Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

Stage 4 Project Readiness and Approval

California Department of Technology, SIMM 19 D.2 (Rev. 3.0.9, 2/28/2022)

4.1 General Information

1. **Agency or State Entity Name:** 4440 - State Hospitals, Department of

   If Agency/State entity not in the list, enter here with the organization code.

   Not Applicable

2. **Proposal Name: Continuum Electronic Health Record (EHR) Implementation**
3. **Department of Technology Project Number (0000-000): 4440-126**
4. **S4PRA Version Number:** Version 1
5. **CDT Billing Case Number: 2248267**

   Don't have a Case Number? Click here to get one.

4.2 Submittal Information

1. **Contact Information**

   Contact Name: Chad Corrin

   Contact Email: Chad.Corrin@dsh.ca.gov

   Contact Phone: (916) 651-1399

2. **Submission Type:** New Submission

   If Withdraw, select Reason: Choose an item.

   If Other, specify reason here: Click or tap here to enter text.

   Sections Changed if an updated or resubmission (List all the sections that have changed.)

   Not Applicable

   Summary of Changes (Summarize updates made.)

   Not Applicable

3. **Attach Project Approval Executive Transmittal to your email submission.**
4. **Attach Final Procurement Assessment Form to your email submission.**
5. **Conditions from Stage 3 Approval** (Enter any conditions from the Stage 3 Solution Analysis approval letter issued by CDT):

   1. The Financial Analysis Worksheet (FAW) shall be updated with actual expenditures for all prior years in the Stage 4 submittal.

   2. The FAW shall include all planning, project, and maintenance and operations costs, including all contracts, in the Stage 4 submittal.

4.3 Contract Management

The Contract Manager must be a State Employee and should not be the Project Manager. Please complete the questions below in reference to the **primary solicitation**.

Is the Contract Management Plan complete, approved by the designated Agency/state entity authority, and available for the Department of Technology to review? **Choose**: 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided.

1. **Contract Management Plan (Approved):** Yes

   Status: Previously reviewed and approved by CHHS Agency and CDT PAO

2. **Has the role of Contract Manager been assigned, and has the Contract Manager reviewed and gained an understanding of the scope, activities, tasks, and deliverables of the contract?** Yes

   If "No," briefly explain below why both have not been accomplished:

   Not Applicable

3. **Does the assigned Contract Manager understand the processes for post-award contract activities, including contract amendments, contract work authorizations, terms and conditions, and contract escalation/resolution?** Yes

   If "No," briefly explain below why this has not been accomplished:

   Not Applicable

4. **Has a post-award kickoff meeting between the Contract Manager and state project team members been scheduled to align state and contractor expectations related to contract, budget, invoicing, requirements review, and contractor incentives?** Yes

   If "No," briefly explain below why this has not been accomplished:

   Not Applicable

5. **Does the Contract Manager understand the Agency/state entity and federal processes, policy, and applicable procedures?** Yes

   If "No," briefly explain below why this has not been accomplished:

Not Applicable

6. **Does the Contract Manager have a plan to collect and assess contractor and project performance information on a regular basis (e.g., establish meetings with Project Managers, communication techniques)?** Yes

   If "No," briefly explain below why this has not been accomplished:

   Not Applicable

4.4 Organizational Readiness

Is the Implementation Management Plan draft complete, approved by the designated Agency/state entity authority, and available for the Department of Technology to review? **Choose**: 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided.

1. **Implementation Management Plan (Draft):** Yes

   Status: Draft pre-reviewed by CHHS Agency and CDT

2. **Does the Agency/state entity currently have a mature release management process with a repeatable and scalable testing methodology that supports all stages of testing (system, integration, security, performance, interfaces, regression, user acceptance, and accessibility)?** No

   If "No," briefly describe below the release management process that will be used to manage, plan, schedule, and control a software release through the different phases and environments, including testing and deploying software releases:

   DSH currently has a Change Advisory Board (CAB) that approves all production releases but does not yet have a fully mature, repeatable, and scalable testing methodology. A Testing Lead is being recruited to formalize this approach. In the interim, DSH will employ a structured release management process in which releases are coordinated with the System Integrator, aligned to the Integrated Master Schedule, advanced through controlled environments (development, test, UAT, training, pre-production, production), and required to pass defined testing gates—including system, integration, regression, security, performance, user acceptance, and accessibility—before CAB approval. Deployments will include communication of schedules and timing, detailed release notes describing the change in functionality, and back-out plans, with post-release validation, while risks, issues, and change requests will be tracked in Jira and escalated through governance. This framework ensures disciplined, auditable release management now, with a path to a fully scalable methodology once the Testing Lead is in place.

