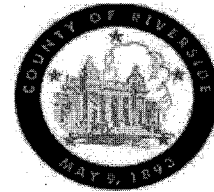


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.53
(ID # 3179)

MEETING DATE:

Tuesday, December 13, 2016

FROM : RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS):

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS): Approve and execute Amendment No. 2, for the scope change of the Professional Services Agreement with Loma Linda University Shared Services for \$2,484,601 over five years increasing the total contract to \$45,720,665 over 5 years; District 5; [\$2,481,601 over 5 years], Medical Center Enterprise Fund 40050

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman of the Board to execute Amendment No. 2 with Loma Linda University Shared Services, to license, install and maintain additional software for Epic operations for \$2,484,601 over 5 years and increasing the total contract to \$45,720,665 over 5 years.

Zareh Sotoufian, Chief Executive Officer – Health System 12/5/2016

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|--|-----------------------------|--------------------------|--|---------------------|
| COST | \$ 564,462 | \$ 462,757 | \$ 2,484,601 | \$ n/a |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ n/a |
| SOURCE OF FUNDS: Medical Center Enterprise Fund – 40050 in previously approved budget | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 16/17 to 20/21 | |

C.E.O. RECOMMENDATION: APPROVE

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione Washington and Ashley
Nays: None
Absent: Benoit
Date: December 13, 2016
xc: RUHS

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

3-53

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

BACKGROUND:

Summary (continued)

Additional software once installed will add functionality or else replace obsolete software improving effectiveness. New or improved functionality will improve billing and patient data security.

The software in this amendment adds functionality in three general areas.

- New billing software, particularly a new scrubber, will increase claim accuracy. Improved accuracy will both speed up payments to the medical center and also increase overall revenue. While it is difficult to accurately quantify the amount of lost revenue that will be captured, one estimate placed that at over \$1 million per year
- Fair Warning software will improve patient data security by giving the county's compliance office the tools needed to quickly identify potential breeches
- Televox software allows doctors to remind patients of upcoming appointments via automated calls or texts, reducing the frequency of no shows

Additional details on the new software follow:

- Change Healthcare (Statements) – provider of billing statement creation and delivery.
- Blackhawk – provider of billing statement creation and delivery.
- Televox – Provider of automated call and SMS-texting reminders for patient visits and billing.
- Change Healthcare (Medi-cal follow up and Medicare Manager) – Vendor assist with Medi-Cal claims after denial; simplifies claims management for Medicare Part A providers.
- Fair Warning – Fair Warning is used as the auditing service vendor for the LLUSS Platform. All participants of the LLUSS EHR Platform are required to participate in the auditing service. The LLUSS Privacy and Security Rules adopted from time to time during the term hereof may (but are not required to) describe what is being monitored; the criteria for detecting inappropriate access; segmentation of monitoring service per participant of the LLUSS EHR Platform and the like.

County IT and the TSOC committee have reviewed and approved this new software in this amendment.

The overall cost to maintain the new Epic system is over \$9 million per year. Epic has much more functionality than the old system. It will improve communication with patients, improve patient care, and will increase medical center revenue. All this improved functionality makes the new system more expensive to maintain than the old system. However, once the new system is operational and stable (it has been operational since the first week of October) and the old system is turned off, considerable savings will be realized to partially offset the cost of the new system.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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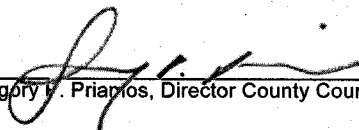
Impact on Citizens and Businesses

The hospital, its inpatient treatment facility, site-based clinics and community-based clinics serve residents in all five Riverside County supervisorial districts, providing more than 450,000 patient encounters each year. The local economy will experience positive benefits from the presence of a thriving health system that is served by an educated workforce, and where patients of all incomes can feel safe and obtain high quality healthcare services.

The new Epic system has much more functionality than the old system. It will improve communication with patients, improve patient care, and will increase medical center revenue.

Contract History and Price Reasonableness

Software licensing costs are passed onto the medical center without markup. Implementation and maintenance costs are charged at the same rates approved in the original Epic contract.



