
Setting the Standard in Health Care Excellence

September 15, 2020

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 Execute, Sales Order No. 1-6ZGJ1Q8, Pursuant to the Business Agreement with Cerner Corporation, to Provide a System for Promoting Interoperability (Formerly Meaningful Use) Submission, Lighthouse Upgrade and Certified Electronic Health Record Technology Upgrade as Required Under the CURES Act, Effective September 15, 2020, for the Period of September 15, 2020, Through September 30, 2022, Totaling \$462,000.

RECOMMENDATIONS:

Approval of, and authorization for the Purchasing Agent or designee to execute, sales order no. 1-6ZGJ1Q8, pursuant to the business agreement with Cerner Corporation (Cerner), to provide a system for Promoting Interoperability (formerly Meaningful Use) submission, Lighthouse upgrade and Certified Electronic Health Record Technology (CEHRT) upgrade as required under the CURES Act, effective September 15, 2020. The sales order will cover the period September 15, 2020, through September 30, 2022 at a total cost of \$462,000 and be paid in FY2020-2021.

VCMC FISCAL IMPACT:

Mandatory:	No
Source of Funding:	VCMC operating revenues/Collections/General
Fund Funding Match Required:	No
Impact on Other Departments	N/A

	<u>FY 2020-2021</u>
Revenue:	\$462,000
Direct Cost:	\$462,000
Net County Cost	\$0

CURRENT FISCAL YEAR PROJECTIONS:

Current FY 2020-21 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/ Deficit)
Expenditures	\$530,623,357	\$530,623,357	\$522,845,210	\$7,778,147
Revenue	\$518,917,249	\$518,917,249	\$536,210,760	\$17,293,511
Operational Income/(Loss)	(\$11,706,108)	(\$11,706,108)	\$13,365,550	\$25,071,658

Adopted Budget includes sufficient Revenues and Expenditures.

The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

DISCUSSION:

HCA implemented the Cerner electronic health record (EHR) system in July 2013 with a primary goal of meeting federal Meaningful Use (MU) objectives for Fiscal Year 2012-2013, and then maintaining the system for the duration of the MU program and its successors. Thus far, HCA has performed exceedingly well every year.

During the intervening years, the Centers for Medicare and Medicaid Services (CMS) has replaced MU with a new EHR achievement standard, Promoting Interoperability (PI), and implemented the Merit-based Incentive Payment System (MIPS), a national Medicare quality incentive program under the Medicare Access and CHIP Reauthorization Act (MACRA).

MACRA MIPS, IP, and Inpatient Quality Reporting (IQR) programs require annual measure configuration/implementation for quality reporting. The estimated annual penalty for Ventura County for failure to submit data to MIPS would be a 9% reduction in Medicare Part B reimbursement, or approximately \$287,882. Failure to submit data and successfully attest to the necessary achievement in PI and IQR would result in an additional annual .9805 penalty to the reduced update factor in the inpatient Diagnosis Related Group (DRG) payments, or approximately \$849,930 annually.

Because Cerner is HCA's EHR provider and has the expertise to implement the necessary changes, HCA is requesting services from Cerner in the amount of \$126,000 to upgrade and configure the Cerner Lighthouse solution to collect, validate and submit electronic Clinical Quality Measures (eCQMs) and other data as required for PI and MIPS.

Additionally, HCA is requesting support services in the amount of \$196,000 to configure the required measures, provide workflow education and adoption recommendations, prepare audits, perform package installation, map field codes, troubleshoot programming issues, create dashboards to show performance trends, and validate and submit data.

Lastly, HCA is requesting custom consulting services from Cerner in the amount of \$140,000 to provide 1,000 hours of consultation on changing regulatory requirements and to perform required updates to ensure compliance with the CURES Act upgrade to CEHRT, which HCA must implement before 2022.

CMS currently imposes two annual penalties for failure to report to the respective programs: \$849,930 for PI and IQR, and \$287,882 for MACRA MIPS, as described above. Accordingly, total penalty avoidance over the next two fiscal years is estimated at approximately \$2.3 million.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, IT Services and General Services Agency Procurement Services. If you have any questions regarding these recommendations, please contact Bach Nguyen (Chief Informatics Officer) at 805-652-5762.



William T. Foley
Health Care Agency Director

Exhibit 1 – Cerner Sales Order 1-6ZGJ1QB