



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 24-544

Board Meeting Date: 6/25/2024

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, San Mateo County Health  
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

**Subject:** Second Amendment To Agreement with Hubert B. Shih, MD to Provide Plastic Surgery Services

**RECOMMENDATION:**

Adopt a resolution authorizing a second amendment to the agreement with Hubert B. Shih, MD, increasing the amount of clinical coverage, authorizing the assumption of Medical Director services, and increasing the not to exceed amount from \$1,184,040 to an amount not to exceed \$1,826,590.

**BACKGROUND:**

San Mateo County is responsible for providing necessary medical care to its medically indigent population as well as access to services to its general population. Dr. Shih has been providing plastic surgery services at San Mateo Medical Center (SMMC) since 2018. San Mateo County is responsible for providing necessary medical care to its medically indigent population, which includes plastic surgery in cases of trauma. On November 15, 2022, this Board approved an agreement with Hubert B. Shih, MD to provide plastic surgery services for the term of December 1, 2022, through November 30, 2025, in an amount not to exceed \$1,184,040. In the original agreement, Dr. Shih agreed to provide a minimum of 144 4-hour outpatient and surgery clinics per year and provide on call coverage 183 days per year. On December 20, 2023, San Mateo Medical Center and Dr. Shih entered into a first amendment to the agreement adding clarifying language regarding Dr. Shih's coverage expectations with no fiscal impact.

**DISCUSSION:**

The second amendment is now needed for Dr. Shih's current agreement because Dr. Shih's colleague, Dr. Fong, is scaling back hours of his practice at SMMC and Dr. Shih is picking up all of Dr. Fong's reduced hours, in addition to assuming Dr. Fong's duties as a Medical Director. Dr. Shih has agreed to expand his services in exchange for an increase in his hourly rate for on-call coverage from \$41.67 per hour to \$48.52 per hour while maintaining his services for clinic coverage and surgery at the existing contract rates (which are unchanged at \$294.00 per hour). Medical Director services will be provided at a rate of \$269.00 per hour, the same rate Dr. Fong previously provided those services.

Additionally, Dr. Shih will increase his outpatient (ambulatory) clinic coverage from 48 4-hour clinics to 72 clinics annually, from 96 4-hour surgery blocks to 168 4-hour surgery blocks annually, from 183 on-call shifts to 306 on-call shifts annually, and finally will provide ten hours of Medical Director services per month, each month, beginning in July 2024.

The rates in the second amendment to the agreement are within fair market value according to VMG Health, a nationally recognized medical services valuation firm that relies upon multiple industry-standard provider compensation surveys and aggregates that data.

County Attorney has reviewed and approved the resolution and agreement as to form.

The resolution contains the County’s standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

It is anticipated that Dr. Shih will arrive on time (within 15 minutes of the start time) for each surgery scheduled 100% of the time. It is anticipated that Dr. Shih will arrive on time for clinic scheduled 90% of the time. It is also anticipated that 70% of the patients who completed the Patient Satisfaction Survey would recommend Dr. Shih as a provider.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2024-25 Estimated</b>	<b>FY 2025-26 Projected</b>
Percentage of times that Dr. Shih will arrive on time (within 15 minutes of the start time) for each surgery scheduled	100%	100%
Percentage of times that Dr. Shih will arrive on time for clinic scheduled	90%	90%
Percentage of patients who completed the Patient Satisfaction Survey would recommend Dr. Shih as a provider	70%	70%

**EQUITY IMPACT:**

Dr. Shih’s continued plastic surgery coverage will positively impact equitable health outcomes because delivery of plastic surgery services at SMMC, a public safety net hospital, addresses community need. Specifically, in the past 12 months, 68.3% of SMMC’s patients were enrolled in Medi-Cal with an additional 6.1% of SMMC’s patients enrolled in the “Access to Care For Everyone” (ACE) program. SMMC’s patients span a wide spectrum of races, ethnicities, gender, and gender-identities. Within the past 18 months the largest cohorts of specialty care patients at SMMC were female (56%), Hispanic or Latino (58%), and primarily Spanish speaking (55%). SMMC strives to eliminate bias in the medical profession by providing culturally competent training to its physicians and by following up with patients to ensure that they continue to have access to specialized care. SMMC specifically tracks physician satisfaction survey results and requires Dr. Shih to meet with SMMC and discuss patient feedback to improve patient satisfaction and remove potential barriers to care.

**FISCAL IMPACT:**

The term of the agreement is December 1, 2022, through November 30, 2025. The amount of the agreement is not to exceed \$1,826,590 for the full three-year term. Funds in the amount of \$608,863.33 are included in the SMMC FY 2024-25 Adopted Budget. Similar arrangements will be made for future years.

The only substantive cost increase resulting from this second amendment is the incremental increase in Dr. Shih's on-call pay from \$ 41.67 per hour to \$48.52 per hour, which will add up to \$ 20,221.20 in cost through November 30, 2025. This is a result of elevating Dr. Shih's hourly rate by \$6.85 and asking him to provide 123 more on-call shifts annually compared to his original agreement effective December 1, 2022. All the remaining increase in the "not to exceed amount" is attributable to Dr. Shih assuming Dr. Fong's hours for clinical coverage, surgical coverage, and Medical Director services at the same hourly rates previously negotiated in both Dr. Shih and Dr. Fong's plastic surgery contracts.

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 is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.