



Contract Number: CT. OMS-14 #131-04  
Effective Date: 6-30-14  
Term Date: 6-30-15  
Cost: \$4,922,345  
Revenue: \_\_\_\_\_  
Total: \_\_\_\_\_ NTE: \_\_\_\_\_  
Action: 4-1-15  
Renewal By: \_\_\_\_\_  
Term: 6-30-15  
Reviewed by: [Signature]

## BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 6/17/2014

### **ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:**

This is a one-year extension (Amendment 4) to an existing contract between Pima County and the Community Partnership of Southern Arizona (CPSA) for CPSA to administer and coordinate the provision and payment of civil commitment services required of Pima County under Arizona Revised Statutes Title 36-501 et seq.

This contract, which began July 1, 2010, links the administration of civil commitment services to the designated Regional Behavioral Health Authority contracted by the State of Arizona to coordinate mental health services in Pima County. The goals of this partnership are a greater cohesion in the continuum of care for this at-risk population, greater advocacy and intervention on the front end of the involuntary commitment process, and more individuals being offered treatment venues other than an involuntary commitment setting.

Funding is added to the contract for this final year of the contract in the amount of \$4,922,345, the same amount that was added in Amendment 3 for FY 2013-2014.

CONTRACT NUMBER (If applicable): 07-65-C-143111-0710 / CT IH12\*292 / CT OMS 14\*0131

**STAFF RECOMMENDATION(S): Approval**

CORPORATE HEADQUARTERS: Tucson, Arizona

Ver. 2  
Vendor - 1  
Pgs. 6

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Addendum  
(2)

To: CHH - 6-11-14  
By Dept  
CoB - 6-12-14  
Agenda 6-17-14

PRC/ve Dept 06/11/14 PMS/17

BT

JUN 12 2014 PMS/17

**CLERK OF BOARD USE ONLY: BOS MTG.** \_\_\_\_\_

**ITEM NO.** \_\_\_\_\_

**PIMA COUNTY COST:** \$4,922,345 **and/or REVENUE TO PIMA COUNTY:\$**

**FUNDING SOURCE(S):** General Fund  
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

**Advertised Public Hearing:**

		<b>YES</b>	<b>X</b>	<b>NO</b>
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**Board of Supervisors District:**

1		2		3		4		5		<b>All</b>	<b>X</b>
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**IMPACT:**

**IF APPROVED:** Pima County will have in place an agreement for CPSA to continue to administer and coordinate the provision of civil involuntary commitment services required of Pima County under Arizona Revised Statutes, Title 36-501 et seq., and, by linking such services to the State-designated Regional Behavioral Health Authority for Pima County, should continue to demonstrate service enhancements, improvement in the continuum of care, and redirection as appropriate to alternative treatment venues for this population other than an involuntary commitment setting.

**IF DENIED:** Pima County will have no agreement for CPSA administration of involuntary commitment services, and opportunities for greater integration into the CPSA behavioral health system and continuum of care, as well as opportunities for alternative treatment settings for this population will not be realized. Pima County would have to reassume administration and payment of these services, losing the benefit of the defragmentation of the behavioral health system afforded by this Agreement.

**DEPARTMENT NAME:** Office of Medical Services

**CONTACT PERSON:** Sharon Grant **TELEPHONE NO.:** 243-7842

**ORIG. CONTRACT TERM:** 07/01/2010 - 06/30/2011  
**TERMINATION DATE PRIOR AMENDMENT:** 06/30/2014  
**TERMINATION THIS AMENDMENT:** 06/30/2015

**ORIG. CONTRACT AMOUNT:** \$ 4,922,519  
**PRIOR AMENDMENTS:** \$14,643,684  
**AMOUNT THIS AMENDMENT:** \$ 4,922,345  
**REVISED CONTRACT AMOUNT:** \$24,488,548

## CONTRACT AMENDMENT

WHEREAS, COUNTY and CONTRACTOR entered into a Contract for services as referenced above; and

WHEREAS, COUNTY reassigned oversight of this Contract from its Department of Institutional Health to its Office of Medical Services effective July 1, 2013; and

WHEREAS, COUNTY and CONTRACTOR, pursuant to Article I - Term, have agreed to extend the Contract term for a period of one year; and

WHEREAS, COUNTY and CONTRACTOR have agreed to increase the Contract amount to allow payment for the continued provision of services during the extended term of the Contract;

NOW, THEREFORE, it is agreed as follows:

**CHANGE: ARTICLE I - TERM:**

From: "...and terminates on June 30, 2014, unless sooner terminated or further extended pursuant to the provisions of this Contract. The parties may renew this Contract for up to one (1) additional one-year periods or any portion thereof. ...".

