



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-532

Board Meeting Date: 9/12/2017

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 Regulatory, Risk, Compliance Specialists, Inc. for Regulatory Consulting Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Regulatory, Risk, Compliance Specialists, Inc., for regulatory consulting services, extending the term through December 31, 2018 and increasing the amount by \$500,000 to an amount not to exceed \$600,000.

BACKGROUND:

San Mateo Medical Center (SMMC) provides medical services to the safety net population within the County, and some of those services are supported by state and federal funding sources. In order to properly bill for reimbursement for such services, the SMMC Resource Management Department (RMD) works with providers and staff at SMMC to ensure that patient medical records contain all information necessary for reimbursement. Due to the complexity and ever-changing nature of state and federal regulations regarding patient billing, it is necessary to provide training and other compliance-related services to SMMC and to the RMD in particular. In April 2017, the SMMC Chief Executive Officer approved an agreement with Regulatory, Risk, Compliance Specialists, Inc. (RRCS) to assist the RMD with its review of documenting the medical necessity for certain patient services, as well as to begin conducting staff training regarding appropriate documentation practices. The goal of this work with RRCS is to maximize revenue collection, to avoid any over-billing, and eventually to help reduce the number of administrative days.

DISCUSSION:

SMMC has identified a need for RRCS to continue working with the RMD in order to ensure the most compliant documentation of patient care and the long-term adoption of best practices in this area. This amendment will add funds and extend the term through December 31, 2018 to give the RMD the assistance it needs to educate SMMC staff on best practices and to ensure ongoing implementation of those skills.

At this point, RRCS is familiar with staff and processes within the RMD, billing, and coding at SMMC. Additionally, there is a pressing need for these services to continue in order to rapidly improve patient documentation. SMMC is requesting your Board waive the Request for Proposals process to allow RRCS to continue the work that they have started to avoid the time and expense of finding another vendor to continue this important work.

The amendment and resolution have been reviewed and approved by County Counsel as to form. This amendment was delayed due to protracted negotiations with the vendor.

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

The amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by reducing the number of appeals and denials for SMMC's patients due to lack of documented medical necessity. It is anticipated that the percent of medical-surgical patient days not meeting medical necessity will be reduced to 5%.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Percentage of medical-surgical patient days not meeting medical necessity	15%	5%

FISCAL IMPACT:

The term of the revised agreement is April 1, 2017 through December 31, 2018. The amount of the agreement is not to exceed \$600,000. The amendment increases the amount by \$500,000. Funds in the amount of \$312,500 are included in the SMMC FY 2017-18 Approved Recommended Budget. Funds in the amount of \$187,500 will be included in the SMMC FY 2018-19 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 are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.