



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: August 22, 2016
Board Meeting Date: November 1, 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
Carlos Morales, Interim Director, Correctional Health Services

Subject: Agreement with CEP America- California to Provide Emergency Medical and
Correctional Health Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with CEP America- California to provide emergency medical and correctional health services, for the term of October 1, 2016 through September 30, 2019, in an amount not to exceed \$7,200,000.

BACKGROUND:

For over 20 years, CEP America- California (CEP) has provided the physician and physician assistant staff to the Emergency Department (ED) at the San Mateo Medical Center (SMMC), the busiest ED in the County. In addition, CEP provides Correctional Health Services (CHS) with physician services and call coverage. CEP offers SMMC and CHS the benefits of a large practice with diverse specialization and administrative support.

DISCUSSION:

Under this agreement, CEP will continue to provide the following services: (1) staffing of Board Certified ED physicians 24 hours a day, 7 days a week at SMMC; (2) billing third party payors such as Medi-Cal for the services rendered; (3) staffing for medical services at both County correctional facilities; (4) medical supervision for Psychiatric Emergency Services (PES) residents and restraint authority for PES patients in the absence of on-site psychiatry attending staff; and (5) call coverage for Cordilleras. The agreement is coming to your Board late due to protracted negotiations.

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

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

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

This agreement contributes to the Shared Vision 2025 of a Healthy community by providing emergency services to residents of San Mateo County. It is anticipated that less than 2.5% of patients presenting to the ED will leave without being seen.

PERFORMANCE MEASURE:

| Measure | FY 2015-16 Actual | FY 2016-17 Projected |
|---|--------------------------|-----------------------------|
| Percentage of patients presenting to the ED that leave without being seen | 1.9% | <2.5% |

FISCAL IMPACT:

The term of the agreement is October 1, 2016 through September 30, 2019. The amount of the agreement is not to exceed \$7,200,000 for the three-year term. Funds in the amount of \$424,000 are included in the CHS FY 2016-17 Adopted Budget. Funds in the amount of \$2,000,000 are included in the SMMC FY 2016-17 Adopted Budget. Similar arrangements will be made for future years.

The payment provisions of the contract are different from the prior contract due to the following: (1) baseline visits to the SMMC ED declined by 10 patients per day (from 120 to 110); (2) physician assistant compensation increased by 14%; and (3) medical coverage for the newly opened Maple Street facility was added at a cost to CHS of \$205,000 per year.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medical indigent or to those covered by programs that do not fully meet the costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.