

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**APPROVE AN AGREEMENT WITH NETSMART TECHNOLOGIES, INC.,  
FOR AN INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM  
AND APPROVAL OF AN APPROPRIATION ADJUSTMENT  
FOR FISCAL YEAR 2011-12  
(ALL SUPERVISORIAL DISTRICTS)  
(4 VOTES)**

**SUBJECT**

Request approval of an agreement with Netsmart Technologies, Inc. to acquire, install, configure, implement, maintain, and host a commercially available off-the-shelf, web-enabled, integrated clinical, administrative, and financial information system otherwise known as the Integrated Behavioral Health Information System and approval of an appropriation adjustment.

**REQUEST**

Approve and instruct the Mayor of your Board to sign the Agreement with Netsmart Technologies, Inc. (Netsmart), for the provision of an Integrated Behavioral Health Information System (IBHIS or the System). The Term of the Agreement is effective upon Board approval and expires one year following Final System Acceptance (Initial Term). County may extend the Agreement on a year-to-year basis for nine additional, consecutive one year terms (Option Term). In addition to any Option Terms, the County may exercise the right to extend the Term on a month-to-month basis for up to 12 additional months following the expiration of any Option Term. If all such options are exercised, the overall Term of the Agreement will be approximately 11 years. The total Contract Sum of the IBHIS Agreement is \$93,316,793, fully funded by Mental Health Services Act (MHSA) and Sales Tax Realignment revenues. The Fiscal Year (FY) 2011-12 estimated cost is \$13,097,000; delegate authority to the Director of Mental Health, or his designee, to approve and execute Change Notices with respect to the Agreement that: (1) exercise extension options; 2) obtain Other Professional Services provided the amounts payable under such Change Notices do not exceed the available amount of Pool Dollars; and (3) do not otherwise materially affect the scope of work, Term of Agreement, Contract Sum, payments, or any term or condition of the Agreement; delegate authority to the Director of Mental Health, or his designee, to execute future amendments to the Agreement which add or change certain terms and conditions as required by your Board, subject to review and approval by County Counsel and the Chief Information Officer (CIO), and notification to your Board and the Chief Executive Officer (CEO); approve the Request for Appropriation Adjustment for FY 2011-12 in the amount of \$13,097,000 to provide spending authority for the IBHIS Agreement, fully funded by State MHSA revenue. The Appropriation Adjustment transfers \$13,097,000 from the Mental Health Services Act Fund - Designation for Budgetary Uncertainties to the General Fund Department of Mental Health (DMH) -Services and Supplies budget.

**PURPOSE/JUSTIFICATION**

On February 3, 2009, your Board unanimously approved a motion to have IBHIS interface effectively, using national standards where and when they are available, with other County information systems, such as Enterprise Master Person Index (EMPI) and a Department of Health Services (DHS) Electronic Health Record (EHR) system, in order to better coordinate

services, support care delivery efficiency, and control costs. Following the release of the Request for Proposals (RFP) and vendor selection, the Department negotiated an Agreement with Netsmart to provide the County with a fully integrated, state-of-the-art, operationally proven, web-enabled, commercially available off-the-shelf (COTS) software system consistent with DMH requirements for an IBHIS that will support multiple simultaneous users and interface with several existing and planned County information systems. Netsmart is providing a standards-based information system designed with the understanding that the modern healthcare environment requires the ability to exchange information reliably and securely with other healthcare organizations. IBHIS will provide clinical, administrative, financial, and data sharing functionality; this is a much broader scope of functionality than the simple claims processing capability of the existing Integrated System (IS).

Approval of the recommendations will approve an Agreement with Netsmart to provide DMH with an IBHIS, as well as ongoing Maintenance and Support Services, Hosting Services, application management and other related services. Under the recommended Agreement, DMH will have full use of Netsmart's state-of-the-art, cost effective infrastructure to technically support its programs, produce continuing efficiencies, streamline processes, and eliminate duplicate efforts. The ultimate goal of DMH is to migrate to a paperless health record environment by obtaining a product that will enable the Department to meet the federal and state mandates for an EHR and meet County's Strategic Plan goal to achieve a seamless electronic exchange of selected health and human services data across County providers.

## **BACKGROUND**

The MHPA, passed by California voters in November 2004, makes an EHR system necessary in order for DMH to meet State-mandated mental health service delivery, data collection, and data reporting requirements. DMH cannot meet MHPA program transformation and reporting expectations with its current information system. DMH must also comply with provisions of the American Recovery and Reinvestment Act (ARRA), California Medi-Cal Uninsured Care 1115 Waiver (1115 Waiver), numerous State and federal requirements including the HITECH Act under the ARRA, and DHS related care-coordination services. As a result, on November 18, 2009, DMH issued an RFP to select a COTS, web-enabled, integrated clinical, administrative, and financial information system to replace DMH's existing legacy mainframe-based Mental Health Management Information System (MHMIS) and the web-based "wrapper" of the MHMIS known as the IS for claims processing functions.

Upon the release of a second RFP and the resulting vendor selection, DMH entered into negotiations with Netsmart. The recommended Agreement also contains certain applicable information technology provisions to protect the County in the event of Netsmart's deficient performance and/or breach of warranties, including intellectual property indemnification, assessment of credits against maintenance for Netsmart's failure to correct deficiencies timely, and Termination for Default. The Department believes the language negotiated is commercially reasonable and does not impose an unacceptable risk or burden to the County.

**DMH Contact:**

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**APPROVED BY:**

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Chief Information Office – Henry Balta

FS\_Netsmart Technologies, Inc./IBHISAgmmt/Oct. 2011