



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: June 26, 2012  
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, MPD, Director and Health Officer  
Director(s) Public Health Department  
Contact Info: Daniel Reid, Assistant Deputy Director, Primary Care & Family  
Health Division, Public Health Department

**SUBJECT:** **First Amendment to System Agreement with General Electric Healthcare**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Mgmt

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute a First Amendment to incorporate a Change Order to the System Agreement with General Electric Healthcare for the period March 15, 2011 through March 14, 2016 in an amount not to exceed \$134,316.55 for one-time user licenses expenditures and to increase ongoing maintenance by \$35,061.90 annually, for an agreement maximum of \$1,673,126.21. The vendor is not a local vendor.
- b) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(b) (3), since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment.

**Summary Text:**

This item is on the agenda to execute a First Amendment with GE Healthcare for the Electronic Health Record System Agreement. Approval of this request will allow the Public Health Department (PHD) to expand the number of user licenses for the General Electric Healthcare (GE) Centricity Electronic Health Record (EHR) from the existing one hundred and fifty (150) to two hundred (200) user licenses: an increase of fifty (50) user licenses. This increase in licenses was planned as part of future phases of the full implementation of the EHR in all PHD Health Care Centers (6 locations) and Satellites (3 locations). The increase in user licenses will allow for all necessary providers, health care professionals,

clinic, ancillary services and appropriate support staff to concurrently access the EHR for coordination of patient care and appropriate billing.

The Change Order included with this First Amendment includes \$124,416.55 of additional expenditures for GE EHR and third party software licenses, and \$9,900.00 for professional services to ensure appropriate expansion of the user licenses as well as coordination with other third party software vendors associated with the GE EHR. Finally, an additional \$35,061.90 of ongoing annual maintenance support is incorporated to maintain the user licenses and interoperability with third party software applications.

The agreement maximum for the five year period will be \$1,673,126.21.

**Background:**

On March 15, 2011, your Board approved the System Agreement with General Electric Healthcare for the GE Centricity EHR with an initial allocation of one hundred and fifty (150) user licenses. PHD has successfully implemented the use of the EHR at four of its Health Care Centers and one of its Satellite locations. The remaining two Health Care Centers and two Satellite locations are scheduled to “Go Live” with the EHR in late June 2012. PHD has budgeted and planned for the potential expansion of user licenses and projects the need for these additional fifty (50) user licenses for the completion of the full implementation as well as inclusion of other related clinical and support staff such as registered dietitians.

This initial implementation will complete the majority of what was planned as Phase I implementation for the EHR. PHD is working with GE to assess additional functionality enhancements such as a Patient Portal for patient access to their medical records to meet Meaningful Use requirements. Meaningful Use are performance measures and EHR functionality requirements determined by the Centers for Medicare and Medicaid (Medi-Cal in California) that are required to receive incentives for EHR implementation as well as avoid future fee for service reductions. PHD is currently meeting many Meaningful Use requirements such as ePrescribing. PHD has successfully applied for more than \$1.1M of EHR incentives from Medi-Cal for the Year 1 implementation and is expecting payment in the near future. Similar incentives are available upon achievement of Meaningful Use requirements for Years 2-6 of implementation.

PHD will return to your Board with a subsequent Amendment when these functionality enhancements, implementation planning and cost and revenue estimates are better defined. For our planning purposes, this is currently termed Phase II.

**Performance Measure:**

PHD has an extensive Quality Management Plan and associated Performance Measures for patient outcomes and medical service provision. The implementation of an EHR in other health care settings has demonstrated significant improvement in patient care by ensuring appropriate, high quality of care across multiple providers and multiple treatment settings (e.g. health care centers, hospitals, pharmacies, etc.). As described above, full implementation of the EHR will allow PHD to meet Meaningful Use requirements. Preliminary analyses of partial implementation are demonstrating very good provider performance towards meeting or exceeding these objectives.

**Fiscal and Facilities Impacts:**

Budgeted: Yes Approval of this item will allow for the purchase of an additional fifty (50) user licenses necessary for full implementation of the EHR. The one-time cost increase of \$134,316.55 and the ongoing cost increase of \$35,061.90 were included in PHD's Fiscal Year 2012-13 Recommended budget. Future budgets will incorporate these ongoing maintenance and support costs as well as the Phase II elements.

**Staffing Impacts:**

There are no staffing impacts associated with the approval of this First Amendment to the System Agreement.

**Special Instructions:**

Please return one fully executed original First Amendment to the System Agreement and a copy of the minute order to PHD Contracts, Bldg 8, Attn: Rose Davis

**Attachments:**

First Amendment to the System Agreement with GE Healthcare

**Authored by:**

Daniel Reid, Assistant Deputy Director, Primary Care and Family Health Division