

30 November 2018

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Queensland Health
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Subject: Assessment of price paid by Queensland Health to Cerner Australia for products and services

Deloitte Touche Tohmatsu ("Deloitte") was engaged by Queensland Health under a Contract Order dated 26/11/2018. Subject to that Contract Order, Deloitte has been asked to assess the price paid by other customers of Cerner Corporation in Australia for products and services. Specifically, Queensland Health asked Deloitte Consulting to conduct an assessment to confirm whether or not the prices Queensland Health is paying are no less favourable than those paid by other Cerner Corporation customers in Australia for similar products and services.

Interviews and discussions were conducted with representatives from Queensland Health as well as Cerner Corporation in Australia to obtain information and data required to complete this assessment.

The following information was used for the assessment.

- Current prices paid by Queensland Health for a sample of products and services to Cerner Corporation.
- Prices paid by other Cerner Corporation customers in Australia. The information provided by Cerner Corporation was de-identified.

Based on the information provided to us, the findings from our assessment are as follows.

#	Service Category	Assessment Outcome
1.	ICT Consultancy Services	The price that Queensland Health pays is no less favourable than other Cerner Corporation customers in Australia
2.	Cerner Licensed Software	The price that Queensland Health pays is no less favourable than another Cerner Corporation customer in Australia for products purchased on a similar basis
3.	Hosting Managed Services	The price that Queensland Health pays is no less favourable than other Cerner Corporation customers in Australia
4.	Application Managed Services	The price that Queensland Health pays is no less favourable than another Cerner Corporation customer in Australia for similar services purchased on a similar basis

Please contact me if you require anything further at the email address, or mobile number below.

Yours Sincerely,

[REDACTED]
Ian Tait
Principal
[REDACTED]
[REDACTED]

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Queensland Health

Analysis of the prices Queensland Health pays in relation to those paid by other Cerner Corporate customers in Australia

This report must be qualified and read within the context of the following:

- This work is based on the information provided to Deloitte. Deloitte has not audited, tested or otherwise verified any of the information used in the preparation of this report.
- This analysis contains sensitive commercial and confidential information, the disclosure of which may be damaging to entities or persons external to the Queensland Government; therefore, Deloitte requires that it remain confidential and not be further disclosed.

07 December 2018

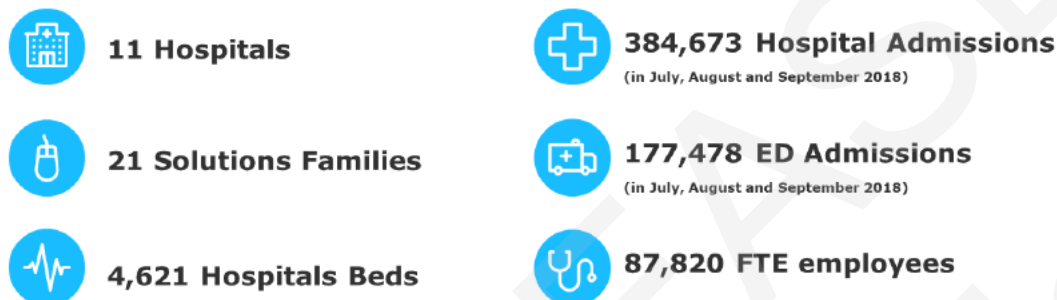
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Our Understanding

Background

Queensland Health is one of the largest customers for Cerner Corporation in Australia. A summary of high level statistics is as follows:



Queensland Health has two header agreements with Cerner Corporation for a range of products and services relating to the build, rollout and support of its integrated Electronic Medical Record (ieMR) to public hospitals across Queensland. Under both agreements obligations exist on Cerner Corporation relating to “no less favourable” pricing being available to Queensland Health.

Deloitte was engaged by Queensland Health to assess the price paid by other customers of Cerner Corporation in Australia for select products and services. Specifically, Queensland Health asked Deloitte Consulting to conduct an assessment to confirm whether or not the prices Queensland Health is paying are no less favourable than those paid by other Cerner Corporation customers in Australia for similar products and services.

The sample products and services are listed in the table below.

Service Category	Title	Description
ICT Consultancy Services	Engagement Leader	The Engagement Leader manages the day-to-day activities of the project for Cerner. The Engagement Leader works to obtain the necessary resources to support the project and manage service delivery.
	Delivery Consultant	The Delivery Consultant is the primary contact for the QH's solution troubleshooting and consultation.
	Solution Architect	The Solution Architect is responsible for providing Cerner solution expertise needed for successful product implementation at a QH site. The Solution Architect is heavily involved in the design process to ensure recommended practices are utilised.
	Integration Architect	This role functions as the application team lead for the Cerner project team and provide associate mentoring and coaching.

