



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-026

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: Agreement with Scott Oesterling MD, Inc. For Obstetrics and Gynecology Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Scott Oesterling MD, Inc. to provide obstetrics and gynecology services for the term of January 1, 2018, through December 31, 2019, to an amount not to exceed \$5,600,000.

BACKGROUND:

Scott Oesterling MD, Inc. has long provided obstetrics and gynecology services to San Mateo Medical Center (SMMC). In particular, Scott Oesterling MD, Inc.'s providers have a history of providing to SMMC's patients routine evaluation and treatment of pre, intra, and post-partum care (obstetrics) and the evaluation, diagnosis, treatment, and monitoring of uterine, ovarian, endometrial, and vaginal disease (gynecology).

DISCUSSION:

SMMC has a continuous need for obstetrics and gynecology services. Dr. Oesterling's group offers the County the benefits of experienced practitioners familiar with the complex nature of the County's patient base. The group of physicians providing services under this agreement is composed of twelve primary providers who deliver over 1,000 newborns per year.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

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

access to obstetrics and gynecology services to County residents. It is anticipated that 95% of all gynecology consults will be seen by a specialist within 30 days of referral.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Percent of gynecology consults to be seen by a specialist within 30 days of referral	95%	95%

FISCAL IMPACT:

The term of the agreement is January 1, 2018 through December 31, 2019. The amount of the agreement is not to exceed \$5,600,000 for the two year term. Funds in the amount of \$1,400,000 are included in the SMMC FY 2017-18 Adopted Budget. Funds in the amount of \$2,800,000 will be included in the SMMC FY 2018-19 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions of the contract have increased 9% for this contract compared to the previous contract, due to an increase in the median rates per the Medical Group Management Association Provider Compensation and Production Report, used by SMMC to benchmark rate its physician contracts.

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.