

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *ms*

BOARD AGENDA # B-6

Urgent  Routine

AGENDA DATE February 17, 2009

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Enter an Agreement with General Electric Company for the purchase of an Electronic Medical Records system for the Health Services Agency; Authorization to enter a Financing Agreement with GE Government Finance, Inc. for \$1,257,028; Approval to Use Public Facility Fees funds of \$946,320 as Partial Funding for the EMR Project; Adjust the Budget; and Amend the Salary and Position Allocation Resolution

STAFF RECOMMENDATIONS:

1. Approve the contract with General Electric Company for the purchase of an Electronic Medical Records system for the Health Services Agency.
2. Authorize the Managing Director of the Health Services Agency to finalize and execute an agreement with General Electric Company for the purchase of hardware, software and implementation services related to the Agency's Electronic Medical Records Project.
3. Authorize the Managing Director of the Health Services Agency to execute a capital lease agreement with GE government Finance, Inc. in an original principal amount of \$1,257,028.

FISCAL IMPACT:

The full cost of implementing the proposed Electronic Medical Records/Practice Management (EMR) system in the Health Services Agency's Clinics division is estimated to be slightly more than \$3.0 million. However, this amount includes approximately \$740,000 in internal labor costs that would otherwise be expended for alternative activities and are not considered hard costs of the project. Much of the cost associated with the EMR purchase and implementation will become embedded in the base year of the clinics' Federally Qualified Health Center Look-Alike (FQHC-LA) prospective payment system (PPS) rate and thus recovered by an enhanced per visit billing rate. (Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-123

On motion of Supervisor Monteith, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

*Christine Ferraro*  
CHRISTINE FERRARO TALLMAN, Clerk

File No. M-64-H-18

Approval to Enter an Agreement with General Electric Company for the purchase of an Electronic Medical Records system for the Health Services Agency; Authorization to enter a Financing Agreement with GE Government Finance, Inc. for \$1,257,028; Approval to Use Public Facility Fees funds of \$946,320 as Partial Funding for the EMR Project; Adjust the Budget; and Amend the Salary and Position Allocation Resolution  
Page 2

### **STAFF RECOMMENDATIONS (Continued):**

4. Approve the use of \$946,320 of Public Facility Fees (PFF) funds for partial funding of the Electronic Medical Records project.
5. Direct the Auditor to increase the appropriations and estimated revenue as detailed in the Budget Journal.
6. Amend the Salary and Position Allocation Resolution to reclassify position #9810 from Software Developer/Analyst III to Systems Engineer II and reclassify position #10144 from Staff Services Analyst to Systems Engineer II in the Health Services Agency Administration budget.

### **FISCAL IMPACT (Continued):**

The Agency's base year runs from July 1, 2008 through June 30, 2009. The annual increase in the final PPS rate (patient visit reimbursement rate) is estimated to bring in an additional \$460,000 of revenue each year in perpetuity, as a result of the FQHC Look Alike Status achieved by the Agency. Of note, the increase in additional revenue is more than the annual debt service payments which are estimated at \$351,156 over a four year lease period. Since the final PPS rate will be paid on eligible visits dating back to September 20, 2007, the expected payback period is estimated to be a little over two years. In addition, an internal analysis of the return on investment of purchasing and implementing the GE CPS electronic medical records system has been performed and the total cumulative cost savings/revenue enhancement for a seven (7) year period is estimated at over \$7.7 million.

The proposed agreement with General Electric Company will be a two-part agreement with three additional software options. The first part will be for a staged implementation of server hardware, base software licenses and professional services covering the months of February through May of 2009; estimated value is \$1,127,654. The second part of the agreement is for the purchase of additional EMR licenses to bring the EMR system live throughout the clinic system; this is valued at \$648,958 and is scheduled to occur in June 2009. The contract also allows for the optional purchase of three quoted additional software modules, the first is a Capitation System valued at \$106,750 which if desired must be exercised by April 30, 2009; the second is a Disease Registry valued at \$37,500 which if desired must be exercised by December 15, 2009; and the third is a Secure Messaging/Patient Portal solution valued at \$161,050 which if desired must be exercised by December 15, 2009.

### **DISCUSSION:**

An Electronic Medical Records system (EMR) was identified as an efficiency improvement in the Health Services Agency's (HSA) Strategic Plan approved by the Board of Supervisors on

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Page 3

September 13, 2005. After approval of the 2005 Strategic Plan, which directed the Agency to implement efficiency improvements, management analyzed the potential benefits and determined that it was a viable project. On November 15, 2005, the Board of Supervisors authorized the Health Services Agency to explore alternative arrangements for the provision of particular health care services, including seeking proposals for such services. A Request for Proposal (RFP# 05-67-KJM) was developed that incorporated both the core functions of an EMR that the Agency wanted to adopt as well as the primary functions that were currently provided by Meditech. The RFP was issued in January 2006 with a submittal deadline of February 28, 2006.

In response to the RFP, the Agency received nine (9) proposals. The review team, which included representatives from the Chief Executive Office, Strategic Business Technology, the Stanislaus County Family Residency Program as well as the Scenic Faculty Medical Group providers evaluated the proposals based on criteria included in the RFP. The selection process included on-site product demos from selected RFP respondents, building physician/medical staff support for implementation as well as performing due diligence. From this evaluation two vendors were identified as finalists – General Electric (GE)/Centricity and NextGen. Agency staff then performed site visits in order to determine the product that best met the Agency's needs. The vendor selected for award is GE/Centricity.

GE's Centricity Practice Solution (CPS) is a completely integrated clinical and financial management solution. The CPS product includes the delivery of evidence-based guidelines at the point of care, a focus on clinical quality and outcomes reporting, acceleration of workflows, and proactive revenue cycle management. Additionally, the product received industry certification from the Certification Commission for Healthcare Information Technology (CCHIT).

Electronic Medical Records (EMR) systems enable ambulatory care physicians and clinical staff to document patient encounters online and from the first contact with the organization to document all clinical activities, medication administration, streamline clinical workflow, and allow the secure exchange of clinical data with other providers, patients, and information systems. Every detail of the patient record is available to the care team, when and where it is needed. This leads to vastly increased efficiencies and reduced operating costs as no time is expended in locating and delivering a physical chart, searching for lab results, accessing current medication lists, diagnostic images, etc. EMR's are used by hundreds of thousands of physicians to manage tens of millions of patient records.

Currently, training is provided to 27 resident physicians each year through the Stanislaus County Family Medicine Residency Program; the program consists of three years of training with nine residents in each residency class year. Of note, the Accreditation Council for Graduate Medical Education (ACGME) has mandated that residents be exposed to and utilize electronic medical records systems during their training and implementation of such systems has become a requirement for continued accreditation. Our Residency program will receive a

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Page 4

site visit in 2009 and significant efforts to purchase and implement an EMR system must be evident at that time.

While the short term objective of the implementation of an EMR system is to meet the required accreditation standards for the County's residency program, long term objectives for the project include, but are not limited to, the following: effective chronic disease management, decreasing fragmentation of care, significantly improving quality assurance, developing capacity for research and evaluation as well as information exchange with public health programs, operational efficiencies, increased visit capacity, real time data source for establishing and reporting performance metrics, integrating order entry and results into the patient record, internal capacity for data tracking of patients throughout all agency sources and integrating a more seamless delivery of clinical, ancillary and public health services.

Currently, the Health Services Agency utilizes Meditech for its information and practice management system. Meditech is a legacy system from the time the county operated a hospital and was designed as a hospital information system and not for an outpatient clinic system. Meditech does not have a viable EMR component and while the initial project included consideration of building an interface with Meditech, it was determined that since Meditech is based on a proprietary database it is not designed to share information with other systems.

