

4. MEDICAL SERVICES -- DEPARTMENT OF CORRECTIONS
FUNDING -- DEPARTMENT OF CORRECTIONS
 (Request sent to 127 vendors)

RFP #21-0054 Contract

Turn Key Health Clinics, LLC		VitalCore Health Strategies, LLC		Wellpath LLC	
Juvenile Detention & Residential - Medical		Juvenile Detention & Residential - Medical		Juvenile Detention & Residential - Medical	
Annual cost of services	\$578,364.00	Year 1 (24/7) Per Diem	\$792,828.48 \$27.43 (67 ADP)	Year 1 Per Diem	\$931,027.00 \$46.38 (55 ADP) +\$2.98 (Above 60 ADP)
Per Diem for Jan 1, 2023 through December 31, 2025	\$21.38 (75 ADP)	Year 2 (24/7) Per Diem	\$816,613.33 \$28.26 (67 ADP)	Year 2 Per Diem	\$958,961.00 \$47.77 (55 ADP) +\$3.07 (Above 60 ADP)
Year 4 Escalator/Inflationary Factor	3.5%	Year 3 (24/7) Per Diem	\$841,111.73 \$29.10 (67 ADP)	Year 3 Per Diem	\$987,726.00 \$49.20 (55 ADP) +\$3.16 (Above 60 ADP)
Year 5 Escalator/Inflationary Factor	3.5%	Year 4 Escalator/Inflationary Factor	3%	Year 4 Escalator/Inflationary Factor	3%
Juvenile Detention & Juvenile Residential Option #1 Mental Health		Year 5 Escalator/Inflationary Factor		Year 5 Escalator/Inflationary Factor	
Year 5 Escalator/Inflationary Factor		3%		3%	
Cost for Mental Health Services are included in the Medical Costs explained in RFP Attachment C1 Forms		Juvenile Detention & Juvenile Residential Option #1 Mental Health		Juvenile Detention & Juvenile Residential Option #1 Mental Health	
Adult Residential & Work Release Option #2 Health Assessments and Medication Management		Year 1 Per Diem	\$331,714.24 \$13.56 (67 ADP)	Year 1 Per Diem	\$308,139.00 \$15.35 (55 ADP) +2.98 (Above 60 ADP)
Annual cost of services	\$257,916.00	Year 2 Per Diem	\$341,665.67 \$13.97 (67 ADP)	Year 2 Per Diem	\$317,384.00 \$15.81 (55 ADP) +\$3.07 (Above 60 ADP)
Per Diem for Jan 1, 2023 through December 31, 2025	\$4.71 (75 ADP)	Year 3 Per Diem	\$351,915.64 \$14.39 (67 ADP)	Year 3 Per Diem	\$326,905.00 \$16.28 (55 ADP) +\$3.16 (Above 60 ADP)
Year 4 Escalator/Inflationary Factor	3.5%	Year 4 Escalator/Inflationary Factor	3%	Year 4 Escalator/Inflationary Factor	3%
Year 5 Escalator/Inflationary Factor	3.5%	Year 5 Escalator/Inflationary Factor	3%	Year 5 Escalator/Inflationary Factor	3%
Adult Residential & Work Release Option #3 Mental Health		Adult Residential & Work Release Option #2 Health Assessments and Medication Management		Adult Residential & Work Release Option #2 Health Assessments and Medication Management	
Cost for Mental Health Services are included in the Medical Costs explained in RFP Attachment C3 Forms		Year 1 Per Diem	\$420,357.44 \$7.68 (150 ADP)	Year 1 Per Diem	\$472,803.00 \$23.55 (55 ADP) +\$2.98 (Above 60 ADP)
		Year 2 Per Diem	\$432,968.16 \$7.91 (150 ADP)	Year 2 Per Diem	\$486,986.00 \$24.26 (55 ADP) +\$3.07 (Above 60 ADP)
		Year 3 Per Diem	\$445,957.21 \$8.15 (150 ADP)	Year 3 Per Diem	\$501,597.00 \$24.99 (55 ADP) +\$3.16 (Above 60 ADP)
		Year 4 Escalator/Inflationary Factor	3%	Year 4 Escalator/Inflationary Factor	3%
		Year 5 Escalator/Inflationary Factor	3%	Year 5 Escalator/Inflationary Factor	3%
		Adult Residential & Work Release Option #3 Mental Health		Adult Residential & Work Release Option #3 Mental Health	
		Year 1 Per Diem	\$184,103.92 \$3.36 (150 ADP)	Year 1 Per Diem	\$343,898.00 \$17.13 (55 ADP) +\$2.98 (Above 60 ADP)

