



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: September 17, 2014
Board Meeting Date: November 4, 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 Sound Physicians Medical Group, Inc., dba Sound Physicians of California

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Sound Physicians Medical Group, Inc. dba Sound Physicians of California to provide hospitalist services for the term of December 1, 2014, through November 30, 2017, in an amount not to exceed \$7,350,000.

BACKGROUND:

Historically, San Mateo Multispecialty Physicians (SMMP) provided subcontracted physicians to meet the needs of San Mateo Medical Center (SMMC) for hospitalists on a 24 hour per day/7 day per week basis. On February 3, 2014, a Request for Proposals (RFP) was published for hospitalist services. A total of 14 proposals were received in response. Sound Physicians Medical Group, Inc. dba Sound Physicians of California (Sound Physicians), was selected as the vendor of choice

To ensure a smooth transition of this service, SMMP will continue to provide hospitalist services until November 30, 2014.

DISCUSSION:

Established as a physician owned, led, and managed organization, Sound Physicians currently operates in 24 states with more than 102 hospital partners, employing and managing more than 1200 physicians. Sound Physicians' experience includes 11 hospital partners and 120 full time physicians in California. Sound Physicians also has experience in a wide variety of practice settings, including county hospitals. Based on this background, SMMC believes that Sound Physicians represents a sophisticated partner that can provide the required services in an ever-changing environment. In

addition, Sound Physicians invests in the development of core clinical processes and workflows that are able to reliably drive performance results in the areas of quality, satisfaction and efficiency, and these abilities are responsive to the performance needs of SMMC. Sound Physicians' training program, web-based workflow, informatics platform, and focus on metrics and reporting are also in line with SMMC's plans to monitor and improve the quality of care it provides.

The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

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

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing hospitalist services to inpatients at SMMC. SMMC is committed to providing its patients with the best possible experience of care. SMMC utilizes the Hospital Consumer Assessment of Healthcare Providers and Systems, a nationally validated survey tool, to assess the experience of patients who have stayed on the inpatient units. In the year prior to this agreement, 74.5% of surveyed hospital patients stated that they were "always" satisfied with the communication they received from their physician. Sound Physicians is a national hospitalist company that has a standard appropriate to metrics and physician feedback that improve the patient experience. As a result of the implementation of this approach, it is anticipated that over 80% of inpatients will report that they were "always" satisfied with the communication they received from their physician.

PERFORMANCE MEASURE:

Measure	FY 2014-15 Estimated	FY 2015-16 Projected
Percentage of inpatients who will report "always" being satisfied with communication from their physician	80%	85%

FISCAL IMPACT:

The term of the agreement is December 1, 2014, through November 30, 2017. The amount of the agreement is not to exceed \$7,350,000 for the three year term. Funds in the amount of \$1,429,167 are included in the SMMC FY 2014-15 Adopted Budget. Funds in the amount of \$2,450,000 will be included in the SMMC FY 2015-16 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions of the contract are different from the previous hospitalist contract because this contract is for hospitalist services only, whereas the previous provider also provided internal medicine and cardiology services.

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.