



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-203

Board Meeting Date: 3/13/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, Health System

Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to the Agreement with Alliance Healthcare Services, Inc., a Delaware Corporation Doing Business as Alliance Imaging, for the Purpose of Providing Magnetic Resonance Imaging Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Alliance HealthCare Services, Inc., a Delaware corporation doing business as Alliance Imaging, for the purpose of providing magnetic resonance imaging services, extending the term through April 14, 2021, and increasing the amount by \$1,980,000 to an amount not to exceed \$6,155,000.

BACKGROUND:

Alliance HealthCare Services, Inc. (Alliance Imaging) has been providing services to San Mateo Medical Center (SMMC) since 2003. A Request for Proposals for magnetic resonance imaging (MRI) services was completed in December 2010. Alliance Imaging was selected to provide the services based on cost, compliance with Joint Commission standards, the ability to integrate with the SMMC's existing systems, and flexibility of scheduling. The agreement has been amended several times most recently to extend the term through April 2018.

DISCUSSION:

SMMC is currently in the process of purchasing MRI equipment to bring these services in house in the first quarter of 2021. As a result, SMMC is requesting your Board extend the current agreement through April 14, 2021, to continue to provide the same level of service at the same rate until the new equipment is purchased and installed.

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

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

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing

access to quality on-site MRI services. It is anticipated that SMMC will provide quality on-site MRI services for approximately 275 patients per month.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Provide quality on-site MRI services for SMMC's patients	Approximately 200 patients per month	Approximately 275 patients per month

FISCAL IMPACT:

The term of the revised agreement is April 15, 2011, through April 14, 2021. The amount of the agreement is not to exceed \$6,155,000. The amendment increases the contract amount by \$1,980,000, with no change to original rate terms of the agreement. Funds in the amount of \$110,000 are included in the SMMC FY 2017-18 Adopted 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.