is a five-year demonstration project that will provide state and federal funding to enable SAPC to transform into a managed care health plan for specialty SUD services and support a fuller continuum of SUD services for Medi-Cal beneficiaries. These additional benefits are in addition to presently available outpatient, intensive inpatient, and opioid treatment programs, and comprise case management, medication-assisted treatment, recovery support services, residential treatment, and withdrawal management. In essence, SAPC will be required to operate as a managed care entity and its system of care will become a specialty health system for SUDs, comparable to the County's specialty mental health system, which also operates in a managed care environment.

The range of new services is expected to significantly improve health outcomes and generate overall cost savings to the County's safety net health care delivery system, particularly through greater coordination of services and treatment. Most importantly, enhanced services will improve the quality of life for SUD clients, their families, and the communities they reside in.

Participation in DMC-ODS requires SAPC and its provider network to pursue rapid and dramatic information technology (IT) and clinical infrastructure improvements. These improvements include the acquisition of an IT system capable of performing DMC-ODS mandated requirements, the use of specific care management guidelines; quality improvement and utilization management processes; standardized clinical assessments for rapid referrals into medically necessary levels of care; integration with the County's mental health and physical health systems; and compilation and reporting of clinical performance and outcomes data for ongoing quality improvement and program evaluation.

### **Recommendations**

Approval of the first recommendation will allow the Director of the Health Agency to execute an Agreement, substantially similar to Exhibit I, with Netsmart for an initial term of ten (10) years, with an option to extend the Agreement for five (5) additional optional one-year extensions. The Agreement will provide for a two-phased implementation of a System that encompasses all key milestones (i.e., completion of project initiation, complete design, complete build, complete test, productive use of phases 1 and 2, and final acceptance), as well as ongoing costs for licensing, subscription, hosting, maintenance and support services, managed services, and optional work.

Approval of the second recommendation will enable the Director of the Health Agency to amend the Agreement via Change Notices and Change Orders, as set forth in the Agreement. Change Notices are for alterations to the project schedule and for changes that do not require any additional costs or expenses or that do not affect any term of or condition of the Agreement. Change Orders are for the acquisition of optional work within the allocated Pool Dollars amount included within the Maximum Agreement Sum. This includes work in the form of professional services, new software, and/or increases to the transactional pricing elements in the Agreement. These transactional pricing elements include payments for use reconciliation, which are intended to capture incremental fee increases that may arise through expanded usage or consumption of the System.

Approval of the third recommendation will allow the Health Agency Director to execute Amendments to the Agreement to add, delete, and/or change certain terms and conditions, as required under Federal or State law or regulation, County policy, Board and/or CEO; execute Amendments to reallocate the cost components comprising the Maximum Agreement Sum; issue notices of partial or full termination for convenience;

and execute amendments to reduce the Agreement's scope of services and the Maximum Agreement Sum, execute amendments for assignment and delegations resulting from acquisitions, mergers, or other changes in ownership, as necessary. This recommendation also delegates authority to amend the Agreement to exercise the five (5) optional one-year term extensions. The County's standard COLA provision was added to the Agreement during negotiations. In accordance with Board Policy No. 5.070, Multi-Year Services Contract Cost of Living Adjustments, the County, upon a future request from Netsmart, would have the discretion to grant a COLA increase to the fixed hourly rates for professional services and ongoing fees as specified in the Agreement. The Department negotiated fixed ongoing fees for the duration of the Initial Term, meaning that Netsmart may not request a COLA for these fees until the beginning of the first optional extension in April 2027. Similarly, Netsmart may not request a COLA for the fixed hourly rate for professional services until the beginning of the first optional extension. The COLA will not be automatic and is further limited to the lesser of movement in County salaries or any increase in the Department of Labor Bureau of Labor Statistics' Consumer Price Index. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no COLA will be granted.

### **Scope of the Proposed System**

The System, called Sage, will provide both SAPC and contracted providers with the requisite technology platform to comply with DMC-ODS requirements and integrate client data from providers throughout SAPC's network. Sage is a web-based Commercial Off the Shelf (COTS) system designed for SUD prevention and treatment services. Sage's core components will enable SAPC and its community-based providers to perform critical clinical workflows (e.g., screening, intake, admission, and discharge), managed care functions (utilization management, including authorizations and referrals), administrative, billing, contract management, and real-time data collection functionalities.