Gregory F. Priamos, Director County Counsel 12/7/2016

**Amendment No. 2 to
Master Services Agreement**

This Amendment No. 2 ("*Amendment No. 2*") is dated as of DEC. 13, 2016 (the "*Amendment Effective Date*") and amends that certain Master Services Agreement dated as of September 22, 2015, as amended by that certain Amendment No. 1 dated as of April __, 2016 (the "*Original Agreement*") and as amended by this Amendment No. 2, the "*Agreement*") between Loma Linda University Shared Services, on behalf of itself and its Affiliates ("*LLUSS*") and Riverside University Health System, an agency of the County of Riverside, also known as Riverside County Regional Medical Center, on behalf of itself and its Affiliates ("*Customer*"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement.

Agreement

1.0 *Amendment to Section 8.2. Existing Section 8.2 is amended to add the following Section 8.2(d):*

Third Party Assistance from Subcontractors. Customer may receive assistance regarding the use or implementation of the Riverside Service Area from a third party subcontractors, upon LLUSS prior written consent which shall not be unreasonably withheld. Customer may not permit such third party contractor to have access to the LLUSS EHR Platform (or any component thereof, including without limitation the Riverside Service Area) unless such third party contractor and any of its employees who have access to the LLUSS EHR Platform have in place at the time of such access an agreement with Customer with provisions at least as protective of LLUSS Confidential Information and related matters as those provision set forth herein. In addition, Customer must insure that such third party contractor and any of its employees who have access to the Epic Program Property (as that term is defined in the Epic License Agreement) have in place at the time of such access an agreement with Epic that will at a minimum provide that such third party contractor and such employees will not develop, design or enhance or assist any other person or entity in developing, designing or enhancing any software product that has or is intended to have a similar purpose to or overlapping functionality with, or that competes with, or is intended to compete with, any software product offered by Epic now or in the future and such third party contractor will not hire current or recent employees of Epic customers who were involved in an active install for that customer or hire current or recent Epic employees.

2.0 *Amendment to Section 18.1.* Existing Section 18.1 is amended to delete and replace existing preamble and subsection (a) with the following new preamble and subsection (a), and the remaining subsections shall remain without amendment:

15.1 *Insurance.* Each party shall, at such party's own expense, obtain, maintain, and keep in full force and effect, at all times during the term hereof, insurance coverage with respect to its property, plant and equipment and its activities conducted thereon and under this Agreement consisting of the following:

(a) "All Risk" property insurance in an amount not less than the full replacement value of the improvements and equipment (with a deductible not to exceed \$250,000);

3.0 *Amendment to Exhibit A, Implementation Statement of Work.*

(A) *Paragraph 2.2, Required Third Party Software, of Exhibit A, entitled "Implementation Statement of Work", is amended to add the following after the existing paragraph 2.2:*

Change Healthcare (Statements) – provider of billing statement creation and delivery.

Blackhawk – provider of billing statement creation and delivery.

Televox – Provider of automated call and SMS-texting reminders for patient visits and billing.

Change Healthcare (Medi-cal follow up and Medicare Manager) – Vendor assist with Medi-Cal claims after denial; simplifies claims management for Medicare Part A providers.

Fair Warning – Fair Warning is used as the auditing service vendor for the LLUSS Platform. All participants of the LLUSS EHR Platform are required to participate in the auditing service. The LLUSS Privacy and Security Rules adopted from time to time during the term hereof may (but are not required to) describe what is being monitored; the criteria for detecting inappropriate access; segmentation of monitoring service per participant of the LLUSS EHR Platform and the like.

(B) Paragraph 2.0 of Exhibit E, Fees and Charges, of the Statement of Work will be amended by adding the following one-time to the chart:

| | |
|---|-----------|
| Fair Warning Monitoring | \$10,080* |
| Fair Warning – SaaS hosting setup | \$11,592* |
| Blackhawk – PB statements | \$500* |
| Change Healthcare – Interim Ad Hoc RTE Solution | \$29,495 |
| Change Healthcare – RTE, Medi-Cal and Medicare Manager Implementation | \$60,485 |

*Estimate – actual implementation cost determined by LLUSS as Customer's *pro rata* share of the overall usage by the participants of LLUSS EHR Platform as exemplified by vendor total cost of \$25,200 factored with Customer's expected volumes vs. LLUSS expected volumes.

