



# City of San Antonio

## Agenda Memorandum

**File Number:**18-3625

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**Agenda Item Number:** 7.

**Agenda Date:** 6/21/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

San Antonio Metropolitan Health District - Electronic Health Record (EHR) Replacement

### **SUMMARY:**

This ordinance authorizes a contract with Custom Data Processing, Inc. to provide an Electronic Health Record (EHR) replacement system for the San Antonio Metropolitan Health District for a total cost of \$691,188. The term of the agreement is for a one year period with four, one year renewal options. Funding for this contract is available through the Information Technology Services New Technology project and Health General Fund Budget contingent upon Council approval of the FY 2019 Budget.

### **BACKGROUND INFORMATION:**

Submitted for City Council consideration and action is the proposal from Custom Data Processing, Inc. for an Electronic Health Record (EHR) replacement system for San Antonio Metropolitan Health District that is capable of addressing unified patient registration, clinical program management, medical billing, regulatory reporting, appointment management and external data exchange. Metro Health's primary goal is to have an integrated, centralized solution that will integrate with core Metro Health processes and external partners. Metro Health implemented the current EHR system in 2009 and is now near end of life and requires replacement. By 2019, the platform that the current EHR system is built on will no longer be supported by Microsoft. This situation places Metro Health in jeopardy of not meeting HIPAA compliance standards for system security.

In 2009, the American Recovery and Reinvestment Act established the Meaningful Use standard. Essentially,

Meaningful Use mandated electronic medical records to enhance data accessibility for providers and patients. This standard dictates that we provide safeguards to ensure the confidentiality of healthcare information, integrity of all records and availability of information to all patients. The EHR system provides these protections. As part of this innovation, Medicaid now also mandates electronic billing. Electronic billing is possible through a [healthcare clearinghouse](#), an electronic system that allows for the transmission of medical claims to insurance carriers in a secure way that protects patient health information. A [healthcare clearinghouse](#) allows for patient eligibility verification, Electronic Remittance Advice (ERA), claim status reports, rejection analysis, and the consolidation and management of electronic claims. Without a [healthcare clearinghouse](#), electronic billing is not possible.

From both the perspective of efficiency and compliance, Metro Health needs to continue with a reliable EHR system. This replacement system will enhance the healthcare experience by improving access to information by both patients and providers. In addition, the new system will integrate with external partners at the State level to facilitate the sharing of information in a timely manner. Continuing with an EHR system enables Metro Health to meet Meaningful Use requirements and maintain eligibility for Medicaid re-imbursements.”

The City issued a Request for Competitive Sealed Proposals (RFCSP) on May 25, 2017 with a submission deadline of July 10, 2017. Seven responses were received.

An evaluation committee consisting of individuals from various departments including representatives from the San Antonio Metropolitan Health District and Information Technology Services Department reviewed the submitted proposals. The Finance Department, Purchasing Division assisted to ensure compliance with City procurement policies and procedures. The proposals were evaluated based on all published criteria which included respondents’ experience, background, and qualifications; proposed plan (which included responses to the City’s technical requirements) and price.

The evaluation committee met on November 1, 2017 to discuss and evaluate the seven responsive proposals received. The evaluation of each proposal response was based on a total of 100 points; 45 points allotted for experience, background, qualifications; 35 points allotted for proposed plan and solution; and 20 points allotted for Respondent’s price schedule. After an initial committee review and discussion, individual scores were submitted and the aggregate scores were presented. The committee shortlisted the three top-ranked firms for interviews.

During the interviews, the companies were asked to provide a demonstration of their respective systems and were subjected to questions from the evaluation committee. The committee met on February 2, 2018 and individual scores were resubmitted. After a recommendation for award was agreed upon by the committee, the pricing scores were revealed. Custom Data Processing, Inc. received the highest ranking and was recommended for award by the evaluation committee.

The total contract value of \$691,188 includes software, implementation services and training. The initial contract term begins upon Council award through September 30, 2019 with four, one year renewal options.

## **ISSUE:**

This ordinance authorizes a contract with Custom Data Processing, Inc. to provide an EHR replacement system for the San Antonio Metropolitan Health District for a total cost of \$691,188. Project implementation and first year maintenance and support costs are estimated to be \$107,763 funded through the Information Technology Services New Technology project. Maintenance and support funding in the outer years of the contract in the amount of \$92,700 annually is contingent upon City Council approval of the General Fund Budget.

Additionally, the EHR will allow for electronic billing. Of the revenue collected through the electronic billing, Custom Data Processing would be entitled to a clearing house fee in the amount of 10.5% of paid insurance claim revenues estimated to be \$47,250 annually.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to non-professional service contracts, so no preference was applied to this contract.

### **ALTERNATIVES:**

Should this contract not be approved, Metro Health would be faced with the choice of returning to a paper-based system or executing a new Request for Competitive Sealed Proposals (RFCSP). By 2019, the platform that the current EHR system is built on will no longer be supported by Microsoft.

### **FISCAL IMPACT:**

This ordinance authorizes a contract with Custom Data Processing, Inc. to provide an EHR replacement system for the San Antonio Metropolitan Health District for a total cost of \$691,188. Project implementation and first year maintenance and support costs are estimated to be \$107,763 funded through the Information Technology Services New Technology project. Maintenance and support funding in the outer years of the contract in the amount of \$92,700 annually is contingent upon City Council approval of the General Fund Budget.

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### **RECOMMENDATION:**

Staff recommends the approval of the contract with Custom Data Processing, Inc. to provide an EHR replacement system for the San Antonio Metropolitan Health District for a total cost of \$691,188.

This contract is procured by means of a Request for Competitive Sealed Proposal and a Contracts Disclosure Form is required.