Adoption of the System will significantly improve continuity of care for SUD clients by introducing a standardized and unified approach to documenting, maintaining and accessing client treatment records (e.g., demographic, encounter, and service data) across SAPC's provider network. The System also complies with regulatory requirements governing confidentiality of substance use treatment information, and satisfies mandatory government reporting requirements, including those required for DMC-ODS participation.

Sage will also enable SAPC to assume additional oversight responsibilities to ensure the integrity of the SUD treatment network and effectiveness of providers' treatment of clients. For instance, DMC-ODS requires SAPC to preauthorize residential treatment requests within 24 hours and ensure that this level of care is clinically appropriate, and to reauthorize residential treatment when needed beyond an initial 90 days. In addition, SAPC must conduct ongoing quality improvement review of client treatment plans, and

periodically evaluate provider clinical performance to improve service quality. The System will facilitate SAPC's ability to expand oversight of its provider network by providing the necessary tools to securely exchange information, gather and collect data metrics, and implement and administer key elements of DMC-ODS, with the goal of driving toward value-based and outcomes-based decision-making.

The System's versatile data analytics platform will provide greater visibility into key performance indicators (clinical, financial and operational) to inform SAPC's policy and program planning activities. Sage's flexibility extends to reporting and dashboard functionality, which can be tailored to track a wide variety of data elements. Furthermore, Sage will support essential administrative functions, including fiscal compliance, billing, and contractor performance and monitoring, all of which are currently performed by two internally developed systems.

Sage supports industry interoperability standards and has the ability to interface with other electronic health records, such as the Online Real-time Centralized Health Information Database (ORCHID). Further due diligence will be performed after Sage is implemented and fulfills its primary goal supporting the DMC-ODS Waiver to determine the best method of connecting Sage and ORCHID. This may be accomplished through either a direct interface, or through a health information exchange (Los Angeles Network for Enhanced Services; LANES). There will be limitations on the substance abuse information Sage may share due to 42 C.F.R. Part 2, but Sage and the clinicians using it can benefit from the medical information contributed by ORCHID.

### **Implementation of Strategic Plan Goals**

The recommended actions support Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, specifically Objective I.2.3, Integrate Substance Use Disorder Treatment Services, and Strategy III.2, Embrace Digital Government for the Benefit of Customers and Communities.

### **FISCAL IMPACT/FINANCING**

The Maximum Agreement Sum with Netsmart is \$49.2 million, which includes \$12.2 million in Pool Dollars for Optional Work. The costs will be 100 percent offset by State Realignment funds.

Funding is included in DPH's FY 2016-17 Final Adopted Budget and will be included in future FYs, as necessary.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The recommended Agreement contains all of the Board's required provisions.

The Agreement may be terminated for convenience by the County upon 30 days' prior written notice. Netsmart may, under limited circumstances, terminate the Agreement for cause, if the County materially breaches its license and does not cure such breach or fails to correct such breach within sixty (60) days.

In accordance with the Board's directive to engage outside counsel for information technology agreements exceeding \$5 million, County Counsel retained the law firm of Foley & Lardner, LLP, to assist in the negotiation of this Agreement. Accordingly, Foley & Lardner, in conjunction with County Counsel, reviewed the Agreement. Additionally, in accordance with the Board's policy, County Counsel has separately submitted to the Board a privileged memorandum which analyzes the negotiated Agreement.

County Counsel has approved Exhibit I as to form. The Chief Information Officer (CIO) concurs with the Department's recommendation and that office's analysis is attached (Attachment A).

The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreement and it is exempt from Proposition A (County Code Chapter 2.121).

### **CONTRACTING PROCESS**

On May 25, 2016, DPH advised the Board of its intent to enter in sole source negotiations with Focused E-Health Innovation Systems, Inc. (FEI) in accordance with Board Policy No. 5.100. At the time, FEI was determined to be the only vendor that could supply an IT solution that would permit SAPC to meet the DMC-ODC waiver requirements within the implementation timeframe and be compliant with 42 C.F.R. Part 2. As part of that initial determination, DPH considered the DHS Online Real-time Centralized Health Information Database (ORCHID), Department of Mental Health (DMH) Integrated Behavioral Health Information System (IBHIS), which is also a Netsmart solution, eConsult, and a non-electronic paper-based system. None of the existing three Health Agency systems was determined to be feasible for supporting SUD's clinical and operational needs. A paper-based system was determined not to be a viable short-term or long-term solution, given the increased data collection and reporting requirements, and the inefficiencies resulting from manual human intervention.

