

A RESOLUTION

**Proposed
Resolution
20-1107**

**See Emergency
D.C. Act 20-477
20 DCStat 4401**

To declare the existence of an emergency with respect to the need to approve Modification No. 8-10 to Contract No. NFPHC-151 between the Not-for-Profit Hospital Corporation (“NFPHC”) and Wisconsin Avenue Psychiatric Center d/b/a Psychiatric Institute of Washington, to provide, in consultation with the NFPHC, management and operation of the Behavioral Health and Professional Psychiatric Services Program, and to authorize payment for the services received and to be received under the contract modifications.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Modification Nos. 8-10 to Contract No. NFPHC-151 Approval and Payment Authorization Emergency Declaration Resolution of 2014”.

**Modification
Nos. 8-10 to
Contract No.
NFPHC-151
Approval and
Payment
Authorization
Emergency
Declaration
Resolution of
2014**

Sec. 2. (a) There exists an immediate need to approve Modification Nos. 8-10 to Contract No. NFPHC-151 between NFPHC and Wisconsin Avenue Psychiatric Center d/b/a Psychiatric Institute of Washington (“PIW”), to provide, in consultation with the NFPHC, management and operation of the Behavioral Health and Professional Psychiatric Services Program (“Program”), and to authorize payment for the services received and to be received under the contract modifications.

(b) After a competitive procurement under the NFPHC procurement rules, the NFPHC awarded PIW a letter contract on August 15, 2012. A letter contract was used to allow PIW to begin providing this critical service, yet provide ample time for the parties to definitize the contract. The letter contract had an initial period of 9 months and a value of \$712,150.

(c) Modification No. 1, effective October 29, 2012, added language to the letter contract defining parameters around PIW adding one additional physician to support the Program. Modification 1 did not have any financial impact on the 9-month base period.

(d) Modification No. 2, effective May 9, 2013, extended the letter contract by 3 months to August 14, 2013, as permitted in section 3 of the letter contract. This change was necessary to allow the NFPHC, now working closely with Huron Consulting Group, LLC pursuant to DCHT-2012-C-0014 with the Department of Health Care Finance, to initiate discussions with PIW regarding expansion of PIW’s services within the general scope of the letter contract. The value of Modification 2 was \$229,050, which brought the total value of the 12-month base period of the letter contract to \$941,200.

(e) Modification No. 3, effective August 14, 2013, inserted language providing the authority for the letter contract to be extended for up to 6 months. This change was necessary because in August 2013, both the NFPHC and PIW realized that even more time was needed in order to continue negotiating the definitized contract, including the details of the expansion of PIW’s services for the Program, more precise performance metrics, and contract incentives by

which NFPHC would evaluate and better leverage PIW's expertise, especially regarding managed care payors. Most importantly, the NFPHC and PIW needed the time to ensure the ongoing discussions and proposed changes aligned with the new Hospital Strategic Plan approved by the NFPHC Board of Directors in July 2013. Modification No. 3, providing the authority for, but not yet exercising, a 6- month option period did not have any financial impact.

(f) Modification No. 4 used the authority inserted by Modification No. 3 and extended the letter contract to November 13, 2013, the first 3 months of the option period, with the same terms as the base year. This change allowed time for the discussions contemplated by Modification No. 3. The value of Modification No. 4, the 3-month option period, was \$231,250.

(g) During the Modification No. 4 term, the NFPHC realized that the definitized contract changes would cause the 12-month proposed option year one, which would incorporate the existing option period, to exceed \$1 million and would therefore require Council approval as a tipping contract modification.

(h) Modification No. 5, exercising an additional 2 months of the option period, extended the contract through January 13, 2014. This change was necessary to provide ample time for preparation of the Council package, receive appropriate NFPHC approvals, and provide time for Council review. The value of Modification No. 5 was \$154,156.66, bringing the 5- month option value to \$385,406.66.

(i) Modification No. 6 exercised an additional 2 months of the option period to allow for Council consideration of this tipping contract at a regularly scheduled legislative meeting. Modification No. 6 did not have any financial impact. The value of Modification No. 6 was \$77,078.33, bringing the option period value to \$462,484.99.

(j) Modification No. 7 exercised the remainder of the definitized contract option year one in the amount of \$1,471,136.30 and was enacted, after Council approval (D.C. Act 20-269) on January 16, 2014.

(k) Modification No. 8 exercised the first 2 months of option year two in the amount of \$292,794.50. The NFPHC attempted to submit proposed option year two to the Council for passive review during recess, but missed the fairly new Council Rule 307(b) deadline. Unable to suspend performance of critical services during Council recess, the NFPHC therefore exercised only 2 months of option year two.

(l) The NFPHC attempted to submit Modification No. 9 again on October 2, 2014, to exercise the remainder of option year two, however; the NFPHC mistakenly used five days, instead of five business days, as the deadline for transmittal. Unable to suspend performance of critical services, the NFPHC therefore exercised one additional month of option year two in the amount of \$146,397.25 to allow time to obtain Council approval.

(m) Proposed Modification No. 10 will exercise the remaining 9 months of option year two for an amount of \$1,347,774.25, bringing the total value of option year two to \$1,786,936.

(n) Emergency approval of Modification Nos. 8-10 for a total value of \$1,786,936 for the contract option year two is necessary so that NFPHC can continue to support the Program.

Without this approval, PIW cannot be paid for critical services provided and to be provided in excess of \$1 million.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Modification Nos. 8-10 to Contract No. NFPHC151 Approval and Payment Authorization Emergency Act of 2014 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.