#### **TIMING:**

The timing of this decision is important for two primary reasons in addition to the efficiencies the system will bring to the clinic operation. The first is an accreditation requirement for the Residency program. The re-accreditation site visit is expected to occur during 2009, sometime after August. Although full implementation by that visit is not likely, it is believed that demonstrating significant progress toward implementation will be acceptable.

The second reason to move quickly on the EMR implementation is a financial reason. Under the Federally Qualified Health Center Look-Alike designation, clinic reimbursement for Medi-Cal is on a per visit basis using a cost per visit methodology. The first full fiscal year is the base rate-setting year. The years following are adjusted by the Medical Economic Index rates unless a significant scope of service change occurs warranting a request for re-basing. The FQHC designation was effective September 20, 2007, so the rate setting year is July 1, 2008 – June 30, 2009. It is crucial that a new, expected and significant cost be incurred during this fiscal year in order to have that cost included into the base per visit rate retroactive to September 20, 2007 and into perpetuity. Having analyzed the impact on the FQHC revenue, staff determined that the cost of the system can be recovered in just over two years of clinic operations.

#### **PROJECT FUNDING:**

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Page 5

## **PFF Funds**

When the Public Facility Fee program was established in Stanislaus County in 1990 the County population was approximately 354,000. With the additional estimate of 154,000 non-residents employed (of which half are credited to the population figure for this nexus methodology), the total base year population is 431,000. The estimated County population has grown to 525,900 residents as of 2008 and with the additional estimate of 201,100 non-residents being employed results in a new population total for nexus comparison of 626,450. This results in a nexus population growth as a percentage of the new population of 31.2%.

During this time frame the County closed acute care operations at its Scenic Hospital facility, significantly restructured its ambulatory care clinics and consolidated Public Health services into the Health Services Agency. Also, the percentage of County residents who are considered safety net patients has remained essentially unchanged at approximately 16%.

Information technology demands directly correlate to the steadily growing county population and resulting need for increased access to healthcare services for the underserved populations. Significant information technology resource needs due to visit load growth for the underserved populations make a very compelling argument for significant Public Facility Fee support for the Agency's Electronic Medical Records project.

Based on the aggregate nexus population growth of approximately 195,450 of which approximately 31,272 can be considered net new safety net/medically underserved residents and since HSA has not significantly invested in clinical information technology or previously requested PFF funding for IT related projects, the Agency requested \$946,320 from the PFF Outpatient Health Fund.

This request was approved by the PFF committee at its November 20, 2008 meeting.

## **Balance Funded with Tax Exempt Financing**

The total project investment of \$3,033,078 less internal labor cost of \$740,400 and less PFF Funding of \$946,320 leaves a balance of \$1,346,358 requiring funding.

As the initial General Electric Government Finance, Inc. (GEGF) financing proposal contained substantial prepayment penalties staff considered with the Stanislaus County Debt Advisory Committee the potential use of Tobacco Fund Corpus or other market offerings. Staff decided not to recommend Tobacco Fund Corpus to partially fund the EMR project due to weighted average useful life covenants contained within the bond agreements. Staff secured a revised GEGF financing proposal that eliminates all prepayment penalties after eighteen months of payments. This proposal is consistent with the approval of the Debt Advisory Committee. General Electric Government Finance, Inc. (GEGF) can finance all GE supplied hardware and software; the initial phase of the project which will be funded by GEGF is valued at \$1,257,028,

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Page 6

leaving a balance of \$89,330 which is connected to the three additional software options quoted. The quoted term for the lease agreement is 48 months at a fixed interest rate not to exceed 5.75% (effective as of 2/3/2009 the interest rate was 5.55%, the actual funding rate will be determined three to five days prior to each escrow funding) and a maximum monthly payment of \$29,378.

The EMR proposal was presented to and supported by the Health Executive Committee of the Board of Supervisors on December 9, 2008. The financing of this project was reviewed by the County's Debt Advisory Committee on January 27, 2009.

**POLICY ISSUES:**

This project meets the Board's priorities of a *healthy community* and the *efficient delivery of public services* by enabling the Agency to operate more efficiently and to implement improved quality of care initiatives.

**STAFFING IMPACT:**

As the EMR implementation will add an additional 19 servers to manage, a large Citrix cluster to administer, wireless networks with associated mobile devices to support, an additional backup system, document imaging, external data interfaces, new financial analysis tools and programming language to support this mission critical application, the Health Services Agency will need to strengthen IT staffing. In order to fully implement and integrate the system into the Health Services Agency, staff is recommending the reclassification and filling of two currently allocated and unfilled positions within the Health Services Agency Administration budget. These include position #9810 from Software Developer/Analyst III to Systems Engineer II, and position #10144 from Staff Services Analyst to Systems Engineer II. Budgeted dollars were included in the Health Services Agency Fiscal Year 2008-2009 Administration budget to support these positions. The staffing costs for these positions will eventually be substantially offset by the release of current Personal Services Contractors who primarily support the existing Meditech automated system.

The Agency anticipates using various staff members from the Clinics and Ancillary as well as the Agency's Administration Division to participate in the planning and implementation phases of this project. However, all staffing costs would otherwise be expended for alternative activities.

**County of Stanislaus: Auditor-Controller  
Legal Budget Journal**

Database  
Set of Books

FMS11IDB.CO.STANISLAUS.CA.US.PROD  
County of Stanislaus

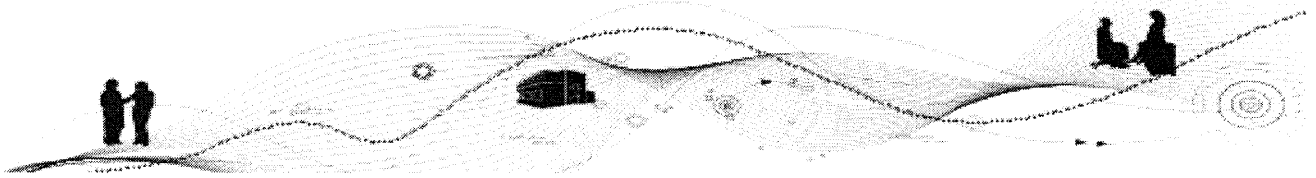
<b>Balance Type</b>	Budget
<b>Category</b>	* List - Text Budget - Upload
<b>Source</b>	* List - Text
<b>Currency</b>	* List - Text USD
<b>Budget Name</b>	List - Text LEGAL BUDGET
<b>Batch Name</b>	Text
<b>Journal Name</b>	Text
<b>Journal Description</b>	Text 08-09FY HSA EMR Project Budget Journal (Board Order #:XXXX-XX )
<b>Journal Reference</b>	Text
<b>Organization</b>	List - Text Stanislaus Budget Org

Upl	Fund	Org	Acc't	GL Proj	Loc	Misc	Other	Debit	Credit	Period	Line Description	Messages
								incr appropriations decr est revenue (format > number > general)	decr appropriations incr est revenue	Upper case MM-YY List - Text	Text	
Pb			85850	000000	000000	000000	000000	946,320.00		JAN-09	Other Operating Trf Out	Increase Other Operating Trf Out Exp.
Pb	4051	4517116	46615	0000000	000000	000000	000000		946,320.00	JAN-09	Public Facility Fee Trf In	Increase Public Facility Fee Trf In Rev.
Pb	4051	4517116	62840	0000000	000000	000000	000000	119,468.00		JAN-09	Computer Software - non asset	Increase For Software Exp.
Pb	4051	4517116	62861	0000000	000000	000000	000000	124,536.00		JAN-09	Computer Hardware - non asset	Increase Computer Hardware non asst
Pb	4051	4517116	82770	0000000	000000	000000	000000	1,350,092.00		JAN-09	Computer Software	Increase Computer Software Exp.
Pb	4051	4517116	82570	0000000	000000	000000	000000	333,357.00		JAN-09	Computer Hardware	Increase Computer Hardware Expense
	4051	4517116	61660	0000000	000000	000000	000000	365,005.00		JAN-09	Maint & Support	Increase Maintenance & Support
	4051	4517116	65780	0000000	000000	000000	000000	49,368.00		JAN-09	Training	Increase Training Costs
	4051	4517116	72300	0000000	000000	000000	000000	17,438.00		JAN-09	Interest Expense	Increase Interest Expense
<b>Totals:</b>								3,305,584.00	946,320.00			

