



Setting the Standard in Health Care Excellence

January 23, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT:

Approval of, and Authorization for the Purchasing Agent or Designee to Sign, an Agreement with GE Healthcare IITS USA Corp., a GE HealthCare Business, for the Provision of a Picture Archive Communication System Software as a Service Solution, Including Installation, Data Migration and Cloud-Based Data Storage, for an Initial Term of 84 months, in an Initial Amount Not to Exceed \$455,121 for Contract Year 1, \$261,506 for Contract Year 2, \$282,862 for Contract Year 3, \$308,199 for Contract Year 4, \$338,693 for Contract Year 5, \$375,910 for Contract Year 6 and \$421,939 for Contract Year 7.

RECOMMENDATIONS:

1. That your Board approve, and authorize the Purchasing Agent or designee to execute, the attached agreement (Exhibit 1) with GE Healthcare IITS USA Corp., a GE HealthCare business (GE), for the provision of a picture archive communication system (PACS) software as a service (SaaS) solution, to be effective upon execution of the agreement, in an initial amount not to exceed \$455,121 for contract year 1, \$261,506 for contract year 2, \$282,862 for contract year 3, \$308,199 for contract year 4, \$338,693 for contract year 5, \$375,910 for contract year 6 and \$421,939 for contract year 7. The foregoing annual not-to-exceed amounts include, as detailed on Table 1 below: (i) an increase of 5% per contract year, at the beginning of contract year 2 and each contract year thereafter, with respect to the SaaS fee; (ii) an increase of 7% per contract year in the number of procedures covered by the SaaS fee; and (iii) an increase of 2.5% per month of the number of gigabytes stored, with respect to the cloud hosting, data storage fee.
2. That your Board authorize the Purchasing Agent or designee to increase or decrease the individual purchase order line item amounts for specified items listed in Table 1, as needed, provided that the aggregate total does not exceed the stated contract year not to exceed amounts.
3. That your Board approve, and authorize the Purchasing Agent or designee to execute amendments to the agreement, to extend the term of the Agreement, to add or remove

items, to modify service levels, and/or to reflect pricing adjustments, in any event in an amount not to exceed, in the aggregate, 120% of the not to exceed amount for the immediately preceding contract year, and further that your Board authorize the Purchasing Agent or designee to establish or amend purchase orders with GE reflecting any such amendments.

FISCAL IMPACT:

Mandatory: Yes (22 CCR § 70751)
Source of Funding: VCMC Operating Revenues/Collections
Funding Match Required: None
Impact on Other Departments: N/A

Summary of Annual Revenues and Costs Under this agreement:

	<u>CY 2024-25</u>	<u>CY 2025-26</u>
REVENUE:	\$455,121	\$261,506
DIRECT COSTS:	\$455,121	\$261,506
INDIRECT COSTS:	\$0	\$0
Net Revenue <cost>	\$0	\$0

Table 1: Fees

Description	ONE-TIME FEES		RECURRING FEES		CONTRACT YEAR							
	PAYABLE UPON "BUILD COMPLETE"	PAYABLE UPON "GO-LIVE DATE"	Initial Monthly Amount	Initial Annual Amount	1 (starts on GO-LIVE DATE)	CONTRACT YEAR 2	CONTRACT YEAR 3	CONTRACT YEAR 4	CONTRACT YEAR 5	CONTRACT YEAR 6	CONTRACT YEAR 7	
Storage and systems integration services	\$ 1,328.61	\$ 1,328.61	\$ -	\$ -	\$ 2,657.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Installation and integration of applicable GE solutions	\$ 7,538.32	\$ 7,538.32	\$ -	\$ -	\$ 15,076.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Data Migration Services	\$ 53,259.15	\$ 53,259.15	\$ -	\$ -	\$ 106,518.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
HL7 Integration Services	\$ 13,314.65	\$ 13,314.65	\$ -	\$ -	\$ 26,629.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Clinical Implementation Consulting Services	\$ 4,242.70	\$ 4,242.70	\$ -	\$ -	\$ 8,485.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Applications Training Services	\$ 6,523.48	\$ 6,523.48	\$ -	\$ -	\$ 13,046.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ETP Cloud Snowball Edge (cost to transfer and host data from on premises to cloud)	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Management Services	\$ 16,728.10	\$ 16,728.10	\$ -	\$ -	\$ 33,456.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SaaS fee - Tier 4 (minimum 132,000 procedures/year), including annual rate escalation (1)	\$ -	\$ -	\$ 15,990.72	\$ 191,888.65	\$ 191,888.65	\$ 201,483.08	\$ 211,557.24	\$ 222,135.10	\$ 233,241.85	\$ 244,903.95	\$ 257,149.14	
SaaS fee- Increase number of procedures by 7% per year	\$ -	\$ -	\$ -	\$ -	\$ 13,998.00	\$ 15,052.65	\$ 16,911.66	\$ 19,000.25	\$ 21,346.78	\$ 23,983.10	\$ 26,945.02	
Cloud Hosting, Data Storage (2)	\$ -	\$ -	\$ 1,471.67	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	\$ 17,660.03	
Cloud Hosting, Data Storage - increase data stored by 2.5% per month	\$ -	\$ -	\$ -	\$ -	\$ 20,303.89	\$ 27,310.12	\$ 36,732.37	\$ 49,402.82	\$ 66,444.14	\$ 89,362.52	\$ 120,184.75	
TOTALS:					\$ 455,120.59	\$ 261,505.89	\$ 282,861.30	\$ 308,198.20	\$ 338,692.80	\$ 375,909.60	\$ 421,938.94	
(1) Initial amount based on annual Tier 4 pricing of \$191,888.65, divided by 132,000 procedures per year (annual minimum) = \$1.45 ("Rate per Procedure"); additional procedures billed at Rate per Procedure throughout Initial Term; Rate per Procedure subject to increase of no more than 5% per contract year (following contract year 1)												
(2) Initial amount based on 42,981 gigabytes (GB)/month at \$0.03424/GB/month; price/GB/month remains firm for duration of Initial Term												

CURRENT FISCAL YEAR BUDGET:

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

Sufficient revenue and appropriations are included in the FY 23-24 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter aligns with Ventura County's strategic priority of Healthy, Safe and Resilient Communities, and the strategic goal to provide equitable and timely access to quality healthcare, mental health, and public healthcare services.


DISCUSSION:

Ventura County Medical System (VCMS) relies on Picture Archival and Communication Systems (PACS) to store and host all imaging records acquired from within VCMS and uploaded for our patients from other systems. PACS is a critical component to VCMS operations and enables VCMS to comply with State regulatory requirements that medical records be kept for all patients admitted or accepted for treatment.

VCMS currently utilizes a PACS system provided by GE Healthcare. The current PACS platform is over seven years old, has reached end of life, and is approaching end of service. With an anticipated implementation timeframe of up to one year, the approval and facilitation of this upgrade allows us to maximize the useful life of our current platform while being conscious of the approaching potential for system failures.

Failure of the PACS in its current state can result from limitations to mitigate risk from ransomware, an inability to update software versions, and threats related to storing data on premises. A failure at one of those levels could result in the inability to obtain and transfer images to the electronic health record due to the inability of Imaging equipment to serve as a repository for the exams they acquire. Any version of the aforementioned circumstances would impact patient care as providers would not be able to view images and staff may not be able to efficiently complete patient exams.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



John Fankhauser, M.D.
Chief Executive Officer, County Hospitals

Barry L. Zimmerman
Health Care Agency Director

EXHIBITS

Exhibit 1 – Agreement with GE for PACS SaaS