



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



**Date:** June 7, 2013  
**Board Meeting Date:** July 9, 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:** Amendment to the agreement with Perot Systems Revenue Cycle Solutions, Inc.

**RECOMMENDATION:**

Adopt a Resolution authorizing an amendment to the agreement with Perot Systems Revenue Cycle Solutions, Inc. changing the identity of the Contractor to Conifer Revenue Cycle Solutions, LLC, extending the term through December 31, 2013, increasing the amount by \$600,000 to an amount not to exceed \$4,475,000.

**BACKGROUND:**

On May 25, 2010, by Resolution 070783, your Board approved an agreement with Perot Systems Revenue Cycle Solutions, Inc. (Perot) for business and consulting services relating to revenue cycle operations at San Mateo Medical Center (SMMC) and its clinics for the term of June 28, 2010 through June 27 2012, in an amount not to exceed \$2,375,000.

On June 5, 2012, by Resolution 071977, your Board approved an amendment to the agreement expanding the scope of services; extending the agreement term by one year, through June 27, 2013; and increasing the maximum amount payable by \$1,500,000 to an amount not to exceed \$3,875,000.

**DISCUSSION:**

The County entered into an agreement with Perot to address the extensive aging of the SMMC Accounts Receivable and the need for more collection of small account balances and self-pay accounts. The amendment will continue that work for 6 months while alternative service delivery options are evaluated. Perot recently notified the County of the change in their legal name and requests that the agreement reflect that change.

SMMC is assessing the ability of internal County staff to resume collections responsibilities and will use the next several months to review options for in-house as well as contractual solutions. We will develop a recommendation for your Board's consideration and anticipate bringing a recommendation to your Board by the meeting scheduled for December 10, 2013. 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. The County's Contracts Compliance Committee has approved the extension of the contract beyond three years.

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by improving fiscal accountability used in support of the caregiving activities of SMMC. It is anticipated that the average collection per month on small account collection will be \$410,000. This is an indicator of improved collections because those small accounts had been previously written off.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Projected</b>
Average collection per month on small account collection.	\$410,000	\$410,000

**FISCAL IMPACT:**

The term of this agreement is June 28, 2010 through December 31, 2013. The maximum fiscal obligation is \$4,475,000. Funds in the amount of \$1,375,000 are included in the SMMC FY 2012-13 Adopted Budget. Funds in the amount of \$639,288 will be included in the SMMC FY 2013-14 Recommended Budget.

The payment provisions and service levels are essentially the same as for the original agreement and are based on the rate of collection. 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, and are within the existing annual appropriation.