**Explanation:**  
08-09FY HSA EMR Project Expenditure Budget Journal.

Requesting Department	CEO	Data Entry	Auditors Office Only
<i>Patricia Kistner</i> Signature	<i>Patricia Kistner</i> Signature	Keyed by	Prepared By
1/21/2009 Date	2/13/09 Date		1/21-09 Date

# Complete information, One location



## Centricity Practice Quotation

Quote Expires: 2/15/09

Client Number:

Quote By: Michael Snead

**Bill to Customer**

Customer Name: Stanislaus County Health Services Agency

**Ship to Customer**

Customer Name: Stanislaus County Health Services Agency

Phone: 530-295-1119

Fax: 530-387-2030

E-mail: Michael.Snead@GE.com

Creation

Date: 1/1/2009

Contact Name: Greg Diederich

Address: PO Box 492

City, State Zip Code: Modesto, CA 95353

Phone: 209-558-7697

Contact Name: Greg Diederich

Address: 830 Scenic Drive

City, State Zip Code: Modesto, CA 95353

Phone: 209-558-7697

E-Mail: GDiederich@schsa.org

E-Mail: GDiederich@schsa.org

Quote

Number: #9

Specialty: Community Health

Specialty: Community Health

### Licensed Software - Initial Shipment

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
50	2017187-001	CCCQE Form Set (licensed on a per Concurrent User basis)	Concurrent	\$375.00	\$138.75	\$236.25	\$11,812.50
50	2030802-001	Centricity Practice Solution Software (licensed on a per Concurrent User basis)	Concurrent	\$4,458.00	\$1,649.46	\$2,808.54	\$140,427.00
1	2033375-001	Centricity Practice Solution Interface Engine	Enterprise	\$3,500.00	\$1,295.00	\$2,205.00	\$2,205.00
50	2032750-001	Centricity Practice Solution Docutrak Software (licensed on a Concurrent User Basis)	Concurrent	\$200.00	\$0.00	\$200.00	\$10,000.00
1	2032010-001	Centricity Practice Solution Single User Evaluation Kit	Enterprise	\$0.00	\$0.00	\$0.00	\$0.00
1	2032010-002	Centricity Practice Solution New User Welcome Kit	Enterprise	\$0.00	\$0.00	\$0.00	\$0.00
1	2033426-009	Centricity Practice Analytics Reporting Tool 51 plus providers	Provider	\$20,000.00	\$7,400.00	\$12,600.00	\$12,600.00
<b>Total Software:</b>							<b>\$177,044.50</b>

**DELIVERY AND PAYMENT TERMS FOR LICENSED SOFTWARE:** Licensed Software will be shipped F.O.B.origin or electronically delivered immediately upon receipt of a signed Quotation. Invoice will be generated upon shipment or electronic transmission of the Licensed Software. **Payment terms are Net 30 days from invoice date**

### Licensed Software - Second and final shipment on May 15, 2009

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
200	2017187-001	CCCQE Form Set (licensed on a per Concurrent User basis)	Concurrent	\$375.00	\$138.75	\$236.25	\$47,250.00
200	2030802-001	Centricity Practice Solution Software (licensed on a per Concurrent User basis)	Concurrent	\$4,458.00	\$1,649.46	\$2,808.54	\$561,708.00
200	2032750-001	Centricity Practice Solution Docutrak Software (licensed on a Concurrent User Basis)	Concurrent	\$200.00	\$0.00	\$200.00	\$40,000.00
<b>Total Software:</b>							<b>\$648,958.00</b>

**DELIVERY AND PAYMENT TERMS FOR LICENSED SOFTWARE:** Licensed Software will be shipped F.O.B.origin or electronically delivered on May 15, 2009, provided however that Customer may request earlier delivery in writing. Invoice will be generated upon shipment or electronic transmission of the Licensed Software. **Payment terms are Net 30 days from invoice date.**

### Professional Services

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
2	2026791-004	LabLink interface results only (non-hospital LIS)		\$5,250.00	\$787.50	\$4,462.50	\$8,925.00
24	2026791-047	Centricity Electronic Medical Record WebEx Training Class - Per Hour	Hours	\$140.00	\$21.00	\$119.00	\$2,856.00
6	2046	Centricity Electronic Medical Record Clinical Consulting	Hours	\$250.00	\$37.50	\$212.50	\$1,275.00
700	2030959-001	Centricity Electronic Medical Record Clinical Implementation -hrly(>11 physicians)	Hours	\$200.00	\$30.00	\$170.00	\$119,000.00
71	2047	Centricity Electronic Medical Record Technical Systems Implementation	Hours	\$200.00	\$30.00	\$170.00	\$12,070.00
1	2030954-001	Centricity Electronic Medical Record Base Impl		\$18,400.00	\$2,760.00	\$15,640.00	\$15,640.00
24	2026791-043	OnSite Training EMR	Hours	\$200.00	\$30.00	\$170.00	\$4,080.00
		The Following are PM Products			\$0.00	\$0.00	\$0.00
100	EDIS1	Centricity Practice Management One Time Electronic Data Interchange Access Fee (per Physician or per Other Provider)		\$250.00	\$37.50	\$212.50	\$21,250.00



30	TRAIN-D	Centricity Practice Management On-Site Training - Per Day	Days	\$1,600.00	\$240.00	\$1,360.00	\$40,800.00
8	2024151-001	Centricity Practice Management Training -WebEx Training Per Hour	Hours	\$140.00	\$21.00	\$119.00	\$952.00
1	2030962-001	Centricity Practice Management Base Implementation (>50)		\$34,400.00	\$5,160.00	\$29,240.00	\$29,240.00
1	DPC1	Centricity Practice Management Data Conversion - Demographics Only		\$4,000.00	\$600.00	\$3,400.00	\$3,400.00
1	2033430-002	Centricity Practice Analytics Web Training	Provider	\$800.00	\$120.00	\$680.00	\$680.00
1	2033430-003	Centricity Practice Analytics Installation	Database	\$675.00	\$101.25	\$573.75	\$573.75
1	2026791-017	Standard Import (DemographicsLink, ScheduLink, NotesLink or ImageLink)		\$2,800.00	\$420.00	\$2,380.00	\$2,380.00
1	2035637-001	Centricity Practice New Customer	Enterprise	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Professional Services:</b>							<b>\$263,121.75</b>

**DELIVERY AND PAYMENT TERMS FOR PROFESSIONAL SERVICES:** (1) Professional Services actually delivered, except for services priced on an hourly basis will be invoiced upon the Go-Live Date, which means the date the Licensed Software is ready for use in a production environment or upon completion of the services (for services provided subsequent to the Go-Live Date). (2) Services priced on an hourly basis will be invoiced monthly after delivery of services. Travel and living expense will be billed separately on a monthly basis as incurred. **Payment terms for all professional service invoices are net 30 days from invoice date.**

