

August 27, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AGREEMENT TO PROVIDE EMERGENCY OUTPATIENT AND
INPATIENT HOSPITAL AND MEDICAL SERVICES
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman of the Board to sign the attached agreement with Henry Mayo Newhall Memorial Hospital to provide emergency outpatient and inpatient hospital and medical services to inmates of the Sheriff's Department Pitchess Detention Center, for a term of five (5) years with the option to extend for two (2) twelve(12) month periods and an option for month-to-month extensions thereafter, not to exceed six (6) months, for an estimated total of \$4,500,000, effective upon Board approval.
2. Authorize the Sheriff or his designee to exercise the extension provisions, including the month-to-month extensions, if it is in the best interest of the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended contract with Henry Mayo Newhall Memorial Hospital is to provide emergency outpatient and inpatient hospital services to inmates of the Los Angeles County Sheriff's Department Pitchess Detention Center.

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Henry Mayo Newhall Memorial Hospital is a comprehensive non-profit health care center that has provided emergency outpatient and inpatient medical services to inmates of the Pitchess Detention Center under an agreement since May of 1990. All prior agreements have been approved by your Board of Supervisors. This proposed agreement continues that relationship at no cost increase to the County.

The Los Angeles County Sheriff's Department has over 19,900 male and female inmates in custody. Inmates are incarcerated at six (6) locations throughout the County, including the Pitchess Detention Center. Although medical services are provided by the Department from the time of entry into custody until released, inmate injuries, accidents, and illnesses occur at Pitchess Detention Center which require immediate emergency hospital services on an outpatient or inpatient basis. Henry Mayo Newhall Memorial Hospital is the only facility within reasonable proximity of Pitchess Detention Center capable of providing emergency medical care to the inmate population. Without the service of Henry Mayo Newhall Memorial Hospital, inmates with potentially life-threatening injuries or illnesses would need to be transported greater distances for care and possibly be at risk of death during transport.

FISCAL IMPACT/FINANCING

The cost of this emergency outpatient and inpatient hospital service is not expected to exceed \$4,500,000 over the seven-and-one-half year term of the agreement. The Sheriff's Department has identified funds in its Fiscal Year 2002-2003 operating budget to begin this service.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Henry Mayo Newhall Memorial Hospital has filed for bankruptcy protection in the United States Bankruptcy Court, Central District, under Chapter 11 of the U.S. Bankruptcy Code. This agreement shall be subject to approval by the United States Bankruptcy Court for the Central District of California in Case No. SV 01-20903-AG, entitled In re Henry Mayo Newhall Memorial Hospital, and shall be effective upon the entry of an order by the Court.

This agreement will also be subject to your Board's approval of a settlement agreement of the Civil Tort Claim filed by Contractor on Jun 18, 2002, against the County with respect to amounts owed to Contractor for services rendered to County by Contractor.

This agreement will be effective on the date these two conditions (1. Approval by Bankruptcy Court approval of contract, and 2. Approval by the Board of Supervisors of settlement of the claim) are met.

As instructed by your Board on July 30, 2002, County Counsel is continuing to work with the Sheriff's Department and Henry Mayo Newhall Memorial Hospital to resolve claims for services rendered by Henry Mayo Newhall Memorial Hospital.

On July 30, 2002, your Board instructed the Sheriff's Department to work with County Counsel and Henry Mayo Newhall Memorial Hospital to finalize this agreement. The proposed agreement will provide service until June 30, 2007, with provisions for renewal until June 30, 2009, unless canceled or terminated, and an additional month-to-month extension, not to exceed six (6) months, is included to facilitate unforeseen or extended negotiation issues.

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The agreement provides reimbursement from the Sheriff's Department for 44% of the billed charges for both outpatient and inpatient care.

Henry Mayo Newhall Memorial Hospital has been notified and is in compliance with the Los Angeles County Child Support Compliance Program. Verification has been made through the Department of Child Support Compliance.

The agreement with Henry Mayo Newhall Memorial Hospital provides that the County of Los Angeles has no obligation to pay for expenditures incurred by Henry Mayo Newhall Memorial Hospital beyond the agreement amount. Further, Henry Mayo Newhall Memorial Hospital will not be asked to perform services which exceeds the agreement amount, scope of work, or contract dates.

County Counsel has determined that this agreement is not subject to Proposition A provisions and, therefore, the Living Wage Ordinance does not apply.

This agreement has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

Since Henry Mayo Newhall Memorial Hospital is the only hospital with the capability of providing emergency services close to Pitchess Detention Center, the Department negotiated this contract as a sole source contract.

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IMPACT ON CURRENT SERVICES

The Sheriff's Department will be in accordance with the California Health Facilities Licensure Act (Health and Safety Code, Section 1250, et. seq.) and the regulations promulgated pursuant thereto by the issuance of agreement to Henry Mayo Newhall Memorial Hospital, which is licensed, equipped, staffed, and willing to provide emergency outpatient and inpatient hospital services to persons in custody of the County Sheriff's Department at its Pitchess Detention Center. This agreement will be in accordance with Penal Code Sections 4011 and 4011.5, and Government Code Sections 26227 and 29602.

CONCLUSION

Upon approval by your Board, please return an adopted copy of this action and two originally executed copies of agreement to the Sheriff's Department, Contracts Administration Unit, for further processing.

Respectfully submitted,

LEROY D. BACA
SHERIFF

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LB:PT:MM:TH:SB:sb
(Administrative Services Division - Contracts Unit)

Attachment

- 3: Justice Deputies
Executive Office, Board of Supervisors
Lloyd W. Pellman, County Counsel
Tyler McCauley, Auditor-Controller
Rochelle Goff, Departmental Analyst, Chief Administrative Office
Paul K. Tanaka, A/Chief, Administrative Services Division
Mike McDermott, A/Captain, Financial Programs Bureau
Patricia A. Hawkins, Director, Fiscal Administration
Tom Harwood, Manager, Contracts Administration
Al Scaduto, Chief, Correctional Services Division
Richard Barrantes, Captain, Medical Services Bureau
Judi Thomas, A/Assistant Director, Fiscal Administration
Conrad Meredith, Manager, Budget Services
Cathy Stapleton, Manager, Fiscal Administration
Chrono