



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 7, 2013
Board Meeting Date: June 18, 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

Subject: Agreement with David Jegge, MD

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with David Jegge, MD to provide general surgery services for the term of July 1, 2013 through June 30, 2016, in an amount not to exceed \$990,000.

BACKGROUND:

For the past eight years, David Jegge, MD, has provided general surgery services at San Mateo Medical Center (SMMC) in conjunction with Peninsula Surgical Specialists Medical Group, Inc. (PSS). On April 11, 2011, PSS merged with Palo Alto Medical Foundation (PAMF). Dr. Jegge did not affiliate with PAMF and contracted directly with the County for services as a sole practitioner.

DISCUSSION:

Under this agreement, Dr. Jegge will continue to provide one half-day surgery clinic block per week on Wednesday, one half-day surgery block during the fourth week of each month, and general surgery call every fourth night and every fourth weekend. His services will include inpatient, ambulatory, and Emergency Department consults and all follow-up from call, including operative cases. He has also agreed to partner with SMMC Administration in ensuring appropriate use of resources and timely access to care. This includes, but is not limited to, participation in the SMART Referral process to assure the timely evaluation of referrals, to improve efficiency and to expand specialist capacity.

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 general surgery services to 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 general surgery services provided will adhere to the infection control standards as defined by the Joint Commission and Title 22 of the State of California Code of Regulations, which will result in reduced risk of healthcare-associated infections.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Reduce the risk of healthcare-associated infections and adhere to infection control standards as defined by Joint Commission, Title 22, and other applicable standards	100%	100%

FISCAL IMPACT:

The term of this agreement is July 1, 2013 through June 30, 2016. The maximum fiscal obligation is \$990,000. Funds in the amount of \$330,000 will be included in the SMMC FY 2013-14 Recommended Budget and \$330,000 will be included in the SMMC FY 2014-15 Recommended Budget. The payment provisions of this agreement are different from the prior agreement because of a change in the rate structure. The MGMA (Medical Group Management Association) General Surgery Rates, upon which this agreement is based, increased by \$8.38 per RVU, a 16% increase. This agreement includes a 10% increase for the SMART Referral Program that was not in effect during the previous agreement. Also, this is a three year agreement. The previous agreement was a two year agreement. The overall increase is 31%.

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.