

SUMMARY OF DEPARTMENT OPERATIONAL SUPPORT CONTRACT REQUEST TO THE HEALTH COMMISSION

A DOS Contract is a Contract for the provision of goods or services that directly supports DPH's operations.

Contractor: <u>Health Services Advisory Group, Inc</u> <u>3133 E. Camelback Rd., Suite 140</u> Address: <u>Phoenix, Arizona 85016</u> Contact: <u>Joellen Tenison, CPA, MBA</u> <u>Chief Financial Officer Phone: 602-801-6600</u>	Division/Section: <u>DPH/SFHN – Laguna Honda Hospital</u> Deputy Director: <u>Roland Pickens</u> ^{DS} 12/27/2022 DPH Administrator: <u>Baljeet Sangha</u> 12/27/2022 10:23 Program Administrator: <u>Baljeet Sangha</u> Phone: <u>628-206-3821</u> Contract Analyst: <u>Robert Longhitano</u> Phone: <u>628-271-6160</u>
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Request for approval of a new contract with Health Services Advisory Group, Inc. to perform additional consulting services that build upon previously completed services and additional Performance Improvement services in support of the Laguna Honda Recertification project The total proposed contract amount is \$7,675,539 which includes a 8% contingency for the term of January 1, 2023 through December 31, 2023 (12 months).

Mark only one for each question below:

1. **Vendor Type** For Profit Non-Profit Government
2. **Is the Vendor a CMD Certified LBE?** Yes No
3. **Purchasing Authority:** RFP Sole Source GPO
4. **Does DPH have other existing contracts with this vendor?** Yes No

If yes, approximately how many years has DPH been doing business with this vendor? Provide explanation, as needed.

Health Services Advisory Group, Inc. has been engaged to provide other consulting services in support of the recertification effort since 05/9/2022.

CONTRACT INFORMATION

Proposed Transaction

1/1/2023 – 12/31/2023

FUNDING SOURCES:

General Fund (LHH Operating Fund)	\$7,135,129
<u>TOTAL DPH REVENUES:</u>	\$7,135,129
8% Contingency Amount <i>*The standard 12% contingency amount has been adjusted to 8% of the estimated professional services to reflect Departmental budget projections in addition the estimated LBE participation amount was not included in the contingency calculation however is factored in the base amount. (\$6,755,129 base amount+\$380,000 LBE amount = \$7,135,129)</i>	\$540,410
<u>TOTAL CONTRACT AMOUNT WITH CONTINGENCY:</u>	\$7,675,539
<u>ONE-TIME UPFRONT COSTS:</u>	
<u>ANNUAL AMOUNT OF CONTRACT*:</u>	\$7,135,129

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*Excludes one-time upfront/implementation costs.	
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[FOR PROGRAM ADMINISTRATION CONTRACTS ONLY]

Program Administrator Indirect Percent	
<u>TOTAL INDIRECT EXPENSES:</u>	
<u>TOTAL DIRECT EXPENSES:</u>	

PROPOSED BREAKDOWN OF ITEMS/SERVICES

PROPOSED UNITS OF SERVICES

Item or Service	Estimated Hours	Rate (Hourly)
Senior Nursing Home Administrator/Senior Director of Nursing Staff	1,232	\$485.00 / hour
Nursing Home Administrator/Director of Nursing Staff	2,464	\$450.00 / hour
Senior Quality Improvement Specialist/Infection Preventionist/Discharge Transfer Coach Staff	9,548	\$400.00/hours
Quality Improvement Specialist Staff	2,464	\$375.00 / hour
Senior Data Scientist	26	\$289.00 / hour
Project Coordinator Staff	1,785	\$167.00 / hour
Estimated 5% LBE Goal (Travel and IT Hardware and services support)		\$380,000
Travel (Hotel, Airfare, transportation, and Per Diem)	Actual	
General Administrative Overhead (29.15% of Travel)	Actual	

Purpose of Contract:

In May of 2022, Health Services Advisory Group (HSAG) was selected and engaged by the Department to be the lead external agency to assist the Department in its quest to achieve full recertification of Laguna Honda Hospital. Further, in the fall of 2022 HSAG was also designated under the settlement agreement between the US Department of Health and Human Services and the City as the Centers for Medicare and Medicaid Services (CMS) approved Quality Improvement Expert (QIE) for Laguna Honda Hospital and will perform those services under contract (By Board of Supervisors Ordinance - file number 221102).