		Year 2 Per Diem	\$189,627.04 \$3.46 (150 ADP)	Year 2 Per Diem	\$354,215.00 \$17.64 (55 ADP) +\$3.07 (Above 60 ADP)
		Year 3 Per Diem	\$195,315.85 \$3.57 (150 ADP)	Year 3 Per Diem	\$364,841.00 \$18.17 (55 ADP) +\$3.16 (Above 60 ADP)
		Year 4 Escalator/Inflationary Factor	3%	Year 4 Escalator/Inflationary Factor	3%
		Year 5 Escalator/Inflationary Factor	3%	Year 5 Escalator/Inflationary Factor	3%
					On-Site Dialysis Program
No Bid	Benefits Direct Insurance Network	Blue Cross & Blue Shield of Ks	Humana - Overland Park	Isolved Benefit Services	Mid-American Sports Medicine Orthopedics
	Primary Care Associates	Roll Form Group US, Inc.	Specialty Fabrication, Inc.	Trever Patton, PHD	Tri-Star Benefits Systems Inc.
	Tristar Risk Management	Tryon & Heideman, LLC	Unishippers of Wichita	United Healthcare Services Inc.	

On the recommendation of Joe Thomas, on behalf of the Department of Corrections, Anna Meyerhoff-Cole moved to **accept the negotiated proposal from VitalCore Health Strategies, LLC for contracted pricing shown above effective January 1, 2023 for a period of three (3) years with two (2) one (1) year options to renew.** Tim Myers seconded the motion. The motion passed unanimously.

An evaluation committee comprised of Steven Stonehouse, Jodi Tronsgard, Stephanie Lane, Lori Gibbs, and Shawn Dowd - Department of Corrections; and Joseph Thomas – Purchasing evaluated the proposal responses based on criteria set forth in the RFP. The committee unanimously agreed to accept the proposal from VitalCore Health Strategies, LLC.

The Department of Corrections is retaining the professional services to provide comprehensive health and mental health services to the client population. These services shall consist of medical, nursing, mental health (social work, psychiatry), medical records, lab, X-ray, ancillary services, pharmacy, medical dispensing to clients, as well as off-site emergency, outpatient specialty, inpatient hospitalization services, and medical assessments of all new direct care employees.

It is the goal of the county that the vendor provides as many services as possible on-site, within the confines of the Sedgwick County Department of Corrections' Facilities and Programs to minimize community trips.

Notes:

This is a proposal and not a bid. Proposals are scored based on criteria set forth in our RFP. There are 12 components to this RFP:

Component	Points
General Requirements	
a. Organization capabilities & Experience client list and references (Sections 4.2 & 4.4)	10
b. Staff qualifications – governance and administration (Section 4.3)	10
c. Litigation and claims history and experience (Section 4.5)	5
Technical Requirements	
a. Scope of Services (Section 5.0B)	10
b. Staffing (Sections 5.1-5.6)	10
c. Health promotion and disease prevention (Section 5.7)	5
d. Special needs services (Section 5.8)	5
e. Health Records (Section 5.9)	5
f. Pharmaceuticals (Section 5.26)	5
g. Diagnostic services/ Hospital and specialized ambulatory care (Sections 5.28 & 5.39)	5
h. All other requirements (All other elements of section 5)	10
Cost	20
Total Points	100

Questions and Answers presented on February 24, 2022 at Bid Board

Brandi Baily: In the column where it talks about Year 1 Per Diem and Year 2 Per Diem then the next column there's a sum of \$27.43 (67 ADP), can you explain what Per Diem is? When I multiply the \$27.43 by 67 and times it by 365, I don't come up with this number that is here. I don't understand the pricing.

Steve Stonehouse: That's the calculation they used and put in the bid.

Joe Thomas: The difference too is the fact they gave us two (2) options Brandi. One (1) was 6:00 am to 9:00 pm and we chose the 24 hours/7 days a week option. I believe they listed Per Diem in the original and it was negotiated and we took the 24/7. Is that correct Steve?

Steve Stonehouse: Yes. Right now we have 6:00 am to 9:00 pm. This contract moves us into 24 hours/7 days a week nursing staff onsite in anticipation of some changes we'll be making to our policies and procedures in the building.

Joe Thomas: In the Per Diem, they gave us the average daily population they were going to quote on, but that didn't cover all the costs. Is that correct Steve?

Steve Stonehouse: That was based on the personnel only. The pharmacy and things like that were extra.

Brandi Baily: So their calculation is based on not a 24/7 right? It's based on a 9:00 am to 8:00 pm rate?

Joe Thomas: I think what Steve was saying they also based this strictly on personnel and they leave out some of the other costs. That's the common thing they do for this industry. Isn't that right?

