

# FORSYTH COUNTY

## BOARD OF COMMISSIONERS

MEETING DATE: July 13, 2017

AGENDA ITEM NUMBER: 10

**SUBJECT:**

**RESOLUTION AWARDING A CONTRACT FOR INMATE HEALTH CARE SERVICES FOR THE LAW ENFORCEMENT DETENTION CENTER (FORSYTH COUNTY SHERIFF'S OFFICE)**

**COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:** Recommend Approval

**SUMMARY OF INFORMATION:**

Proposals were received March 31, 2017 in response to a *Request for Proposals* (RFP) for the provision of inmate health care services for the Law Enforcement Detention Center (LEDC). Great effort was taken to advertise the RFP. In addition to the direct distribution of the RFP to 12 vendors, the RFP was posted on the State's Interactive Purchasing System (IPS). After the RFP was published, another 19 vendors requested the RFP.

Proposals were asked to include:

1. annual cost for the management and operation of on-site medical services (all inmates regardless of jurisdictional responsibility);
2. annual costs for third party administration of off-site medical services with local medical providers, and;
3. monthly per diem fee per inmate per day for Average Daily Population over 751.

In addition to these expenses, charges from local health care providers (off-site costs) for inmates under the jurisdiction of Forsyth County will continue to be shared 50% County and 50% Provider in order to incentivize the Provider to hold down costs and utilize on-site medical services.

Each proposal was to be evaluated and rated by a team of County staff for price, past performance and technical/management ability. Although, five (5) vendors attended a pre-bid conference, only one proposal (from the current service provider, Correct Care Solutions) was received.

Nonetheless, the proposal represents a significant savings for the County over the current contract which would have included a CPI-indexed increase if extended. The proposed new contract also improves management of pharmacy, while still providing a year-to-year savings for the on-site health clinic:

<b>On-Site Medical Services Mgmt./Ops. Cost</b>	
Current 2016-2017 Term:	\$3,718,929
2018 Term / CPI Increase (3.63%)	\$3,853,926
2018 RFP Proposal:	\$3,718,932
<b>Savings:</b>	<b>(\$134,994)</b>
Addition of FTE Pharmacy Tech.	\$43,452
<b>Adjusted Savings:</b>	<b>(\$91,542)</b>

For third party administration costs (claims processing and provider network management for local medical providers), the proposed contract award is a slight increase (+\$28,478). Net total savings are \$63,064, compared to a current contract extension.

The proposed new contract with the vendor includes *enhanced services, decreased costs, and improved performance and oversight controls.*

Staff recommend that a contract for inmate medical care services for the LEDC be awarded to Correct Care Solutions, LLC. for an initial three-year term in the estimated amount of \$13,174,603, including \$11,629,153 for fixed On-Site Health Services and \$1,545,450 for Third Party Administration Costs for Local Health Care Provider claims. During the three-year contract award, Per Diem Costs for Inmates Exceeding ADP Contract Base are estimated at \$60,000 and Local Health Care Provider Charges (50% County share) are estimated at \$1,607,268.

As specified in the RFP, the contract will be for an initial three year term, from September 1, 2017 through August 31, 2020; and prior to the expiration of the initial three year contract, upon 180 days written notice, the contract may be extended in one-year increments for up to three (3) additional one (1) year periods, if both parties agree; and upon 90 days written request, the provider may adjust prices beginning September 1, 2020 each additional new year thereafter by an amount not to exceed the Annual Consumer Price Index unadjusted percent change as reported by the Bureau of Labor Statistics for the Medical Care Group published in the Consumer Price Index Detailed Report for December (Table 3.Consumer Price Index for all Urban Consumers: U.S. city average, detailed expenditure categories) or 5%, whichever is less.

