



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: March 21, 2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Carrie Topliffe, Interim Director
Director(s) Public Health Department
Contact Info: Dana Gamble 681-5171
Assistant Deputy Director, Primary Care & Family Health Division
SUBJECT: Agreement with OCHIN to Provide a Combined Practice Management System and Electronic Medical Record System, and Professional Services

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following recommendations:

- a) Approve and authorize the Chair to execute the Agreement with Oregon Community Health Information Network (OCHIN) for a combined Practice Management System and Electronic Medical Record System, and Professional Services with a term of March 21, 2017 through March 31, 2020 for a total amount not to exceed \$3,480,000 (including contingency) for the initial three year period (Attachment A).
- b) Approve and authorize the Director of the Public Health Department, or designee, to execute an application for a subsidy of up to sixty-five percent (65%) for costs associated with internet access to OCHIN's system as provided by a third party vendor to the Agreement: Integra.
- c) Approve and authorize the Director of the Public Health Department, or designee, to approve immaterial changes and to make amendments within the scope of the Statement of Work as indicated in the Agreement for a contingency amount up to and not to exceed \$185,579.
- d) Approve budget revision request BJE 0004918 (Attachment B) in the amount of \$927,898 to transfer funds from Public Health Department's Special Revenue Fund that have been designated for implementation of the new Practice Management System and Electronic Health Record System.

- e) Determine that the proposed actions do not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines, because the actions consist of the creation of government funding mechanisms or other government fiscal activities, which do not involved any commitment to any specific project which may result in a potentially significant impact on the environment.

Summary Text:

This item is on the Agenda for approval to execute a new Agreement for the Public Health Department (PHD) to enter into a three-year commitment with OCHIN for a combined Practice Management System and Electronic Health Record System (EHR), and professional services with an initial implementation fee totaling \$1,237,197. The Professional Services Agreement contains a maximum amount of \$3,480,000 which includes use of the software, professional services, travel expenses, data conversion and maintenance through the Initial Term which will commence within thirty (30) days of the Effective Date and end no later than March 31, 2020 unless otherwise extended by the PHD or unless earlier terminated. Upon mutual agreement the term may be automatically extended up to three (3) times with each extended term being two (2) years. The Parties agree to review and, if needed, to update this Agreement at any automatic term extension.

PHD concluded a thorough evaluation for the selection of the Electronic Health Record (EHR) System. PHD participated in demonstrations of both OCHIN’s single platform as well as the Centricity single platform EHR. PHD also discussed joining with Cottage Health Systems and Sansum Clinic 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 PHD’s status as a Federally Qualified Health Center (FQHC). OCHIN also supports PHD efforts in population health management and patient centered medical homes (PCMH) through health information exchange capabilities and web-based patient portals that let patients and doctors communicate easily, safely, and securely over the Internet. A Bid Waiver was approved by your Board on January 10, 2017.

Approval of this Agreement will provide for the software licensing and professional services to implement the EHR System as well as training services, support, and maintenance through March 31, 2020. Upon execution of the OCHIN Agreement, Integra will supply the Public Health Department with internet access to OCHIN regardless of subsidy application. Exhibit P of the OCHIN Agreement lists the full cost quote for Integra. Once the OCHIN agreement is signed, the Public Health Department will be able to apply for a 65% subsidy for this cost.

Background:

PHD experiences productivity and performance issues because it uses separate and distinct platforms for Practice Management and Electronic Health Record systems. The current dual system strains resources and requires continuous and ongoing efforts to build and maintain the multitude of interfaces and to maintenance the server. PHD desires 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 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 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 System, 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 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:

OCHIN and the PHD will adhere to the implementation plan for a successful rollout of the system. A detailed project charter has been developed with team assignments and project leads defined for each portion of the system. The PHD has 40 different teams that will be involved in the implementation. The key performance measure is the successful implementation of OCHIN and it is expected that the PHD will successfully Go-Live with OCHIN on February 27, 2018.

Fiscal and Facilities Impacts:

Budgeted: Not budgeted in FY 2016-17

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Patient Service Fees		\$ 592,500.00	
CenCal ACE Dollars	\$ 927,898.00		\$ 1,702,499.00
Total	\$ 927,898.00	\$ 592,500.00	\$ 1,702,499.00

Approval of this action and the related Budget Revision Request (Attachment B) to release designated funds in the amount of \$927,898 will allow for the payment of 75% of the Implementation fee for the licensing of the OCHIN Epic EHR. Due to the timing in the OCHIN Professional Services agreement, 75% of the Implementation Fee of \$1,237,197 (or \$927,898) will be payable during FY 2016-17 (50% at contract execution and 25% within an additional 90 days). The remaining 25% (\$309,299) is due at the “go-live”, scheduled for March of 2018. The ongoing maintenance costs are approximately equal to the amounts already budgeted for the existing systems that will be replaced. All payments projected for future fiscal years have been included in the department’s Recommended FY 2017-18 and Projected FY 2018-19 budget submission.

The project plan and budget for the new OCHIN product is projected to cost \$3,480,000 over the initial three year term of the OCHIN agreement. The implementation fee, data archiving, travel, and contingency are one-time costs and only the payment of maintenance fees should continue after the initial term – unless changes are requested by either party. The contingency will only be used if the PHD requests additional services within the scope of work. In order to ensure the best possible implementation, it is anticipated that the contingency may be used for additional staff training time, possible interfaces to other stand-alone systems, and other programming that may be deemed necessary but are not known at this time.

Adequate funding for this project has been secured and designated in the Public Health Department’s Special Revenue Fund. The funding for the OCHIN implementation fee and other necessary hardware to implement the system (Estimated at \$200,000 and not included in the OCHIN agreement) is from CenCal Health Access, Collaboration, and Expansion program (ACE) incentive received in a prior year.

The OCHIN EHR is projected to have ongoing costs of approximately \$592,500 on average over the initial three year term of the agreement. These ongoing maintenance costs are commensurate with the current ongoing maintenance costs of the existing GE Centricity Electronic Health Record and McKesson Horizon Practice Plus Practice Management system. The ongoing maintenance costs are covered by program revenues generated from Medi-Cal, Medicare, and other patient services.

Key Contract Risks:

OCHIN is a large and successful health information network, serving more than 4,500 physicians operating in 14 states. The OCHIN agreement includes a one-time implementation fee to install and optimize a centrally hosted instance of Epic EHR, and would provide comprehensive training for clinicians and staff to utilize these tools effectively. The potential agreement would also include 3 years

of maintenance. More than 50% of the funding to support this Agreement originates from healthcare reimbursements from Medicare and Medi-Cal which have been stable funding sources.

While a project of this scope does present the potential for risk, our yearlong plan towards implementation was designed with the expectation that risks would be mitigated through OCHIN's experience, our significant testing of the system and efficient project management.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Please execute two (2) original Agreements with OCHIN and retain one (1) original Agreement and one (1) Minute Order for pick-up by the department. Please email phdcu@sbcphd.org when available for pickup.

Attachments:

- A. OCHIN Professional Services Agreement
- B. Budget Journal Entry Number: BJE-0004918

Authored by:

Dana Gamble, LCSW, Assistant Deputy Director