



Notice of Intent  
to Release a  
Request for Proposals (RFP)  
for

**Professional Laboratory Services  
Management Assistance**

March 4, 2009

***Disclaimer:*** This is a courtesy announcement only. California Prison Health Care Services (CPHCS) reserves the right to make modifications to the referenced RFP, including the decision to release the RFP.

The rules and requirements outlined in the RFP will be final and override any previous communications, including this one.

## Overview

California Prison Health Care Services (CPHCS) is intending to release a Request for Proposal (RFP) in March of 2009 for professional laboratory services management assistance. This assistance supports the California Prison Health Care Services (CPHCS) need to stabilize and remediate its laboratory services across the California Department of Corrections and Rehabilitation (CDCR) enterprise.

The following information provides background information for the intended RFP as well as a high level view of the “Expected Scope of Services.” Also included with this notice is a summary of estimated key dates to enable appropriate planning by the vendor community. The purpose of this notice is to provide early awareness of this impending RFP in our effort to support broad and fair competition for this procurement.

Please note that CPHCS will not entertain questions regarding this RFP until the RFP is released. However, CPHCS may release additional information prior to the release of the RFP, so please monitor the procurement web site ([http://www.cphcs.ca.gov/project\\_rfp.aspx](http://www.cphcs.ca.gov/project_rfp.aspx)) for additional information.

CPHCS is an organization within the California Prison Health Care Receivership Corporation (CPR). CPR is led by the “Receiver” who is the executive manager of medical care in California state prisons. The mission of the CPR is to raise to constitutional standards the level of medical care delivered to adult inmate-patients incarcerated in California prisons.

Acting on the authority of the federal court, CPR will make the structural, clinical, budgetary, and organizational changes necessary to create a safe and secure clinical environment in which custody and medical staff together can raise the quality of and access to care in California's adult prisons to constitutional levels. Once achieved, CPR will work to transition the prison medical care system back to the State for future maintenance at constitutional levels.

## California’s Need

CPHCS currently delivers health care services to over 175,000 inmate-patients in 33 adult institutions throughout the state ([http://www.cphcs.ca.gov/docs/resources/CPHCR\\_map.pdf](http://www.cphcs.ca.gov/docs/resources/CPHCR_map.pdf)). The scope of the health care mission includes dental care, primary care, acute and urgent care, chronic care management, long-term care, hemodialysis, physical therapy and rehabilitation, and infirmary-level care. Cases requiring specialty consultation or complex management are seen

remotely by telemedicine or are referred to community medical offices or hospitals. The insert below characterizes the resources involved in laboratory testing across the state's 33 institutions.

- ❖ Lab test volume for 33 institutions is over 2.2M/Yr individual tests (combined on-site and off-site testing).
- ❖ The labs operate with ~105.5 FTE's considered State employees; plus 63.6 agency phlebotomists.
- ❖ CDCR spends an estimated \$31M/Yr in lab services, including in-house, send out, and other costs.
  - Laboratory services performed under the control of CDCR cost ~\$15.8M/Yr.
  - Reference laboratory services cost ~\$15.1M/Yr.

Until recently, health care operations in the 33 institutions were confined to silos with no central planning, management, or oversight of services. Consequently, each institution has been responsible for developing its own clinical laboratory program. As a result, there is no standardization in services. Neighboring institutions may have contracts with different reference laboratories at very different rates and different levels of service. Some facilities have outdated equipment dating from the 1980's while others have purchased new analytic equipment that they lack the expertise and equipment to install.

Because CDCR's health care information technology infrastructure has suffered from decades of neglect, the network was insufficient to support an enterprise laboratory information system (LIS). In many cases lab results are not being made available to providers who ordered them. Additionally, facilities in remote California locations have had difficulty recruiting and retaining qualified laboratory staff and identifying facility space for lab functions such as phlebotomy and pre-analytical processing.

To reduce inefficiency and improve timeliness of medical care for CDCR's inmate-patients, the Receiver is creating a statewide strategy and implementing improvements for enterprise clinical laboratory services. This redesign of lab services will occur in concert with other improvements to the health care system, including overhauls of information technology and telemedicine. Consequently, we expect to have the infrastructure to support an enterprise LIS and a clinical data repository in the near future.

To further these efforts the Office of the Receiver recently engaged a contractor to provide a comprehensive assessment of existing laboratory services (Clinical Laboratory Assessment and Improvement Strategy – Final Report; hereafter referred to as “Assessment Report” -- [http://www.cphcs.ca.gov/docs/court/Q9\\_CLAIS\\_20080407.pdf](http://www.cphcs.ca.gov/docs/court/Q9_CLAIS_20080407.pdf)). Assessment Report findings include the following statements:

*“The existing clinical laboratory services fail to provide the necessary service requirements to guarantee safe and adequate quality healthcare to inmates at the CDCR facilities.”*

*“CDCR will be required to implement immediate improvements to minimize risk, and concurrently begin planning a long-term corrective action plan to overhaul existing laboratory systems and create a safe and sustainable future operational model.”*

Extensive detail about the aforementioned deficiencies can be found in the Assessment Report, including identification of recommended short term actions and alternative long term operational models. It is important to note that although the Assessment Report has been accepted by the Receiver, the scope of work intended under this RFP represents a derivation of these recommendations based on current stabilization and remediation needs. To address these needs, the Office of the Receiver seeks to contract for enterprise laboratory management services to stabilize and remediate laboratory services.

