



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C18

For the meeting of: June 26, 2018

Date: June 11, 2018

To: Board of Supervisors

From: Connie Beck, Director
Department of Health and Human Services – Mental Health

Handwritten note: For C.B. 6/12/18

Subject: Third Amendment to the Agreement with Netsmart Technologies, Inc. for Avatar Software and Services

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the third amendment to the agreement with Netsmart Technologies, Inc. for Avatar software and services (Attachment 1);
2. Authorizes the Chair to sign three (3) originals of the third amendment to the agreement with Netsmart Technologies, Inc.; and
3. Directs the Clerk of the Board to return two (2) signed originals of the third amendment to the agreement to the DHHS-Contract Unit for forwarding to DHHS-Mental Health Administration.

SOURCE OF FUNDING:

Mental Health Fund

Prepared by Brendan Hartsell, Administrative Analyst

CAO Approval

Handwritten signature of CAO

REVIEW:

Auditor CO

County Counsel Sm

Human Resources KKG

Other _____

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Bass Seconded by Supervisor Fennell

Ayes Bass, Fennell, sunclberg, Bohn

Nays _____

Abstain _____

Absent Wilson

PREVIOUS ACTION/REFERRAL:

Board Order No. G-2, C-17, C-10, C-8, C-14, C-9

Meeting of: 12/13/2006, 6/7/2007, 4/11/2011, 5/12/2015, 6/28/2016, 7/18/2017

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 6/20/18

By: _____

Kathy Hayes, Clerk of the Board

DISCUSSION:

On November 2, 2004 California voters passed Proposition 63, the Mental Health Services Act (MHSA) that provided the first opportunity in many years for the California Department of Mental Health (now known as the California Department of Health Care Services) to provide increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transitional age youth, adults, older adults and families. This included the implementation of the Technical Needs project that provided DHHS the opportunity to replace its outdated and insufficient computer system with a secure electronic health records (eHR) system.

As of January 2014, federal health reform mandates that all medical providers (physicians, group practices, hospitals, and health systems, etc.) and organizations (laboratories, governmental agencies, and pharmacies, etc.) use electronic medical records (as a supplier, recipient or both). DHHS went live with electronic health records (eHR) on April 1, 2014 by using Netsmart Technologies, Inc. ("Netsmart") Avatar software.

Netsmart Avatar's integrated clinical and administrative information system:

- Provides secure, reliable, real-time access to client health record information where and when it is needed to support care.
- Functions as a centralized and integrated information resource for service providers during the provision of client care.
- Assists with the work of planning and delivering evidence-based care to individuals and groups of clients.
- Captures data used for continuous quality improvement, utilization review, risk management, resource planning, and performance measurement.
- Supports clinical applications such as computerized entry and decision support tools.
- Summarizes via electronic prescribing, prescribed medications from all providers for quality management, and coordination of care, and
- Provides compatibility with scheduling, billing and reporting applications as well as personal health record technologies.

On July 18, 2017 (item C-9), the Board approved the Second amendment to the Netsmart Avatar software license and services agreement for the period of August 1, 2017 through June 30, 2018; this third amendment to the agreement with Netsmart, extends the term of the agreement through June 30, 2019, modifies the agreement's number of purchased licenses, allows for the continuation of annual maintenance and support for DHHS licensed programs, and adjusts the budget.

A modern integrated clinical and administrative information system is necessary to support increased quality of care and operational efficiencies, satisfy federal Health Insurance Portability and Accountability Act (HIPAA) requirements for a compliant electronic health record, further system transformation, and improve outcomes for clients. Therefore, DHHS recommends the Board approves the third amendment to the agreement with Netsmart Technologies, Inc. for Avatar software and services.

FINANCIAL IMPACT:

This third amendment to agreement with Netsmart Technologies, Inc. includes the following payment terms for FY 2018-19 (pro-rated to align payments with fiscal year): annual recurring charges and subscriptions, \$90,766.41 which includes the add-on services which are invoiced annually; and Netsmart professional services not to exceed \$65,000.00. Expenditures related to this third amendment to agreement have been included in DHHS-Mental Health Administration proposed budget for Fiscal Year (FY) 2018-19, budget unit 1170-424.

Funding for this third amendment to agreement is available from Mental Health Services Act, Medi-Cal Federal Financial Participation, and State Realignment. There is no impact to General Fund.

