

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF A NEW DEPARTMENT OF MENTAL HEALTH SOLE
SOURCE CONSULTANT SERVICES AGREEMENT WITH OUTLOOK
ASSOCIATES, LLC AND QUALIS HEALTH
(ALL SUPERVISORIAL DISTRICTS)**

REQUEST

Approve and authorize the Director of the Department of Mental Health or his designee to prepare, sign and execute a new Department of Mental Health (DMH) sole source Consultant Services Agreement with Outlook Associates, LLC. (Outlook) and Qualis Health (Qualis).

PURPOSE/JUSTIFICATION

The purpose of the requested action is to enter into a new sole source Consultant Services Agreement with Outlook and Qualis to provide expert assistance in specification, selection, acquisition, and implementation of an Integrated Behavioral Health Information System (IBHIS). Currently, DMH does not have essential clinical information systems to support the delivery of mental health services to residents of Los Angeles County. Multiple County departments and agencies serve the same client population as DMH. Sharing of data is limited, fragmented, and labor intensive. A health services delivery network on the scale of DMH cannot operate efficiently and effectively without clinical information systems and the ability to effectively share data.

DMH was preparing to release a Request For Proposal (RFP) to obtain a clinical and financial information system in 2001 when the compliance deadline for the Health Insurance Portability and Accountability Act (HIPAA) forced the cancellation of nearly all other information systems related projects. Had DMH known that the Federal Centers for Medicare and Medicaid Services would extend the October 2002 deadline to October 2003, DMH would have proceeded with its procurement at that time.

DMH now faces another set of deadlines with Mental Health Services Act (MHSA) requiring improved automation support for clinical services delivery and greatly improved ability to capture and report on client outcome and program performance measures. DMH plans to select a commercial –off-the-shelf (COTS) software application that has a track record of success in other large mental health services delivery organizations. The application will be vendor

supported and maintained, with broad functionality to meet DMH requirements including core clinical functionality with tightly integrated financial and claims processing modules to achieve efficiency and claims processing reliability. The combined clinical and financial system that will result is called IBHIS.

BACKGROUND

On November 9, 2004, DMH issued County Purchase Order Number R40716 for the provision of consulting services to develop an entirely new strategic direction for its FY 2005-2006 Business Automation Plan.

On March 28, 2005, DMH issued County Purchase Order Number R41621, to commence the initial planning efforts in establishing a revenue management function within DMH that resulted in the documentation of current processes, flow charts identifying gaps, and points of error in the current systems and processes. This process provided a detailed quantification of claims of transactions lost, delayed, or incorrectly processed at each gap or point of error.

On May 10, 2005, the Board approved a sole source Consultant Services Agreement Number DMH-02380 (Revenue Management Function Agreement) with Outlook Associates, Inc., to provide expert assistance in establishing a revenue management function within DMH to ensure that revenue related business process changes are coordinated in conjunction with available automation tools, both existing and planned. The term of the Agreement was effective upon Board approval and was not to exceed 24 months from the date of execution.

Effective December 28, 2005, Qualis Health acquired Outlook Associates, Inc., as its wholly-owned subsidiary. Also, effective December 28, 2005, Outlook Associates, Inc. changed its corporate name to Outlook Associates, LLC. As part of such corporate acquisition, Qualis acquired all the assets, facilities and personnel of Outlook, and assumed all its obligations, responsibilities, liabilities and rights. Outlook and Qualis represented, and continue to represent to the County that such corporate acquisition will not have any negative financial or service delivery impact on the County under the proposed Agreement.

DMH conducted a thorough review of such acquisition pursuant to the standards set forth in the Board Policy on Contractor Mergers/Acquisitions, approved by the Board on July 19, 2005, and found Qualis to be a viable and experienced entity

capable of performing the services required under the existing Revenue Management Function Agreement and the proposed Agreement. Accordingly, DMH recommended to the Board, approval of the delegation and assignment of the Revenue Management Function Agreement on February 23, 2006, which was approved and adopted on March 7, 2006.