

FORM APPROVED COUNTY COUNSEL  
BY: GREGORY P. PRIAMOS DATE: 11/23/15



# SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

935

**FROM:** Riverside County Regional Medical Center- FQHC Clinics

**SUBMITTAL DATE:**  
October 30, 2015

**SUBJECT:** Approval of the Seventh Amendment to Agreement with Kazee, Inc for the Federally Qualified Health Centers (FQHC) Patient Information System from January 1, 2016 – December 31, 2017. Districts All; [\$420,976, Local - Patient Revenue 100%]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and execute the Seventh Amendment with Kazee, Inc. for the Federally Qualified Health Centers (FQHC) Patient Information System in the amount of \$420,976 from January 1, 2016 through December 31, 2017.
2. Authorize the Chairperson to execute four (4) original copies of the Amendment on behalf of Riverside County; and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement as approved by County Counsel, and to allow the Purchasing Agent to increase the annual compensation amount not more than ten percent.

**BACKGROUND:**

**Summary**

(Continued on Page 2)

Zareh H. Sarrafian  
Assistant CEO – Health System

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ 246,110	\$ 147,745	\$ 420,976	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** 100% Local – Patient Revenue

**Budget Adjustment:** No

**For Fiscal Year:** 15/16–16/17–  
17-18

**C.E.O. RECOMMENDATION:**

**APPROVE**

**County Executive Office Signature**

BY: Christopher M. Hans

**MINUTES OF THE BOARD OF SUPERVISORS**

Positions Added ☐  
Change Order ☐

A-30 ☐  
4/5 Vote ☐

**Prev. Agn. Ref.:** 3.14 of 12/14/10

**District:** ALL

**Agenda Number:**

3-50

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Approval of the Seventh Amendment to Agreement with Kazee, Inc for the Federally  
Qualified Health Centers (FQHC) Patient Information System from January 1, 2016 – December 31,  
2017. Districts All; [\$420,976, Local - Patient Revenue 100%]**

**DATE: October 30, 2015**

**PAGE: 2 of 2**

**BACKGROUND:**

**Summary**

Riverside University Health System seeks to renew the agreement with Kazee, Inc for the license and maintenance of the Patient Management System (PMS) currently in use at the 10 FQHC Clinics across the County. Kazee, Inc. is the new organizational name for the former Business Computer Applications (BCA). The original agreement allowed for two additional five (5) year renewals through December 2020 with Board approval prior to renewal. This amendment is to renew the agreement for two (2) years through December 2017 while the Epic system is being installed and the accounts on the current PMS are closed out. Through negotiations the amount of the renewal has been reduced by \$92,000 for the two years.

**Impact on Citizens and Businesses**

The FQHCs serve residents in all five Riverside County supervisorial districts, providing more than 120,000 patient encounters per year. The community as a whole uses the clinics to receive high quality healthcare services with linkage into the larger health system including the Regional Hospital and specialty clinics, Behavioral Health and Public Health.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The table below represents the costs by fiscal year for the renewal.

<b>Time Period</b>	<b>Base Cost</b>	<b>Optional Cost</b>	<b>Includes</b>
FY 2016	\$ 219,109	\$ 27,001	License fees and maintenance
FY 2017	\$ 93,564	\$ 54,181	Maintenance
FY 2018		\$ 27,121	Maintenance
<b>Total Cost</b>	<b>\$ 312,673</b>	<b>\$ 108,303</b>	<b>Total: \$420,976</b>

**Contract History and Price Reasonableness**

The current renewal is a savings of \$92,000 from the original two-year renewal period. The cost of replacing the system with an interim solution until the installation of the Epic system for the Patient Health Records and Management function for the hospital and all clinics would be prohibitive. Without the current system the FQHC's would not be able to bill for services.

**SEVENTH AMENDMENT TO THE AGREEMENT  
WITH  
KAZEE, INC.  
Formerly  
BUSINESS COMPUTER APPLICATIONS, INC.  
(Ambulatory Public Health Information System)**

WHEREAS, the Riverside University Health System ("RUHS", also known as Riverside County Regional Medical Center) must continue the license and maintenance of the comprehensive Ambulatory Public Health Information System (APHIS) to ensure patient care and services are delivered and billed timely.

