



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: March 22, 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: Agreement with Peninsula Pathologists Medical Group, Inc.

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Peninsula Pathologists Medical Group, Inc. to provide anatomic and clinical pathology services for the term of May 1, 2013 through April 30, 2016, in an amount not to exceed \$1,306,800.

BACKGROUND:

Peninsula Pathologists Medical Group, Inc. (PPMG) has provided management, supervision, physician and technician services in clinical and anatomical pathology to San Mateo Medical Center (SMMC) since April 2002. SMMC has a continuous need for 24 hour laboratory medical coverage and this group offers SMMC the benefits of a large practice with diverse pathology specialties and administrative support.

DISCUSSION:

The services to be provided by PPMG are operating and supervising services, as well as Medical Director, related to the Clinical Laboratory and consultation with respect to the selection, operation and maintenance of special purpose equipment designed for the performance of clinical laboratory services. There are five specific areas of clinical and anatomical pathology services covered under this agreement including pathology, cytology, histology, point-of-care coordination and osteoporosis bone density testing. The Contractor will also oversee quality control and proficiency testing results to ensure consistent and accurate laboratory values. Additionally, Contractor will pay for disposal of all hazardous waste and provides the Pathologists License as required by law for every Clinical Laboratory.

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. The contractor's insurance meets certification requirements.

SMMC also requests that your Board authorize the Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to quality controlled, consistent and accurate laboratory and pathology services to residents of San Mateo County. It is anticipated that 100% of all laboratory and pathology services provided will be in compliance with standards as defined by the Joint Commission and Title 22 of the State of California Code of Regulations.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Estimated	FY 2013-14 Projected
Percentage of laboratory and pathology services in compliance with regulations	100%	100%

FISCAL IMPACT:

The term of this agreement is May 1, 2013 through April 30, 2016. The maximum fiscal obligation is \$1,306,800. Funds in the amount of \$72,600 are included in the SMMC FY 2012-13 Adopted Budget and \$435,600 will be included in the SMMC FY 2013-14 Recommended Budget. Similar arrangements will be made for future budget years. The payment provisions and levels of service in this agreement 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 fully meet the costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.