**Annual Maintenance and Support (12-month term, billed annually)**

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
250	2017193-001	CCCQE Form Set Annual Support (licensed on a per Concurrent User basis)	Concurrent	\$75.00	\$9.75	\$65.25	\$16,312.50
250	3265	Annual InfoScan Formulary Database (licensed on a per Concurrent User basis)	Concurrent	\$50.00	\$0.00	\$50.00	\$12,500.00
250	2033412-001	Centricity Practice Solution Annual Support - Standard (per Concurrent User)	Concurrent	\$892.00	\$115.96	\$776.04	\$194,010.00
1	2033377-001	Centricity Practice Solution Practice Solution Interface Engine Annual Support	Enterprise	\$700.00	\$91.00	\$609.00	\$609.00
250	2034315-001	Centricity Practice Solution Docutrak Annual Support (licensed on a Concurrent User Basis)	Concurrent	\$40.00	\$0.00	\$40.00	\$10,000.00
1	2033427-009	Centricity Practice Analytics Support 51 plus providers	Provider	\$4,200.00	\$546.00	\$3,654.00	\$3,654.00
<b>Total Annual Support:</b>							<b>\$237,085.50</b>

**DELIVERY AND PAYMENT TERMS FOR MAINTENANCE AND SUPPORT:** The Initial Term of Maintenance and Support shall commence, and the annual fees shall be invoiced upon the Installation Date and shall end immediately prior to the first anniversary of such date. "Installation Date" means the date of issuance of the keys that enable the use of the Licensed Software. **Payment terms are net 30 days from the invoice date.** During the annual term of a customer's maintenance and support contract, customer may request termination of maintenance and support on any of their licenses by notifying GE of the change. Upon receipt of customer's written notification, GE will deactivate the license or licenses, which will terminate maintenance and support on those license or licenses. Because maintenance and support are provided on an annual term, no credits or refunds are issued on deactivated licenses for the remaining months of the annual term. Maintenance and support on deactivated licenses will not be renewed or billed at the annual contract renewal date, provided customer notifies GE of license deactivation within 60 days prior to annual contract renewal date.

**ePrescribing Services (12-month term, billed monthly)**

Quantity	Product ID	Description	License Metric	Monthly Unit Price	Unit Discount	Discounted Price	Estimated Monthly Extended Price
100	2037195-001	Centricity Practice Solution ePrescribing per		\$30.00	\$8.00	\$22.00	\$2,200.00
100	2037195-002	Centricity Practice Solution ePrescribing Set-up Kit		\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly eRx Services:</b>							<b>\$2,200.00</b>

**DELIVERY AND PAYMENT TERMS FOR EPRESCRIBING SERVICES:** ePrescribing services shall commence and be invoiced upon Go-Live Date of the ePrescribing services. Go-Live Date means the date the services are first used in a production environment. ePrescribing services shall be billed on a monthly basis. **Payment terms are net 30 days from the invoice date.**

<b>Totals:</b>	<b>Software and Professional Services</b>	<b>\$1,089,124.25</b>
	<b>Annual Maintenance and Support</b>	<b>\$237,085.50</b>
	<b>Monthly ePrescribing Services</b>	<b>\$2,200.00</b>

**This quote contains discounts totaling \$431,112 for software, \$30,955 for IT Professional Services and \$12,332 for annual support.**

## Practice Solutions-Cover Signature Page

This Agreement is by and between the Customer, as identified below, and the General Electric Company, by and through its GE Healthcare division (referred to herein as "GE Healthcare"). GE Healthcare agrees to provide and Customer agrees to pay for the products and/or services set forth in this Agreement, all in accordance with the terms and conditions set forth herein. This Agreement is comprised of:

1. The attached GE Healthcare Quotation(s) (together with any applicable schedules referred to herein) that identifies the product and/or service offerings purchased or licensed by Customer; and
2. The attached (i) GE Healthcare License and Services Agreement and (ii) Additional Terms and Conditions for Centricity EDI Services.

In the event of conflict among the foregoing items, the order of precedence is as numbered above. In the event of conflict among the foregoing items, the order of precedence is as numbered above. No terms, conditions or warranties other than those identified in this Agreement and no agreement or understanding, oral or written, in any way purporting to modify such terms and conditions whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding on GE Healthcare unless hereafter made in writing and signed by GE Healthcare's authorized representative. Customer is hereby notified of GE Healthcare's objection to any terms inconsistent with this agreement and to any other terms proposed by Customer in accepting this agreement. Neither GE Healthcare's subsequent lack of objection to any such terms, nor the delivery of the products or services, shall constitute an agreement by GE Healthcare to any such terms. GE Healthcare reserves the right to remove any product from the applicable GE Healthcare Quotation and this Agreement without liability at any time prior to shipment of such product if such product is not then available in the applicable jurisdiction. GE Healthcare reserves the right to remove any product from the applicable GE Healthcare Quotation and this Agreement without liability at any time prior to shipment of such product if such product is not then available in the applicable jurisdiction.

CUSTOMER AGREES TO THE TERMS AND CONDITIONS OF THE QUOTATION(S), THE GE HEALTHCARE LICENSE AND SERVICES AGREEMENT (WITH RESPECT TO PURCHASES OF SOFTWARE AND SERVICES), AND THE ADDITIONAL TERMS AND CONDITIONS FOR CENTRICITY EDI SERVICES INCORPORATED HEREIN BY REFERENCE.

Customer will sign and return this Quotation to GE Healthcare for items identified on this Quotation. Customer may issue a Purchase Order in addition to the signed Quotation to satisfy its internal requirements. Customer has caused this Agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Quote template :- PS1.69

### IMPORTANT CUSTOMER ACTION:

Please **initial only one** form of payment for this arrangement. If financing by "**HFS Loan**" or "**HFS Lease**" is **NOT selected at this time**, then you may **NOT** elect to seek financing with Healthcare Financial Services (HFS) at a later date to fund this arrangement.

\_\_\_\_\_ Cash \_\_\_\_\_ HFS Loan \_\_\_\_\_ HFS Lease

\_\_\_\_\_ Third-Party Lease (Please identify finance company \_\_\_\_\_)

### Additional Notes :

- (1) Applicable state and local taxes will be added to the invoice. Freight charges, if any, will be prepaid and added to the invoice.
- (2) Third party Electronic Data Services are covered by the third-party, provider/manufacturer/supplier's warranties, to the extent available. CUSTOMER ACKNOWLEDGES THAT NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, HAVE BEEN MADE BY GE HEALTHCARE AS TO ANY THIRD PARTY ELECTRONIC DATA SERVICES.
- (3) Financing is an estimate and is not approved or relieves the customer of their payment obligation, as stated on the quotation unless the customer executes a financing agreement with GE Healthcare Financial Services.

### Definitions:

**Provider** is defined as any billable provider of healthcare services, including a doctor or medicine, osteopathy, dental science, psychiatric medicine, chiropractic medicine, residents, nurse practitioners, physical therapists and physician assistants. Provider licenses are purchased for the maximum number of Providers authorized to use the Software.

**Concurrent Users** are defined as the maximum number of users authorized to simultaneously log on to the Software. Concurrent User licenses are purchased for the maximum number of users authorized to simultaneously log on to the Software.

**Designated Individual** is defined as a particular individual who has been identified by name and user authorization ID, regardless of whether the individual is actively using the software at any given time. Designated Individual licenses are purchased for every individual authorized to use the Software.