Approval of this third amendment to agreement will support your Board's strategic framework by providing for and maintaining infrastructure. In addition, the DHHS – Mental Health integrated clinical and administrative information system will create opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the third amendment to agreement; however, this alternative is not recommended. Failure to comply with federal and state eHR mandates would result in reduced claiming/billing on all claimable county Medicaid and Medicare services. For non-compliant counties and other health care providers, these claiming penalties will increase each year for a period of several years reducing county revenue. DHHS-Mental Health would also fall out of compliance with regulations, again reducing the ability to acquire and maintain funding, increase the risk of legal action, impact the ability to maintain site and provider certifications and be at risk of federal and state fines and penalties.

ATTACHMENTS:

Attachment 1: Third Amendment to the Agreement with Netsmart Technologies, Inc. for software and services (3 originals)

Attachment 2: Agreement with Netsmart Technologies, Inc. for fiscal years 2014-15 and 2015-16

Attachment 3: First Amendment to the Agreement with Netsmart Technologies, Inc. for fiscal years 2016-2017

Attachment 4: Second Amendment to Agreement with Netsmart Technologies, Inc. for Fiscal years 2017-2018

**THIRD AMENDMENT
LICENSE AND SERVICE AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
NETSMART TECHNOLOGIES, INC.
FOR FISCAL YEARS 2014-2015 THROUGH 2018-2019**

This Third Amendment to the Netsmart Customer License and Service Agreement dated May 12, 2015, as amended on June 28, 2016 and July 18, 2017, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "LICENSEE," and Netsmart Technologies, Inc., a Delaware corporation authorized to do business in the State of California, hereinafter referred to as "NETSMART," is entered into this 26 day of June, 2018.

WHEREAS, LICENSEE, by and through its Department of Health and Human Services – Mental Health, desired to use and operate the Avatar electronic health record software system and receive related training, support and project management services; and

WHEREAS, on May 12, 2015, LICENSEE and NETSMART entered into a Netsmart Customer License and Service Agreement ("License and Service Agreement") regarding the use and operation of the Avatar system and the provision of related training, support and project management services; and

WHEREAS, on June 28, 2016, LICENSEE and NETSMART agreed to amend the License and Service Agreement to extend the term thereof, expand the scope services provided thereunder and adjust the rates of compensation set forth therein; and

WHEREAS, on July 18, 2017, LICENSEE and NETSMART agreed to amend the License and Service Agreement to further extend the term thereof, expand the scope of services provided thereunder and adjust the rates of compensation set forth therein; and

WHEREAS, the parties now desire to amend certain provisions of the License and Service Agreement in order to once again extend the term thereof, expand the scope of services provided thereunder and adjust the rates of compensation set forth therein.

NOW THEREFORE, the parties mutually agree as follows:

1. Section 5 – Term of the License and Service Agreement is hereby amended to read as follows:

5. TERM:

The term of this Agreement shall begin on July 1, 2014 and shall remain in full force and effect until June 30, 2019, unless sooner terminated as provided herein. For avoidance of doubt, the license granted to LICENSEE is perpetual.

2. The License and Service Agreement is hereby amended to delete Exhibit 1 – Schedule A – Deliverables, Pricing and Payment Terms ("Schedule A"), and replace it in its entirety with the modified version of Schedule A that is attached hereto and incorporated herein by reference. The modified version of Schedule A attached hereto shall supersede any and all prior versions thereof as of the effective date of this Third Amendment.

3. Except as modified herein, the License and Service Agreement dated May 12, 2015, as amended on June 28, 2016 and July 18, 2017, shall remain in full force and effect. In the event of a conflict


between the provisions of this Third Amendment and the original License and Service Agreement, or any prior amendments thereto, the provisions of this Third Amendment shall govern.


IN WITNESS WHEREOF, the parties have entered into this Third Amendment as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

NETSMART TECHNOLOGIES, INC.:

By:  _____ Date: 6/11/18
Name: Joseph McGovern
Executive Vice President
Netsmart Technologies, Inc.
Title: _____

By:  _____ Date: 6/11/18
Name: Timothy Donovan
Title: Vice President + General Counsel

COUNTY OF HUMBOLDT:

By:  _____ Date: 6/26/18
Ryan Sundberg
Chair, Humboldt County Board of Supervisors

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By:  _____ Date: 6/12/18
Risk Management

LIST OF EXHIBITS:

Exhibit 1 – Schedule A – Deliverables, Pricing and Payment Terms