



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



DATE: May 3, 2011
BOARD MEETING DATE: June 7, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Jean S. Fraser, Chief, Health System
Stephen Kaplan, Interim Director, Behavioral Health & Recovery Services

SUBJECT: AppleOne Employment Services, Third Amendment

RECOMMENDATION:

Adopt a Resolution authorizing the President of the Board to execute a Third Amendment to the Agreement with AppleOne Employment Services for temporary staffing services; increasing the maximum obligation by \$11,497 to \$369,847, with no change to the Agreement term of November 1, 2008 through June 30, 2011.

BACKGROUND:

In June 2008 Behavioral Health and Recovery Services (BHRS) released a Request for Proposals for the provision of temporary clerical and billing staffing services in order to staff the concurrent operation of the two business systems: the original business system and the new business system during its implementation period. Five proposals were received and reviewed, AppleOne Employment Services (AppleOne) was recommended for the provision of these services.

On October 28, 2008, your Board approved an Agreement with AppleOne Employment Services for the provision of temporary clerical and billing staffing services for BHRS from the period of November 1, 2008 through June 30, 2010. Your Board also granted the Chief of the Health System authority to execute amendments up to an aggregate of \$25,000, and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

On April 15, 2010, the Chief of the Health System approved a First Amendment, extending the term of the Agreement from June 30, 2010 to June 30, 2011, with no change to the Agreement maximum.

On April 26, 2011, the Chief of the Health System approved a Second Amendment to increase the total amount by \$25,000 to a new maximum of \$358,350.

DISCUSSION:

The Agreement is being amended a third time because unforeseen difficulties have delayed implementation of the new electronic medical record necessitating an increase in the total amount by \$11,497 for a new maximum of \$369,847.

The Amendment and Resolution have been reviewed and approved by County Counsel.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing temporary staffing services and the timely and proper administration of third party revenues and client fees. The services provided through this Amendment contribute to this measure. The anticipated percent increase in third party revenues and client fees over the prior year is -6%.

Performance Measure:

Measure	FY 2010-11 Estimate	FY 2011-12 Projected
Percentage increase in third party revenues and client fees over prior year	-6%*	-6%*

** Primarily due to the reduction in Federal reimbursement of Medi-Cal services.*

FISCAL IMPACT:

The term of the Agreement is November 1, 2008 through June 30, 2011. The maximum obligation is increased by \$11,497, for a new maximum obligation of \$369,847. Funds for these services in the amount of \$236,497 will be entirely funded by the Mental Health Services Act. There is no Net County Cost. Funds for these services have been included in the BHRS FY 2010-11 Adopted Budget.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

*** * * * ***

RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH APPLEONE EMPLOYMENT SERVICES FOR TEMPORARY STAFFING SERVICES; INCREASING THE MAXIMUM OBLIGATION BY \$11,497 TO \$369,847, WITH NO CHANGE TO THE AGREEMENT TERM OF NOVEMBER 1, 2008 THROUGH JUNE 30, 2011

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on October 28, 2008, this Board approved an Agreement with AppleOne Employment Services , for the provision of temporary staffing services for Behavioral Health and Recovery Services and authorizing the Chief of the Health System or designee to execute contract amendments which modify the funding amount by no more than \$25,000 in aggregate, for the term of November 1, 2008 through June 30, 2010, for a maximum obligation of \$333,350; and

WHEREAS, on April 15, 2010, the Chief of the Health System approved a First Amendment to the Agreement to extend the term of the Agreement from June 30, 2010 to June 30, 2011, with no change to the Agreement maximum; and

WHEREAS, on April 26, 2011, the Chief of the Health System approved a Second Amendment to the Agreement to increase funding in the amount of \$25,000, for a new maximum obligation of \$358,350, with no change to the Agreement term; and

WHEREAS, there has been presented to this Board of Supervisors a Third

Amendment to the Agreement whereby to increase funding in the amount of \$11,497, for a new maximum obligation of \$369,847, with no change to the Agreement term; and

WHEREAS, this Board has examined the Third Amendment to the Agreement and has approved it as to both form and content and desires to enter into the Amended Agreement.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the President of the Board of Supervisors be and is hereby authorized and directed to execute said Amendment for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

* * * * *

**THIRD AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
APPLEONE EMPLOYMENT SERVICES**

THIS THIRD AMENDMENT is entered into this _____ day of _____, 20_____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and AppleOne Employment Services, hereinafter called "Contractor"

WITNESSETH:

WHEREAS, on October 28, 2008, the parties hereto under Resolution 069771 entered into an agreement, (the "Original Agreement"), for the provision of temporary staffing services for Behavioral Health and Recovery Services (BHRS) by Contractor to County as set forth in that Agreement for a maximum obligation of \$333,350 for the term of November 1, 2008 through June 30, 2010; and

WHEREAS, on April 15, 2010, the Chief of the Health System amended the Original Agreement to extend the term of the agreement from June 30, 2010 to June 30, 2011 with no change to the maximum obligation of \$333,350; and

WHEREAS, on April 26, 2011, the Chief of the Health System approved a Second Amendment to increase funding in the amount of \$25,000 for a new maximum obligation \$358,350 with no change to the Agreement term; and

WHEREAS, it is now necessary and the mutual desire and intent of the parties hereto to once again amend the Original Agreement to increase the maximum amount by \$11,497 for a new maximum obligation of \$369,847, and no change to the Agreement term.

