

**MEMORANDUM  
PLACER COUNTY HEALTH AND HUMAN SERVICES  
Administrative Services**

**TO:** Honorable Board of Supervisors

**FROM:** Richard J. Burton, M.D., M.P.H.  
Placer County Health Officer and Director of Health & Human Services  
Bob Dunstan, Director of Administrative Services for HHS

**DATE:** May 27, 2008

**SUBJECT:** Technological Improvements for Health and Human Services Divisions

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**ACTION REQUESTED:**

Take the following actions to approve one-time technology improvements with funding set aside in the 2007-08 Final Budget for this purpose:

- a. Authorize the Director of Health and Human Services to negotiate and execute three contracts for medical and managed care (OCHIN Clinic Practice System), pharmaceutical (QS/1 Pharmacy System), and dental (Dentrix Dental System) clinic practice management systems, not to exceed \$277,000, contingent upon review and approval by Risk Management and County Counsel, and
- b. Authorize the Purchasing Manager to purchase components (\$17,500) required for the above systems, replacement of an obsolete server (\$56,700), and 119 replacement computer workstations (\$176,425), and
- c. Authorize a Budget Revision to transfer \$500,000 from the General Fund Contribution to HHS Division budgets for the purchase of these technological improvements, and
- d. Add two software systems, two servers, and additional required components in the amount of \$143,100 to the Master Fixed Asset List.

**BACKGROUND:**

**Clinic Practice Management Systems:** Placer County Community Clinics currently provide services to over 15,000 residents, generating more than 37,000 clinic and dental visits. The current medical and dental practice management software for patient scheduling, eligibility and authorizations, records management, pharmacy management, and billing functions is operating on a 10 year-old, IBM AS/400 computer—both software and hardware are obsolete. The company supporting this legacy software is expected to discontinue service and support for it within the next 18 months. Additionally, the system functions are inadequate to support the current business processes and operational requirements of the clinics.

Replacement of this aging system will result in enhanced efficiencies:

- Scheduling is enhanced – staff can view multiple days and multiple providers to best serve the patient
- Waiting time is reduced – improved communication within the clinic will free up staff time (estimated two hours per day) to manage patient visits more efficiently, including reducing waiting time
- Medical Records processing time is reduced – chart requests are automatically printed by this new software as patients are registered
- Pharmacy services are improved – Patients can phone in refills, information is available in multiple languages, error checking software included
- Billing – automated billing features will potentially save up to the cost of one FTE; Medi-Cal remittance advice is automatically posted to accounts receivable, thus saving days of labor; and, cash flow is increased (savings of 20 days in accounts receivable are predicted) because of faster billing cycles
- Managed Care – physician bills can be scanned rather than manually keyed, saving labor costs

- Dental – the software offers automated treatment plans and billing, and, digital imaging reduces the use of hazardous chemicals and reduces exposure to x-rays
- This same software is used by Sutter Physicians and Kaiser; thus opening the door for enhanced communication

The practice management software would be obtained through the Oregon Community Health Information Network (OCHIN) consortium, a not-for-profit consortium of Federally Qualified Health Centers (FQHC), not for profit community clinics, and county clinics, which supplies information services to “safety-net” clinics that serve non-insured and under-insured patients. This software is not available to a clinic of our size; if it were, the cost estimates exceed \$1.5 million. This consortium allows us to join other similar clinics; to take advantage of grants for technology; and, as a group, to be considered a large user. The Clinic is still evaluating OCHIN’s Managed Care Administration system which is used to pay hospital and physician bills. Operating cost savings will be identified in the Clinic’s FY08-09 Budget to fund this item if a decision is made to proceed with this software module. Separate software for the County’s pharmacy, QS/1 Pharmacy System, and dental clinics, Dentrix Dental System, will also be purchased and interfaced with OCHIN.

County staff (both program and IT) undertook a number of activities to evaluate these systems to ensure that they closely fit business requirements, such as on-site reviews of implementations in other California jurisdictions and/or clinics/pharmacies (including customer satisfaction), component-by-component demonstrations, reviews of alternate approaches/products, and fiscal analyses. The County Information Technology (IT) Division, along with HHS Management Information Systems (MIS) staff, has reviewed the business operations and system requirements using Business Case and Feasibility Study Report (FSR) documentation, and they have found these software products to be a good match to the needs of the Clinics.

