



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

February 3, 2010

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D. 
Interim Director

SUBJECT: **PENDING ACQUISITION OF QUADRAMED CORPORATION BY FRANCISCO PARTNERS**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

This is to notify you of a pending acquisition of QuadraMed Corporation (QMDC) by Francisco Partners (FP). It is our understanding that this merger agreement cannot be implemented until the necessary approval by federal commissions, which, according to QMDC, is expected to occur in the first quarter of 2010.

On December 1, 2009, your Board approved two-year extension Amendments for the two existing County Agreements with QMDC and QuadraMed Affinity Corporation (QMAC), a wholly owned subsidiary of QMDC, for Turnkey Hospital/Healthcare Information Systems. The two Agreements are: County Agreement Number 56649 for High Desert Health System, Rancho Los Amigos National Rehabilitation Center, and Martin Luther King, Jr. Multi-Service Ambulatory Care Center, and County Agreement Number 72190 for Harbor-UCLA Medical Center, Olive-View Medical Center, and Los Angeles County + University of Southern California Medical Center.

QMDC has advised us that this acquisition will not impact QMDC's and QMAC's duties and performance under the two existing Agreements, and that QMDC and QMAC will continue to provide the same goods and services as required under the Agreements.

In consultation with County Counsel, the Department is working with QMDC, QMAC and FP to review the facts related to this acquisition and develop recommendations as to how to proceed with the two existing Agreements.

If you have any questions or need additional information, please let me know.

JFS:sl

- c: Chief Executive Office
- County Counsel
- Executive Office, Board of Supervisors
- Chief Information Office
- Internal Services Department
- Auditor-Controller

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