

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Maureen F. Bauman, Director of Adult System of Care
Edward N. Bonner, Sheriff-Coroner-Marshall
Marshall Hopper, Chief Probation Officer

DATE: September 24, 2013

SUBJECT: Contract with California Forensic Medical Group, Inc. (CFMG) for Inmate Healthcare Services

ACTION REQUESTED:

1. Take the following actions with regard to inmate healthcare services with California Forensic Medical Group, Inc. (CFMG):
 - a. Approve a contract in the amount of \$3,658,734 plus a per diem rate of \$4.57 per day for each inmate or minor in excess of a combined population total of 540 (no net County cost) from October 1, 2013 through September 30, 2014, and authorize the Director of Health and Human Services to sign subsequent amendments up to a cumulative total of \$49,999, consistent with the agreement's subject matter and scope of work.
 - b. Approve an option to renew this contract for an additional one-year term, with a Medical Care Consumer Price Index (CPI) increase at County discretion.
 - c. Approve an option to increase healthcare services for the South Placer Adult Correctional Facility for a monthly increase of \$104,325 effective upon this operational expansion.

BACKGROUND:

Inmate healthcare services required for the Placer County Jail and Juvenile Detention Facility include primary medical care, dental care, pharmaceuticals, mental health services, acute hospital care, and specialty care to a current population of approximately 600 inmates and 30 wards. This new contract continues the terms of the current contract that expires on September 30, 2013. CFMG has been a long-term high performing contractor in Placer County as evidenced by its demonstrated ability in running the program, and success in obtaining and retaining Institute for Medical Quality (IMQ) certification for the jail.

A cost reduction for this contract will be the use of Medi-Cal for eligible inmates when they receive medical services at facilities outside of the jail. In these cases, CFMG will reimburse the County for the care of these services based on the Medi-Cal rate of service. Placer County continues to support contracting these services to maximize cost effectiveness. Risk Management concurs that CFMG has reduced the County's liability through the transfer of risk in this contract agreement.

There has been discussion with Procurement about the timing of a Request for Proposal (RFP) for this service with the expected expansion of services to the South Placer Adult Correctional Facility. It has been recommended by Procurement that this be delayed until the South Placer Adult Correctional Facility reaches a stable inmate population to maximize the effectiveness of this competitive process.

This contract provides for a base population of 540 adult inmates and juvenile wards but has a maximum capacity up to 676 total inmates/wards through use of per diem charges on actual census each quarter. These service levels are budgeted to stay the same until the expansion into the South Placer Adult Correctional Facility. At that time the base population will be 660 adult inmates and juvenile wards and there will be a maximum capacity increase of up to 755. This increased capacity includes the closure of the minimum barracks in Auburn and relocation of those inmates to South Placer, resulting in a net increase of 80 inmates.

The Placer County Sheriff and Probation Departments support this contract. In addition, County Counsel, Risk Management, and the CEO have reviewed and approved it.

FISCAL IMPACT:

The contract includes an annual base rate of \$3,658,734 plus per diem costs of up to \$167,000 (with full capacity of the Jail). This increase was limited to the most recent annual adjustment in the Medical Care CPI of 1.72 percent, negotiated with CFMG and used in prior contract terms. Funding of \$3,851,922 is included in the Sheriff and Probation Departments' FY 2013-14 Final Budgets (fully funded by Public Safety Fund). This budgeted amount assumes expansion into the South Placer Adult Correctional Facility on May 1, 2014. The increased costs however will not be incurred until the actual move takes place. The balance of funding will be budgeted in the FY 2014-15 Requested Budgets for the remainder of the contract term.

This contract is on file with the Clerk of the Board for review.