

**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 Change Healthcare Technologies, Inc. to Change the Fee Structure for Medical Imaging Data Collection and Storage

RECOMMENDATION(S)

Approve **Amendment No. 14 to Agreement No. 06-141** with Change Healthcare Technologies, Inc. to change the fee structure for medical imaging data collection and storage services, with no change to the contract amount of \$10,922,337 or the contract period of February 7, 2006 through May 25, 2025.

(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 this item will not result in the use of Discretionary General Funding (Net County Cost). There is no additional cost for this item, and the original agreement 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 No. 14 to Agreement No. 06-141 with Change Healthcare Technologies (CHC) will allow ARMC to provide continued maintenance and support of the Picture Archiving and Communications Systems (PACS) and Cardiology Picture Archiving and Communications Systems (CPACS) that are utilized by the ARMC Medical Imaging Department. To meet ARMC's request for multiple users to access PACS and CPACS, CHC has changed its fee structure to exam volume rather than the number of software licenses. This change is anticipated to prevent future cost increases when additional software licenses are needed. The PACS and CPACS systems allow medical diagnostic images to be directly accessible from ARMC nursing stations and clinics so that medical staff can provide immediate diagnosis for improved and more efficient patient care.

On February 7, 2006 (Item No. 51), as the result of a competitive process, the Board of Supervisors (Board) approved Agreement No. 06-141 with McKesson Technologies,

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Inc. (McKesson) in the amount of \$4,055,970, which included the purchase of PACS, comprised of hardware, software, and licensing in the amount of \$2,499,734, and system maintenance support in the amount of \$1,556,236, for the period of February 7, 2006, through February 6, 2011. On May 19, 2015 (Item No. 8), the Board approved Amendment No. 2 to the agreement, resulting from a formal Request for Proposals (RFP MCR13-18) for a new PACS and CPACS. Six companies submitted proposals in response to the RFP, but McKesson (now known as Change Healthcare) was the lowest responsive bidder.

The Board has since approved 11 additional amendments to this agreement for the purposes of the continuation of systems maintenance on existing PACS hardware, issuing new contract supplements for the purchase of new PACS and CPACS Systems, additions to contract costs, an assignment change of the agreement from McKesson to CHC, and a change of off-site archive storage from Iron Mountain to Datatility. Amendments to Agreement No. 06-141 approved by the Board are as follows:

Amendment Number	Board Date	Item Number
1	12-3-2013	4
2	5-19-2015	8
3	12-6-2016	20
4	1-24-2017	8
5	5-23-2017	17
6	8-21-2018	10
7	8-21-2018	10
8	4-21-2020	9
9	8-25-2020	13
10	4-20-2021	7
11	5-18-2021	17
12	3-15-2022	16
13	3-15-2022	16

ARMC recommends approval of this amendment to provide for the safety and health needs of County residents by ensuring radiologists are able to continue to provide quality care during medical imaging procedures.

PROCUREMENT

The Purchasing Department supports this non-competitive procurement based on an existing agreement to ensure continuity of service for PACS and CPACS and the continuation of data storage service. Prior to the end of the contract term in 2025, ARMC will conduct a formal procurement for the services contained in the current agreement and subsequent amendments.

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REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on May 8, 2023; Purchasing (Ariel Gill, Buyer III, 777-0722) on March 10, 2023; Finance (Chen Wu, Budget and Finance Officer, 580-3165) on March 22, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 25, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 25, 2023.

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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

JLL 06/27/2023