**Enterprise** is defined as the Customer and any entities controlled by or under the control of Customer.



The Community Health Specialists

CySolutions, Inc.  
 P.O. Box 93132  
 Southlake, TX 76092  
 866-883-9299  
 www.cysolutions.com

Date: January 26, 2009  
 Expiration: February 16, 2009  
 Prepared by: David Lane  
 Phone: 866-883-9299 x256

**Quotation Prepared for:**  
 Stanislaus County Health Services  
 1030 Scenic Drive  
 Modesto, CA 95350

**Contact** Greg Diederich  
**Title** I.T. Manager  
**Telephone** 209-558-7102  
**email** GDiederich@schsa.org

Software	QTY	Licensed Software Description	Unit	Total
CHCREG	1	<b>CHC Software Package</b> Patient Information Interview Form - CHC Registration Missing Information Search Complete Alias Tracking Sliding Fee Schedule Administration FQHC Billing Enhancements Outbound Referral Tracking FQHC Monthly Charge and Payment Summary Report UDS and Title X Compliance Reports	\$29,900.00	\$29,900.00
CHCUDF	1	<b>CHC User Defined Fields Tool</b> Enables User to create User Defined Fields for tracking additional Demographic or Transaction data	\$4,500.00	\$4,500.00

Services	QTY	Implementation Services	Unit	Total
Project Mgt	8	<b>Project Management Services</b> One-time installation / configuration set-up fee, per hr. Bi-directional interface to PECSYS version 3.6	\$165.00	\$1,320.00
Data Convert	1	<b>Extended Data Conversion</b>	\$6,250.00	\$6,250.00

Support	QTY	Annual Maintenance and Support	Unit	Total
CHCSPRT	37	<b>Annual CHC Enhancement Maintenance &amp; Support</b> Unlimited Telephone Support & Software Maintenance Covers all CHC Components, EDI Plugins Medicare/Medicaid EDI incl. Response & Remittance.	\$795.00	\$29,415.00
CyClaims EDI	37	<b>Annual Maintenance &amp; Support per billing provider</b> \$75.00 per month per billing provider	\$75.00	\$33,300.00

**Proposal Summary**

Licensed Software	\$34,400.00
Software Reference Discount	-\$3,440.00
Implementation Services	\$7,570.00
Annual Support & Maintenance	\$62,715.00
Support Rference Discount	-\$5,883.00
<b>Total</b>	<b>\$95,362.00</b>

**Terms & Conditions**

**Payment Terms:** 50% due upon acceptance of quote.  
 Balance of each item payable as delivered (as with hardware or software)  
 Balance of each item payable as service completed (as with Project Management or Training)  
 Items not paid within 20 days of invoice incur a 1.5% per month service charge.

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_



**Definitions.** Unless otherwise set forth below, all capitalized terms used in this Change Order have the definitions given in the Existing Agreement(s).

**"Delivery"** means, with respect to any item of GE Healthcare proprietary software or documentation provided hereunder, the first to occur of: (i) communication to Customer through electronic means that allows Customer to take possession of the first copy or product master, or (ii) delivery by GE Healthcare of the first copy or product master in person to Customer or to any common carrier or delivery service for transport to Customer. With respect to any item of hardware or third party software, the delivery of the hardware or third party software by GE Healthcare or the supplier of the hardware or third party software to a common carrier for transport to the Customer or to any location specified in writing by or on behalf of the Customer. With respect to any services, the performance of such services by GE Healthcare or its subcontractors.

**Suppliers' Terms.** Third party software and third party hardware, if any, are covered by the third-party manufacturer/supplier's warranties, to the extent available. CUSTOMER ACKNOWLEDGES THAT NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, HAVE BEEN MADE BY GE HEALTHCARE AS TO ANY THIRD PARTY SOFTWARE OR THIRD PARTY HARDWARE.

**Taxes.** Prices do not include sales, use, gross receipts, excise, valued-added, services or any similar transaction or consumption taxes ("Taxes"). Customer acknowledges and agrees it shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest and penalty by any taxing authority, Customer agrees to reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

**Terms.** Customer and GE Healthcare expressly incorporate into this Change Order only the schedules and supplements attached hereto or indicated as included below (collectively "Attachments") and no other documents or writings (including but not limited to, any terms and/or conditions contained in or attached to Customer's purchase orders, shipping forms or other similar documents) shall be considered a part of this Change Order without GE Healthcare's prior written consent. Software described below or on any Attachment is licensed to Customer pursuant to the license provisions set forth in the Existing Agreement(s), unless otherwise agreed to in writing by GE Healthcare and Customer. Services are provided in accordance with the applicable service terms of the Existing Agreement(s). Hardware is sold in accordance with the hardware terms of the Existing Agreement(s). Credits or additional charges, as appropriate, are shown below or on an Attachment. The full amount of the price for each item listed below or on any Attachment shall be due and payable upon Delivery, unless otherwise noted in this Change Order or attached Payment Schedule. Taxes, if applicable, are subject to correction. If no amount is shown, Taxes, if applicable, will be invoiced upon determination at a later date.

CUSTOMER ACKNOWLEDGES AND AGREES THAT NEITHER GE HEALTHCARE NOR ITS SUPPLIERS HAVE ANY OBLIGATION TO DELIVER THE HARDWARE OR SOFTWARE OR PROVIDE THE SERVICES LISTED HEREUNDER UNLESS GE HEALTHCARE RECEIVES AN EXECUTED COPY OF THIS CHANGE ORDER AT THE FOLLOWING FAX NUMBER \_\_\_\_\_.



**GE Healthcare IITS**

Proposal To

**Stanislaus County Health Services Agency**

<b>Investment Summary</b>
---------------------------

<i>Hardware Schedule</i>	<b>\$228,497</b>
<i>Third Party Software Schedule</i>	<b>\$119,165</b>
<hr/>	
<i>Discount</i>	<b>(\$98,335.96)</b>
<b>Total Investment</b>	<b>\$249,326.04</b>

GE Healthcare IITS

Stanislaus County Health Services Agency

January 05, 2009

Hardware Schedule

Qty	Description	Investment	Discount	Client Net	#
1	<b>GE Centricity EMR hardware</b> EMR Hardware to match attached bill of materials	178,186	(62,365.10)	115,820.90	1
1	<b>GE Centricity EMR HP Maintenance</b> GE Centricity EMR HP Maintenance	17,311	(1,038.66)	16,272.34	2
1	<b>GE Centricity EMR Build Third Party</b> Clarity Solution software integration, OS Load, DB Load, Master image. On site setup of system. Travel included.	33,000	(2,310)	30,690	3
<b>Total Other Hardware</b>		<b>228,497</b>	<b>(65,713.76)</b>	<b>162,783.24</b>	
<b>Total Hardware and Operating System</b>		<b>228,497</b>	<b>(65,713.76)</b>	<b>162,783.24</b>	

Footnotes:

GE Healthcare IITS

Stanislaus County Health Services Agency

January 05, 2009

Third Party Software Schedule

Qty	Description	Investment	Discount	Client Net	#
1	<b>Networker Server Workgroup edition windows</b> Networker server workgroup edition windows	1,150	(92)	1,058	1
1	<b>Networker MS SQL</b> EMC Networker Software License for Microsoft SQL Server Client for Windows	6,380	(510.40)	5,869.60	2
1	<b>EMC Networker Add-On License Support</b> 1-Year Software Support for EMC Networker Software Licenses	1,535	(122.80)	1,412.20	3
200	<b>GE Centricity CPS Citrix 4.5</b> GE Centricity CPS Citrix 4.5 (200) Advanced	70,000	(29,000)	41,000	4
1	<b>GE Centricity EMR Citrix Consulting</b> GE Centricity EMR Citrix Consulting	31,100	(2,177)	28,923	5
1	<b>ISS EMR Networker Base</b> Base installation for Networker EMR implementations	8,000	(640)	7,360	6
1	<b>EMC Networker Cluster Conn</b> EMC Networker Client Cluster Connection for Windows	1,000	(80)	920	7
1	<b>Media Kit</b> EMC Networker Information Protection Product Family Media Kit	0	(0)	0	8
<b>Total Other Third Party Software</b>		<b>119,165</b>	<b>(32,622.20)</b>	<b>86,542.80</b>	
<b>Total Third Party Software</b>		<b>119,165</b>	<b>(32,622.20)</b>	<b>86,542.80</b>	

Footnotes:

1. If applicable, support/maintenance fees shall be due on Delivery of the applicable third party software and annually thereafter unless otherwise specified.
2. Customer acknowledges that certain modules of third party software contain smaller components or units. If Customer elects to install only some components or units of a module of third party software, Customer shall not be entitled to any refund or credit for those components or units not installed.
3. GE Healthcare reserves the right to reallocate effort between software applications.



