



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 24-298

Board Meeting Date: 4/23/2024

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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 Craneware, Inc. to Provide Chargemaster Management and Pharmacy Consulting and Audit Services

### **RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Craneware, Inc. to provide chargemaster management and pharmacy consulting and audit services for the term of July 31, 2024, through July 30, 2029, in an amount not to exceed \$1,300,000.

### **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. A Request for Proposals (RFP) for chargemaster management services was completed in July 2023 and Craneware, Inc. (Craneware) was elevated due to their past performance record and their additional service that other proposers did not offer. A separate RFP for pharmacy consulting and audit services was completed in June 2023 and Craneware was elevated due to their ability help maintain SMMC's pharmacy drug master file in a way that allows for accurate charging, coding, and documentation.

### **DISCUSSION:**

SMMC continues to need CDM software and professional services to validate accurate coding. SMMC is recommending the Board approve this agreement with Craneware to provide CDM services and provide formulary reviews to confirm that items in the master file have appropriate billing codes and conversion factors attached to them. During both the transition to Epic, as well as once Epic has gone live, this agreement will help ensure SMMC maintains an accurate charging and medication build to support billing compliance and accuracy. Compliant and accurate billing means CPT codes and conversion factors are accurate, charge amounts, and drug waste are appropriately billed, and appropriate national drug code is maintained.

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).

The Information Services Department has reviewed and approved the IT component of this agreement.

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

It is anticipated that error rate in the CDM system will be less than 2%.

**PERFORMANCE MEASURE:**

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

**FISCAL IMPACT:**

The term of the agreement is July 31, 2024, through July 30, 2029. The amount of the agreement is not to exceed \$1,300,000 for the five-year term. Funds in the amount of \$238,333 are included in the SMMC FY 2023-24 Adopted Budget. Funds in the amount of \$260,000 will be included in the SMMC FY 2024-25 Recommended Budget.

The payment provisions and levels of services is 220% higher from that of the previous contract, due to the additional pharmacy and supplies services, and the current market price compared to the previous agreement that was negotiated in 2014.

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 Matrices