ATTACHMENTS:       YES       NO

SIGNATURE: \_\_\_\_\_

*J. Audley Watts, Jr.*

COUNTY MANAGER

DATE: July 13, 2017

**RESOLUTION AWARDING A CONTRACT FOR INMATE HEALTH CARE SERVICES  
FOR THE LAW ENFORCEMENT DETENTION CENTER  
(FORSYTH COUNTY SHERIFF'S OFFICE)**

**WHEREAS**, a proposal was received by the City/County Purchasing Department at 12:00 p.m. on the 31<sup>st</sup> day of March, 2017, to provide inmate health care services for the Law Enforcement Detention Center from Correct Care Solutions, LLC.; and included annual costs, per diem fees, and charges for additional services; and

**WHEREAS**, the proposal was evaluated on the three factors specified in the Request for Proposals (RFP), which included price, past performance and technical/management ability; and

**WHEREAS**, the proposal from Correct Care Solutions, LLC satisfactorily meets the required specifications of the RFP; and

**WHEREAS**, as provided in the RFP instructions, the County is exercising its rights to award selected portions of the RFP as follows:

**FIXED CONTRACT AMOUNTS:**

**LEDC On-Site Health Clinic,  
with Pharmacy Technician Enhancement Option - \$11,629,153**

9/1/2017 – 8/31/2018 .....	\$3,762,384
9/1/2018 – 8/31/2019 .....	\$3,875,256
9/1/2019 – 8/31/2020 .....	\$3,991,513

**LEDC Third Party Administrative Costs (50% Vendor/50% County) - \$1,545,450**

9/1/2017 – 8/31/2018 .....	\$500,000
9/1/2018 – 8/31/2019 .....	\$515,000
9/1/2019 – 8/31/2020 .....	\$530,450

**WHEREAS**, as provided in the RFP, Sharing Option 3, the County and Provider agree that the Parties will equally share the cost of County inmate medical claims from local health care providers (50% Provider and 50% County), and staff estimates the County's 50% share as follows:

**ESTIMATED CONTRACT AMOUNTS:**

**Local Health Care Provider Charges (County Share) - \$1,607,268**

9/1/2017 – 8/31/2018 .....	\$520,000
9/1/2018 – 8/31/2019 .....	\$535,600
9/1/2019 – 8/31/2020 .....	\$551,668

**WHEREAS**, as provided in the RFP, the Per Diem Cost per Inmate Exceeding Average Daily Population (ADP) Contract Base of 751 shall be as follows:

**Per Diem Cost per Inmate (PDC) Exceeding ADP Contract Base - \$60,000**

9/1/2017 – 8/31/2018 .....	\$1.39 PDC (\$20,000)
9/1/2018 – 8/31/2019 .....	\$1.44 PDC (\$20,000)
9/1/2019 – 8/31/2020 .....	\$1.49 PDC (\$20,000)

; and

**WHEREAS**, the contract will be for an initial term of three years, from September 1, 2017 through August 31, 2020; and prior to the expiration of the initial three year contract, upon 180 days written notice, the contract may be extended in one-year increments for up to three (3) additional 12 month periods, if both parties agree; and the provider may adjust prices beginning September 1, 2020 and each additional new year thereafter by an amount not-to-exceed the Annual Consumer Price Index unadjusted percent change as reported by the Bureau of Labor Statistics for the Medical Care Services published in the Consumer Price Index Detailed Report for December (Table 3. Consumer Price Index for all Urban Consumers: U.S. city average, detailed expenditure categories) or 5%, whichever is less; and

**WHEREAS**, it is the recommendation of the County Manager, the Forsyth County Sheriff and the Purchasing Director, that a contract be awarded to Correct Care Solutions, LLC in the total amount of \$13,174,603 for the period September 1, 2017 through August 31, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Forsyth County Board of Commissioners, that a contract to provide inmate health care services for the Law Enforcement Detention Center is hereby awarded to Correct Care Solutions, LLC. in the total amount of \$13,174,603 for the period September 1, 2017 through August 31, 2020, and that the County Manager and Clerk to the Board are hereby authorized to execute a contract with Correct Care Solutions, LLC., on behalf of Forsyth County, consistent with the portions of the RFP selected by the County, and identified herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

**BE IT FURTHER RESOLVED** that the County Manager is hereby authorized to execute amendments and extensions of this contract for inmate health care services with Correct Care Solutions, LLC consistent with the provisions of the contract award.

Adopted this 10<sup>th</sup> day of July 2017.