



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-737

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 Jacqueline K. Nguyen, MD to Provide Orthopedic Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Jacqueline K. Nguyen, MD to provide orthopedic services for the term of October 1, 2023, through September 30, 2025, in an amount not to exceed \$410,000.

BACKGROUND:

In October 2022, San Mateo Medical Center (SMMC) entered into an agreement with Dr. Nguyen for orthopedic services for the term of October 1, 2022, through September 30, 2023, in an amount not to exceed \$190,000.

SMMC has been pleased with the quality of Dr. Nguyen's care and desires to enter into a two-year renewed agreement with her to continue her coverage of SMMC's outpatient clinics, surgical services, and on-call coverage to the hospital. The proposed agreement contains no changes to the scope of Dr. Nguyen's present coverage at the hospital.

DISCUSSION:

In combination with other orthopedists, Dr. Nguyen's services are necessary to meet community needs in the specialty of orthopedic surgery and treatment.

County Administrative Memorandum B-1, Section IV.B.15 provides that physicians are exempt from competitive procurement requirements. Therefore, this contract was not competitively procured.

The County Attorney has reviewed and approved the resolution and agreement as to form and believes the agreement to be negotiated at arms-length, within fair market value, and to be commercially reasonable.

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 85% of patients who complete a patient satisfaction survey would recommend Dr. Nguyen as a provider.

PERFORMANCE MEASURE:

Measure	FY 2023-24 Estimated	FY 2024-25 Projected
Percentage of patients who complete the Patient Satisfaction Survey and recommend Dr. Nguyen as a provider	85%	85%

FISCAL IMPACT:

The term of the agreement is October 1, 2023, through September 30, 2025. The amount of the agreement is not to exceed \$410,000 for the two-year term. Funds in the amount of \$205,000 are included in the SMMC FY 2023-24 Recommended Budget. Funds in the amount of \$205,000 are included in the SMMC FY 2024-25 Recommended Budget. Similar arrangements will be made for future years.

The proposed contract will result in a cost increase of 7% on an annualized basis with no change in the scope of service. The increased rates in the new contract 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.

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.