GE Healthcare IITS

Stanislaus County Health Services Agency

January 05, 2009

Payment Schedule

Milestone Event/Contract Item	% of Price	Amount	Monthly Fee	Annual Fee
<b>CONTRACT SIGNING</b>				
	<b>Total CONTRACT SIGNING</b>	<b>\$0</b>		
<b>DELIVERY</b>				
Other Hardware	100%	\$162,783.24		
Other Third Party Software	100%	\$86,542.80		
	<b>Total DELIVERY</b>	<b>\$249,326.04</b>		
	<b>Grand Total</b>	<b>\$249,326.04</b>	<b>\$0</b>	<b>\$0</b>

Footnotes:

1. Payments are due upon the events specified above.
2. Late fees shall accrue on all amounts not paid within forty-five (45) days of invoice date.
3. Customer agrees to pay all shipping, handling and insurance costs which will be billed as incurred.
4. This quote expires sixty (60) days from date of issue.
5. Maintenance/Support is a recurring charge which will begin at the listed event.
6. The Customer agrees that 100% of the license fee payments are due from Customer on the earlier of (1) achievement of the applicable license fee payment milestone(s), or (2) twenty-four (24) months from the Effective date.
7. Completion of milestone for any component within the Centricity® Practice Solutions Suite constitutes completion of that milestone for the respective suite in its entirety.



The Community Health Specialists

CySolutions, Inc.  
 P.O. Box 93132  
 Southlake, TX 76092  
 866-883-9299  
 www.cysolutions.com

Date Submitted December 31, 2008  
 Quote Expiration April 15, 2009  
 Prepared by: David Lane  
 Phone: 866-883-9299 x256

**Quotation Prepared for:**  
 Stanislaus Health & Human Services  
 1030 Scenic Drive  
 Modesto, CA 95350

**Contact** Greg Diederich  
**Title** I.T. Manager  
**Telephone** 209-558-7697  
**email** [gdiederich@schsa.org](mailto:gdiederich@schsa.org)

Software	QTY	Licensed Software Description	Unit	Total
MMBASE	1	<b>ManageMed Administration System</b> Member benefits and eligibility Provider Credentialing Utilization and Case Management Referral Processing Health Claims Processing includes adjudication and payment Capitation Reconciliation and Payment Encounter and Financial Reporting includes interface to Accounting System	\$95,000.00	\$95,000.00
MMEDI	1	<b>ManageMed EDI Claims Processor</b> Electronic Eligibility Processor Includes claims and pre-processing	\$7,250.00	\$7,250.00
MMELIG	1	<b>ManageMed Electronic Eligibility Processor</b> Electronic Eligibility Processor includes user mapping tool interfaces to multiple inbound formats	\$5,250.00	\$5,250.00

Support	QTY	Annual Maintenance and Support	Unit	Total
MMSUPP	1	<b>ManageMed Annual Maintenance and Support</b> includes all software upgrades includes unlimited telephone / electronic support	\$18,500.00	\$18,500.00

Services	QTY	Implementation Services	Unit	Total
MMIMP	80	<b>ManageMed Implementation</b> includes all Implementation, configuration & set-up fees	\$125.00	\$10,000.00

**Proposal Summary**

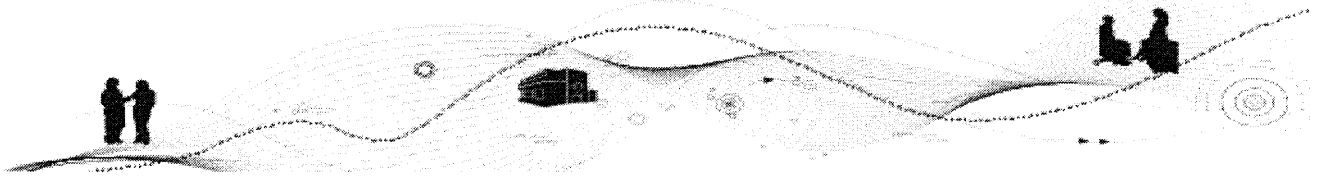
Licensed Software	\$107,500.00
Software Reference Discount	-\$10,750.00
Annual Support & Maintenance	\$18,500.00
Support Reference Discount	-\$1,850.00
Implementation Services	\$10,000.00
<b>Total</b>	<b>\$123,400.00</b>

**Terms & Conditions**

**Payment Terms:** 50% due upon acceptance of quote.  
 Balance of each item payable as delivered (as with hardware or software)  
 Balance of each item payable as service completed (as with Project Management or Training)  
 Items not paid within 20 days of invoice incur a 1.5% per month service charge.

**Accepted by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

# Complete information, One location



## Centricity Practice Quotation

Quote Expires: 12/15/09

Client Number:

Quote By: Michael Snead

**Bill to Customer**

Customer Name: Stanislaus County Health Services Agency

**Ship to Customer**

Customer Name: Stanislaus County Health Services Agency

Phone: 530-295-1119

Fax: 530-387-2030

E-mail: Michael.Snead@GE.com

Creation

Date: 1/1/2009

Contact Name: Greg Diederich

Address: PO Box 492

City, State Zip Code: Modesto, CA 95353

Phone: 209-558-7697

Contact Name: Greg Diederich

Address: 830 Scenic Drive

City, State Zip Code: Modesto, CA 95353

Phone: 209-558-7697

E-Mail: GDiederich@schsa.org

E-Mail: GDiederich@schsa.org

### Quote

Number: #10

Specialty: Community Health

Specialty: Community Health

Licensed Software

Customer may purchase the products and services listed on this quotation, at the prices listed, if the purchase is made prior to 12/15/2009

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
250	2036211-001	Centricity Practice Solution Rosetta Stone Gateway Software (licensed on a per Concurrent User Basis)	Concurrent	\$166.67	\$166.67	\$0.00	\$0.00
250	2036215-001	Centricity Practice Solution CareCatalyst Software (licensed on a Concurrent User Basis)	Concurrent	\$333.33	\$33.33	\$300.00	\$75,000.00
250	2036213-001	Centricity Practice Solution Clinical Messenger	Concurrent	\$333.33	\$33.33	\$300.00	\$75,000.00
<b>Total Software:</b>							<b>\$150,000.00</b>

**DELIVERY AND PAYMENT TERMS FOR LICENSED SOFTWARE:** Licensed Software will be shipped F.O.B.origin or electronically delivered immediately upon receipt of a signed Quotation. Invoice will be generated upon shipment or electronic transmission of the Licensed Software. **Payment terms are Net 30 days from invoice date**

### Professional Services

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
65	2037196-001	Complementary Product Implementation	Hour	\$200.00	\$30.00	\$170.00	\$11,050.00
<b>Total Professional Services:</b>							<b>\$11,050.00</b>

