



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 24-441

Board Meeting Date: 6/11/2024

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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 Med-Metrix, LLC to Provide 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 June 1, 2024, through November 30, 2026, in an amount not to exceed \$1,700,000.

**BACKGROUND:**

San Mateo Medical Center (SMMC) needs accounts receivable (AR) follow-up and collection services for all payer insurance accounts ("Legacy AR") remaining in SMMC's current Invision system. A request for proposal was completed in November 2023, and Med-Metrix, LLC was selected due to its exceptional solutions overview, strong performance monitoring tools, reputation in the market, and competitive pricing.

**DISCUSSION:**

SMMC is preparing to implement Epic Systems in November 2024, which includes a new billing and AR system. SMMC needs internal resources to simultaneously complete all related billing and follow-up actions required by the accounts that remain in the legacy AR while transitioning to the Epic Systems environment. It is an industry best practice to dedicate regular staff to focus their time on the new system to support their learning and adoption of the new system. Therefore, SMMC is requesting to enter into an agreement with Med-Metrix, LLC, to provide accounts receivable follow-up and collection services for the Legacy AR payer insurance accounts in the old Invision system. This agreement contains a provision whereby Med-Metrix is paid on a contingency fee basis only when cash collections have been received on accounts that have been assigned to them.

This agreement is going to this Board late due to prolonged negotiations with the vendor.

The proposed agreement was competitively procured following the publication of a request for proposals in November 2023.

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 the net receivable days shall be less than or equal to 63 days. The estimated net value expected to be collected is 24%, approximately \$25,000,000 of the existing Legacy AR.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2024-25 Estimated</b>	<b>FY 2025-26 Projected</b>
Number of net receivable days	≤ 63 days	≤ 63 days
Percentage of collection	24%	20%
Amount of collection	\$23,875,000	\$1,125,000

**FISCAL IMPACT:**

The term of the agreement is June 1, 2024, through November 30, 2026. The amount of the agreement is not to exceed \$1,700,000 for the seventeen-month term. Funds in the amount of \$100,000 are included in the SMMC FY 2023-24 Recommended Budget. Funds in the amount of \$1,200,000 will be included in the SMMC FY 2024-25 Recommended 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.

**ATTACHMENT:**

RFP Matrix