Health Services
LOS ANGELES COUNTY

May 7, 2012

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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TO: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
FS Director

SUBJECT: **REQUEST TO AMEND AN INFORMATION TECHNOLOGY SUPPORT SERVICES MASTER AGREEMENT (ITSSMA) WORK ORDER TO ASSIST THE DEPARTMENT OF HEALTH SERVICES WITH INCORPORATION OF THE CURRENT MEDI-CAL REDESIGN SYSTEM (MCALRS) INTO AN ENTERPRISE-WIDE PATIENT DATA REPOSITORY (EPDR) SYSTEM**

This is to notify you of my intent to request the Internal Services Department (ISD) to amend ITSSMA Work Order 01-2323 with Sierra Systems, Inc. (Sierra) in order to amend the Statement of Work (SOW), increase the total maximum dollar amount of the Work Order, and extend the Period of Performance through December 31, 2013. The proposed Work Order amendment will increase the maximum amount by $148,000 from $360,000 to $508,000. The objective of this amendment is to incorporate a converted Medi-Cal Redesign System (MCALRS) into the existing Enterprise Data Repository (EDR) system to ensure that necessary financial and clinical patient data are incorporated into one enterprise-wide system.

In accordance with ITSSMA guidelines, prior Board notice is required for projects that exceed $300,000. Your Board was previously notified in March 2011, at the time that this Work Order was originally executed.

BACKGROUND

Sierra was selected through an ITSSMA competitive bid process and awarded the current fixed price deliverable Work Order to complete an evaluation of the current AS400 COBOL legacy MCALRS and make recommendations for a MCALRS replacement system.

The MCALRS is a "home-grown" system, initially developed by Department of Health Services (DHS) staff to meet the reporting needs of the 2005 Medicaid Demonstration 1115 Waiver Project. The 1115

Waiver was renewed and under the most recent Waiver, DHS' data needs and reporting requirements have grown significantly. The Medi-Cal Coverage Expansion, the increased growth of managed care, and other upcoming changes in health care require DHS to have accurate and comprehensive clinical and financial patient data.

In order to identify the best options for DHS in replacing the MCALRS, as part of the original SOW, Sierra evaluated and documented the existing MCALRS and assessed the business requirements. This assessment included conducting a high level review of DHS' current EDR system to determine if the EDR system should be leveraged in replacing the MCALRS.

SCOPE

Based on Sierra's evaluation and DHS' internal discussions regarding the expanded need for accurate and comprehensive clinical and financial patient data, DHS has determined that the best option is to use the EDR system as the foundation for the development and integration of a new MCALRS into a system that will include both financial and clinical data. The incorporation of MCALRS into EDR will be called the Enterprise Patient Data Reporting (EPDR) system. In order to accomplish this integration, DHS needs to expand the current Work Order SOW to include the following Tasks/Deliverables:

- Vision and Scope Definition – confirm the scope of the new EPDR system with the stakeholders and produce guidelines to be applied to the analysis of the MCALRS and the EDR system to bring together the project deliverables and the conceptual data model for the EPDR system.

- Requirement Analysis – review the MCALRS "To Be" model, the EDR analysis, data sources integration, data model structure, technical infrastructure, and business intelligence reporting needs, and complete a Gap Analysis to identify the current state, target state and additional data elements and functionality necessary to meet the vision and scope of the EPDR system.

- Business Intelligence (BI) Roadmap – conduct an evaluation of solution options based upon the findings of the Gap Analysis and develop a conceptual data model and BI report prototype.

- Implementation Plan – prepare an implementation plan for the EPDR, and a SOW for the recruitment of a Development Consultant(s) for the programming and development of the EPDR system.

JUSTIFICATION

DHS does not have the resources or expertise to perform the necessary work and requires assistance to develop the conceptual data model for the EPDR system, data sources integration, data model structure, technical infrastructure, business intelligence reporting needs, and to complete a Gap Analysis to identify the current state, target state, and additional data elements and functionality necessary to meet the vision and scope of the EPDR system. Sierra's expertise and work product under this Work Order have been extremely valuable and their continued engagement will help ensure that DHS successfully completes the EPDR system.

FINANCIAL IMPACT

Pricing continues to be based on a fixed price per deliverable resulting from the Tasks identified in the SOW. The proposed amendment increases the total maximum dollar amount of the Work Order by $148,000 from $360,000 to $508,000. The funds are available in DHS' Fiscal Year 2011-12 budget.

CLOSING

Consistent with ITSSMA policies and procedures, we are informing your Board of our intention to proceed with amending this Work Order for a final time. DHS will not request any additional extensions or increases to the dollar amount for Work Order 01-2323. At the end of this Project and if additional work is needed, DHS will go before your Board with a Board contract. If no objection is received from your Board within ten (10) business days of Board notification, we will instruct ISD to proceed with the execution of this Work Order amendment.

If you have any questions or require additional information, please let me know or your staff may contact Kevin Lynch, DHS Chief Information Officer, at (213) 240-8128.

MHK:lr

c: Chief Executive Office
Acting County Counsel
Executive Office, Board of Supervisors
Chief Information Office
Internal Services Department

REVIEWED BY:

Richard Sanchez
Chief Information Officer

5-9-12
Date