As part of an ongoing discovery process, the Health Agency received new information that Netsmart had a System that was fully compliant with regulations governing the confidentiality of substance abuse treatment information (i.e., 42 C.F.R. Part 2) while capable of meeting all the DMC-ODC waiver requirements within the implementation timeline. After weeks of vetting the Netsmart solution and its user interfaces for providers and County users and scrutinizing the solution's security and other critical features, and Netsmart's role as an important Health Agency contractor, SAPC, DHS, and the Health Agency Chief Information Officer (CIO) determined that it would be in



the best interest of the County to contract with Netsmart. On February 3, 2017, the Health Agency advised the Board of its intent to enter into contract negotiations with Netsmart (Attachment B).

Attachment C is the sole source checklist in compliance with Board Policy 5.100.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will enable SAPC to meet the requirements of the DMC-ODS waiver in a timely manner, successfully implement enhancements in the SUD service delivery system offered by the DMC-ODS waiver, and benefit from the anticipated system-wide savings and service improvements resulting from increased access and quality of SUD services for the County's Medi-Cal beneficiaries.

Respectfully submitted,

Reviewed by:

Mitchell H. Katz, M.D.  
Director

Peter Loo  
Acting Chief Information Officer

MHK:PL:jl

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Department of Public Health



PETER LOO  
ACTING CHIEF INFORMATION OFFICER

DRAFT

ATTACHMENT A

Office of the CIO  
**CIO Analysis**

NUMBER: <b>CA –XX</b>	DATE: 4/4/2017
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**APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC. FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM**

RECOMMENDATION:

- Approve
  Approve with modification
  Disapprove

CONTRACT TYPE:

- New contract
  Sole Source  
 Amendment to Contract #:
  Other: Describe contract type.

CONTRACT COMPONENTS:

- Software
  Hardware  
 Telecommunications
  Professional Services  
 3<sup>rd</sup>-Party Hosting Services

SUMMARY:

Department Executive Sponsor: Mitchell H. Katz, M.D. - Health Agency Director

Description: Authorize the Health Agency Director to execute a sole source agreement with Netsmart Technologies, Inc. (Netsmart) for a Substance Use Disorder Managed Care Information System (SUD-MCIS) for ten (10) years with the option to extend for five (5) additional years with a Maximum Contract Sum, and delegated authority to execute Amendments, Change Notices, and Change Orders to the Agreement, including use of Pool Dollars.

- Contract amount \$49,161,655
  Funding source: State Realignment Funds  
 Legislative or regulatory mandate
  Subvened/Grant funded

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM

***Strategic and  
business analysis***

PROJECT GOALS AND OBJECTIVES:

The primary Project objectives are:

**Enhanced system of care and range of services:**

Substance Abuse and Prevention Control (SAPC) operates a largely contracted network of community-based providers throughout the County. SAPC will participate in the Drug Medi-Cal Organized Delivery System (DMC-ODS), a five-year demonstration project that will provide state and federal funding to enable SAPC to establish an organized system of care for substance use, and provide a more comprehensive range of SUD benefits and services for Medi-Cal beneficiaries.

**Transformation in clinical/ IT network providers with improved alignment with Agency/County:**

DMC-ODS participation entails a rapid transformation of SAPC's and its providers' IT and clinical infrastructure. Netsmart's solution will comply with requirements of the DMC-ODS waiver and ensure greater alignment with other County systems given that Netsmart is the Department of Mental Health's Electronic Health Record (EHR) vendor. In particular, this greater alignment will help facilitate enhanced care coordination between County health departments in order to improve care and optimize its utilization of healthcare resources.

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM

BUSINESS DRIVERS:

The primary business drivers for this decision are based on the need for:

- **Transition from a paper-based system of SUD care to an electronic system of care:** While the DMC-ODS Waiver does not specifically require that counties implement an EHR in order to participate in the Waiver, the requirements are such that a paper-based system of care is not feasible to conduct DMC-ODS activities (utilization management, complaints/grievances and appeals processes, claims processing, care coordination within the SUD system and with other health systems, etc.), particularly considering the complexity of LAC's system. Moving to an electronic system of care will allow SUD services to be better integrated into mainstream healthcare.
- **Meeting the DMC-ODS Waiver requirements to participate in this opportunity to significantly enhance SUD services and health outcomes in LAC:** Implementing Netsmart's System (which will be known as Sage) will enable LAC to meet the state and federal requirements to participate in the DMC-ODS Waiver, which is an unprecedented opportunity to use Medicaid dollars to better fund SUD services.
- **Billing efficiency:** Processing claims electronically will optimize accuracy and efficiency in the processing of claims generated in the DMC system of care.
- **Time efficiency:** Leveraging the technology of Sage will maximize productivity, increase accountability, and establish standardization across similar workflows.
- **Data analytics:** Sage allows for the collection of data that will be used to inform individual, clinic level, and systems level policies and procedures, and ultimately support the provision of data-driven services to facilitate health outcome optimization.

