



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



**Date:** August 11, 2016  
**Board Meeting Date:** September 20, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

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

**Subject:** Amendment to the agreement with Sound Physicians Medical Group, Inc. dba Sound Physicians of California to Provide Hospitalist Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Sound Physicians Medical Group, Inc. dba Sound Physicians of California to provide hospitalist services, increasing the amount by \$1,050,000, to an amount not to exceed \$8,400,000.

**BACKGROUND:**

Historically, San Mateo Multispecialty Physicians provided hospitalist coverage at the San Mateo Medical Center (SMMC). In May 2014, SMMC completed a Request for Proposals (RFP) for hospitalist services. SMMC received 14 proposals and Sound Physicians Medical Group, Inc. dba Sound Physicians of California (Sound Physicians) was selected as the vendor of choice. The RFP was based on historical inpatient census data and Sound Physicians proposed models with 5.3 Full Time Equivalent (FTE) physicians and 6.0 FTE physicians, with each provider serving 12-15 patients (the community standard). This staffing metric allowed for a maximum average daily census of 30 inpatients.

**DISCUSSION:**

Sound Physicians has staffed SMMC with a 7.0 FTE program, in which each provider cares for 15.6 patients. However, since the onset of this agreement, SMMC admissions are 28% higher than historic levels. Since a higher patient-to-provider ratio increases safety risk in a clinical environment, SMMC is proposing to increase the number of FTEs in Sound Physicians' staffing with this amendment.

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

The amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing hospitalist services to SMMC inpatients. SMMC is committed to providing 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, 82% of surveyed hospital patients stated that they were “always” satisfied with the communication they received from their physician. It is anticipated that 85% of inpatients will report that they were “always” satisfied with the communication they received from their physician.

**PERFORMANCE MEASURE:**

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Percentage of inpatients who will report that they were “always” satisfied with the communication they received from their physician	82%	85%

**FISCAL IMPACT:**

The term of the agreement remains December 1, 2014, through November 30, 2017. The original amount of the agreement is not to exceed \$7,350,000 for the three-year term. This amendment increases the contract amount by \$1,050,000. Funds in the amount of \$700,000 have been included in the SMMC FY 2016-17 Approved Recommended Budget. Funds in the amount of \$350,000 will be included in the SMMC FY 2017-18 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.