3. **Does the project team have a clear understanding of the areas of business (identified in Stage 1) that will be impacted by the project?** Yes

   If "No," briefly explain below how the Agency/state entity plans to educate the project team to ensure all members have a clear understanding of the impacted business areas by the project:

   Not Applicable

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

4. **Does the Agency/state entity have processes and methodologies in place to support Organizational Change Management (OCM) activities identified in Stage 2, Section 2.9 Organizational Change Management?** Yes

   If "No," briefly describe below how the Agency/state entity will perform OCM activities for this proposal:

   Not Applicable

5. **Does the Agency/state entity have dedicated knowledge transfer resources assigned to business process improvement or business process reengineering activities resulting from the new solution?** Yes

   If "Yes," specify the areas of business process improvement:

   DSH has engaged its Clinical Technology Associates (CTAs) and subject matter expert (SME) tasks forces to review business processes associated with the EHR solution, including task forces for the various EHR disciplines:
   - Dieticians
   - Data
   - ETP
   - Forensics
   - Medical Admin
   - HIMD
   - Pharmacy
   - Primary Care
   - Psychiatry
   - Psychology
   - POST
   - PRN
   - Lab
   - Radiology
   - Quality Improvement
   - Nursing
   - Rehabilitation Therapy
   - Skilled Nursing
   - Clinical Social Work
   - Structured Treatment Program
   - Privacy & Security
   - Data Governance

   If "No," briefly explain below how the Agency/state entity will perform business process improvement or business process reengineering activities resulting from the new solution:

   Not Applicable

6. **Attach** Updated Project Organization Chart to your email submission.

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

4.5 Project Readiness

1. **Select the system development methodology you plan to use to design and develop the new system: Hybrid**

   Provide a brief description of your methodology and reason for selecting it below:

   The Continuum-EHR implementation will use a Hybrid system development methodology that combines iterative configuration and validation cycles with formal stage gates and governance controls aligned to the California Project Management Framework (CA-PMF). The System Integrator will execute solution design, configuration, integration, data migration, and testing in phased, wave-based increments across DSH hospitals. Each wave includes structured activities—design validation, configuration, system and integration testing, user acceptance testing (UAT), training, cutover, and stabilization—supported by formal readiness criteria and go/no-go decision points.

   A Hybrid methodology is appropriate because the EHR system is a configurable commercial off-the-shelf (COTS) SaaS solution rather than custom-developed software. Iterative cycles are necessary to validate complex clinical workflows and integration dependencies, while formal governance and documentation controls are required to meet CDT oversight, traceability, risk management, and audit requirements. This approach balances flexibility during configuration with disciplined control over scope, schedule, cost, and quality.

   Describe below the Agency/state entity's past project experience using the system development methodology selected. If this methodology has never been used before, describe the training and staff development that will be provided to prepare staff to utilize this methodology.

   DSH has implemented formal governance structures for the EHR project and has experience applying structured project controls, including risk, issue, change, and decision management processes, on selected IT initiatives requiring heightened oversight. While past projects have varied in technical scope and delivery model, EHR governance processes, executive steering structures, and project controls are compatible with a Hybrid methodology. This provides organizational familiarity with stage gates, documentation requirements, and oversight expectations necessary for a PAL Stage 4 implementation.

   To support the iterative elements of the Hybrid approach, project staff and Subject Matter Experts will receive structured onboarding to the implementation lifecycle, including design session protocols, testing responsibilities, and configuration governance processes. The System Integrator will provide methodology orientation during mobilization to ensure DSH participants understand roles, decision rights, and validation expectations. This combined governance familiarity and targeted implementation training will enable DSH to effectively operate within the Hybrid model throughout deployment.

