

FROM (DEPT/ DIVISION): Sheriff's Office

PROGRAM: Jail

SUBJECT: 24/7 inmate medical care

<p>Background:</p> <ul style="list-style-type: none"> • We would like to move to a 24 hour nursing model. This will help mitigate risk and provide enhanced pre-book medical screening. • We have a quote from our current medical provider Wellpath. • The extra cost per year would be \$307,587.48 but would allow us to have medical staff in the building 24 hours a day and 7 days a week. The additional cost is in the proposed budget. 	<p>() <u>ACTION REQUESTED:</u> We respectfully request the approval to move to the 24 hour nursing model starting July 1, 2023.</p>
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ATTACHMENTS: letter outlining contract increases and estimated cost for 24 hour medical staffing

Date: (2/7/23) Submitted By: (Kenny Franks)

*****For Internal Use Only*****

Checkoffs:

- () Exec. Asst.
- () Dept. Head (copy)
- () Human Resources (copy)
- () Budget (copy)
- () Fiscal
- () Legal (copy)
- () (Other - List:)

To be notified of Meeting:

Sheriff Terry Rowan, Capt. Kenny Franks, Lt. Dustin Erickson

Needed at Meeting:

Capt. Kenny Franks, Lt. Dustin Erickson

PLEASE RETURN THIS FORM AND ATTACHMENTS TO Executive Assistant

Scheduled for meeting on: February 22, 2023

Action taken:

Follow-up:

October 24, 2022

Kenny Franks, Captain
Umatilla County Jail
216 SE 4th Street
Pendleton, Oregon 97801

RE: Inmate Health Care Services - Renewal Year 2023-2024

Greetings Captain Franks:

I hope this letter finds you well. Wellpath is pleased to be your provider for inmate health care services, and we are excited to move into another year of delivering quality healthcare at Umatilla County Jail.

Automatic Contract Renewal

Per Section 9.0 of our Agreement, our contract will automatically renew for an additional one-year period beginning July 1, 2023 and ending June 30, 2024.

Compensation Adjustment

Under normal circumstances, Wellpath would request a CPI increase consistent with the Consumer Price Index for all Urban Consumers, US City Average, Medical Care Services Component, not to exceed 4.0% of the annual amount, currently 6.5% for October 2022.

In typical years, this CPI reasonably reflects the increases in our costs. However, this is not a typical year. As you are aware, we are experiencing a once-in-a-generation staffing crisis in healthcare. Driven by one-time bonuses and supplemental wages, the cost of nurses and other healthcare professionals, which represent some 60% of our total costs, have increased at rates many times the CPI for Medical Care Services.

Across many markets, temporary agencies and nurse travel companies have bid up hourly rates, in some cases exceeding \$100 per hour. These rates have been driven, in part, by the **\$178 billion** Provider Relief Funds provided to acute care hospitals. This enormous subsidy allowed hospitals to pay ever-increasing rates, making it hard to recruit and retain quality staff, resulting in significantly higher turnover and staffing vacancies in Umatilla County and across the country. As a condition of receiving these funds, hospitals **were prohibited from passing these costs to consumers (the "C" in CPI), so none of these costs have been incorporated into the Medical Services CPI, which was been running at historically low rates over the past year, well below 2% until fairly recently.**

Actions We Have Already Taken

From the beginning of the Covid-19 pandemic, Wellpath has taken extraordinary steps to keep our people, partners, and patients safe, and to reduce the impact on staff retention. In 2020, we invested more than \$40 million in unreimbursed funds on PPE, testing, and supplemental wages and bonuses. In late 2021 we committed to investing another \$40 million in supplemental wages, sign-on bonuses, and retention bonuses to mitigate the impact of the current healthcare staffing crisis on our patients, people, and partners. In addition to supplemental wages and bonuses, we are making sizable investments in enhanced systems and people to improve efficiency and better support our healthcare





To hope and healing.

teams. This includes identifying opportunities to use alternate staffing models and telehealth to reduce the need for hard-to-find nurses.

We have made these investments without the expectation of reimbursement to “stop the bleeding,” the way medical professionals are trained to do. **This, however, is not a long-term solution. Wellpath cannot continue to deliver high-quality services while paying market wage rates that exceed what we are paid by our partners.** Therefore, for the 2023-2024 renewal, we are requesting a **one-time** modification to our normal price adjustment. First, we propose to apply a standard 4.0% CPI adjustment, an increase of \$39,045.17 per year, or \$3,253.76 per month.

Second, we request an annual increase of \$40,760.28 to cover increases in compensation to our Registered Nurses. **100% of this increase would be used to increase wages for our staff, to mitigate the extraordinary effects of the staffing crisis described above.** These increased dollars are critical to the continued success of our program and will ensure our staff wage rates remain competitive with the local healthcare market. This adjustment will strengthen our ability to retain and support a stable, competent staff providing consistent patient care at Umatilla.

Finally, we have prepared the enclosed staffing proposal for 24-hour Nursing, by adding 2.1 FTEs to the night shift for an increase of **\$307,587.48 per year**, or \$25,632.29 per month. We request the option to fill these positions by either a Registered Nurse or a Licensed Practical Nurse. The County will be reimbursed \$15.75 per hour should an LPN fill the position.

The following chart represents the proposed staffing matrix.

Umatilla County Jail 24 Hour coverage									
Title	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Hrs/WK	FTE
Days									
Health Services Administrator (RN)	8	8	8	8	8			40	1
Administrative Assistant	8	8	8	8	8			40	1
Registered Nurse (RN)	12	12	12				12	48	1.2
Registered Nurse (RN) (Clinic)	8	8	8	8	8	8	8	56	1.4
Licensed Practical Nurse (LPN)				12	12	12		36	0.9
Physician Extender		8						8	0.2
Mental Health Professional	8	8		8	8			32	0.8
Total Hours/FTE - Day								260	6.5
Nights									
Registered Nurse (RN) or (LPN)	12	12	12	12	12	12	12	84	2.1
Total Hours/FTE - Night								84	2.1
TOTAL HOURS/FTE - WEEKLY								344	8.6

Cost Summary

The total proposed increase to our contract is \$387,392.93 per year and \$32,282.74 per month. We forecast this increase to sufficiently address the challenges we are facing through 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, we do not believe they will return to pre-pandemic levels either, which may affect the pricing of future renewals and amendments.

Cost Adjustment	Monthly	Annually
Current Base Compensation	\$81,344.11	\$976,129.32
4.0% CPI Adjustment	\$3,253.76	\$39,045.17
Salary Increases	\$3,396.69	\$40,760.28
Night Shift Nursing	\$25,632.29	\$307,587.48
Total Contract Price Effective July 1, 2023	\$113,626.85	\$1,363,522.25

If the County accepts, please sign the following page indicating agreement with the proposed changes and email a signed copy to Joseph Figg, Retention Specialist, at jfigg@Wellpath.us. Upon receiving the signed proposal, our Legal Department will draft a formal contract amendment and route it to the appropriate County individuals for signature. All other terms of the current Agreement, including any changes detailed above, shall remain in full force and effect.

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) 219-2902 with any questions or concerns.

Sincerely,



Damon Kinton
 Regional Vice President

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

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

Authorized Umatilla 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: ____.