



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-770

Board Meeting Date: 11/21/2017

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 San Mateo Multispecialty Physicians for Internal Medicine Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with San Mateo Multispecialty Physicians to provide internal medicine services for the term of October 1, 2017, through September 30, 2020, for an amount not to exceed \$12,750,000.

BACKGROUND:

San Mateo Multispecialty Physicians (SMMP), formerly known as Associated Medical Specialists, has provided inpatient and outpatient internal medicine services and the management and supervision of those services at San Mateo Medical Center (SMMC) since 1975. The medical services provided by SMMP are non-invasive cardiology, pulmonology, gastroenterology, oncology/hematology and endocrinology.

DISCUSSION:

SMMC wishes to continue the relationship with SMMP to provide these kinds of services over the next three years. Under this new agreement, such services will be provided with an emphasis on performance metrics and productivity; the agreement ties compensation levels to SMMP's ability to meet performance metrics and quality standards.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process. This agreement is coming to your Board late due to protracted negotiations.

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

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 contributes to the Shared Vision 2025 outcome of a Healthy Community by providing internal medicine, cardiology and subspecialty services to residents of San Mateo County. It is anticipated that 100% of all medical services provided will adhere to the infection control standards as defined by the Joint Commission and 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 Actual	FY 2017-18 Projected
Percentage of all medical services adhering to the infection control standards as defined by the Joint Commission and Title XXII of the State of California Code of Regulations	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 \$12,750,000 for the three year term. Funds in the amount of \$3,300,000 are included in the SMMC FY 2017-18 Adopted Budget. Funds in the amount of \$4,250,000 will be included in the SMMC FY 2018-19 Recommended Budget. Similar arrangements are made for future years.

The payment provisions and levels of service in this contract are different from the prior contract - an 8% increase - due to the relocation of the rheumatology component and the difference between the compensation in the 2013 Medical Group Management Association (MGMA) Provider Compensation and Productivity Report versus the 2017 MGMA benchmark.

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.