COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System

DATE:	April 29, 2011
BOARD MEETING DATE:	June 21, 2011
SPECIAL NOTICE/HEARING:	None
VOTE REQUIRED:	Majority

TO: Honorable Board of Supervisors

FROM: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer
San Mateo Medical Center

SUBJECT: Amendment to the Agreement with MedAssets Supply Chain Systems, LLC to provide Contract Manager / Contract Manager Pro / Rapid Reserves services

RECOMMENDATION:
Adopt a Resolution authorizing the:
A)   President of the Board to execute an Amendment, to the Agreement with MedAssets Supply Chain Systems, LLC to provide Contract Manager / Contract Manager Pro / Rapid Reserves services for the term of February 1, 2011 through January 31, 2016, with two one-year extensions, in an amount not to exceed $750,000; and

B)   Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than $25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BACKGROUND:
On January 25, 2011, your Board approved an Agreement with MedAssets Supply Chain Systems, LLC (MedAssets) to provide a group purchasing organization program (GPO) for the County of San Mateo and San Mateo Medical Center (SMMC), On April 26, 2011, your Board approved an amendment to add the Broadlane Group, Inc. as an affiliate and to extend the term though January 31, 2016 among other changes. On June 7, 2011, your Board approved an amendment for professional registry services.

DISCUSSION:
Currently San Mateo Medical Center (SMMC) has no automated and efficient way to compare the individual patient charges being reimbursed to the contracted amount. Contract Manager / Contract Manager Pro / Rapid Reserves services provided by

MedAssets will allow for the contract rates to be uploaded into an electronic system, which will allow SMMC to track under- and over-payments compared to contracts with various insurance providers and stated rates in real time. This will provide SMMC the net amount of accounts receivable at the time of billing. This will improve the accuracy of the SMMC accounts receivable.

County Counsel has reviewed and approved this Amendment and Resolution as to form. The Contractor's insurance has been reviewed and approved by Risk Management.

MedAssets has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. The County Manager has previously approved a waiver of the three-year limit on contracts.

This Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to quality products for SMMC patients. It is anticipated that SMMC's cost per adjusted patient day will increase from $881 to $918.

Performance Measure:

Measure	FY 2009-10 Actual	FY 2010-11 Projected
SMMC cost per adjusted patient day	$881	$918*

*Due to increase in operating costs

FISCAL IMPACT:
The term of the Agreement remains February 1, 2011 through January 31, 2016, with two one-year extensions. The maximum fiscal obligation of this Amendment is $750,000. Funds in the amount of $150,000 will be included in the SMMC FY 2011-12 Recommended Budget. Similar arrangements will be made for future years.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * * *

RESOLUTION AUTHORIZING THE: A) PRESIDENT OF THE BOARD TO EXECUTE AN AMENDMENT, TO THE AGREEMENT WITH MEDASSETS SUPPLY CHAIN SYSTEMS, LLC TO PROVIDE CONTRACT MANAGER / CONTRACT MANAGER PRO / RAPID RESERVES SERVICES FOR THE TERM OF FEBRUARY 1, 2011 THROUGH JANUARY 31, 2016, WITH TWO ONE-YEAR EXTENSIONS, IN AN AMOUNT NOT TO EXCEED $750,000; AND B) CHIEF OF THE HEALTH SYSTEM OR DESIGNEE TO EXECUTE CONTRACT AMENDMENTS WHICH MODIFY THE COUNTY'S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN $25,000 (IN AGGREGATE), AND/OR MODIFY THE CONTRACT TERM AND/OR SERVICES SO LONG AS THE MODIFIED TERM OR SERVICES IS/ARE WITHIN THE CURRENT OR REVISED FISCAL PROVISIONS.

_____

  RESOLVED, by the Board of Supervisors of the County of San Mateo, State of

California, that

  WHEREAS, On January 25, 2011, the Board of Supervisors approved an

Agreement with MedAssets Supply Chain Systems, LLC (MedAssets) for the purpose of

providing a group purchasing program for the County of San Mateo for the term January

1, 2011, through December 31, 2015, with two one-year extensions, at no cost to the

County of San Mateo; and

  WHEREAS, on April 26, 2011, the Board of Supervisors approved an

Amendment to the Agreement with MedAssets, in order to add an affiliate, the

Broadlane Group, Inc., to provide additional purchasing options to the County, update

the Agreement's terms, and clarify the duration of the Agreement's initial term; and

  WHEREAS, Currently San Mateo Medical Center (SMMC) has no automated

and efficient way to compare individual patient charges from what is being reimbursed to the contracted amount; and

WHEREAS, Contract Manager / Contract Manager Pro / Rapid Reserves services provided by MedAssets will allow for the contract rates to be uploaded into an electronic system, which will allow SMMC to track under- and over-payments compared to contracted and stated rates in real time; and

WHEREAS, this Board has been presented with a form of such Amendment, has examined and approved it as to both form and content, and desires to enter into it.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the President of this Board of Supervisors be and is hereby authorized and directed to execute said Amendment, for and on behalf of the County of San Mateo, and the Clerk of the Board shall attest the President's signature thereto.

BE IT FURTHER RESOLVED that the Chief of the Health System or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than $25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

*   *   *   *   *   *

SOW 3
CONTRACT MANAGER / CONTRACT MANAGER PRO / RAPID RESERVES

Name: __SAN MATEO COUNTY__

> THE UNDERSIGNED PARTIES ACKNOWLEDGE AND AGREE THAT THIS SOW IS MADE PART OF THE MASTER AGREEMENT BETWEEN SAN MATEO COUNTY AND MEDASSETS SUPPLY CHAIN SYSTEMS, LLC DATED AS OF THE 25TH DAY OF JANUARY, 2011 (THE "AGREEMENT").

