



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: August 29, 2014
Board Meeting Date: September 30, 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: Agreement with Palo Alto Medical Foundation for Health Care, Research and Education

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Palo Alto Medical Foundation for Health Care, Research and Education to provide otorhinolaryngology medical services for the term of July 1, 2014 through June 30, 2016, in an amount not to exceed \$700,000.

BACKGROUND:

Dr. David E. Ellison and his colleagues have provided otorhinolaryngology (ENT) medical services to the patients of San Mateo Medical Center (SMMC) for many years. These services include the diagnosis and treatment of the developmental, degenerative, infectious, and traumatic conditions of the ear, nose, mouth, and throat. Such conditions include hearing loss and communication disorders, salivary gland diseases and tumors, sinusitis and upper respiratory infections, tonsillitis, thyroid surgery, and malignant diseases of the head and neck. Patients treated at SMMC have a continuous need for such ENT care services and Dr. Ellison's group offers the hospital the benefits of an experienced provider familiar with the complex nature of the County's patient base.

In January 2012, Dr. Ellison's group merged with Palo Alto Medical Foundation for Health Care, Research and Education (PAMF).

DISCUSSION:

As PAMF, Dr. Ellison and his colleagues will continue to provide ENT services at SMMC. ENT medical services are provided under the general direction of the Chief of Surgery and the Chief Medical Officer. Monitoring and evaluation of the quality of

services provided by the contractor are accomplished through peer review by the SMMC Quality Assurance Committee and the SMMC Medical Staff Executive Committee. The level of compensation and the related work is based on regional benchmarks for ENT services.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

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

SMMC is also asking the Board to 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), for each agreement 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 agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing ENT services to the patients of SMMC. It is anticipated that surgery wait times will be reduced to six months by the end of the first year of this agreement and reduced to less than three months by the end of the agreement term.

PERFORMANCE MEASURE(S):

| Measure | FY 2013-14 Actual | FY 2014-15 Projected |
|--|-------------------|----------------------|
| Amount of reduction in surgery wait time | N/A* | 6 months |

*New performance measure not in effect during previous fiscal years

FISCAL IMPACT:

The term of the agreement is July 1, 2014 through June 30, 2016. The amount of the agreement is not to exceed \$700,000 for the two year term. Funds in the amount of \$350,000 are included in the SMMC FY 2014-15 Recommended Budget. Funds in the amount of \$350,000 will be included in the SMMC FY 2015-16 Recommended Budget. The payment provisions of the contract are essentially the same as the previous contract.

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.