

3M offers medical necessity edits and content to help clinicians and coders validate that medical procedures are necessary and appropriate before services are rendered. By operating throughout the revenue cycle, the 3M™ Medical Necessity Dictionaries will help minimize compliance risk and reduce denials, rework and payment delays.

In a pre-service environment such as a physician office, patient access, point of service, etc., the 3M Medical Necessity Dictionaries (for Medicare Part A and Part B) can be embedded within NMC's existing Meditech Health Care Information System (HCIS) to provide automatic medical necessity validation during scheduling and registration.

ICD-10, Assessment, Training and Software License & Maintenance; Items 12-20 on the 3M Company Amendment #2

The Department of Health and Human Services has mandated that ICD-9-CM code sets that medical coders & billers in the US currently use to report health care diagnoses and procedures, be replaced with ICD-10 code sets, effective Oct. 1, 2014. Additional information regarding this mandate is included in Attachment A. The services and software described in items 12-20 will assist NMC in determining what will be needed, and include the software, to meet this mandate.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Amendment over three years is \$554,250.31. \$245,842.55 is included in the Fiscal Year 2012/2013 Recommended Budget. \$157,709.64 will be included in the Fiscal Year 2013/14 Recommended Budget and \$150,698.11 will be included in the Fiscal Year 2014/15 Recommended Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, IT Director, 783-2559

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Attachment A, Agreement, Amendments 1 and 2.