



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-1006

Board Meeting Date: 12/12/2023

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: Amendment to the Agreement with Craneware, Inc. to Provide Charge Description Master Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Craneware, Inc. to provide charge description master software and professional services, increasing the amount payable by \$56,718 to an amount not to exceed \$783,989 with no change to the agreement term.

BACKGROUND:

The Charge Description Master (CDM) is the source electronic document listing prices for all services and supplies San Mateo Medical Center (SMMC) provides for its patients. Craneware Inc. (Craneware) has been providing a CDM software application to SMMC since 2010, and the County's most recent contract with Craneware is for a term that began on August 1, 2014. The agreement has been amended several times, and the current term is August 1, 2014, through July 31, 2024, in an amount not to exceed \$727,271.

DISCUSSION:

SMMC is requesting approval to amend the agreement with Craneware to add data scrubbing services. The addition of the latter services ensures that SMMC's item master has the appropriate Healthcare Common Procedure Coding System (HCPCS) and charge codes for all supplies in SMMC's inventory system. These services also ensure that proper charges are being made to patient accounts, so that SMMC remains compliant with California's billing requirements under the 1996 Health Insurance Portability and Accountability Act for transactions involving health care information.

This Board originally waived the Request for Proposals (RFP) for this agreement.

SMMC released an RFP in June 2023 for hospital chargemaster management services, and the new agreement resulting from this RFP should be in place before the end of this amended agreement term.

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).

It is anticipated that there will be less than 2% errors in the CDM system.

PERFORMANCE MEASURE:

Measure	FY 2023-24 Estimated	FY 2024-25 Projected
Percentage of errors in the CDM system	<2%	<2%

FISCAL IMPACT:

The term of the amended agreement is August 1, 2014, through July 31, 2024. The amendment increases the amount payable under the agreement by \$56,718 to an amount not to exceed \$783,989 for the 10-year term. Funds in the amount of \$56,718 are included in the SMMC FY 2023-24 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 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.