County Administrative Services (County IT) and Procurement have been our partners throughout the development of this strategy and have been instrumental in reviewing our documents. They concur with both the approach used to select the new clinic systems and the planned procurement strategy. The CEO’s office has also seen the value of this overhaul of our automated functions by setting aside funds in their reserve account.

**Systems of Care Server Replacement:** A separate project has been scheduled for the 2008 calendar year to implement an Electronic Medical Record (EMR) capability—an extension of the existing AVATAR System—in the Placer County Adult and Children’s Systems of Care. The current seven year-old server that executes the AVATAR System is unable to absorb this increased processing load, and needs to be replaced. EMRs will result in improved staff efficiency, as time is saved in accessing and maintaining these records. Departmental partners, such as the justice system, will also benefit through reduced waiting time for record requests.

**Obsolete Workstation Replacements:** Additionally, 119 obsolete computer workstations, all over 7 years old (and some as old as 9 years), will be replaced, enhancing staff effectiveness and services to the public, and reducing technological support needed to maintain these old machines.

**FISCAL IMPACT:**

A Budget Revision is proposed to transfer \$500,000 previously approved by your Board from the CEO General Fund Contribution to various Divisions within the Department of Health and Human Services’ FY 07/08 budgets in order to provide the necessary funding for Clinic projects (\$266,875), Systems of Care server (\$56,700) and replacement workstations (\$176,425). Operating cost savings of \$27,625 will be identified in the Clinic’s FY08-09 Budget to fund the managed care software module. Ongoing costs in subsequent years are offset by funds used to support the existing system, by savings in accounting staff time that will no longer be needed, and, to a lesser degree, by other fiscal efficiencies. No net change in General Fund will occur as a result of this project.

PLACER COUNTY HEALTH AND HUMAN SERVICES

**EXECUTIVE SUMMARY OF TECHNOLOGICAL IMPROVEMENTS**

Below is a summary of the Department's necessary technological improvements essential for improved services and clinic efficiencies, funded by the special budget appropriation of \$500,000 to the FY 2007/08 Department of Health and Human Services' budget.

<b>Division</b>	<b>Purpose</b>	<b>Approx. Cost</b>
Community Health (Clinics)	OCHIN Clinic Practice Management System	\$163,775
	QS/1 Pharmacy System	27,100
	Dentrix Dental Practice Management System	76,000
Systems of Care (SOC)	Server for Electronic Medical Records	56,700
All Divisions	Workstation Replacements	176,425
<b>TOTAL</b>		<b>\$500,000</b>

**COMMUNITY HEALTH AND CLINICS (CLINICS)**

The computer system currently being used by the Placer Clinics for Practice Management was implemented in 1994 and runs on a 10 year-old computer no longer supported by the vendor. HHS plans to utilize the system implemented by the Oregon Community Health Information Network (OCHIN) consortium, a not-for-profit consortium of Federally Qualified Health Centers and County Clinics which supplies information services to "safety-net" clinics who serve non-insured and under-insured patients. OCHIN has used the "purchasing power" of the consortium to acquire and implement EPIC software—premier practice management software used in many large healthcare organizations (e.g., Kaiser, Sutter), by adapting it specifically for community clinic settings. Software for the County's pharmacy, QS/1 Pharmacy System, and dental clinics, Dentrix Dental System, will also be purchased and interfaced with OCHIN (which has already developed interfaces for these two systems); providing for efficient and seamless data management for our clinic operations.

This approach will enable same day billing for faster reimbursement, quick patient scheduling to maximize the use of our medical providers and staff, and many efficiencies resulting from automated tracking of laboratory results and medical charts, all leading to improved cost effectiveness of clinic operations and enhanced services to our County residents.

All three of these services and products are currently being utilized by other California counties or similar governmental agencies after having been selected through competitive bidding processes; therefore a separate Request for Proposal (RFP) process is not necessary to procure these systems. Nevertheless, county staff (both program and IT) undertook a number of activities to evaluate these systems to ensure that they closely fit business requirements, such as on-site reviews of implementations in other California jurisdictions and/or clinics/pharmacies (including customer satisfaction), component-by-component demonstrations, reviews of alternate approaches/products, and fiscal analyses. The County Information Technology (IT) Division, along with HHS Management Information Systems (MIS) staff, has reviewed the business operations and system requirements using Business Case and Feasibility Study Report (FSR) documentation, and they have found these software products to be a good match to the needs of the Clinics. Costs for implementation are shown above. Ongoing costs in subsequent years are offset by funds used to support the existing system, by savings in accounting staff time that will no longer be needed, and, to a lesser degree, by other fiscal efficiencies.

