

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 16, 2018

TO: Theodore Lipscomb, Sr., Chairman, and Milwaukee County Board of Supervisors;
Anthony Staskunas, Chair, Milwaukee County Board of Supervisors, Judiciary, Safety, and General Services Committee

FROM: Patrick Lee, Procurement Director, DAS – Procurement Division
Michael Hafemann, Superintendent, House of Correction
Richard Schmidt, Interim Sheriff, Office of the Sheriff
Prepared by Erin Schaffer, Manager – Contracts (RFP Administrator)

SUBJECT: Correctional Medical Services Status Update – Informational Report

REQUEST

Administration received a request from the Board to provide the Milwaukee County Board of Supervisors' Judiciary, Safety, and General Services Committee with an updated informational report on the status of the correctional medical services contract and related Request for Proposals. The request asked for four items specifically:

- Provide additional written detail about the "Phase II" referenced in the October 18, 2018 informational report;
- Provide a status update on the current contract for medical services;
- Provide an update regarding the Medical Services Contract Monitor; and
- Provide clear information about what funds are included in the 2019 Recommended Budget for these services and how they compare to the current year's appropriations.

BACKGROUND

Some information in this section is repeated from the October 18, 2018 informational report for clarity.

Pursuant to the Order of the Milwaukee County Circuit Court in the case of Christensen v. Milwaukee County et al., the County was required to enter into a contract with Armor Correctional Health Services, Inc. to obtain reasonably necessary health care (including

medical, dental and mental health services) for detainees and inmates in the physical care, custody and control of the Sheriff at Milwaukee County Jail (hereinafter "Jail") and of the Superintendent at the Milwaukee County House of Correction (hereinafter "HOC").

The Court and Court Monitor establish the staffing and service requirements, and references in the agreement to "Sheriff" or "Superintendent" are understood to constitute a reference to each individual having custody of inmates. The Superintendent has responsibility to provide medical care for Inmates at the Jail and the Superintendent has responsibility to provide medical care for Inmates in his physical care, custody and control at the HOC.

As in 2013, 2014, 2015, 2016, and 2017, the HOC, Milwaukee County Sheriff's Office, and Corporation Counsel worked together on the terms and conditions for the annual agreement. The contract language and insurance provisions were finalized on an annual basis for a 1/1 start date each year. The Armor contract is set to expire on December 31, 2018.

In 2018, with support from the Department of Administrative Services Procurement Division, the House of Correction, and Milwaukee County Sheriff's Office issued a Request for Proposals for a Correctional Medical Services provider for a new contract beginning in 2019. Additional detail regarding the RFP was provided to the Judiciary Committee in the October 18, 2018 informational report.

NCCHC RESOURCES (NRI) CONTRACT – "PHASE II"

Some information in this section is repeated from the October 18, 2018 informational report for clarity.

On April 20, 2018, the County entered into a contract with NCCHC Resources, Inc. ("NRI"), a consulting arm of the National Commission on Correctional Health Care ("NCCHC"), to provide consulting services for the development of an RFP for Correctional Medical Services. NRI was selected for its industry expertise and its deep comprehension of the NCCHC Standards of Health Services in Jails and NCCHC Mental Health Standards. The contract was broken into two phases:

- **Phase I** – "to develop a Request for Proposal for mental health and health care services with input from available documentation from the County, and that derives directly from a basic on-site assessment of County correctional facilities"; and
- **Phase II** - "to provide a comprehensive assessment to support cost effectiveness and system efficiencies while maintaining good patient outcome in County correctional and detention facilities; to assess readiness for an NCCHC accreditation survey. This will be accomplished mainly through site visits and reports."

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Phase I was entered into immediately.

Phase II was delayed due to funding. In the October 18, 2018 informational report, Procurement recommended that the County explore funding for Phase II at the start of the winning Respondent's contract term with the County to establish and ensure preparedness for NCCHC accreditation. Procurement wishes to clarify that this recommendation should not be read as a request or requirement for the Office of the Sheriff or House of Correction to expend funds, and that this recommendation is based on strategic and business-related information only. Phase II should not be considered to be a required portion of the Correctional Medical Services project and may be entered into at the discretion of the Office of the Sheriff, contingent upon the availability of funds.

