



AGENDA COVER MEMO

Memorandum Date: July 19, 2023

Order Date: August 1, 2023

TO: Board of County Commissioners

DEPARTMENT: Sheriff's Office

PRESENTED BY: Debby Haller, Finance Manager

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF APPROVING AMENDMENT TWO TO THE WELLPATH, LLC CONTRACT #57233 IN THE AMOUNT OF \$6,041,042 FOR YEAR TWO COSTS AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE AMENDMENT

I. MOTION

Move approval of Amendment Two to the Wellpath, LLC contract #57233 in the amount of \$6,041,042 for year two costs and delegate authority to the County Administrator to execute the amendment.

II. AGENDA ITEM SUMMARY

The Board approved a three-year contract with Wellpath, LLC on June 15, 2022. At the time of the contract, the cost for the second and third years was listed only as an estimate. We have received the final contract amount for the second year of the contract.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Board Order 22-06-15-02 approved the three-year contract and the cost for the first year. This amendment adds the cost for year two.

B. Policy Issues

None.

C. Board Goals

The contract with Wellpath, LLC supports the Strategic Priority of Safe, Healthy

County with an objective to focus on those at the intersection of behavioral health, homelessness and public safety to provide crisis support and treatment. The jail is required to provide medical care to Adults in Custody (AIC's). In addition to medical care, the Sheriff's Office added Mental Health care to the contract with Wellpath.

D. Financial and/or Resource Considerations

The amount for this amendment has been appropriated through the County's annual budget process. The contract allows for increases due to CPI and wages adjustments. This amendment includes a 4% CPI increase in the amount of \$219,222.68 and wage enhancements of \$341,252.32.

E. Health Implications

This amendment continues the continuity of care for the AIC's in the Lane County Adult Corrections Facility, especially with regards to AIC mental health.

F. Analysis

The Sheriff's Office has developed and maintained a relationship with Wellpath over the course of the current contract. This amendment is a joint effort between both parties to maintain the current level of medical and mental health care for the AIC's in the jail.

G. Alternatives/Options

1. Approve the amendment and delegate authority to the County Administrator to execute it.
2. Reject all or part of the cost increases and direct staff to renegotiate with Wellpath.

IV. RECOMMENDATION

Staff recommends Option 1. The proposed increases are within the scope of the original contract and the wage enhancements are in line with national trends and are necessary to provide continuity of care by retaining current staff.

V. ATTACHMENTS

Board Order

Wellpath Compensation Letter dated 6/7/23

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 23-08-01-04

In the Matter of APPROVING AMENDMENT
TWO TO THE WELLPATH, LLC CONTRACT
#57233 IN THE AMOUNT OF \$6,041,042
FOR YEAR TWO COSTS AND
DELEGATING AUTHORITY TO THE
COUNTY ADMINISTRATOR TO EXECUTE
THE AMENDMENT

WHEREAS, the Board of Commissioners approved a three-year contract with Wellpath, LLC for medical and mental health service to Adults in Custody in the Lane County Adult Corrections facility on Board Order 22-06-15-02; and

WHEREAS, the contract allows for increases for CPI and Wage Enhancements in each of the subsequent years; and

WHEREAS, Wellpath, LLC notified Lane County of the increases to the contract amount and they are in accordance with the terms of the original contract.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. Approve Amendment 2 to the Wellpath, LLC contract #57233 in the amount of \$6,041,042 for year two costs.
2. Delegate authority to the County Administrator to execute the amendment.

ADOPTED this 1st day of August, 2023.

Pat Farr, Chair
Lane County Board of Commissioners

June 7, 2023

Captain Clint Riley
Lane County Sheriff's Office - Corrections Division
101 W. 5th Avenue
Eugene, Oregon 97401

RE: Contract Year Two (2) - Compensation Adjustment and Wage Enhancements

Greetings Captain Riley:

As the proud provider of medical services for Lane County - Corrections Division, Wellpath strives to exceed your expectations regarding the level of quality of services provided. We are excited to move into another year of delivering quality healthcare for Lane County.

Compensation Adjustment

We will be entering year two (2) of our three-year agreement effective July 1, 2023. Following the first year of our contract, both parties shall negotiate an increase in accordance with the Consumer Price Index for All Urban Consumers (CPI-U), All Items, for the San Francisco Region, not to exceed 4.0% of the annual amount. The Consumer Price Index ("CPI") for all Urban Consumers, All Items, for the San Francisco Region, was 4.2% for April 2023. Wellpath requests an application of the not to exceed amount of 4.0%. The proposed 4.0% CPI adjustment shall increase our contract by **\$219,222.68** per year and **\$18,268.56** month.

Proposed Wage Enhancements

Lastly, we propose implementing wage enhancements for existing positions in Lane County based on competitive market rates in your location. The proposed increase will strengthen our ability to retain and support a stable, competent staff providing consistent care to the patients at the Lane County Sheriff's Office. Application of the proposed wage enhancements will increase our contract by **\$341,252.32** per year and **\$28,437.69** per month.

We forecast this increase to sufficiently address our wage challenges over the next twelve months. As labor supply and demand begin to balance over the next year, we do not expect labor costs to continue to rise at these levels. However, given the recent 4.9% overall inflation rate for All Items, we do not believe they will return to previous levels either, which may affect the pricing of future renewals and amendments.

Wellpath understands the importance of controlling expenses, yet we also believe in providing adequate medical care to inmates is a critical aspect of the Jail's operation. The proposed increase would help us to meet the increased costs of providing medical services to inmates and maintain our commitment to high-quality care.

Total Proposed Compensation

The following table presents the annualized and monthly costs for the proposed adjustments to the current contract amount:

Lane County, OR - Proposed Compensation	Monthly	Annual
Base Contract Amount	\$456,713.92	\$5,480,567.00
4.0% CPI Increase (Adult Facility)	\$18,268.56	\$219,222.68
Proposed Wage Enhancements	\$28,437.69	\$341,252.32
Lane County Juvenile Services (In Process)	\$55,362.00	\$664,344.00
Total Proposed Compensation (Adult) Effective July 1, 2023	\$503,420.17	\$6,041,042.00

We will await the County-drafted amendment before proceeding. If the County prefers that we provide a draft instead, please sign the following page and email a signed copy of this proposal to Joseph Figg, Retention Specialist, at **JFigg@wellpath.us**. Upon receipt of the signed proposal, indicating acceptance of these changes, our Legal Department will draft a formal contract amendment and route to the appropriate County individuals for signature.

We appreciate the relationship we have established over the years and look forward to continued success. Please do not hesitate to contact Chris Lamb, Regional Director of Operations, at (720) 741-1710 with any questions or concerns.

Sincerely,



Damon Kinton,
Regional Vice President

Cc: *Chris Lamb, Director of Operations*
John Roth, Director of Partner Services
Adolfo Cisnero, Senior Director, Contract Retention

The undersigned is authorized by Lane County to accept the above terms:

Authorized Lane County Representative

Date Signed

Print Name

Title

PLEASE NOTE: Final delivery of the contract amendment will be via email. If hard copies with original signatures are required, please indicate the number of copies needed: ____.

