

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



ITEM: 3.19
(ID # 19448)

MEETING DATE:
Tuesday, July 12, 2022

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Approve Addendum No. 3 to the xpress Software System Support & Maintenance Agreement with Say Health LLC for the Exclusive Care Claims Management System to extend the contract term three additional years without seeking competitive bids; All Districts. [\$631,500, 100% Exclusive Care Premiums paid by Exclusive Care Members]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Addendum No. 3 to the xpress Software System Support & Maintenance Agreement with Say Health LLC for the Exclusive Care Claims Management System for up to \$210,500 annually to extend the contract term three additional years for a total of up to \$631,500 through June 30, 2025;
2. Authorize the Chair of the Board to sign three (3) copies of the Addendum, and the Clerk to retain one and return two to Human Resources for distribution; and,
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding, and approved as to form by County Counsel to: Sign amendments that exercise the options of the agreement including modifications of the statement of work that stay within the intent of the Agreement.


ACTION:


Michael Bowers, Assistant HR Director 6/29/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Hewitt and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Hewitt
Nays: None
Absent: Perez
Date: July 12, 2022
xc: HR

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 210,500	\$ 210,500	\$ 631,500	\$
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$
SOURCE OF FUNDS: 100% Exclusive Care Premiums paid by Exclusive Care Members			Budget Adjustment:	No
			For Fiscal Year:	22/23-24/25

C.E.O. RECOMMENDATION: Approve

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 (M.O. 3.55), 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 (M.O. 3.30) and October 22, 2013 (M.O. 3.23), the Board of Supervisors approved the Software System Support and Maintenance Agreement for the Monument Systems claims payment, eligibility and health information system which includes system updates, patches, and ad hoc programming support.

This Addendum renews the agreement for three (3) years (July 1, 2022 through June 30, 2025).

The software used in the claims payment and eligibility system was designed by Monument Systems, LLC, and is proprietary in nature. For the current fiscal year 2021-2022 Exclusive Care is budgeted to adjudicate and pay over \$56 million in medical and hospital claims using this health information system. This Addendum is required to ensure the system is up to date with changing regulations, updated reference tables, and allows Exclusive Care to continue to meet any regulatory reporting requirements.

Impact on Residents and Businesses

There is no direct impact on residents or businesses with the approval of the recommended motion.

Additional Fiscal Information

The annual maintenance fee is \$205,000 per year for the duration of the contract. The hourly programming rate for ad hoc requests is \$220 per hour. The maximum annual expenditure during the contract period is \$631,500 (including the maintenance fee and approximately \$5,500 for loading updated Medicare rates annually).

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The annual estimated total costs by Fiscal Year for current and new contract is as follows:

Fiscal Year	Date	Current Contract M.O. 3.25 06/20/17	Total New Contract Costs	New Contract Year
17-18	Jul 2017-Jun 2018	\$ 250,000		
18-19	Jul 2018-Jun 2019	\$ 250,000		
19-20	Jul 2019-Jun 2020	\$ 250,000		
20-21	Jul 2020-Jun 2021	\$ 250,000		
21-22	Jul 2021-Jun 2022	\$ 250,000		
22-23	Jul 2022-Jun 2023		\$ 210,500	Y1
23-24	Jul 2023-Jun 2024		\$ 210,500	Y2
24-25	Jul 2024-Jun 2025		\$ 210,500	Y3
		\$ 1,250,000	\$ 631,500	

Contract History and Price Reasonableness

On September 3, 2002, County Purchasing issued Request for Proposal (RFP) No. 024. The notification was sent to more than 30 potential bidders and advertised on the County web page. On September 11, 2002, a pre-proposal meeting was conducted with 16 attendees. Four responsive bids were received. The top two bidders were invited to respond to 105 workflow questions and provide pre-award demonstrations. A request for Best and Final Offer was issued to HealthTrio that resulted in a \$119,000 savings off their overall original proposal price. After advice and recommendations from Aon Consulting and the Gartner Group, HealthTrio was identified as the most responsive and responsible bidder. The Board subsequently approved the award and subsequent amendments to continue maintenance and support services through Fiscal Year (FY) 2021/2022.

<u>Fiscal Year</u>	<u>Cost</u>	<u>Board Approval Date</u>
FY02/03 thru 03/04	\$67,500	November 26, 2002 (Agenda No. 3.55)
FY04/05 thru 07/08	\$76,500	October 19, 2004 (Agenda No. 3.25)
FY08/09 thru 09/10	\$84,150	November 4, 2008 (Agenda No. 3.36)
FY10/11 thru 11/12	\$86,674	April 6, 2010 (Agenda No. 3.47)
FY12/13 thru 16/17	\$111,000	October 16, 2012 (Agenda No. 3.30)
FY17/18 thru 21/22	\$151,200	June 20, 2017 (Agenda No. 3.25)
FY22/23 thru 24/25	\$205,000	[currently proposed]

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Addendum No. 1 added professional services consulting up to \$20,000 annually at \$195/hour approved August 16, 2011 (Agenda No. 3.58).