This effort will also include facilitating CPHCS decisions regarding a long term operational model for CDCR laboratory services once stabilization and remediation actions have been substantially accomplished. CPHCS will select a qualified firm to take over management of laboratory services and to put into practice the required improvements to laboratory services. The selected firm will also be responsible for transitioning all laboratory management and operational control back to state control.

The contractual agreement that results from this procurement is for a period of 36 months and will include an option for two additional one year extensions of services. These services do not include providing contracted lab services (e.g., Reference Lab services).

## Some Background on the Receiver

As a result of the State of California’s ongoing failure to provide medical care to prison inmates at constitutionally acceptable levels, the United States District Court for the Northern District of California has established a Receivership to assume the executive management of the California prison medical system and raise the level of care up to constitutional standards. On February 14, 2006, the Court appointed the Receiver and granted him, among other powers, the authority to exercise all powers vested by law in the Secretary of the CDCR as they relate to the administration, control, management, operation, and financing of the California prison medical health care system.

The Court's actions stem from the case of *Plata v. Schwarzenegger* -- a class action lawsuit brought on behalf of the CDCR's adult inmates. For further information regarding the conditions underlying the Receivership and the powers and responsibilities of the Receiver refer to the Court's October 3, 2005 "Findings of Fact and Conclusions of Law Re Appointment of Receiver" ("FFCL") and the Court's February 14, 2006 "Order Appointing Receiver". These and other relevant documents can be found on CPR's website at <http://www.cphcs.ca.gov/>.

The CDCR mental health and dental systems are also under court supervision as a result of two additional inmate class actions: *Coleman v. Schwarzenegger* and *Perez v. Tilton*, respectively. To avoid duplication of effort, certain health care initiatives that support the entire health care system are being coordinated by the *Plata*, *Coleman* and *Perez* courts. To facilitate such coordination, the courts have agreed that the Receiver will be responsible, in addition to his management of the medical system, for the oversight and implementation of certain dental and/or mental health support functions, including laboratory services management.

The Receiver oversees a corrective action plan titled the *Turnaround Plan of Action* ([http://www.cphcs.ca.gov/receiver\\_tpa.aspx](http://www.cphcs.ca.gov/receiver_tpa.aspx)), which addresses the need for extensive improvements in laboratory services including the release of a RFP for professional laboratory management services.

## Expected Scope of Services

CPHCS seeks to contract for professional management services to assist CPHCS in stabilizing and remediating its laboratory services across the CDCR enterprise. CPHCS has identified targeted objectives for these professional management services from the Assessment Report and remediation experience in other CPHCS projects. These objectives have been organized under the following six work packages:

Work Package 1 - Project Management & Orchestration

Work Package 2 - Assessment Update

Work Package 3 - Stabilization & Remediation Planning

Work Package 4 - Stabilization & Remediation Implementation

Work Package 5 - Long Term Operational Model Selection

Work Package 6 - Operational Cutover

The intended scope of services is a significant undertaking that requires substantial experience and capability in project management and service orchestration as well as substantial experience and knowledge of laboratory services. These services will be provided across the CDCR enterprise while several other remediation projects are underway. CPHCS seeks to emphasize the importance of project management and orchestration of these enterprise stabilization and remediation services. This emphasis is stated to assure effective performance in areas such as planning, progress reporting, change management, communication management, deliverable production, and overall success of the engagement.

Bidders are encouraged to partner with other firms to round out their depth of staff and experience to meet the scale and scope of this engagement. Bidders that have performed previous work for the Receiver, CPHCS, or CDCR are not excluded from bidding.

The work and work products from each of these work packages is intended to fulfill the clinical, operational, and administrative goals of CDCR facilities, CPR, and its stakeholders, including fulfilling the following expected results:

For CDCR, CPR, and CPHCS

- 1) Constitutional level of healthcare delivery to CDCR inmates.
- 2) Standardization of laboratory services throughout the system.
- 3) Electronic access to laboratory orders and results as well as integration with other clinical information systems.
- 4) Effective test utilization to positively impact clinical outcomes.
- 5) Experienced laboratory system leadership and management.
- 6) Proficient laboratory personnel.
- 7) Centralized Quality Management for Lab Services.
- 8) Well managed and measureable stabilization and remediation performance.

For Physician providers:

- 1) Accurate laboratory test results on time to effectively monitor, diagnose, and treat.
- 2) Timely access to STAT laboratory services.
- 3) Test results available in the chart and electronically at the POCT and system-wide transparency.
- 4) Standardized test menu, test priorities, reference ranges.

For CDCR laboratory personnel:

- 1) Medical Directorship to oversee the implementation of a Quality Management System.
- 2) Education, training, coaching, and accountability.
- 3) Standardized and contemporary equipment.
- 4) Adequate and safe space.
- 5) Standardized enterprise Laboratory Information System.

## Estimated Key Action Dates

The dates in the following table are only estimates and are provided to illustrate the current expectations for timing of actions related to this RFP and the resultant contract for services.

<b>Key Actions</b>	<b>Estimated Dates</b>
RFP issued	March 18, 2009
Bidder's conference	April 1, 2009
Deadline for questions regarding RFP	April 15, 2009
Final responses to questions	April 22, 2009
Proposals due	May 1, 2009
Notification for interviews	May 8, 2009
Interviews - week of	May 20, 2009
Selection announced	May 29, 2009
Project start date	July 1, 2009
End of initial contract term	June 30, 2012
End of initial contract term plus possible one year extension	June 30, 2013
End of initial contract term plus possible second one year extension	June 30, 2014