To: "...and terminates on June 30, 2015, unless sooner terminated pursuant to the provisions of this Contract..."

**DELETE:** The final paragraph of **ARTICLE II – SCOPE OF SERVICES** which reads:

"Ninety (90) days following June 30, 2011, CONTRACTOR will provide to COUNTY an estimated final reconciliation for the first contract year of all claims paid by CONTRACTOR for actual services rendered pursuant to this Contract in a format consistent with Exhibit D: Reporting. If the estimated final reconciliation calculation results in a surplus in excess of \$161,761 (calculated consistent with the methodology used in CONTRACTOR's contract with ADHS, contract number HB032097-003), CONTRACTOR will submit to COUNTY, for COUNTY's approval, together with the estimated final reconciliation a proposal for CONTRACTOR to utilize surplus funds, if any, as a reinvestment in the county-wide behavioral health system and infrastructure of which COUNTY and CONTRACTOR are

primary stakeholders. CONTRACTOR will provide its actual final reconciliation of claims paid for actual services rendered pertaining to the period of July 1, 2010 through June 30, 2011 within 7 months after June 30, 2011. Reconciliation of funds paid, together with any remaining funds, following subsequent years of the Contract will be done in accordance with the provisions of Exhibit B: Compensation as they are revised from year to year."

**CHANGE: ARTICLE III - PAYMENT:**

From: "...an amount not to exceed Nineteen Million, Five Hundred Sixty-Six Thousand, Two Hundred Three Dollars (\$19,566,203)."

To: "...an amount not to exceed Twenty-Four Million, Four Hundred Eighty-Eight Thousand, Five Hundred Forty-Eight Dollars (\$24,488,548)."

**CHANGE: EXHIBIT A: Scope of Service – 07/01/2013, paragraph 1.3.2 as follows:**

From: "CONTRACTOR will work toward development of an outpatient COE program using resources of the Preferred Provider, if available. CONTRACTOR will assist the Preferred Provider, if available, or other providers in the development of this program by providing access to CONTRACTOR's extensive knowledge and available resources."

To: "CONTRACTOR will work toward partnering with appropriate Provider(s) to develop an outpatient COE program."

**ADD: To EXHIBIT A: SCOPE OF SERVICE – 07/01/2013, Section 2.2, Claims and Payment, paragraph 2.2.3 as follows:**

2.2.3 CONTRACTOR will remunerate providers rendering services related to the involuntary commitment process as described herein within thirty days of receipt of a clean claim.

**ADD: To EXHIBIT A: SCOPE OF SERVICE – 07/01/2013, Section 2.4, Denials, paragraph 2.4.8 as follows:**

2.4.8 Failure to adhere to Court orders, State Statutes governing the involuntary commitment process, or cases in which the Providers' actions put either the proposed patient or the community at risk. Upon a provider's appeal of such a denial, CONTRACTOR's Chief Medical Officer or designee, in conjunction with COUNTY's Behavioral Health Administrator, will research and review the facts of the case to determine whether the denial was appropriate. Additionally, such review may result in a referral to CONTRACTOR's Compliance Committee for appropriate follow-up. In the case of a difference of opinion between CONTRACTOR's Chief Medical Officer and COUNTY's Behavioral Health Administrator, the opinion of COUNTY's Behavioral Health Administrator will prevail.

**CHANGE: EXHIBIT A: SCOPE OF SERVICE – 07/01/2013, paragraph 3.4 as follows:**

From: "CONTRACTOR will provide reports as specified in Exhibit D: Reporting – 07/01/2013, beginning August 31, 2013 for the period beginning July 1, 2013."

To: "CONTRACTOR will provide reports as specified in Exhibit D: Reporting – 07/01/2013, for the contract period beginning July 1, 2013 and for the contract period beginning July 1, 2014."

**REPLACE: EXHIBIT B: COMPENSATION – 07/01/2013 (3 pages)**

**WITH: EXHIBIT B: COMPENSATION – 07/01/2014 (3 pages)**

To: "CONTRACTOR will provide reports as specified in Exhibit D: Reporting – 07/01/2013, for the contract period beginning July 1, 2013 and for the contract period beginning July 1, 2014."

