



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 Dept.  
**Department No.:** 041  
**For Agenda Of:** January 10, 2017  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Takashi Wada, MD, MPH, Director and Health Officer, Public  
Director(s) Health Department  
Contact Info: Dana Gamble 681-5171  
Assistant Deputy Director, Primary Care & Family Health Division  
**SUBJECT:** Request for Waiver of Competition in the Purchase of a Medical Practice  
Management and Electronic Medical Records (EMR) System

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** General Services, Purchasing

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors considers the following recommendations:

- a) Authorize the Public Health Department to pursue a potential Agreement with Oregon Community Health Information Network (OCHIN) for a combined Practice Management and Electronic Medical Records (EMR) System totaling an estimated \$4,900,000, without being required to conduct a formal competitive process, pursuant to County Code Section 2-39, through the anticipated term of the contract with included extension options.
- b) Determine that authorizing the bid waiver is not a "Project" and is exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(5), since the recommended action is an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment.

**Summary Text:** County Code Section 2-39 requires that the Purchasing Agent make all purchases and contracts based on competitive bids, unless the Board of Supervisors has waived competition under a particular set of circumstances. Due to “limitations in source or supply” pursuant to County Code Section 2-39, the Public Health Department (PHD) is requesting your Board waive the requirement for a competitive bid for the purchase of OCHIN’s Electronic Medical Records (EMR) and Practice Management System. The County Purchasing Department recommends that bid waiver requests be made for each applicable fiscal year; therefore, PHD requests the bid waiver for Fiscal Years 2017-18 through 2021-22.

**Background:** PHD experiences productivity and performance issues because it uses separate and distinct platforms for EMR and Practice Management. The current dual system strains resources and requires continuous and ongoing projects to build and maintain the multitude of interfaces and to maintain the server. PHD requires a single platform system to be an increasingly productive and proactive health care organization.

OCHIN is a 501(c)(3) nonprofit health center controlled network headquartered in Portland, Oregon with 87 current member organizations operating in fourteen states: Alaska, California, Georgia, Indiana, Minnesota, Massachusetts, Montana, Nevada, North Carolina, Ohio, Oregon, Texas, Washington, Wisconsin. OCHIN members are community health centers including Federally Qualified Health Centers (FQHCs), FQHC look-alikes, rural, and school-based health centers. The Federal Office of Health Resources and Services Administration (HRSA) Office of Health Information Technology recognized OCHIN’s health center controlled network model as providing the stability and structure required to support advanced Practice Management and EHR systems, as well as decision support tools, used to create an environment where community health centers can share information, develop best practices, and optimize the systems and procedures required to improve patient care and reduce costs.

Through the proposed agreement with OCHIN, and in addition to implementing a single platform system, PHD would become an OCHIN member. OCHIN is a sole source provider offering its members with economies of scale that, in addition to other efficiencies, allow each clinic to acquire and operate high quality EHR access and health information exchange services that would otherwise be out of reach for the PHD Health Care Centers. OCHIN accomplished this in part through leveraging HRSA grants to create a health information exchange that integrates the electronic records for all member clinics and continues to expand the capacity of its central database, communications, and reporting servers to manage those servers on behalf of OCHIN’s fast-growing network of community health centers.

The advantages of being an OCHIN member include OCHIN’s services of a full complement of the assessment, training, implementation, support, clinical oversight, quality improvement, and meaningful use efforts that PHD requires to improve productivity and performance issues. OCHIN optimizes Epic’s Practice Management and EHR modules for its members. These extensive optimizations include system configuration, revenue cycle management, grant and regulatory agency reporting, interoperability and interface development, hardware systems management, and integrated ancillary product services that are all designed to support FQHCs (as designated under Section 330(e)(1)(C) of the Public Health Service Act) as well as other community health centers. Because of these unique optimizations, OCHIN is the sole source provider for an extensive combination of technical and clinical support offerings: (1) its highly customized instance of the Epic EHR, which includes the Enterprise-wide Master Patient Index architecture, facilitates input and use of patient information at the point of care; (2) numerous interfaces that enable OCHIN to supplement the medical record with external information (e.g., labs, images, and discrete fields); and (3) decision support tools and business intelligence interface that facilitate the use of aggregated data for panel and public health management (e.g., Solutions).

Finally, PHD has participated in demonstrations of both OCHIN’s single platform as well as the Centricity single platform EHR/Practice Management System. PHD also discussed joining with Cottage Health Systems or Sansum in their instance of the Epic platform but in both cases it was determined that the PHD would not achieve the needed level of EHR support. Participating in these demonstrations and discussions clearly showed that OCHIN offers the best single platform designed to accommodate the needs of the patients seen in PHD’s centers, the unique billing needs, and the federal reporting requirements associated with the FQHC program. OCHIN also supports PHD efforts in population health management and patient centered medical homes whereby OCHIN enhances the PHD’s secure health information exchange capabilities and web-based patient portals that let patients and doctors communicate easily, safely, and securely over the Internet.

**Performance Measure:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

Adoption of this action will allow PHD to pursue a potential agreement with OCHIN that will allow PHD to replace its existing and dual practice management and EHR systems and to implement a new, single FQHC-specific system hosted by OCHIN. The requested amount of the bid waiver is an estimated \$4,900,000 over the 5 year period from FY 2016-17 to FY 2021-22 and consists of an approximate one-time implementation fee of \$1,700,000 and 5 years of annual ongoing maintenance costs at an average of approximately \$630,000 per year. If the potential agreement is made, the implementation fee is able to be paid from a release of special revenue fund balance that has been designated for this purpose and the ongoing maintenance costs that may need to be paid are approximately equal to the amounts already budgeted and paid for because of the existing systems that will be replaced.

If your Board approves this waiver of competition, PHD plans to return to your Board with the proposed agreement and necessary budget revisions within the next few months.

**Key Contract Risks**

The potential OCHIN agreement would include a one-time implementation fee to install and optimize a centrally hosted instance of Epic practice management and electronic health record, and would provide comprehensive training for clinicians and staff to utilize these tools effectively. The potential agreement would also include 5 years of maintenance.

**Staffing Impacts:**

**Legal Positions:**

0

**FTEs:**

0

There are no staffing impacts as a result of this action.

**Special Instructions:** Please return an electronic copy of the Minute Order to PHD Contracts Unit at PHDcu@sbcphd.org.

**Attachments:**

N/A

**Authored by:**

Bid Waiver Request for OCHIN Professional Services Agreement  
Agenda Date: January 10, 2017  
Page 4 of 4

Dana Gamble, LCSW, Assistant Deputy Director