



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



DATE: April 12, 2012
BOARD MEETING DATE: May 8, 2012
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: Memorandum of Understanding between San Mateo Medical Center
and San Mateo County Health Foundation

RECOMMENDATION:

Adopt a Resolution authorizing the:

- A) President of the Board to execute a Memorandum of Understanding between San Mateo Medical Center and San Mateo County Health Foundation, effective July 1, 2011, continuing indefinitely, for a maximum obligation of \$250,000; and
- B) 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.

BACKGROUND:

San Mateo Medical Center (SMMC) serves the health care needs of all residents of San Mateo County, with an emphasis on health promotion and primary care. SMMC is part of the San Mateo County Health System and receives financial support from San Mateo County Health Foundation (SMCHF).

SMCHF is a fundraising foundation committed to advancing wellness in our community. SMCHF funds innovative healthcare programs in the twenty years of its existence, it has raised over \$15 million to benefit the health of San Mateo County's residents. SMCHF makes funding decisions based on careful consideration of future impact rather than temporary relief. Historically, SMCHF has primarily funded programs of SMMC. Extraordinary generosity from the SMCHF donor community has helped SMMC to remain at the forefront of innovation and a vital community resource that impacts the entire community.

DISCUSSION:

The purpose of this Memorandum of Understanding (MOU) is to describe and make explicit the agreement between the County and SMCHF by which the County of San Mateo will make an annual contribution to SMCHF and SMCHF will direct its fundraising efforts solely to supporting SMMC. They will make other organizational changes to increase SMCHF's focus on SMMC and to address other SMMC-related initiatives.

SMMC will work with the County of San Mateo to provide an annual contribution to SMCHF to support SMCHF's operating expenses, starting with FY 2011-12. The MOU commits the County to contribute \$250,000 for FY 2011-12. In return, SMCHF commits to distributing a minimum of \$500,000 to SMMC programs, projects, or equipment during the same period. Future contributions will be subject to future approval by your Board and the annual budget process. SMCHF will similarly continue to contribute to the County/SMMC in future years. This funding commitment by the public hospital to its foundation is similar to partnerships between Alameda County Medical Center, Santa Clara Valley Medical Center, and Contra Costa Regional Medical Center and their foundations. Those partnerships, however, do not require minimum funding by the foundation in return.

County Counsel has reviewed and approved the MOU and Resolution as to form.

This MOU contributes to the Shared Vision 2025 outcome of a Healthy Community by strengthening the relationship between SMMC and SMCHF and maximizing fundraising capabilities in our community. It is anticipated that SMCHF may distribute a minimum of \$500,000 to SMMC projects, or equipment in FY 2011-12.

Performance Measure:

Measure	FY 2010-11 Actual	FY 2011-12 Projected
Anticipated annual contribution to SMMC	\$745,721	\$500,000

FISCAL IMPACT:

The MOU will be effective starting July 1, 2011, and will continue indefinitely. The MOU may be terminated by either party with sixty days advance notice. The maximum amount of funding for SMCHF under this MOU for FY 2011-12 is \$250,000. Funds in the amount of \$250,000 are included in the SMMC FY 2011-12 Adopted Budget. SMCHF commits to distributing a minimum of \$500,000 to SMMC programs, projects, or equipment for FY 2011-12. During future years, SMCHF will distribute such funds to SMMC programs, projects, or equipment as it decides appropriate, and the County will fund SMCHF as approved by your Board and as outlined by the annual budget process.

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.