1.   Term and Termination.

1.1   SOW Term. The services provided under this SOW (the "SOW 2 Services") shall commence upon _____(the "SOW 2 Effective Date") and continue until January 31, 2016(the "Initial SOW Term"), and shall automatically renew for two successive one (1) year extensions (each a "SOW 2 Renewal Term" and collectively the "SOW 2 Term"), unless either Party gives written notice to the other Party, to terminate a particular Module at least ninety (90) days prior to the expiration of the then current SOW Term. Such notice shall serve as representation of Covered Facility's desire not to renew that particular Module and such notice shall not be applied to other Modules unless Covered Facility so indicates.

1.2   SOW Termination. In the event Covered Facility or MedAssets breaches any material provision of this SOW, the non-breaching Party shall provide written notice of such breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching Party has failed to cure the breach, the non-breaching Party may, in its sole discretion, terminate this SOW by providing a letter of termination to the breaching Party which shall specify the exact date of termination.

2.   Covered Facilities. Individual sites covered by this SOW (each a "Covered Facility" for the purposes of this SOW) are listed below. Each site must be listed individually (i.e. multiple sites shall not be grouped under a common name) and shall only have access to the Modules set forth on the table provided in Section 4 below. MedAssets shall have no obligation to implement any site not specifically listed below.

COVERED FACILITIES						
Facility ID	Facility Name	Facility City, State	Staffed Beds	CDM Items w/ Usage	MIF Items	Patient Accounting System
759	San Mateo Medical Center	San Mateo, CA	100	10,000 or less	N/A	McKesson

3.   Definitions. The following definitions are in addition to those contained in the Agreement and shall pertain to the SOW 2 Services:

Module Start Date shall mean the latest of either the (i) Go Live Date, (ii) SOW 2 Effective Date, (iii) Specified Date, or (iv) Specified Event.

Go Live Date shall mean the delivery date of Exhibit B ("Live Status Notification") via e-mail; provided Covered Facility has not submitted to MedAssets written issues during the ten (10) day period following receipt of the Live Status Notification. Covered Facility Go Live Dates shall be identified separately for each Covered Facility or Central Business Office ("CBO") for each Module.

Live Status shall mean the Module is accessible by end users on a daily basis for conducting normal business operations.

4.   Fees, Payment Terms and Expenses.

4.1   Fees. The fees for the SOW 2 Services (the "Fees") shall be as detailed below.

      4.1.1   Contract Manager. Contract Manager Fee Details:

Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
San Mateo Medical Center	$34,600	$64,100	60 Months	Standard = 5 Advanced = 2	Standard = $120 Advanced = $1,200	N	Specified Event*

* Module Start Date shall occur upon the moving of the approved top ten payor contract profiles to production for daily pricing for the applicable Covered Facility.

    (i)   <u>Contract Manager Contract Loading Fee</u>. The contract loading fee for scanning, analysis, profiling; and testing shall equal:
    (i)   Hospital Contracts – with straight percentage reimbursement - $175 per profile
    (ii)   Hospital Contracts – all other contracts - $275 per profile
    (iii)   The above-referenced loading fees shall be billed as charges are incurred.

    (ii)   <u>Contract Manager Optional Fees.</u> The following services are offered on-request with the fees provided below. These services are billed at the completion of initial profile load.
    a)   Off cycle reports (Off cycle is defined as an existing report that requires running or re-running outside of the established frequency of daily, weekly, or monthly);
        i.   First five (5), included without additional charge; and,
        ii.   Additional off cycle reports, $125 per report.
    b)   Contract negotiation support [typically about six (6) hours per instance/payor], shall equal $100 per hour;
    c)   Additional Internet modeling / Extended query users (per user account, per facility) shall equal $100 per month [first four (4) are included];
    d)   Other service requests/consulting/development/custom report/custom data extracts shall equal $150 per hour; and,
    e)   Manual data entry of tables >50 lines items, $50 per hour.

    (iii)   <u>Contract Manager User ID Fee</u>. The per user account, per facility fee for Internet ID shall equal $10 per month for all users above the base number of users included in Section 4.1.1 The first month of this fee shall be invoiced on the Effective Date, if applicable, with subsequent invoices provided the first of each month thereafter.

    4.1.2 <u>Contract Manager Pro</u>. Contract Manager Pro Fee Details:

Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
San Mateo Medical Center	$28,600	$60,075	60 Months	Standard = 5 Advanced = 2	Standard = $120 Advanced = $1,200	N	Specified Event*

* Module Start Date shall occur upon the moving of the approved top ten payor contract profiles to production for daily pricing. For the applicable Covered Facility.

    (i)   Contract Manager Pro Contract Loading Fee. The contract loading fee for scanning, analysis, profiling; and testing shall equal:

    a)   Professional contracts – with straight percentage reimbursement - $175 per profile
    b)   Professional contracts – all other contracts - $275 per profile
    c)   The above-reference loading fees shall be billed as charges are incurred.

    (ii)   <u>Contract Manager Pro Optional Fees.</u> The following services are offered on-request with the fees provided below. These services shall be billed at the completion of initial profile load.

a) Off cycle reports (Off cycle is defined as an existing report that requires running or re-running outside of the established frequency of daily, weekly, or monthly);
   i. First five (5), included without additional charge; and,
   ii. Additional off cycle reports, $125 per report.
b) Contract negotiation support (typically about 6 hours per instance/payor), $125 per hour;
c) Additional Internet modeling / Extended query users (per user account, per facility) shall equal $100 per month (first 4 are included);
d) Other service requests/consulting/development/custom report/custom data extracts shall equal $150 per hour; and,
e) Manual data entry of tables > 50 line items, $50 per hour.