NOW, THEREFORE, the Original Agreement is hereby amended to read as follows:

3. A. Maximum Amount:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein, in Exhibit A2, Other Drug, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B1 and attachments herein for the contract term. The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable.

Exhibit B. Section B . . . is hereby deleted and replaced by Exhibit B2 Section B... as follows:

The total fiscal obligation under this Agreement shall not exceed THREE HUNDRED SIXTY-NINE THOUSAND EIGHT HUNDRED FORTY-SEVEN DOLLARS (\$369,847).

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES THAT:

1. The Original Agreement between the parties dated June November 1, 2008, as amended by a First Amendment on April 15, 2010, by a Second Amendment on April 26, 2011, is

amended as set forth herein

1. This Third Amendment is hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, as amended by the First Amendment, and the Second Amendment, unless expressly deleted, modified, or otherwise superseded in this Third Amendment shall continue to be binding on all parties hereto.

This Third Amendment, including any exhibits and attachments hereto, constitutes the entire understanding of the parties hereto with respect to the amendment to the parties' Original Agreement dated November 1, 2008, as amended on April 15, 2010, on April 26, 2011 and correctly states the rights, duties, and obligations of each party as of this document's date. Any understandings, promises, negotiations, or representations between the parties concerning the amendment to the Original Agreement that are not expressly stated in this document are not binding. All subsequent modifications to this Third Amendment shall not be effective unless set forth in a writing executed by both parties.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors
San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

AppleOne Employment Services

By: _____
Contractor's Signature

Date: _____

APPLEONE EMPLOYMENT SERVICES
FY 2008-11
Exhibit "A-2"

In consideration of the payments set forth in Exhibit "B", Contractor shall provide the following services. All payments under this Agreement must directly support services specified in this Agreement.

I. Description of Services to be Performed by Contractor

Contractor shall provide temporary office workers ("Workers") for the Billing Unit of the Behavioral Health and Recovery Services Division (BHRS) of the Health Department. Workers shall provide services forty (40) hours per week, Monday through Friday, for the contract term, as requested by the Manager of the Billing Unit. The work schedule shall be arranged between Worker(s) and the Billing Manager, subject to the satisfaction of the Billing Manager. Contractor shall provide the number of Workers requested by the Billing Manager. The Worker(s) shall perform the following duties:

- A. Workers shall provide administrative services for the Billing Unit of BHRS under the supervision of the Billing Manager or designee. It is expected that services will be provided at the Health Department Building, 225 37th Avenue, San Mateo, California. Services may be provided at other locations in San Mateo County, as needed by County and subject to approval by the Billing Manager.

Services may include, but not be limited to, the following tasks:

1. Data entry;
2. Preparation of insurance claims;
3. Follow-up on outstanding insurance claims;
4. Spreadsheet preparation including but not limited to:
 - a. Insurance deposits
 - b. Medical records deposits
 - c. Health Plan of San Mateo deposits
5. Posting of insurance zero dollar payments to Accounts Receivable;
6. Filing of insurance claims in client charts;
7. Set up of new client charts;
8. Other duties as requested by Billing Manager or designee.

- B. Workers shall participate in County sponsored training and/or workshops as requested by Billing Manager or designee.

II. Administrative Requirements

- A. The Billing Manager shall have the option to interview each potential individual Worker placed by Contractor. Placement of each Worker shall be subject to approval of Billing Manager.

- B. Contractor shall refer potential Workers to BHRS who are appropriate for long-term (six months or more) placement.
- C. Contractor shall make available health benefits for purchase for all Workers providing services through this Agreement.
- D. BHRS may hire Workers as employees without restriction and without paying conversion fees or other compensation to Contractor.
- E. Contractor will accept referrals from BHRS for placement as Workers. Markup payment rate to Contractor for such Workers shall be at a reduced rate.
- F. Workers may not be deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any Worker(s) of Contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: www.Exclusions.OIG.HHS.Gov.
- G. Workers providing state funded health services may not be deemed an Ineligible Person by the California Department of Health Services (CDHS) in the provision of services for the County through this Agreement. Any Worker determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who has been (1) convicted of a crime involving fraud or abuse of the Medi-Cal program, or (2) suspended from the federal Medicare program for any reason. Ineligibility may be verified by checking: http://files.medi-cal.ca.gov/pubsdoco/publications/bulletins/part1/part1bull_j.asp.
- H. Health Insurance Portability and Accountability Act (HIPAA)
 - 1. Contractor will meet all terms and conditions of the Federal HIPAA regulations.
 - 2. Workers shall comply with County HIPAA policies and procedures, as applicable to services provided.

- I. Contractor agrees to administer/utilize any and all survey instruments as directed by the County Behavioral Health and Recovery Services Division.

III. GOALS AND OBJECTIVES

Contractor shall ensure that the following objectives are pursued throughout the term of this Agreement:

- A. Satisfaction

Goal: To enhance client satisfaction with the services provided.

Objective 1: Ninety percent (90%) of client survey respondents will rate services as above average or better.

Data collection to be completed by the Contractor.

APPLEONE EMPLOYMENT SERVICES
FY 2008-11
Exhibit "B-2"

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

I. Payments

In full consideration of the services provided by Contractor and subject to the provisions of Paragraph 3. ("Payments") of this Agreement, County shall pay Contractor in the manner described below, except that any and all payments shall be subject to the conditions contained in this Agreement.

A. Payment Periods and Rates

1. November 1, 2008 through June 30, 2009
 - a. For Workers who are identified by Contractor and referred directly to County, Contractor shall be paid at rate(s) between \$26.12 and \$29.20 per hour. These payment rate(s) include: 1) payment rate(s) for Worker(s) of between \$19.79 and \$22.12 per hour, and 2) Contractor's administrative costs of thirty-two percent (32%). Specific rate(s) paid to workers shall be set by the BHRS Billing Manager subject to the range established in this paragraph.
 - b. For Workers who are referred by County to Contractor, Contractor shall be paid at rate(s) between \$25.53 and \$28.53 per hour. These payment rate(s) include: 1) payment rate(s) for Worker(s) of between \$19.79 and \$22.12 per hour and 2) Contractor's administrative costs of twenty-nine percent (29%). Specific rate(s) paid to workers shall be set by the BHRS Billing Manager subject to the range established in this paragraph.
 - c. In any case, payment for services for this period shall not exceed ONE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED FIFTY DOLLARS (\$133,350).
2. July 1, 2009 through June 30, 2011
 - a. For Workers who are identified by Contractor and referred directly to County, Contractor shall be paid at rate(s) between \$26.12 and \$29.20 per hour. These payment rate(s) include: 1) payment rate(s) for Worker(s) of between \$19.79 and \$22.12 per hour, and 2) Contractor's administrative costs of thirty-two percent (32%). Specific rate(s) paid to workers shall be set by the BHRS Billing Manager subject to the range established in this paragraph.

- b. For Workers who are referred by County to Contractor, Contractor shall be paid at rate(s) between \$25.53 and \$28.53 per hour. These payment rate(s) include: 1) payment rate(s) for Worker(s) of between \$19.79 and \$22.12 per hour and 2) Contractor's administrative costs of twenty-nine percent (29%). Specific rate(s) paid to workers shall be set by the BHRS Billing Manager subject to the range established in this paragraph.
 - c. In any case, payment for services for this period shall not exceed TWO HUNDRED THIRTY-SIX THOUSAND FOUR HUNDRED NINETY-SEVEN DOLLARS (\$236,497).
- B. In any event, the total payment for services for the term of this Agreement shall not exceed THREE HUNDRED SIXTY-NINE THOUSAND EIGHT HUNDRED FORTY-SEVEN DOLLARS (\$369,847), and County shall have the right to withhold payment if County determines that the quantity or quality of work performed is unacceptable.
- C. County anticipates the receipt of revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should planned or actual revenues be less than the amounts anticipated at the time of the signing of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Director of Health or designee.
- D. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.
- E. In the event this Agreement is terminated prior to June 30, 2011, the Contractor shall be paid for services already provided pursuant to this Agreement.
- F. Invoicing

Payment by County to Contractor shall be monthly. Contractor shall bill County weekly for services provided. Contractor shall submit an original invoice only (faxes are not accepted), and shall include a summary of services and charges. Invoices shall be addressed as follows:

Behavioral Health & Recovery Services
225 37th Avenue
San Mateo, CA 94403
Attention: Anita Galang

- G. Payment shall be made following receipt of monthly invoice provided to County by Contractor. The invoice shall include the number of hours worked for the previous month.
- H. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim:

“Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 200_

Signed _____ Title

Agency _____”

- I. Budget modifications may be approved by the Director of the Health Department or designee, subject to the maximum amount set forth in Paragraph B.
- J. The Director of Health is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.