Steve Stonehouse: I believe so. That's what we got from the other quotes. The \$792,828.48 is what we're accepting. That encompasses all of the services that were read into the record for 24 hours a day, 7 days a week.

Brandi Baily: That's just on Medical and if we want Mental Health, Year 1 would be \$331,714.24?

Steve Stonehouse: Yes. We would stop providing that in-house so that would be a reduction in our budget in that area and a increase in our contractual arrangements with them.

Brandi Baily: OK then at Year 4 and 5 the 3% escalation they are just going to add an additional 3% to the pricing?

Steve Stonehouse: Yes.

Russell Leeds: By approving this contract, are we obligating Department of Corrections and the county to pay Options 1, 2 and 3?

Joe Thomas: Yes it could. We're taking the Juvenile regular Medical along with the Mental Health and then on the Adult Residential, we're taking the Health Assessments and Medication Management and the Mental Health. We're taking all four (4). Right Steve?

Steve Stonehouse: Yes. Currently Adult Residential does not have Mental Health or Medical Services but it is something that is addressed in their standards and something we feel like needs to be included so these decisions are not being made by Corrections staff in the Emergency Room. It would be more in a clinic set up. This would be 6:00 am to 6:00 pm at the Adult Residential Facility. When we negotiate an actual contract, if we are able to hire mental health people at JDF we won't necessarily have to go forward with this Proposal but it's so far ahead of time we wanted to include it in case we're in a situation where we are understaffed. We are understaffed today but we recognize we need Mental Health staff and this might be the only way we can get it.

Brandi Baily: So Turn Key Health says its Mental Health Services are included in their Medical costs and that's only \$578,364.00 whereas VitalCore if we look at their Medical costs plus Mental Health is over \$1,000,000.00. So why are we going with the \$500,000.00 more service?

Steve Stonehouse: This is a Request for Proposal and we chose not to go with the proposal of nursing staff for our Mental Health staff. We prefer to have psychologists and social workers doing that work instead of nursing staff. We also talked to references and VitalCore by far had better references.

Brandi Baily: I just have some issues because we're committing almost \$1.2 million more over the term of this contract by going with VitalCore. Is it worth that?

Steve Stonehouse: I think it would be. I hear what you're saying but take a look at Wellpath on the far right who is our current provider. They are here and know what they are in for with us and that's what they're proposing to do it for. That's why we felt the middle option was the better option.

Anna Meyerhoff-Cole: Correct me if I'm wrong but what I understood is you will only be using that option for Mental Health if you need to because of staffing issues?

Steve Stonehouse: Yes. The department is going to spend it either by employing these folks or by contracting with these folks.

Anna Meyerhoff-Cole: So then it would be the cost is higher because you are getting people who actually have the experience and qualifications to provide mental health services? They are just not nursing staff.

Steve Stonehouse: Yes. Nursing has a component in it but we currently provide and we want to continue to provide assessments, group, and referrals for services when the kids leave the facilities. Wellpath and VitalCore offer more similar of what we have right now. We definitely do not want to reduce our Mental Health services. That's what we felt like Turn Key offered was a reduction in services and we aren't interested in that.

Joe Thomas: I'm not saying Turn Key is guilty of this but we find in quite a few cases when you have a new provider wanting to get their foot in the door, they will quote low prices and in time say "we didn't know this" and could request Change Orders. No different than what we have seen in some construction projects. Again, not saying that Turn Key would do this but that was a concern due to not knowing what level of service we require. Right Steve?

Steve Stonehouse: Yes. We've asked also for them to staff for coverage so if somebody is sick, we still need their service to be provided. We felt like VitalCore had a decent proposal to be able to fill the positions and to cover if in the fact of sickness, FMLA, or things like that. We still have to have these services provided. We heard differently from references about some of the other vendors.

Russell Leeds: Currently we are in a contract for Health services for Juvenile only correct?

Steve Stonehouse: Yes.

Russell Leeds: This does not include Mental Health?

Steve Stonehouse: It does not.

Russell Leeds: Is the VitalCore pricing for 2023 similar to or higher than what we are currently paying in our current contract?

Steve Stonehouse: It is. We currently pay \$537,000.00.

Russell Leeds: That's for Juvenile Detention and Residential Medical only?

Steve Stonehouse: Yes.

Anna Meyerhoff-Cole: When did we enter into that contract for that rate set?

Steve Stonehouse: They gave us about a 3% increase at the beginning of the pandemic. So I'm going to say 2020, maybe 2019. We did not bid it at that time. We just took it as it was. That would have been the third year of our contract so we are in 3, 4, 5 years.

Russell Leeds: There's some complexity behind that.

Anna Meyerhoff-Cole: Yes. That would be the rates were set before the pandemic. What we're seeing in health costs now are changes of rates of pay for medical staff.

