



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: March 9, 2016
Board Meeting Date: May 10, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Agreement with California Advanced Imaging Medical Associates, Inc.

RECOMMENDATION:

Adopt a resolution authorizing an agreement with California Advanced Imaging Medical Associates, Inc. to provide radiology and other diagnostic imaging services for the term April 1, 2016 through March 31, 2019 in an amount not to exceed \$8,280,000.

BACKGROUND:

California Advanced Imaging Medical Associates, Inc. (CAIMA) has provided management, supervision and physician services for radiology at San Mateo Medical Center (SMMC) for more than twenty years. SMMC has a continuous need for radiology and other diagnostic imaging services. CAIMA offers the hospital the benefits of a large practice with imaging specialization and administrative support. CAIMA is one of the few contract radiology services on the Peninsula, and provides service to all the hospitals on the Peninsula who do not have an existing in-house radiology staff.

DISCUSSION:

The services to be provided by CAIMA are operating and supervising services for clinical imaging and consultation, specifically with respect to magnetic resonance imaging, computed tomography, digital mammography, ultrasound, and other imaging services. Due to increased efficiency with SMMC's digital technology and expanded hours for ultrasound scans (i.e., from 30 to 40 hours per week, and Saturdays as needed), there has been an associated increase in diagnostic imaging services.

This agreement is coming to your Board late due to protracted negotiations with the vendor.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

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

The agreement and resolution have been reviewed and approved by County Counsel as to form.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to radiology and other diagnostic imaging services to residents of San Mateo County. It is anticipated that 100% of all imaging studies will be reviewed within 24 hours of submission.

PERFORMANCE MEASURE:

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Imaging studies reviewed within 24 hours of submission	100%	100%

FISCAL IMPACT:

The term of this agreement is April 1, 2016 through March 31, 2019. The amount is not to exceed \$8,280,000 for the three-year term. Funds in the amount of \$690,000 are included in the SMMC FY 2015-16 Adopted Budget and \$2,760,000 will be included in the SMMC FY 2016-17 Recommended Budget. Similar arrangements will be made for future budget years.

The payment provisions and service levels in this contract differ from that of the previous contract. Specifically, the not-to-exceed amount of this contract is 26% greater than the previous contract, due to the following factors. First, the previous contract's rates were based on 2007 rates set by the Medical Group Management Association (MGMA), which SMMC uses to benchmark its provider compensation. The new contract uses current rates, which represent an 11% increase. Second, the scope of services has increased to reflect larger testing volumes due to expanded hours for ultrasound scans.

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.