

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

**February 27, 2024**

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Agreement with WellSky Corporation for Patient Placement Referral System

**RECOMMENDATION(S)**

1. Approve non-financial **Agreement No. 24-155**, including non-standard terms, with WellSky Corporation for a patient placement referral system, for the contract period of July 1, 2024 through June 30, 2029.
2. Approve Order Form (**Agreement No. 24-156**) with Careport Health, LLC, an affiliate of WellSky Corporation, subject to the terms of the Agreement in Recommendation No. 1, for the patient placement referral system, in the amount of \$100,000 annually for the contract period of July 1, 2024 through June 30, 2029.

(Presenter: William L. Gilbert, Director, 580-6150)

**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**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost of \$100,000 annually for a total of \$500,000 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2023-24 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

The non-financial Agreement with WellSky Corporation (WellSky) will allow ARMC to utilize an electronic patient placement referral system (placement system) to efficiently transfer patients from ARMC to skilled nursing facilities, acute rehabilitation centers, long-term acute care facilities and home health agencies. The placement system assists with discharge planning, and thereby, safely decreases the length of patient hospital stays. Furthermore, the placement system automates and standardizes the tasks associated with transitioning patients to new care settings, supports collaboration between healthcare providers and captures key data necessary for reporting and internal process improvement. Lastly, the placement system interfaces with ARMC's electronic health record, Epic. The WellSky Agreement does not obligate the County to make purchases, but it does limit the maximum amount of purchases to \$500,000.

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Careport Health, LLC (Careport) is a separate legal entity that is owned by WellSky Corporation. The placement system is a product line of Careport. Therefore, the Order Form must be completed and executed with that entity in addition to entering into the Agreement with WellSky.

ARMC has utilized an electronic placement system since 2018. The County Purchasing Department in 2018 and 2020, and subsequently, the Board of Supervisors on June 13, 2023 (Item No. 11) approved an agreement and amendments with Curaspan Health Group, Inc. for the System. The County recently concluded a Request for Proposals (RFP) for a new contract.

The WellSky Master License and Services Agreement (Agreement) is WellSky's standard commercial contract, which includes terms that differ from the standard County contract and omits certain County standard contract terms. While the parties negotiated certain contract terms to County standards, WellSky would not agree to all County standard terms. The non-standard and missing terms include the following:

1. WellSky's maximum liability to the County for HIPAA violations is limited to \$1,000,000 and for all other claims to the actual fees paid up to a maximum of \$500,000, excluding WellSky's intellectual property infringement indemnification obligations, and claims arising from WellSky's willful misconduct.
  - The County standard contract does not include a limitation of liability.
  - Potential Impact: Claims could exceed the liability cap and the Agreement amount leaving the County financially liable for the excess.
2. The County's right to bring legal claims is limited to four years after the cause of action arises.
  - The County standard contract does not include a limit on the time to bring action.
  - Potential Impact: Limiting the County's ability to bring suit to four years from the time the action accrues amounts to a waiver of the Statute of Limitations for claims and shortens the period of time in which the County may file a lawsuit under the Agreement.
3. Venue for claims arising under the Agreement is in any appropriate state or federal court in the State of California if WellSky institutes the claim, and in any appropriate state or federal court in the State of Kansas if the County institutes the claim.
  - County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
  - Potential Impact: Having a venue in a state or federal court in the State of Kansas may result in additional expenses that exceed the amount of the Agreement.

ARMC recommends the approval of the Agreement, including non-standard terms, with WellSky to provide a patient placement referral system to provide for the safety, health and social service needs of County residents by ensuring patients are safely and efficiently transferred to the most appropriate level and place of care.

**PROCUREMENT**

The County Administrative Office approved and authorized the release of RFP No. ARMC123-ARMC-4950 on February 10, 2023. The RFP was posted on the County's Electronic Procurement Network (ePro).

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Two proposals were received by the established deadline in response to the RFP. Proposals from the two bidders listed below met the minimum requirements and continued through the evaluation process.

<b>Agency</b>	<b>Address</b>	<b>Total 5-Year Cost</b>
AIDA Healthcare	14503 216 <sup>th</sup> Ave., NE, Woodinville, WA 98077	\$443,800
WellSky Corporation	11300 Switzer Road, Overland, KS 66210	\$500,000

The evaluation committee, with representation from ARMC's Case Management and Social Work Departments reviewed and evaluated the proposal based on the criteria released in the RFP. The criteria included Qualifications and Experience, Technical Review, References, Cost, and Demonstration. Although Aida Healthcare had the lower cost, WellSky was rated higher in Qualifications and Experience, Technical Review and Demonstration.

Based on the evaluation criteria, the evaluation committee determined WellSky best met the needs of ARMC, and thus, recommends the award of the Agreement to WellSky to provide the placement system. Award and denial letters were sent to all bidders, advising the non-selected bidder of the opportunity to submit a formal written protest based on the criteria in the RFP. No protests were received by the deadline.

Purchasing supports this competitive procurement based on the solicitation mentioned above.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on January 9, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2198) on January 19, 2024; Risk Management (Victor Tordesillas, Director, 386-8623) on October 26, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 2, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on February 7, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on February 7, 2024.

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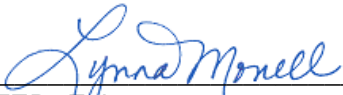
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman Seconded: Joe Baca, Jr.

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: February 27, 2024



cc: ARMC - Gilbert w/agrees  
Contractor - c/o ARMC w/agree  
File - w/agree

CCM 03/7/2024