



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: December 2, 2014
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer, Public
Director(s) Health Department
Contact Info: Dan Reid, Assistant Deputy Director, 681-5173
SUBJECT: Iron Mountain Information Management Services

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider recommendations regarding an Information Management Services Agreement with Iron Mountain Information Management, LLC as follows:

- a) Approve and authorize the Chair to execute a contract with Iron Mountain Information Management, LLC for information management services, not to exceed \$210,000 for the period of January 1, 2014 to December 31, 2016, that cancels, nullifies, and supersedes Purchase Order Agreement CN16243.
- b) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The Public Health Department (PHD) implemented an Electronic Health Record (EHR) in 2011. PHD has subsequently begun a process to better manage its inventory of almost 200,000 hardcopy patient medical records. Part of this process involves the consolidation of offsite storage with Iron Mountain Information Management, LLC. Approval of the above recommended actions will allow PHD to continue this process through December 31, 2016.

Background:

PHD previously entered into a Purchase Order Agreement (CN16243) with Iron Mountain Information Management, LLC for the period of January 1, 2014 through December 31, 2015 (Attachment 2). This Agreement was to consolidate all existing offsite storage and relocate all health care center storage of

hardcopy medical records into one location under one vendor. During the transfer of medical records from another offsite vendor to Iron Mountain, a significant under-reporting in offsite storage inventory was discovered. As a result, costs associated with this transfer were increased. In addition, due to the higher volume, long-term storage costs are also increased slightly. This led to the maximum of the original Purchase Order Agreement being reached much faster than initially anticipated, requiring a new Board contract (Attachment 1). Most of these additional costs are one-time costs, and annual costs will decrease over time as medical records can legally be destroyed as they reach their term limits for patients no longer seen by PHD. In order to take advantage of favorable service rates, the agreement was extended one additional year to sunset on December 31, 2016.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Total One-Time Project Cost</u>	<u>Annualized On-going Cost:</u>	<u>Three Year Total</u>
General Fund			
State			
Federal			
Fees			
Other: Medi-Cal revenues	\$ 99,000.00	\$ 37,000.00	\$ 210,000.00
Total	\$ 99,000.00	\$ 37,000.00	\$ 210,000.00

The large one-time project costs are related to the proper indexing of medical records, consolidation of records under one offsite storage vendor (Iron Mountain) and associated labor and transportation costs for this initial transfer. Now that all the records have been consolidated, additional one-time project costs include re-organization of the inventory to industry standards. Ongoing costs include retrieval and transportation for current medical care and destruction of records that have reached their legal lifetime. We expect to expend the \$99,000 in one time project costs and one and one half years of the on-going costs by the end of Fiscal Year 2014-2015 (\$58,500 expended in Fiscal Year 2013-2014 and \$77,500 expended in Fiscal Year 2014-2015). Ongoing costs for Fiscal Years 2015-2016 and 2016-2017 are projected at \$37,000 annually, although ongoing costs will decline over time as inventory is legally reduced by destruction.

Key Contract Risks:

Iron Mountain Information Management, LLC is a nationwide company. This Agreement limits the liability for Iron Mountain to an established value for each medical record stored and any incomplete projects such as re-organization of existing inventory to facilitate future record destruction that may occur during the Agreement. This is standard industry practice in offsite storage.

The PHD and Iron Mountain have also agreed to extend the time frame for potential Agreement termination. Due to the large volume of records and time necessary to potentially move records and secure another vendor that could readily accept this volume in a timely fashion, the notifications for Agreement Termination are established at 90 days for convenience and 45 days for cause.

Finally, this Agreement allows Iron Mountain to subcontract services if necessary. It is not anticipated that this will impact storage activities but may impact transportation of records to and from offsite storage as requested by PHD. This is to allow Iron Mountain flexibility to manage transportation in the most cost effective manner as they currently subcontract some transportation services.

Staffing Impacts:

There are no impacts as a result of this action.

Special Instructions:

Please execute two (2) original Information Management Services Agreements with Iron Mountain Information Management, LLC 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:

1. Information Management Services Agreement with Iron Mountain Information Management, LLC
2. Iron Mountain Information Management Purchase Order Agreement CN16243

Authored by:

Dan Reid, Assistant Deputy Director, PHD Primary Care and Family Health, 681-5173