



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: July 29, 2015
Board Meeting Date: September 1, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with HFS Consultants to provide reimbursement services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with HFS Consultants to provide third-party reimbursement services to San Mateo Medical Center for the term September 1, 2015 through August 31, 2018, in an amount not to exceed \$900,000.

BACKGROUND:

All California healthcare facilities are required to report to Medicare, Medi-Cal and the Office of Statewide Health Planning and Development. In addition, County healthcare facilities must submit data for the following supplemental reports: Federally Qualified Health Care (FQHC) reporting (including change of scope calculations and the annual FQHC payment reconciliation), SB 1732 and AB 915 calculations, Skilled Nursing Facilities Supplemental payment calculations, and Medi-Cal Waiver (Paragraph #14) reimbursement calculations. SMMC has been contracting for these services with the previous vendor since 1997 and the supplemental reports listed above account for approximately 30% of SMMC's annual net revenue.

DISCUSSION:

A request for proposals was issued in April 2015 for reimbursement services. HFS Consultants (HFS) submission was chosen because they provide the software used to submit the reports required by the Centers for Medicare and Medicaid Services and Disproportionate Share Hospital programs. HFS also has the background and experience that SMMC needs to improve reporting accuracy and provide management with insight into the regulations that affect hospital reimbursements.

In addition to the report-related services, HFS will be working with the Controller on a new revenue impact study to assess the financial impact of the new Medi-Cal waiver on SMMC's revenue.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County Counsel as to form.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by maximizing third-party reimbursements for services provided to SMMC patients. It is anticipated that 100% of SMMC's required reports will be completed and filed to meet federal and state deadlines.

PERFORMANCE MEASURE:

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Percentage of reports to be completed and filed to meet federal and state deadlines	100%	100%

FISCAL IMPACT:

The term of the agreement is September 1, 2015 through August 31, 2018. The amount of the agreement is not to exceed \$900,000. Funds in the amount of \$187,500 are included in the SMMC FY 2015-16 Adopted Budget.

The terms of this agreement are different from the previous agreement, in that the revenue impact study described above has been added to the previous scope of work.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medical indigent or to those covered by programs that do not fully meet the costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.

Request for Proposals – Matrix

1	Where was the RFP advertised?	San Mateo Medical Center Website San Mateo County Procurement Website Public Purchase Website
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	HFS Consultants McGladrey LLC Toyon Associates
3	State the total number of RFP's sent to prospective proposers:	3
4	How many proposals did you receive?	4
5	List in alphabetical order the names of the proposers	HFS Consultants, Oakland, CA McGladrey LLC, Los Angeles CA Moss Adams, San Francisco, CA Toyon Associates, Concord CA