



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 26-321

August 11, 2026

Introduced: 7/6/2026

Current Status: Health Department -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of Health Services or designee to execute a retroactive Amendment No. 2 to Agreement A-14748 with Netsmart Technologies, Inc. for the continued provision of the Avatar Electronic Health Records (EHR) system, including Licensed Software Maintenance and Support, Software License Subscription, Hosting Services, Additional Professional and/or Technical Consulting Services, and Additional Licensing & Optional Services, adding \$4,330,632 for a total revised contract amount of \$11,198,221 and adding three years for a revised Agreement term of July 1, 2020 through June 30, 2029; and
- b. Approve and authorize the Director of Health Services or designee to execute three future amendments to this Agreement that do not exceed 10% (\$1,119,822) of the revised Agreement amount, do not significantly change the scope of work, and do not exceed a revised maximum amount of \$12,318,043 subject to approval by the Office of County Counsel.

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

- a. Approve and authorize the Director of Health Services or designee to execute a retroactive Amendment No. 2 to Agreement A-14748 with Netsmart Technologies, Inc. for the continued provision of the Avatar Electronic Health Records (EHR) system, including Licensed Software Maintenance and Support, Software License Subscription, Hosting Services, Additional Professional and/or Technical Consulting Services, and Additional Licensing & Optional Services, adding \$4,330,632 for a total revised contract amount of \$11,198,221 and adding three years for a revised Agreement term of July 1, 2020 through June 30, 2029; and
- b. Approve and authorize the Director of Health Services or designee to execute three future amendments to this Agreement that do not exceed 10% (\$1,119,822) of the revised Agreement amount, do not significantly change the scope of work, and do not exceed a revised maximum amount of \$12,318,043 subject to approval by the Office of County Counsel.

SUMMARY:

Netsmart Technologies, Inc. (Netsmart) was selected as the Electronic Health Records (EHR) vendor for the County of Monterey Health Department's Behavioral Health Bureau (Bureau) for the Avatar Solution as a result of a formal Request for Proposals process in 2008. The systems application through Netsmart assists the Bureau to meet the meaningful use criteria for medical health records.

DISCUSSION:

Approval of Amendment No. 2 will extend the term by three years through June 30, 2029, increase the number of software licenses from 850 to 900, increase the Reserved Services amount from

\$350,000 to \$500,000, remove the Reaching Recovery Subscription services, and include a Bi-Directional interface with the Managed Care Providers as required by state regulations. Services will continue to include Licensed Software Maintenance and Support, Software License Subscription, Hosting Services, Additional Professional and/or Technical Consulting Services, and Optional Licensing Services related to the Avatar Electronic Health Records system.

The Reserved Services allocation will be utilized on an as-needed and approved basis to address operational and programmatic needs and to ensure timely access to technical support, maintenance services, software subscriptions, and hosting services associated with the Avatar system.

This Amendment is retroactive due to the additional time required to work with the vendor and staff to meet service needs and ensure compliance with new state regulations, insurance requirements, and AB 339.

This work supports the County of Monterey Health Department 2025-2028 Strategic Plan Goal(s): 4. Deepen organizational effectiveness and support long-term sustainability. It also supports one of the ten essential public health services, specifically: 6. Enforce laws and regulations that protect health and ensure safety.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and Auditor-Controller have reviewed and approved as to legal form and fiscal provisions, respectively.

FINANCING:

The Agreement is funded by Federal Funding Participation (FFP), Realignment, and Behavioral Health Services Act (BHSA) funds. The funds for FY 2026-27 are included in the Health Department's Behavioral Health Bureau (Fund 1310, Entity 400005) FY 2026-27 Adopted Budget. The funds for the Agreement for future fiscal years will be included in the corresponding fiscal year's Requested Budget.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This agreement does not support the Strategic Plan Goals specifically but supports administrative processes to enhance efficiency in record-keeping and data-sharing, as it is for the provision of an electronic health records system.

Mark a check next to the related Board of Supervisors Strategic Plan Goals:

 X Administrative

Prepared By: Misti Hannan, Management Analyst II, 755-8946

Approved By: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Amendment No. 2

Schedule A-2: Charges and Payment Terms for FY 2026-27 through FY 2028-29

Amendment No. 1

Board Order

Agreement (A-14748)

Board Order