

**MEMORANDUM**  
**COUNTY OF PLACER**  
**ADMINISTRATIVE SERVICES DEPARTMENT**  
**PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: December 10, 2013

SUBJECT: Radiology Services – Radiological Associates of Sacramento Medical Group

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**ACTION REQUESTED**

1. Approve the annual renewal of negotiated blanket purchase orders with Radiological Associates of Sacramento Medical Group for radiology services for Health & Human Services and Personnel in the maximum amount of \$230,000, funded in the departments' FY2013-14 Final Budget and FY2014-15 Requested Budget with 50 percent Federal funding and 50 percent County General Fund match, for the period October 1, 2013 through September 30, 2014, and authorize the Purchasing Manager to sign the resulting blanket purchase orders.

**BACKGROUND**

The Department of Health and Human Services (HHS) requires a blanket purchase order (BPO) with a competent facility for radiology services for x-rays, ultrasound, nuclear medicine, MRIs, mammograms, and other radiological services which cannot be performed in the County's clinics. The Personnel Department also requires a BPO for x-ray services for pre-employment screenings. For the past several years, both departments have utilized Radiological Associates of Sacramento Medical Group (RAS) for these services. The departments' BPOs expired on September 30, 2013.

The radiology services required by HHS have significantly increased over the past several months due to the County's participation in the Medicaid 1115 Waiver Demonstration Program, which is scheduled to conclude on December 31, 2013. The new Affordable Care Act is also expected to impact the level of service that HHS will be required to provide in the near future. Both of these programs are very complex and their impact on County services is difficult to forecast. As a result, the BPOs with RAS were not renewed in a timely manner. However, HHS has recently provided updated information to Procurement which will enable the renewal of the BPOs effective October 1, 2013.

HHS and Personnel have submitted requests to renew the BPOs with RAS for the period October 1, 2013 through September 30, 2014. RAS has historically extended Medicaid rates to both departments and has agreed to continue offering these rates for another year.

RAS has facilities conveniently located near County Clinics and County offices in Auburn and Roseville and also have staff assigned to regional hospitals. There are no other radiological providers that have the number of facilities and staff as RAS in this area. Section 1.3(a) of the Purchasing Policy Manual (PPM) exempts professional services such as these from competitive bidding. In additional, PPM Section 7.2 allows the award of blanket purchase orders for operational services based on geographic location relative to the County's sites of operation.

Honorable Board of Supervisors  
Re: Radiology Services  
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**FISCAL IMPACT**

Funding for the the services utilized by HHS includes 50 percent from Federal Medicaid and 50 percent of required County General Fund match. Upon your Board's approval, the new BPOs will be issued in the maximum aggregate amount of \$230,000 for the period October 1, 2013 through September 30, 2014. HHS' Fiscal Impact Statement is attached.

Attachment: HHS Fiscal Impact Statement

cc: Rebecca Mellott, Director of Administrative Services, HHS  
Stan Hapak, Fiscal Operations Manager, HHS  
Connie Arney, Client Services Program Manager, HHS  
Lori Walsh, Deputy Director of Personnel



**Placer County  
Health and Human Services Department**

**Administrative Services Division**

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Date: December 10, 2013  
To: Honorable Board of Supervisors  
From: Rebecca Mellott, Director of HHS Administrative Services  
Subject: **Fiscal Impact Statement  
BPO for Radiological Imaging Services (Radiological Associates)  
Community Clinics  
For the period October 1, 2013 to September 30, 2014**

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The Department has budgeted appropriately for the renewal of this \$200,000 (\$100,000 net County cost) Blanket Purchase Order (BPO). The first nine months are included in the Department's FY2013-14 Final Budget, and the last three months will be included in the Department's FY2014-15 Requested Budget. Funding for this BPO includes 50 percent from Federal Medicaid funds and 50 percent of required County General Fund match. The renewal amount is \$225,000 lower than the current BPO due to the phase out of the Medicaid 1115 Waiver Demonstration Program that is scheduled to end on December 31, 2013. Radiological imaging is a mandated service provided to eligible 1115 Waiver recipients on an as-needed basis.

*Perspective, Hope, and Opportunity*

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