(iii) <u>Contract Manager Pro User ID Fee</u>. The per user account, per facility fee for User ID shall equal $10 per month for all users above the base number of users included in Section 4.1.2. The first month of this fee shall be invoiced on the Effective Date, if applicable, with subsequent invoices provided the first of each month thereafter.

4.1.3 <u>Rapid Reserves</u>. Rapid Reserves Fee Details:

Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
San Mateo Medical Center	$9,045	$25,500	60 Months	Standard = 5 Advanced = 2	Standard = $120 Advanced = $1,200	N	Go Live

<u>Optional Fees.</u> The following services are offered on-request with the fees provided below. These services are billed at the completion of initial profile load.
a) Off cycle reports (Off cycle is defined as an existing report that requires running or re-running outside of the established frequency of daily, weekly, or monthly);
   i. First five (5), included without additional charge; and,
   ii. Additional off cycle reports, $125 per report.
b) Contract negotiation support [typically about six (6) hours per instance/payor], shall equal $100 per hour;
c) Additional Internet modeling / Extended query users (per user account, per facility) shall equal $100 per month [first four (4) are included];
d) Other service requests/consulting/development/custom report/custom data extracts shall equal $150 per hour;
e) Manual data entry of tables > 50 line items, $50 per hour.

4.2 <u>Setup Fees</u>. Setup fees shall be invoiced and payable upon the SOW 2 Effective Date.

4.3 <u>Subscription Fee</u>. The subscription fee shall be invoiced and payable monthly in advance, beginning on the earlier of (i) Module Start Date or (ii) six months from the SOW 2 Effective Date.

4.4 <u>Conversion Time and Material Billing</u>. In the event any work related to the conversion from a Covered Facility Patient Accounting System ("PAS") to another PAS is not covered by this SOW, the terms of such conversion shall be set forth in a separate SOW entered into by the Parties hereto.

4.5 <u>Consumer Price Index</u>. During the SOW 2 Term, the Fees set forth above may be revised by MedAssets, in its sole discretion, on an annual basis on each anniversary of the applicable Commencement Date; provided, however, that any such annual price changes will be capped at the lesser of (i) the annual Consumer Price Index; or, (ii) five percent (5%). As used herein, the annual Consumer Price Index means the percentage change for the applicable one (1) year period of the "All Items Figure" of the Consumer Price Index - All Urban Consumers – U.S. City Average (1982-84 = 100) issued by the Bureau of Labor Statistics of the United States Department of Labor.

4.6   Expenses. Travel and reasonable lodging expenses are not included in the above fees and shall be paid by Covered Facility pursuant to the terms set forth in Section 4.3 of the Agreement.

4.7   Sales Tax Exemption Certificate. In the event that Covered Facility is a tax-exempt entity, the Covered Facility shall provide its tax-exempt certificate pursuant to the terms set forth in Section 4.4 of the Agreement.

4.8   Live Status. If applicable, in the event Covered Facility is Live Status for more than ten (10) business days beyond the Go Live Date and MedAssets has not received written notifications of issues that prevent the system from being used, the Module shall be deemed accepted, the Setup fees shall be invoiced and the subscription service activated.

In the event that Covered Facility does not believe the Module is in a Live Status, it shall provide a list of written issues to MedAssets to be resolved to achieve Live Status within ten (10) business days of Live Status Notification e-mail for the applicable Module. Following the delivery of the issues list, Covered Facility shall notify MedAssets within five (5) business days whether it will (i) keep the system live in a production state in which case the Module will be deemed to be in a Live Status and Subscription Fees shall commence as set forth above as well as any other fees which may be due upon such Subscription service activation; or (ii) revert back to a test state until such time as any issues are resolved. Covered Facility agrees and acknowledges that the test state shall (i) only permit a limited number of users to have access for testing purposes, (ii) suspend new data loading, (iii) suspend any automated batch processing and (iv) suspend any ongoing mapping or data entry service until such time that the identified issues or new feature requests which are blocking activation can be addressed or explained.

In the event Covered Facility fails to provide MedAssets notice of its decision as to whether it will accept the Go Live Date or revert to a pre Go Live Date status after delivery of a written issues list, and the system is left in a Live Status for a total of fifteen (15) business days from the date of Live Status notification, the system will be deemed to have received acceptance and Subscription Fees shall commence as set forth above as well as any other fees which may be due upon such Subscription Fee activation as set forth herein.

4.9   Not to Exceed Amount. The services provided under this SOW shall not exceed seven hundred and fifty thousand dollars ($750,000.00) without prior written approval in advance by the Covered Facility. In no event will the Covered Facility be liable for any costs or expenses beyond this not-to-exceed amount, regardless of how such costs are incurred.

5.   Description, Deliverables and Obligations of the Parties.

5.1   Contract Manager Services.

5.1.1 Contract Manager Data Submission. For inbound interface requirements, during setup the Covered Facility shall provide MedAssets with sample data in the specific standardized formats outlined in the MedAssets data requests. Covered Facility shall be responsible for the acquisition and transfer of any required data from a 3rd party in which MedAssets does not have an existing contracted business relationship allowing for the direct acquisition of data. Covered Facility accepts that the inability to meet all specific data requirements may extend or place a hold on the setup process as well as limit the full capabilities of certain features of the application after Go Live. After sample file conformity has been approved by MedAssets all subsequent submissions of data shall be provided in the same file layout. Covered Facility shall provide MedAssets its data on a regular schedule as outlined in the MedAssets data requests, and shall deliver the data via an FTP file transfer. If standard reports or files do not exist and Covered Facility information systems personnel create a data extraction process (i.e., scripts, etc.), MedAssets requires documentation of this data extraction process. MedAssets shall provide a template for facilitating this documentation process.