2. **Has the Agency/state entity engaged the Office of Technology Services (OTech) for capacity planning and the development of the solution delivery timeline?** **No**

   If "No," and data center capacity planning and alignment services are needed, explain below the reason OTech has not been engaged and what is the alternative plan:

   This is a SaaS cloud-hosted solution.

3. **Have resource commitments been obtained for all those identified in the Resource Management Plan?** No

   If "No," explain below why commitments have not been obtained and the plan to mitigate this risk:

   Positions authorized in BCP #5 were funded for only one year. BCP #6, currently pending, requests ongoing funding for those resources as well as additional ongoing resources required for the project. DSH is working with the Department of Finance and anticipates securing commitments for position authority and funding for FY 26/27.

4. **Does the Resource Management Plan ensure resources are sufficiently committed to perform project activities if they are also committed to other responsibilities?** Yes

   If "No," explain below how sufficient resource levels will be maintained for all project activities:

   Not Applicable

5. **Have all identified project leads received at a minimum basic project management training?** Yes

   If "No," explain how the Agency/state entity will educate the project team leads on project management basics:

   Not Applicable

4.6 Business Objective Valuation

1. **Attach** the Requirements/Backlog Baseline and/or Deliverables Baseline to your email submission.

2. **Insert your Objectives (ID, Objective, Metric, Baseline, and Target Result) from Stage 1 Section 1.7, along with changes and reason for changes, and assign a percent score value to each. The total of all scores should be 100%.**

NOTE: For the objectives below, the phrase "after project go-live" assumes that the objective is to be measured after all five hospitals are live with the EHR solution in production, post stabilization.

Problem ID – 1 Registration

Documenting patient registration and maintaining a Master Patient Index (MPI) are completed by HIMD and related forensic personnel; however, current business practices require expanded and upgraded capabilities. This lack of modernized business practices has led to

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

significant data errors in areas such as verifying patient transfers and matching readmissions with previous records. Data errors require considerable staff time and resources to correct and amend records. Currently, 5% of patients that return to care in DSH are not matched to their previous records. DSH plans to reduce registration and admission errors to less than 1%.

Objective ID: 1.1

Objective: Within 7 days after EHR Go Live, a single unique patient master identifier will be available in near real-time to authorized clinical users for 100% of patients.

Change and Reason for Change from Stage 1: None

Metric: Master Patient Identifier

Baseline: 2-5 minutes

Target Result: 3 seconds

Valuation: 5%

Objective ID: 1.2

Objective: Upon EHR Go Live, DSH will have centralized controlled access to duly authorized users for 100% of patient legal and demographic information.

Change and Reason for Change from Stage 1: None

Metric: Master Patient Identifier

Baseline: None

Target Result: 100%

Valuation: 5%

Problem ID – 2 Pharmacy

Pharmacy departments purchase, validate orders of, dispense, and report on medications and other supplies used at DSH hospitals (inventories and physical dispensing are part of Pharmacy Modernization). Other DSH departments and external agencies depend on pharmacy records to inform patient care. The inadequacy of current systems and procedures may lead to errors in medication administration and inability to easily locate patient prescription lists. DSH will ensure that pharmacy errors are minimized.

Objective ID: 2.1

Objective: Upon EHR Go Live, DSH will be able to access the active medication list for 100% of patients in near real-time.

Change and Reason for Change from Stage 1: None

Metric: Time to access meds information

Baseline: 10 minutes

Target Result: 3 seconds

Valuation: 10%

Objective ID: 2.2

Objective: Upon EHR Go Live, clinicians will receive 100% of medication/drug/ drug allergy interaction alerts and all requirements dictated by DSH policy directives during the medication prescribing and validation process in near real time.

Change and Reason for Change from Stage 1: None

Metric: Time to display alerts

Baseline: Not available for prescribers

Target Result: 3 seconds for all

Valuation: 10%

Objective ID: 2.3

Objective: Upon EHR Go Live, 100% of pharmacy orders will be processed through EHR, filled in the Pharmacy system, and delivered to the unit in accordance with the Pharmacy dispensing schedule with 100% accuracy.

