



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: February 21, 2013
Board Meeting Date: March 26, 2013
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: Acceptance of a Grant from Sequoia Healthcare District

RECOMMENDATION:

Adopt a Resolution accepting a grant from Sequoia Healthcare District in the amount of \$2,000,000 for FY 2012-13 to assist with the cost of providing care to the uninsured / medically indigent residents of the Sequoia Healthcare District who seek care at San Mateo Medical Center's Fair Oaks Clinics.

BACKGROUND:

The population of the North Fair Oaks neighborhood continues to increase, along with the number of uninsured individuals who need medical care. During the past year, the Fair Oaks Adult and Children's Clinics provided over 34,200 outpatient visits to more than 12,000 individuals living in or near the neighborhood. Moreover, more than 38% of adult visits were for patients without insurance who are unable to pay for care and who are enrolled in San Mateo Medical Center's (SMMC) indigent care programs.

As the County's safety net public hospital, SMMC's a mission is to provide medical services to the uninsured throughout its system of care. Paying for the cost of delivering this care is a perpetual challenge, and this burden cannot be handled by the County alone. The Fair Oaks Clinics serve a patient population that resides primarily within the geographic boundaries of Sequoia Healthcare District (SHD). The SHD has long recognized the need for medical care of its uninsured residents by providing grants for this care each year since 2007-08. Since 2009-10, these grants have totaled \$2 million annually. In addition, in 2010 the SHD committed \$4.3 million toward the cost of building a new consolidated south county health center, replacing the Fair Oaks Adult Clinic, the Fair Oaks Children's Clinic, and the Willow Clinic. This new clinic will be open this fall.

DISCUSSION:

On May 2, 2012, SHD’s Board of Directors approved continuing the grant to SMMC in the amount of \$2,000,000 for FY 2012-13 to supplement the cost for care to the indigent and uninsured residents of SHD who seek care at the Fair Oaks Clinics.

In accepting the \$2,000,000 grant the County agrees to: 1) demonstrate, on an ongoing basis, that the population served by these funds resides primarily within the boundaries of SHD; and 2) demonstrate, on an ongoing basis, that the costs charged against this funding are neither subject to nor eligible for reimbursement through government or private insurance programs.

The acceptance of the grant is being sent to the Board late because the letter awarding the grant was sent by U.S. Mail on May 3, 2012, but was never received at SMMC until it was sent again on February 19, 2013.

County Counsel has reviewed and approved the Resolution as to form.

Acceptance of this grant contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring basic health and safety for all and providing residents access to healthcare and preventive care. It is anticipated that 18% of SMMC’s patients living in the SHD will be funded by SHD.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Percent of SMMC’s patients living in the SHD will be funded by SHD	18%	18%

FISCAL IMPACT:

The grant for fiscal year July 1, 2012 through June 30, 2013, is \$2,000,000. This amount is included in SMMC FY 2012-13 Adopted 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 contributions such as this from Sequoia Healthcare District and the County’s General Fund contribution to SMMC.