



Interoffice Memorandum

October 18, 2021

TO: Mayor Jerry L. Demings
-AND-
County Commissioners

C.M.

Carrie Mathes CFCM, NIGP-CPP, CPPO, C.P.M., Manager, Procurement Division

CONTACT: Claudia Yabrudy, Manager, Fiscal and Operational Support Division, Health Services Department
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SUBJECT: Approval of Amendment No. 5, Contract Y18-1070, Third Party Administration Services for Orange County Health Services Department

ACTION REQUESTED:

Approval of Amendment No. 5, Contract Y18-1070, Third Party Administration Services for Orange County Health Services Department, with Health First Administrative Plans, Inc., in the amount of \$3,000,000, for a revised contract amount of \$17,740,000.

PROCUREMENT:

The Health Services Department is dedicated to provide services to promote the health and welfare of Orange County citizens. In order to process payment for the vast amount of medical claims, the department contracts with a third party administrator to review, adjudicate, and process payments in an accurate and efficient manner.

This amendment increases the amount of the current contract due to an increase in inmate hospitalization costs and to cover the adjudication fees and the amount paid to providers for the actual cost of medical services.

FUNDING:

Funding is available in account numbers 7018-060-7302-3197, 0001-081-3806-3197, and 0001-060-2502-3197.

APPROVALS:

The Health Services Department concurs with this request.

REMARKS:

On December 18, 2018, the Board authorized award of contract Y18-1070 to Health Services Administrative Plans, Inc in the amount of \$10,740,000 for a one-year term. The Board also authorized the Procurement Division to renew the contract for four additional one-year terms.

The Health Services Department provides a variety of services, including medical and mental care to inmates housed at the Orange County jail, medical services for the County's indigent healthcare program (Medical Clinic – PCAN), and coordination of medical care to consumers living with HIV/AIDS enrolled in the Ryan White Part A Program. This increase is required to due the increased cost of inmate hospitalizations.

Working with numerous providers in the area, the Health Services Department processes thousands of medical claims every year to pay for services rendered by the contracted providers. The vendor assists the Health Services Department in the processing of medical claims and payment adjudication and processing.

Previous contract amendments are as follows:

- Amendment No. 1: Renewed the contract for the period of January 1, 2020 through December 31, 2020 at the same terms, conditions, and prices.
- Amendment No. 2: Increased the contract amount by \$2,000,000, from \$10,740,000 to \$12,740,000 to cover the cost of increased inmate hospitalizations and to cover the adjudication fees and the amount paid to providers for the actual cost of medical services. This increase was approved by the Board on July 28, 2021.
- Amendment No. 3: Renewed the contract for the period of January 1, 2021 through December 31, 2021.
- Amendment No. 4: Increased the contract amount by \$2,000,000, from \$12,740,000 to \$14,740,000 to cover the cost of increased hospitalizations of inmates at Orange County Corrections Department. This increase was approved by the Board on August 10, 2021.