



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-735

Board Meeting Date: 9/12/2023

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: Agreement with Med-Metrix, LLC to Provide Commercial Accounts Receivable Collection Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Med-Metrix, LLC to provide commercial accounts receivable collection services for the term of September 1, 2023, through August 31, 2026, in an amount not to exceed \$1,500,000.

BACKGROUND:

San Mateo Medical Center (SMMC) has a critical need to continue commercial accounts receivable collection services. A request for proposal was completed in April 2023, and Med-Metrix, LLC was elevated due to their competitive pricing and cost of implementation (time, resources, testing, and building) during an ongoing transition to an EPIC electronic health record environment.

DISCUSSION:

SMMC does not have the internal specialized expertise necessary to engage successfully with commercial insurance payers for collection follow-up, the appeals process, and payment negotiation. SMMC does not have contractual relationships with any commercial payers. In the absence of a contract agreement for expected reimbursement, SMMC must negotiate reasonable and necessary payments to cover the cost associated with rendering services to its patients with commercial/private pay insurance. Med-Metrix's staffing model affords resources to appeal for payments that may have otherwise been written off.

County Attorney 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 Information Services Department has reviewed and approved the IT component of this

agreement.

It is anticipated that SMMC will collect an average monthly cash amount of \$400,000 from commercial payors.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Average amount of monthly cash collected from commercial payors	\$400,000	\$400,000

FISCAL IMPACT:

The term of the agreement is September 1, 2023, through August 31, 2026. The amount of the agreement is not to exceed \$1,500,000 for the three-year term. Funds in the amount of \$417,000 are included in the SMMC FY 2023-24 Recommended Budget. Funds in the amount of \$500,000 are included in the SMMC FY 2024-25 Recommended Budget.

The payment provisions and levels of services in this contract differ from that of the previous contract due to a higher estimate of collections based on the calendar year of 2022. The total value of the new contract represents a 12% increase compared to that of the previous contract.

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.

ATTACHMENT:

RFP Matrix