Change and Reason for Change from Stage 1: None

Metric: Sampling of medical orders

Baseline: No data available

Target Result: 100% of order transactions are correct

Valuation: 10%

Problem ID – 3 Patient Cost Recovery / Billing

The primary Statement of the Patient Cost Recovery Section (PCRS) is to maximize third party billing revenue, therefore decreasing pressure to the General Fund. PCRS seeks third party reimbursement from a variety of sources such as Medicare, private payors, and commercial insurance. One of the primary sources of third-party reimbursement comes from private payors followed by Medicare. PCRS submits Medicare Parts A, B, and D claims to Center of Medicare and Medicaid Services (CMS). Over 22,240 claims were submitted in Fiscal Year (FY) 2018-19. Medical billing functions should accurately represent medical services performed and documented in patients' health records. However, limitations in current business practices and

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

dependence on another state agency billing system to submit these claims resulted in errors in over 13,358 claims (67% error rate) for the same time period. A high claims error rate prevents DSH from recovering reimbursement from Medicare and puts DSH at risks for potential audits. DSH has an opportunity to increase the accuracy of Medicare claims submitted to Medicare and decrease the number of claims rejected due to preventable errors with an EHR system resulting in considerable cost recovery via Medicare reimbursement. The limitations in business practices and dependence on an antiquated billing system that is owned and maintained by another agency prevents PCRS from fully capturing charges associated with all medical services provided to patients and making billing statements easily accessible to third parties.

Objective ID: 3.1

Objective: Upon EHR Go Live, DSH will implement a billing solution as part of an EHR to reduce the number of Medicare claims returned with errors from an average of 56% to 15% or less, which is based on industry standard. Reports to validate this will be available within the billing information system.

Change and Reason for Change from Stage 1: None

Metric: Medicare claim error rate (Claims Load Analysis)

Baseline: 67% error rate

Target Result: 25% or less

Valuation: 5%

Objective ID: 3.2

Objective: Within one year of EHR Go Live, DSH anticipates an increase in annual revenue from all recoverable sources including, but not limited to: private pay and Medicare parts A, B and D.

Change and Reason for Change from Stage 1: None

Metric: Revenue recovery amounts

Baseline: $4.3 million average each year

Target Result: $26.6 million average per year

Valuation: 5%

Objective ID: 3.3

Objective: Upon EHR Go Live, DSH will implement a patient cost of care accounts report, accurate to the past 24 hours, within 2 minutes of report request.

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

Change and Reason for Change from Stage 1: None

Metric: Patient account summaries produced

Baseline: 5-10 business days

Target Result: 2 minutes

Valuation: 5%

Objective ID: 3.4

Objective: Upon EHR Go Live, DSH will have the ability to track, identify, and audit 100% of user changes in patient cost of care information.

Change and Reason for Change from Stage 1: None

Metric: Sample of user changes

Baseline: 0%

Target Result: 100%

Valuation: 5%

Objective ID: 3.5

Objective: Within 90 days after EHR Go Live, DSH will have the ability to print out, track and report on 100% of billing statements.

Change and Reason for Change from Stage 1: None

Metric: Number of billing statements

Baseline: 0%

Target Result: 100%

Valuation: 5%

Problem ID – 4 Primary Care

DSH lacks a single centralized electronic system causing the following problems:

- Our patients, quite commonly and over the years, get admitted and transferred repeatedly between different DSH hospitals which often results in more than one or faulty identification information and faulty patient registration, resulting in a significant waste of staff time and inability to bill for medical services.
- The delay or loss of medical information from the ancillary contractors and facilities for medical services provided to our patients (Hospitals, Consultants, Pharmacy Services, Laboratory and Imaging services, Outpatient procedures and surgery services, etc.)

