



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: June 16, 2016
Board Meeting Date: September 6, 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: Amendment to the Agreement with Data Systems Group of California, Inc. to Provide Claims and Remittance Software

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Data Systems Group of California, Inc. to provide claims and remittance software, extending the term through June 30, 2018, increasing the amount by \$297,964.00 to an amount not to exceed \$952,849.44, and assigning the agreement to Experian Health, Inc.

BACKGROUND:

In October 2011, San Mateo Medical Center (SMMC) completed a Request for Proposals (RFP) for an electronic claims processing information system. Data Systems Group of California, Inc. (DSG) was chosen because of its extensive Medi-Cal and Medi-Cal Managed Care experience, as well as its ability to modify its software to efficiently process claims filed with the Health Plan of San Mateo.

On June 19, 2012, your Board approved an agreement with DSG for the term of July 1, 2012, through June 30, 2014, in an amount not to exceed \$367,925.44.

On September 30, 2014, your Board approved an amendment extending the term through June 30, 2016, and increasing the maximum amount by \$286,960.00 to continue the services for two years and to allow claim-related support for the new International Statistical Classification of Diseases and Related Health Problems (ICD-10) coding system being implemented during that time at SMMC.

DISCUSSION:

DSG has notified SMMC that they have formally changed their name to Experian Health, Inc. (Experian) as a result of being acquired by Experian, which necessitates an assignment of the agreement to Experian. Additionally, SMMC is developing plans to change from its current financial reporting system, called Cerner's Invision, to Cerner's

Soarian Financials, in FY 2016-17. Given this anticipated change, SMMC would benefit from having the continuity of the existing system during the transition and for a period after the new system is installed, in order to have ready access to old data during the transition to the new system.

As a result, SMMC is requesting that your Board extend the term of the agreement with Experian through June 30, 2018, and increase the maximum amount by \$297,964.00 to allow time for SMMC to access its software billing through the transition and after the implementation of the new system.

Additionally, although two years ago SMMC had anticipated conducting a new RFP process in 2016 for these services, a shift in long-term plans for these services and for the eventual replacement of SMMC's entire electronic health record system in 2020, warrants keeping Cerner's systems until a global RFP process can be conducted for the entire electronic health record system in several years' time.

The Information Services Department has reviewed and approved this amendment.

The County's Contract Compliance Committee has approved a waiver request to extend the agreement by an additional two years beyond the current term.

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

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring proper and compliant billing and payment for services rendered to patients seen at SMMC. It is anticipated that 85 percent of clean claims will adjudicated using this system within 14 days from billing.

PERFORMANCE MEASURE:

Measure	FY 2015-16 Estimated	FY 2016-17 Projected
Percentage of clean claims adjudicated within 14 days from billing	75%	85%

FISCAL IMPACT:

The term of the revised agreement is July 1, 2012, through June 30, 2018. The amount of the agreement is not to exceed \$952,849.44. This amendment increases the agreement by \$297,964. Funds in the amount of \$148,982 have been included in the SMMC FY 2016-17 Approved Recommended Budget. Funds in the amount of \$148,982 will be included in the SMMC FY 2017-18 Recommended Budget.

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.