



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: January 3, 2014
Board Meeting Date: January 28, 2014
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: Amendment to Agreement with Peninsula Pathologists Medical Group

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Peninsula Pathologists Medical Group to provide anatomic slide preparation and histology services for surgical and biopsy procedures, expanding the scope of work and increasing the amount by \$126,207 to an amount not to exceed \$531,207.

BACKGROUND:

On July 24, 2012, your Board approved an agreement with Peninsula Pathologists Medical Group (PPMG) to provide anatomic slide preparation and 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.

DISCUSSION:

This amendment to the agreement with PPMG will provide additional services to the Clinical Laboratory (Lab) at San Mateo Medical Center (SMMC). This amendment covers the specialized testing of breast tissue specimens for San Mateo County patients with Estrogen Receptor, Progesterone Receptor, and Human Epidermal Receptor 2 by Dual InSitu Hybridization, as well as the Tumor Cell Proliferation Index Ki67 marker by immunohistochemistry. PPMG will augment this specialized testing with pathology support that includes transcription, processing and special stains, and cytology services. The array of services provided through this amendment would create an improved, more uniform approach compared to the Lab's current practice of outsourced reference lab testing. As a result, SMMC's patients will benefit from improved turnaround times for breast cancer diagnosis and prognosis.

The amendment and Resolution have been reviewed and approved by County Counsel as to form. The contractor meets insurance certification requirements.

This agreement 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 blocks and slides will be returned to the Lab for analysis within 48 hours from time of pick-up 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Blocks and slides are returned to the Lab for analysis within 48 hours from time of pick up	100%	100%

FISCAL IMPACT:

The term of the agreement is August 1, 2012 through July 31, 2015. The amount of the agreement is not to exceed \$531,207. Funds in the amount of \$198,104 are included in the SMMC FY 2013-14 Adopted Budget. Similar arrangements will be made for future years.

The payment provisions of the amendment are different from the original contract because of a change in the amount of services provided. The contractor will provide an increase of approximately 31% in the amount of services rendered.

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.