

# MID-MICHIGAN DISTRICT HEALTH DEPARTMENT

Nationally Accredited by the Public Health Accreditation Board

**MARK W. (MARCUS) CHEATHAM, Ph.D.**  
Health Officer

**JENNIFER MORSE, MD**  
Medical Director



[www.mmdhd.org](http://www.mmdhd.org)  
**BOARD OF HEALTH**  
George Bailey  
Bruce DeLong  
Betty Kellenberger  
Tom Lindeman  
Ken Mitchell  
Sam Smith

**ADMINISTRATIVE OFFICES**  
615 N. State St., Ste. 2  
Stanton, MI 48888-9702  
(989) 831-5237

**CLINTON COUNTY**  
Branch Office  
1307 E. Townsend Rd.  
Saint Johns, MI 48879-9036  
(989) 224-2195

**GRATIOT COUNTY**  
Branch Office  
151 Commerce Dr.  
Ithaca, MI 48847-1627  
(989) 875 3681

**MONTCALM COUNTY**  
Branch Office  
615 N. State St., Ste.1  
Stanton, MI 48888-9702  
(989) 831-5237

### Board of Health Action Sheet

Date: May 23, 2016	Administrator: Melissa Bowerman, Director of Administrative Services
Subject: Patagonia Health, Integrated Electronic Health Record (EHR) Software	<input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Action Needed

**I. Authority For This Action:**

- Local Policy 185.0 Purchasing Procedure
- Law or Rule \_\_\_\_\_

**II. Summary:**

*(Previous board action relating to this item? Background information and if any future action anticipated.)*

As we have mentioned, the agency has been exploring different EHR software. Our current EHR, Insight, is moving towards a web-based system. Although, Netsmart, the parent company of Insight, has stated that they will continue to support our current module-based platform, there is concern that the support will be minimal or there will be issues in the future. Additionally, the product in its current form presents some issues as our processes have changed in commercial billing and electronic transfer of information. Netsmart provided a quote on their new EHR product at a cost of \$250,702.40 with annual maintenance of \$52,238.22.

In September of last year, Melissa Bowerman had seen a demonstration of Patagonia Health software at a conference. She stated that she had been impressed with the demonstration and thought it might be a good time to explore this as a different EHR software option. Patagonia has provided three demonstrations to the agency and provided comprehensive information and a quote. Frontline staff has been involved in the demonstrations and have verbalized high satisfaction with what the software has to offer.

Patagonia Health is a cloud and application based software that includes a very comprehensive, integrated, and seamless EHR, Performance Management and billing components.

Some of the key benefits and features are:

1. Web-based product that only requires a web browser and internet connection for users to connect.
2. Integrated billing solution capable of billing over 2,000 payers, real time eligibility checking, electronic remittances and data scrubbers which reduces rejections. The software integrates billing codes into the software that are continually updated.
3. Ease of use – each staff member will need to go to just 2-3 screens to do their job. Screens are customizable based on user needs. Data also needs to be entered only once and will auto populate into all necessary places saving effort and reducing errors.
4. Includes initial and ongoing compliance to state and federal requirements, including reporting
5. Federally Certified EHR for public health.
6. The communicator application performs reminder calls and also can provide outreach efforts via text, email or by phone.

Patagonia provided a quote on their new EHR product at a cost is \$68,600 with annual maintenance of \$32,880. If we pay for the first year's maintenance (the first three months are not charged in the first year), we receive a prepayment discount of \$3,267 for a total of \$89,993 for the product and maintenance.

In reviewing the product including staff feedback, reviews provided by other agencies, as well as taking into account the price, the agency is requesting to move forward with the purchase of the Patagonia software and to terminate the contract with Netsmart. Patagonia's contract will lock us in for five years; however, we do not feel that is unreasonable or a barrier in the purchase. In reviewing the pricing for the maintenance alone, the agency will save more than the purchase price of the software in the first five years.

### III. Strategic Objective, Health Issue, or other Need Addressed:

*(What priority should be given in relation to goals? Include reason for recommending change in priorities and how the need will be introduced into planning process.)*

Migrating to Patagonia Health would provide improved staff efficiency, satisfaction, and quality as well as free, unlimited support either by phone, email, or via the feedback button from within the EHR. Additionally, the software is secure, HIPPA compliant, and encrypted.

### IV. Fiscal Impact and Cost:

*(Immediate, ongoing, and future impact.)*

Patagonia Health is the gold standard in EHR software. The cost to purchase Patagonia Health is \$68,800, and would be paid from our technology fund balance reserve; therefore, not impacting current operating costs. Additionally the reduced maintenance cost will actually help with the operational budget in the future.

V. Alternatives Considered:

*(Scope of options reviewed. Reasons for rejecting alternatives.)*

The alternative considered was to remain with Netsmart; however, either at a higher price point or to remain with the current system which may become unsupported in the future. It became very apparent to us that Patagonia Health was the best choice for our EHR software.

VI. Recommendation:

*(Advantages/benefits of proposal. Expected results. Possible problems or disadvantages of proposal. Effect of action on agency. Consequences of not approving recommendation or taking action.)*

After extensively reviewing the pros and cons of both EHR software packages, I recommend the BOH authorize the agency to purchase Patagonia Health. The software exceeded our expectations and also met our current needs for EHRs.

VII. Monitoring and Reporting Time Line:

*(Evaluation method and timeline. Next report to the Board.)*

Patagonia Health will work with our IT staff to extract and import relevant data from our existing EHRs. A phased-in training is recommended which will be provided to our staff onsite by Patagonia Health trainers. Also included is advanced and follow-up training, as well as staff participation in workshops and User Focus Group Training with peers from other agencies. The timetable for installation of the software and migration of EHRs is targeted between October 1, 2016 and January 1, 2017. Periodic updates will be provided to the Board throughout the software migration process.