

COUNTY OF KANE

Christopher J. Lauzen
Kane County Board Chairman



Kane County Government Center
719 South Batavia Avenue
Geneva, IL 60134
P: (630) 232-5930
F: (630) 232-9188
clauzen@kanecoboard.org
www.countyofkane.org

DOCUMENT VET SHEET

for
Christopher J. Lauzen
Chairman, Kane County Board

NOV 14 2013
KANE COUNTY BOARD

Name of Document: Inmate Health Services Agreement Resolution No.: 13-349

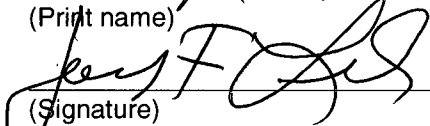
Submitted by: Corey Hunger

Dept. Head Signature: 

Date Submitted: November 14, 2013

Dept. Head Sign-off Date: 11-14-13

Examined by: Joseph Lulves
(Print name)


(Signature)

11-14-13
(Date)

Post on the Web: YES NO Atty. Initials JEL

Comments:

Chairman signed: YES NO 11/22/2013
(Date)

Document returned to: C. Hunger / Adult Corrections
(Name/Department)

STATE OF ILLINOIS
COUNTY OF KANE

RESOLUTION NO. 13 - 349

**AUTHORIZING A CONTRACT EXTENSION FOR MEDICAL SERVICES AT JAIL
(ADULT JUSTICE CENTER)**

WHEREAS, the Sheriff of Kane County, as mandated by statute 730 ILCS 125/17, must provide each prisoner with medical services and will also be responsible for the provision of additional professional services, including but not limited to, psychological and psychiatric care of prisoners, certain dental services and pharmaceutical supplies, including services of a social worker; and

WHEREAS, the existing contract permits for a one (1) year extension; and

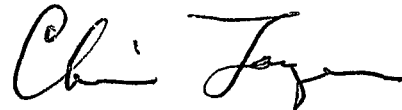
WHEREAS, it would be in the interest of the County to extend the term of the contract into two (2), one (1) year increments simultaneously.

WHEREAS, due to the Affordable Care Act and an allowance for a two (2) year extension, the County stands to benefit a potential savings of Three Hundred Fifty Seven Thousand, Two Hundred Forty Three Dollars (\$357,243) over the next two (2) years.

NOW, THEREFORE, BE IT RESOLVED by the Kane County Board that the Chairman thereof is authorized and directed to enter into an extension agreement with Wexford Health Sources, Inc., for said services at a cost not to exceed Two Million, Thirteen Thousand, Seven Hundred Eight Dollars (\$2,013,708) for FY2014. Expenditures shall be paid from Fund 001.380.382.50210 (Medical/Dental/Hospital Services).

Line item	Line Item Description	Was personnel/item/service approved in original budget or a subsequent budget revision?	Are funds <u>currently</u> available for this personnel/item/service in the specified line item?	If funds are not currently available in the specified line item, where are the funds available?
001.380.382.50210	Medical/Dental/ Hospital Services	Yes	Yes	

Passed by the Kane County Board on November 12, 2013.



John A. Cunningham
Clerk, County Board
Kane County, Illinois

Christopher J. Lauzen
Chairman, County Board
Kane County, Illinois

Vote:
Yes 21
No 0
Voice _____
Abstentions _____
11AJCmedical

**COUNTY OF KANE, ILLINOIS
INMATE HEALTH SERVICES AGREEMENT**

CONTRACT EXTENSION AMENDMENT

THIS AGREEMENT by and between the County of Kane (hereafter referred to as "County") and Wexford Health Sources, Inc. (hereafter referred to as "Wexford"), is entered into as of the 15th day of November 2013.

