

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 13, 2023

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Epic System Corporation for Electronic Health Record System Modules

RECOMMENDATION(S)

1. Approve **Amendment No. 4 to Agreement No. 19-557** with Epic Systems Corporation, for the addition of the Epic Hello World SMS and Cheers Call Center modules, additional software modules, licensing, implementation services, go-live support and travel expenses related to the Electronic Health Record system, increasing the amount by \$1,111,550, from \$40,160,615 to \$41,272,165, with no change to the term of August 6, 2019, until terminated with 90 days' notice to the other party.
2. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Amendment with Epic Systems Corporation pursuant to the confidentiality provision in Agreement No. 19-557.

(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The increased cost of \$1,111,550 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2022-23 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

This amendment with Epic Systems Corporation (Epic) will allow ARMC to purchase and implement the Hello World SMS (Hello World) and Cheers Call Management (Cheers) modules on the Epic System (System). The Hello World module will enhance the Electronic Health Record (EHR) by allowing it to send important communications, reminders, and self-service options straight to patients' cell phones without using a third-party Short Messaging/Messaging Services (SMS). Research has shown that patients are more likely to respond to text messages vs. email, and this SMS capability helps improve health equity for those with limited or no access to broadband Internet or a smartphone. The Epic EHR supports over 170 messaging

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scenarios, providing patients with the capability to reply to messages for appointment scheduling, wait list offers, and checking in for visits.

The Cheers module will provide ARMC with the ability to use advanced technology to close care gaps, and improve outcomes for established and prospective patients, creating a greater sense of patient loyalty. This customer relationship management module will also analyze real-time feedback to identify and solve issues by simplifying and improving patient access with streamlined entry points; customized patient outreach materials (i.e., emails, webpages, etc.), based on preferences, interests, and relevance; leveraged integrations with external systems to merge data from multiple sources and store it in a centralized place, automation of tedious manual processes to save time and increase value for patients; and enable more data elements (i.e., demographic procedures, cancer screening opportunities, lab results, etc.) to understand patient's history more completely.

The additional funds will increase enterprise volume licenses for Annual Ambulatory visits, Annual Inpatient Day Equivalents, Annual Lab Orders, Comprehensive Care Program Recipients, and Non-Current Patients. Our annual volume increased over the current licensed volume which places ARMC in the next license level. The maintenance on these licenses has increased when our volume exceeded the previously licensed volume amount which is subjected to annual volume increases. Due to patient volume increases, the need for more staffing expands and more licenses will be needed to capture increased patient volume. Higher patient volume is associated with better health outcomes.

On August 6, 2019 (Item No. 9), the Board of Supervisors (Board) approved Agreement No. 19-557 with Epic with an estimated five-year cost not to exceed \$29,738,425 beginning August 6, 2019, until terminated with 90 days' notice to the other party, for the purchase, installation and maintenance of a fully integrated EHR system at ARMC.

On March 9, 2021 (Item No. 3), the Board approved Amendment No. 1 to Agreement No. 19-557 with Epic, increasing the estimated five-year not-to-exceed amount by \$448,000, from \$29,738,425 to \$30,186,425, for additional implementation services and travel expenses related to the EHR system, with no change to the term.

On October 5, 2021 (Item No. 15), the Board approved Amendment No. 2 to Agreement No. 19-557 with Epic, including the incorporated additional terms to the agreement, increasing the estimated five-year not-to-exceed amount by \$9,974,190, from \$30,186,425 to \$40,160,615, for additional software modules, licensing, implementation services, go-live support and travel expenses related to the EHR, with no change to the.

On April 25, 2023, pursuant to authority delegated by the Board, the Hospital Director approved Amendment No. 3 to Agreement No. 19-557 with Epic, to incorporate the Nebula feature and integrate maps and geocoded data into Epic workflows. The non-financial amendment added a program property that is already licensed under Agreement No. 19-577, at no additional cost and with no change to the term.

Pursuant to Agreement No. 19-557, the County is obligated to maintain the confidentiality of information that Epic identifies as confidential and proprietary, including its pricing. The County may incur liability from failing to disclose information pursuant to a California Public Records Act request or open public meeting requirements (Brown Act and County Sunshine Ordinance). This liability may be offset by the indemnification obligations that Epic has agreed to undertake. In

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addition, the County could be deemed in breach of agreement and incur liability to Epic for disclosure of Epic's information, including non-redacted versions of the agreement, regardless of whether the disclosure is intentional or inadvertent, which could exceed the agreement amount.

ARMC recommends approval of this amendment to provide for the safety, health and social services needs of County residents by continuing to implement a "One Patient - One Record" system for County healthcare needs.

PROCUREMENT

This amendment is the continuation of a competitively procured agreement, RFP ARMC117-ARMC-2510, awarded and approved by the Board on August 6, 2019 (Item No. 9). The Purchasing Department continues to support this competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387- 5455) on May 9, 2023; Purchasing (Ariel Gill, Buyer III, 777-0722) on May 10, 2023; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on May 22, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 23, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 24, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 13, 2023



cc: ARMC - Gilbert w/ agree
Contractor c/o ARMC w/ agree
File w/ agree (BAI & Redacted Agreement)
File - Confidential Files
JLL 06/28/2023