



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 23-820

Board Meeting Date: 10/3/2023

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**Special Notice / Hearing:** None

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, San Mateo County Health  
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center  
Stephen Dean, Chief Information Officer, San Mateo County Health

**Subject:** Amendment to the Agreement with Cerner Corporation for the Utilization of the Electronic Medical Record, Applications and Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Cerner Corporation to provide the utilization of the Cerner Electronic Medical Record, applications, and services, extending the term by one year through December 31, 2024, and increasing the amount by \$4,282,422 to an amount not to exceed \$64,100,322.

**BACKGROUND:**

In September 2003, the Board of Supervisors approved an agreement with Siemens Health Solutions, Inc. (Siemens) for ongoing information technology support and applications at San Mateo Medical Center (SMMC).

In February 2015, Siemens was acquired by Cerner Health Services, Inc. (Cerner), and the agreement was assigned to Cerner.

In June 2022, Cerner was acquired by Oracle and is now Oracle Cerner. The agreement has been amended multiple times since.

In December 2022, this Board approved an agreement with Epic to replace the current Electronic Medical Record (EMR) and other applications and services.

**DISCUSSION:**

During this transition period, SMMC will continue to use Cerner's systems and support. This amendment will provide Cerner's EMR and other applications and services through December 31, 2024.

Cerner Application provides SMMC the ability to serve its patients using existing applications for

patient treatment, lab orders diagnostic imaging, and Rx/ePrescribing. Cerner is also the main application providing everything SMMC and its Revenue department needs to complete Patient Registration (admitting and discharge) and all financial reports/billing. SMMC will benefit from using the Cerner applications to provide clinical services to its patients with minimal interaction throughout the Epic implementation.

SMMC and San Mateo County Health (SMCH) request this Board to waive the Request for Proposals process to allow Cerner to continue to provide these services and increase the funding through the end of the extended term while SMCH continues to prepare the Epic implementation to accept the legacy EMR transition process.

The County Contract Compliance Committee has approved a waiver request to extend the agreement for a 21-year and 3-month term.

The County Attorney has reviewed and approved the resolution and agreement as to form.

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

The Information Services Department has reviewed and approved the IT components of this agreement.

It is anticipated that by continuing to contract with Cerner, this legacy system will be 99.99% available for continuity of patient care, clinical treatment and all the hospital operational needs related to this contract.

**PERFORMANCE MEASURE:**

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Percentage of time that current legacy system is available for continuity of patient care, clinical treatment, and all hospital operational needs	99.99%	99.99%

**FISCAL IMPACT:**

The term of this amended agreement is September 23, 2003, through December 31, 2024. The amendment increases the contract amount payable under the agreement by \$4,282,422 to an amount not to exceed \$64,100,322 for the 21-year and 3-month term. Funds in the amount of \$2,141,211 are included in the SMMC FY 2023-24 Adopted Budget. Similar arrangements will be made for future years.

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 is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.