WITNESSETH:

WHEREAS, the County and the Sheriff are charged by law with the responsibility for obtaining and providing necessary health care for inmates/prisoners at the Kane County Adult Justice Center, currently located at 37W755 IL Route 38, St. Charles, Illinois (hereinafter called "Facility"); and

WHEREAS, the County and the Sheriff desire to provide for health care to inmates in accordance with applicable law; and

WHEREAS, the Sheriff, who receives funding for the Facility from the County, as approved by the Kane County Board, and the County desire to enter into this Agreement with WEXFORD to promote this objective; and

WHEREAS, WEXFORD is in the business of providing correctional health care services and desires to provide such services for the County and the Sheriff under the terms and conditions hereof.

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

To amend the following terms of the contract to reflect implementation of procedures and financial savings due to the Affordable Care Act (ACA) and a two-year extension of the current contract term to commence December 1, 2013 through November 30, 2015.

ARTICLE I: HEALTH CARE SERVICES

1.12 Affordable Care Act. The Affordable Care Act changes the eligibility for Medicaid for individuals to be based on income greatly expanding the eligibility of inmates for Medicaid coverage. WEXFORD shall work with the County to establish and implement necessary procedures and processes to enroll eligible inmates into Medicaid in accordance with the State of Illinois Affordable Care Act regulations.

- 1.13 Third Party Insurance. The Affordable Care Act requires individuals to obtain insurance and allows people up to age 26 to remain on their parent's health insurance policy under many circumstances. It is anticipated that some inmates will have insurance coverage through private coverage or through their parents. WEXFORD shall develop a subrogation process to pursue third party insurance payments for offsite health services provided to inmates.

ARTICLE VII: TERM AND TERMINATION OF AGREEMENT

- 7.1 Contract Term. This Agreement will be effective as of 12:01 A.M. on December 1, 2013 for a term of two years, expiring at 12:00 Midnight, November 30, 2015. This Agreement may be extended for additional one (1) year terms, if mutually agreed to in writing and signed by both parties. Any extension must be agreed to no later than ninety (90) days prior to the termination of the then existing term. By mutual agreements of the parties, this contract may continue on a month to month basis after the original term has expired. All articles and condition will remain enforced.

ARTICLE VIII: COMPENSATION

- 8.1 Base Compensation. The County or the Sheriff will pay to WEXFORD an annual base price of \$2,013,708 this base price shall be paid in equal monthly installments of \$167,809 each. The base price will be adjusted effective December 1, 2014 in accordance with Section 8.3, Compensation. Additionally the base compensation will be adjusted according to Section 8.4, Compensation, and effective January 1, 2014 or when the State of Illinois officially designates the expansion of Medicaid under the ACA regulations. WEXFORD will invoice the County and the Sheriff on the tenth (10th) day of the month following the month in which services were rendered. Reconciliations for unfilled hours and per diem population variances will be adjusted against the appropriate month's invoice before final payment. The County and the Sheriff agree to pay WEXFORD within thirty (30) days of receipt of the invoice from WEXFORD and in compliance with the provisions of the Illinois Local Government Prompt Payment Act. In the event this Agreement should commence or terminate on a date other than the first or last day of any calendar month, compensation to WEXFORD will be prorated accordingly for the shortened month.
- 8.2 Increases in Inmate Population. The parties agree that an annual base price is calculated based upon an average daily inmate population of 640. If the daily inmate population exceeds 670 inmates, then the compensation payable to WEXFORD by the County shall be increased by a per diem rate of \$2.75 for each inmate over 670. If the daily inmate population is less than 600 inmates, the compensation payable to WEXFORD by the County shall be decreased by a per diem rate of \$2.01 for each inmate less than 600. The per diem rates will be adjusted effective December 1, 2014 in accordance with section 8.3, Compensation. The average daily inmate resident population shall be determined and recorded by the Sheriff. The Sheriff shall regularly provide this information to WEXFORD.

