



Agenda Date: 12/18/2007  
Agenda Placement: 6J

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Shelli Brobst for Randolph F. Snowden - Director  
Health & Human Services  
**REPORT BY:** Shelli Brobst, Contracts Analyst, 253-4720  
**SUBJECT:** Cancellation of Anasazi Designation

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### **RECOMMENDATION**

Director of Health and Human Services requests the following actions for the purpose of funding Anasazi electronic health record and billing system costs in the current fiscal year:

1. Approval of Budget Transfer No. 14 appropriating \$80,240 in the Mental Health budget (4/5 vote required);  
and
2. Cancellation of the Anasazi designation in the amount of \$80,240.

### **EXECUTIVE SUMMARY**

Approval of the requested action will cancel a designation established to fund costs associated with implementation of the Anasazi electronic health record and billing system software that are not covered by Mental Health Services Act one-time information technology project funds. The action also will increase the HHSA Mental Health Division's current year spending authority to enable payment of Anasazi contract costs.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Cancellation of the remaining balance of \$80,240 from a designation of funds previously set aside for Anasazi project costs.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval of the requested action is discretionary in that there is no mandate to have or cancel this designation or to increase budget authority in the Mental

Health budget. However, the County has received funding and is under contract with the State Department of Mental Health to implement the Anasazi system as an Information Technology Project, which was funded primarily with one-time Mental Health Services Act (MHSA) funds and supplemented by County funds previously designated for this purpose. There is no additional General Fund impact as a result of this action.

Is the general fund affected? No

Future fiscal impact: None.

Consequences if not approved: If this designation is not canceled, HHSA will not have sufficient funds available to compensate the Anasazi Software contractor for implementation costs. This would put the County at risk of non-compliance with the terms of the Anasazi contract and the MHSA performance agreement with the State.

Additional Information:

### **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**

In July 2006 the Board approved an agreement that allowed the Health and Human Services Agency to implement an integrated electronic health record and billing system from Anasazi Software for HHSA's Mental Health and Substance Abuse Services programs. The new system adds products and processes absent from the existing ECHO system. The Anasazi system is California-compliant and has already passed acceptance testing in Kern County for Drug Medi-Cal, Medi-Cal and Medicare. It is also in various stages of acceptance and/or implementation in seven other California counties. Client plan tracking as well as other required client data not available in the current ECHO system is included in the new system. Since Anasazi is a web-based program, the Agency will be implementing the same clinical record system throughout its outpatient provider network. This upgrade alone will dramatically improve treatment coordination and billing compliance. Finally, the annual maintenance component of the agreement requires the vendor to make all software improvements necessary to keep the system current with state and federal requirements.

The Anasazi project approved by the Board was planned as a multi-year project, and the contract with Anasazi Software is a multi-year contract. The project's start-up costs of \$484,296 are being funded by \$351,912 in one-time Mental Health Services Act (MHSA) funds, and \$132,384 in General Fund revenues that were designated for the project at the end of Fiscal Year 2005-2006. HHSA pays the Anasazi contractor for percentages of the total product license costs based on completion of milestones and services to convert the existing ECHO system to Anasazi. In Fiscal Year 2006-2007, HHSA paid Anasazi \$215,000 of the total contract cost.

At this point in time, the conversion is approximately 74% complete. Approval of the requested action will cancel the remaining balance of the designation (\$80,240) and increase expenditure authority in the Mental Health budget to pay for current year costs. The balance of the costs in the current fiscal year (approximately \$189,000) will be paid from the balance of the one-time MHSA funds.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita