



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency

Subject: Amendment to Expenditure Agreement with Netsmart Technologies Inc.

Meeting Date: February 25, 2025

Formal Title: Approve amendment to agreement with Netsmart Technologies Inc., to increase the payment schedule by \$315,000 for a new amount of \$2,561,761 to add services for Provider Interoperability, and take related actions

Recommended Actions

1. Approve Amendment No. 1 to a multi-year expenditure rate agreement with Netsmart Technologies, Inc., Contract No. 24H3994, to increase the payment schedule by \$315,000 for a new amount of \$2,561,761, to add solutions and services for Provider Interoperability, and authorize the Health Services Agency Director or designee to sign; and
2. Authorize the HSA Director or designee to sign quotes for additional support and services for the evolution and enhancement of the existing EHR software system up to \$100,000 per fiscal year, per the original terms of Contract No. 24H3994 with Netsmart Technologies, Inc.

Executive Summary

The Health Services Agency (HSA) maintains an ongoing expenditure rate agreement with Netsmart Technologies Inc. (Netsmart) to provide myAvatar, an Electronic Health Record (EHR) software system for HSA's Behavioral Health Division (BHD), and the current agreement expires on June 30, 2026. HSA requests Board approval of this amendment to add solutions and services for Provider Interoperability and increase the contract amount by \$315,000, for a new payment schedule in the amount of \$2,861,761. HSA also requests Board authorization for the HSA Director or designee to sign quotes for additional support and services up to \$100,000 per fiscal year, per the terms of the current agreement, that support and enhance the existing EHR and practice management services.

Discussion

Netsmart provides myAvatar, an EHR software system employed by HSA BHD. The EHR automates the medical practice workflow, providing staff with electronic tools to accomplish and document processes of client care. Electronic records replace paper charts, providing improved shared access to client health records through computer networks.

The initial agreement with Netsmart was approved by the Board in 2014 and covered a term of three years through June 30, 2017. In 2017, the agreement was extended by an additional three years via an amendment, and added provisions for:

1. The purchase of myAvatar's Electronic Prescribing of Controlled Substances Authentication Devices for prescribing psychiatrists to eliminate the multi-step paper workflows for prescribing medications, and provided a secure and efficient electronic prescribing and authentication process; and

2. The purchase of additional support and services for the evolution and enhancement of the existing EHR software system. The contingency funds for these additional support and services are up to \$100,000 per fiscal year.

On June 30, 2020, the Board approved an additional amendment to this agreement to add three more years through June 30, 2023 in the amount of \$2,097,245, to maintain the existing EHR software system service levels, including licenses, hosting, and related maintenance and support, and allow for 3% annual cost increases for the contracted services for the extended, three-year term.

The agreement was renewed in 2023 for a three-year period through June 30, 2026 in the amount of \$2,246,761, with the option for additional support and services up to \$100,000 per fiscal year. The agreement was ratified as part of contracts with various vendors for BHD's Fiscal Year (FY) 2023-24 Continuing Agreements List (CAL) renewals that were processed under the exemption authorized by the Board on August 8, 2023.

The purpose of the proposed amendment to the current agreement is to add solutions and services for Provider Interoperability which includes the ProviderConnect Enterprise solution, services for Managed Services Organization (MSO) and California Practice Management system (CalPM) expansion, a Health Check, and Post Go-Live Support for Provider and Application Management Services, thus expanding and integrating Netsmart's myAvatar solution to automate various processes across multiple domains, including claims, provider configurations, and state reporting requirements. The functionalities to be implemented aim to enhance the user experience through the following features:

- Automation Processes for Contractors and the County:
 - Claims Processing: Automation of claims adjudication via "837" and "835" file configurations, including the use of companion guides and adherence to CalAIM standards.
 - Provider Enrollment and Data Synchronization: Supported provider configuration processes for Janus, as County contractor, and Cal-PM/MSO provider mapping which will ensure the integration and synchronization of data between Janus and myAvatar.
- ProviderConnect Enterprise - Automatic Generation and Manual Interventions:
 - Automated Billing Functions: myAvatar MSO/Cal-PM will automatically generate service codes, claims, and adjustments within the Cal-PM system, reducing the manual workload for county staff.
 - Manual Interventions: Certain billing functions, such as complex adjustments and non-standard service codes, may require manual oversight to ensure compliance with state or federal requirements.
- Integration of State Reporting Requirements:
 - California Outcome Measurement System (CalOMS) and Client Services Information (CSI) Integration: Automated reporting to meet state requirements, such as CalOMS and CSI, is integrated into the system workflow. This allows seamless submission of reports with minimal manual intervention, ensuring compliance with state regulations.
- Synchronization of Client and Provider Information:
 - Data Flow Automation: Automated synchronization of client information across different modules, ensuring that updates in one system are reflected in the Avatar Parent System without manual re-entry.

Board approval of the proposed amendment will ensure the uninterrupted operation of HSA BHD's vital EHR system and the continuum of care of behavioral health services, which is especially important in these challenging times.

Financial Impact

Amendment No. 1 to Contract No. 24H3994 with Netsmart increases the multi-year budget by \$315,000 for a new payment schedule total of \$2,561,761, with adjustments in amounts of \$285,000 in FY 2024-25, and \$30,000 in FY 2025-26. The maximum amount allowable for contingency funds for additional support and services remains up to \$100,000 per fiscal year. Sufficient appropriations are included in HSA BHD's FY 2024-25 Approved Budget under account 363103/62381/H48300. The funding for this agreement is derived from the California Proposition 63 Mental Health Services Act – Community Support and Services funds. No County General Funds are needed nor requested.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety, Operational Excellence

Submitted By:

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Recommended By:

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Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.