



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/23/2018

Agenda Placement: 6B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for Mary Butler - Interim Director
Health & Human Services Administration

REPORT BY: JoAnn Melgar, Staff Services Analyst II - 707-253-4722

SUBJECT: Amendment No. 7 to Agreement with Cerner Corporation

RECOMMENDATION

Interim Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 7 to Agreement No. 170225B with Cerner Corporation effective October 23, 2018, to include \$304,706 for the purchase of an upgrade to Cerner Integrated Community Behavioral Health system and establishing annual Support and Maintenance fees of \$154,404 with a built in CPI plus 5% growth factor commencing after implementation of the upgrade, with annual twelve month auto renewals.

EXECUTIVE SUMMARY

The purpose of today's recommended action is to amend the current agreement with Cerner Corporation to upgrade to Cerner's Integrated Behavioral Health software, which manages both clinical documentation and billing and reporting functions for Mental Health and Alcohol and Drug Services Divisions. In addition, this upgrade will transition from locally-hosted software to Software as a Service which is cloud-hosted. This transition to Software as a Service will create efficiencies for Health and Human Services Agency because all network equipment, systems management, backups, installation of software updates and new releases will be managed by Cerner.

Specifically, today's amendment will:

1. Incorporate a "Cerner Sales Order" for the purchase of an upgrade to the Cerner Integrated Community Behavioral Health for 130 concurrent users;
2. Amend Section 15 of the Agreement to add subsection 15.7 Protection of Personally Identifiable Information and Protected Health Information; and
3. Incorporate the County's Security Addendum into the Agreement.

The purchase of the upgrade includes one-time costs, travel costs and monthly support fees are as follows:

- | One-Time Application Services fee - \$206,023
- | One-Time Transaction Services fee - \$13,590
- | One-time Professional Services fee - \$30,093
- | Travel expenses for consultants - \$55,000
- | Monthly Support and Maintenance fees - \$12,867

70% of the Application Services fee and 100% of the Transaction Services and Professional Services fee are due upon execution of the contract. The travel expenses are set at a max of \$55,000 and will only be expended through December 31, 2020. The monthly support and maintenance fees will only be billed once the implementation is completed and the software is live in production. The implementation of this software upgrade will occur in phases.

FISCAL IMPACT

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|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | Yes |
| Where is it budgeted? | Health & Human Services Mental Health Services Act |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | Approval of this amendment is not mandatory, however it will allow for the purchase of an upgrade to the Cerner Integrated Community Behavioral Health for 130 concurrent users. This agreement is funded with Mental Health Services Act (MHSA) funds. |
| Is the general fund affected? | No |
| Future fiscal impact: | This agreement is included in the current fiscal year budget. While the agreement terms on June 30, 2019 it includes a provision for automatic renewal and future fiscal year appropriations will be budgeted accordingly. |
| Consequences if not approved: | If this amendment is not approved this will impact the agency's capacity to continue to meet the requirements of a fully electronic health record as required by the federal HITECH Act. Cerner is planning on phasing out support for the current Anasazi software. We need to upgrade to the latest version to remain compliant with billing, privacy and security standards. |
| Additional Information: | Cerner may increase the monthly fee for Support services and each recurring service (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) any time following the initial twelve (12) month period after such recurring service fees begin (but not more frequently than once in any twelve (12) month period) by giving Client sixty (60) days prior written notice of the price increase. The amount of such annual increase will equal CPI plus 5% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in |

Cerner's fee to the third party.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On July 25, 2006, the Board approved an agreement with Anasazi Software, Inc., for the purchase of a new California-compliant web-based Medicare/Medi-Cal billing system for the Mental Health and Alcohol and Drug Services programs. The multi-year Agreement provided for installation assistance, training, software maintenance and support services. The annual maintenance component of the Agreement required the vendor to make all improvements necessary to keep the system current with state and federal requirements. In November 2012, Cerner Corporation acquired Anasazi Software, Inc. and on February 26, 2013, the Board approved the Director of Health and Human Services to give written consent to the assignment of that agreement to Cerner Corporation.

Cerner Community Behavioral Health software is the Electronic Health Record (EHR) and Billing System for Mental Health and Alcohol and Drug Services. The EHR maintains client clinical records and includes demographics, documents, notes, treatment plans, diagnosis, medication prescribing history and also uses this data for billing to Medi-Cal/Medicare and required State Reporting.

This project will be implemented in two phases outlined below, as well as 12 month periods of Support and Maintenance fees to keep the software up to date and functional.

Phase I

Total Amount due at execution of Amendment No. 7: \$187,899.10

- | 70% Application Services fee due at contract: \$144,216.10
- | Transaction Services One Time Fees: \$13,590.00
- | Professional Services Fees: \$30,093.00

Phase II

Total amount due after initial implementation: \$116,806.90

- | Travel Expenses For Implementation: \$55,000.00
- | Remaining 30% Application fees 30%: \$61,806.90

Total Phase I & II - Purchase and Implementation of System Upgrade Total Purchase Amount: \$304,706.00
Annual Monthly Support and Maintenance--Starting after Implementation: 154,404.00 (Total Estimated Support for 7 Years not including CPI plus 5% \$1,080,828.00)

Cerner Corporation is not a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri