



## Contracting Work Group Meeting Notes March and April 2006

**Meeting Purpose:** This is a monthly forum, open to all County contractors, co-convened by SANDAN and the County of San Diego HHSA Agency Contract Support, and includes representatives from Mental Health Contractors Assoc. and the ADS Providers Association. We seek to improve the County contracting system through the identification of a shared change agenda and co-creating solutions and responses – we do not address the specific contracting issues of individual contractors.

### **Meeting Participants:**

Diana Francis, HHSA ACS; Leslie Hine-Rabichow, SANDAN; Steve Glenn, County P&C; Walter Philips, SDYCS; Denis McGee, HHSA CMHS; Sharon Delphenich, Casa de Amparo; Barbara Ryan, Children's Hospital; Barbara Morton, CRASH/ADSPA; Marti Hess, YMCA; Marc Gottbaum, YMCA; Kath Ingram, SAY; Nancy Riley Harmonium; Carie Hoff, County ADS; Sarah Peck Schacht, NAI; (Holly Youghans, NHA; Scott Suckow, Alpha Behavioral Services; Rick Stravinsky, ECS; Rick Russell, ECS; Darla Trapp, CCS -- March meeting only)

### **Meeting Notes:**

*Please note: These are notes provided by SANDAN, they are not official minutes of the meeting nor do they reflect an official County position or approval.*

#### April 2006

1. ACS will be distributing a contractor survey to solicit contractor feedback about HHSA contracting functions. Diana will forward a copy to Leslie for further distribution via email. Leslie will draft a companion survey for County staff to get their feedback and perspectives on working with nonprofit contractors.

2. County mental health and alcohol and drug services are being reorganized under a new umbrella called Behavioral Health Services. A manager will be hired to oversee the combined contracting and administrative functions. Liz Bioli is currently acting in this role. Diana will invite Liz to join our next meeting to provide an overview and update of the changes. Additionally, a new director of Behavioral Health Services will be hired to oversee all County mental health and ADS operations and programs and will report to Jean Shepard.

Contractors expressed concerns about the impact of the changes that are occurring and requested that there be attention paid to the impacts on contractors – some changes being discussed will add to contractor costs for contract administration. Consideration of any changes should involve a cost assessment that includes contractors in the mix.

Denis McGee requested that significant conversation in this vein should wait until the new chief is on board.

3. Diana reported heightened media interest in County contracting lately due to news that the City of San Diego outsourcing proposals. Contractors may get calls - Diana would appreciate a courtesy heads up if they do.

4. ACS looking to add standardized language to contracts with respect to background checks. Several issues were identified by contractors:

- Universal background checks not always needed or appropriate
- Trustline unworkable for non-residential programs
- State requirements may be changing – refer to pending legislation AB2703 and SB1759
- Need for an exemption or waiver process
- There are contractor cost issues

Related issue is staff drug-testing – above concerns apply there as well.

5. Steve Glenn reported that the pro forma contract terms and conditions is changing:
- New requirement to contact the County within 48 hours when any written or oral complaint is received.
  - New requirement for business continuity plan (BCP)

Contractors felt that “complaint” needed to be defined it’s too vague– current policy in place around “critical incidence” what’s the difference.

Contractors also raised issue of cost associated with BCP including the learning curve for staff. Steve said the County just completed a BCP and contractors could get this to use as a possible prototype by making a “public information request” to the County.

New pro forma not out yet – Steve will follow up when it is.

6. Diana still working on getting state audit guidelines.

7. New issues:

- Contract renegotiation – contractors need to renegotiate contracts as they experience cost increases due to rising prices or added contract requirements.

In the case of uni-lateral contract extensions or amendments, contractors should respond back to the County within 30 days with a budget revision or a cost driven scope modification request and request a contract renegotiation.

8. PCO Paul Nickerson has retired and Hank Ramirez is replacing him.

9. Future agenda items:

- May – Liz Bioli
- June – New Behavioral Health Services chief  
Background checks

## TB checks with positive tests

March 30, 2006

1. Contractors still struggling with performance-based contracts – still struggling with getting to the right outcomes and related pay points. Need ongoing dialogue around this.
2. Mental health contracts that have flat budgets for 5 years is not realistic, private sector subsidy for public contracts that don't pay for themselves is no longer possible. Without dollar increases in contracts scopes will have to reduce.

Contractors should submit budgets with their RFPs that show how costs are expected to change over the years of the contract – provide multiple year budgets. Holly Youghans suggested the County look at the federal form 424A, which provides budget columns for multiple year contracts.

3. Call to simplify EPSDT contract which for contractors is ridiculously complicated and expensive to administer.
4. Walter Philips raised issue of state audits that are finding disallowances in County contractors and expecting contractors to pay back money even though the County approved the expenditures. Some of these contracts have been closed for years. Who pays or fights the state bill?