WHEREAS, Kazee, Inc. formerly known as Business Computer Applications, Inc. has an existing contract with the County of Riverside and has the experience necessary to successfully complete the remaining accounts in the APHIS system.

That certain Agreement between the County of Riverside (COUNTY) and KaZee, Inc. formerly Business Computer Applications, Inc. (CONTRACTOR), approved on December 13, 2005, Item 3.4 first amendment on May 30, 2007, second amendment on October, 23, 2007, third amendment on November 2, 2007, fourth amendment on November 29, 2007, fifth amendment on February 26, 2008, sixth amendment on January 1, 2011, is hereby amended as follows, effective January 1, 2016:

1. Delete all references to the periods of performance from January 1, 2011 through December 31, 2015 and replace with the period of performance from January 1, 2016 through December 31, 2017.
2. Establish the maximum amount of compensation not to exceed four hundred twenty thousand, nine hundred seventy six dollars (\$420,976) including service option of processing Patient Statements.
3. Delete Attachment 10 (Schedule 1), consisting of one (1) page and replace with the revised Attachment 10 (Schedule 1) attached hereto and incorporated herein.
4. All other terms and conditions of this Agreement are to remain unchanged.
5. The County reserves the option to extend this Agreement for a period of one year on the same terms and conditions set forth herein. County should provide 90 day notice to exercise this option.

**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representative to execute this Amendment.

**CONTRACTOR****KaZee, Inc.****COUNTY****By:** \_\_\_\_\_\_\_\_\_\_  
**Type or Print Name****Date:** \_\_\_\_\_**By:** \_\_\_\_\_\_\_\_\_\_  
**Type or Print Name****Date:** \_\_\_\_\_**ATTEST:****Kecia Harper-Ihem**  
Clerk of the Board**By:** \_\_\_\_\_

Deputy

**APPROVED AS TO FORM:****Gregory P. Priamos**  
County Counsel**By:**  \_\_\_\_\_

County Counsel

**County of Riverside**  
**2 - Year Extension With**  
**KaZee, Inc.**

**Attachment 10 - Schedule 1**  
**Payment Schedule 2nd Renewal Years 11-12**

	Year 11	Year 12	Years 11-12	2nd Renewal
<b>CMS Software Licenses (240 Users Workstations)</b>	\$ 130,000		\$ 130,000	
<b>Sub-Total CMS Licenses</b>	\$ 130,000		\$ 130,000	
<b>Maintenance Costs - CMS, Hardware &amp; Third Party Software</b>				
CMS - 20% of License fees + \$17,000 year for Electronic Billing and Remittance upkeep	\$ 43,000	\$ 45,150	\$	\$ 88,150
IBM Server & Operating System	\$ 12,856	\$ 13,499	\$	\$ 26,355
Seagull GUI Server Software (Rocket Software)	\$ 3,258	\$ 3,421	\$	\$ 6,678
Seagull GUI Client Software 240 Users (Rocket Software)	\$ 24,000	\$ 25,200	\$	\$ 49,200
**Other 3rd Party Software	\$ 5,995	\$ 6,295	\$	\$ 12,290
<b>Sub- Maintenance Costs</b>	\$ 89,109	\$ 93,564	\$	\$ 182,673
<b>Total Base Costs</b>	\$ 219,109	\$ 93,564	\$	\$ 312,673
<b>Options</b>				
Optional Interfaces				
Scope Change Contingency				
Disaster Recovery				
Processing of Patient Statements \$0.80/each	\$ 51,660	\$ 54,243	\$	\$ 105,903
EMR License (50 users)				
Second License Reminder-Pro (Inphonite)	\$ 1,171	\$ 1,229	\$	\$ 2,400
Second License Reminder-Pro (Inphonite)- Maintenance	\$	\$	\$	\$
<b>Total of all Options</b>	\$ 52,831	\$ 55,472	\$	\$ 108,303
<b>Total with all Options</b>	\$ 271,940	\$ 149,037	\$	\$ 420,976
<b>**3rd Party Software</b>				
Seagull GUI Server Software (Rocket Software)				
Seagull GUI Client Software (Rocket Software)				
Reminder Pro (Inphonite)				
Quadrant (Forms Software)				
Iron Mountain -- Housing of Source Code				