



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 18-103

Board Meeting Date: 2/13/2018

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**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 Nuance Communications, Inc. for Transcription Services

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Nuance Communications, Inc. for transcription services, extending the term through August 31, 2018 and increasing the amount by \$225,000 to an amount not to exceed \$1,125,000.

### **BACKGROUND:**

In March 2014, your Board approved an agreement with Nuance Communications Inc. (Nuance), waiving the Request for Proposals (RFP) process due to the ICD-10 coding implementation that was to go into effect later that year, and the fact that changing transcription providers at that late stage would have been disruptive. In April 2015, San Mateo Medical Center (SMMC) completed an RFP for transcription services. However, after SMMC reviewed its projects for strategic alignment and resource requirements as part of its two-year budget development, the project could not be scheduled until Fiscal Year (FY) 2017-18. In September 2015, your Board approved an amendment extending the term of the agreement through August 31, 2017, with the associated increase of \$450,000 to allow SMMC time schedule a transcription implementation. Earlier this year, the Health Information Management unit's (HIM) transcription services requirements were included in the ongoing Electronic Health Record (EHR) 2.0 assessment project that will integrate SMMC's reporting systems.

### **DISCUSSION:**

SMMC continues to have a critical need for transcription services. Despite the uncertainty surrounding the timing of SMMC's EHR implementation, HIM will proceed with issuing an RFP for transcription services in January 2018. To provide adequate time for the RFP process and ensuing contract negotiation, SMMC is requesting that your Board approve an extension of the existing Nuance agreement through August 31, 2018, with an associated increase of \$225,000 and no increase in pricing.

The County's Contract Compliance Committee has approved a waiver request to extend the agreement by an additional one year beyond the current term.

The amendment and resolution have been reviewed and approved by County Counsel as to form. This agreement is coming to your Board late due to protracted negotiations.

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by supporting information continuity and quality of patient care at SMMC. It is anticipated that transcribed reports are available 99% of the time within the following expected turnaround times: STAT reports 3 hours; History & Physical (H&P) exam and Pre-op reports 12 hours; and all other reports 24 hours.

**PERFORMANCE MEASURE:**

Measure	FY 2016-17 Actual	FY 2017-18 Estimated
Percent of time that transcribed reports are available within expected turnaround times: STAT reports 3 hours; H&P and Pre-op reports 12 hours; and all other reports 24 hours	99%	99%

**FISCAL IMPACT:**

The term of the revised agreement is September 1, 2013 through August 31, 2018. The amount of the amended agreement is not to exceed \$1,125,000. The amendment increases the contract amount by \$225,000. Funds in the amount of \$187,500 are included in the SMMC FY 2017-18 Adopted Budget. Funds in the amount of \$37,500 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.