

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 25, 2025

FROM

TRACY REECE, Chief Probation Officer, Probation Department

SUBJECT

Contract with NaphCare, Inc., for TechCare Software Customization and Claims Services for CalAIM Section 1115 Waiver Implementation Services

RECOMMENDATION(S)

1. Approve **Contract No. 25-197** with NaphCare, Inc., including non-standard terms, and incorporated Quote, for TechCare Software Customization and Claims Services for California Advancing and Innovating Medi-Cal Section 1115 Waiver Implementation Services used in the juvenile detention facilities, for a total amount not to exceed \$292,000, for the period of March 25, 2025, through March 24, 2027.
2. Authorize the Chief Probation Officer or Assistant Chief Probation Officer to execute change orders to Contract with NaphCare, Inc., subject to review by County Counsel, in an amount not to exceed \$10,000 per change order, so long as the total aggregate amount does not exceed \$29,200 or amend the contract term.
3. Authorize the Chief Probation Officer or Assistant Chief Probation Officer to accept, execute, and submit project completion documents to NaphCare, Inc. related to the TechCare Software Customization and Claims Services for California Advancing and Innovating Medi-Cal Section 1115 Waiver Implementation Services, subject to County Counsel review.
4. Direct the Chief Probation Officer or Assistant Chief Probation Officer, to transmit all contract change orders to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Tracy Reece, Chief Probation Officer, 387-5692)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

This item will not result in the use of Discretionary General Funding (Net County Cost). The \$292,000 cost of the contract with NaphCare, Inc. (NaphCare), for the TechCare Software Customization and Claims Services (Contract), for California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 Waiver Implementation Services will be funded by the Providing Access and Transforming Health (PATH), Justice-Involved Planning and Capacity Building Program Grant (Grant). Sufficient appropriation has been included in the Probation Department's (Department) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

**Contract with NaphCare, Inc., for TechCare Software Customization
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California State Assembly Bill 133 (Chapter 143, Statutes of 2021) authorized PATH funding to support the planning processes related to the implementation of the full suite of statewide CalAIM initiatives, such as the Justice-Involved Planning and Capacity Building Program that builds on the successful work conducted under Department of Health Care Services (DHCS), Whole Person Care initiatives. The Grant builds capacity and expands access to necessary pre-release and post-release services under CalAIM.

On January 26, 2023, California became the first state in the nation approved to offer a targeted set of Medicaid services to youth and eligible adults in state prisons, county jails, and youth correctional facilities for up to 90 days prior to release. Through this Justice-Involved Reentry Initiative, California received approval to authorize federal Medicaid matching funds for select Medicaid services for eligible justice-involved individuals in the 90-day period prior to release from incarceration in prisons, county jails and youth correctional facilities. This initiative aims to ensure continuity of health care coverage and services between the time they are incarcerated and released. It also provides people who are reentering the community with the prescribed medications and durable medical equipment they need, and access to programs and services to support this important transition.

NaphCare is providing customized software to assist in the implementation of the CalAIM Justice Involved Reentry Initiative. The customization of NaphCare's TechCare EHR System to include the TechCare software for CalAIM Section 1115 Waiver claim management billing services will allow the Department to file claim submissions of eligible services directly to Medi-Cal.

On January 28, 2025 (Item No. 61), the Board of Supervisors (Board) approved the EHR v.5 upgrade with Naphcare to allow the compatibility of the TechCare CalAIM Section 1115 Waiver Claim Management Billing Services.

While the parties successfully negotiated certain terms, the Contract with NaphCare includes non-standard terms as follows:

1. The County is required to indemnify, hold harmless, and defend NaphCare, and its agents, subsidiaries, successors and assigns from and against any third-party claims arising from a negligent acts or omission or willful misconduct by the County, breach by the County or its agents of the confidentiality obligations set forth in the Contract and/or for a violation of Health Insurance Portability and Accountability Act (HIPAA).
 - The County standard contract does not include any indemnification, hold harmless, or defense obligations by the County of a contractor.
 - Potential Impact: By agreeing to indemnify NaphCare, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against NaphCare without such limitations and the County could be responsible to defend and reimburse NaphCare for costs, expenses, and damages, which could exceed the total Contract amount.
2. The County is required to notify NaphCare prior to any legally required disclosure and cooperate with NaphCare in its efforts to seek a protective order.
 - The County standard contract does not require notice.

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- Potential Impact: The County will need to be aware of its obligation to notify NaphCare prior to any disclosure ordered by a court, administrative agency, or other governmental body of competent jurisdiction. Further, the County is obligated to assist NaphCare in its efforts to avoid disclosure under an order to release information, which could create a conflict of interest between the County's compliance obligations under the law and its contractual obligations to NaphCare. In addition, the County's assistance is at the County's own expense, which could exceed the contract amount.
3. County will not solicit or employ NaphCare's personnel who participated in the contract for a period of up to one year following expiration of termination of the Contract.
- The County standard contract does not include a non-solicitation/non-compete provision.
 - Potential Impact: The County is prohibited from hiring any employee of NaphCare for a period of one (1) year or as an independent contractor without prior written approval of the other party, or employment was done by a person on their own initiative in response to a general employment advertisement or announcement. Hiring a NaphCare employee may result in a breach of the Contract and NaphCare may seek any available legal remedies.

Approval of this item, and incorporated Quote, including the non-standard terms, will allow the integration with Medi-Cal for electronic claim submission and Medi-Cal Rx, efficiently assemble and electronically submit claims to Medi-Cal following program guidelines, manage denials and re-submission of claims, perform payment reconciliations, fee schedule updates and generate reports of services provided. The Contract provides for termination for convenience at any time upon 120 days' advance written notice by either party.

PROCUREMENT

NaphCare's TechCare is an existing system that is proprietary in nature, which precludes other vendors from providing the required system maintenance, upgrades and system support. The Purchasing Department concurs that a non-competitive justification of proprietary rights exists with NaphCare's TechCare system.

REVIEW BY OTHERS

This item has been reviewed by Probation (Thomas Kamara, Director of Administration, 387-9631) on January 22, 2025; County Counsel (Maria Insixiengmay, Deputy County Counsel, 387-5455) on January 28, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst 386-9008) on January 28, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on February 4, 2025; Finance (Iliana Rodriguez, Administrative Analyst, 387-4205) on February 6, 2025; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on February 7, 2025.

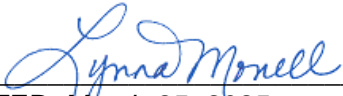
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 25, 2025



cc: Probation - Hayes w/agree
Contractor - c/o Probation w/agree
File - w/agree
CCM 03/31/2025