For outbound interface requirements, the Covered Facility shall provide MedAssets during setup with the requested file layout for any outbound data file. MedAssets shall assess existing standard reports and file extraction tools in identifying whether the requested layout can be readily accommodated, can be accommodated through custom development, or falls outside of the capabilities of the application. In the event custom development is required, included within setup the Covered Facility there shall be a reasonable

allotment of custom development that is available to accommodate a custom file layout. Beyond any such reasonable allotment of hours and in no event more than 16 hours, all work shall be billable on a time and materials basis as necessary to accommodate the requested file layout. If the requested file is to be produced on a recurring basis, the file size should be less than 2mb. In the event there is a request for any size above this amount additional costs shall be incurred and paid by the requesting Covered Facility. For the Contract Manager expected adjustment file extract, MedAssets shall only accommodate a single layout for each database. The usage of any outbound file for import into any system operated by the Covered Facility shall be the responsibility of the Covered Facility once the file is successfully transferred via the FTP transfer process.

5.1.2 Contract Manager Changes to Data Formats and/or System Architecture. Any changes to Covered Facility data formats during the Initial SOW Term shall require MedAssets to create new templates and to otherwise modify the Services provided hereunder to accommodate the changed format. Subject to availability, MedAssets shall use its commercially reasonable efforts to provide data conversion and other additional services under an SOW, on a time and materials basis, as necessary to accommodate the changed format. Moreover, in the event Covered Facility undergoes a future system conversion, upgrade, or any other major system update that results in material changes in interface requirements applicable to any of the Services, additional fees may be necessary for setup or other procedures, and the related additional services may be provided by MedAssets pursuant to a separately agreed to SOW. Material changes are those changes which require additional efforts beyond those detailed in the Services on the part of MedAssets to insure that data can be processed, loaded, viewed, edited or exported with accuracy.

5.1.3 Contract Manager Data Requirements. The data files listed below are examples of the minimal data requirements that shall be needed to be submitted as part of the setup and thereafter for the remainder of the Initial SOW Term.

> (i)   Post edited claims (ongoing submission);
> (ii) Detailed charges (ongoing submissions);
> (iii) Payment and adjustment transactions (ongoing submission);
> (iv) Charge description master (ongoing submission);
> (v)   Account data crosswalk (ongoing submission)
> (vi) Payment and adjustment transaction code master (one time submission); and,
> (vii) Insurance master (one time submission).

A data request with sample formats of electronic and hardcopy data requirements shall be emailed to the Covered facility at the outset of the project.

5.1.4 Contract Manager Enhancement Requests During Setup and Ongoing Processing: Submissions of application enhancement requests made by the Covered Facility will be considered for future development to the application. MedAssets reserves the right to determine the analysis and release schedule for all enhancement requests and also has the right to decline the enhancement request should the request not be considered in-line with the existing product road map. (Completion of any requested enhancement is not considered a requirement of the setup effort);

5.1.5 Contract Manager Payor Agreements Requirements During Setup. Contract Manager payor agreements requirements during setup shall include:

> (i)   Submission of contract documentation in its entirety, including all associated fee schedules (preferably in Excel format);
> (ii) Completed contract action request form;
> (iii) Completed government programs setup forms, including (as applicable) Medicare, Medicaid, TRICARE, and/or WorkComp;
> (iv) Completed business practice questionnaire; and,
> (v)   Noted unique billing practices mandated by specific payors/the facility/state guidelines.

5.1.6 Contract Manager Setup. Contract Manager setup shall include:

     (i)   Project coordination / scheduling; and,

     (ii) Internet and user ID/password setup.

5.1.7 <u>Contract Manager Project Management</u>. Contract Manager project management shall include:

     (i)   Assigned MedAssets project manager;

     (ii) Identification and agreement on Covered Facility's objectives and the scope of the implementation;

     (iii) Customized project plan based on Covered Facility's objectives with agreement from MedAssets and Covered Facility on the established timeline for the setup effort; and,

     (iv) Monthly executive summary report providing an update on the status of the project.

5.1.8 <u>Contract Manager Data Acquisition and Management</u>. Contract Manager data acquisition and management shall include:

     (i)   Establishment of a data repository for storing Covered Facility information. MedAssets maintains two (2) years of historical data. MedAssets reserves the right to purge any data older that two (2) years following notification to the Covered Facility;

     (ii) Establishment of procedures for transmitting data to/from MedAssets data center;

     (iii) Transformation and loading of data into the Contract Manager database;

     (iv) For implementation testing purposes, processing of three (3) months of historical post-edited claims, detailed charges, and payment data back from the Effective Date. Setups where Contract Modeler is within scope include six (6) months of historical data processing back from the SOW 2 Effective Date.

5.1.9 <u>Contract Manager Configuration and Build</u>. Contract Manager configuration and build shall include:

     (i)   User setup;

     (ii)   Plan code mapping and payment and adjustment transaction code mapping based on the requirements provided by the Covered Facility;

     (iii)   Scanning, bookmarking and analysis of all delivered payor agreements;

     (iv)   Initial focus on loading and audit of Covered Facility's identified top ten (10) payor agreements;

     (v)   Setup of any requested government payor contract profiles where Covered Facility has provided required information;

     (vi)   Instruction on how to setup the optional collections tracking tool function;

     (vii) Up to eight (8) hours of custom configuration available for any nonstandard outbound interface layout requested; and,

     (viii) Configuration of optional expected adjustment (write-down) file delivery process.

5.1.10 <u>Contract Manager Testing</u>. Contract Manager testing shall include:

     (i)   Contract audit onsite meeting – kickoff to the contract client auditing process [includes up to two (2) days on-site coordination at Covered Facility site]; and,

     (ii)   Application testing to assess application integrity based on data made available for processing by the Covered Facility.

