Dear Supervisors:

APPROVAL OF AGREEMENT FOR INMATE RENAL DIALYSIS TREATMENT SERVICES WITH GAMBRO HEALTHCARE (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 GAMBRO Healthcare (GAMBRO) to provide End Service Renal Dialysis (ESRD) services to inmates in Sheriff’s custody for a proposed term of one (1) year with an option to extend on a month-to-month basis not to exceed a total of six (6) months at a total agreement cost not to exceed $1,075,000. This Agreement shall become effective upon your Board’s approval retroactively to November 1, 2001.

2. Authorize the Sheriff or his designee to modify the Agreement within the conditions specified in the Agreement, including authority to exercise the extension provisions.

March 5, 2002
PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to allow GAMBRO Healthcare, the current contractor, to continue to provide out-patient ESRD services to inmates who are in Sheriff’s custody and to give the Sheriff’s Department time to complete a comprehensive cost-benefit analysis of operating an in-house ESRD treatment center with a private firm providing the ESRD services and continuing the current out-patient treatment process.

Under both State and Federal law, the Sheriff’s Department has a legal obligation to provide reasonable health care to its inmate population. On a weekly basis, up to 20 inmates may require ESRD services at least three (3) times per week. Most of the inmates requiring ESRD treatment for chronic conditions are ineligible for medical reimbursement.

In an effort to provide services more efficiently and cost effectively, the Department determined that the Sheriff’s Medical Services Bureau should establish and operate an on-site ESRD treatment center at the Men’s Central Jail to be in full compliance with Federal and State regulations on or before July 1, 2001.

Consequently, on June 6, 2000, the Board approved the Sheriff’s request to authorize the County Purchasing Agent to enter into a sole source agreement in an amount not to exceed $600,000 with GAMBRO Healthcare to provide ESRD services through Fiscal Year 2000-2001. However, due to unanticipated problems and delays, the Department was unable to implement the ESRD treatment center within the anticipated time schedule:
1. The Sheriff’s Department held several meetings with the Auditor-Controller and Health Services Department to determine whether, under Proposition A, Health Services could provide the necessary renal dialysis services. As early as May, 2000, Health Services verbally indicated that it could not provide those services; however, a formal written confirmation was not received until February, 2001.

The County does not have the medical and technical staff required to provide ESRD services. Currently, the County Department of Health Services provides ESRD services on a very limited basis at only one County facility, for patients who are awaiting kidney transplants. Other patients who require routine renal dialysis services are referred to private service providers.

2. The Sheriff’s Department cannot use any of the Health Services contracts because renal dialysis services for inmates are not Medi-Cal or Medicare reimbursed. Currently, the agreements that Health Services has with private firms are for emergency dialysis services, which are paid by Medi-Cal and Medicare.

2. The solicitation process has been delayed due to the Department’s determination that the RFP’s Statement of Work needed extensive changes to strengthen the requirements. This involved numerous consultations with medical experts from within and outside of the Sheriff’s Department to obtain the appropriate technical and medical requirements for renal dialysis services.

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Therefore, the Sheriff’s Department must contract with an outside renal dialysis treatment service provider to provide the services at the Department’s in-house treatment center.

**Implementation of Strategic Plan Goals**

The services provided under this Agreement support the County’s Strategic Goals for Service Excellence.

**FISCAL IMPACT/FINANCING**

The Sheriff’s Department has budgeted $600,000 in the FY 2001-2002 operating budget for ESRD services, based upon historical expenditures.

The Board approved purchase order Agreement with GAMBRO expired June 30, 2001. The Sheriff’s Department requested a new blanket purchase order from ISD effective July 1, 2001, for $99,000 to provide uninterrupted service pending a new Board agreement with GAMBRO. Subsequently, the Sheriff’s Department used this purchase order to pay outstanding invoices for services rendered prior to June 30, 2001. The Department currently has outstanding invoices but no funds remaining in the purchase order to pay the invoices. This factor, and based on current expenditure patterns, the maximum contract cost for the full contract term, including costs for the extensions, will not exceed $1,075,000.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Currently, GAMBRO Healthcare is providing ESRD services to inmates in Sheriff’s custody on an out-patient basis. The former provider, which was acquired by GAMBRO in 1999, had been providing ESRD services to the Sheriff’s Department since 1985.

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Pursuant to Los Angeles County Code, Title 2, Chapter 2, Provision 2.121.250, Subsection
B, Paragraph 2, the Sheriff’s Department has determined that the services provided under this Agreement are non-Prop A based on the facts that the services are: 1) legally mandated; 2) full chronic and non-medical reimbursed; 3) County does not have the medical and technical staff to provide the services.

County Counsel will approve the Agreement as to form after the Board approves and executes it.

**CONTRACTING PROCESS**

At this time, a solicitation process for out-patient ESRD services is not feasible. A continuation of the existing service will assure the health and safety needs of inmates with chronic kidney problems.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Your Board’s approval of this Agreement with GAMBRO Healthcare will ensure uninterrupted ESRD services for inmates who are in Sheriff’s custody and will ensure that the Sheriff complies with its legally mandated responsibilities. Additionally, it will allow the Sheriff’s Department to complete its review of the costs and benefits of establishing an in-house ESRD treatment center and the solicitation process to obtain an outside ESRD service provider in comparison with the current out-patient process.

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**CONCLUSION**
Upon approval by your Board, please return an adopted copy of this action to the Sheriff’s Department’s Contract Unit for further processing.

Respectfully submitted,

LEROY D. BACA
SHERIFF

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c: Justice Deputies
Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Director, Internal Services Department
Director, Health Services
Larry A. Waldie, Assistant Sheriff
Rochelle Goff, Departmental Analyst, Chief Administrative Office
Marvin J. Dixon, Chief, Administrative Services Division
Chief, Correctional Services Division
Eva Snider, Director, Financial Programs
Glenn Dragovich, Assistant Director, Financial Programs
Patricia A. Hawkins, Director, Fiscal Administration
Joe Cruz, Manager, Contracts Administration Unit
Chrono File