



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-210

Board Meeting Date: 6/6/2017

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System

Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Fred Lui, MD to Provide Nephrology Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Fred Lui, MD to provide nephrology services through his practice group, for the term of October 1, 2017 through September 30, 2020, in an amount not to exceed \$588,000.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population, and access to services to its general population. Dr. Fred Lui offers San Mateo Medical Center (SMMC) the benefits of an experienced practitioner familiar with the complex nature of the County's patient population. Dr. Lui and his group of four other nephrologists have provided services to SMMC patients since 2005.

DISCUSSION:

The County's need for nephrology services is increasing due to the aging of its patient population. SMMC will continue to meet this growing need through contracts with Dr. Lui and other nephrologists.

Dr. Lui, through his practice group, will provide 8 half-day clinics per month and call coverage, including inpatient and emergency care.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County Counsel as to form.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

This agreement contributes to the Shared Vision 2025 of a Healthy Community by providing specialty nephrology services to County residents. It is anticipated that 100% of all nephrology services provided will adhere to the infection control standards as defined by the Joint Commission and the Title XXII of the State of California Code of Regulations, which will result in reduced risk of healthcare associated infections.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Estimated	FY 2017-18 Projected
Percentage of nephrology services provided will adhere to the infection control standards as defined by the Joint Commission, Title XXII, and other applicable standards	100%	100%

FISCAL IMPACT:

The term of the agreement is October 1, 2017 through September 30, 2020. The amount of the agreement is not to exceed \$588,000 for the three-year term. Funds in the amount of \$147,000 are included in the SMMC FY 2017-18 Recommended Budget. Funds in the amount of \$196,000 are included in the SMMC FY 2018-19 Preliminary Recommended Budget. Similar arrangements will be made for future years.

The payment provisions of the contract are different from the prior contract because of an increase in the Medical Group Management Association (MGMA) median pay rate for nephrology. The contract reflects a 12% increase over the previous contract, per the MGMA benchmark. The average annual increase for nephrology in the past few years has been 6%. This agreement will allow SMMC to avoid annual increases during the three-year term.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medical indigent or to those covered by programs that do not fully meet the costs of care are covered by the County General Fund contribution to SMMC, and are within the existing annual appropriation.