5.1.11 <u>Contract Manager Go Live</u>. Contract Manager Go Live shall include:

     (i)   Promotion of client approved top ten (10) payor contract profiles to production for daily pricing; and,

     (ii)   Activation of standard month-end reports.

5.1.12 <u>Contract Manager Maintenance</u>.

(i) In the event that Covered Facility maintains its own contracts and subsequently requests MedAssets to assume that responsibility, MedAssets' completion of such service shall be contingent on its available resources in its sole, reasonable discretion; and,

(ii) MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.1.13 <u>Contract Manager Post Go Live</u>. Contract Manager post Go Live shall include:

(i) Loading and auditing of Covered Facility's remaining payor agreements not identified as being included within the top ten (10). Completion of this task follows Go Live so this deliverable is excluded from Covered Facility acceptance of setup services; and,

(ii) Activation of optional expected adjustment write-down file process. Completion of this task will follow Go Live so this deliverable is excluded from Covered Facility acceptance of setup services.

5.1.14 <u>Contract Manager Training</u>. Contract Manager training is a combination of web-based and classroom training conducted as follows:

(i) One (1) one-and-one-half-hour web-based getting started session for up to four (4) students per session;

(ii) One (1) optional one-hour web-based collections tracking session for up to four (4) students per session;

(iii) One (1) two-hour web-based auditing session for up to four (4) students per session with one (1) two-day, on-site audit training support; and,

(iv) One (1) one-and-one-half-day, hands-on, facility-based end-user class conducted at a single location for up to twelve (12) students per class.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

<u>Training requirements for web-based sessions</u>. Covered Facility shall provide appropriate training tools for web-based training. Such tools shall include, but not be limited to, the following:

(i) Computers tested for website connectivity;
(ii) Computers have hosted, web-training delivery service installed; and,
(iii) Computers have minimum system requirements.

<u>Training requirements for facility classroom location</u>. Covered Facility shall provide appropriate training accommodations for training at the facility. Such accommodation shall include, but not be limited to, the following:

(i) Training room or conference room (training room preferred);
(ii) LCD projector and screen or projection area;
(iii) White board or Post-It Note pad;
(iv) Computer for each individual user;
(v) Computers tested for website connectivity; and,
(vi) Computers have minimum system requirements.

5.2 <u>Contract Manager Pro Services.</u>

5.2.1 <u>Contract Manager Pro Data Submission</u>**.** For inbound interface requirements, during setup the Covered Facility shall provide MedAssets with sample data in the specific standardized formats outlined in the MedAssets data requests. Covered Facility shall be responsible for the acquisition and transfer of any required data from a third party in which MedAssets does not have an existing contracted business

relationship allowing for the direct acquisition of data. Covered Facility accepts that the inability to meet all specific data requirements may extend or place a hold on the setup process as well as limit the full capabilities of certain features of the application after Go Live. After sample file conformity has been approved by MedAssets all subsequent submissions of data shall be provided in the same file layout. Covered Facility shall provide MedAssets its data on a regular schedule as outlined in the MedAssets data requests, and shall deliver the data via an FTP file transfer. If standard reports or files do not exist and Covered Facility Information Systems personnel create a data extraction process (i.e., scripts, etc.), MedAssets requires documentation of this data extraction process. MedAssets to provide a template for facilitating this documentation process.

For outbound interface requirements, during setup the Covered Facility shall provide MedAssets with the requested file layout for any outbound data file. MedAssets shall assess existing standard reports and file extraction tools in identifying whether the requested layout can be readily accommodated, can be accommodated through custom development, or falls outside of the capabilities of the application. In the event custom development is required, included within setup for the Covered Facility there shall be a reasonable allotment of custom development that is available to accommodate a custom file layout. Beyond any such reasonable allotment of hours and in no event more than 16 hours, all work shall be billable on a time and materials basis as necessary to accommodate the requested file layout. If the requested file is to be produced on a recurring basis, the file size should be less than 2mb with any size above this amount being considered for additional costs due to the additional processing time incurred.

5.2.2 Contract Manager Pro Changes to Data Formats and/or System Architecture. Any changes to Covered Facility data formats during the Term of Service shall require MedAssets to create new templates and to otherwise modify the Services provided hereunder to accommodate the changed format. Subject to availability, MedAssets shall use its commercially reasonable efforts to provide data conversion and other additional services under an SOW, on a time and materials basis, as necessary to accommodate the changed format. Moreover, in the event Covered Facility undergoes a future system conversion, upgrade, or any other major system update that results in material changes in interface requirements applicable to any of the Services, additional fees may be necessary for setup or other procedures, and the related additional services may be provided by MedAssets pursuant to a separately agreed to SOW. Material changes are those changes which require additional efforts beyond those detailed in the Services on the part of MedAssets to insure that data can be processed, loaded, viewed, edited or exported with accuracy.

