



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:** April 22, 2014  
**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  
Director Public Health Department  
Contact Info: Dan Reid, Assistant Deputy Director (681-5173)  
**SUBJECT:** **Third Amendment to System Agreement with GE Healthcare**

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**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:

- a) Approve and authorize the Chair to execute a Third Amendment to incorporate a Change Order to the System Agreement with GE Healthcare for the period March 15, 2011 through March 14, 2016, in an amount not to exceed \$17,997.00 for a one-time Base Immunization Export Package software license purchase and ongoing annual support and maintenance for the duration of the Agreement in an amount of \$2,599.00 annually, for a total Agreement maximum of \$1,769,547.51.
- b) Determine that the recommended actions are fiscal activities which do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment and are thus exempt from California Environmental Quality review pursuant to CEQA Guidelines Section 15378(b)(4).

**Summary Text:**

This item is on the Agenda for approval to execute a Third Amendment with GE Healthcare for the purchase of the Base Immunization Export Package software including licensing, installation and maintenance to the existing Electronic Health Record (EHR) GE Healthcare System Agreement. The Base Immunization Export Package will allow the PHD to submit immunization data electronically to the State of California Immunization Registry which is required for Meaningful Use Stage 2.

The Change Order for this Third Amendment includes: \$12,997 of additional expenditures for software licensing, \$5,000 for professional services, including software installation and integration with the EHR, and \$2,599.00 for ongoing annual maintenance support. The Fiscal Year 2013-14 expense will be \$20,596 and the FY 14-15 expense will be \$2,599.00 for a total of a \$23,195 increase to the Agreement. The new maximum for the five year period of the Agreement that ends in March 2016 is \$1,769,547.51.

**Background:**

On March 15, 2011 the Board of Supervisors authorized a System Agreement with General Electric (GE) Healthcare for the GE Centricity EHR. The addition of the Base Immunization Export Package will enable the PHD to meet Meaningful Use Stage 2 requirements. Meaningful Use (MU) is defined as the use of certified EHR technology to improve quality, safety, efficiency, and reduce health disparities; engage patients and family; improve care coordination and public health; and maintain privacy and security of patient health information. Meaningful Use is achieved by meeting objectives and clinical quality measures determined by the Centers for Medicare and Medicaid Services (CMS). Many PHD providers have met MU Stage 1 requirements which focused on data collection and sharing. The intent of MU Stage 2 is to improve patient care through better clinical decision support, care coordination, and patient engagement. MU Stage 2 requirements begin in 2014 for a 3 month reporting period (PHD plans to use October through December 2014) and will continue through 2016. One of the core objectives in MU Stage 2 is to submit immunization data electronically to the State of California Immunization Registry. The Base Immunization Export Package will provide the ability to meet that objective. CMS recently delayed the start of MU Stage 3 until 2017 as the criteria is still in development.

MU incentives are paid annually and are available over a six year period for a grand total of up to \$63,750 per eligible provider. PHD has participated in the incentive program since its inception and has successfully applied for approximately \$1.4M of EHR incentives from Medi-Cal and is making every effort to meet MU requirements and participate in the program for the remaining years.

**Performance Measure:**

The Meaningful Use Stage 2 core measure is “successful ongoing transmission of electronic immunization data from Certified Electronic Health Record Technology to an immunization registry or immunization information system for the entire EHR reporting period.” This is a more stringent measure than required under Stage 1 which was only to demonstrate the ability to test a submission of electronic immunization data to a registry.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees	\$ 20,596.00	\$ 2,599.00	
Other:			
Total	\$ 20,596.00	\$ 2,599.00	\$ -

The current year amount of \$20,596.00 for the Base Immunization Export Package purchase, professional services, and first year of maintenance will be paid from increased patient reimbursements from Medi-Cal. The FY 2014-15 amount of \$2,599.00 will also be paid from increased patient reimbursements from Medi-Cal.

**Key Contract Risks:**

GE Healthcare is a multi-national company with a solid financial status and long-term history. 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. In addition, there are risks associated with not moving forward with the implementation of the Base Immunization Export Package as it is needed to meet Meaningful Use. If not met, the PHD could lose several hundred thousand dollars of incentives from Medi-Cal.

**Staffing Impacts:**

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

**Special Instructions:**

Please retain one fully executed original Third Amendment to the GE Healthcare System Agreement and one copy of the minute order. Email [PHDCU@SBCPHD.ORG](mailto:PHDCU@SBCPHD.ORG) when ready for pickup.

**Attachments:**

Third Amendment to the System Agreement with GE Healthcare

**Authored by:**

Anne Fearon, Deputy Director, Administration