

**Appendix C**  
Brorby, Memorandum, Medical Contracts  
(June 2007)

MEMORANDUM

TO: Joe Goldenson, Madie LaMarre, *Farrell* Medical Experts  
FROM: Donna Brorby, *Farrell* Special Master  
RE: Medical contracting (revised)  
DATE: June 15, 2007

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I requested from DJJ the following information about health services contract requests made this fiscal year (2006-07):

- Dates sent to CDCR
- Dates contracts executed
- Proposed or actual contractor
- Current status.

As I continue to monitor the contracts issue, I will request the dates contracts awarded also. (Award is done by CDCR, essentially naming the potential contractor whose bid is accepted. The contract then must be approved by DGS in order to be executed.) I will also try to get information about the status of CDCR processing of DJJ's contract requests (what happens between DJJ's contract request and award of a contract).

DJJ provided an excel report tracking about 18 Health Services headquarters requests and about 36 DJJ facilities contract requests. I sent that to you by email. The tracking document shows long lapses of time from contract request to execution of contract (and many requests pending for a year or longer without contracts being executed).

After I received the tracking document, I met with Dave Gransee, DJJ Health Care Administrator, Nick Burgeson, DJJ's point person on medical contracts requests, Katie Riley, CDCR attorney, and Doug Ugarkovich, Farrell Litigation Coordinator, on June 4, 2006. Then, on June 13, 2006, I met with the same four individuals plus Robert Morris, Medical Director, David Hale, DJJ Business/Contract Services Manager (on a 24 months assignment from CDCR to assist with contracting issues), Karen V. Smith, Deputy Director CDCR Office of Business Services, Debra Jones, Associate Director CDCR Office of Business Services and Joseph Watkins, CDCR Manager DJJ Contracts Unit.

In the two meetings, we reviewed the tracking document and discussed DJJ's contract requests. I will not review all of them here, but the following are exemplary:

DJJ requested contracts for dentist and dental hygienist services in May 2006. It had no response until December 2006, when CDCR said that DJJ would be covered in CDCR master service contracts for these services. As of June 4, DJJ (Nick Burgeson and Dave Gransee) had heard that the master contracts have been awarded for dentists and dental

hygienists, but they did not know if DJJ was included in the contracts. At the June 13 meeting, we all learned that DJJ was not included. DJJ's next step would be to resurrect the May 2006 requests.

DJJ similarly request contracts for psychiatry, psychology, psychiatric technicians, nurse practitioners, and nursing services in May and June 2006. It had been told it would be covered by CDCR master contracts. At the June 13 meeting, DJJ learned that it was not and would not be included in those master contracts. The communication disconnect was partly due to the fact that the *Plata* federal court receiver had taken over CDCR's medical contracting function for the adult prison system in December 2006. The 34 or so CDCR medical contracts staff reported to the receiver since then. They did not communicate with CDCR or DJJ when they removed references to DJJ in the medical contracts.

DJJ requested a contract for acute psychiatric hospital services from Sierra Vista Hospital in September 2005. That contract has NOT been awarded yet. First, there was a mistake in how the contract was drawn up (single provider instead of multiple provider). Sierra Vista bid, but the contract had to be redone and rebid. The second time, there were no bids at all. DJJ investigated to determine why expected bidders had not bid, and then made another request for contract to CDCR. DJJ does not know its status. In the meantime, DJJ has entered numerous emergency contracts/amendments under which Sierra Vista has provided emergency psychiatric services.

DJJ requested a clinical laboratory services contract in July 2006. The contract was awarded "last week" (end of May 2007). It has to be approved by DGS still to be executed. The contractor Latara Enterprises dba Foundation Enterprises will take over from Unilab Corp./Quest Diagnostics which did not bid this year. The Unilab contract expires June 30. There is a question whether there will be a disruption in lab services during the change over, especially if execution of the contract is close to the end of June.

DJJ requested a contract for a HQ Pharmacy Manager in July 2006. It was never awarded. DJJ finally hired a Pharmacy Manager after salaries were raised in about May 2007.

DJJ requested a contract for Clinical Records Administrator (headquarters) in December 2006. (The position then had been vacant since the beginning of September 2006.) DJJ does not know the status of the request. This was one of DJJ's highest priority requests. Lesser priority requests have been processed to completion while this one has languished.

The June 13 meeting that was arranged at my request was *not* the first between many of the same people. There was a similar meeting in August 2006. At that time, CDCR's two top administrators in the contracts function, Director Steve Alton and Deputy Director Karen Smith, took notes and promised to improve service to DJJ. From then until January 2007, DJJ staff had regular meetings with the CDCR business office DJJ contracts manager (Karen Dolan until December 2006, then Kathy Gilpin, now Joseph Watkins). From DJJ's perspective, DJJ would provide information to CDCR at the meetings, but CDCR never had information to give DJJ information about the progress towards awarding and executing contracts. DJJ discontinued the meetings as a result.

As I have told you, there was a large meeting of *Farrell* counsel, DJJ staff and CDCR secretary Jim Tilton on October 20, 2006. Secretary Tilton promised to create a team of liaisons from CDCR to DJJ to solve the problems of the interface between DJJ and CDCR for purposes of improving CDCR's services to DJJ, including contracts services. In about May 2007, CDCR did temporarily transfer a number of staff to make the relationship between CDCR and DJJ work to meet DJJ's legitimate needs. David Hale is on a 24 month assignment from CDCR. He seemed very knowledgeable about contracts issues and the CDCR process. He said he would have a staff, probably of five. This is a step beyond anything that has happened before in the area of efforts to create a working system for DJJ to develop and enter into contracts.

At the June 13 meeting, CDCR and DJJ agreed to a work plan for getting the most important contracts in place and improving the system for processing DJJ contract requests, and they promised to meet again in a month.

At the June 4 meeting, I asked Dave Gransee and Nick Burgeson about whether, for psychiatric coverage and as a way to recruit psychiatrists, they were pursuing the idea of a contract directed at potential medical school bidders. DJJ had tried to pursue this before on the mental health experts recommendation, but CDCR contracts ended up putting out a standard registry contract instead. No one ever provided services under the registry contract; the bidder was unable to supply psychiatrists. Dave and Nick told me that they would not try to pursue special medical contracts now, when they could not even get standard contracts through CDCR with reasonable effort.

I will continue to monitor the progress and report to you.