



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** August 8, 2013  
**Board Meeting Date:** October 8, 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 Palo Alto Medical Foundation for Healthcare, Research and Education

**RECOMMENDATION:**

Adopt a Resolution authorizing an agreement with Palo Alto Medical Foundation for Healthcare, Research and Education to provide general, thoracic and vascular surgery services, for the term of July 1, 2013 through June 30, 2015, in an amount not to exceed \$2,325,088.

**BACKGROUND:**

San Mateo County is responsible for providing necessary medical care to its medically indigent population. This care includes general, thoracic and vascular surgery, and the management and supervision of those services. On April 1, 2011, Peninsula Surgical Specialists Medical Group (PSS), who has provided surgery services at San Mateo Medical Center (SMMC) for the past eight years, affiliated with Palo Alto Medical Foundation for Healthcare, Research and Education (PAMF).

**DISCUSSION:**

PSS will continue to provide the same array of services as in previous agreements through that affiliation. Those services include providing general, thoracic and vascular surgery as well as the management and supervision of those services.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. The contractor meets insurance certification requirements.

SMMC is also asking the Board to 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 general, thoracic and vascular surgical services to the patients of SMMC. 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 in the first year of this new agreement, surgical site infection rates for general, thoracic and vascular surgery will be less than 2.5% and less than 2.25% in the second year.

**PERFORMANCE MEASURE(S):**

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Percentage of surgical site infection rate	6.9%	<2.5%

**FISCAL IMPACT:**

The term of the agreement is July 1, 2013 through June 30, 2015. The amount of the agreement is not to exceed \$2,325,088 for the two year term. Funds in the amount of \$1,162,544 are included in the SMMC FY 2013-14 Adopted Budget. Funds in the amount of \$1,162,544 are included in the SMMC FY 2014-15 Approved Budget.

The payment provisions of the contract are different from the prior contract because the Medical Group Management Association relative value unit upon which this agreement is based increased from \$51.07 to \$59.45 for general surgery.

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.