This per diem is intended to cover additional costs in those instances where minor, short term increases in the inmate population result in the higher utilization of routine supplies and services. However, the per diem is not intended to provide for any additional fixed costs, such as staffing positions, which might prove necessary if the inmate population increases to 690 or more and if the population change is sustained for a period of at least ninety (90) days. In such case, WEXFORD reserves the right to request an increase in the staffing complement and adjustment to its contract price in order to continue to provide services to the revised number of inmates and maintain the quality of care. The parties agree to negotiate in good faith and without delay regarding the increase in staffing and contract price; provided, however, that if the parties are unable to agree on appropriate staffing and compensation; either party may terminate this Agreement with 150 days advance written notice.

8.3 Compensation. The compensation (i.e., annual base price and per diem rate as defined in Sections 8.1 and 8.2, respectively) and the annual aggregate for off-site costs (section 1.5) for the second year and for each renewal year shall include a reasonable increase for delivery of the same quality and quantity of health services. In arriving at a reasonable increase, the parties shall consider the percentage change in the U.S. Department of Labor's Consumer Price Index – All Urban Consumers – Chicago Gary-Kenosha, IL-IN-WI, Average for Medical Care Components, during the one-year period ending in November immediately preceding the beginning of the next annual term. Notwithstanding the foregoing, the percentage increase in the compensation for the second year and any subsequent renewal year shall not exceed five percent (5%). The resultant percentage increase shall be multiplied by the annual base price, per diem rates, and annual aggregate for off-site costs to determine the subsequent annual values of same.

8.4 Affordable Care Act (ACA) Adjustment. It is anticipated that inmate inpatient care will be covered by Medicaid under the terms of the ACA for all inmates eligible for Medicaid. It is further anticipated that all inmate inpatients will be eligible for Medicaid or Third Party Insurance. Therefore, in order to account for the savings associated with the implementation of ACA, WEXFORD shall credit the County the prorated annual value of inpatient care (including annual increases) submitted in WEXFORD's original bid. This credit shall be applied commencing January 1, 2014 or when the State of Illinois officially designates the expansion of Medicaid under the ACA regulations. The annual value of inpatient care services in WEXFORD's bid was \$71,159, adjusted for two annual increases of 2.7% and 3.2%, the current annual value is \$75,419. WEXFORD shall credit the County a monthly value equivalent to \$6,285 commencing with the effective date of ACA for the State of Illinois.

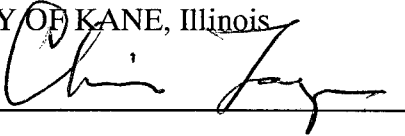
Should the anticipated Medicaid or Third Party Insurance coverage of inmate's inpatient care not be realized under the ACA implementation, the County and WEXFORD agree to review the financial impact and determine if a mutually agreeable adjustment to WEXFORD's contract is in order.

8.5 Third Party Insurance Reimbursement. When inmates are determined to have Third Party Insurance coverage, WEXFORD shall subrogate claims to the insurance carrier requesting reimbursement for the medical services WEXFORD paid on behalf of the inmate. When payment is received from the insurance carrier WEXFORD will reconcile the payments. On a quarterly basis WEXFORD will submit a payment reconciliation report to the County identifying the original amount paid by WEXFORD and amount reimbursed by the insurance carrier. For non-inpatient medical care reimbursements WEXFORD will retain 20% of the total amount paid by the insurance carrier and the County will be paid 80%, the remaining percentage. For inpatient medical care reimbursements, WEXFORD shall be entitled to retain 100% (County is being given a 100% credit for inpatient care under Section 8.4, Affordable Care Act (ACA) Adjustment)

ALL OTHER ARTICLES AND PROVISIONS OF THE CONTRACT REMAIN THE SAME

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IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

COUNTY OF KANE, Illinois
By: 

Name: Christopher J. Lauzen

Title: County Board Chairman

Date: 11/22/2013

KANE COUNTY SHERIFF

By: _____

Name: Patrick B. Perez

Title: Kane County Sheriff

Date: _____

WEXFORD HEALTH SOURCES, INC.

By: _____

Name: John Froehlich

Title: Vice President Finance

Date: _____