



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 22-951

Board Meeting Date: 12/13/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Stephen Dean, Chief Information Officer, Health Information Technology

Subject: Agreement with Epic Systems Corporation and Epic Hosting, LLC to Provide an Electronic Medical Record System

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing agreements with Epic Systems Corporation and Epic Hosting, LLC to provide an Electronic Health Medical Record system that includes software, hosting, and implementation services for San Mateo County Health, in an amount not to exceed \$78,306,568; and
- B) Authorizing the Chief of San Mateo County Health or their designee to enter into facilitated agreements with Up-To-Date, Intelligent Medical Objects (IMO); and CareSelect; in an amount not to exceed \$1,501,970.

BACKGROUND:

San Mateo County Health's (SMCH) mission is to help San Mateo County residents live longer and better lives, and the services it offers to Medi-Cal and uninsured low-income residents are the backbone of that work through San Mateo Medical Center and its outpatient clinics; Public Health, which includes several clinics: Family Health Services; Behavioral Health and Recovery Services; Aging and Adult Services; and Correctional Health Services. These six SMCH divisions utilize multiple, outdated, electronic health record (EHR) systems or paper charts to maintain patient information. This fragmentation results in a constant struggle by providers to obtain a current and comprehensive view of the client record at the point of care. The use of multiple EHRs impedes data sharing and coordination between in- and out-patient care, mental health and substance use disorder treatment, social services, and community partners. A Request for Proposals (RFP) to replace the current EHR systems was released in 2019 and negotiations with the preferred vendor were completed this year once the substantial funding resources necessary for the project were identified. After negotiating the terms of the agreement, Epic Systems Corporation, with Epic Hosting, LLC (Epic), was selected as the best-suited vendor for SMCH moving forward with an Enterprise Health

Record.

The necessity to replace the aging systems was reinforced by the receipt of notice on December 2, 2021, that one of the major current health record vendors would not renew or extend the support of services beyond December 31, 2024, effectively ending SMMC's ability to utilize five critical systems after that date. This would leave SMCH with critical gaps in the systems required for the delivery of care and its ability to meet regulatory and revenue requirements, as well as its ability to continue day-to-day operations.

DISCUSSION:

Under this agreement, Epic has agreed to provide a license to its software and to host SMCH associated hardware and data. Epic will also provide its foundation model of an EHR system, along with their software.

In addition to the software and hosting, Epic will provide implementation services and staff to assist SMCH in building the most efficient and complete EHR system and to ensure a successful implementation.

Along with the Epic agreement, there will be three facilitated agreements to be authorized by the Chief of County Health or their designee. These agreements are required by Epic and provide content for the EHR to perform as needed. The facilitated agreements are with: 1) Up-To-Date; 2) Intelligent Medical Objects (IMO); and 3) CareSelect. The cost of the facilitated agreements is included in the budget for implementation of the Epic EHR.

The agreement and resolution have been reviewed and approved by the County Attorney, Risk Management and ISD as to form.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

It is anticipated that 100% of medical clinical information systems users from SMCH divisions will be using a single unified EHR system by the end of the initial 24-month project period, with plans to integrate non-medical information systems in the following years. Such a system facilitates improved patient access, medical accuracy, cost spending, and operational efficiency, which leads to greater patient satisfaction and greater financial accountability for SMCH.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Estimated	FY 2024-25 Projected
Percentage of medical clinical information systems users from SMCH divisions that are using a single unified EHR system	0%	100 % (1132 users)

FISCAL IMPACT:

The term of the Software License Agreement is from December 6, 2022, through June 30, 2032, for a maximum cost of \$63,459,084. The term of the Hosting Agreement is from December 6, 2022, through December 5, 2029, for a maximum cost of \$14,847,484. The term of the facilitated

agreements with Up-To-Date; IMO; and CareSelect is from December 6, 2022, through June 30, 2032 in a maximum amount not to exceed \$1,501,970.

The net three-year implementation costs for this project, including associated personnel that will be brought forward in a separate item, are estimated at \$112,466,627. Of this amount, one-time costs of \$73,328,013 are funded from SMCH reserves, \$10,000,000 from the General Fund, \$4,000,000 anticipated from the Health Plan of San Mateo - California Advancing and Innovating Medi-Cal Incentive Payment Program, \$300,000 from California Department of Health Care Services' Projects for Assistance in Transition from Homeless, and other anticipated federal funds of \$1,000,000. The remaining balance of \$23,838,615 will be funded from the participating SMCH divisions. All patient/client-serving divisions of County Health will contribute to the ongoing costs based on projected use.

Attachment - RFP Matrix