



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-877

Board Meeting Date: 9/25/2018

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 Alan McBride to Provide Reimbursement Management Consulting Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Alan McBride to provide Reimbursement Management services for the term of October 1, 2018 through September 30, 2021, in an amount not to exceed \$850,000.

BACKGROUND:

As a public hospital, San Mateo Medical Center (SMMC) serves a broad mix of patients and the federal and State regulations governing reimbursement for medical services provided by SMMC are complex. Approximately 60 percent of SMMC's annual revenue comes from federal and State reimbursement programs, such as Medicaid's Disproportionate Share Hospital program, the California Department of Health Care Services' Medicaid 1115 Waiver, Medi-Cal, Medicare, and other programs. In addition, the recently-enacted Medicaid Managed Care Rule resulted in new funding programs.

Administering hospital reimbursement functions for these programs requires a high level of knowledge and experience, due to the programs' complexity and documentation requirements. SMMC requires support from a consultant who can analyze the hospital's participation in these various programs and ensure that SMMC submits accurate cost reports and other requested documentation to support the ongoing reimbursement. Alan McBride has been providing reimbursement-related services at SMMC on a contracted basis since September 2015.

DISCUSSION:

Mr. McBride has an extensive background in this subject area, including experience working as a reimbursement manager for the County of Alameda and previously serving as Chief Financial Officer for multiple hospitals. In addition, SMMC anticipates a change in its current Centers for Medicare & Medicaid Services (CMS) waiver reporting requirements and Mr. McBride has the specialized

knowledge and skills that will be needed to respond to CMS and Department of Health Care Services (DHCS) inquiries, preparing the reports necessary to comply with these new regulations.

Due to the highly specialized skills needed to fulfill this position, SMMC is requesting a waiver of 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).

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing reimbursement management consulting services to SMMC. It is anticipated that SMMC's financial reporting requirements will be submitted to meet CMS / DHCS deadlines 100 percent of the time.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Reporting requirements will be submitted to meet CMS / DHCS deadlines	100%	100%

FISCAL IMPACT:

The term of the agreement is October 1, 2018 through September 30, 2021. The amount of the agreement is not to exceed \$850,000 for the three-year term. Funds in the amount of \$212,500 are included in the SMMC FY 2018-19 Recommended Budget. Funds in the amount of \$283,333 will be included in the SMMC FY 2019-20 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions of this agreement are identical to the previous agreement.

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.