



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Public Health  
Department No.: 041  
For Agenda Of: 12/11/07  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Elliot Schulman, MD, MPH, Director and Health Officer  
Director  
Contact Info: Anne Fearon, Deputy Director, Administration  
681-5171  
**SUBJECT:** Agreement with McKesson Information Systems, LLC

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**County Counsel Concurrence**

As to form:  Yes  No  N/A

**Auditor-Controller Concurrence**

As to form:  Yes  No  N/A

**Other Concurrence:** Select\_Other

As to form:  Yes  No  N/A

**Recommended Actions:**

That the Board of Supervisors:

Authorize increased funding for McKesson Information Systems LLC, not a local vendor, in the amount not to exceed \$160,000 for software licensing, maintenance and processing services for patient billing through May 31, 2008.

**Summary Text:**

There is a discrepancy in the termination date of a multi-year agreement with McKesson. The termination date according to McKesson is May 31, 2008. In a Board Letter dated June 1, 2004, Public Health indicated the term to be September 23, 2003 to September 22, 2007. Public Health would like to correct the termination date to May 31, 2008 and requests authorization for additional funding not to exceed \$160,000 for expenses through the extended termination date.

**Background:** The Public Health Department has used practice management software provided by McKesson for over ten years. The computer application provides registration, appointment scheduling, and patient billing processing including statements, insurance claims and electronic remittance. On June 1, 2004 Public Health requested your Board approve an agreement with McKesson for a four year period. The Board letter indicated the contract period was from September 23, 2003 to September 22, 2007. However, from McKesson's perspective, the agreement became effective June 1, 2004, the date the contract was signed by the Board, and remains in effect through May 31, 2008. The Department is requesting authorization to correct the termination date of the contract and approve funding in the amount of approximately \$160,000 for services provided by McKesson through May 31, 2008. This will

also provide the Department additional time to evaluate the impact of retaining their existing practice management system with plans for implementation of an electronic medical record (EMR). Before May 31, 2008, the Department will return to the Board with a request to execute a new agreement with McKesson or another vendor for practice management purposes.

**Fiscal and Facilities Impacts**

Budgeted:  Yes     No

**Fiscal Analysis:**

The estimated \$160,000 in funding to extend the McKesson contract has been appropriated as part of the Public Health Department's Adopted FY 07-08 budget. This appropriation can be found in the County Operating Plan document on page D-178 in the Information Technology cost center.

**Staffing Impacts:**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

Please return one copy of the Minute Order to PHD Contracts Unit, 300 N. San Antonio Road, Bldg. 8; ATTN: Margaret Granger.

**Attachments:**

Not applicable.

**Authored by:**

Anne Fearon, Deputy Director of Administration, Public Health Department