



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-313

Board Meeting Date: 6/27/2017

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: Amendment to the Agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation to Provide Healthcare, Research and Education for General, Thoracic, and Vascular Surgery Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research, and Education to provide general, thoracic, and vascular surgery services, extending the term through December 31, 2017, increasing the amount by \$600,000 to an amount not to exceed \$2,950,000.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. This care includes general, thoracic, and vascular surgery, and the management and supervision of those services. Peninsula Surgical Specialists Medical Group (PSS), as a member of the Mills Peninsula Independent Practice Association, has provided surgery services at San Mateo Medical Center (SMMC) for the past twelve years. PSS became affiliated with Sutter Bay Medical Foundation (SBMF) dba Palo Alto Medical Foundation Palo Alto Medical Foundation for Healthcare, Research and Education (PAMF) in 2011, and joined SBF as an employed medical group as of January 1, 2017.

On March 28, 2017, the Chief Executive Officer of SMMC approved an amendment to reflect the new corporate name of SBF dba PAMF.

DISCUSSION:

PSS will continue to provide the same services as in previous agreements through its affiliation with SBF. These services include providing general, thoracic, and vascular surgery as well as the management and supervision of those services. Negotiations for a new agreement with SBF have been prolonged due to extensive negotiations. This amendment will extend the term to allow SMMC

time to complete negotiations and get a new agreement in place by January 1, 2018.

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

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to general, thoracic, and vascular surgical services to San Mateo County residents. It is anticipated that surgical site infection rates for general, thoracic and vascular surgery will be less than 2.5% throughout the term of this agreement.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Estimated	FY 2017-18 Projected
Percentage of surgical site infection rates for general, thoracic, and vascular surgical services	<2.5%	<2.5%

FISCAL IMPACT:

The term of the revised agreement is July 1, 2015 through December 31, 2017. The amount of the agreement is not to exceed \$2,950,000. This amendment increases the contract amount by \$600,000, with no other changes to the terms of the agreement. Funds in the amount of \$600,000 are included in the SMMC FY 2017-18 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 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.