



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-703

Board Meeting Date: 9/14/2021

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: Amendment to the Agreement with Advance Revenue Cycle, Inc. dba Colburn Hill Group to Provide a Patient Accounts Receivable Management Software System

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Advance Revenue Cycle, Inc. dba Colburn Hill Group to provide a patient accounts receivable management software system, extending the term through December 31, 2023 and increasing the amount by \$700,000 to a maximum amount not to exceed \$1,700,000.

BACKGROUND:

In October 2018, San Mateo Medical Center (SMMC) completed a Request for Proposals (RFP) for a patient accounts receivable management software system to streamline SMMC's manual process to track accounts receivable accounts. On January 8, 2019, the Board approved an agreement with Pinecrest Partners Healthcare, LLC dba Colburn Hill Group (CHG) to provide a patient accounts receivable management software system for the term January 1, 2019 through December 31, 2021, in an amount not to exceed \$1,000,000. The agreement was subsequently amended to add additional services and reassign the agreement from Pinecrest Partners Healthcare, LLC dba Colburn Hill Group to Advance Revenue Cycle, Inc. dba CHG.

DISCUSSION:

Through utilization of CHG's comprehensive analytic and automation software, SMMC has seen discernable improvement toward its billing and follow up processes, in addition to observing an average cash increase of 2%. It is expected that the cash increase will improve in months following the Covid-19 Pandemic restrictions, through the continued use of CHG's tools. This amendment will allow SMMC to continue utilizing CHG's tools, as well as provide enough time to assess and schedule technological resources needed before issuing a new RFP.

County Counsel has reviewed and approved the resolution and amendment 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).

The County's Contract Compliance Committee has approved a waiver request for a five-year term for this agreement.

It is anticipated that the percentage of aging accounts over 180 days will be reduced by 10%.

PERFORMANCE MEASURE:

Measure	FY 2020-21 Actual	FY 2021-22 Estimated
Percentage in reduction of aging accounts over 180 days	15%	10%

FISCAL IMPACT:

The term of the amended agreement is January 1, 2019 through December 31, 2023. The amount of the agreement is not to exceed \$1,700,000 for the four-year term. The amendment increases the amount payable under the agreement by \$700,000. Funds in the amount of \$175,000 are included in the SMMC FY 2021-22 Adopted Budget. Funds in the amount of \$350,000 will be included in the SMMC FY 2022-23 Recommended Budget. Similar arrangements will be made for future 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 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.