Steve Stonehouse: Correct. If you look at their proposal, they're almost \$1 million just in medical, almost \$400,000.00 more with them, the same provider. I know that we need these people to perform in order for us to pass our auditing guidelines and our surveys by the state and that was some of the feedback that we considered with how our references were able to perform in their audit by these providers.

Brandi Baily: When we were talking about the Mental Health, you said you are still going to keep your Mental Health staff on with you?

Steve Stonehouse: We are short right now and are trying to hire but if we can't, we'll go into this contract.

Anna Meyerhoff-Cole: What are the position classifications for those Mental Health staff you are referring to? What are their titles?

Steve Stonehouse: Senior Social Workers.

Brandi Baily: How many of those position do you have out there you are looking for?

Steve Stonehouse: It's going to be a total of three (3) here in a month. We've gotten one (1) application.

Tim Myers: How long has that been open?

Steve Stonehouse: 60 days.

Russell Leeds: We've had some conversations with HR regarding that issue. Is there a time sensitivity on this Joe?

Joe Thomas: Generally we ask them to hold their prices for 120 days. This came back on November 2nd. We're getting close.

Brandi Baily: For me, I still have issues with the calculations of the pricing.

Russell Leeds: I have questions I need answered.

Joe Thomas: We can ask them to come back next week to make sure we're ok. You can send us the questions you have and we'll get you answers.

Russell Leeds: I would move we defer this for a week to get a little more research and digging.

Brandi Baily: Turn Key's ADP is 75 and VitalCore's ADP is 67. What is the average daily population at Juvenile right now?

Steve Stonehouse: For both places, plus JIAC, it is between 50-60.

Brandi Baily: So if we go over the 67 ADP with VitalCore, what's the pricing?

Steve Stonehouse: They have in their proposal if it's over a certain amount of time, it would have to be renegotiated. I don't believe they gave a number like the other two (2) did.

Anna Meyerhoff-Cole: Next week if you could bring back what that threshold is and maybe how often in the last three (3) years we've surpassed it. That would be good information to know.

Steve Stonehouse: We've never surpassed it. That was part of the bid. They wanted to know what the numbers looked like.

Joe Thomas: So if each of you would like to send me your questions, please do so via e-mail. We'll get the answers and bring this back to you next week if that's the will of the Board.

Questions and Answers presented on April 28, 2022 at Bid Board

Tim Kaufman: I see this price is calculated on particularly on Juvenile at 67 ADP. Is there a reconciliation on a monthly basis or an annual basis if ADP doesn't reach 67 or are we charged the full amount no matter what ADP is?

Steve Stonehouse: We didn't do a calculation less than 67. That wasn't included in the proposal.

Tim Kaufman: It appears that if we exceed 67, is that at any point in time in a given month or is that the average monthly and not the average annual?

Steve Stonehouse: Yes. It is average monthly.

Tim Kaufman: There's an escalator clause then?

Steve Stonehouse: Yes.

Tim Kaufman: One of the options included in here is mental health. I know that the department is also attempting to fill some vacancies where they may not need that particular service. Is there a way to reduce the contractual obligation if the department is able to hire positions to deliver that service?

Kirk Sponsel: I think what's before the board and I certainly haven't seen the RFP but I assume there's probably an expectation within the RFP that would be provided and these are the expected costs associated with that. I kind of think that at this juncture we're probably subject to what's in the RFP. I don't have it directly in front of me at this time. I think we could probably go back and discuss it. At some point we start going into the point of is this a material deviation from what was originally put out in the RFP. So I do have some concerns.

Joe Thomas: Steve, when we had our evaluations we did make known to them there would be possibilities of fluctuations based on our hiring of personnel or needing outside help?

Steve Stonehouse: Yes. We've included mental health in the last two (2) RFP's that we've done but we've never been in a situation where we actually thought we would need it. We were gauging what the market looked like to provide it. So if we got to the point at the contract we would discuss with them if we actually needed those services or not. That is what we discussed with the vendors that I recall.

Kirk Sponsel: For clarification, so there is a potentially an opportunity that we don't need any mental health assistance, is that correct?

Steve Stonehouse: Yes.

Kirk Sponsel: It is listed as a separate category on here so I think it was probably defined differently in the RFP. We have it made now where it's in front of the board right now that we are accepting them for Option 1 for the mental health services. I think if we want to accept VitalCore but not for all the options then that should be made clear at this juncture.

Anna Meyerhoff-Cole: Steve, of the positions that you would potentially contract to fill those services, how many are vacant now versus how many are filled?

Steve Stonehouse: Three (3) are vacant and 0 (zero) are filled.