Introduced: 7/27/2026
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute renewal & amendment No. 3 to the agreement (A-14454) with Change Healthcare for software and maintenance services, extending the agreement an additional one-year period (July 1, 2026 through June 30, 2027) for a revised full agreement term of July 1, 2019 through June 30, 2027 and adding $604,424 for a revised total agreement amount not to exceed $5,996,245; and
b. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute up to five future add-on orders, service orders, or product replacement amendments which do not significantly alter the scope of work and do not exceed $75,000 per item.

RECOMMENDATION:

It is recommended the Board of Supervisors:

a. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute renewal & amendment No. 3 to the agreement (A-14454) with Change Healthcare for software and maintenance services, extending the agreement an additional one-year period (July 1, 2026 through June 30, 2027) for a revised full agreement term of July 1, 2019 through June 30, 2027 and adding $605,155 for a revised total agreement amount not to exceed $6,563,175; and
b. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute up to five future add-on orders, service orders, or product replacement amendments which do not significantly alter the scope of work and do not exceed $75,000 per item.

SUMMARY:

Natividad has a long-standing partnership with Change Healthcare, established in 2007, to support critical imaging and clinical decision support systems, including PACS, CPACS, Conserus Workflow Intelligence (CWI), InterQual, PowerScribe, and Datatility Cloud Storage. These solutions are foundational to Radiology and Cardiology operations, enabling efficient image management, diagnostic reporting, quality assurance, and clinical decision-making across the organization.

Under the current agreement, Natividad will continue to use these core systems and associated integrations, including:

- PACS (Picture Archiving and Communication System): Supports enterprise imaging for radiology workflows, enabling efficient image storage, retrieval, and diagnostic interpretation.

- CPACS (Cardiology Picture Archiving and Communication System): Provides a centralized platform for storage, access, and management of cardiology imaging studies, including echocardiograms.
- InterQual: Clinical decision support tool used by Case Management to evaluate medical necessity and appropriateness of patient care, supporting regulatory compliance and optimal resource utilization.
- Nuance Integration: Interface between PowerScribe and MEDITECH, enabling radiologists to efficiently document, finalize, and update patient records in real time.
- Critical Results Module: Supports tracking and communication of critical findings to enhance patient safety, accountability, and compliance with accreditation requirements.

These systems collectively support ongoing clinical operations, workflow efficiency, and patient care delivery across the organization.

DISCUSSION

Change Healthcare systems remain foundational to Natividad's Radiology and Cardiology operations, supporting integrated imaging, reporting, and clinical workflows.

Continued use of these systems ensures stability in day-to-day operations and supports efficient workflows, as well as ongoing compliance with patient safety and regulatory requirements.

As the agreement concludes, this provides an opportunity to evaluate long-term strategy, including vendor performance, system integration, and future technology needs, while minimizing disruption to current operations.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this and amendment No. 3 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The renewal and amendment No. 3 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on July 10, 2026.

FINANCING:

The cost for this renewal and amendment No. 3 is $605,155 of which $605,155 is included in the FY 2026-27 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact on the General Fund with this action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS SECTION:

Continuation of Change Healthcare systems supports Natividad's ability to deliver efficient, high-quality diagnostic and clinical services, directly advancing the County's goal of improving health outcomes for residents. Reliable imaging and clinical decision support tools strengthen care

coordination, patient safety, and timely access to services. This investment helps maintain a strong healthcare infrastructure and supports the overall well-being of Monterey County communities.

__ Well-Being and Quality of Life
__ Sustainable Infrastructure for Present and Future
X_Safe and Resilient Communities
__Diverse and Thriving Economy
__ Administrative

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Approved by: Nancy Buscher, Interim Chief Executive Officer, 783-2504

Attachment(s):
Board Report
Change Healthcare Renewal & Amendment No. 3
Change Healthcare Renewal & Amendment No. 2
Change Healthcare Amendment No. 1
Natividad Original Agreement

Attachments on file with the Clerk of the Board