

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

February 11, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with 3M Health Information Systems

RECOMMENDATION(S)

Approve **Amendment No. 1** to Software License and **Services Agreement No. 17-913** with 3M Health Information Systems, to increase the contract amount by \$305,958 from \$3,620,171 to \$3,926,129, for use of automated medical record coding services within the new Electronic Health Records System at Arrowhead Regional Medical Center, with no change to contract period of December 30, 2017 through December 29, 2022.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

FINANCIAL IMPACT

Approval of the recommendation will not result in the use of Discretionary General Funding (Net County Cost) as the increase in cost of \$305,958 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. Sufficient appropriation and revenue is included in the Arrowhead Regional Medical Center (ARMC) 2019-20 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this recommendation will allow ARMC to continue utilizing 3M Health Information Systems (3M) for automated medical record coding within the new Epic Systems Electronic Health Records System (Epic EHR System). The full transition to the Epic EHR System will occur in 2021. ARMC employs coders who are responsible for reviewing and coding patient medical records throughout the facility. Currently, Meditech, the electronic health record used by ARMC, utilizes 3M software as the tool required to assign diagnostic and procedural codes to the medical record of each patient serviced.

Coding software is both mandatory and required to help promote smooth coding and billing processes as coders use coding software to ensure accuracy when coding patient medical records (i.e., the transcription of doctor's notes, laboratory tests ordered, imaging studies requested and other sources). Coder software helps coders work in conjunction with billers to avoid reimbursement (e.g., insurance payment) denials. Without the software, ARMC would likely encounter an increase in mistakes, loss in reimbursement payments, and compliance

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errors. The software is necessary to code medical records properly, ensure patient safety, and secure reimbursement payments for services rendered.

ARMC has historically used medical/clinical coding software to assist its staff of coders with coding the volume of medical records. Coders use the software to prepare, organize, and evaluate medical documents, making sure they are complete and accurate. Coding software helps specialist applying the appropriate code for each diagnosis and procedure for insurance billing. Coders rely on International Statistical Classification of Diseases and Related Health Problems (ICD)-10 and Current Procedural Terminology (CPT) codebooks to begin translating physician documentation into useful medical codes. Entry-level positions require completion of a certificate or an associate's degree program in medical billing and coding. These programs provide training in commonly used classification systems, such as ICD-10, CPT, DSM-IV, and HCPCS.

PROCUREMENT

On December 19, 2017 (Item No. 9), as the result of a competitive process, the Board of Supervisors approved Agreement No. 17-913 with 3M Health Information Systems in the amount of \$3,620,171, for automated medical records coding at Arrowhead Regional Medical Center, for the period of December 30, 2017 through December 29, 2022, with the option to extend two additional years.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, County Counsel, 387-5455) on January 10, 2020; Purchasing Department (Jackie Ambrose, Lead Buyer, 387-2463) on January 24, 2020. Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on January 24, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 27, 2020.

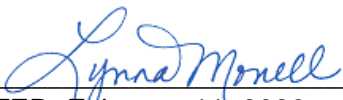
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 11, 2020



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/attach
File- w/agree
File- Medical Center w/BAI only
File- Confidential w/attach
la 02/14/2020