**REPLACE: EXHIBIT B: COMPENSATION – 07/01/2013 (3 pages)**

**WITH: EXHIBIT B: COMPENSATION – 07/01/2014 (3 pages)**

The effective date of this Amendment shall be June 30, 2014.

All other provisions of the Contract, not specifically changed by this Amendment, shall remain in effect and be binding upon the parties.

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IN WITNESS THEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

**APPROVED:**

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Clerk of Board

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Paul J. Aunea  
Deputy County Attorney

\_\_\_\_\_  
4-11-14  
Date

**CONTRACTOR:**

\_\_\_\_\_  
Charles Andrade

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Charles Andrade, CFO

\_\_\_\_\_  
Name and Title (Please Print)

\_\_\_\_\_  
6/11/14

\_\_\_\_\_  
Date

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Dier  
\_\_\_\_\_  
Pima County Department Representative

\_\_\_\_\_  
6/11/14  
Date

## EXHIBIT B: COMPENSATION – 07/01/2014

In consideration of the services specified in this Contract, the COUNTY agrees to pay CONTRACTOR as follows:

### **1. Invoicing and Payment**

- 1.1 COUNTY will remit to CONTRACTOR by July 15, 2014 a base payment in the amount of \$750,000 to be used as a fund for payment of costs and services provided July 1, 2014 through June 30, 2015 pursuant to this Agreement.
- 1.2 On or before the last day of each month, beginning in August 2014, CONTRACTOR will submit to COUNTY an invoice delineating amounts paid by CONTRACTOR during the preceding month for services provided pursuant to this Agreement, together with supporting documentation, in a format acceptable to COUNTY.
- 1.3 COUNTY will review CONTRACTOR's invoice and documentation, and remit to CONTRACTOR within two weeks of receipt of the invoice any amounts of the invoice undisputed by COUNTY.
- 1.4 COUNTY will respond to CONTRACTOR within two weeks of invoice submission regarding any amount of the invoice disputed by COUNTY, together with the reason for the dispute.
- 1.5 CONTRACTOR will work with COUNTY to justify, to the satisfaction of COUNTY, any disputed amounts.
- 1.6 Any such approved amounts that were initially disputed by COUNTY will be paid to CONTRACTOR as an addition to the next scheduled monthly payment.
- 1.7 Until CONTRACTOR is able to justify to the satisfaction of COUNTY any amounts invoiced that were disputed by COUNTY, such amounts will not be payable to CONTRACTOR by COUNTY.
- 1.8 As a condition of payment, CONTRACTOR will submit reports as required in **Exhibit D: Reporting – 07/01/2013** with or prior to each regular monthly invoice.
- 1.9 Total funding under this agreement will not exceed \$4,922,345 for dates of service or costs paid for the period of July 1, 2014 through June 30, 2015.
- 1.10 Such monthly remits to CONTRACTOR by COUNTY as described in Numbers 1.3 and 1.6 above will continue until the total available funds indicated in Number 1.9 above are exhausted, or until all claims and costs for the period of July 1, 2014 through June 30, 2015 have been resolved, but in no case will any such claims be paid by CONTRACTOR later than December 31, 2015.
- 1.11 After CONTRACTOR has paid all costs and claims for services provided through June 30, 2015 pursuant to this Agreement, in accordance with CONTRACTOR's allowable claims submission timelines, but in no case later than December 31, 2015, CONTRACTOR will provide to COUNTY a final reconciliation of funds paid to and spent by CONTRACTOR pursuant to this Agreement, which will include CONTRACTOR's profit, if applicable. Such reconciliation will be completed and submitted to COUNTY by January 31, 2016. COUNTY will respond within two weeks of submission of reconciliation to CONTRACTOR regarding any amount(s) of the reconciliation disputed by COUNTY, together with the reason for the dispute, and CONTRACTOR will work with COUNTY to justify, to the satisfaction of COUNTY, any disputed amounts. If the final reconciliation indicates a surplus of funds remitted to CONTRACTOR by COUNTY, CONTRACTOR will be entitled to draw down as profit up to a maximum of either the amount of the surplus funds, or 4% of the total not-to-

exceed amount of this Agreement, whichever is less. For each business day delay in submission of the final reconciliation due to COUNTY by January 31, 2016, CONTRACTOR will pay to COUNTY a liquidated damage of \$1,000 per business day out of CONTRACTOR's funds unrelated to this Agreement, which will be invoiced by COUNTY to CONTRACTOR upon receipt of the final reconciliation.

