



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** January 6, 2016  
**Board Meeting Date:** March 29, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

**Subject:** Amendment to the agreement with Cerner Health Services, Inc. for ePrescribing services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Cerner Health Services, Inc. adding ePrescribing services, and increasing the amount for the period of July 1, 2012, through December 31, 2020, by \$237,515.36 for a new fourth period not to exceed amount of \$23,919,354.

**BACKGROUND:**

On September 23, 2003, your Board approved a seven-year agreement with Siemens Health Solutions, USA, Inc. (Siemens) for ongoing support and additional applications at San Mateo Medical Center (SMMC). On May 20, 2008, your Board approved an amendment to extend the term of the agreement to October 1, 2015. On January 10, 2012, your Board approved an amendment to extend the agreement term to December 31, 2020, for ongoing support and additional applications relating to the implementation of SMMC's inpatient electronic health record, with a new not to exceed amount for the period of July 1, 2012, through December 31, 2020 of \$23,681,838.81. Effective February 1, 2015, Siemens was acquired by Cerner Health Services, Inc. (Cerner), and the agreement with Siemens and the County of San Mateo was assigned to Cerner. In that assignment, Cerner assumed all responsibilities and obligations of Siemens under the agreement.

**DISCUSSION:**

This agreement adds Cerner's ePrescribing services, which provide for the electronic transmission of prescription data between the prescriber, the dispensing pharmacy, and the pharmacy benefits manager or health plan. Electronic prescribing software safely and efficiently manages patient medications and provides drug-to-drug interaction

screening with formulary and benefits data at the point of care. This software also facilitates use of electronic prescriptions as part of the discharge process for an acute care hospital admission. Electronic prescribing services are mandated for hospitals under the Centers for Medicare & Medicaid Services Meaningful Use program.

ISD has reviewed and approved the IT component of this amendment.

The amendment and resolution have been reviewed and approved by County Counsel as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by enabling software to safely and efficiently manage patient medications, comply with federal Meaningful Use requirements and afford patients the opportunity to have prescriptions sent electronically to the pharmacy of choice. SMMC will prescribe all discharge medications in the ePrescribing system, resulting in 100% of prescriptions being ordered and transmitted to local pharmacies electronically.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Projected</b>
Discharge medications prescribed electronically	0% 0	100% 11,030

**FISCAL IMPACT:**

The term of the agreement is July 1, 2012, through December 31, 2020. The amount of the agreement is not to exceed \$23,919,354.17. This amendment increases the contract amount by \$237,515.36. Funds in the amount of \$82,593.48 are included in the SMMC FY2015-16 Adopted Budget. Funds in the amount of \$38,730.48 are included in the SMMC FY 2016-17 Recommended Budget. Similar arrangements will be made in future year budgets.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.