5.2.3   Contract Manager Pro Setup: Contract Manager Pro shall include:

(i)   Project Management
a.   Assigned MedAssets project manager;
b.   Identification and agreement on Covered Facility's objectives and the scope of the implementation;
c.   Customized project plan based on Covered Facility's objectives with agreement from MedAssets and Covered Facility on the established timeline for the setup effort; and,
d.   Monthly executive summary report providing an update on the status of the project.
(ii)   Data Acquisition and Management
a.   Establishment of a data repository for storing Covered Facility information. MedAssets maintains two (2) years of historical data. MedAssets reserves the right to purge any data older that two (2) years following notification to the Covered Facility;
b.   Establishment of procedures for transmitting data to/from MedAssets data center;
c.   Transformation and loading of data into the Contract Manager database; and,
d.   For implementation testing purposes, processing of three (3) months of historical post-edited claims, detailed charges, and payment data back from the SOW Effective Date. Setups where Contract Modeler is within scope include six (6) months of historical data processing back from the SOW Effective Date.
(iii)   Configuration and Build
a.   User setup;
b.   Plan code mapping and payment and adjustment transaction code mapping based on the requirements provided by the Covered Facility;

          c.   Scanning, bookmarking and analysis of all delivered payor agreements;

          d.   Initial focus on loading and audit of Covered Facility's identified top ten (10) payor agreements;

          e.   Setup of any requested government payor contract profiles where Covered Facility has provided required information; and,

          f.   Up to eight (8) hours of custom configuration available for any nonstandard outbound interface layout requested.

(iv) Testing

          a.   Contract audit onsite meeting – kickoff to the contract client auditing process [includes up to two (2) days on-site coordination at Covered Facility site]; and,

          b.   Application testing to assess application integrity based on data made available for processing by the Covered Facility.

(v)   Go Live

          a.   Promotion of Covered Facility approved top ten (10) payor contract profiles to production for daily pricing;

          b.   Activation of standard month-end reports; and,

          c.   Product Acceptance Meeting to conclude the setup project. MedAssets and Covered Facility are in agreement that setup effort has been completed according to the contracted SOW.

(vi)   Post Go Live. Loading and auditing of Covered Facility's remaining payor agreements not identified as being included within the top ten (10). Completion of this task follows Go Live so this deliverable is excluded from customer acceptance of setup services.

5.2.4 <u>Contract Manager Pro Data Requirements</u>. The data files listed below are examples of the minimal data requirements that shall be needed to be submitted as part of the setup and thereafter for the remainder of the Service Term.

(i)   Post edited claims (ongoing submission);
(ii)   Provider Demographic file (ongoing submissions);
(iii)   Payment and Adjustment Transactions (ongoing submission);
(iv)   Account Data Crosswalk (ongoing submission);
(v)   Payment and Adjustment Transaction Code Master (one time submission); and,
(vi)   Insurance Master (one time submission).

A data request with sample formats of electronic and hardcopy data requirements shall be emailed to the Covered facility at the outset of the project.

5.2.5 <u>Contract Manager Pro Enhancement Requests During Setup and Ongoing Processing</u>. Submissions of application enhancement requests made by the Covered Facility will be considered for future development to the application. MedAssets reserves the right to determine the analysis and release schedule for all enhancement requests and also has the right to decline the enhancement request should the request not be considered in-line with the existing product road map. (Completion of any requested enhancement is not considered a requirement of the setup effort).

5.2.6 <u>Contract Manager Pro Payor Agreements Requirements During Setup</u>. Contract Manager Pro payor agreements requirements during setup shall include:

(i)   Submission of contract documentation in its entirety, including all associated fee schedules (preferably in Excel format);
(ii)   Completed contract action request form;
(iii)   Completed government programs setup forms, including (as applicable) Medicare, Medicaid, TRICARE, and/or WorkComp;
(iv)   Completed business practice questionnaire; and,
(v)   Noted unique billing practices mandated by specific payors/the facility/state guidelines.

5.2.7 <u>Contract Manager Pro Ongoing Processing</u>. Contract Manager Pro ongoing processing shall include:

     (i)   Ongoing communication and coordination via the client support structure; and,
     (ii)   Daily processing:
          a)   Transmission of claims, detail charges, and payment data to MedAssets;
          b)   Processing of data through MedAssets system;
          c)   Creation of operational reports to facility;
          d)   Real-Time Information access through MedAssets Internet services:
              i.   Underpaid line item and invoice worklist;
              ii.   Payment and productivity tracking;
              iii.   Expected reimbursement detail;
              iv.   CMS 1500's or 837P;
              v.   Contract profiles;
              vi.   Payments & adjustments; and,
              vii.   Contract inventory/issues.
     (iii)   MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.2.8 <u>Contract Manager Pro Monthly Reporting</u>. Monthly reporting includes creation of the following summary reports:

     (i)   Suspected undercharge report;
     (ii)   Subsequent payments by provider, payor, or user;
     (iii)   Volume analysis; and,
     (iv)   Discount and days to payment.

5.2.9 <u>Contract Manager Pro Training</u>. Setup training for Contract Manager Pro is a combination of web-based and classroom training conducted as follows:

     (i)   One (1) one-hour web-based getting started session for up to four (4) students per session;
     (ii) One (1) one and a half-hour web-based auditing session for up to four (4) students per session; and,
     (iii) One (1) one-and-a half-day, hands-on, facility-based end-user class conducted at a single location for up to twelve (12) students per class.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

<u>Training requirements for web-based sessions</u>. Covered Facility shall provide appropriate training tools for web-based training. Such tools shall include, but not be limited to, the following:

     (i)   Computers tested for website connectivity;
     (ii)   Computers have hosted, web-training delivery service installed; and,
     (iii)   Computers have minimum system requirements.

<u>Training requirements for facility classroom location</u>. Covered Facility shall provide appropriate training accommodations for training at the facility. Such accommodation shall include, but not be limited to, the following:

     (i)   Training room or conference room (training room preferred);
     (ii)   LCD projector and screen or projection area;
     (iii)   White board or Post-It Note pad;
     (iv)   Computer for each individual user;
     (v)   Computers tested for website connectivity; and,
     (vi)   Computers have minimum system requirements.

5.3   Rapid Reserves Services.

5.3.1 Rapid Reserves Data Submission. For inbound interface requirements, during setup the Covered Facility shall provide MedAssets with sample data in the specific standardized formats outlined in the MedAssets data requests. Covered Facility shall be responsible for the acquisition and transfer of any required data from a third party in which MedAssets does not have an existing contracted business relationship allowing for the direct acquisition of data. Covered Facility accepts that the inability to meet all specific data requirements may extend or place a hold on the setup process as well as limit the full capabilities of certain features of the application after Go Live. After sample file conformity has been approved by MedAssets all subsequent submissions of data shall be provided in the same file layout. Covered Facility shall provide MedAssets its data on a regular schedule as outlined in the MedAssets data requests, and shall deliver the data via an FTP file transfer. If standard reports or files do not exist and Covered Facility Information Systems personnel create a data extraction process (i.e., scripts, etc.), MedAssets requires documentation of this data extraction process. MedAssets to provide a template for facilitating this documentation process.

For outbound interface requirements, during setup the Covered Facility shall provide MedAssets with the requested file layout for any outbound data file. MedAssets shall assess existing standard reports and file extraction tools in identifying whether the requested layout can be readily accommodated, can be accommodated through custom development, or falls outside of the capabilities of the application. In the event custom development is required, the effort is considered billable on a time and materials basis, as necessary to accommodate the requested file layout. If the requested file is to be produced on a recurring basis, the file size should be less than 2mb with any size above this amount being considered for additional costs due to the additional processing time incurred. The usage of any outbound file for import into any system operated by the Covered Facility becomes the responsibility of the Covered Facility once the file is successfully transferred via the FTP transfer process.

5.3.2 Changes to Data Formats and/or System Architecture. Any changes to Covered Facility data formats during the Term of Service shall require MedAssets to create new templates and to otherwise modify the Services provided hereunder to accommodate the changed format. Subject to availability, MedAssets shall use its commercially reasonable efforts to provide data conversion and other additional services under an SOW, on a time and materials basis, as necessary to accommodate the changed format. Moreover, in the event Covered Facility undergoes a future system conversion, upgrade, or any other major system update that results in material changes in interface requirements applicable to any of the Services, additional fees may be necessary for setup or other procedures, and the related additional services may be provided by MedAssets pursuant to a separately agreed to SOW. Material changes are those changes which require additional efforts beyond those detailed in the Services on the part of MedAssets to insure that data can be processed, loaded, viewed, edited or exported with accuracy.

5.3.3 Rapid Reserves Setup. Rapid Reserves setup shall include:

   (i) Project Management
        a)   Assigned MedAssets project manager;
        b)   Identification and agreement on Covered Facility's objectives and the scope of the implementation;
        c)   Customized project plan based on Covered Facility's objectives with agreement from MedAssets and Covered Facility on the established timeline for the setup effort; and,
        d)   Monthly executive summary report providing an update on the status of the project.
   (ii) Data Acquisition and Management
        a)   Establishment of procedures for transmitting data to/from MedAssets data center;
        b)   Transformation and loading of data into Rapid Reserves;
        c)   One time load of GL crosswalk; and,
        d)   Receipt and processing of monthly ATB file, Zero Balance File, and Supplemental Billing File.
   (iii) Configuration and Build

a) User setup;
b) Review of Covered Facility's existing month-end reserves process through receipt of most recent month-end reserves calculations and documentation on existing policies and procedure;
c) Instruction on GL code table mapping;
d) Setup of standard calculation options as requested. To include:
   i. Self Pay
   ii. Charity
   iii. Medicaid Pending
   iv. One hundred percent (100%) reimbursement
   v. Contract Manager
   vi. Contract Manager plus variance
   vii. Supplemental Billing
   viii. PCR by Plan ID
   ix. PCR by Financial Class
   x. PCR by Inpatient and Outpatient

(iv) Testing
   a) Application testing to assess application integrity based on data made available for processing by the Covered Facility; and,
   b) Up to two (2) trial month-end processing run.

(v) Go Live
   a) Activation of automated processing of Covered Facility's delivered files at month-end; and,
   b) Product acceptance Meeting to conclude the setup project. MedAssets and Covered Facility are in agreement that setup effort has been completed according to the contracted SOW.

5.3.4 Rapid Reserves Ongoing Support. Ongoing support shall include:

(i) Ongoing communication and coordination via a designated product account manager;
(ii) Monthly processing of aged trial balance, zero balance file, and supplemental billing file (if applicable) through the MedAssets system;
(iii) Real-time web access through MedAssets Internet services; and,
(iv) MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.3.5 Rapid Reserves Data Requirements. The data files listed below are examples of the minimal data requirements that shall be needed to be submitted as part of the setup and thereafter for the remainder of the Term.

(i) GL Crosswalk (one time submission);
(ii) Aged Trial Balance (ongoing submissions);
(iii) Zero Balance File (ongoing submissions); and,
(iv) Supplemental Billing File (ongoing submission);
(v) A data request with sample formats of electronic and hardcopy data requirements shall be emailed to the Covered facility at the outset of the project.

5.3.6 Enhancement Requests During Setup and Ongoing Processing. Submissions of application enhancement requests made by the Covered Facility will be considered for future development to the application. MedAssets reserves the right to determine the analysis and release schedule for all enhancement requests and also has the right to decline the enhancement request should the request not be considered in-line with the existing product road map. (completion of any requested enhancement is not considered a requirement of the setup effort).

5.3.7 Rapid Reserves Training. Rapid Reserves is conducted as follows:

Two (2) half-day, hands-on, facility-based end-user classes, conducted at a single location in a single day for up to four (4) students per class.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

Training requirements for facility classroom location. Covered Facility shall provide appropriate training accommodations for training at the facility. Such accommodation shall include, but not be limited to, the following:

(i)   Training room or conference room (training room preferred);
(ii)   LCD projector and screen or projection area;
(iii)   White board or Post-It Note pad;
(iv)   Computer for each individual user;
(v)   Computers tested for website connectivity; and,
(vi)   Computers have minimum system requirements.