- 1.12 In the event that this Agreement is terminated by either party prior to the scheduled expiration date, CONTRACTOR will pay claims and costs under this Agreement in accordance with CONTRACTOR's allowable claims submission timelines, but in no case later than 180 days following the date of termination, after which CONTRACTOR will provide to COUNTY within the subsequent 60 days a final reconciliation of funds paid to and spent by CONTRACTOR pursuant to this Agreement.
- 1.13 If any surplus funds remain after CONTRACTOR's allocation for profit, by Feb. 29, 2016 CONTRACTOR will submit to Pima County Behavioral Health, for COUNTY's approval, a proposal to utilize such surplus funds as a reinvestment in the county-wide behavioral health system and infrastructure of which COUNTY and CONTRACTOR are primary stakeholders. The amount of surplus funds that may be considered for such reinvestment is limited to \$250,000. Any surplus funds above that amount will revert to the COUNTY and will not be considered in CONTRACTOR's proposal.
- 1.14 By March 31, 2016, COUNTY will provide their response to CONTRACTOR's proposal for utilizing up to \$250,000 in (a) reinvestment project(s). Included in COUNTY's response to CONTRACTOR's proposal will be a plan for reconciling the reinvestment funds at the end of the approved project(s). Any funds in excess of those required to implement COUNTY-approved system improvements or enhancements will be returned to Pima County Behavioral Health within fifteen days of COUNTY's approval of the reinvestment project(s). With respect to final reconciliation of funds paid to and spent by CONTRACTOR for any period in which the Agreement was terminated prior to the scheduled termination date, CONTRACTOR will, at COUNTY's direction, either return any remaining funds to Pima County Behavioral Health or utilize them to develop and implement system improvements or enhancements as indicated in this paragraph.
- 1.15 COUNTY and CONTRACTOR agree that in the event that any material change in governing laws, rules, regulations, or policies impacts compensation or scope of service under this Agreement, the Parties will meet to assess the impact of such change and work to negotiate a resolution thereto as appropriate.

## **2. Payment Amounts**

- 2.1 Until such time as the Court is available for the involuntary civil commitment process seven days a week, COUNTY will set aside funds for the Post Evaluation Period (PEP) inpatient days as shown in Number 3, Budget, to be used to reimburse evaluating hospitals for up to four Post Evaluation Period days at a sub-acute rate negotiated by CONTRACTOR.
- 2.2 COE inpatient days and fees for physician services will be reimbursed at rates negotiated by CONTRACTOR.

**3. Budget**

<b>Funding Category</b>	<b>FY 2014-15</b>
Hospital inpatient days - COE	\$ 3,155,904
Physician evaluations	\$ 140,489
Transportation for COE patients	\$ 251,890
<b>Subtotal Claims Payments - COE</b>	<b>\$ 3,548,283</b>
<b>PEP Inpatient Days</b>	<b>\$ 134,626</b>
Call coordination center	\$ 344,841
Transportation NT19 for dropped petitions	\$ 20,000
Direct staff and direct operating	\$ 505,419
<b>Subtotal Program Expense</b>	<b>\$ 870,260</b>
<b>Corporate Allocation (Not to Exceed 7.5% of Total)</b>	<b>\$ 369,176</b>
<b>TOTAL NOT TO EXCEED AMOUNT</b>	<b>\$ 4,922,345</b>

- 3.1 Corporate Allocation will be paid based on actual expense or an allocation methodology acceptable to the COUNTY, up to 7.5% of total expenses approved year to date.
- 3.2 Expenses that exceed 10% of the budgeted sub-total amounts for each of: Claims Payments, the PEP Inpatient Days, and Program Expenses will require written approval from COUNTY prior to reimbursement
- 3.3 No expenses will be reimbursed for PEP Inpatient Days with dates of service after the Court is available for the involuntary civil commitment process seven days a week. Any funds remaining in the fund for PEP Inpatient Days will be retained by COUNTY to offset expenses associated with holding Court seven days a week.
- 3.4 No expenses above the Total Not to Exceed Amount will be reimbursed.