



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

For the meeting of: July 18, 2017

Date: June 22, 2017

To: Board of Supervisors

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

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

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the second 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 second amendment to the agreement with Netsmart Technologies, Inc.; and
3. Directs the Clerk of the Board to return two (2) signed originals of the second 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

REVIEW:

Auditor

County Counsel

Human Resources

Other

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

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

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

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Seconded by Supervisor

Ayes
Nays
Abstain
Absent

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

Dated: _____

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 This included the implementation of the Technical Needs project that provided DHHS the opportunity to replace its outdated and insufficient computer system with a secure electronic health records (eHR) system.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 June 28, 2016 (item C-14), the Board approved the first amendment to the Netsmart Avatar software license and services agreement for the period of July 1, 2016 through July 31, 2017; this second amendment to the agreement with Netsmart, extends the term of the agreement through June 30, 2018, 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 HIPAA requirements for a compliant electronic health record, further system transformation, and improve outcomes for clients. Therefore, DHHS recommends the Board approves the second amendment to the agreement with Netsmart Technologies, Inc. for Avatar software and services.

FINANCIAL IMPACT:

This second amendment to agreement with Netsmart Technologies, Inc. includes the following payment terms for FY 2017-18: annual recurring charges and subscriptions, \$118,087.01; annual Netsmart services, \$9,496.80; one-time Netsmart service fees, \$20,000; Netsmart professional services not to exceed \$61,875; and one-time Third Party products and services, \$4,270.00. Expenditures related to this second amendment to agreement have been included in DHHS-Mental Health Administration proposed budget for FY 2017-18, budget unit 1170-424.

Funding for this second 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 second 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 second 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 Second 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