

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

265



FROM: Human Resources Department

SUBMITTAL DATE:
October 2, 2013

SUBJECT: Exclusive Care – Addendum extending the Exclusive Care Agreement with Monument Systems LLC, for Software System Support services for five (5) additional years, renewed in one (1) year increments.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the attached Addendum of the Software System Support and Maintenance Agreement with Monument Systems, LLC, for up to \$150,000 annually, including an option to renew the agreement in one year increments through June 30, 2017.
2. Authorize the County Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option, based on the availability of fiscal funding and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates.
3. Authorize the Chairperson to sign three (3) copies of the attached Addendum, retain one (1) copy of the signed Addendum and return two (2) copies to Human Resources for distribution.

Barbara A. Olivier

Barbara A. Olivier
Asst. CEO / Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 150,000.00	\$ 150,000.00	\$ 750,000.00	\$ 0.00	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

SOURCE OF FUNDS: Premiums paid by Exclusive Care members
Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE
Ivan M. Ghand
BY: _____
Ivan M. Ghand 10/10/2013

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: *NEAL R. KIPNIS* DATE: 10/10/13
Departmental Concurrence

Purchasing: _____
Mark Seller, Assistant Director

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 10/16/2012; 3.30 **District:** ALL **Agenda Number:**

3-23

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Form 11: Exclusive Care – Addendum extending the Exclusive Care Agreement with Monument Systems LLC, for Software System Support services for five additional years, renewed in one year increments

October 2, 2013

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BACKGROUND:

Summary

In 1999, the Board of Supervisors established the County's self-funded Exclusive Provider Option (EPO) health plan, Exclusive Care, to provide a value health plan option to the employees of Riverside County and their families.

On November 26, 2002, the Board of Supervisors first approved an agreement with Monument Systems, LLC, (formerly HealthTrio) to purchase and install the current claims payment, eligibility and health information system for Exclusive Care. On October 16, 2012, (agenda item 3.30), the Board of Supervisors approved the Software System Support and Maintenance Agreement for the Monument Systems claims payment, eligibility system, and health information system which includes system updates, patches and standard support for the HealthTrio system.

This Addendum covers additional programming requests not covered by the Agreement such as ad hoc programming to fulfill internal and external reporting requests, MediCal and Medicare fee schedule modifications, projects related to the Affordable Care Act, and other governmental updates such as updated diagnosis codes.

The software used in the claims payment and eligibility system was designed by Monument Systems, LLC, and is proprietary in nature. For fiscal year 2013-14 Exclusive Care is budgeted to adjudicate and pay over \$46 million in medical and hospital claims using this health information system. This Addendum is required to insure that the systems are up to date with changing regulations, updated reference tables, and allows Exclusive Care to meet any reporting requirements.

Impact on Citizens and Businesses

There is no direct cost to the County for the recommended action, as these costs are funded by Exclusive Care premium dollars and included in its operating budget.

SUPPLEMENTAL:

Additional Fiscal Information

The hourly rate for programming is \$210 per hour. The maximum expenditure during the five year contact period will be \$150,000 per year.

Contract History and Price Reasonableness

The hourly rate represents a 7.7% increase over the previous contract and will remain at that rate for the duration of the contract to June 30, 2017.

Date: September 30, 2013
From: Barbara Olivier Department/Agency: Human Resources
To: Board of Supervisors/Purchasing Agent
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Addendum to HealthTrio/Monument Systems Contract – Professional Services

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

1. **Supply/Service being requested:** Addendum to the current Monument Systems LLC contract for System Support for the period July 1, 2012 through June 30, 2017. This addendum is required to allow Exclusive Care to modify their enrollment and claims payment system so they can comply with regulations related to the Affordable Care Act, and obtain annual updates to Medicare and new ICD-10 diagnosis coding.
2. **Supplier being requested:** Monument Systems LLC
3. **Alternative suppliers that can or might be able to provide supply/service:** None
4. **Extent of market search conducted:** None, HealthTrio is a proprietary system developed by Monument Systems.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Monument Systems is the vendor of the HealthTrio claims payment, medical management and eligibility system used by Exclusive Care and uses proprietary programming. HealthTrio is an integrated system which allows Exclusive Care to efficiently administer enrollment functions, adjudication of claims, physician and hospital referral information and data reporting to internal and external customers. Exclusive Care has been using the HealthTrio system since 2003.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** The implementation of the Affordable Care Act, compliance with Medicare reimbursement and provider contracting payment coding updates and new ICD-10 diagnosis codes will require modifications to the claims processing system which are beyond the scope of the current Monument Systems maintenance contract. Exclusive Care is required to comply with these regulations and must properly process claims payments, which are projected to be in excess of \$46 million for FY2013-14.
7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The hourly rate of \$210 per hour represents a 7.7% increase over the previous contract and will remain at that rate for the remainder of the agreement to June 30, 2017. Exclusive Care is requesting approval for payment of up to \$150,000 per year for the duration of the contract totaling \$750,000.