4.0 Amendment to Exhibit C, Service Level Agreement.

(A) Section 5.6 "Access Management" of the Service Level Agreement is deleted and replaced with the following:

Access Management

Customer shall be responsible for authorization of their user access to the LLUSS EHR Platform as described in Sections 8.2 and 9.2 of the Master Services Agreement. LLUSS will conduct training for the designated Customer access management trainers as described in the Implementation Plan (as amended from time to time). Customer's designated trainers will be responsible for training all staff involved in access management and verifying training completion before granting access management tools to staff members.

Upon request from LLUSS, Customer will provide LLUSS with a means to verify the Authorized User has taken the course and passed the associated exam for the access they are requesting prior to submission of the access request.

Step 1: Customer Account Creation

The Customer must create an account in their Active Directory for the Authorized User that meets the following requirements:

A. Password Complexity Minimum Password Length: 8

Must contain three of these four items:

Uppercase letter(s) - ABCDEFGHIJKLMNOPQRSTUVWXYZ

Lowercase letter(s) - abcdefghijklmnopqrstuvwxyz

Digit(s) - 0123456789

Special Character(s) - ~!@#\$%^&* _+=\|'{}[];":'<>.,?/

Additional Criteria:

Passwords cannot contain the Authorized User's Account Name or any piece of the Display Name. These checks are not case sensitive.

B. Password Expiration

Maximum Password Age: 180 days

Minimum Password Age: 3 days – (This is to prevent a user for making several password changes in a row to get back to the original password).

Password History: 4 passwords will be remembered by the system

The Customer must also disable Active Directory accounts in a timely manner for those previously Authorized Users whose access to the LLUSS EHR Platform should not continue.

The Customer is also responsible for any appropriate Active Directory access such as the Citrix environment to the Hyperspace application.

Step 2: Initiate Request for Access

Authorized User submits an access request form that will be routed to the Authorized Users authorized approver, as identified by the Customer per MSA Section 8.2, for submission approval to Customer Service Desk.

Step 3: Customer Engagement

Once received by Customer Service Desk, an email notification will be sent confirming receipt of the access request. The ticket being received by the Customer Service Desk is the official start of the SLA Clock. Customer engagement and resolution times for the request fall within the time frames specified in the matrix below.

Step 4 – Training Verification

Customer Service Desk will verify the Authorized User has the appropriate training and has passed the corresponding exam prior to granting access.

Step 5 – Request for Access Resolution

Once the access is granted to the Authorized User, this will be communicated to the user either directly by Analyst, by automated email or both.

Upon resolution of a request the requestor will receive an email stating the resolution details.

(B) *The chart in paragraph 6.1(a) of the Service Level Agreement is deleted and replaced with the following chart:*

| Customer EHR Recurring Costs | |
|---|------------------|
| EHR Recurring Costs | |
| Maintenance Costs | |
| Ambulatory and Inpatient ¹ | 1,443,673 |
| Interface ² | 70,500 |
| Subtotal Maintenance Costs | 1,514,173 |
| | |
| Other License Costs | |
| Third Party Software ³ | 920,091.96 |
| | |
| Hosting and Cache Costs ⁴ | 1,136,761 |
| | |
| Subtotal EHR Costs | 3,571,026 |
| | |
| LLUSS Resources | |
| Application Analysts ⁵ | 4,212,163 |
| Service Desk ⁶ | 426,400 |
| Project Leadership ⁷ | 79,404 |
| Technical Resources ⁴ | 316,940 |
| Training Resources ⁸ | 538,200 |
| Subtotal LLUSS Resource Costs | 5,573,107 |
| | |
| Total Recurring Annual Costs⁸ | 9,144,133 |

¹Epic licensed software cost estimate based upon annual volume of 160,000 inpatient days, 250,000 ambulatory visits, 90,000 ED visits, and 123,000 hospital outpatient visits. Variance from these volume estimates constitute changes and will impact actual costs.