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM

PROJECT ORGANIZATION:

The Health Agency's Substance Abuse Prevention and Control (SAPC) Program will manage this project. Wesley Ford, MA, MPH, the Health Agency's Deputy Director for Health Promotion, will be the County's Project Director. Gary Tsai, MD, FAPA, FASAM, the Medical Director and Science Officer for SAPC, will be the County's Project Manager. Kevin Lynch, the Health Agency's CIO, and Jim Green, DPH's CIO, will also provide IT oversight. The Health Agency, DPH, and DHS have established a strong governance structure comprised of clinical, technical, operational, and administrative experts that worked effectively throughout the procurement and contract negotiation process. The team will transition to project governance for system design and implementation phases.

PERFORMANCE METRICS:

Detailed performance metrics covering technology, clinical, financial levels are provided.

System Performance:

Sage will be governed by service levels and performance standards, including a service availability of 99.95%. The County will receive corresponding credits for failures to meet a detailed number of measures for optimal service levels. (e.g. System downtime, power) uptime, network latency etc.).

Clinical:

A detailed set of measures for patient enrollment and services, utilization management, complaints, treatment plan, reviews, etc. are included.

Financial metrics :

Payment activities, claim summaries etc. are provided.

STRATEGIC AND BUSINESS ALIGNMENT:

The recommended actions support Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, specifically Objective 1.2.3, Integrate Substance Use Disorder Treatment Services, and Strategy III.2, Embrace Digital Government for the Benefit of Customers and Communities.

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM

PROJECT APPROACH:

The implementation project has two implementation phases.

Phase 1: Implementation of core modules required for launch of DMC-ODS Waiver – targeted for August 2017

- Clinical modules – Includes assessment tools and documentation such as treatment plans and progress notes
- Service and Bed Availability Tool (SBAT) Portal – Dashboard of available SUD providers to help identify appropriate services and providers
- Authorization and Utilization Management – To authorize certain services such as residential treatment services
- Billing – To perform automated claims processing
- Data Collection – To collect state and federally required data elements, as well a clinical data that will be used to facilitate data-driven policy and program planning
- Complaints/Grievances and Appeals – System to allow providers and patients ability to submit complaints/grievances and appeals for decisions rendered by SAPC staff

Phase 2: Implementation of enhanced modules – targeted for December 2017

- Integration of the SBAT – To develop the SBAT within Sage
- Integration of the eContract Monitoring tool – Electronic contract monitoring tool to optimize efficiency and workflow, and ensure that providers are adhering to contract requirements
- Medi-Cal Eligibility Verification – Integrate functionality to allow providers to check Medi-Cal eligibility via Sage

