



# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Report

Legistar File Number: A 16-102

May 17, 2016

Introduced: 4/19/2016

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the First Amendment to Agreement (A-12588) with Nuance Communications, Inc. for Dragon Medical 360 Edition network software/hardware, licensing, training and maintenance services at NMC, adding additional medical transcription services costing \$350,000 and extended maintenance for Dragon software costing \$212,700 (a combined total of 562,700) for a revised total Agreement amount not to exceed \$1,355,455 and extending the term an additional three (3) year period for a revised full term of October 15, 2013 to November 24, 2019.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (\$79,275) of the original cost of the Agreement for all amendments in total.

### **RECOMMENDATION:**

**It is recommended the Board of Supervisors:**

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the First Amendment to Agreement (A-12588) with Nuance Communications, Inc. for Dragon Medical 360 Edition network software/hardware, licensing, training and maintenance services at NMC, adding additional medical transcription services costing \$350,000 and extended maintenance for Dragon software costing \$212,700 (a combined total of 562,700) for a revised total Agreement amount not to exceed \$1,355,455 and extending the term an additional three (3) year period for a revised full term of October 15, 2013 to November 24, 2019.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (\$79,275) of the original cost of the Agreement for all amendments in total.

### **SUMMARY/DISCUSSION:**

On October 15, 2013 the Board of Supervisors approved an Agreement with Nuance Communications for Dragon Medical 360 Edition network software/hardware, licensing, installation, training and maintenance. This system is associated with the electronic Physician Documentation (PDOC) as dictated by the Centers of Medicaid and Medicare per the HITECH Act of 2009. PDOC allows physicians to electronically document in the electronic health record patient history, exams, results, assessments, etc. PDOC is also an essential element for meeting

the requirements of Meaningful Use.

This First Amendment to the Agreement provides for remote transcription of medical records for routine and emergent record reports for NMC. These services are required and mandated by Federal and State regulatory entities. Currently NMC does not have personnel to meet its medical transcription needs. Documentation must reflect the care given to the patient; the health record is considered a legal document and a business record as it records events at the time it occurs. Insurance companies require copies of the reports before payment of the patient's stay. Delays in the turnaround time can result in delayed and /or reduced reimbursement. Additionally, the health record is utilized for the continuum of care for the patient and it is critical that the documentation is legible and timely. This First Amendment also includes a software maintenance extension of three years on the existing Dragon software product currently in use at NMC.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this First Amendment as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. This First Amendment has also been reviewed and approved by NMC's Finance Committee on March 24, 2016 and by its Board of Trustees on April 1, 2016.

**FINANCING:**

The total amount for this First Amendment is \$562,700, of which \$245,900 is included in the Fiscal Year 2016-17 Recommended Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Kim Williams-Neal, Director of Health Information Management, 783-2440  
Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

**Attachments:**

First Amendment to Nuance Communications, Inc. Agreement  
Nuance Communications, Inc. Agreement  
Spend Sheet

Attachments on file with the Clerk of the Board

  
\_\_\_\_\_  
Dr. Gary R. Gray, Chief Executive Officer

  
\_\_\_\_\_  
Date