



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 24-012

Board Meeting Date: 1/9/2024

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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:** Agreement with Duc Marcel Nguyen, MD for Orthopedic Services

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Duc Marcel Nguyen, MD to provide orthopedic services for the term of April 1, 2024 through March 31, 2027, in an amount not to exceed \$1,288,608.

**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. Nguyen has been providing orthopedic services at San Mateo Medical Center (SMMC) for the past 23 years.

**DISCUSSION:**

The County has an established need for orthopedic services and in order to meet that need, it has contracted with Dr. Nguyen to provide coverage in the specialty.

County Administrative Memorandum B-1 provides that contracts for physician services are exempt from competitive procurement requirements. The County Attorney has reviewed the agreement and believes it to have been negotiated at arms-length, commercially reasonable, and within fair market value.

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 85% of patients who complete a Patient Satisfaction Survey would recommend Dr. Nguyen as a provider.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2024-25 Projected</b>	<b>FY 2025-26 Projected</b>
Percentage of patients who complete the Patient Satisfaction Survey that recommend Dr. Nguyen as a provider	85%	85%

**FISCAL IMPACT:**

The term of the agreement is April 1, 2024, through March 31, 2027. The amount of the agreement is not to exceed \$1,288,608 for the three-year term. Funds in the amount of \$107,384 are included in the SMMC FY 2023-24 Adopted Budget. Funds in the amount of \$409,536 are included in the SMMC FY 2024-25 Recommended Budget. Similar arrangements will be made for future years.

The levels of services in this agreement differ from Dr. Nguyen’s previous agreement. Specifically, there is a 61% increase due to: a doubling of the number of fracture clinics covered; an increase from 48 weeks of clinic and operating room coverage to 52 weeks; 192 hours of new supplemental clinical and/or surgical services annually to provide care when clinic hours and operating room hours are insufficient to meet community need; and doubling of the number of on-call coverage days provided compared to the prior agreement. 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.