



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: September 27, 2016
Board Meeting Date: November 15, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Agreement with Total Renal Care, Inc. to Provide Acute Inpatient Dialysis Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Total Renal Care, Inc. to provide acute inpatient dialysis services, for the term December 1, 2016 through November 30, 2021, in an amount not to exceed \$4,500,000.

BACKGROUND:

San Mateo County is responsible for providing medical care to its medically indigent adult population, including acute inpatient dialysis treatment at San Mateo Medical Center (SMMC). Because of the costs associated with necessary equipment and the need for specialized staffing, it is more economical to contract for this service with a third-party vendor than to perform the services at SMMC. Total Renal Care, Inc. (TRC) has been providing SMMC with high quality dialysis care since 1999.

DISCUSSION:

In August 2016, SMMC completed a Request for Proposals for acute care dialysis services. TRC was selected because of the range of services they provide and their demonstrated program competency. In addition, TRC offers acute dialysis services (including equipment, supplies, appropriate personnel, and in-service training), adequate capacity for staffing, and other key elements required to meet SMMC's renal care service needs.

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

The County's Contract Compliance Committee has approved a waiver request for a five-year term.

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 inpatient dialysis services at SMMC for its patients. It is anticipated that the quarterly list of clinical quality indicators will be at 95% or greater.

PERFORMANCE MEASURE:

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Quarterly list of clinical quality indicators for services provided will be at 95% or greater	95%	95%

FISCAL IMPACT:

The term of the agreement is December 1, 2016 through November 30, 2021. The amount of the agreement is not to exceed \$4,500,000. Funds in the amount of \$525,000 are included in the SMMC FY 2016-17 Adopted Budget. Funds in the amount of \$900,000 will be included in the SMMC FY 2017-18 Recommended Budget. Similar arrangements will be made in future years.

Compared to the previous agreement, the payment provisions of this agreement reflect a 55% overall increase in the services provided, due in part to the lack of qualified alternative vendors as a result of consolidation in this market.

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.

Request for Proposals – Matrix

1	Where was the RFP advertised?	San Mateo Medical Center Website San Mateo County Procurement Website Public Purchase Website
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	Artificial Kidney Services Davita Healthcare Satellite Healthcare, Inc. Total Renal Care
3	State the total number of RFP's sent to prospective proposers:	4
4	How many proposals did you receive?	1
5	List in alphabetical order the names of the proposers and the location:	Total Renal Care, Inc., Sacramento CA