



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



**Date:** August 19, 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  
**Subject:** Continuation of Contracts

**RECOMMENDATION:**

Adopt a Resolution authorizing the Controller to continue payments on Health System contracts from July 1, 2014 through December 31, 2014.

**BACKGROUND:**

To ensure continued provision of services during the period following the adoption of the annual budget, it is necessary to authorize the Controller to continue to make payments to contractors at the existing rates. On June 3, 2014, your Board approved Resolution 073212 that allowed continuation of payments to selected contractors through September 30, 2014. The Health System has several contracts for services that are still pending completion. The contracts listed in the Resolution will be completed and submitted by December 31, 2014.

**DISCUSSION:**

This extension allows contractors to continue to provide necessary services to the public and will allow the Health System the time needed to complete complex negotiations. All the terms and conditions shall remain in effect during the term of the continuing resolution.

Aging and Adult Services' agreements related to the In Home Support Services (IHSS) Public Authority are still under negotiation. Agreements have been on hold pending additional clarification from the state regarding IHSS provider responsibilities and labor negotiations for benefits coverage.

Behavioral Health and Recovery Services (BHRS) has made a major change to its expectations of providers that render third-party reimbursable services (e.g., Medi-Cal). Such providers are now expected to include provisions for revenue generation in their agreements with BHRS. If the provider does not meet its revenue generation

projection, it will be responsible for any shortfall going forward. This is an understandably major operational shift for BHRS providers, and as a result, it has taken longer than expected to explain this change and negotiate new provider agreements. In addition, some providers are undergoing changes in their services or operational procedures, or have merged with other agencies, all of which have added to the complexity of negotiations with BHRS.

San Mateo Medical Center has one agreement undergoing final review and will be presented to the Board shortly.

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

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Healthy Community by enabling the Health System to continue to provide a continuity of services to the community until final negotiations can be completed.

**FISCAL IMPACT:**

Funds for the annual costs of these contracts have been included in the Health System FY 2014-15 Recommended Budget.