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
FOR A SUBSTANCE USE DISORDER MANAGED CARE INFORMATION SYSTEM

	<p><b>ALTERNATIVES ANALYZED:</b></p> <p>Alternative vendors that were analyzed include: Focused eHealth Innovations Systems, Inc. (FEI, Inc.), Online Real-time Centralized Health Information Database (ORCHID), eConsult and Netsmart (Sage). ORCHID does not currently have a system to accommodate SUD service delivery and is not compliant with the confidentiality regulations for SUD [42 CFR Part 2]; eConsult is not a fully functioning EHR and not compliant with the confidentiality regulations for SUD [42 CFR Part 2]. The County’s IT and subject matter experts explored both FEI’s and Sage solutions (functionality, security, provider interface, and other critical features), and determined that there are clear advantages to using Sage as its IT solution for the DMC-ODS waiver. After weighing these various alternatives, the County’s IT and subject matter experts determined that there are clear advantages to using Sage as its IT solution for the DMC-ODS waiver. Netsmart is also an existing vendor who was chosen via an RFP process by DMH.</p>
<p><b>Technical analysis</b></p>	<p><b>ANALYSIS OF PROPOSED IT SOLUTION</b></p> <p><b>Solution</b></p> <p>Sage is a web-enabled complete American Recovery and Reinvestment Act of 2009 (ARRA)-certified EHR and practice management solution created specifically for the behavioral health industry. Sage maximizes the efficiency to coordinate treatment schedules and charts, measure key performance indicators, check eligibility, grant or track authorizations for care, track claims, pay claims, and monitor system performance status.</p> <p><b>Application and database</b></p> <p>Netsmart’s EHR system was written using a combination of Java (for the front end) and Intersystem Caché Objects (for data classes / storage, routines and Web services). Netsmart development utilizes a wide range of tools with the most frequent being Net Beans and Caché Studio.</p> <p><b>Hosting</b></p> <p>Sage will be hosted by the Netsmart Plexus Cloud secure hosting service in the company’s SSAE16-certified, ISO 27001/27002-compliant data center. Data stored within the Netsmart Plexus Cloud highly secure environment is regularly backed up and replicated for the highest level of data security.</p> <p>The Netsmart Plexus Cloud includes a highly available N+2 primary data center which is located in Kansas City, MO and a fully redundant secondary data center which is located in Columbus, OH over 500 miles from the primary site. No data is stored outside the United States.</p>

APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT WITH NETSMART TECHNOLOGIES, INC.  
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<b>Financial analysis</b>	<b>BUDGET:</b>	
	<u>One-time costs:</u>	
	Licenses [1]	\$1,881,799
	Professional (implementation) Services	\$5,173,946
	<b>Total one-time costs</b>	<b>\$7,055,745</b>
	<u>Ongoing costs:</u>	
	Initial Support Term (Years 1-10)	
	Maintenance and Support [2]	\$1,759,836
	Subscription [3]	\$12,912,410
	Hosting [4]	\$2,765,679
	Managed Services [5]	\$3,565,800
	<b>Total Years 1-10</b>	<b>\$21,003,725</b>
	Optional Five Year Term (Years 11-15)	
	Maintenance and Support [2]	\$910,260
	Subscription [3]	\$6,599,460
Hosting [4]	\$1,394,460	
<b>Total Optional Years 11-15</b>	<b>\$8,904,180</b>	
<b>Pool Dollars</b>	<b>\$12,198,005</b>	
<b>Maximum Agreement Sum</b>	<b>\$49, 161,655</b>	
<b>Footnotes:</b>		
[1] Includes one-time license fees for Sage solution components (MyAvatar, RADPlus) and third party product licenses (Crystal Reports Developer and Lexmark Document Capture).		
[2] Accounts for ongoing maintenance and support services for Sage components (MyAvatar, RADPlus) and third party products (Crystal Reports Developer and Lexmark Document Capture).		
[3] Includes ongoing term license subscriptions for Sage components (ProviderConnect, CareConnect, CarePathways KPI, MyLearning), and third party subscriptions (i.e., Diagnostic Content, ASAM CONTINUUM, ASAM Triage assessment tools)		
[4] Includes ongoing hosting and network security services for Netsmart solution.		
[5] Includes managed services for 24 months for post implementation release management services, levels 1 and 2 help desk support, and subscription to instructor-assisted online training for SAPC providers.		
This project includes some custom coding for Sage in Phase II.		



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<p><b><i>Risk analysis</i></b></p>	<p>RISK MITIGATION:</p> <ul style="list-style-type: none"> <li>• This is a large and complex project that involves customization and custom code build by Netsmart. The project organization has to manage this project very tightly to reduce implementation risks.</li> <li>• There are businesses uncertainties as this is a transformational approach to substance abuse program, hence a good governance mechanism for optimal decision making and communication to both the business and IT sides need to be established. To that effect, County CIO needs to be included as part of a governance mechanism (e.g. via Steering Committee).</li> <li>• The County Chief Information Security Officer (CISO), the Agency’s and DPH’s Information Security Officers (DISO) have reviewed the Agreement and did not identify any significant IT security risks or privacy related issues.</li> </ul>
<p><b><i>CIO Approval</i></b></p>	<p>PREPARED BY:</p> <p><u>Sanmay Mukhopadhyay</u> _____ Name, Sr. Associate CIO Date</p> <hr/> <p>APPROVED:</p> <p>_____ _____ Peter Loo, Acting County CIO Date</p>

Please contact the Office of the CIO (213.253.5600 or [info@cio.lacounty.gov](mailto:info@cio.lacounty.gov)) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>