Phase II's scope was designed to permit NRI to assess the Milwaukee County Jail and provide the County with a list of potential opportunities for improvement in the facility prior to any NCCHC accreditation survey. It was initially proposed prior to drafting of the RFP, and information obtained would have been used for that purpose. NRI was able to reduce the scope of its agreement with the County prior to drafting the RFP, and performed limited on-site surveys, related solely to RFP development needs, of both the Jail and the HOC at that time. The information obtained in Phase I was used to advise NRI in drafting the RFP. Phase II was tabled and remained a contractual option open to the County in the future, if we wished to exercise that option and obtain additional advice or detail from NRI regarding opportunities for improvement in the Jail and gap analysis for NCCNC accreditation.

If the option to enter into Phase II is executed, it will cost **\$62,834.00**, separated into two payments. The first payment of **\$31,417.02** would be due at notice of intent to proceed, and the second payment of **\$31,417.02** would be due upon delivery and acceptance of the final report. Please note that there is no requirement to enter into Phase II, and that the business decision to enter into Phase II would be made based upon availability of funds and need.

As Phase II was not entered into during development of the RFP, consideration of timing should be given related to upcoming contract and achieving full benefit.

CURRENT STATUS OF THE ARMOR CORRECTIONAL CONTRACT

The contract with Armor Correctional will expire on December 31, 2018. At this time, by mutual agreement of HOC, Jail and DAS the Office of Corporation Counsel is in negotiations with Armor regarding a potential extension of the contract. Due to the nature of negotiations and the involvement of legal counsel, the Administration respectfully requests than any questions the Board may have regarding the negotiations with Armor be raised in closed session.

CURRENT STATUS OF THE RFPs

RFP 98180020: Correctional Medical Services: The RFP closed for submissions on September 14, 2018. The Evaluation Committee is evaluating submissions. No additional information is presently available.

RFP 98180024: Correctional Medical Services Contract Monitor: The RFP closed for submissions on October 26, 2018. The Evaluation Committee is evaluating submissions. No additional information is presently available.

2019 RECOMMENDED BUDGET

At the time of development of the 2019 Recommended Budget, information about the potential cost of services for the Correctional Medical Services Contract was not available. While a Request for Proposals is active, information about the Cost Proposals of Respondents is considered confidential and may not be released to any member of the County's staff, officials or to the public.

Requests were made for these budget items by the Administration to the RFP Administrator during the development of the 2019 Recommended Budget. Because the RFP was released for submissions in July, much of the requested information was not available during the development of the budget, which ran concurrently to the RFP process. Even if the information had been available at the time of request, due to the requirements of the RFP process, the RFP Administrator is bound to not release this confidential information. Estimated costs by DAS-Procurement would have been purely speculative in nature based upon modifications to contract delivery requirements.

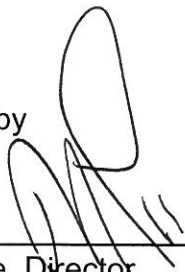
In addition, the need to have a Contract Monitor became more clearly defined during the RFP process, and it was only after the 2018 Audit Report confirmed this development, that the County determined to move forward with the RFP for the possible use of a Contract Monitor. At the time of this decision, limited to no information on the cost of such a monitor existed. Research by Procurement into this cost was unreliable due to the niche nature of the skill set and industry. The RFP acted as the only reliable vehicle for determining cost of a Contract Monitor. Because the County was not certain of the cost and because the funding source for that cost was unclear, it was not possible to accurately estimate in the 2019 Recommended Budget what the potential cost would be. 2019 budget did however acknowledge the need for Contract Monitoring and budgeted \$140,000 for this purpose.

Therefore, all information contained in the 2019 Recommended Budget was estimated based upon the 2018 Adopted Budget and services related to inmate healthcare in that budget and current actuals. The 2019 Recommended Budget was based on best estimates available at the time.

Budget did not include costs to enter into Phase II of the NRI contract. This unbudgeted item is not required by the Consent Decree or NCCHC standards for accreditation, and therefore may be entered into at the discretion of the County as necessary and appropriate to budgetary constraints. If the County desires to enter into this relationship in 2020, costs will be budgeted during the next budget formation. my request funding.

The total budget in 2018 for Correctional Medical Services was **\$16,500,000.00**. The total estimated cost for services in 2019, as stated in the 2019 Recommended Budget, was **\$17,600,017.00** as \$15,530,017 Contract, \$800,000 Drug Costs and \$140,000 Contract Monitor.

Approved by



Patrick Lee, Director
Milwaukee County Department of Administrative Services
Procurement Division

cc: County Executive Chris Abele
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