



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
Health System



**DATE:** January 20, 2012  
**BOARD MEETING DATE:** February 14, 2012  
**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 No. 1 to the Agreement with Total Renal Care, Inc.

**RECOMMENDATION:**

Adopt a Resolution authorizing the:

- A) President of the Board to execute Amendment No. 1 to the Agreement with Total Renal Care, Inc. to provide acute inpatient dialysis services to medically indigent patients at San Mateo Medical Center, increasing the funding by \$450,000 for a new maximum obligation of \$500,000, with no change in the term of the Agreement; 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:**

San Mateo County is responsible for providing medical care to its medically indigent adult population, including acute inpatient dialysis treatment at San Mateo Medical Center (SMMC). Because of the costs associated with necessary equipment and the need for specialized staffing, it is more economical to contract for this service than to perform the services through SMMC. On September 30, 2008, your Board approved on Resolution 069719 an Agreement with Total Renal Care, Inc. (Total Renal Care) to provide dialysis services from September 2008 through August 2011, at a cost of up to \$1.5 million.

On October 13, 2011, the County Manager approved a new Agreement with Total Renal Care to provide dialysis services at SMMC in an amount not to exceed \$50,000 for the term September 1, 2011 through August 31, 2012. The Agreement was to cover services while a Request for Proposals (RFP) was issued for a new three-year

Agreement. That amount was insufficient and the result of erroneous analysis.

**DISCUSSION:**

The RFP for acute inpatient dialysis services closed on January 13, 2012, and SMMC will negotiate a new contract. SMMC must now amend the current Agreement with Total Renal Care to ensure continuity of patient care pending conclusion of the contract negotiations.

Total Renal Care has been providing SMMC with high quality dialysis care since 1999 and maintains compliance with regulatory standards. Total Renal Care provides acute dialysis services (including equipment, supplies, appropriate personnel and in-service training) and has adequate capacity for staffing, appropriate information systems, demonstrated program competency, creativity and initiative, and other key factors required to meet SMMC's renal care service needs.

The Amendment and Resolution have been reviewed and approved by County Counsel as to form.

The Contractor 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.

This Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing quality renal care services to County patients. It is anticipated that SMMC's cost per patient day will increase from \$900 to \$920.

**Performance Measure:**

Measure	FY 2010-11 Actual	FY 2011-12 Projected
SMMC cost per adjusted patient day	\$900	\$920*

\*Due to increase in operating costs

**FISCAL IMPACT:**

The term of this Amendment is September 1, 2011 through August 31, 2012. The Amendment increases the maximum amount by \$450,000, for a new maximum fiscal obligation of \$500,000. Funds in the amount of \$337,500 are included in the SMMC Adopted FY 2011-12 Budget, and funds in the amount of \$112,500 will be included in the SMMC FY 2012-13 Recommended Budget.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC.

**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE: A) PRESIDENT OF THE BOARD TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT WITH TOTAL RENAL CARE, INC. TO PROVIDE ACUTE INPATIENT DIALYSIS SERVICES TO MEDICALLY INDIGENT PATIENTS AT SAN MATEO MEDICAL CENTER, INCREASING THE FUNDING BY \$450,000 FOR A NEW MAXIMUM OBLIGATION OF \$500,000, WITH NO CHANGE IN THE TERM OF THE AGREEMENT; 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**, San Mateo County is responsible for providing medical care to its medically indigent adult population, including acute inpatient dialysis treatment at San Mateo Medical Center (SMMC), and the County Manager approved an Agreement with Total Renal Care, Inc. (Total Renal Care) on October 13, 2011, to provide acute inpatient dialysis services at SMMC in an amount not to exceed \$50,000 for the term September 1, 2011, through to August 31, 2012; and

**WHEREAS**, the plan was to have this \$50,000 agreement cover services for a few months while a Request for Proposals (RFP) was issued for a new three-year agreement to provide such services, but due to the difficulty in accurately predicting how many patients require acute dialysis each month, the interim \$50,000 agreement with Total Renal Care has run out of money; and

**WHEREAS**, SMMC must now amend the current agreement with Total Renal Care in order to ensure continuity patient care pending conclusion of the RFP process; and

**WHEREAS**, Total Renal Care has been providing SMMC with high quality dialysis care since 1999, maintains compliance with regulatory standards, and provides acute dialysis services (including equipment, supplies, appropriate personnel and in-service training) and has adequate capacity for staffing, maintains appropriate information systems, has demonstrated program competency, creativity, initiative and possesses other key factors required to meet SMMC's renal care service needs; and

**WHEREAS**, the parties now wish to amend the Agreement to increase the maximum amount by \$450,000, to a new maximum of \$500,000; and

**WHEREAS**, the Board has been presented with the Amendment to the Agreement and has examined and approved it as to form and content and desires to enter into it.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the President of the Board be and is hereby authorized and directed to execute said Amendment to the Agreement 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.

\* \* \* \* \*

**AMENDMENT NO. 1 TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
TOTAL RENAL CARE, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and TOTAL RENAL CARE, INC. hereinafter called "Contractor";

**W I T N E S S E T H:**

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for providing acute inpatient dialysis services to medically indigent patients at San Mateo Medical Center on October 13, 2011; and

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by \$450,000, to a new maximum amount of \$500,000.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO  
AS FOLLOWS:**

1. Paragraph 3, Payments of the original agreement is amended to read as follows:
  3. **Payments** In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and any Exhibit(s) or attachment(s) attached hereto, County shall make payment to Contractor in the manner specified herein and in Exhibit "A". In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination. In no event shall total payment for services under this Agreement exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000).
2. **All other terms and conditions of the agreement dated October 13, 2011, between the County and Contractor shall remain in full force and effect.**

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
President, Board of Supervisors, San Mateo  
County

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

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

TOTAL RENAL CARE, INC.

\_\_\_\_\_  
Contractor's Signature

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

APPROVED AS TO FORM ONLY

By: \_\_\_\_\_  
Name: Margaret Howell Benson  
Title: Group General Counsel