Service Category	Title	Description
Cerner Licenced Software	PS-20570 Clinical Data Repository	Clinical Data Repository is a highly interactive, graphical user interface-based clinical workstation offering within PowerChart that presents diagnoses and clinical events in an intuitive display.
	PS-20576 Power Orders	PowerOrders forms the basis for Cerner's computerized provider order entry (CPOE) solution
	ER-20275 Emergency Department Triage & Tracking	A major FirstNet offering that provides the right information at the right time to keep the emergency department (ED) moving like clockwork.
	ER-20280A Emergency Department Care Management	A major FirstNet offering with which users can quickly access each patient's previous emergency department (ED) history in the ED electronic medical record.
Hosting Managed Service	Hosting Managed Service	Base hosting managed service.
	Additional non-production domain	1 training domain for 150 CCU.
Application Managed Service	Application Managed Service	Base application managed service.
	Upgrade Centre Managed Service	Update of the current application functionality to the most recent generally available code level.

This document provides our analysis of the prices Queensland Health pays in relation to those paid by other Cerner Corporation customers in Australia for the sample products and services listed in the table above. This document also identifies if:

- Prices paid by other Cerner Corporation customers in Australia for the sample products and services were made available
- The sample products and services are offered by Cerner Corporation to other Australian customers.

Our Approach

Overall Approach

A hypothesis-driven four phased approach was adopted to complete this assessment. It began with a well-defined problem and hypothesis provided by Queensland Health, which was iteratively tested and modified, based on facts and the sample products and services data provided by Cerner Corporation in Australia.



A set of interviews and discussion with representatives from Queensland Health as well as Cerner Corporation in Australia were carried out to capture required data and validate crucial information and data to complete this assessment. In summary, the following information was used for our assessment:

- The current prices paid by Queensland Health for a sample of products and services to Cerner Corporation. This information was provided by Queensland Health.
- Prices paid by other Cerner Corporation customers in Australia. This information provided by Cerner Corporation was de-identified prior to being shared with Deloitte.

Cerner Corporation provided us with information from unique customers in Australia who have contracts with Cerner for some of the products and services.

Service category	Number customers analysed
ICT Consultancy Services	■
Cerner Licensed Software	■
Hosting Managed Services	■
Application Managed Services	■

Our Findings

Overall Findings

Based on the information provided to us, the finding from our assessment is that the price that Queensland Health pays is no less favourable than those paid by other Cerner Corporation customers in Australia.

Details of the assessment are included for each of the sample products and services purchased by Queensland Health from Cerner Corporation.

ICT Consultancy Services

The price paid by Queensland Health for each of the ICT Consultancy Services roles is no less favourable than other Cerner Corporation customers in Australia.

Cerner Corporation provided us with sample prices for ICT Consultancy Services of [REDACTED] in Australia. These prices were based on the hourly rate for each of the ICT Consultancy Services roles and excluded goods and services tax. Our comparison analysis was based on the prices Queensland Health pays for these services (excluding goods and services tax).

[REDACTED]

Our analysis for each service is provided in the table below.

Role Name	Findings*
Engagement Leader	[REDACTED]
Delivery Consultant	[REDACTED]
Solution Architect	[REDACTED]
Integration Architect	[REDACTED]
[REDACTED]	[REDACTED]

Cerner Licensed Software

The price that Queensland Health pays for Cerner Licensed Software is no less favourable than another Cerner Corporation customer in Australia for products purchased on a similar basis.

[REDACTED]

The pricing model [REDACTED] is consistent with Queensland Health's pricing model [REDACTED]

[REDACTED] Annual support and maintenance pricing model [REDACTED] is the same as Queensland Health.

* Note: [REDACTED]

† Note: [REDACTED]

1 Clinical Data Repository PS-20570



2 PowerOrders PS-20576



3 Emergency Department Triage and Tracking ER-20275



4 Emergency Department Care Management ER-20280A



Hosting Managed Services

The price that Queensland Health pays for Hosting Managed Service (HMS) is no less favourable than other Cerner Corporation customers in Australia.

HMS is offered to other customers in Australia on a similar basis as it is offered to Queensland Health.

Cerner Corporation provided sample prices for [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] These customers have a similar pricing model to Queensland Health in terms of scope of use and fee structure per month.

1 Hosting Managed Service

Hosting Managed Service prices for other customers in Australia were assessed based on [REDACTED].

[REDACTED]

2 Environments/Domains

[REDACTED]

[REDACTED]

Application Managed Services

The price that Queensland Health pays for Application Managed Service (AMS) is no less favourable than any other Cerner Corporation customer in Australia.

AMS is offered to other customers in Australia on a similar basis as it is offered to Queensland Health.

Cerner Corporation provided a sample price of [REDACTED].

1 Application Managed Service

Cerner Corporation offers AMS to [REDACTED] on a similar basis as Queensland Health.

[REDACTED]

2 Upgrade Center Managed Service

[REDACTED]

Appendix A – Answers to Guiding Elements Questions

ICT Consultancy Services

Questions

Answers



Cerner Licensed Software

Questions

Answers



ICT Consultancy Services



Hosting Managed Services

Questions

Answers



Application Managed Services

Questions

Answers



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