



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



**Date:** March 13, 2013

**Board Meeting Date:** April 23, 2013

**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:** Authorizing the Controller to Pay Non-Contract Physicians for Services at San Mateo Medical Center

**RECOMMENDATION:**

Adopt a Resolution authorizing the Controller to pay non-contract physicians for emergency, emergent and services not provided at San Mateo Medical Center and physicians at non-contracted hospital facilities for the term of July 1, 2013 through June 30, 2015, in an amount not to exceed \$150,000.

**BACKGROUND:**

Occasionally there is insufficient specialty care coverage at San Mateo Medical Center (SMMC). On those occasions, it is necessary to obtain services from physicians besides those with whom the County contracts. Non-contract physicians provide emergency backup services to our patients when no contracted medical coverage or SMMC staff physician is available. Examples of areas in which shortages have occurred in the past include pediatric on-call coverage, gastroenterology, neurosurgery and cardiac catheterization.

The Resolution would also cover payments for physician services provided by non-contract physicians in other facilities for patients referred to those facilities when SMMC does not offer the service or surgical procedure needed. Physician rates are not negotiated but are paid at Medicare rates.

**DISCUSSION:**

Your Board has authorized the Controller to pay non-contract physicians who provide medical services to SMMC patients since 2005. All patient referrals to non-contract physicians for specialty care services must be authorized in advance and in writing by SMMC Administration. Utilization review will be concurrently provided by the Case

Management Department at SMMC. All Specialists are paid at the Medicare participating fee schedule rate for San Mateo County Part “B” and on the Medicare Labor Adjusted Ambulatory Surgery Classification (ASC). In the case of multiple procedures, the first procedure is paid at 100%. All additional procedures are paid at 50% of the Medicare Allowable reimbursement rate.

A similar Resolution pertaining to non-contracted providers is being presented to your Board under separate cover.

County Counsel has reviewed and approved this Resolution as to form.

This Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to medical services and/or surgical procedures which are needed but not available at SMMC. It is anticipated that less than one percent (<1.0%) of County patients will be referred to non-contract physicians for specialty care services.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2012-13 Estimated</b>	<b>FY 2013-14 Projected</b>
Percentage of patients referred to non-contract physicians for specialty care services	<1.0%	<1.0%

**FISCAL IMPACT:**

The term of the Resolution is July 1, 2013 through June 30, 2015. The maximum fiscal obligation is \$150,000. Funds in the amount of \$75,000 will be included in the SMMC FY 2013-14 Recommended Budget. Funds in the amount of \$75,000 will be included in the SMMC FY 2014-15 Recommended Budget. The payment provisions and levels of service in this Resolution are the same as the prior Resolution.

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.