



# San Bernardino County

## Legislation Text

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**File #: 4756, Agenda Item #: 11**

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

**September 14, 2021**

#### **FROM**

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

#### **SUBJECT**

Agreement with Inland Empire Health Plan for Funding Related to Implementation and Support of the New Electronic Health Records System

#### **RECOMMENDATION(S)**

Approve a Funding Agreement with Inland Empire Health Plan for Support Payments of up to \$10 million for Arrowhead Regional Medical Center to implement the EPIC Electronic Health Records System, effective upon execution until April 8, 2022.

(Presenter: William L. Gilbert, Director, 580-6150)

#### **COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

#### **FINANCIAL IMPACT**

Approval of the Funding Agreement (Agreement) with Inland Empire Health Plan (IEHP) will not result in the use of Discretionary General Funding (Net County Cost). The Agreement provides supplemental revenue to Arrowhead Regional Medical Center (ARMC) for implementation of the EPIC Electronic Health Records System (EPIC System). Sufficient appropriation and revenue are included in the ARMC 2021-22 budget.

#### **BACKGROUND INFORMATION**

Approval of the Agreement will provide ARMC the opportunity to receive support payments for the implementation of the EPIC System during the term of this Agreement. IEHP desires to provide ARMC funding to accomplish the implementation of the EPIC System to further the shared goal of improving the organization of health care delivery in the County, through timely and complete data sharing across healthcare providers and systems.

The EPIC System is a systematized collection of patient health records utilized in a digital format. The EPIC System tracks a variety of different data categories including but not limited to, demographics, medical history, medication and allergies, immunization status, laboratory test results, and billing information. The records can be shared across different health care settings.

The Funding Agreement was negotiated by the parties to include the following non-standard County terms:

1. IEHP has the right to audit ARMC's records as they relate to compliance with the Funding Agreement, and if the records do not reasonable support ARMC's achievement of the deliverables, IEHP has the right to recoup its support payments.
  - The County standard contract does not permit Contractors to audit the County's compliance.
  - Potential Impact: If an audit determines that the County did not reasonably achieve the deliverables upon which IEHP's support payments are based, IEHP would be able to recover the support payments provided to the County.
2. Each party is required to defend and indemnify the other party for any claims arising out of the acts or omissions of the indemnifying party, its officers, agents, and employees in the performance of the Agreement.
  - The County standard contract does not include any indemnification or defense by the County of a Contractor.
  - Potential Impact: By agreeing to indemnify IEHP, 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 IEHP without such limitations and the County would be responsible to defend and reimburse IEHP for costs, expenses, and damages, which could result in expenses to the County.

ARMC recommends approval of the Agreement, including the non-standard terms, to ensure that ARMC is able to obtain support payments for the implementation of the EPIC System, which would ultimately provide for the safety, health and social service needs of county residents.

#### **PROCUREMENT**

Not applicable.

#### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on August 16, 2021; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on August 23, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on August 26, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 26, 2021.