Addendum for version 3.10 upgrade and addition of Electronic Claims Submission module was approved May 1, 2012 (Agenda No. 3.20).

Addendum to increase the professional services rate to \$210/hour was approved October 22, 2013 (Agenda No. 3.23).

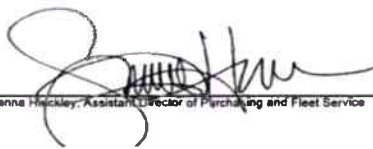
Addendum No. 2 extended the contract for three years, increased the annual maintenance fee to \$151,200 and included a GSA Contract (No. GS35F0137Y) discount approved June 20, 2017 (Agenda No. 3.25).

The cost under the proposed **Addendum No. 3** is considered reasonable as compared with the cost of implementing a new claims management system with the same functionality. New comparable systems would range from \$450,000 to \$800,000 in initial purchase and implementation alone. Additionally, the Human Resources Department is in the process of recruiting a new Exclusive Care division manager that will work with Purchasing to issue a new RFP within this period.

Review/Approval

RCIT and TSOC approved the use of this software on June 8, 2017 H-11 Review Process No. PR2017-05604, and because this is not new software or maintenance support and was previously approved by the Board it does not require further technology approval. Purchasing concurs with this request and County Counsel approved the addendum as to legal form.

ATTACHMENT: Monument Addendum No. 3


Suzanne Hockley, Assistant Director of Purchasing and Fleet Service

6/29/2022


Meghan Hahn, Senior Management Analyst

6/30/2022


Cynthia M. Guanzel, Chief Deputy County Counsel

6/29/2022



Addendum No. 3 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 Say Health, LLC f.k.a. Monument Systems, LLC

This Addendum No. 3 ("Addendum") is effective as of the latest date below (the "Effective Date") between Say Health, LLC (formerly known as Monument Systems, LLC), an Arizona Limited Liability Company ("Say Health"), 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, including Addendum No. 1 dated October 22, 2013 and Addendum No. 2 dated June 20, 2017 (collectively, the "Agreement"). In the event of a conflict between the Agreement and this Addendum, the provisions of this Addendum will be deemed controlling.

Whereas the Term of the Agreement is set to expire on June 30, 2022, and whereas both parties to the Agreement concur that it is in their mutual interest to renew the Agreement, now therefore, the parties agree as follows.

1. **Renewal.** The Addendum requirement for option years one and two of Addendum No. 2 through June 30, 2022 was waived and by their performance the Parties extended the term of the Agreement between July 1, 2020 to June 30, 2022. The Agreement has remained in full force and effect and binding upon the Parties in accordance with its terms, and shall be renewed for a three-year Renewal Term beginning on July 1, 2022, and expiring on June 30, 2025, unless terminated earlier as set forth in the Agreement.
2. **Contracting entity.** Monument Systems, LLC is now part of Say Health LLC, which shall be performing on this Addendum No. 3.
3. **Scope.** The Renewal Term shall include maintenance and support of all the functionality licensed under the *xpress*™ License Agreement between the parties dated December 31, 2002 and all amendments and addendums thereto. Such functionality is summarized in Exhibit A of Addendum No. 2.
4. **Price.**
 - 3.1 The Maintenance and Support Fee of \$205,000 per year is payable in annual installments beginning on the Effective Date of this Addendum.

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3.2 The hourly rate for Statements of Work completed pursuant to this agreement is \$220/hr. All work performed on a Time-and-Materials basis shall be agreed upon in advance and signed by both parties in separate Statements of Work.

5. GSA/CMAS. This addendum is not made pursuant to GSA/CMAS requirements and explicitly removes requirements added by the Addendum No. 1 regarding GSA Contract No. GS35F0137Y.
6. This Addendum supplements, amends and is incorporated, to the extent identified above, into the Agreement. 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.

**County of Riverside, a political subdivision
of the State of California**

By: 
Jeff Hewitt, Chair
Board of Supervisors

Dated: July 12, 2022

**Say Health, LLC, an Arizona Limited Liability
Company**

By: J. Dominic Wallen
J. Dominic Wallen,
Chief Executive Officer

Dated: June 28, 2022

ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel,
Chief Deputy County Counsel

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