



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



**Date:** July 27, 2015  
**Board Meeting Date:** September 22, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

**Subject:** Amendment to the Agreement with Nuance Communications, Inc. for transcription services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Nuance Communications, Inc. for transcription services, extending the term through August 31, 2017 and increasing the amount by \$450,000 to an amount not to exceed \$900,000.

**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 (RFP).

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.

In March 2014, your Board approved an agreement (effective as of September 1, 2013) with Nuance, waiving the RFP process due to the ICD-10 coding implementation that was to go into effect later that year.

**DISCUSSION:**

In April 2015, SMMC completed an RFP for transcription services. However, SMMC recently reviewed its projects for strategic alignment and resource requirements as part of its two-year budget development. It was determined that implementation of a new transcription service be scheduled for FY 2017-18.

Given this implementation schedule, SMMC is requesting that your Board approve an extension of the existing Nuance agreement by two years through August 31, 2017, with a corresponding increase of up to \$450,000.

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.

This amendment 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 2014-15 Actual	FY 2015-16 Projected
Percent of time that transcribed reports are available within expected turnaround times: 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 the amended agreement is September 1, 2013 through August 31, 2017. The amount of the agreement is not to exceed \$900,000. Funds in the amount of \$187,500 are included in the SMMC FY 2015-16 Recommended Budget. Similar arrangements will be made for future budget years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medical indigent or to those covered by programs that do not fully meet the costs of care is covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.