



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 19-097, **Version:** 1

Authorize payment to Medical Information Technology, Inc. (MEDITECH) for routine maintenance services on the various MEDITECH software system modules implemented at Natividad Medical Center in an amount not to exceed \$380,000 for Fiscal Year 2019-20.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize payment to Medical Information Technology, Inc. (MEDITECH) for routine maintenance services on the various MEDITECH software system modules implemented at Natividad Medical Center in an amount not to exceed \$380,000 for Fiscal Year 2019-20.

SUMMARY/DISCUSSION:

This is a yearly update and request to the Board of Supervisors for authorization to pay for ongoing software maintenance and support of the MEDITECH system used by Natividad Medical Center to electronically document patient visits and information.

The MEDITECH System consists of many modules and interfaces that all have required ongoing monthly maintenance fees to support the software. As additional modules, features, enhancements and interfaces are added to NMC's MEDITECH system, corresponding maintenance fees are incurred. Most of the routine modules as well as smaller upgrades, features and enhancements all have monthly maintenance fees and to date there is no formal agreement in place to acknowledge the ongoing maintenance costs. NMC, in conjunction with County Counsel's office, has attempted several times to work with MEDITECH in an attempt to amend the original MEDITECH Agreement, or alternatively, to create a new agreement to include all maintenance fees and costs. MEDITECH's legal counsel has refused both options and responds by explaining that it considers maintenance for all modules to be included in the original agreement, including future modules that may be purchased.

MEDITECH's system is critical at NMC to patient care and documentation and the support and maintenance is absolutely needed by NMC. This request to pay the annual maintenance fees ensures that the system remains functional. \$51,778 of the \$380,000 is to be used for any routine one-time costs for small features, interfaces and customizations costing under \$15,000 each.

The original services agreement with MEDITECH is perpetual and does include a 60 day notice to terminate clause.

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 April 25, 2019, and by its Board of Trustees on May 3, 2019.

FINANCING:

The cost for this request is \$380,000 for FY19-20, all of which has been included in the FY19-20 Recommended Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Ongoing system maintenance is necessary to keep the hospital's primary Electronic Health Record (EHR) system, MEDITECH, functional and accessible. The system holds all patient records which is a vital part of care and treatment, therefore this request ultimately leads to improved care and health of NMC Patients. Regular maintenance also fosters a sound, secure and sustainable physical infrastructure.

Economic Development

Administration
 Health and Human Services
 Infrastructure
 Public Safety

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

Attachments:
Board Report Attachment A: MEDITECH Annual Maintenance Payment Schedule
Original Agreement (2004) with Medical Information Technology, Inc.

Attachments on file with the Clerk of the Board