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

which causes repeated phone calls, the need to fax or mail duplicate reports, delays in the medical management, increased medical liability, a waste of staff time and ultimately interferes with adequate medical care

- Brief, illegible and undefendable hand-written medical documentation that can't clearly describe the planned clinical follow-up for patients or can be depended on to defend DSH in a malpractice litigation.
- Paper medical charts frequently lack adequate supervision by a very busy unit staff. They are continuously moved between different unit-rooms or between different units. That scenario can easily invite unauthorized employees to look through these charts and get unauthorized medical information about patients that they don't clinically care for and have no reason to know their confidential medical information.
- Manual data collection requires significant manpower which isn't an option for DSH. Without collected data, it is extremely difficult to screen-for and correct deficiencies in primary medical care.
- DSH is in the process of seeking a national "Health Care Provider Network/HCPN" to contract-with to provide all needed outside medical services. Without an EHR, DSH will not be able to communicate electronically with all the providers included in every established HCPN system.

Objective ID: 4.1

Objective: Upon EHR go-live, DSH will have an integrated electronic patient care record that gathers and exchanges, in real-time, most of the medical information between DSH primary care and the other vital ancillary contractors and facilities that provide medical services to our patients (Hospitals, Consultants, Pharmacy services, Laboratory and Imaging services, Outpatient procedures and surgery services, etc.). This is subject to agreement with the external services to provide access for interface purposes.

Change and Reason for Change from Stage 1: None

Metric: Sample of exchanged data

Baseline: No available data

Target Result: 95% of electronic exchanged documents

Valuation: 5%

Objective ID: 4.2

Objective: Upon EHR go-live, DSH will have an integrated electronic patient care record immediately available to staff with adequately and legibly completed medical documentation that meets "Community Standard of Medical Care".

Change and Reason for Change from Stage 1: None

Metric: Time to display patient record

Baseline: 5 minutes

Target Result: 5 seconds

Valuation: 10%

Objective ID: 4.3

Objective: Upon EHR go-live, DSH will have an integrated electronic patient care record that can only be accessed by authorized users with their confidential usernames and passwords.

Change and Reason for Change from Stage 1: None

Metric: Percent of attempts that only authorized users access test records

Baseline: No available measure

Target Result: 100% access accuracy of test record viewing attempts

Valuation: 5%

Problem ID – 5 Behavioral Health

A Forensic Behavioral Health component must be part of the total EHR solution for DSH, which currently does not have a complete system for managing patient treatment pathways. To effectively manage treatment for forensic mentally ill patients in a manner prescribed by California law, DSH must follow workflows designed according to California statutory treatment standards. Currently, these workflows are part of the DSH Behavioral Health Assistance Module (BHAM), which must be enhanced or built into a primary care EHR system.

Objective ID: 5.1

Objective: Upon EHR go live, all required Behavioral Health treatment pathways must be fully operational in a production environment.

Change and Reason for Change from Stage 1: None

Metric: Number of Behavioral Health pathways defined

Baseline: 3 pathways operational

Target Result: 9 pathways operational

Valuation: 5%

Objective ID: 5.2

Objective: Upon EHR go live, notifications will be automatically produced and sent to target users by the system, in accordance with DSH specified requirements.

Change and Reason for Change from Stage 1: None

Metric: Number of pathways producing specified notifications

Baseline: 1

Target Result: 9

Valuation: 5%

Objective ID: 5.3

Objective: Upon EHR go live, in accordance with DSH-established data exchange rules, all applicable electronic health record (EHR) data including behavioral health, will be accessible to the EHR end-users in near real-time after entry in any external, non-EHR systems.

Change and Reason for Change from Stage 1: None

Metric: Time for data entered into one system to appear in the other

Baseline: No available measure

Target Result: 3 seconds

Valuation: 5%

4.7 Schedule Baseline

1. Schedule Summary

The project schedule baseline submitted with this PAL Stage 4 package reflects a proposed project start date of April 1, 2026. This date is used solely for planning and sequencing purposes and is contingent on the formal project start date established by CDT in the PAL Stage 4 approval letter.

If the CDT-designated project start date differs from April 1, the implementation schedule will be adjusted accordingly, and the approved start date will serve as the baseline from which all subsequent schedule milestones and performance measurements are calculated.

Project Execution Start Dates

Proposed Project Start Date (from most recently approved schedule/roadmap): 4/1/2026

Baseline Project Start Date: 4/1/2026

Variance: None

Project End Dates

Proposed Project Finish Date (from most recently approved schedule/roadmap): 9/30/2028

Baseline Project Finish Date: 9/30/2028

Variance: None

2. **Reason(s) for Variances**

Provide reasons for any date variances: Click or tap here to enter text.

