



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: October 23, 2015
Board Meeting Date: December 8, 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 Altegra Health Operating Company for coding support services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Altegra Health Operating Company for coding support services, increasing the amount by \$175,000 to an amount not to exceed \$475,000.

BACKGROUND:

In February 2015, your Board approved an agreement with Altegra Health Operating Company (Altegra) to provide coding translation services to comply with the Centers for Medicare and Medicaid Services (CMS) federally-mandated update to the 10th version of the International Statistical Classification of Diseases and Related Health Problems coding classifications (known as ICD-10).

DISCUSSION:

Altegra has helped San Mateo Medical Center (SMMC) navigate the challenging transition period leading up to the mandated October 2015 transition deadline for adopting ICD-10. As the project nears completion, SMMC has determined that it underestimated the volume and complexity of translating the ICD-10 codes used by the providers to ICD-9 codes for billing purposes. In addition, the contract's not-to-exceed amount did not include Altegra's administrative oversight charges for the project. This amendment will increase the agreement's amount in order to permit the project to be completed given the actual scope of the engagement.

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 providing improved coding, which ultimately affects revenue cycle through improved billing and collections, and potentially reducing the likelihood of non-compliance with government programs. It is anticipated that SMMC's cash flow will be maintained at pre-implementation levels of \$10 million per month and vendor coding will achieve 95% accuracy or higher.

PERFORMANCE MEASURE:

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Cash flow maintained at pre-implementation levels	\$10 million per month	\$10 million per month
Vendor coding accuracy	95%	95%

FISCAL IMPACT:

The term of the agreement is February 1, 2015, through December 31, 2015. The amount of the agreement is not to exceed \$475,000. Funds in the amount of \$175,000 are included in the SMMC FY 2015-16 Adopted 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 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.