**DELIVERY AND PAYMENT TERMS FOR PROFESSIONAL SERVICES:** (1) Professional Services actually delivered, except for services priced on an hourly basis will be invoiced upon the Go-Live Date, which means the date the Licensed Software is ready for use in a production environment or upon completion of the services (for services provided subsequent to the Go-Live Date). (2) Services priced on an hourly basis will be invoiced monthly after delivery of services. Travel and living expense will be billed separately on a monthly basis as incurred. **Payment terms for all professional service invoices are net 30 days from invoice date.**

### Annual Maintenance and Support (12-month term, billed annually)

Quantity	Product ID	Description	License Metric	Unit Price	Unit Discount	Discounted Price	Extended Price
250	2036223-001	Centricity Practice Solution Rosetta Stone Gateway Annual Support (licensed on a Concurrent User Basis)	Concurrent	\$36.67	\$36.67	\$0.00	\$0.00
250	2036227-001	Centricity Practice Solution Care Catalyst Annual Support (licensed on a Concurrent User Basis)	Concurrent	\$73.33	\$0.00	\$73.33	\$18,332.50
250	2036225-001	Centricity Practice Solution Clinical Messenger Annual Support (licensed on a Concurrent User Basis)	Concurrent	\$73.33	\$0.00	\$73.33	\$18,332.50
<b>Total Annual Support:</b>							<b>\$36,665.00</b>

**DELIVERY AND PAYMENT TERMS FOR MAINTENANCE AND SUPPORT:** The Initial Term of Maintenance and Support shall commence, and the annual fees shall be invoiced upon the Installation Date and shall end immediately prior to the first anniversary of such date. "Installation Date" means the date of issuance of the keys that enable the use of the Licensed Software. **Payment terms are net 30 days from the invoice date.** During the annual term of a customer's maintenance and support contract, customer may request termination of maintenance and support on any of their licenses by notifying GE of the change. Upon receipt of customer's written notification, GE will deactivate the license or licenses, which will terminate maintenance and support on those license or licenses. Because maintenance and support are provided on an annual term, no credits or refunds are issued on deactivated licenses for the remaining months of the annual term. Maintenance and support on deactivated licenses will not be renewed or billed at the annual contract renewal date, provided customer notifies GE of license deactivation within 60 days prior to annual contract renewal date.

Totals:

Software and Professional Services	\$161,050.00
Annual Maintenance and Support	\$36,665.00

**This quote contains discounts totaling \$58,333 for software and \$13,000 for IT Professional Services.**

## Practice Solutions-Cover Signature Page

This Agreement is by and between the Customer, as identified below, and the General Electric Company, by and through its GE Healthcare division (referred to herein as "GE Healthcare"). GE Healthcare agrees to provide and Customer agrees to pay for the products and/or services set forth in this Agreement, all in accordance with the terms and conditions set forth herein. This Agreement is comprised of:

1. The attached GE Healthcare Quotation(s) (together with any applicable schedules referred to herein) that identifies the product and/or service offerings purchased or licensed by Customer; and
2. The attached (i) GE Healthcare License and Services Agreement and (ii) Additional Terms and Conditions for Centricity EDI Services.

In the event of conflict among the foregoing items, the order of precedence is as numbered above. In the event of conflict among the foregoing items, the order of precedence is as numbered above. No terms, conditions or warranties other than those identified in this Agreement and no agreement or understanding, oral or written, in any way purporting to modify such terms and conditions whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding on GE Healthcare unless hereafter made in writing and signed by GE Healthcare's authorized representative. Customer is hereby notified of GE Healthcare's objection to any terms inconsistent with this agreement and to any other terms proposed by Customer in accepting this agreement. Neither GE Healthcare's subsequent lack of objection to any such terms, nor the delivery of the products or services, shall constitute an agreement by GE Healthcare to any such terms. GE Healthcare reserves the right to remove any product from the applicable GE Healthcare Quotation and this Agreement without liability at any time prior to shipment of such product if such product is not then available in the applicable jurisdiction. GE Healthcare reserves the right to remove any product from the applicable GE Healthcare Quotation and this Agreement without liability at any time prior to shipment of such product if such product is not then available in the applicable jurisdiction.

CUSTOMER AGREES TO THE TERMS AND CONDITIONS OF THE QUOTATION(S), THE GE HEALTHCARE LICENSE AND SERVICES AGREEMENT (WITH RESPECT TO PURCHASES OF SOFTWARE AND SERVICES), AND THE ADDITIONAL TERMS AND CONDITIONS FOR CENTRICITY EDI SERVICES INCORPORATED HEREIN BY REFERENCE.

Customer will sign and return this Quotation to GE Healthcare for items identified on this Quotation. Customer may issue a Purchase Order in addition to the signed Quotation to satisfy its internal requirements. Customer has caused this Agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Quote template :- PS1.69

### IMPORTANT CUSTOMER ACTION:

Please **initial only one** form of payment for this arrangement. If financing by "**HFS Loan**" or "**HFS Lease**" is **NOT selected at this time**, then you may **NOT** elect to seek financing with Healthcare Financial Services (HFS) at a later date to fund this arrangement.

\_\_\_\_\_ Cash \_\_\_\_\_ HFS Loan \_\_\_\_\_ HFS Lease

\_\_\_\_\_ Third-Party Lease (Please identify finance company \_\_\_\_\_)

### Additional Notes :

- (1) Applicable state and local taxes will be added to the invoice. Freight charges, if any, will be prepaid and added to the invoice.
- (2) Third party Electronic Data Services are covered by the third-party, provider/manufacturer/supplier's warranties, to the extent available. CUSTOMER ACKNOWLEDGES THAT NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, HAVE BEEN MADE BY GE HEALTHCARE AS TO ANY THIRD PARTY ELECTRONIC DATA SERVICES.
- (3) Financing is an estimate and is not approved or relieves the customer of their payment obligation, as stated on the quotation unless the customer executes a financing agreement with GE Healthcare Financial Services.

### Definitions:

**Provider** is defined as any billable provider of healthcare services, including a doctor or medicine, osteopathy, dental science, psychiatric medicine, chiropractic medicine, residents, nurse practitioners, physical therapists and physician assistants. Provider licenses are purchased for the maximum number of Providers authorized to use the Software.

**Concurrent Users** are defined as the maximum number of users authorized to simultaneously log on to the Software. Concurrent User licenses are purchased for the maximum number of users authorized to simultaneously log on to the Software.

**Designated Individual** is defined as a particular individual who has been identified by name and user authorization ID, regardless of whether the individual is actively using the software at any given time. Designated Individual licenses are purchased for every individual authorized to use the Software.

**Enterprise** is defined as the Customer and any entities controlled by or under the control of Customer.



The Community Health Specialists

CySolutions, Inc.  
P.O. Box 93132  
Southlake, TX 76092  
866-883-9299  
www.cysolutions.com

Date: December 17, 2008  
Expiration: December 15, 2009  
Prepared by: David Lane  
Phone: 866-883-9299 x256

**Quotation Prepared for:**  
Stanislaus County Health Services  
1030 Scenic Drive  
Modesto, CA 95350

**Contact** Greg Diederich  
**Title** I.T. Manager  
**Telephone** 209-558-7102  
**email** GDiederich@schsa.org

Software	QTY	Licensed Software Description	Unit	Total
PECS update	1	Upgrade Chronic Disease Mgmt system PECS to PECSYS 3.7: Includes Unlimited Patient DB	\$30,000.00	\$30,000.00

Services	QTY	Implementation Services	Unit	Total
CDMS Intfce	1	PECSYS Integration Bi-directional interface to PECSYS version 3.6	\$7,500.00	\$7,500.00

Support	QTY	Annual Maintenance and Support	Unit	Total
PECSYS Sppt	1	PECSYS Integration annual Maint. & Support	\$1,500.00	\$1,500.00

**Proposal Summary**

Licensed Software	\$30,000.00
Implementation Services	\$7,500.00
Annual Support & Maintenance	\$1,500.00
FTE Adjustment	
<b>Total</b>	<b>\$39,000.00</b>

**Terms & Conditions**

**Payment Terms:** 50% due upon acceptance of quote.  
Balance of each item payable as delivered (as with hardware or software)  
Balance of each item payable as service completed (as with Project Management or Training)  
Items not paid within 20 days of invoice incur a 1.5% per month service charge.

