



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



**Date:** May 6, 2014  
**Board Meeting Date:** June 17, 2014  
**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 Agreement with California Emergency Physicians Medical Group

**RECOMMENDATION:**

Adopt a Resolution authorizing an amendment to the agreement with California Emergency Medical Group to provide emergency medical services and correctional health services, extending the term through September 30, 2014, and increasing the amount by \$1,200,000 to an amount not to exceed \$13,470,000.

**BACKGROUND:**

On October 4, 2011, your Board approved an agreement with California Emergency Physicians Medical Group (CEP) to provide Emergency Department (ED) services at San Mateo Medical Center (SMMC) for the term of July 1, 2011 through June 30, 2014, in an amount not to exceed \$12,270,000.

On November 19, 2013, the Chief Executive Officer (CEO) of SMMC approved an amendment to the agreement, increasing the case rate paid to the contractor by the County based on a significant increase in demand for ED services. This rate increase did not result in an increase in the maximum amount payable under the agreement.

**DISCUSSION:**

Under the existing agreement, SMMC has paid the Contractor for medical services and then SMMC bills third-party payors such as Medi-Cal for the services rendered by the Contractor. Under a new agreement currently being negotiated, SMMC and CEP will change this arrangement: CEP will bill third party payors for the services it provides to SMMC patients and SMMC will reduce its payment to CEP. However, this agreement is not yet finalized. We expect to bring an agreement forward soon.

Meanwhile, it is necessary to extend the term of the existing agreement by three months and add a corresponding increase in funding.

A waiver of the three-year contract term limit has been approved by the Contract Compliance Committee.

CEP will continue to provide Board Certified ED physicians twenty-four hours a day, seven days a week. CEP also will continue providing coverage for the Health System's Correctional Health Division. In addition, CEP will continue to provide medical supervision for Psychiatric Emergency Services (PES) residents and restraint authority for PES patients in the absence of on-site psychiatry attending staff.

The amendment and Resolution have been reviewed and approved by County Counsel as to form. The Contractor meets insurance certification requirements.

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 agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing emergency services to residents of San Mateo County. It is anticipated that less than 3% of patients coming to the ED will leave without being seen.

**PERFORMANCE MEASURE(S):**

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Percentage of patients presenting at the ED who leave without being seen	<3%	<3%

**FISCAL IMPACT:**

The term of the agreement as amended is July 1, 2011 through September 30, 2014. The amount of the agreement is not to exceed \$13,470,000 for the 39-month term. Funds in the amount of \$1,200,000 will be included in the SMMC FY 2014-15 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, and are within the existing annual appropriation.