



Legislation Details (With Board Report)

File #: A 16-177 **Name:** Medical Information Technology, Inc., Annual Maintenance for MEDITECH Modules

Type: BoS Agreement **Status:** Passed

File created: 6/2/2016 **In control:** Board of Supervisors

On agenda: 6/28/2016 **Final action:** 6/28/2016

Title: Authorize Natividad Medical Center (NMC) to pay Medical Information Technology, Inc. (MEDITECH) for annual software maintenance of the various MEDITECH system modules currently implemented at NMC and also provide funds for one-time costs of small MEDITECH customizations, interfaces and features needed throughout the year, in an amount not to exceed \$337,000 for Fiscal Year 2016-17.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A Meditech Maintenance Schedule FY16-17.pdf, 3. Meditech orig Software Agreement.pdf, 4. Completed Board Order

Date	Ver.	Action By	Action	Result
6/28/2016	1	Board of Supervisors	approved	

Authorize Natividad Medical Center (NMC) to pay Medical Information Technology, Inc. (MEDITECH) for annual software maintenance of the various MEDITECH system modules currently implemented at NMC and also provide funds for one-time costs of small MEDITECH customizations, interfaces and features needed throughout the year, in an amount not to exceed \$337,000 for Fiscal Year 2016-17.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize Natividad Medical Center (NMC) to pay Medical Information Technology, Inc. (MEDITECH) for annual software maintenance of the various MEDITECH system modules currently implemented at NMC and also provide funds for one-time costs of small MEDITECH customizations, interfaces and features needed throughout the year, in an amount not to exceed \$337,000 for Fiscal Year 2016-17.

SUMMARY/DISCUSSION:

In July 2004, NMC received approval for its Health Care Information System Software (HCIS- Electronic Medical Record) with Medical Information Technology, Inc. (MEDITECH). Since that time, NMC has implemented its HCIS system and continues to add additional software modules and functionality to the MEDITECH system. This system is critical for NMC’s patient care and documentation.

During the 12 years since the original agreement (see attached) was executed by the County for the MEDITECH system, NMC has purchased numerous additional software modules. MEDITECH enters into new agreements only for costly purchases of software modules. It does not enter into agreements for less costly purchases of modules or for ongoing software maintenance and support of the modules

As a result, NMC purchased some of the modules via new Agreements with MEDITECH and some of the less costly modules by purchase order (PO) with no formal executed Agreement established.

Moreover, even where a formal MEDITECH Agreement is executed, the Agreement does not include the ongoing costs for software maintenance for more than a few years. For years, NMC's Contracts Division has attempted to establish Amendments or new Agreements to formally acknowledge costs for all of its ongoing software maintenance. MEDITECH refuses to do so, accepting only a purchase order. MEDITECH considers ongoing software maintenance as a perpetual condition of use with a sixty (60) day notice to terminate. Therefore, there is no single all-inclusive Agreement at this time that outlines all of the MEDITECH software modules nor the ongoing maintenance for each. Instead NMC tracks software maintenance for all software modules manually as per Attachment A and pays for the maintenance on a monthly basis via a purchase order.

The current maintenance fees have collectively become substantial. Although there is not a single Agreement or multiple Amendments associated with this request, NMC believes it should bring forth the request to pay for the ongoing MEDITECH software maintenance fees to the Board of Supervisors for approval because the cumulative total cost exceeds \$100,000 annually at this point. NMC will continue to bring an annual request forward in future fiscal years as well.

A portion of this request (\$46,623) is intended to be used for small customizations and interfaces (under \$15,000 each with a cumulative total not to exceed \$45,000 total for the year) with which MEDITECH will not agree to establish a written Agreement for.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this request, as has the Auditor-Controller. This request has also been reviewed and approved by NMC's Finance Committee on December 17, 2015, and by its Board of Trustees on January 8, 2016.

FINANCING:

The cost for this request is \$337,000 for Fiscal Year 2016-17, all of which is included in the FY16-17 Adopted Budget. There is no impact to the General Fund.

Prepared by: Charles Harris, MD, NMC IT, 783-2785

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

Board Report Attachment A: MEDITECH Annual Maintenance Payment Schedule

Original Agreement with Medical Information Technology, Inc.

Attachments on file with the Clerk of the Board