5.4   Email, Telephone and Onsite Support. MedAssets shall provide reasonable email and phone support for Error corrections to Covered Facility regarding the operation of the Modules, during normal business hours, which are Monday through Friday, 7:00 a.m. – 7:00 p.m. EST.

6.   Additional Terms and Conditions.

6.1   License. MedAssets hereby grants Covered Facility a non-exclusive, non-assignable, and non-transferable license to access and use the Contract Manager. Covered Facility may not download, upload, copy, print, display, reproduce, publish, post, distribute, or transmit any of the Properties or Confidential Information except as set forth herein.

6.2   Information Disclaimer. Covered Facility acknowledges and agrees that certain information within the Services may be provided to MedAssets by third parties or is developed using information provided to MedAssets by third parties, and as such MedAssets is not responsible for the accuracy or completeness of the information within the Services. Nothing contained in the Services is intended to replace the independent medical judgment of a health care professional and MedAssets shall not be liable for any damages arising out of reliance on the information contained herein.

6.3   Discount Disclosure. Covered Facility understands that the discounted pricing provided as part of the Program, as well as the value of any services provided at less than full price including, but not limited to, the Services, may be regarded as a "discount" within the meaning of 42 U.S.C. Section 1320a-7b(3)(A) of the Social Security Act and the regulations promulgated hereunder at 42 C.F.R. Section 1001.952(h) and that Covered Facility may have an obligation to report this discount to any state or federal program which provides cost or charge-based reimbursement to Covered Facility, as the case may be, for the items to which the discount applies.

6.4   Limitations and Exclusions. MedAssets shall have no obligation to provide support services for (i) any professional services provided by MedAssets outside of the scope of the Agreement or this SOW; (ii) any non-MedAssets computer programs, technology or hardware; (iii) any data conversion, template construction or interface design, other than as specifically set forth solely with respect to Covered Facility's systems and data as provided on the date of the completion of the applicable Setup Services; (iv) any data conversion, template construction or interface design arising out of or relating to a change in Covered Facility's system and data at any time during the SOW Term; and/or, (iv) any MedAssets software that is not the most recent version or release. Any failure of Covered Facility to pay all applicable fees for the Services as they come due shall, at MedAssets' sole option, immediately discharge MedAssets of any obligation to provide Support services hereunder. Covered Facility acknowledges that interfaces to or exporting data from the Services for upload into the Covered Facility's system or other use, whether to the Covered Facility directly or to a third party, is not part of the scope of this SOW and is available for an additional fee.

7. **Exhibits**. The following exhibits are attached thereto and are to be considered an integral part hereof and are incorporated into this SOW by reference:

    SOW 2, Exhibit A: Hardware Requirements
    SOW 2, Exhibit B: Live Status Notification

    IN WITNESS WHEREOF, the Parties have executed this SOW through their duly authorized representatives as of the date last signed below.

MEDASSETS NET REVENUE SYSTEMS, LLC   **SAN MATEO COUNTY**
On behalf of itself and its Affiliates   **On behalf of itself and its Covered Facilities**

Signature:_____   Signature:_____

Printed Name:_____   President, Board of Supervisors,
                                     San Mateo County

Title: _____   Date:_____

Date:_____

                                    ATTEST:

                                    By:_____

                                    Clerk of Said Board

SOW 3, EXHIBIT A
HARDWARE REQUIREMENTS

Note: These requirements are what MedAssets consider to be necessary to ensure optimal performance. Using a lower configuration could result in slow or erratic performance and is not recommended. The versions listed here are good at the time of implementation and may be updated periodically as new ones are released.

1. Recommended Hardware Requirements

- CPU speeds of 1.5 GHz or higher
- Memory of 2GB RAM or higher
- Monitor resolution of SVGA 1024x768, 256 colors or higher
- Disk space of 600MB or higher

2. Recommended Software Requirements

- XP SP3, XP Pro, Vista SP1, Win7
- Microsoft Internet Explorer 6.0 SP1** or greater, 128 bit encryption
- MS .NET Framework 3.5SP1 Redistributable for some applications (see below)
- Other Third Party Applications:
  - Adobe Reader 6 or higher
  - MSOffice 2003 or higher
- Miscellaneous:
  - Public Internet access, broadband speeds or higher

**MedAssets strongly recommends all Covered Facilities use Internet Explorer 7. MedAssets will begin phasing out support for IE6 in 2011 which coincides with Microsoft's end of support.

SOW 3, EXHIBIT B
LIVE STATUS NOTIFICATION (e-mail delivery example)

Covered Facility: Live Status Notification

MedAssets is pleased to inform you that the following product/module(s) have been set up and are operationally Live Status for productions usage by the identified Facilities or CBO's.

#	Product **/Module**	**Facility/CBO**
1……………………….	XYZ Module…………………………..……	XYZ Medical Center
2………………………	…………………………………………………	

MedAssets looks forward to your success in utilizing our software and the continued success of our partnership. In the event that you do not believe the module is in a Live Status for the identified Covered Facility/Central Business Office, you must provide a list of written issues to be resolved to achieve Live Status within ten (10) business days of this e-mail. Please identify each applicable Module and Covered Facility/ Central Business Office for each issue you list.

Please reply directly to this e-mail with any desired attachments. If MedAssets does not hear back within ten (10) business days, your license agreement will be activated and invoicing will begin as stipulated in your current agreements.

We sincerely appreciate your business,

XXXXX

Project Manager
<address etc, tag, numbers etc>