



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 18-973

Board Meeting Date: 10/23/2018

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**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 Agreement with Regulatory, Risk, Compliance Specialists, Inc. for  
Regulatory Consulting Services

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Regulatory, Risk, Compliance Specialists, Inc., for regulatory consulting services, extending the term through December 31, 2018 and increasing the amount by \$100,000 in an amount not to exceed \$700,000.

### **BACKGROUND:**

In April 2017, the SMMC Chief Executive Officer of the San Mateo Medical Center (SMMC) approved an agreement with Regulatory, Risk, and Compliance Services Specialists, Inc. (RRCS) to secure assistance for the Resource Management Department in reviewing documentation regarding medical necessity for certain patient services and for staff training on appropriate documentation practices. In September 2017, your Board approved an amendment to waive the Request for Proposals process and extend the term through December 31, 2018, with an associated increase in funding of \$500,000, to an amount not to exceed \$600,000.

### **DISCUSSION:**

SMMC has required and anticipates needing a greater amount of assistance from RRCS than projected in September 2017. SMMC continues to have a pressing need for assistance in reviewing the documentation of medical necessity for healthcare services and staff. Given this need, SMMC requests that the maximum amount payable under the agreement be increased by \$100,000, to an amount not to exceed \$700,000.

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

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by reducing the number of appeals and denials for SMMC's patients due to lack of documented medical necessity. It is anticipated that the percent of percentage of medical necessity

errors/variances needing correction will be reduced to five percent.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>
Percentage of medical necessity errors/variances needing correction	20%	5%

**FISCAL IMPACT:**

The term of the agreement is April 1, 2017 through December 31, 2018. The amount of the agreement is not to exceed \$700,000. The amendment increases the amount payable under the agreement by \$100,000. Funds in the amount of \$100,000 are included in the SMMC FY 2018-19 Adopted Budget.

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.