



Monterey County

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Board Report

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Current Status: Agenda Ready

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 4 to the Agreement with eCare Manage, Inc. to extend the Agreement term an additional six (6) month period for a revised Agreement term of January 1, 2012 through June 30, 2015 and increase the amount of the Agreement by an additional \$356,250 to cover the costs of the 6 month term extension, for a revised total Agreement amount not to exceed \$4,393,750 and an aggregate total of \$4,843,750.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 4 to the Agreement with eCare Manage, Inc. to extend the Agreement term an additional six (6) month period for a revised Agreement term of January 1, 2012 through June 30, 2015 and increase the amount of the Agreement by an additional \$356,250 to cover the costs of the 6 month term extension, for a revised total Agreement amount not to exceed \$4,393,750 and an aggregate total of \$4,843,750.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) is working to complete several Information Technology initiatives to meet regulatory requirements, Meaningful Use and DSRIP goals, and to ensure the facility meets all the necessary implementations, upgrades, and support to our various medical systems to maintain the quality of care our patients expect.

In an effort to meet the ongoing needs of our patients it is important that NMC continues to have a resource available to provide operational support to the NMC Information Systems Department. Over the next year NMC needs to continue progress toward implementing a fully electronic health record, a patient and physician portal, and a regional Health Information Exchange. NMC anticipated being able to fully meet these requirements with a transition from eCare Manage consulting resources to employee resources by December 31, 2014 upon submission of Renewal and Amendment No. 3 to the eCare agreement. This was not accomplished due to difficulties in recruitment and hiring of these hard-to-fill IT positions. The current status of these activities and expected status as of June 30, 2015 are summarized in the Attached Table 1. Approval of the Renewal and Amendment No. 4 to the Agreement with eCare Manage Inc. will allow NMC to maintain four consulting resources to help NMC move forward with this Vision.

NMC will continue to recruit for and fill approved and budgeted positions in an effort to reduce its dependence on eCare in the future. The recruitments for these positions will continue with a goal of having as many as possible of them filled by June 30, 2015. NMC is offering hiring bonuses for these hard-to-fill positions and currently has applicants for these positions. NMC will reduce eCare consulting hours as internal, fully competent staff are hired as replacements. NMC has hired three new IT staff pursuant to the request for Renewal and Amendment No. 4 to the Agreement with eCare Manage Inc. NMC will redistribute activities among existing staff, newly hired staff, and reallocated non-eCare Manage consulting staff to meet the goal of eliminating reliance on eCare Manage consulting resources should filling all of the previously budgeted and approved positions prove infeasible.

NMC entered into its original agreement with eCare Manage Inc. in 2011 and received approval for an Agreement of \$450,000 for Chief Information Officer services. NMC entered into a new board approved Agreement (A-12169) with eCare Manage Inc. for modified and expanded services to include strategic direction and add additional Information Technology services for a total amount not to exceed \$1,350,000 and a one year term from January 1, 2012 to December 31, 2012. The total of these two Agreements led to an aggregate total of \$1,800,000. Board approval was granted for Renewal and Amendment No. 1 to the Agreement (A-12169) which extended the term for an additional one year period with an associated cost increase of \$1,140,000 for a new total not to exceed amount of \$2,490,000 and a new aggregate total of \$2,940,000. Amendment No. 2 was executed to extend the term for an additional 3 months through March 31, 2013 at no cost increase. Renewal and Amendment No. 3 was approved and executed to extend the term for 9 more months through and including December 31, 2014 and added an additional \$1,547,500 for a revised total Agreement amount of \$4,037,500 and an Aggregate total of \$4,487,500 up to this point.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved Amendment No. 4 as to legal form and risk provisions. Auditor-Controller has reviewed and approved Amendment No. 4 as to fiscal provisions. This Amendment No. 4 was approved by the NMC Board of Trustees on December 5, 2014. This item was not submitted as an action item to the NMC Finance Committee due to timing requirements to meet the deadline for the December 16th Board of Supervisors meeting to obtain approval to execute prior to the Agreement term expiring on December 31, 2014.

FINANCING:

The cost for services as per Amendment No. 4 is \$656,250, however, NMC is only requesting an additional \$356,250 because there were cost savings of approximately \$300,000 which the Board of Supervisors already approved as part of the current total Agreement amount that will be applied towards the costs for Amendment No. 4. This \$300,000 in cost savings is in part due to the fact that eCare Manage has been instructed to reduce its staff hours as part of the hospital's overall program to flex all possible expenses to respond to low census figures for the hospital. In addition, NMC has filled three IT positions, which has reduced the requirement for eCare Manage staff, and activities have been re-distributed among eCare Manage staff and NMC employees to further reduce contract expenditures. This \$356,250 for Amendment No. 4 is included in the NMC Fiscal Year 2014/2015 Adopted Budget. There is no impact to the

General Fund.

Prepared by: Janine Bouyea, HR Administrator, 783-2701

Approved by: Kelly O'Keefe, M.D., PhD, FCAP, Interim CEO, 783-2553

Attachments:

1. Table 1 to Board Report-eCare Milestones
2. eCare Manage Inc. Amendment No. 4
3. eCare Manage Inc. Amendment No. 2 and Renewal and Amendment No. 3
4. eCare Manage Inc. Renewal and Amendment No. 1
5. eCare Manage Inc. original Agreement
6. eCare Manage Inc. Spend Sheet

Attachments on file with the Clerk of the Board

Kelly O'Keefe, M.D., PhD, FCAP
Interim CEO, Natividad Medical Center

Date