



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



**Date:** June 27, 2016  
**Board Meeting Date:** August 9, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Chester Kunnappilly, MD, Interim Chief Executive Officer, San Mateo Medical Center

**Subject:** Amendment to the Agreement with HFS Consultants for Interim Management Consulting Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with HFS Consultants for interim management consulting services, extending the term through September 30, 2016, and increasing the amount by \$225,000, to an amount not to exceed \$1,596,400.

**BACKGROUND:**

On October 16, 2013, the Chief Executive Officer (CEO) of the San Mateo Medical Center (SMMC) approved an agreement with HFS Consultants (HFS) through November 30, 2013, in an amount not to exceed \$100,000 for HFS to provide an interim Chief Revenue Officer and an Interim Billing and Collections Manager. SMMC executed this agreement to provide immediate support to its financial services team until a Board level agreement could be approved.

On December 10, 2013, your Board approved an amendment to extend the term of the agreement through March 31, 2015, increasing the amount by \$821,400. This amendment also expanded the scope of work to include recruitment services in an effort to find candidates for permanent replacement.

On March 9, 2015, SMMC's CEO approved an amendment to extend the term of the agreement through December 31, 2015, to support the health information department after the resignation of the Coding Manager.

On February 9, 2016, your Board approved an amendment to extend the term of the agreement through June 30, 2016, increasing the amount by \$450,000 to continue

supporting SMMC's Health Information Management (HIM) department, in addition to providing post ICD-10 training and education.

**DISCUSSION:**

SMMC continues its efforts to find a suitable candidate for the vacant HIM Coding Manager position. This amendment will allow for continued support of the finance department with an Interim Coding Manager during the recruitment process. SMMC has recently contracted with two outside recruitment firms in an effort to find a permanent candidate for this hard to fill position.

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

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring revenue-generating services are conducted efficiently and effectively. It is anticipated that SMMC's return on investment over the term of the agreement will be 2:1.

**PERFORMANCE MEASURE:**

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Return on investment over the term of the agreement	2:1	2:1

**FISCAL IMPACT:**

The term of the amended agreement is October 15, 2013 through September 30, 2016. The amount of the agreement is not to exceed \$1,596,400. Funds in the amount of \$225,000 are included in the SMMC FY 2016-17 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.