

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

June 10, 2025

FROM

ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Intelligent Medical Objects, Inc. for the Continued Use of Medical Terminology Software in Electronic Health Records

RECOMMENDATION(S)

Approve **Amendment No. 3 to Contract No. 20-1052** with Intelligent Medical Objects, Inc., including non-standard terms, for translation software that converts medical terminology into standardized billing codes, adding third party Current Dental Terminology Codes Terms and Conditions, increasing the total contract amount by \$478,658 from \$782,450 to \$1,261,108, and extending the contract term by five years, for a total contract term of February 21, 2018 through July 13, 2030.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 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 cost of \$478,658 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 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The Amendment with Intelligent Medical Objects, Inc. (IMO) will provide ARMC continued provision of licenses and support for medical vocabularies and software applications. IMO's software renders the Electronic Health Records (EHR) systems more physician-friendly, resulting in improved physician utilization, and an accelerated revenue cycle. The IMO proprietary software converts medical terminology into standardized billing codes, allowing physicians to seamlessly interact with EHR systems to capture necessary codes at the time the medical information is entered. ARMC has contracted with IMO for their proprietary software since 2014 and has relied on IMO's proprietary software integrated within its Electronic Health Record (EHR) system to convert clinical terms into standardized billing codes in real time. The software supports accurate documentation, coding efficiency, and compliance, IMO remains the only vendor capable of providing this specialized integration without requiring system

**Amendment to Agreement with Intelligent Medical Objects, Inc. for the
Continued Use of Medical Terminology Software in Electronic Health
Records
June 10, 2025**

reconfiguration or risking service interruption. Continued use of IMO's platform avoids costly transition efforts, retraining, and potential revenue cycle disruptions.

On February 13, 2018 (Item No. 9), as the result of a non-competitive procurement, the Board of Supervisors (Board) authorized the Purchasing Agent to issue SAP Contract No. 4400006010 with IMO for the purchase of translating clinical software license to provide reliable and standardized medical billing terminology for physicians, in the amount of \$315,500, for the period of February 21, 2018, through February 20, 2021. The Purchasing Agent subsequently signed Agreement No. 20-152 (Contract) with IMO as part of the Sales Order, with a term from February 21, 2018 through February 20, 2021.

On October 27, 2020 (Item No. 5), the Board approved Amendment No. 1 to Agreement No. 20-1052 for Restated Terms and Conditions with IMO, for translating software that converts medical terminology into standardized billing codes. The amendment increased the total contract amount by \$276,534.34 from \$315,500 to \$592,034.34 and extended the total contract period from February 21, 2018 through July 13, 2023.

On April 11, 2023 (Item No. 14), the Board approved Amendment No. 2 to Agreement No. 20-1052 with IMO for translating software that converts medical terminology into standardized billing codes increasing the total contract amount by \$190,415 from \$592,035 to \$782,450 and extending the contract term by two years, from February 21, 2018 through July 13, 2025.

The Current Dental Terminology Content (CDT) Codes Terms and Conditions (Agreement) is IMO's standard commercial contract, which provides additional terms to the Contract that govern the County's use of the American Dental Association (ADA) and adding the ADA as a third party beneficiary to the Contract. The Agreement includes terms that differ from the standard County contract and omits certain County standard contract terms. IMO is unwilling to negotiate these terms. The non-standard and missing terms include the following:

1. The ADA may assign the Agreement without notice to the County and without the County's approval.
 - The County standard contract requires that the County must approve any assignment of the contract.
 - Potential Impact: The ADA could assign the Agreement to a third party or business with which the County is legally prohibited from doing business due to issues of Federal debarment or suspension and conflict of interest, without the County's knowledge. Should this occur, the County could be out of compliance with the law until it becomes aware of the assignment and terminates the Agreement.
2. The Agreement does not require the ADA to indemnify the County, as required by County Policies 11-05 and 11-07, including for intellectual property infringement claims.
 - The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person. The standard contract provision for intellectual property indemnity is: Contractor will indemnify, defend, and hold harmless County and its officers, employees, agents and volunteers, from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement of any United States patent, copyright, trademark or trade secret (Intellectual Property Rights) by any goods or services.

**Amendment to Agreement with Intelligent Medical Objects, Inc. for the
Continued Use of Medical Terminology Software in Electronic Health
Records
June 10, 2025**

- Potential Impact: The ADA is not required to defend, indemnify or hold the County harmless from any claims, including indemnification for claims arising from ADA's negligent or intentional acts and intellectual property infringement. If the County is sued for any claim, including intellectual property infringement based on its use of ADA's software or services, the County may be solely liable for the costs of defense and damages, which could exceed the total Agreement amount.
3. The County is required to indemnify the ADA (including reasonable attorneys' fees and costs of litigation) against and hold ADA harmless from any and all claims and expenses resulting from the County's use of the CDT, breach of the Agreement, or County's use of any data or documentation received from ADA, regardless of the form of action.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify the ADA, 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 ADA without such limitations and the County could be responsible to defend and reimburse ADA for costs, expenses, and damages, which could exceed the total Agreement amount.
 4. The Agreement does not require ADA to meet the County's insurance standards as required pursuant to County Policies, 11-05, 11-07 and 11-07SP.
 - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and in the County standard contract.
 - Potential Impact: The County has no assurance that ADA will be financially responsible for claims that may arise under the Agreement, which could result in expenses to the County that exceed the total Agreement amount.
 5. The ADA's disclaims all liability to the County arising out of the Agreement of the use of or inability to use the CDT or documentation.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: Claims would exceed the liability cap and the Agreement amount leaving the County financially liable for the excess.
 6. ADA provides the services and/or products "AS IS" and disclaims all warranties of any kind.
 - County Policy 11-05 requires a contractor to fully warrant its services and products.
 - Potential Impact: The County's use of the services and/or products is solely at its own risk

ARMC recommends approval of this Amendment with IMO, including the non-standard terms, as it will provide ARMC with the software technology required for the conversion of medical terminology into standardized billing codes in its computing systems. IMO is the clinical interface terminology partner that was able to be integrated after transitioning from Meditech EHR system to EPIC.

PROCUREMENT

Not applicable.

**Amendment to Agreement with Intelligent Medical Objects, Inc. for the
Continued Use of Medical Terminology Software in Electronic Health
Records
June 10, 2025**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on April 22, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on April 30, 2025; Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9008) on May 5, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 16, 2025 ; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 20, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 20, 2025 .

**Amendment to Agreement with Intelligent Medical Objects, Inc. for the
Continued Use of Medical Terminology Software in Electronic Health
Records
June 10, 2025**

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 10, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 06/18/2025