

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

May 4, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with 3M Health Information Systems, Inc. to Replace a Medical Coding Software License

RECOMMENDATION(S)

1. Approve **Amendment No. 2** to Software License and Services **Agreement No. 17-913** with 3M Health Information Systems, Inc., to replace medical coding software licensing, with no change to the contract amount of \$3,926,129, and no change to the contract period of December 30, 2017 through December 29, 2022.
2. Direct the Clerk of the Board to maintain confidentiality of Amendment No. 2 to the Agreement referenced in Recommendation No. 1 in compliance with the confidentiality provision.

(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 recommendation will not result in the use of Discretionary General Funding (Net County Cost) as the amendment is non-financial in nature.

BACKGROUND INFORMATION

Approval of this recommendation will permit Arrowhead Regional Medical Center (ARMC) to replace the current 3M Health Information Systems (3M) software for automated medical record coding with different software that interfaces with the hospital's new electronic health record system, Epic, but provides the same service to the hospital's Medical Records Department. Through its integration with Epic, the software allows ARMC to enhance and improve the coding and clinical documentation initiatives of the hospital.

ARMC's Health Information Management Department employs coders who are responsible for reviewing and coding patient medical records throughout the facility, and has historically used medical/clinical coding software to assist its staff to assign the correct diagnosis codes. Coding software is required to help ensure accuracy when coding patient medical records (i.e. the transcription of doctor's notes, laboratory tests ordered, imaging studies requested and other sources). The software aids coders work in conjunction with billers to avoid insurance reimbursement denials. Without the software, ARMC would likely encounter an increase in mistakes, loss in reimbursement payments, and compliance errors.

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In accordance with the original agreement, 3M has requested that the second amendment also be held confidential based on Section 4 of the agreement.

ARMC recommends approval of the second amendment to the Agreement with 3M to ensure ARMC will meet regulatory requirements of a complete and accurate record for accreditation and licensing purposes. This will ensure ARMC meets the County goal and objective to provide for the safety, health and social service needs of County residents.

PROCUREMENT

The procurement for this amendment is non-financial. On December 19, 2017 (Item No. 9), as the result of a competitive process, the Board of Supervisors approved Agreement No. 17-913 with 3M Health Information Systems, Inc., in the amount of \$3,620,171, for automated medical records coding at Arrowhead Regional Medical Center, for the period of December 30, 2017 through December 29, 2022, with the option to extend two additional years.

On February 11, 2020 (Item No. 13), the Board of Supervisors approved Amendment No. 1 to Software License and Services Agreement No. 17-913 with 3M Health Information Systems, Inc., to increase the contract amount by \$305,958 from \$3,620,171 to \$3,926,129, for use of automated medical record coding services within the new Electronic Health Records System at Arrowhead Regional Medical Center, with no change to the contract period for the period December 30, 2017 through December 29, 2022.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-5487) on April 15, 2021; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 13, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on April 14, 2021; and County Finance and Administration (Matthew Erickson, Chief Financial Officer, 387-5423) on April 19, 2021.

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

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 4, 2021



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- BAI only
File- Confidential w/agree
LA 05/7/2021