



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 30, 2014
Board Meeting Date: July 15, 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 the agreement with Provencio Advisory Services, Inc.

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Provencio Advisory Services, Inc. to provide financial advisory services, extending the term through June 30, 2015, and increasing the amount by \$100,000 to an amount not to exceed \$200,000.

BACKGROUND:

On August 1, 2013, the Chief Executive Officer (CEO) approved an agreement with Provencio Advisory Service, Inc. (Provencio) to provide financial advisory services to support the interim Reimbursement Manager at the San Mateo Medical Center (SMMC). Provencio has extensive experience in the field of healthcare consulting and finance specific to SMMC, including quality assurance, third party settlement, patient accounts receivables, and special projects such as quarterly reviews of SMMC Reimbursement Department third-party reconciliation. Provencio has provided invaluable support to stabilize SMMC's reimbursement efforts while SMMC continues to recruit for a permanent Reimbursement Manager candidate.

DISCUSSION:

SMMC's new Chief Financial Officer is working with the interim Reimbursement Manager to strengthen SMMC's Reimbursement Department and ultimately bring the work being performed by Provencio in-house. In order to achieve this goal, it is imperative that the work performed by Provencio continue through the current transitional period.

Extending the term of the agreement by one year will give SMMC time to finalize the transition, fully transfer knowledge from Provencio to SMMC, and fill the permanent Controller and Reimbursement Manager positions currently under recruitment.

SMMC recommends a waiver of the Request for Proposals (RFP) process for Provencio to continue to provide financial advisory services to support SMMC Finance.

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

SMMC also requests that your Board authorize the 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.

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.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by enabling SMMC to accurately report to government entities and project financial allowances and reserves used in support of SMMC care-giving activities. It is anticipated that 100% of all reports and estimates will be completed within the required reporting period.

PERFORMANCE MEASURE:

Measure	FY 2013-14 Estimated	FY 2014-15 Projected
Percentage of all reports and estimates completed within required reporting period	100%	100%

FISCAL IMPACT:

The term of the agreement is September 1, 2013 through June 30, 2015, in an amount not to exceed \$200,000. Funds in the amount of \$100,000 are included in the SMMC FY 2013-14 Adopted Budget and funds in the amount of \$100,000 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.