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

April 23, 2024

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

SUBJECT
Funding Increase to Medical Information Technology, Inc. Contract for the Legacy Electronic Health Record System

RECOMMENDATION(S)
Approve a funding increase to Contract No. 01-160 with Medical Information Technology, Inc. in the amount of $1,800,000, effective July 26, 2024, for continued use and maintenance of the legacy electronic health record system for five years, with no change to the contract term beginning March 30, 2001, and continuing until terminated by either party.
(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES
Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT
Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost of $1,800,000 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) 2024-25 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION
The increase in funding will allow ARMC to cover the costs associated with continued use and maintenance of the legacy Medical Information Technology, Inc. (MEDITECH) electronic health record (EHR) system while ARMC continues to transition to the current Epic EHR system. ARMC has utilized the MEDITECH EHR for all patient care and billing needs since 2001.

Clinical modules have been transitioned to the Epic EHR system, as well as many of the non-clinical modules. Non-clinical modules such as the billing (financial) modules remain in MEDITECH EHR because the Epic EHR system does not currently offer functionality for these modules. Continued use and maintenance of the MEDITECH EHR system is needed until the entire billing system can be archived, once a new financial system is acquired to replace it. An increase in the contract funding is needed to ensure that ARMC has sufficient funding to maintain these modules in the MEDITECH EHR system.

On August 9, 2022 (Item No. 12), the Board of Supervisors (Board) approved an increase in appropriation to Contract No. 01-160 with MEDITECH in the amount of $2,428,552 for continued use and maintenance of the legacy EHR system for 24 months during conversion to

the new Epic EHR system, with no change to the contract term beginning March 30, 2001, and continuing until terminated by either party.

Between March 6, 2001 and August 24, 2010, the Board approved a total of five amendments to Contract No. 01-160 for various MEDITECH services (including purchases, installation, and expenses). The schedule of approvals for the initial agreement and subsequent amendments is as follow:

Contract/ Amendment No.	Board Approval Date	Item No.	Services Provided
01-160	3/6/2001	65	Purchase and installation of the EHR system at ARMC
01-160 A-1	1/28/2003	87	Purchase and installation of Siemens' Picture Archival Communications System interface
01-160 A-2	5/6/2003	65	Additional seven modules added
01-160 A-3	12/14/2004	54	Additional three modules added
01-160 A-4	5/19/2009	63	Additional software and interfaces added
01-160 A-5	8/24/2010	11	Additional interface added

Over the years, several MEDITECH EHR system modules were added and additional statements of work were executed. However, these additions should have been clearly identified and executed as amendments to Contract No. 01-160, but were executed by the Purchasing Agent since August 2010. As a result, there was a lack of continuity due to multiple purchase orders and staff turnover which led to a lack of cumulative spend tracking.

Items approving Contract No. 01-160, and related amendments, specify expected total expenditures for set periods of time. However, the contract has a perpetual term, and allows MEDITECH to increase the contract amount on an annual basis by an inflationary factor of a maximum of 6%. Accordingly, MEDITECH has rejected ARMC's request to amend the contract to reflect an increase to the Board approved contract amount on the basis that the contract terms already allow MEDITECH to increase the fees and continue to bill the County. Therefore, ARMC is now requesting that the Board approve the requested funding increase to the contract, without an amendment, to ensure that there is sufficient funding to maintain needed modules of the MEDITECH EHR system.

ARMC recommends approval of this appropriation because it will allow ARMC to operate in a fiscally-responsible and business-like manner.

PROCUREMENT
The County Purchasing Department continues to support the non-competitive contracts with MEDITECH based on ARMC's existing contracts.

REVIEW BY OTHERS
This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387- 5455) on March 8, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464 on March 13, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 1, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on Jenny Yang, April 1, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387- 5423) on April 2, 2024.
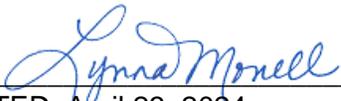
Funding Increase to Medical Information Technology, Inc. Contract for the Legacy Electronic Health Record System
April 23, 2024

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY _Lynna Monell_
DATED: April 23, 2024

cc: File - w/agree
CCM   04/26/2024