



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Sheriff & Probation  
**Department No.:** 032, 022  
**For Agenda Of:** June 23, 2015  
**Placement:** Departmental  
**Estimated Tme:** 30 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

---

**TO:** Board of Supervisors

**FROM:** Departments: Bill Brown, Sheriff & Guadalupe Rabago, Chief Probation Officer  
Contact Info: Custody Commander Kelly Hamilton, 681-4326, & Deputy Chief Probation Officer Lee Bethel, 882-3675

**SUBJECT:** Extension of Corizon Health, Inc. Medical Services Contract for Sheriff and Probation

---

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

As to form: N/A

**Recommended Actions:**

1. Approve an extension of the Corizon Health, Inc. contract for medical, mental health (Sheriff only), and pharmaceutical management services to Inmates and Youth at the Sheriff's Office facilities and Probation Department facilities for the period from July 1, 2015 through June 30, 2017 for a total cost not to exceed \$9,833,099 for the term of the extension.
2. Determine that these activities are exempt from the California Environmental Quality Act review per CEQA Guideline Section 15061 (b) (3).

**Summary Text:**

Corizon Health, Inc., has been providing health care services to the Sheriff's Office and Probation Department since its merger with Prison Health Care Services (PHS) in 2011. Prior to this agreement, PHS has been providing medical services to the Sheriff's Office since 1995. A two year joint contract between the vendor and the two departments was approved by the Board on June 18, 2013 (#13-00472). The 2013 contract included an option to, "...exercise an optional extension: July 1, 2015 to June 30, 2017 upon mutual written agreement..." Corizon Health has presented the County with a proposal to extend the contract with costs for medical services set for the next two fiscal years. Pharmaceutical costs are incurred on an as-consumed basis and are expected to be equal to or less than historical consumption.

**Background**

Corizon Health, Inc., and its predecessor Prison Healthcare Services (PHS), have been providing medical services to the Sheriff's Office and the Probation Department since 2009. Corizon Health, Inc. has satisfactorily rendered medical and mental health services to jail inmates and medical services to detained youth. Corizon Health, Inc. provides quality staff which includes a Medical Doctor (16 hours a week), Psychiatrist (30 hours per week), Nurse Practitioner (16 hours per week)

and Registered Nurses as required by our contract. In addition, they are also responsible for providing medical, dental, mental health, medication distribution laboratory and x-ray services to the inmates within the Santa Barbara jail facility. Corizon Health, Inc. also provides a utilization review for all inmates who are hospitalized to ensure that they continue to meet medical necessity for hospitalization and that their stay is not over extended. Part of the utilization review service includes very close review of the hospital bills to ensure that all services provided were necessary and that they are billed for the proper amount. These services ensure the Sheriff's Office does not pay for unnecessary hospital days or services, saving both money and staff time.

Corizon Health Inc. provides detained youth quality medical services at the Santa Maria Juvenile Hall (SMJH) and Los Prietos Boys Camp (LPBC). The services of a Pediatrician (SMJH 18 hours a week/ LPBC 6 hours a week), Registered Nurse (SMJH 42 hours week/ LPBC 40 hours a week), Licensed Vocational Nurse (SMJH 38 hours per week) provide mandated medical exams, sick call, immunizations, referrals to specialized care, and medication control. Corizon Health Inc. services have resulted in successful bi-annual inspections by the Institute of Medical Quality (IMQ) in 2013, and the Board of State Community Corrections (BSCC) in 2014.

Corizon Health, Inc. commitment to working positively with the Sheriff's Office and Probation on financial matters is not just a recent trend. Several years ago when the Sheriff's Office, and the County, faced huge financial deficits, Corizon Health, Inc. opted to not impose the contractually agreed upon yearly CPI increase for their services for two years in a row.

Based on the history of the delivery of these services, and reasonable cost negotiated, the Sheriff's Office and the Probation Department desire to continue having their contract with Corizon Inc.

### **Fiscal and Facilities Impacts:**

There are no impacts to facilities due to this contract extension.

### **Fiscal Analysis:**

Funding for this contract extension is included in the FY2015-16 Recommended budgets for the Sheriff's Office and the Probation Department.

For the Sheriff's Office, the proposal will cost \$3,692,237 in FY2015-16 for medical services (\$307,686.42 per month) and anticipated pharmaceutical costs of \$252,000. For FY2016-17, the proposal will cost \$3,788,974 for medical services (\$315,747.83 per month) and pharmaceutical costs of \$252,000. These costs are in line with the Recommended and Proposed Budgets.

For the Probation Department, the proposal will cost \$821,418 in FY2015-16 (\$68,451.50 per month) plus \$90,588 for pharmaceutical costs. For FY2016-17, the proposal will cost \$842,939 for medical services (\$70,244.92 per month) and \$92,943 for pharmaceuticals. These costs are in line with the Recommended and Proposed Budgets.

The total contract is, therefore, valued at \$4,856,243 in FY2015-16 and \$4,976,856 in FY2016-17, or a total cost over the two year extension of \$9,833,099.

### **Key Contract Risks:**

Corizon Health, Inc. is wholly owned by Valitas Health Services, a closely held company. Total revenues for Corizon Health, Inc. exceeded \$1.4 billion in 2014. Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) exceeded \$51 million in the same year. The annual cost of this contract is not a significant portion of Corizon's business, who has numerous contracts for health care services with governmental agencies.

### **Staffing Impacts:**

None

### **Special Instructions:**

Clerk of the Board: Please send a copy of the Minute Order to Lieutenant Lisa Bondietti, Sheriff's Office, and Douglas Martin, Sheriff's Office.

**Attachments:**

- Proposal from Corizon Health, Inc. dated April 27, 2015
- Board Contract Summary

**Authored by:**

Douglas Martin, CFO, Sheriff's Office ext. 4293