## **SYSTEMS OF CARE (SOC)**

A project has been scheduled for the 2008 calendar year to implement an Electronic Medical Record (EMR) capability—an extension of the existing AVATAR System—in the Placer County Adult and Children's Systems of Care. The current seven year-old server that executes the AVATAR System is unable to absorb this increased processing load, and therefore \$56,700 from this budget supplemental will be used to replace this server. Electronic medical records will result in improved staff efficiency, as time is saved in accessing and maintaining these records. Departmental partners, such as the justice system, will also benefit through reduced waiting time for record requests.

## **ALL HHS DIVISIONS**

125 computer workstations in HHS need to be replaced. Of these, three are nine years old and 122 are seven years old. These machines are unable to handle the increasing automated needs of the Department. Therefore, \$176,425 from this budget supplemental will be used to replace this obsolete equipment. As slow and malfunctioning computers are replaced, services to the public and HHS operational effectiveness will be improved.

PLACER COUNTY  
**BUDGET REVISION**

PAS DOCUMENT NO. \_\_\_\_\_

**POST DATE:**

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
14	BR	\$ 1,000,000	18

- Cash Transfer Required  
 Reserve Cancellation Required  
 Establish Reserve Required

- Auditor-Controller  
 County Executive  
 Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT											APPROPRIATION ADJUSTMENT										
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
											14	015				994300	94300	2840			\$ 500,000
											14	014				992239	92239	2481			\$ 1,483
											14	014				994200	94200	2481			\$ 7,415
											14	014				994293	94293	2292			\$ 2,550
											14	014				994293	94293	2481			\$ 16,313
											14	014				994293	94293	2838			\$ 9,800
											14	014				994293	94293	4451			\$ 16,000
											14	014				994295	95001	2051			\$ 2,500
											14	014				994295	95001	2709			\$ 144,540
											14	014				994295	95001	4451			\$ 8,000
											14	014				994295	95201	2481			\$ 3,850
											14	014				994295	95201	2522			\$ 4,885
											14	014				994295	95201	4451			\$ 27,100
											14	014				994295	95303	4451			\$ 76,000
											14	014				994297	94297	2292			\$ 2,550
											14	014				994297	94297	2481			\$ 151,214
											14	014				994297	94297	2838			\$ 9,800
											14	014				994297	94297	4451			\$ 16,000
<b>TOTAL \$</b>											<b>TOTAL \$ 1,000,000</b>										

REASON FOR REVISION: Transfer \$500,000 from APPN #43000 to various HHS Divisions to allow for expenditures as described in Board of Supervisors memo.

Prepared by Stan Hapak Ext 1841

Department Head [Signature]

Board of Supervisors \_\_\_\_\_

Date: 5/27/08

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Budget Revision # \_\_\_\_\_ FOR INDIVIDUAL DEPT USE

# ADDITIONS TO THE MASTER FIXED ASSET LIST

Health and Human Services Department

## Appropriation 42950

<u>Qty.</u>	<u>Description</u>	<u>Cost</u>
1	QS/1 Pharmacy Software (including installation)	\$ 27,100
1	Dentrix Dental Practice Management Software (incl install)	\$ 40,100
3	Dentrix Dental X-Ray Digitizing Devices (incl tax/shpg) @ \$9,766.67 each	\$ 29,300
1	Dentrix DentalServer	\$ 6,600
1	Docusan Scanner	\$ 8,000
<b>Sub-Total Fixed Asset Additions for APPN 42950</b>		<b>\$ 111,100</b>

## Appropriations 42930/42970

<u>Qty.</u>	<u>Description</u>	<u>Cost</u>
1	Server for Electronic Medical Records (incl tax/shipping)	\$ 32,000
<b>Sub-Total Fixed Asset Additions for APPN 42930</b>		<b>\$ 16,000</b>
<b>Sub-Total Fixed Asset Additions for APPN 42970</b>		<b>\$ 16,000</b>
<b>Total Fixed Asset Additions</b>		<b>\$ 143,100</b>