



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: January 6, 2014
Board Meeting Date: March 11, 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: Agreement with Nuance Communications, Inc.

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Nuance Communications, Inc. for transcription services for the term of September 1, 2013 through August 31, 2015, in an amount not to exceed \$450,000.

BACKGROUND:

Nuance Communications, Inc. (Nuance) has been providing transcription services to San Mateo Medical Center (SMMC) since September 2010. SMMC selected Nuance as a result of a May 2010 Request for Proposals.

Transcribing medical reports makes patient information available throughout SMMC and supports information continuity. Providers are encouraged to dictate patient reports to increase communication across the Health System.

DISCUSSION:

In April 2013, SMMC implemented a new Electronic Medical Record (EMR) that is based on an XML programming format. As SMMC's current transcription vendor, Nuance was able to accommodate the requirement to convert all current report types into XML within the specified implementation timeframe. SMMC simultaneously has been preparing for another major Health Information Management initiative, implementing the ICD-10 coding system in October 2014. With these major implementations underway, changing transcription vendors would be disruptive to SMMC at this time. Therefore, SMMC is requesting that the Board waive the Request for Proposals process and continue services with Nuance. The term of the current agreement with Nuance ended on August 31, 2013, and this replacement agreement has been delayed due to protracted negotiations.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. The contractor meets insurance 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 supporting information continuity and quality of patient care at SMMC. It is anticipated that transcribed reports are available 99% of the time within the following expected turnaround times: STAT reports 3 hours; History & Physical (H&P) exam and Pre-op reports 12 hours; and all other reports 24 hours.

PERFORMANCE MEASURE:

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Percent of time that transcribed reports are available within expected turnaround times for all reports: STAT reports 3 hours, H&P, and Pre-op reports 12 hours and all other reports 24 hours	99%	99%

FISCAL IMPACT:

The term of this agreement is September 1, 2013 through August 31, 2015, in an amount not to exceed \$450,000. Funds in the amount of \$187,500 are included in the SMMC FY 2013-14 Adopted Budget and funds in the amount of \$225,000 will be included in the SMMC FY 2014-15 Recommended Budget. Similar arrangements will be made for future budget years.

The payment provisions and levels of service in this contract 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.