

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

August 25, 2020

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment to Agreement with Change Healthcare Technologies, Inc. for the System Maintenance and Support for Picture Archiving and Communication Systems

**RECOMMENDATION(S)**

Approve **Amendment No. 9**, effective August 26, 2020, to **Agreement No. 06-141** with Change Healthcare for the system maintenance and support of the Medical Picture Archiving and Communication System and Cardiology Picture Archiving and Communication System and the purchase and maintenance of the connection license for the Philips Cardiac Ultrasound, in the amount of \$250,388.80, increasing the total contract amount from \$10,093,486 to \$10,343,874.80 with no change to the contract expiration date of May 18, 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). The additional cost of \$250,388.80 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) 2020-21 budget and will be included in future recommended budgets.

Payment for the Picture Archiving and Communication Systems (PACS) Epic Update, Cardiac Picture Archiving and Communication Systems (CPACS) Epic Update, and the Philips Cardiac Ultrasound (Echo) License will be paid over a five-year period according to the following schedule:

<b>Year</b>	<b>Cost-PACS Epic Update</b>	<b>Costs- CPACS Epic Update</b>	<b>Cost- Echo License</b>	<b>Annual Costs</b>
Year 1	\$106,096.80	\$100,480.00	\$26,186.40	\$232,763.20
Year 2			\$ 4,406.40	\$ 4,406.40
Year 3			\$ 4,406.40	\$ 4,406.40
Year 4			\$ 4,406.40	\$ 4,406.40
Year 5			\$ 4,406.40	\$ 4,406.40
<b>Total</b>	<b>\$106,096.80</b>	<b>\$100,480.00</b>	<b>\$43,812.00</b>	<b>\$250,388.80</b>

**Amendment to Agreement with Change Healthcare Technologies, Inc.  
for the System Maintenance and Support for Picture Archiving and  
Communication Systems  
August 25, 2020**

**BACKGROUND INFORMATION**

This amendment will allow Arrowhead Regional Medical Center (ARMC) to continue system maintenance and support of the PACS through and after implementation of the new Epic Electronic Health Records system. The PACS (Radiology and Cardiology) is medical imaging technology which provides economical storage of, and convenient access to, images from multiple modalities (source machine types). Electronic images and reports are transmitted digitally via PACS thereby eliminating the need to manually file, retrieve, or transport film jackets. At ARMC, the PACS allows for the viewing and storage of all images provided by the Medical Imaging and Cardiology departments. Images that are digitally acquired can only be viewed and interpreted utilizing a PACS. A PACS must be maintained to ensure constant up-time and data archiving support.

The amendment also includes the purchase and maintenance of the connection license for the Philips Cardiac Ultrasound (Echo). The Philips Cardiac Ultrasound was purchased March 2020, PO number 4100139011. This provides the software connection from Phillips Cardio Ultrasound Machine to the PACS and CPACS system.

This amendment will allow Change Healthcare Technologies, LLC to continue to provide system maintenance and support of the Picture Archiving and Communication Systems with Epic when it is implemented.

**PROCUREMENT**

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, Inc. (McKesson) in the amount of \$4,055,970, which included the purchase of PACS, comprised of hardware, software and license 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. McKesson provided an initial, one-time master agreement to its customers, and utilizes contract supplements and amendments, referencing the master agreement terms and conditions, and adding specifics for each product purchase and/or support within the individual supplements and amendments. The Board has since approved 8 amendments to this agreement, including: 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, and an assignment change of the Agreement from McKesson to Change Healthcare.

Contract Amendments	Board Date	Item Number
1	12-3-12	4
2	5-19-15	8
3	12-6-16	20
4	1-24-17	8
5	5-23-17	17
6	8-21-18	10
7	8-21-18	10
8	4-21-20	9

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ARMC recommends approval of Amendment No. 9 to the Agreement with Change Healthcare as it will enable ARMC to cost-effectively use Change Healthcare for continued system maintenance and support of the Picture Archiving and Communication System with the new EPIC Electronic Medical Record that is in the process of being implemented. Furthermore, this will allow ARMC to provide for the health and social service needs of the County residents by providing access to medical diagnostic images directly to the nursing stations and clinics for immediate diagnosis for improved and more efficient patient care.

The Change Healthcare PACS/CPACS is proprietary and can only be maintained by Change Healthcare; as such ARMC is requesting approval of an amendment with Change Healthcare for continued support of the PACS/CPACS platform with system maintenance.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-4600) on July -2, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2070) on July 31, 2020; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on August 4, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on August 11, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 11, 2020.

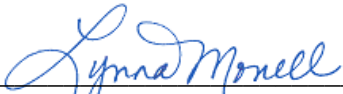
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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 25, 2020



cc:    ARMC- Gilbert w/agree  
      Contractor- C/O ARMC w/agree  
      File- w/agree  
la     09/1/2020