

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

**November 5, 2019**

**FROM**

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

**SUBJECT**

Agreement with Experian Health, Inc. for OneSource and ClaimSource Software.

**RECOMMENDATION(S)**

Approve **Agreement No. 19-721** with Experian Health, Inc. in an amount not to exceed of \$2,304,000, for the five year period beginning November 5, 2019 and ending November 4, 2024, for the conversion of Experian software and licensing of additional third party software to ensure compatibility with both the existing and new Electronic Health Record system.

(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 with Experian Health, Inc. (Experian) will not result in the use of Discretionary General Funding (Net County Cost) as the cost of \$2,304,000 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. Sufficient appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2019-20 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

ARMC utilizes an older version of the Experian patient insurance eligibility software system to determine the status of patient insurance coverage for all patient visits. This online system interfaces with the existing ARMC information systems to automate real-time patient eligibility information and verify covered benefits. This eligibility system also returns insurance coverage information for each patient related to their assigned inpatient care facility, assigned outpatient laboratory, and the patient's assigned Primary Care Physician and clinic. Availability of this information in real-time promotes continuity of care for each patient and positively impacts healthcare maintenance, chronic disease management, preventative care, and overall health.

Use of this patient eligibility software system provides for the safety, health, and social service needs of County residents by ensuring that patients have insurance to cover necessary care, as well as identifying patients who do not have coverage and creating opportunities to assist them with access to other insurance coverage programs.

**Agreement with Experian Health, Inc. for OneSource and ClaimSource Software.**  
**November 5, 2019**

The older version of Experian software is already integrated with the current electronic health record (EHR) system and this agreement includes an upgrade and the conversion of these services to the new EHR system, Epic Systems Corporation (Epic), as well as licenses and installs the additional necessary third-party software required by Epic for compatibility of the Experian software with the Epic EHR system.

The additional products and licenses are required by Epic to ensure that health coverage is identified and billed correctly, along with providing the necessary notifications and required information be available to ARMC and the patient.

Experian Health's Agreement are its standard commercial terms of sale, as negotiated by the County, and includes terms that differ from the standard County contract. The non-standard terms include the following:

1. The County may not terminate the contract for convenience. In addition, the County agrees to pay an early termination fee in a lump sum equal to the remaining contractually committed fees, including any unbilled or unpaid fees for the remainder of the then-current term.
  - The County standard contract gives the County the right to terminate the Contract, for any reason, with a thirty (30) day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
2. Subject to the limitation of liability provided in section IX of the Agreement, the County indemnifies and holds harmless Experian from any and all losses and liability for damages, including court costs and reasonable attorney fees, to the extent such losses and liabilities arise out of the negligent acts or omissions of the County.
  - The County standard contract does not require the County to indemnify a vendor.
3. Each Party's indemnity for all losses and liability for damages to the extent such losses and liabilities arise out of the negligent acts or omissions of the Party are limited to the lesser of \$1,000,000 or the damages incurred.
  - The County standard contract does not include a limitation of liability.
4. The County is required to collaborate with Experian to develop press releases to promote new Experian product adoption, and collaborate on product webinars, articles, case studies and potential conference speaking proposals/presentations to illustrate functionality, customer service and return on investment.
  - The County standard contract does not require the County to collaborate with the vendor on marketing the vendor's products, and prohibits news releases, advertisements, public announcements or photographs arising out of the contract or vendor's relationship with County without the County's prior written approval.

Potential impacts of these non-standard provisions include:

1. The lack of the ability to terminate for convenience coupled with the obligation to pay early termination fees and late payment interest penalties could result in financial obligations of the County where no funding is available or allocated to make such payments.

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**November 5, 2019**

2. By agreeing to indemnify Experian, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against Experian without such limitations and the County would be responsible to defend and reimburse Experian for costs, expenses, and damages, which could exceed the total contract amount.
3. Experian caps its liability to the County to the lesser of \$1,000,000 or the damages incurred for claims arising from Experian's negligent acts or omissions. Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess.
4. The County's obligations to collaborate with Experian to develop press releases to promote new Experian product adoption, and collaborate on product webinars, articles, case studies and potential conference speaking proposals/presentations to illustrate functionality, customer service and return on investment may require County employees to expend time working on non-County specific projects and to incur travel expenses, which may result in additional expenses that exceed the amount of the contract.

**PROCUREMENT**

Procurement of the insurance eligibility software license is non-competitive based on functional specification, as the Experian patient eligibility software is already integrated into ARMC's current

Electronic Health Record provider, MediTech, with real-time eligibility, so no additional software is needed. Of the vendors offering the eligibility functionality required by ARMC, only Experian is able to deliver real-time eligibility. County Purchasing recognizes functional specification as a valid non-competitive justification and supports procurement of this software license from Experian.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-5455) on October 11, 2019; Purchasing Department (Ricardo G. Salazar, Supervising Buyer, 386-8305) on October 11, 2019; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on October 21, 2019; and County Finance (Katrina Turturro, Deputy Executive Officer, 387-5423) on October 21, 2019.

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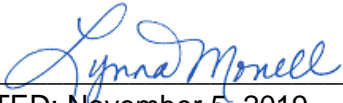
Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Robert A. Lovingood Seconded: Janice Rutherford

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: November 5, 2019



cc: ARMC- Gilbert w/agree  
Contractor- C/O ARMC w/agree  
File- w/agree  
la 11/6/2019