²Interface costs based on standard interface offering from Epic as documented in quote #2015012302.2B

³Third party software costs are based upon assumed volumes for Customer relative to LLUSS based upon inpatient licensed beds. Variance from these volume estimates constitute Changes and will impact actual costs. Annual costs for third party are subject to change once per calendar year

⁴Hosting and Cache and Technical Resources are estimated based upon 4000 additional users and 1360 additional concurrent users. Variance from these estimates constitute Changes and will impact actual costs.

⁵Application Analyst Fees cover (i) Incident Management maintenance based upon 4000 users, and an estimated 1,335 ticket volume.

(ii) Business as Usual Request Fulfillment up to 5100 hours per year. Variance from these estimates constitute Changes and will impact actual costs.

⁶Service Desk Fees are estimated on 1,335 total ticket volume submitted by Customer per month with 24 x 7 support. Variance from these estimates constitute Changes and will impact actual costs.

⁷Project Leadership Fees are estimated on Customer engagement activities per month. Variance from these estimates constitute Changes and will impact actual costs.

⁸Training Resources Fees are based on Epic's system update schedule and ongoing curriculum maintenance. Variance from estimates constitute Changes and will impact actual costs.

(C) Paragraph 6.2 of the Service Level Agreement is amended to add the following at the end of the chart:

| Third party vendor | License Cost | Annual Maintenance Year | Transaction Cost basis | Transactional Cost |
|---|--------------|-------------------------|--|---|
| Fair Warning -monitoring | NA | \$25,865 | NA | NA |
| Fair Warning – SaaS Hosting | \$11,592 | \$28,401.96 | NA | NA |
| Change Healthcare – Medi-cal and Medicare Manager | \$0 | \$209,112 | N/A | N/A |
| Televox | NA | NA | Billed as incurred. Based upon the monthly volume as included in the overall monthly LLUSS volume. | Monthly volumes - Tier 1 0-80,000 \$0.10 per; Tier 2 80,001-160,000 \$0.09 per; Tier 3 160,001 and greater \$0.08 per. |
| Change Healthcare – Billing Statements | NA | NA | Billed as incurred. | \$00.59 per statement, \$00.13 for additional pages, this includes document archive and image delivery. As needed the NCOALink address cleansing is performed \$0.30. |
| Blackhawk – FQHC PB billing statements | NA | NA | Billed as incurred. | Postage billed as a pass-through to Customer. Cost per statement based upon number of pages included in the full statement: 1 page - \$.235 |

| | | | | |
|--|--|--|--|---|
| | | | | 2 page - \$.345 3 page - \$.455 4 page - \$.565 5 page - \$.675 7 page - \$.895 As needed the NCOALink address cleansing is performed \$0.40. |
|--|--|--|--|---|


5.0 No Other Amendment or Modification. All other terms and conditions of the Original Agreement not specifically amended or modified by this Amendment No. 2 shall remain in full force and effect.

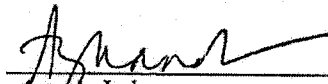
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IN WITNESS WHEREOF, the parties hereby have caused this Amendment No. 1 to be duly executed and delivered as of the Amendment Effective Date.

LLUSS:


Loma Linda University Shared Services,
on behalf of itself and its affiliates

By: 
Name: Mark Zirkelbach
Its: Chief Information Officer

By: 
Name: Angela L alas
Its: Sr. VP, Finance


Customer:

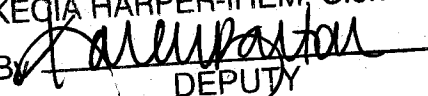
Riverside University Health System, an agency of the
County of Riverside, also known as Riverside
County Regional Medical Center, on behalf of itself
and its affiliates

By: 
~~Joseph H. Saffarian,~~ **JOHN J. BENOIT**
~~Assistant CEO, Health System~~

CHAIRMAN, BOARD OF SUPERVISORS

**APPROVED
AS TO
FORM:**

Gregory P. Priamos
By: 
Karin Watts-Bazan
Assistant County Counsel

ATTEST:
KEGIA HARPER-IHEM, Clerk
By: 
DEPUTY