- Continued -

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain). No.

9. **Period of Performance:** Amending the current contract for the period July 1, 2012 through June 30, 2017.

Barbara Stein 10/2/13
Department Head Signature Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Not to exceed: \$ 150,000 One time Annual Amount through 6-30-2017

[Signature] 10-8-13 14-174
Purchasing Agent Date Approval Number
(Reference on Purchasing Documents)



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
To be completed for all departmental purchases of IT systems, services or renewals

PR2013-006P1

Tracking Number for
Internal Use Only

REQUESTED PURCHASE:		RENEWAL OF MAINTENANCE CONTRACT WITH MONUMENT SYSTEMS	
DEPARTMENT/AGENCY:		EXCLUSIVE CARE/COUNTY OF RIVERSIDE HUMAN RESOURCES	
CONTACT NAME/PHONE:		JAMES BURKE, PLAN MANAGER X59552	
PURCHASE REQUEST:		<input checked="" type="checkbox"/> NEW EQUIPMENT/SERVICES <input type="checkbox"/> UPGRADE <input type="checkbox"/> REPLACEMENT	
PURCHASE TYPE:		<input checked="" type="checkbox"/> PROFESSIONAL SERVICES <input type="checkbox"/> SOFTWARE <input type="checkbox"/> HARDWARE <input checked="" type="checkbox"/> RENEWAL	
DESCRIBE REQUESTED PURCHASE	Software System Support and Maintenance Addendum with Monument Systems to extend the current contract for system support for the HealthTrio claims and enrollment processing system used by Exclusive Care. Contract for ad hoc programming, training and consulting. Cost will not exceed \$150,000 each year for five years (\$750,000 total) and will be included in Exclusive Care's budget. Contract is for the period 7/1/2012 through 6/30/2017.		
BUSINESS NEEDS ADDRESSED	The implementation of the Affordable Care Act, compliance with Medicare reimbursement and provider contracting payment coding updates and new ICD-10 diagnosis codes will require modifications to the claims processing system which are beyond the scope of the current Monument Systems maintenance contract. Exclusive Care is required to comply with these regulations and must properly process claims payments, which are projected to be in excess of \$46 million for FY2013-14.		
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?		<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN	
BUSINESS CRITICALITY		BUSINESS IMPACT (SELECT ALL THAT APPLY)	
<input checked="" type="checkbox"/> Run the business <input type="checkbox"/> Grow the business <input type="checkbox"/> Transform the business		<input checked="" type="checkbox"/> Support current operations <input type="checkbox"/> Reduce Expenses <input type="checkbox"/> Improve Customer Service <input type="checkbox"/> Improve Operational Efficiencies	
BUSINESS RISKS	Financial: The HealthTrio claims system requires updates annually so reimbursement schedules are current and claims are paid correctly. Operational: Implementation of the Affordable Care Act, annual Medicare coding updates, and new ICD-10 diagnoses codes require changes to the claims processing system to maintain compliance with regulations. Customer: Claims and enrollment data must be correct; otherwise complaints will be received by providers and members of Exclusive Care.		
ALTERNATIVE SOLUTIONS	1. None		
TRANSACTION	<input checked="" type="checkbox"/> Cash Purchase <input type="checkbox"/> Lease Purchase Lease Years: _____		
PURCHASE COSTS	COST BENEFIT ANALYSIS		



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
 To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for
Internal Use Only

