

Agenda Report

March 24, 2025

TO: Honorable Mayor and City Council

FROM: Public Health Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH PATAGONIA HEALTH INC TO FURNISH AND DELIVER AN ELECTRONIC HEALTH RECORD SYSTEM FOR A TOTAL AMOUNT NOT TO EXCEED \$1,542,907 FOR A PERIOD OF TEN YEARS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b); and
2. Authorize the City Manager to enter into a contract, as a result of a competitive selection process, as defined by Section 4.08.047 of the Pasadena Municipal Code, with Patagonia Health Inc. (“Patagonia”) to furnish and deliver a department-wide electronic health record system in an amount not to exceed \$1,542,907 for a ten-year term. Competitive bidding is not required pursuant to the City Charter Section 1002(F), contracts for professional or unique services.

BACKGROUND:

Over the last decade, use of electronic health record (“EHR”) systems by medical providers and local health jurisdictions have demonstrated significant benefits to clinical, programmatic, and administrative operations. An EHR system reduces potential liability; improves population-level data sharing with healthcare and public health partners; expands potential revenue streams; and enhances overall department efficiency. Historically, the Pasadena Public Health Department (“Department”) has used a paper-based process to maintain client and clinical data.

In 2024, the Department worked with consultant Berry, Dunn, McNeil, & Parker LLC to complete a comprehensive needs assessment of public health operations, clinical

workflows, business processes, and reporting requirements. The assessment helped Department staff identify the value and benefits of an EHR system to Pasadena Public Health Department operations including protecting confidential patient and client data; improving cross-referrals between public health programs; using data to identify and respond to existing and emerging health needs; increasing ability to bill health insurance plans, Medicare, and Medi-Cal for services; and assuring continuous quality improvement.

In collaboration with the Department of Information Technology, the Department issued a Request for Proposal (“RFP”) seeking a long-term software solution designed to support identified needs through the delivery and implementation of an electronic health record. The proposed scope of work includes delivery of the software, customization of up to ten interfaces, staff training, data migration, and ongoing technical support.

The Department released a RFP on July 10, 2024 through OpenGov Procurement. On July 25, 2024, the Department held a mandatory pre-proposal meeting that was attended by 35 individuals. A total of 50 vendors downloaded the RFP and the Department received two responsive proposals by the August 30, 2024 RFP deadline.

Per the evaluation procedures and criteria stated in the RFP, the proposals were scored and ranked as follows:

Rank	Proposer	Office Location	Score (100 Max)
1	Patagonia Health Inc.	Cary, North Carolina	85.74
2	E*HealthLine.com, Inc.	Sacramento, California	80

The Department fielded a panel consisting of a Management Analyst V, Division Manager, and Supervising Public Health Nurse to evaluate the proposals using the criteria set forth in the RFP. The criteria included the proposed solution, cost, company staff assigned to the project, and the vendor’s experience. Patagonia received the highest score in the evaluation process. Patagonia was founded in 2009 and has experience implementing an EHR for public health and behavioral agencies, including projects similar in scope and scale to other public health jurisdictions in the state of California.

The costs listed below include the following for 115 EHR users (i.e., public health staff) for ten years:

Base Implementation Amount	\$ 1,271,734
Ten Interface/Modules	\$ 144,000
Contingency Allowance (10%)	<u>\$ 127,173</u>
	\$ 1,542,907

Staff recommends the City Council authorize the contract with Patagonia Health Inc. to provide consultant services for an amount not-to-exceed \$1,542,907. If approved, the vendor will work in collaboration with Department staff to furnish and deliver a

Department-wide EHR system; integrate and centralize software interfaces with state and federal agencies; provide a billing system to seek private health insurance plan, Medicare, and Medi-Cal reimbursement; and improve operational workflows.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers the City Council's strategic planning goals to improve, maintain and enhance public facilities and infrastructure, in addition to ensuring public safety. The proposed consulting services will support efforts to secure a EHR system for the Pasadena Public Health Department with the goal of improving delivery of care, patient safety, accessibility and ensuring the Department is aligning with industry best practices.


ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into a contract for the preparation of an electronic health record system, is an administrative activity for the purchasing of services, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The overall cost of this action is \$1,542,907 over ten years. If approved, approximately \$210,000 of the cost of this engagement is projected to be expended in Fiscal Year (FY) 2025 and will be supported by California Immunization Supplemental grant funds, which will expire on June 30, 2025. Sufficient appropriations are included in the FY2025 Public Health Department Operating Budget. Approximately \$150,000 in future annual costs will be supported by California Advancing and Innovating Medi-Cal (CalAIM) funding and Medicare and Medi-Cal reimbursement revenue.

Respectfully submitted,



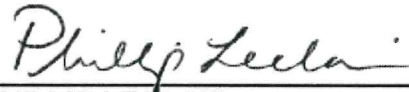
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Concurred by:

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Attachments:

Attachment A – RFP Evaluation Results