



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-025

Board Meeting Date: 1/9/2018

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 Galen Inpatient Physicians, Inc. for Hospitalist Services.

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Galen Inpatient Physicians, Inc. to provide hospitalist services, increasing the amount by \$440,000, in an amount not to exceed \$6,140,000.

BACKGROUND:

On June 27, 2017, your Board approved an agreement with Galen Inpatient Physicians Inc. (Galen) to provide hospitalist services at the County's San Mateo Medical Center (SMMC). On September 12, 2017, SMMC's Chief Executive Officer approved an amendment to modify the term of the agreement to begin on October 2, 2017 to add Galen's third-party charge capture system, Ingenious Med, which supports the creation of daily, monthly and quarterly operational reports that will drive quality patient care and operational efficiency.

DISCUSSION:

The contractor currently providing medical history and physical examinations for SMMC's psychiatric patients has declined to continue to provide these services as of January 1, 2018. SMMC approached Galen to assume responsibility for these services and Galen agreed. SMMC and Galen mutually agreed to amend the existing Galen contract to reflect assumption of these new responsibilities. This amendment also includes funds to provide an incentive payment to hospitalists who were employed by SMMC's prior hospitalist contractors and who remain continuously employed by Galen for at least twelve months.

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

The amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing hospitalists services to SMMC inpatients. It is anticipated that over 85% of inpatients will

report that they were “always” satisfied with the communication they received from their physician.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Percentage of inpatients who will report that they were “always” satisfied with communication they received from their physician	N/A*	85%

*New Measure

FISCAL IMPACT:

The term of the agreement as amended is October 2, 2017 through September 30, 2019. The amount of the agreement is not to exceed \$6,140,000. The amendment increases the contract amount by \$440,000. Funds in the amount of \$165,000 are included in the SMMC FY 2017-18 Adopted Budget. Funds in the amount of \$220,000 will be included in the SMMC FY 2018-19 Recommended Budget. Similar arrangements will be made for future years.

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.