Hardware: \$ Software: \$ Labor: \$750,000 (\$150,000 per year for five years) TOTAL COST: \$750,000		ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE
	Current Annual Cost	\$150,000		
	Ongoing Annual Cost	\$150,000 (to June, 2017)		
	Annual Cost Savings	N/A		
	Net Annual Savings	N/A		
	Project Implementation Cost	N/A		
	Project Payback Period? yrs	N/A		

Department Head Signature: *[Signature]* Date: 10/2/13

RCIT RECOMMENDATION – for purchases and renewals under \$100,000

Recommended: Yes No (Non-recommended requests submit to TSOC)

By: *[Signature]* Date: 10/2/13

Chief Information Officer Signature: *[Signature]* Date: 3 Oct 13

RCIT explanation for non-recommended requests:

[Empty box for explanation]

TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals

Recommended: Yes No (In no, provide explanation below)

TSOC Chair Signature: *[Signature]* Date: 7 Oct 13

TSOC explanation for denied requests:

[Empty box for explanation]



Addendum to the *xpress*[™] Software System Support & Maintenance Agreement Between County of Riverside on Behalf of the Exclusive Care Division of its Human Resources Department and Monument Systems, LLC

This Addendum ("Addendum") is effective as of the latest date below (the "Effective Date") between Monument Systems, LLC, a Colorado Limited Liability Company ("Monument Systems"), and County of Riverside on Behalf of the Exclusive Care Division of its Human Resources Department ("Licensee") to amend the Software System Support and Maintenance Agreement between the parties, dated October 17, 2012 (the "Agreement") and all amendments and addendums thereto. In the event of a conflict between the Agreement and this Addendum, the provisions of this Addendum will be deemed controlling.

1. The Agreement shall be modified as follows:
 - 1.1 "Professional Services" means consulting, implementation, training, custom programming, and other non-Hardware support services that may be contracted under separate Statements of Work ("SOWs").
 - 1.2 Billing of Professional Services. The parties agree that, in order to maximize Licensee's use of the *xpress*[™] System (the "System"), Licensee may generally require additional Professional Services, over and above those covered by annual maintenance from Monument Systems. Fees for such Professional Services provided will be charged at Monument Systems' then current Time-and-Materials Rates or at rates as otherwise agreed upon. Monument Systems agrees to provide such work through the term of Agreement as requested by Licensee. The yearly periods shall be: July 1, 2012-June 30, 2013; July 1, 2013-June 30, 2014; July 1, 2014-June 30, 2015; July 1, 2015-June 30, 2016; July 1, 2016-June 30, 2017 ("Yearly Periods").
 - 1.3 The Professional Services Fees for Services provided by Monument Systems to Licensee through May 31, 2013 amounts to \$86,199, all of which remain unpaid as of May 31, 2013.
 - 1.4 Due Dates of Yearly Professional Services Fees. As Licensee requests Professional Services from time to time, Monument Systems shall prepare an SOW, including the estimated amount for such Professional Services, and, upon completion of the work described under the SOW, submit an invoice to Licensee for payment. All such invoices

shall be due as normally due under the Agreement or any addendums or amendments thereto or pursuant to the terms of the SOW.

- 1.5 Monument Systems agrees to bill Licensee at the discounted Time-and-Materials Rate of \$210/hour through the term of the Agreement.
2. This Addendum supplements, amends and is incorporated, to the extent identified above, into the Agreement. This Addendum shall remain in effect until the Agreements, as amended herein, expires or is terminated in accordance with its terms or this Addendum. Except as modified by this Addendum, the Agreement shall remain in full force and effect, and its terms and provisions are hereby ratified and confirmed subject to the terms and conditions of this Addendum.



This Addendum is hereby executed as of the latest date below written.

ATTEST:
Clerk to the Board
Kecia Harper-Ihem

COUNTY OF RIVERSIDE on behalf
of the Exclusive Care Division of Its
Human Resources Department

By _____
Deputy

By _____
John J. Benolt
Chairman, Board of Supervisors

Date _____

Date _____

Approved as to form and content:

Neal Kipnis
Deputy County Counsel

By:
Deputy County Counsel

Monument Systems, LLC:

By:
Printed Name: J. Coleman Streater
Title: Executive Vice President Chief Financial Officer

Date: 7/2/2013