



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: Feb. 2017)

## Board Clerk Use Only

Meeting Date: 5/18/17  
Agenda Item #: R.9  
Est. Start Time: 11:00 am  
Date Submitted: 5/2/17

**Agenda Title:** Resolution Approving a Sole-Source Procurement for Corrections Health Third Party Administrator

**Requested Meeting Date:** May 18, 2017 **Time Needed:** 15 Minutes

**Department:** Health **Division:** ICS

**Contact(s):** Dr. Michael Seale, Deputy Medical Director

**Phone:** 503-988-4847 **Ext.** 84847 **Email:** [michael.seale@multco.us](mailto:michael.seale@multco.us)

**Presenters:** Dr. Michael Seale, Deputy Medical Director and Wendy Lear, Deputy Director

## General Information

### 1. What action are you requesting from the Board?

The Health Department requests an exemption from purchasing rules requiring a competitive procurement. This sole-source procurement request specifically would allow for the Health department to contract with Correctional Health Partners for one year while work is completed on a Request for Proposal (RFP).

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer(s) this action affects and how it impacts the results.

From April 2011 through March 2016 the Health Department used Correctional Health Partners (CHP) for third party administration (TPA) of claims for outside/emergent health services for our inmate population. With the decline in costs due to the Affordable Care Act (inmates who were transitioned to in-patient were signed up for Oregon Health Plan if no other insurance was available) it was determined that the Health Department would take on the services that CHP was providing, and attempt to either contract directly with an insurance company PPO for discounts for in-network providers, or contract directly with the larger hospital networks. Over the past year the Health Department advertized an RFI to solicit information from insurance companies, and did not receive sufficient responses to go that route. Additionally the direct contract option has yet to be successful.

As the Health Department continued to investigate all options, including going out to bid for a new TPA contract, it was determined that inmate health care costs had increased significantly due to the lack of insurance discount rates that were provided via the CHP contract. When a comparison was completed the cost was nearly double even with County labor costs included. Additionally, the electronic claims processing software companies advised that due to our size of the program it is not cost effective to provide software and

support. This led to the claims process being much more manual than initially believed and reporting and analytics that were provided by CHP could not be easily replicated.

**3. Explain the fiscal impact (current year and ongoing).**

The estimated amount for the one year engagement is \$225,000. This is based on the CHP proposal of \$196,000 informed by past year inmate population data, as well as additional authority in case of an unforeseen increase in the inmate population. These costs will be covered under the propose FY 18 Corrections Health budget. The Health Department expects to see a decrease in costs associated with outside health services for our inmates through the use of this contract.

**4. Explain any legal and/or policy issues involved.**

The Public Contracting Review Board (PCRB rule 47-0275) allows sole-source procurements and exemption from the competitive contracting process if it is determined to serve the best interest of the public.

**5. Explain any citizen and/or other government participation that has or will take place.**

The Purchasing Division will post notice on the county's website that the service will be obtained from Correctional Health Partners. Prior to award, public comment or protests may be submitted for consideration.

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**Required Signature**

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**Elected  
Official or  
Department  
Director:**

/s/ Joanne Fuller

**Date:**

May 2, 2017