



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



**Date:** July 27, 2015  
**Board Meeting Date:** September 1, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

**Subject:** Amendment to the Agreement with Peninsula Pathologists Medical Group for histology services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Peninsula Pathologists Medical Group for histology services extending the term through December 31, 2015 and increasing the amount by \$84,935 to an amount not to exceed \$616,142.

**BACKGROUND:**

On July 24, 2012, your Board approved an agreement with Peninsula Pathologists Medical Group (PPMG) to provide histology services for surgical and biopsy procedures for the term August 1, 2012 through July 31, 2015, in an amount not to exceed \$405,000.

On January 28, 2014, your Board approved an amendment for this contract to expand the scope of services and increase the amount by \$126,207, to an amount not to exceed \$531,207.

**DISCUSSION:**

San Mateo Medical Center (SMMC) had been exploring the possibility of combining its anatomical and clinical pathology services with its histology services. The preliminary results indicate that continuing to contract separately is more cost-effective. As a result, SMMC issued a new Request for Proposals in July 2015 and is requesting an amendment to extend the term of the existing agreement with PPMG by five months. The extension will allow SMMC time to thoroughly evaluate the proposals and to execute a new agreement by January 2016.

This agreement is late due to the additional time required to evaluate the option to to contract for combined services.

The County's Contract Compliance Committee has approved a waiver request to extend the agreement by an additional five months beyond the current term.

The amendment and resolution have been reviewed and approved by County Counsel as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing pathology slide preparation for accurate diagnosis and treatment of disease. It is anticipated that 100% of submitted blocks and slides will be returned to the lab for analysis within 48 hours of pick-up time.

**PERFORMANCE MEASURE:**

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Percentage of blocks and slides returned to the lab for analysis within 48 hours of pick up time	100%	100%

**FISCAL IMPACT:**

The term of the amended agreement is August 1, 2012 through December 31, 2015, in an amount not to exceed \$616,142. Funds in the amount of \$84,935 are included in the SMMC FY 2015-16 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.