Building on the work which has already been completed, HSAG will provide a dedicated performance improvement team which will provide: Provide technical assistance (TA) and targeted support to LHH in order to obtain CMS recertification; Participate as a subject matter specialist in pertinent committees; Provide Nursing Home Administrator, Director of Nursing, Closure Plan, Infection Prevention, QAPI, and Behavioral Health consultants; Develop resources and curriculum and conduct instructional sessions for as needed topics as identified by LHH leadership; Participation in the selection and interviewing process for candidates being considered for key leadership positions; Develop a transition plan with LHH staff that describes the hand-off tasks from HSAG to LHH staff and assures sustainability post re-certification.

Finally for the upcoming 2023 engagement HSAG has committed to engage certified Local Business Entitles (LBE) at a participation rate of at least 5%, which under the current budget is a dollar value of \$380,000. Health Services

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Advisory Group is actively recruiting LBE firms in the categories of: Transportation Services – GS005, Travel Agencies GS085, Computer Hardware -EQ108 and will expand the categories if they need to find additional firms to meet the stated goal.

Health Services Advisory Group, Inc. (HSAG) is a privately-owned, for-profit healthcare organization, established 43 years ago in 1979. HSAG was incorporated under the laws of the State of Arizona. HSAG collaborates with clients across the country to deliver healthcare quality improvement support and services, positively impacting the healthcare of Medicare, Medicaid, and commercial populations. Areas of focus include providing technical assistance to healthcare providers to improve their services; designing and conducting scientifically sound quality of care and outcome studies; collecting, analyzing, and reporting data for quality improvement and research projects; conducting program evaluations and medical reviews; and developing and testing healthcare quality measures. Over the last four decades, HSAG has been awarded numerous contracts to provide services on state and national levels. of note, HSAG:

- Is a multi-state Quality Innovation Network-Quality Improvement Organization (QIN-QIO), serving approximately 12 percent of the nation's Medicare population by working with nursing homes, physician offices, and community coalitions to improve healthcare.
- Provides External Quality Review (EQR) services in 18 states, serving 42 percent of the nation's Medicaid population by evaluating Medicaid healthcare quality, timeliness, and accessibility of services.
- Serves as a Hospital Quality Improvement Contractor (HQIC), supporting 298 hospitals in 29 states and Washington, D.C. to reduce patient harm, improve care transitions, implement opioid stewardship, address disparities in care, and manage public health emergencies.

Is an End Stage Renal Disease (ESRD) Network Organization, serving 29 percent of the nation's dialysis population to improve the quality of dialysis-related care and quality of life.

Performance Monitoring:

The contract will be monitored by in accordance with Hospital and network monitoring procedures by the Laguna Honda Hospital Program Manager assigned to these services.

Health Equity and Inclusion Compliance:

The Contractor will provide necessary information to comply with the Department's Office of Health Equity (OHE) requirements and will align with the citywide efforts on contract equity as overseen by the Office of Racial Equity (ORE) in the Human Rights Commission.

Listing of CEO, Board of Directors, and Owners of 10% or More of the Firm:

CEO:	Mary Ellen Dalton, President and Chief Executive Officer
Board of Directors:	Mary Ellen Dalton, President and Chair of the Board P. Craig Cornett, MPA Leonard Kirschner, MD, MPH Steven T. Kmucha, MD, JD, FACS Walter J. Nieri, MD, AGSF, FACP, CMD Jacquelyn Paige, MA Otis Wolkins
Owners of 10% or more of the Firm:	Mary Ellen Dalton, President and Chair of the Board Joellen Tenison, Executive Vice President and Chief Financial Officer