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_

APPROVED AS TO FORM:  
BY: Dean Wright DATE: 1-21-09  
Dean Wright, Deputy County Counsel



*GE Healthcare Financial Services*

---

**Bruce Barnum**

GE Healthcare Financial Services

5335 SW Meadows Road, Suite 450  
Lake Oswego, OR 97035  
503 603-1511 Fax: 866 369-8939

February 5, 2009

Mr. Greg Diederich  
Associate Director, Clinical Services  
Stanislaus County Health Services Agency  
830 Scenic Drive  
Modesto, CA 95353

Dear Mr. Diederich:

GE Healthcare Financial Services (“GEHFS”) is pleased to submit the following Tax-Exempt Financing Proposal for your consideration. This Proposal supersedes all previous financing proposals provided by GE Healthcare Financial Services.

**Transaction:** Financing transaction with interest that is exempt from federal income taxation documented pursuant to one or more Master Lease Agreements (each, an “Agreement”) between Lessor and Lessee. The Agreement contains the general terms and conditions applicable to each financing and each financing will be documented pursuant to an Equipment Schedule to the Agreement. Documents shall include the Agreement, Equipment Schedules and certificates as are reasonably necessary to evidence and carry out the transactions including representations, warranties and indemnities which are deemed appropriate by Lessor. Lessor will provide the form of documentation upon Lessee’s execution of this Proposal.

**Lessee:** Stanislaus County for the benefit of Stanislaus Health Services Agency (the “Hospital”)

**Lessor:** GE Government Finance, Inc. (“GEGF”) and their assigns.

**Equipment:** GE Centricity Practice Solutions Package.

**Equipment Cost/Funding Amounts:** \$1,257,028.92 (including sales tax at 7.375%). See attached Centricity Solution summary.  
**Phase 1** (including sales tax at 7.375%): \$560,210.27. Full Centricity package including 50 CPS concurrent user licenses.  
**Phase 2** (including sales tax at 7.375%): \$696,818.65. Adding 200 concurrent user licenses.

**Escrow Funding Date(s):** Upon execution and delivery of the Agreement and all documents specified therein, including Escrow Agreement(s), by Lessor and Lessee, and the satisfaction of all terms and conditions of the Agreement relating to the closing of each Equipment Schedule. It is understood that the Schedules will be funded into escrow prior to the delivery of related GE Healthcare equipment.

**Phase 1:** it is envisioned that Phase 1 will be funded into escrow on or about February 15, 2008

**Phase 2:** it is envisioned that Phase 2 will be funded into escrow on or about May 15, 2009

**Lease Payment Schedule:** **Phase 1:** 3 monthly interest only followed by 48 months of principal and interest payments, all in arrears. Based upon the above Funding Amount and indicative Interest Rate the Lessee would pay three monthly interest payments of \$2,590.97 followed by 48 payments of principal and interest of \$13,041.29.

**Phase 2:** 48 months of principal and interest payments, all in arrears. Based upon the above Funding Amount and indicative Interest Rate the Lessee would make 48 payments of principal and interest of \$16,221.43.

**Base Interest Rate:** 5.55% (effective as of 2/03/09)

**Rate Determination Date:** The funding rate will be set three to five days prior to each escrow funding (Closing)

**Ownership for Tax Purposes  
And Grant of Security Interest:** For Federal Income Tax purposes, Lessee and Lessor agree that it is their mutual intention that Lessee shall be considered the owner of the Equipment.

A first priority security interest in all of the Equipment will be granted to Lessor and the Equipment may be subject to no other liens. If the Equipment is deemed to be a fixture, Lender will require a legal description of the premises where the Equipment is located in order that the necessary fixture filings may be made to create and preserve Lessor's first priority security interest and that a landlord or mortgagee waiver be executed, as applicable.

Lessee hereby irrevocably authorizes Lender and its assigns at any time and from time to time to file in any jurisdiction any initial financing statements and amendments thereto that identify the Equipment, facility or any other assets of Lessee subject to the financing described herein.

- Net Lease:** All obligations, costs and responsibilities associated with ownership of the Equipment will be borne by Lessee including insurance, maintenance, and applicable taxes. Lessee will be responsible for making payments in all circumstances (except in the event of Non-Appropriation).
- Legal Opinions:** Counsel to Lessee shall provide an opinion as to legality, enforceability, authority, title and execution and effect of the Agreement and other documents in form and substance satisfactory to Lessor.
- Lease Structure:** Tax-exempt \$1 buyout Lease Agreement. The lease may be structured, at the discretion of the Lessor, as an abatement lease or as an annually appropriated lease.
- Fees:** Lessor will be responsible for all of its closing and transaction costs. Lessee will be responsible for all of its closing and transaction costs, including the cost of all required legal opinions. It is estimated that that Lessee will pay a \$250 for each of the two escrow accounts for a total of \$500.
- Prepayment:** Lessee shall **not** have the right to prepay during the initial 18 months of the financing and can prepay at anytime thereafter at the outstanding principal balance with no prepayment penalty.
- Insurance Requirements:** Lessor will require Lessee to maintain liability and physical damage insurance throughout the term of each Equipment Schedule which shall be reviewed and approved by Lessor prior to funding. Lessor shall be a loss payee and additional insured on all policies. The physical damage insurance shall include a breach of warranty clause for the benefit of Lessor. Upon execution of this Proposal, Lessor shall provide further information on its insurance requirements.
- Assignment:** Lessor may assign its rights to enter into an Equipment Schedule and its rights as Lessor under an Equipment Schedule without the consent of Lessee.
- Proposal Expiration:** **The proposal must be accepted by February 20, 2009.** Extensions to this date may be granted by Lessor in its sole discretion.

This proposal constitutes only a general, non-binding expression of interest on the part of Lessor. THIS PROPOSAL IS SUBJECT TO LESSOR'S CREDIT, LEGAL AND INVESTMENT APPROVAL PROCESS AND IS NOT INTENDED TO, AND DOES NOT, CREATE A LEGALLY BINDING COMMITMENT OR OBLIGATION ON THE PART OF LESSOR. The creation of such a legally binding commitment or obligation is subject to, among other things, the completion by Lessor of an in-depth investigation of the proposed investment, the results of which are deemed satisfactory by Lessor and the negotiation, execution and delivery of definitive documents which shall be mutually agreed upon by all parties. IT IS UNDERSTOOD THAT NO PARTY HERETO SHALL BE LEGALLY BOUND TO



THE OTHER BY REASON OF THIS LETTER, NOR SHALL RIGHTS, LIABILITIES OR OBLIGATIONS ARISE AS A RESULT OF THIS LETTER.

We look forward to your favorable review and response. By accepting this Proposal, Lessee acknowledges that this letter contains the entire proposal (superseding all previous representations and agreements, either oral or written) and that there are no promises, agreements or understandings outside of this letter.

If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at (503) 603-1511.

Sincerely,

Bruce Barnum  
Enterprise Client Manager  
GE Healthcare Financial Services

**Agreed and Accepted:**

**Lessee**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Federal Tax I.D. # \_\_\_\_\_

**NOTICE**

**The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.**