3. **Master Schedule and Key Milestones**

Attach Master Schedule with highlighted Key Milestones to your email submission.

4.8 Cost Baseline

Is the Cost Management Plan complete, approved by the designated Agency/state entity authority, and available for the Department of Technology to review? **Choose**: 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided.

1. **Cost Management Plan (Approved)**: Yes

Status: Previously reviewed and approved by CHHS Agency and CDT PAO

2. **Cost Summary**

Total Planning Cost (One-Time)

Estimated Proposed Cost (from most recently approved FAW): $81,994,036

Baseline Cost: $81,994,036

Variance: 0%

Total Project Cost (One-Time)

Estimated Proposed Cost (from most recently approved FAW): $310,701,037

Baseline Cost: $310,701,037

Variance: 0%

Total Future Operations IT Staff and OE&E Cost (Continuing)

Estimated Proposed Cost (from most recently approved FAW): $68,172,832

Baseline Cost: $68,172,832

Variance: 0%

Total Cost

Estimated Proposed Cost (from most recently approved FAW): $460,867,905

Baseline Cost: $460,867,905

Variance: 0%

Annual Future Operations IT Costs (Annual M&O)

Estimated Proposed Cost (from most recently approved FAW): $71,980,699

Baseline Cost: $71,980,699

Variance: 0%

TIP: Baseline costs should match the submitted Financial Analysis Worksheet for Stage 4.

3. Reason(s) for Variances

Provide reasons for any cost variances: Click or tap here to enter text.

4. Budget Change Proposal (BCP) Summary

Budget Request ID: 4440-005-BCP-2018-GB

Budget Request Year (0000-00): 2018-19 and 2019-20

Requested Amount (specific to the project): $1.267 million in FY 2018-19 and $713,000 in FY 2019 - 2020

Status: Supported

Budget Bill Language (if supported): Budget bill (https://ebudget.ca.gov/2018-19/pdf/GovernorsBudget/4000/4440.pdf) includes a line item for four positions for "Electronic Health Record Planning", but no other specific language about EHR.

Budget Request ID: 4440-002-BCP-2020-GB

Budget Request Year (0000-00): 2020-21 and ongoing

Requested Amount (specific to the project): $9.6 million in FY 2020-21 and $3.5 million ongoing

Status: Supported

Budget Bill Language (if supported): Budget bill (https://ebudget.ca.gov/2020-21/pdf/GovernorsBudget/4000/4440.pdf) includes a line item for 18 positions for "Electronic Health Record within Clinical Assessments, Reports and Evaluation System - Phase 2" but no other specific language about EHR.

Budget Request ID: 4440-008-BCP-2022-GB

Budget Request Year (0000-00): 2022-23, 2023-24, 2024-25, and ongoing beginning in 2025-26

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

Requested Amount (specific to the project): $2.4 million in FY 2022-23, $19.8 million in FY 2023-24, $20.8 million in FY 2024-25, and $8.2 million ongoing beginning in FY 2025-26

Status: Supported

Budget Bill Language (if supported): Budget bill (https://ebudget.ca.gov/2022-23/pdf/GovernorsBudget/4000/4440.pdf) includes a line item for six positions for “Electronic Health Records Phase 3 – Wireless Network Upgrades” but no other specific language about EHR.

Budget Request ID: 4440-009-BCP-2023-GB

Budget Request Year (0000-00): 2023-24 and ongoing

Requested Amount (specific to the project): $21.5 million in FY 2023-24 and $22.3 million ongoing

Status: Supported

Budget Bill Language (if supported): Budget bill (https://ebudget.ca.gov/2023-24/pdf/GovernorsBudget/4000/4440.pdf) includes a line item for 40.2 positions for “Electronic Health Records Implementation and Operation” but no other specific language about EHR.

