



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-449

Board Meeting Date: 6/5/2018

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: Agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research and Education for Vascular Surgery Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research and Education for vascular surgery services for the term of July 1, 2018 through June 30, 2019, for an amount not to exceed \$700,000.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. This care includes vascular surgery, as well as the management and supervision of this service. The Sutter Bay Medical Foundation - dba Palo Alto Medical Foundation for Healthcare, Research and Education (PAMF) - vascular surgery group has provided surgery services at San Mateo Medical Center (SMMC) for the past twelve years.

DISCUSSION:

On July 1, 2017, the PAMF general surgery, thoracic, and vascular surgery group split into two groups: general surgery and vascular surgery. PAMF's vascular surgeons will continue to provide the same array of vascular surgery services, as well as the management and supervision of those services. The County has entered into a separate agreement with PAMF for general surgery services, which will be brought to your Board on the same agenda.

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 vascular surgical services to County residents. It is anticipated that the percentage of surgical site infection rates for vascular surgery will be less than 2.5% throughout the term of this agreement.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Percentage of surgical site infection rates for vascular surgery	<2.5%	<2.5%

FISCAL IMPACT:

The term of the agreement is July 1, 2018 through June 30, 2019. The amount of the agreement is not to exceed \$700,000 for the one year term. Funds in the amount of \$700,000 will be included in the SMMC FY 2018-19 Recommended Budget.

Payment provisions for this agreement represent a 46% increase compared to the previous agreement. This increase is due primarily to an increase in on call and regular hour rates established by the Medical Group Management Association, which SMMC uses to benchmark its provider contracts. Call coverage for vascular surgery is 365 nights per year. The last compensation increase for this provider was in SMMC FY 2015-16.

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.