



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-529

Board Meeting Date: 6/26/2018

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 Harmony Healthcare, LLC to Provide Coding Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Harmony Healthcare, LLC to provide coding services for the term of July 1, 2018 through June 30, 2021, in an amount not to exceed \$475,500.

BACKGROUND:

San Mateo Medical Center (SMMC) has been contracting for ongoing as needed support coding services since 1998. In February 2018, SMMC completed a Request for Proposals for coding services and Harmony Healthcare, LLC (Harmony) was chosen based on their experience in the industry and competitive pricing in comparison to the proposals that were submitted.

DISCUSSION:

SMMC continues to have an ongoing need for support coding services and Harmony has agreed to meet or exceed SMMC's productivity standards.

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 allowing SMMC to promptly and accurately capture revenue. It is anticipated that emergency department records will be coded within 3 days of discharge 85% of the time.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Estimated	FY 2018-19 Projected
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Percentage of emergency department records will be coded within 3 day of discharge	47%	85%
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FISCAL IMPACT:

The term of the agreement is July 1, 2018 through June 30, 2021. The amount of the agreement is not to exceed \$475,500 for the three-year term. Funds in the amount of \$158,166 are included in the SMMC FY 2018-19 Recommended Budget. Funds in the amount of \$158,166 will be included in the SMMC FY 2019-20 Recommended Budget.

The payment provisions differ from that of the previous agreement due to a 30% increase in charges for coding services.

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.

ATTACHMENT:

RFP Matrix