



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



**Date:** January 2, 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 the Agreement with Palo Alto Medical Foundation

**RECOMMENDATION:**

Adopt a Resolution authorizing an amendment to the agreement with Palo Alto Medical Foundation for Healthcare, Research and Education to provide otorhinolaryngology services, extending the term through June 30, 2014, and increasing the amount by \$160,000 to an amount not to exceed \$742,413.

**BACKGROUND:**

On January 10, 2012, your Board approved an agreement with Palo Alto Medical Foundation for Healthcare, Research and Education (PAMF) to provide otorhinolaryngology services to San Mateo Medical Center (SMMC) patients for the term January 1, 2012, through December 31, 2013, in an amount not to exceed \$562,400.

On June 1, 2012, SMMC's Chief Executive Officer (CEO) approved an amendment to the agreement to update the list of providers authorized to provide services under the agreement.

On May 22, 2013, the CEO approved an amendment to expand the level of service and increase the amount by \$20,013, to an amount not to exceed \$582,413.

**DISCUSSION:**

Negotiations for a new agreement with PAMF were started on June 19, 2013. The negotiations have been prolonged due to extensive discussions of the addition by SMMC of ten new performance metrics, as well as the review time required by legal counsel on both sides. This amendment is needed to allow payment for continued services until negotiations are finalized and a new agreement is in place.

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

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

Approval of the agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to otorhinolaryngology services for the residents of San Mateo County. As a safety net hospital, SMMC is acutely aware of the importance of controlling hospital-borne infections. Failure to control infection results in higher cost to the County for additional care of those patients who become victims of a preventable infection. It is anticipated that 100% of all otorhinolaryngology services provided will adhere to the infection control standards as defined by the Joint Commission and Title XXII of the State of California Code of Regulations, which will result in reduced risk of healthcare associated infections.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Projected</b>
Adherence to infection control standards as defined by Joint Commission, Title XXII and other applicable standards	100%	100%

**FISCAL IMPACT:**

The term of the agreement is January 10, 2012 through June 30, 2014. The amount of the agreement is not to exceed \$742,413 for the 30 month term. Funds in the amounts of \$421,800 and \$320,613 were included in the SMMC FY12-13 Adopted Budget and FY 2013-14 Adopted Budget, respectively. The payment provisions and levels of service in this amendment are essentially the same as the prior contract.

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.