

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 Pelo Nies LKS
REVIEW: n / \ 1.	
Auditor County Counsel Human Resource	s_Who Other
TYPE OF ITEM:	BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
X Consent	Upon motion of Supervisor Fannal Seconded by Supervisor WILSON
Departmental	Aves Fennall, Wilson, Bass, Bohn, Sundberg
Public Hearing	
Other	Nays
	Abstain
PREVIOUS ACTION/REFERRAL:	Absent
Board Order No. <u>G-2, C-17, C-10, C-8, C-14</u>	and carried by those members present, the Board hereby approves the recommended action contained in this Board report.
Meeting of: 12/13/2006, 6/7/2007, 4/11/2011, 5/12/2015,6/28/2016	T 1 10 227
	Dated: July 18, LOII
	By: 125(c Elean)
	Kathy Haves Clerk of the Roard

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 This included the implementation of the Technical Needs project that provided DHHS the opportunity to replace its outdated and insufficient computer system with a secure electronic health records (eHR) system.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

SECOND AMENDMENT LICENSE AND SERVICE AGREEMENT BY AND BETWEEN COUNTY OF HUMBOLDT AND

NETSMART TECHNOLOGIES, INC. FOR FISCAL YEARS 2014-2015 THROUGH 2017-2018

This Second Amendment to the Netsmart Customer License and Service Agreement dated May 12, 2015, as amended on June 28, 2016, 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 18 day of 3017.

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 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 of services provided thereunder and increase the maximum amount payable to NETSMART for the provision of such services; and

WHEREAS, the parties now desire to amend certain provisions of the License and Service Agreement to in order to further 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, 2018, unless sooner terminated as provided herein. For avoidance of doubt, the license granted to LICENSEE is perpetual.

- 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 August 1, 2017.
- 3. Except as modified herein, the License and Service Agreement dated May 12, 2015, as amended on June 28, 2016, shall remain in full force and effect. In the event of a conflict between the provisions of this Second Amendment and the original License and Service Agreement, or any prior amendments thereto, the provisions of this Second Amendment shall govern.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Second 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.:				
Name: Joseph McGovern Executive Vice President Netsmart Technologies, Inc.	Date:			
By: My le Course	Date: 4/26/17			
Name: Timothy Donovan				
Title: Vice President + General Counsel				
COUNTY OF HUMBOLDT:				
By: Virginia Bass Chair, Humboldt County Board of Supervisors	Date: 7 18 17			
INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:				
By: KlBanes Risk Management	Date: 4/26/17			

EXHIBIT 1 – SCHEDULE A DELIVERABLES, PRICING, AND PAYMENT TERMS NETSMART TECHNOLOGIES, INC. FOR FISCAL YEARS 2014-2015 THROUGH 2017-2018

Netsmart Programs	Qty	Amount	Due – Invoices payable net 30 days
Netsmart Programs Already licensed			
under Prior Agreement			
RADplus - Named Users: Includes Avatar	342	\$0	Already licensed under Prior
System access and security management,			Agreement
modeling, table and dictionary maintenance			(ongoing maintenance fees apply and
and ad-hoc report integration			are listed below)
Avatar Practice Management – Includes	1	\$0	Already licensed under Prior
system management, client tracking,			Agreement
scheduling and reporting functions			
Clinician Workstation – includes system	1	\$0	Already licensed under Prior
management, assessment, progress notes,			Agreement
treatment planning and reporting functions			5
Avatar Order Entry License	1	\$0	Already licensed under Prior
Avatal Older Entry Electise		30	Agreement
Avatar eMAR License	1	\$0	Already licensed under Prior
Avatal elviAR License	1	30	Agreement
Avatar Electronic Signature License	1	\$0	Already licensed under Prior
Avatar Electronic Signature License	1	30	Agreement
A A D A Dland Normal Ham Lineary (242	25	\$20,000.00	One time charge (ongoing maintenance
Avatar RADplus Named User License(343-	23	\$20,000.00	fees apply)
	20122065294 545+1	17 N 2 P T 2 P 16 P 17 P 17 P 18 P 18 P 18 P 18 P 18 P 18	lees apply)
		00044553864533353	DANSEL THE SEA OF SECTION AS SECTION AS
Third Party Products and Services			l
Avatar Perceptive POS Scanning License	1	\$0	Already licensed under Prior
			Agreement
Avatar Perceptive Batch Scanning License	1	\$0	Already licensed under Prior
			Agreement
Document Capture Maintenance (includes	1	\$2,080	Due annually on 7/1, with 4% annual
what was previously Avatar Perceptive POS			increase effective 7/1/17
Scanning Maintenance and Avatar Perceptive			
Batch Scanning Maintenance)			
Avatar Cache Elite, Multi Server Platform	54	\$0	Already licensed under Prior
Specific License – Concurrent			Agreement
			(ongoing maintenance fees apply and
			are listed below)
Avatar Cache Enterprise License, Platform	63	\$0	Already licensed under Prior
Specific, Single Server			Agreement
			(ongoing maintenance fees apply and
			are listed below)
Avatar Cache Enterprise License, Platform	5	\$0	Already licensed under Prior
Specific, Single Server			Agreement (ongoing maintenance fees
			apply and are listed below)
Avatar Cache Elite Multi-Server, Platform	5	\$4,270.00	One time charge (ongoing maintenance
Spec License			fees apply)
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经共民的关系,但是实现的企业的企业的企业。			
Annual Recurring Charges and		19	
Subscriptions			
Annual Maintenance and Support (existing		\$107,061.41	Due annually 12/31 with 4% annual
RADplus and Cache Maintenance)		annually	increase
Additional Named User Maintenance		\$4,200.00	Due annually 12/31 with 4% annual
A Tada Collai I talliva O ovi I Tallivollailo		Annually	increase

Additional Cache Maintenance purchased 04/18/14		\$960.00 annually	Due annually 12/31 with 4% annual increase
Annual Iron Mountain Escrow	54	\$3,785.60 annually	Due annually 12/31 with 4% annual increase
Netsmart Services			TOTAL STEED AS A SECTION OF LISTER REPORT NAME AND
Order Entry and eMar Implementation		\$0	n/a – Services not yet performed as requested by the County.
Perceptive Document/Data Conversion		\$0	Already licensed under Prior Agreement
PLEXUS ADVANCED PROFESSIONAL SERVICES (275 AT \$225/HOUR)		\$61,875	Invoiced monthly for hours used.
AVATAR WEB SERVICES		\$0	Already licensed under Prior Agreement
AVATAR WEB SERVICES MAINTENANCE		\$4,200	Due annually 12/31 with 4% annual increase
DIAGNOSIS CONTENT ON DEMAND SUBSCRIPTION (ICD10/DSM5)		\$5,090.40	Invoiced annually
ADDITIONAL DIAGNOSIS CONTENT ON DEMAND (ICD10/DSM5)		\$206.40	Invoiced annually
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TRAVEL AND LIVING AND TRAVEL TIME EXPENSES

Travel time will be billed at a rate of \$150 per hour. Billed monthly as incurred at the most economical rates

Travel and Living Expenses are as follows:

Meals: Netsmart's current daily per diem rate is \$65.00

Airline: Coach Class on Major Airlines including any additional fees applied by the airline

Vehicle: Vehicle usage will be reimbursed at the current IRS Allowance Rental Car: Mid-Size vehicle at local rates plus fuel, tolls, parking

Hotel: At local rates