Budget Request ID: 4440-012-2025-BCP-MR

Budget Request Year (0000-00): 2025-26

Requested Amount (specific to the project): Reappropriate of $7.5 million from FY 2024-25 to FY 2025-26

NOTE: The following language is included in the approved BCP regarding System Integrator costs:

System Integration

EHR System Integrator: $0 in FY 2025-26

The EHR System Integrator will implement DSH’s core EHR system with in-scope software systems and applications and will include system specific requirement planning, workflow configurations, training, and adoption methods.

The System Integrator contract is currently in the process of solicitation and is scheduled for execution mid-year in FY 2025-26. Current proposals indicate that the first payment for the system would not be due until FY 2026-27, but negotiations with the prospective winning bid have not been initiated and there is a possibility that negotiations could result in the first payment point being shifted to 2025-26. To address this potential need, DSH request budget bill authority to be able to make a mid-year funding request additional funding to ensure that payment(s) to the vendor can be made if needed. This will prevent an unnecessary delay to the project. The proposed language is as follows:

The Department of Finance may increase expenditure authority in this item for the costs associated with an updated project schedule and negotiated vendor costs for the Electronic Health Record Continuum project, upon notification from the Department of State Hospitals. Any such increase shall be authorized not less than 30 days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the chairperson or the chairperson's designee.

Status: Supported

Budget Bill Language (if supported): Budget bill (https://ebudget.ca.gov/2025-26/pdf/GovernorsBudget/4000/4440.pdf) has no specific references to EHR as this was a request for a reappropriation.

Budget Request ID: 4440-###-2026-BCP-MR

Budget Request Year (0000-00): 2026-27, 2027-28 and ongoing

Requested Amount (specific to the project): $32.58 million in FY 2026-27, $20.68 million in FY 2027-28 and ongoing

Status: Pending

Budget Bill Language (if supported): Click or tap here to enter text.

TIP: Copy and paste or click the + button in the lower right corner to add BCPs as needed (e.g., Planning and Project related).

5. **Financial Analysis Worksheets (Baseline)**

   Attach Final FAWs to your email submission.

4.9 Primary Solicitation Results

1. **Attach** the approved Evaluation and Selection Report for the primary solicitation to your email submission.
2. **Attach** the proposed contract resulting from the primary solicitation to your email submission.
3. **Was one of the viable solutions in Stage 2 selected for final contract award?** Yes

   If "No", please describe:

   Click or tap here to enter text.
4. **Selected Vendor Name: Netsmart**
5. **Contract Number:** 25IT-E0016

   a. Contract Start Date: 4/1/2026

Contract start date is subject to PAL Stage 4 approval.

b. Contract End Date: 3/31/2031
Contract end date is governed by the Contract Start Date which is subject to PAL Stage 4 approval.

6. **Total Contract Cost (without optional years):** $121,819,056.24
   a. Optional Years (Number of Months): Five (5) twelve (12) month options
7. **Total Cost of Optional Years:** $98,864,765.64
8. **Total Contract Cost (with optional years):** $220,683,821.64

Are the following Project Management Plan Drafts approved by the designated Agency/state entity authority and available for the Department of Technology to review? **Choose**: 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided. These plans may be completed with the selected primary vendor.

1. **Configuration Management Plan (Draft):** Yes
   Status: Previously reviewed and approved by CHHS Agency and CDT PAO
2. **Data Management Plan (Draft):** Yes
   Status: Previously reviewed and approved by CHHS Agency and CDT PAO
3. **Maintenance and Operations Transition Management Plan (Draft):** Yes
   Status: Previously reviewed and approved by CHHS Agency and CDT PAO

4.10 Risk Register

Attach Risk Register to your email submission.

End of Stage 4 Project Readiness and Approval Document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 4 and all attachments in an email to ProjectOversight@state.ca.gov.

TIP: Use the Gate 4 Project Readiness and Approval Evaluation Scorecard (SIMM Section 19-D) as an internal tool to ensure a quality submission.

Docusign Envelope ID: 0F5C32A0-FC29-45B9-A6D2-A8543748B73D

Department of Technology Use Only

Original "New Submission" Date: 04/07/2026.

Form Received Date: 04/07/2026.

Form Accepted Date: 04/07/2026.

Form Status: Completed

Form Status Date: 05/14/2026.

Form Disposition: Approved

Form Disposition Date: 05/14/2026